PD-AAW-549
52628

Septiembre 10, 1987

Dr. Jorge Gomez Andino
Presidente
Consejo Hondureno para la Empresa Privada
Tegucigalpa, Honduras

Asunto: Convenio de Cooperacion No. 522-0325.1

Estimado Dr. Gomez Andino:

De conformidad a la autorización contenida en el Acta de Asistencia al extranjero de 1961, y sus enmiendas, la Agencia para Desarrollo Internacional (que en adelante sera referida como "A I.D.") por este medio proporciona al Consejo Hondureno para la Empresa Privada (que en adelante será referido como "COHEP" o "recipiente"), la cantidad de US$200,000 (DOSCIENTOS MIL DOLARES ESTADOUNIDENSES) para apoyar el programa de COHEP para el análisis de sistemas económicos que guien al sector privado en el establecimiento de un sistema de diálogo con el gobierno que sea más efectivo, y que aumente el conocimiento del público acerca de la importancia del sector privado para el desarrollo de Honduras. Una descripción detallada del programa que se apoya esta descrito en el Plan del Convenio de Cooperación, Anexo I, y Anexo II, titulado "Descripción del Programa." Una cantidad adicional de US$4,800,000 (CUATRO MILLONES OCHOCIENTOS MIL DOLARES ESTADOUNIDENSES) puede ser disponible bajo el Convenio de Cooperación en incrementos subsiguientes, sujetos a la disponibilidad de fondos al A.I.D. para este propósito, y por acuerdo mutuo de las Partes, en la fecha de un incremento subsiguiente, de proseguir.

Este convenio es efectivo y existirá obligacion a partir de la fecha en esta carta y se aplicará a compromisos hechos por el Recipiente en el adelantamiento de los objetivos del programa durante el periodo comenzando con la fecha en que se hace efectivo y finalizando Septiembre 30, 1992.

Este convenio se hace con COHEP con la

September 10, 1987

Dr. Jorge Gomez Andino
President
Honduran Council for Private Enterprise
Tegucigalpa, Honduras

Subject: Cooperative Agreement No. 522-0325.1

Dear Dr. Gomez Andino:

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.") hereby provides to the Honduran Council for Private Enterprise (hereby referred to as "COHEP" or "Recipient"), the sum of US$200,000 to support COHEP's program to analyze economic policies, lead the private sector in establishing a more effective policy dialogue with the government, and increase public awareness about the importance of private enterprise for Honduran development. A fuller description of the program to be supported is contained in the Schedule of this Cooperative Agreement, Attachment I, and Attachment II, entitled "Program Description." An additional US$4,800,000 may be made available under this Cooperative Agreement in subsequent increments, subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

This agreement is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending September 30, 1992.

This agreement is made with COHEP on

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condición que los fondos serán administrados de acuerdo con los términos y condiciones que se estipulan en el Anexo I, llamado Términos, Anexo II, titulado "Descripcion del Programa," y Anexo III titulado mandatos de estipulaciones generales para no Norteamericanos, donantes no gubernamentales, y el Anexo IV titulado "Solicitud aplicable como estipulaciones generales para No Norteamericanos, donantes no gubernamentales".

Favor firmar el original y siete (7) copias de esta carta para acusar recibo del Convenio y devolver el original y seis copias a la Oficina Administrativa de Contratos en la Mision de A.I.D.

condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment I, entitled the Schedule, Attachment II, entitled "Program Description," and Attachment III entitled "Mandatory Standard Provisions" for Non-U.S., Non-governmental Grantees, and Attachment IV entitled "Required as applicable Standard Provisions for Non-U.S., Non-Governmental Grantees".

Please sign the original and seven (7) copies of this letter to acknowledge your receipt of the agreement, and return the original and six (6) copies to the Office of Contract Management in the A.I.D. Mission.

Atentamente,

Sincerely yours,

James C. Athanas

James Athanas
Oficial de Contratos

Anexos:
1. Términos
2. Descripción del Programa
3. Estipulaciones Generales

Attachments:
1. Schedule
2. Program Description
3. Standard Provisions

DE CONFORMIDAD:

COHEP

POR: Jorge Gomez Andino

CARGO: Presidente del Consejo Hondureño de la Empresa Privada

FECHA: 9-10-87

TESTIGOS HONORARIOS

CONSEJO HONDURENO PARA LA EMPRESA PRIVADA
(COHEP)

Jorge Gomez Andino
Presidente
Consejo Hondureño para la Empressa
Privada

John H. Penfold
Deputy Chief of Mission

John A. Sanbrailo
Mission Director

Anexo I

Términos del Convenio de Cooperación

A. Propósito del Convenio

El propósito de este Convenio es el de fortalecer la capacidad del sector privado de Honduras, a través del Consejo Hondureno para la Empresa Privada (COHEP) para analizar las regulaciones económicas que afectan al sector privado, como se ha descrito en detalle en el Anexo II de este Convenio titulado "Descripción del Programa."

B. Período del Convenio

1. La fecha en que este Convenio se hace efectivo es Septiembre 10, 1987. La fecha estimada para la terminación del Convenio es Septiembre 9, 1992. Los fondos comprometidos en virtud de ésto están disponibles para gastos del programa por este período estimado.

2. Bajo estos fondos obligados para la finalización del programa por el período estimado del 10 de septiembre de 1987 hasta el 10 de marzo de 1988 como se describe en plan financiero siguiente.

C. Costo del Convenio y Pago

1. El costo total estimado de este Convenio por el período indicado anteriormente en B.1 es de US$5,000,000 como se describe en el Plan Financiero siguiente.

2. La A.I.D. por este medio compromete la cantidad de $200,000 (DOSCIENTOS MIL DOLARES ESTADOUNIDENSES) para los gastos del programa durante el período estipulado en B.2 anterior y como se describe en el plan financiero siguiente.

3. Los pagos se harán al Recipiente de acuerdo con los procedimientos estipulados en el Anexo IV, "Requeridos como Estipulaciones Generales Aplicables a Donatarios

Attachment I

Cooperative Agreement Schedule

A. Purpose of Agreement

The purpose of this Agreement is to strengthen the capacity of the private sector in Honduras, through the Honduran Council for Private Enterprise (COHEP), to analyze economic policies affecting the private sector, as more specifically described in Attachment II to this Agreement entitled "Program Description."

B. Period of Agreement

1. The effective date of this Agreement is September 10, 1987. The expiration date of this Agreement is September 9, 1992. Funds obligated hereunder are available for program expenditures for this estimated time period.

2. Funds obligated hereunder are available for program expenditures for the estimated period September 10, 1987 to March 10, 1988 as shown in the Financial Plan below.

C. Amount of Agreement and Payment

1. The total estimated amount of this Agreement for the period shown in B.1 above is US$5,000,000 as shown in the Financial Plan below.

2. A.I.D. hereby obligates the amount of $200,000 for program expenditures during the period set forth in B.2 above and as shown in the Financial Plan below.

3. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment IV, "Required as Applicable Standard Provisions for Non-U.S., Non-Governmental Grantees".

No-estadounidenses, No-gubernamentales, No. 01.0" "Adelanto de Pagos por Periodo".

4. Los fondos adicionales hasta por la cantidad total del Convenio descrito anteriormente en el C.1 puede ser comprometido por la A.I.D. sujeto a la disponibilidad de fondos y cumplimiento de las Condiciones Precedentes delineados en el Anexo II, Sección D.

D. Plan Financiero

La Tabla A proporciona el Plan Financiero por este Convenio las cantidades de Ajustes de la línea de partidas del Presupuesto en una cantidad superior pero no excediendo 15%, puede ser efectuado con la aprobación escrita por el oficial de la A.I.D. Cualquier ajuste excediendo del 15%, debe ser efectuado de acuerdo con la estipulación mandatoria No. 4 titulado "Revisión de Presupuesto de Donación".

No. 01.0 "Payment-Periodic Advance."

4. Additional funds up to the total amount of the Agreement shown in C.1 above may be obligated by A.I.D. subject to the availability of funds and meeting of Conditions Precedent outlined in Attachment II, Section D.

D. Financial Plan

Table A provides the Financial Plan for this Agreement Adjustments among budget line items in an amount up to, but not exceeding 15%, may be made with the written approval of the A.I.D. Project Officer. Any adjustment exceeding 15% must be made in accordance with mandatory provision No. 4 entitled "Revision of Grant Budget".

TABLE A
(CUADRO A)

ESTIMATED PROJECT BUDGET
(Presupuesto Estimado del Proyecto)
(US $000)

		SOURCE OF FINANCING (Fuente de Financiamiento)			
		A.I.D. 9/10/87 to 3/10/87	GOH LC	PRIVATE SECTOR LC	TOTAL
A.	Technical Assistance/Project Management (Asistencia Técnica/Manejo de Proyecto)	863	-	-	863
B.	Policy and Economic Analysis Strengthening (Fortalecimiento de Política y Análisis Económico)	980	-	197	1,177.
C.	Policy, Dialogue, Consensus-Building & Public Education (Política, Diálogo, Concientización-Construcción y Educación Pública)	1,300	-	272	1,572
D.	Institutional Consolidation (Consolidación Institucional)	1,408	-	320	1,728
E.	Administrative Support (Apoyo Administrativo)	210	-	161	371
F.	Evaluation and Financial Reviews (Evaluación y Revisión Financiera)	177	-	-	177
G.	Endowment Trust Fund (Dotación de Fondo Fiduciario)	-	(1,000)	(1,000)	(2,000)
H.	Commodities (Materiales)	62	-	-	62
	TOTAL	5,000	(1,000)	950	5,950

E. Estipulación Especial

Los Términos "Donación" y "Donante" en donde aparecen en los Anexos III y IV, serán considerados como "Convenio" y "Recipiente", respectivamente.

F. Título de Propiedad

El título y el uso de propiedad deberá ser de acuerdo con el anexo IV.

G. Código Geográfico Autorizado

El Código geógrafico autorizado para la obtención (Procuración) de materiales (Existencias) y servicios bajo este Convenio son los Estados Unidos (000), y países que sus miembros del Mercado Común Centroamericano y países cooperantes (935) a excepción de lo que la A.I.D. de otra manera pudiera convenir por escrito.

H. Idioma del Convenio

Este Convenio Cooperativo ha sido redactado en inglés y en español. En caso de ambigüedad entre las dos versiones, la versión en inglés prevalecerá.

I. Entendimientos sustancialmente involucrados

De acuerdo al contrato y solicitud titulado en el Adjunto II, Sección C, la A.I.D. anticipa un papel de monitoreo continuo que abarca todo el Proyecto para asegurar de llevar a cabo un análisis técnico competente y apropriado diálogo de política con los sectores del privado y público. También la A.I.D. mantiene el derecho para revisar y aprobar todos los estudios de fondos de dotación adicional de la A.I.D. y los requerimientos de COHEP son titulados completamente en el Anexo II.

E. Special Provision

The terms "Grant" and "Grantee" where they appear in Attachments III and IV, shall be deemed to be "Agreement" and "Recipient", respectively.

F. Title to Property

Title to and use of property shall be in accordance with Attachment IV.

G. Authorized Geographic Code

The authorized geographic code for procurement of goods and services under this Agreement is the U.S.(000), countries that are members of the Central American Common Market, and the Cooperating Country (935), except as A.I.D. may otherwise agree in writing.

H. Language of Agreement

This Cooperative Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English version will control.

I. Substantial Involvement Understandings

In addition to the contracting and procurement role outlined in Attachment II, Section C, A.I.D. anticipates a close continuing monitoring role of the overall Project to ensure the carrying out of competent technical analysis and appropriate policy dialogue with the private and public sectors. A.I.D. also maintains the right to review and approve all the A.I.D. funded studies. Additional A.I.D. involvement and COHEP requirements are outlined more fully in Attachment II.

ADJUNTO II

DESCRIPCION DEL PROGRAMA

A. Propósito y Objectivos:

El propósito de este Convenio de Cooperación (CC) es fortalecer la capacidad del sector privado en Honduras, a través del Consejo Hondureño de la Empresa Privada (COHEP), para analizar las políticas económicas que afectan al sector privado, guiar al sector privado en el establecimiento de una política de diálogo más efectiva con el gobierno, e incrementar el conocimiento público en cuanto a la importancia que tiene la empresa privada para el desarrollo de Honduras. Para este fin, el CC fortalecerá la capacidad técnica y financiera de COHEP y de las organizaciones miembros para que sirvan como representantes eficientes del sector privado.

B. Descripción de la Actividad de la Donación

El CC apoyará las actividades de COHEP en tres áreas: Política de Fortalecimiento y Análisis Económico; Política de Diálogo y Formación de Consenso; y la Consolidación de COHEP y Asociaciones Miembros.

1. Política de Fortalecimiento y Análisis Económico

El CC ayudará a COHEP a analizar las políticas económicas del Gobierno de Honduras (GdeH), las políticas propuestas y las regulaciones administrativas, y analizar y recomendar al gobierno nuevas medidas de política y administración. El objetivo de este análisis será el de determinar el impacto de las políticas actuales y futuras sobre la empresa privada, y más importante aún, sobre el desarrollo y crecimiento económico de Honduras.

A través de la División de Análisis Economico y de Políticas (EPAD), COHEP llevará a cabo análisis técnicos , objectivos de los problemas claves que afectan al sector privado. Se espera que

ATTACHMENT II

PROGRAM DESCRIPTION

A. Purpose and Objectives:

The purpose of the Cooperative Agreement (CA) is to strengthen the capacity of the private sector in Honduras, through the Honduran Council for Private Enterprise (COHEP), to analyze economic policies affecting the private sector, lead the private sector in establishing a more effective policy dialogue with the government, and increase public awareness regarding the importance of private enterprise for Honduran development. To this end, the CA will strengthen the technical and financial capacity of COHEP and member organizations to serve as effective representatives of the private sector.

B. Activity Description

The C.A. will support COHEP's activities in three areas: Strengthening Policy and Economic Analysis; Policy Dialogue and Consensus-Building; and Consolidation of COHEP and Member Associations.

1. Policy and Economic Analysis Strengthening

The CA will assist COHEP to analyze Government of Honduras (GOH) economic policies, proposed policies and administrative regulations, and to analyze and recommend to the government new policy and administrative measures. The objective of this analysis will be to determine the impact of current and future policies on private enterprise and, more importantly, on Honduran economic growth and development.

COHEP will carry out highly competent technical analyses of key problems affecting the private sector through the Economic and Policy Analysis Division (EPAD). It is expected that the grant

la donación financiará aproximadamente de 3 a 4 estudios al año. Estos consistirán de un claro y consiso planteamiento del problema, un análisis de los asuntos, y, donde sea apropriado y factible, de las recomendaciones sobre políticas. COHEP también dirigirá los análisis legales y administrativos sobre nuevas leyes importantes y regulaciones administrativas, que afecten a los intereses del sector privado.

Para emprender estos esfuerzos, COHEP contratará los servicios de un economista prominente y de un asistente de investigación. Mientras se espera que algunos de los estudios sean llevados a cabo directamente por COHEP, habrán muchos que serán encomendados a las organizaciones miembros de COHEP y/o consultores internacionales y/o hondureños. El CC financiará estas actividades de investigación y de personal de apoyo. El economista principal será responsable de asegurarse que la gerencia de COHEP apruebe una agenda de estudio para dirigir el desarrollo de los estudios económicos.

Los estudios tratarán exclusivamente de los tópicos y temas que involucran los intereses sectoriales y de grupo, y dónde la política y reforma administrativa beneficiará en gran manera a la economía de Honduras. Probablemente los tópicos incluirán, pero no estarán limitados a: la competencia de las exportaciones de Honduras; incentivos e impedimentos para la inversión privada; el sistema actual de seguro social y como afecta al sector privado; políticas y tarifas de mercado (incluyendo la naturaleza e impacto del contrabando); y la productividad laboral y empleo. Los temas específicos de los estudios serán escogidos por el economista principal junto con la gerencia de COHEP y su Junta Directiva. Para asegurar una coordinación efectiva de las iniciativas de análisis de políticas, COHEP, entregará copias de los borradores de los alcances de trabajo de éstos estudios a la A.I.D., la cual proveerá comentarios. Los detalles sobre éstos estudios, y el procedimiento de revisarlos y aprobarlos será elaborado conjuntamente y por

will finance approximately 3-4 studies a year. They will consist of a clear and concise statement of the problem, an analysis of the issues, and, where appropriate and feasible, policy recommendations. COHEP will also direct legal and administrative analyses of important new laws and administrative regulations which affect private sector interests.

To undertake these efforts, COHEP will contract the services of a senior local economist and a research assistant. While it is expected that some studies will be conducted directly by COHEP, many will be contracted out to COHEP member organizations and/or to international and/or Honduran consultants. The CA will finance these research activities and staff support. The senior local economist will be responsible for securing COHEP management approval of a study agenda and for managing the conduct of the economic studies.

Studies will deal exclusively with topics and issues that cut across sectoral and group interests and where policy and administrative reform will benefit the Honduran economy at large. Likely topics include, but are not limited to: the competitiveness of Honduran exports; incentives and constraints to private investment; the current social security system and how it affects the private sector; trade and tariff policies (including the nature and impact of contraband trade); and labor productivity and employment. Specific study topics will be chosen by the senior local COHEP economist in conjunction with COHEP management and its Board of Directors. To ensure effective coordination of policy analysis initiatives, COHEP will provide copies of draft scopes of work for these studies to A.I.D. for comment. Further details concerning the studies and the review and approval process will be elaborated and jointly agreed upon in a separate Memorandum of Understanding

separado, por medio de un Memorandum de Entendimiento, firmado por COHEP y la A.I.D., después de que este Convenio de Cooperación sea firmado.

2. Política de Diálogo, Formación de Consenso y Educación Pública

El CC financiará los grandes esfuerzos de COHEP para establecer un mayor entendimiento del tema de política económica y otros asuntos que afectan a la empresa privada. Esto se logrará a través de los esfuerzos del análisis económico arriba descrito, y a través de las iniciativas financiadas por el CC para establecer un mayor consenso en asuntos económicos dentro del sector privado y entre los sectores público y privado, incluyendo un diálogo más efectivo entre el sector privado y el gobierno sobre asuntos económicos claves. Para este fin, el Convenio financiará las tres actividades siguientes: seminarios, conferencias y publicaciones para diseminar los resultados de los análisis económicos de COHEP y establecer un diálogo más abierto entre las organizaciones del sector privado y entre los sectores público y privado; un procedimiento y un programa de política de diálogo bien organizados dirigido a las dependencias ejecutivas y legislativas del gobierno; y relaciones públicas y esfuerzos dirigidos hacia la educación para aumentar el entendimiento público sobre la importancia de la iniciativa privada y del crecimiento económico propiciado por las fuerzas del comercio.

a. Seminarios, Conferencias, Publicaciones

Tres foros importantes serán utilizados por COHEP para diseminar los resultados de las investigaciones y lograr los objectivos antes mencionados: su asamblea anual; conferencias importantes sobre temas específicos; y seminarios sobre políticas económicas.

A través de esfuerzos apoyados por el Proyecto, la asamblea anual de COHEP se convertirá en un evento de importancia

(MOU) to be signed between COHEP and A.I.D. following the signing of this Cooperative Agreement.

2. Policy Dialogue, Consensus-Building, and Public Education

The CA will finance COHEP's expanded efforts to establish greater understanding of economic policy issues and other issues affecting private enterprise. This will be accomplished through the economic analysis efforts described above, and through agreement-financed initiatives to build greater consensus on economic matters within the private sector and between the private and public sectors, including a more effective private sector-government dialogue on key economic issues. To this end, the Agreement will finance the following three activities: seminars, conferences, and publications to disseminate the results of COHEP's economic analyses and establish a more open dialogue among private sector organizations and between the private and public sectors; a well-orchestrated lobbying and policy dialogue program directed at the executive and legislative arms of the government; and public relations and education efforts to increase public understanding of the importance of private initiative and market-led economic growth.

a. Seminars, Conferences, Publications

Three major forums will be utilized by COHEP to disseminate research findings and accomplish the aforementioned objectives: its annual assembly; major conferences on specific themes; and economic policy seminars.

Through Project-assisted efforts, COHEP's annual assembly will become an event of national importance, in which

nacional, en el cual las asociaciones del sector privado se reunirán para evaluar la economía nacional, proponer y ratificar las recomendaciones específicas de políticas sobre asuntos económicos que afectan el desarrollo del sector privado, involucrarse en un diálogo abierto y activo con miembros del gabinete de políticas económicas y con representantes de los trabajadores, Congreso, y otros grupos clave. Dará una especial atención a los talleres y seminarios de grupos de trabajo en las cuales los miembros de COHEP consideren y debatan sobre resoluciones de políticas propuestas por asociaciones miembros. La asamblea anual concluirá con una sesión plenaria para adoptar las resoluciones de políticas y elegir oficiales.

private sector associations gather to assess the national economy, propose and ratify specific policy recommendations on economic issues affecting the development of the private sector, and engage in open and active dialogue with members of the economic policy cabinet and representatives from labor, Congress, and other key groups. It will feature panel discussions and working group sessions in which COHEP members consider and debate policy resolutions proposed by member associations. The annual assembly will conclude with a plenary session to adopt policy resolutions and elect officers.

COHEP organizará un año de por medio (1988, 1990, 1992 durante la vida del Proyecto) una conferencia de tres días para tratar sobre un tema de gran importancia nacional y regional para el desarrollo del sector privado. Las conferencias reunirán a los representantes líderes del sector privado de la región centroamericana para discutir estos temas. El COHEP organizará y financiará la participación en la conferencia, y será responsable de preparar/contratar estudios sobre temas específicos de Honduras. Otras asociaciones centroamericanas empresariales prepararan materiales similares acerca de sus países. Estas conferencias permitirán a los oficiales de los sectores público y privado de los países representados, de comparar experiencias y obtener un mayor entendimiento de las políticas y las condiciones necesarias para promover la inversión y el crecimiento económico.

Every other year (1988, 1990, 1992 during the life of Project), COHEP will organize a three-day conference on a topic of major national and regional importance to the development of the private sector. The conferences will bring together leading private sector representatives from the Central American region to discuss these themes. COHEP will organize and finance these conferences, and will be responsible for preparing/contracting studies on Honduras-specific issues. Other Central American business associations will prepare similar materials on their countries. These conferences will permit both public and private sector officials from countries represented to compare experiences and gain a greater understanding of the polices and conditions required to promote investment and economic growth.

Los resultados de los estudios de política económica llevados a cabo por COHEP, arriba descritos, serán divulgados y presentados formalmente a una sección de los líderes de la opinión hondureña durante seminarios de medio día. Participantes del gobierno, del sector obrero, de las fuerzas armadas y de los medios de comunicación tanto como el sector empresarial serán invitados a discutir y debatir las recomendaciones de

The results of the economic policy studies carried out by COHEP described above will be disseminated and formally presented to a cross-section of Honduran opinion leaders at half-day seminars. Participants from the government, labor, the armed forces, and the media as well as the private enterprise sector will be invited to discuss and debate the policy recommendations contained in COHEP's studies.

políticas contenidas en los estudios del COHEP.

A través del Proyecto, el COHEP también expanderá y mejorará la calidad de sus publicaciones para facilitar el proceso del diálogo. Esto consistirá de un boletín informativo mensual, estudios económicos, análisis legales y administrativos, y un Reporte Anual ampliado. Estas publicaciones proporcionarán información sobre las actividades del COHEP, sesiones y conferencias, darán a conocer los puntos de vista de la asociación y los esfuerzos a su favor, reformas de políticas económicas, y breves artículos sobre la empresa privada y el desarrollo nacional. Además, todos los estudios de políticas económicas llevados a cabo, serán ampliamente distribuídos a oficiales del sector público y representantes del sector privado, así como también a los medios de comunicación.

Juntamente con estos esfuerzos, el COHEP llevará a cabo bajo el Proyecto una campaña pública de educación/concientización. Como un primer paso para diseñar una campaña de educación pública amplia, el COHEP llevará a cabo un estudio a nivel nacional (a través de Gallup o una organización similar) sobre la opinión pública para informarse de las actitudes, percepciones, nivel de conocimiento, y preocupaciones que tenga un sector muestra de la población sobre el sistema de libre empresa y del sector privado de Honduras. Basándose en esta información, se desarrollará una campaña de concientización pública, a través de los medios de comunicación cuidadosamente definida y enfocada para modificar las actitudes y el entendimiento hacia la libre empresa, el empresario y el entendimiento de la misma. La audiencia potencial incluirá la comunidad empresarial, los estudiantes, la clase media, los trabajadores, el sector público y los políticos. Los mecanismos ilustrativos para llevar a cabo la campaña incluyen: anuncios por radio y televisión; anuncios de una página en periódicos; la creación de un Premio anual "Jóvenes Empresarios Destacados";

Through the Project, COHEP will also expand and improve the quality of its publications to facilitate the dialogue process. These will include a monthly newsletter, economic studies, legal and administrative analyses, and an expanded Annual Report. These publications will provide information on COHEP activities, meetings and conferences, present the association's views on, and efforts in behalf of, economic policy reforms; and contain short articles on private enterprise and national development. In addition, all economic policy studies carried out will be widely distributed to public sector officials and private sector representatives, as well as the media.

Along with these efforts, COHEP will carry out under the Project a public education/consciousness-raising campaign. As a first step in designing a comprehensive public education campaign, COHEP will carry out a national survey (through Gallup or a similar organization) of public opinion to learn the attitudes, perceptions, level of knowledge, and concerns of a cross-section of the population regarding the free enterprise system and the Honduran private sector. Based on this information, a carefully defined and targeted multi-media public education campaign will be developed to modify attitudes toward, and understanding of, free enterprise and the entrepreneur. Potential target audiences include the business community, students, the middle class, workers, the public sector, and politicians. Illustrative mechanisms to carry out the campaign include: radio and television spots; full-page newspaper advertisements; creation of an annual Junior Achievement Award for young businesspersons/entrepreneurs; publications and distribution of texts and materials on the free enterprise

publicaciones y distribución de textos y materiales sobre el sistema de libre empresa -- particularmente a las escuelas; y una columna semanal en el periódico publicada bajo el nombre de COHEP.

Para ejecutar el esfuerzo dirigido hacia las comunicaciones/relaciones públicas arriba descrito, el CC financiará al COHEP para que establezca una pequeña pero altamente competente división de comunicaciones (DC). Esta unidad será dirigida por un especialista con experiencia en comunicaciones, responsable por la planeación y supervisión de los asuntos públicos y las actividades de comunicación del COHEP, incluyendo la organización de conferencias, seminarios, publicaciones (estudios especiales y un boletín informativo mensual), campañas de educación pública, y relaciones de comunicación. La persona encargada de la división de comunicaciones tendrá vasta experiencia y un título de educación superior en el campo de las comunicaciones y tendrá un asistente, también con experiencia en esa rama. Un técnico experimentado financiado por el Proyecto estará disponible para asistir en la ejecución de estos esfuerzos cuando sea necesario.

b. Relaciones Gubernamentales

A través del Convenio, el COHEP expanderá sus esfuerzos de diálogo/cabildeo con el sector público. Sin tener que suplantar los contactos directos tradicionales del sector empresarial hondureño con el Poder Ejecutivo, se hará un énfasis especial en los esfuerzos para establecer un diálogo contínuo y productivo con el Poder Legislativo.

Como parte del esfuerzo de las relaciones del Congreso, el CC financiará los esfuerzos propios del COHEP para organizar, de 3 a 4 veces al año, reuniones estructuradas con un grupo representativo de líderes congresistas, para discutir los asuntos pendientes en el Congreso o en el Poder Ejecutivo, los cuales afectan los intereses del sector empresarial y el desarrollo de Honduras. El propósito de estas reuniones será el de

system--particularly to schools; and a weekly newspaper column published under the name of COHEP.

To implement the communications/public relations effort described above, the CA will finance COHEP's establishment of a small but highly competent communications division (CD). This unit will be headed by an experienced communications specialist responsible for planning and supervising the public affairs and communications activities of COHEP, including the organization of conferences, seminars, publications (special studies and monthly newsletter), public education campaigns, and media relations. The individual heading the communications division will have considerable experience and an advanced degree in the field and will have an assistant, also experienced in the field. Project-financed technical expertise will be available as needed for these endeavours.

b. Government Relations

Through the Agreement, COHEP will expand its dialogue/lobbying efforts with the public sector. Without supplanting traditional Honduran private enterprise direct contacts with the executive branch, special emphasis will be placed on efforts to establish an ongoing, productive dialogue with the legislature.

As part of the Congressional relations effort, the CA will finance COHEP's own efforts to organize structured meetings 3-4 times a year with a representative group of congressional leaders to discuss issues pending in Congress or the Executive branch which affect private enterprise sector interests and Honduras' development. The purpose of these meetings will be to present COHEP's ideas (based on thorough

presentar las ideas del COHEP (basadas en una investigación profunda y análisis) sobre como podrían ser eliminados los impedimentos para incrementar la inversión privada y crear empleos.

Para dirigir este esfuerzo, el COHEP creará la posición de Director de Enlace para Asuntos Gubernamentales. La persona encargada de este puesto será responsable de la coordinación de las actividades del COHEP vis-a-vis dependencias del Poder Ejecutivo y del Congreso, del seguimiento de las regulaciones administrativas y legislativas que afectan al sector empresarial, y del inicio y supervisión de análisis breves de los decretos legales y ejecutivos. El Director de Enlace también organizará una serie de almuerzos de trabajo del Congreso, en coordinación con EPAD y CD, y proveerá personal de apoyo a los representantes del COHEP en las sesiones gubernamentales.

3. Consolidación Institucional

Para llevar a cabo un papel de expansión significativo al representar los intereses del sector privado ante el gobierno, el Convenio apoyará los esfuerzos del COHEP para fortalecer la organización. Para fortalecer su base financiera, el COHEP llevará a cabo una amplia campaña de recaudación de fondos de donación para incrementar sus ingresos, de modo que pueda llevar a cabo las actividades inicialmente apoyadas a través de este Convenio, sobre una base sólida y continua. La asistencia técnica financiada bajo el Convenio ayudará al COHEP en estos esfuerzos. El COHEP hará todo lo posible para aumentar significativamente la base y cuotas de su membresía. Además, el COHEP establecerá un fondo de capital donado. Después de que se hayan terminado los fondos de este Convenio, una parte importante de los costos de operación y programación del COHEP, serán financiados con los intereses generados por dicho fondo. Durante la vida del Convenio, el capital y los intereses del fondo serán invertidos en instrumentos financieros apropiados u otras inversiones que maximicen la integridad y el valor del fondo.

research and analysis) on how bottlenecks to increased private investment and job creation might be eliminated.

To head this effort, COHEP will create the position of Government Affairs Liaison Director. The person acting in this capacity will be responsible for coordinating the activities of COHEP vis-a-vis executive agencies and Congress, of monitoring administrative and legislative regulations affecting the private enterprise sector, and of initiating and supervising brief analyses of laws and executive decrees. The Liaison Director will also organize the congressional luncheon series, in coordination with the EPAD and CD, and provide staff support to COHEP representatives on governmental boards.

3. Institutional Consolidation

To carry out a significantly expanded role in representing private sector interests before the government, the Agreement will support COHEP efforts to strengthen the organization. To strengthen its financial base, COHEP will undertake a major donation campaign to increase its income so that it will be able to carry out the activities initially supported by the Agreement on a sustainable basis. Agreement-financed technical assistance will assist COHEP in these efforts. COHEP will strive to significantly increase its membership base and dues. In addition, COHEP will establish a capital endowment fund. Interest from this fund will finance an important part of COHEP's operating and program expenditures after project funds have terminated. Through the life of the Agreement, principal and interest from the fund will be invested in appropriate financial instruments or other investments which maximize the integrity and value of the fund.

El COHEP se compromete a llevar a cabo todos los esfuerzos posibles para recaudar no menos del equivalente de US$1,000,000 en moneda local durante la vida del Convenio (1992). A la expiración del Convenio y sujeto a la aceptación del Gobierno de Honduras a través de los procedimientos establecidos bajo la Cuenta Especial del programa Fondo de Ayuda Económica y a la disponibilidad de fondos, la A.I.D. igualará la cantidad de fondos (capital e interés) generados por el COHEP para este fin, hasta por una cantidad que no exceda del equivalente en lempiras a US$1,000,000. Detalles acerca de este fondo de capital de donación, incluyendo la política de inversión, el uso de los intereses, y otros puntos, serán acordados por separado a través de un Memorandum de Entendimiento entre la A.I.D. y el COHEP. El avance para lograr la capitalización del fondo de donación será revisado regularmente por el COHEP y la A.I.D. El COHEP diseñará un plan financiero de autosuficiencia dentro de un año siguiente a la firma de este Convenio.

COHEP commits itself to undertake all possible efforts to raise no less than the equivalent of US$1,000,000 in local currency through the life of the Agreement (1992). When the Agreement expires and, subject to the concurrence of the Government of Honduras through procedures established under the Special Account of the Economic Support Fund program and the availability of funds, A.I.D. will match the amount of funds (principal and interest) generated by COHEP for this purpose, up to an amount not to exceed the lempira equivalent of US1,000,000. Details of this capital endowment fund, including investment policy, uses of interest, and other issues, will be agreed upon through a separate Memorandum of Understanding between A.I.D. and COHEP. Progress toward the achievement of the capitalization of the endowment fund will be reviewed on a regular basis by COHEP and A.I.D. COHEP will delineate a financial self-sufficiency plan within one year of the signing of this Agreement.

Por medio del Convenio, el COHEP aumentará sus esfuerzos para fortalecer a sus organizaciones miembros. El COHEP proveerá asistencia a estas organizaciones a través de un pequeño fondo de donación a ser establecido bajo el Proyecto. El criterio para la asignación de los fondos incluirá: actividades diseñadas para reforzar la capacidad institucional y de servicios para estas organizaciones (eg., campaña para incrementar la membresía, información, capacitación, cantidades limitadas de insumos); actividades diseñadas para beneficiar al sector empresarial como un todo; estudios/seminarios económicos sobre asuntos directamente relacionados con asuntos de desarrollo. Criterios adicionales y detalles de las operaciones de este componente serán acordados por medio de una carta.

Through the Agreement, COHEP will increase efforts to strengthen its member organizations. COHEP will provide assistance to these organizations through a small grant fund to be established under the Project. Criteria for the allocation of funds will include: activities designed to strengthen the institutional and service capacities of these organizations (e.g., membership drives, information, training; limited amounts of essential commodities); activities designed to benefit the private enterprise sector as a whole; and economic studies/seminars on issues directly related to development issues. Additional criteria and details of the operations of this component will be agreed upon through a separate letter.

El COHEP establecerá una división para llevar los asuntos sobre la membresía, que será responsable de la campaña para incrementar la membresía, las donaciones y

COHEP will establish a Membership Affairs Division responsible for membership drives, solicitation of donations and other fund-raising

por otros esfuerzos para la recaudación de fondos, y de trabajar con las asociaciones miembros para reforzar sus servicios de membresía y ampliar su capacidad de acción. Esta división estará formada por un promotor de membresías (un especialista en organización) quien recomendará al Consejo sobre el uso de los fondos para reforzamiento institucional de las asociaciones miembros del COHEP. Esta persona también coordinará los esfuerzos de asistencia técnica financiados bajo el Proyecto en las áreas de mejoramiento institucional/organizacional (asistencia en la modificación de estatutos, estructura organizacional, etc.) y las actividades de recaudación de fondos.

Además de estos esfuerzos, es del acuerdo mutuo entre el COHEP y la A.I.D. que el COHEP revisará y redefinirá los objetivos y el alcance de sus actividades, y lo registrará ya sea por medio de una política debidamente aceptada o una enmienda a sus estatutos. Esta deberá delinear claramente el alcance de las actividades del COHEP, diferenciará el propósito y papel del COHEP de sus asociaciones miembros y limitará la participación del COHEP al análisis o consideración de asuntos de interés o beneficio general. El COHEP también revisará y reformará su estructura organizacional y de toma de decisiones para asegurar que la capacidad de la organización sea consistente para la ejecución y éxito del programa.

C. Administración del Proyecto

a. Responsabilidades del COHEP

El COHEP administrará directamente todas las actividades bajo este Convenio, exceptuando la contratación de asistencia técnica internacional. Un consultor (es) será seleccionado por el COHEP y la A.I.D. para asistir al COHEP en su ejecución. Este consultor servirá de asesor de proyecto a largo plazo y coordinará la contratación de asistencia técnica internacional y nacional requerida a corto plazo. Además del asesor a largo plazo, el COHEP contratará los servicios de un oficial de proyecto para asistir en la

efforts, and for working with member associations to strengthen their membership services and broaden their reach. This Division will be staffed by a membership promoter (an organizational specialist) who will recommend to the Board of Directors the uses of grant funds for institutional strengthening for COHEP members. This individual will also coordinate Project-funded technical assistance efforts in the areas of organizational/institutional improvement (assistance in the modification of statutes, organizational structure, etc.) and fund-raising activities.

In addition to these efforts, it is the mutual understanding of COHEP and A.I.D. that COHEP will review and redefine objectives and the scope of its activities through a binding policy statement or an amendment to its charter. This statement/amendment should clearly delineate COHEP's scope of activities, differentiate between the purpose and role of COHEP from that of its member associations, and limit COHEP's involvement to the analysis or consideration of issues of general interest. COHEP will also review and reform its organizational and decision-making structure to ensure that COHEP is able to implement the program successfully.

C. Project Administration

a. COHEP Responsibilities

COHEP will directly manage all activities under this Agreement, except the procurement of international technical assistance. To assist COHEP in implementation, a consultant(s) will be selected by COHEP and A.I.D. This consultant will serve as a long-term project advisor and coordinate the procurement of required short-term international and domestic technical assistance. In addition to the long-term advisor, COHEP will contract the services of a project officer to

ejecución del mismo. El COHEP será responsable de la contratación del personal adicional requerido bajo las actividades del proyecto y de cualquier contratación local.

Además del Oficial de Proyecto arriba mencionado, el COHEP podra establecer un Comité Ejecutivo para supervisar la ejecución del Proyecto y asegurar la participación de los miembros de COHEP en la ejecución.

El COHEP será responsable de la contabilidad completa de los fondos del Proyecto y de la entrega a la A.I.D. de la documentación financiera apropiada.

b. Responsabilidades de la A.I.D.

La A.I.D. será responsable de la contratación de toda la asistencia técnica internacional e insumos bajo este CC hasta que el COHEP esté listo para asumir tal responsabilidad. La A.I.D. también será responsable del desembolso de fondos de donación al COHEP.

D. Condiciones Precedentes al Desembolso Subsiguiente de Fondos Bajo el Convenio de Cooperación.

Previo al desembolso de fondos adicionales bajo el Convenio, o a la emisión de documentos de la A.I.D. por medio de los cuales el desembolso será hecho, exceptuando la asistencia técnica contratada por la A.I.D. y el personal mínimo requerido por COHEP, el COHEP proporcionará a la A.I.D. dentro de 90 días, excepto que ésta acuerde lo contrario por escrito:

1. La documentación, en forma y concepto satisfactorio a la A.I.D., que el COHEP ha establecido un sistema contable y de administración financiera apropiado, incluyendo políticas firmes de contratación, para administrar y contabilizar efectiva y apropiadamente los fondos de donación.

2. Un presupuesto detallado y revisado para el primer año y un plan operacional que esté al día o de acuerdo con las

assist in project implementation. COHEP will be responsible for the contracting of additional staff members required under project activities and for any local procurement actions.

In addition to the Project Officer mentioned above, COHEP may choose to establish an Executive Committee to oversee project implementation and ensure the participation of COHEP members in implementation.

COHEP will be responsible for full accounting of Project funds and for the presentation to A.I.D. of appropriate financial documentation.

b. A.I.D. Responsibilities

A.I.D. will be responsible for the procurement of all international technical assistance and commodities under the CA until such a time as COHEP is ready to assume such responsibility. A.I.D. will also be responsible for the disbursement of grant funds to COHEP.

D. Conditions Precedent to the Subsequent Disbursement of Funds Under the Cooperative Agreement.

Prior to the additional disbursement of funds under this agreement, or to the issuance of A.I.D. documentation to which disbursement will be made, except for technical assistance procured by A.I.D. and the essential COHEP project staff, COHEP will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. within 90 days:

1. Documentation, in form and substance satisfactory to A.I.D., that COHEP has established an appropriate accounting and financial management system, including sound procurement policies, to manage and account for grant funds properly and effectively.

2. A revised detailed first year budget and operational plan which updates or agrees with budget estimates

estimaciones del presupuesto presentado por el COHEP hasta la fecha.

3. Un manual o informe sobre las políticas de personal del COHEP con relación a los salarios, promociones, beneficios, viáticos, viajes y otros puntos relacionados que serán financiados por los fondos del proyecto de A.I.D.

4. Información financiera, reportes y auditorías relativas al COHEP para los últimos tres años.

E. Convenios Especiales

Convenios del COHEP para:

1. Revisar y cambiar según sea necesario sus estatutos dentro de un año de la firma de este Convenio, enfatizando la representatividad del sector empresarial, la concientización pública sobre asuntos de política económica nacional, y el reforzamiento de las asociaciones del sector empresarial.

2. Llevar a cabo, dentro de un año de la firma de este Convenio, cualquier medida de reforma organizacional considerada necesaria para hacer más efectiva la estructura organizacional y mejorar su eficiencia.

3. Establecer una campaña fuerte de recaudación de fondos, comprometerse a aumentar significativamente la cuota de membresía, y recaudar aproximadamente durante la vida del Convenio el equivalente en lempiras de US$1,000,000 para el proyecto de capital de donación.

F. Reportes, Registros, Inspecciones, Auditoría

El COHEP:

1. Entregará a la A.I.D. la información y reportes relacionados con el Proyecto y con este Convenio tal como lo pudiera solicitar razonablemente la A.I.D.

2. Mantendrá o procurará el mantenimiento, de acuerdo con los principios y prácticas contables aplicadas

presented to date by COHEP.

3. A manual or statement of COHEP's personnel policies with regard to salary ranges, promotions, benefits, paid leaves, travel and other related items which will be financed with A.I.D. project funds.

4. Financial information, reports and audits pertaining to COHEP for the last three years.

E. Special Covenants

COHEP covenants to:

1. Review and modify, as necessary, its by-laws within one year of the signing of this Agreement, focussing on representation of the private enterprise sector, building consensus on national economic policy issues, and strengthening private sector associations.

2. Undertake, within one year of the signing of this Agreement, any organizational reform measures deemed necessary to streamline its organizational structure and improve its efficiency.

3. Establish a major fund-raising drive, commit itself to a significant increase in membership dues, and to raise approximately the Lempira equivalent of US$1,000,000 for the capital endowment project during the life of the Agreement.

F. Reports, Records, Inspections, Audit

COHEP will:

1. Furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request.

2. Maintain or cause to be maintained, in accordance with generally accepted accounting principles and

conformemente, los libros, registros, y los documentos de apoyo relacionados con este Convenio, adecuados para mostrar, sin limitación en el uso de los fondos bajo este Convenio, y el recibo y uso de los bienes y servicios adquiridos bajo este Convenio. Tales libros, registros y documentación de apoyo serán auditados regularmente, de acuerdo con las normas de auditoría generalmente aceptadas, y mantenidos tres años después de la fecha de expiración de la donación; estos libros y registros serán también adecuados para mostrar la naturaleza y alcance de las solicitudes de los posibles proveedores de bienes y servicios adquiridos, las bases para otorgar contratos y ordenes, y el progreso total.

3. Brindará la oportunidad a los representantes autorizados de la A.I.D. la oportunidad de inspeccionar el Proyecto, el uso de los bienes y servicios financiados por la A.I.D., los libros, registros y otros documentos relacionados con el Proyecto, durante períodos razonables.

G. Reembolsos

En caso de que cualquier desembolso no esté amparado por la documentación válida de acuerdo con este Convenio, o el cual no esté hecho o haya sido usado de acuerdo con este Convenio, o el cual fue por bienes y servicios no usados de acuerdo con este Convenio, la A.I.D. podrá solicitar al Donatario el reembolso de la cantidad desembolsada del Convenio dentro de los 60 días después del recibo del mismo.

H. Evaluación

Cada año la A.I.D. y COHEP deberán hacer una evaluación del progreso del proyecto. Esta evaluación, que deberá ser presentada a la A.I.D. a más tardar 30 días antes de que cada año termine, será utilizada como base para hacer los ajustes necesarios.

practices consistently applied, books, records, and underlying documentation relating to this Agreement, adequate to show, without limitation, the use of funds under this Agreement, and the receipt and use of goods and services acquired under the Agreement. Such books, records, and underlying documentation will be audited regularly, in accordance with generally accepted auditing standards, and maintained three years after the grant expiration date. Such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project.

3. Afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by A.I.D., and books, records, and other documents relating to the Project.

G. Refunds

In case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods and services not used in accordance with this Agreement, A.I.D. may require the Grantee to refund the amount of such disbursement to the Agreement within sixty days after the receipt of a request thereof.

H. Evaluation

Every year, beginning in year two, A.I.D. and COHEP shall carry out an evaluation (informal) of project progress. This evaluation, to be presented to A.I.D. no later than thirty days after the termination of each year, shall be used as the basis for making adjustments, as needed, to project design.

MANDATORY STANDARD PROVISIONS FOR
NON-U.S. NONGOVERNMENTAL GRANTEES

1. Allowable Costs
2. Accounting, Audit and Records
3. Refunds
4. Revision of Grant Budget
5. Termination and Suspension
6. Disputes
7. Ineligible Countries
8. U.S. Officials Not To Benefit
9. Nonliability
10. Amendment
11. Notices

1.0 ALLOWABLE COSTS (MAY 1986)

(a) 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 reasonable, allocable, and allowable in accordance with the terms of this grant and the applicable* cost principles in effect on the date of this grant, which are attached.

(1) Reasonable. Shall mean those costs that do not exceed those which would be incurred by an ordinarily prudent person in the conduct of normal business.

(2) Allocable Costs. Shall mean those costs which are necessary to the grant.

(3) Allowable Costs. Shall mean those costs which must conform to any limitations set forth in this grant.

(4) Unallowable costs, direct or indirect, include but are not limited to the following examples: Advertising, bad debts, contingencies, entertainment, fines and penalties, interest, fund raising, investment management costs, losses on other awards, taxes, first class air fare unless specifically approved. Additionally, public information service costs are unallowable as indirect costs.

(b) Prior to incurring a questionable or unique cost, the grantee should obtain the grant officer's written determination as to whether the cost will be allowable.

*NOTE: For educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122; and for profit making firms use Federal Acquisition Regulation 31.2. and AID Acquisition Regulation 731.2.

2.0 ACCOUNTING, AUDIT, AND RECORDS (MAY 1986)

(a) 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. Accounting records that are supported by documentation will as a minimum accumulate and record all costs incurred under a grant and disclose the amount of that portion of the cost of the project supplied by other sources. The grantee records and subgrantee records which pertain to this grant shall be retained for a period of three years from the date of expiration of this grant and may be audited by AID and/or its representatives.

(b) The grantee agrees to have the funds provided under the grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the grantee's audit reports will be provided to AID. AID will review the audit reports to determine the adequacy of audit coverage. If AID determines that the audit coverage is not sufficient to verify the source and application of grant funds or that the audit does not meet the requirements of an independent audit, a second audit will be performed by AID.

(c) The following language shall be inserted in all subgrants valued in excess of $10,000.

(1) 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. These records shall be maintained for three years after final payment. These records may be audited by the grantor's representatives.

(2) The grantee agrees to have the funds provided under this grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the grantee's audit reports will be provided to the grantor. If the audit coverage is not sufficient to verify the source and application of grant funds or the audit does not meet the requirements of an independent audit, a second audit will be requested of the grantee and that audit shall meet the requirements of the grantor.

3.0 REFUNDS (MAY 1986)

(a) The grantee shall remit to AID all interest earned on funds provided by AID.

(b) Funds obligated by AID but not disbursed to the grantee at the time the grant expires or is terminated shall revert to AID, except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee at the time of expiration or termination of the grant shall be refunded to AID except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant.

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined by AID that funds it provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee shall refund such amount to AID.

4.0 REVISION OF GRANT BUDGET (MAY 1986)

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

(b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

(1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.

(2) Additional funding is needed.

(3) The grantee expects the amount of AID authorized funds to exceed its needs by more than $5,000 or five percent of the AID award, whichever is greater.

(4) The grantee plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.

(5) The grantee intends to contract or subgrant any of the work under this grant, and such contracts or subgrants were not included in the approved grant budget.

(c) Except as required by other provisions of this grant specifically stated to be an exception from this provision, the Government shall not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee shall not be obligated to continue performance under the grant (including actions under the "Termination and Suspension" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the grant officer has notified the grantee in writing that such obligated amount has been increased and has specified the new grant total amount.

5.0 TERMINATION AND SUSPENSION (MAY 1986)

(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 it is determined that the grantee has failed to comply with the conditions of the grant.

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

(c) Suspension: Termination for Changed Circumstances. If at any time AID determines that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States or that it would be in violation of an applicable law then AID may, following notice to the grantee, suspend this grant and prohibit the grantee from incurring additional obligations chargeable to this grant other than necessary and proper costs in accordance with the terms of this grant during the period of suspension. If the situation causing the suspension continues for 60 days or more, then AID may terminate this grant on written notice to the grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to third parties.

(d) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the grantee shall take immediate action to minimize all expenditures and obligations financed by this grant and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended AID funds 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 the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6.0 DISPUTES (NOVEMBER 1985)

(a) Any dispute under this grant shall be decided by the AID grant officer. The grant officer shall furnish the grantee a written copy of the decision.

(b) Decisions of the AID grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to the Administrator of AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In connection with any appeal proceeding under this provision, the grantee shall be given an opportunity to be heard and to offer evidence in support of its appeal.

(d) A decision under this provision by the Administrator or an authorized representative shall be final unless overruled by a court of competent jurisdiction.

7.0 INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the AID grant 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.

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

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

9.0 NONLIABILITY (NOVEMBER 1985)

AID does not assume liability for any third party claims for damages arising out of this grant.

10.0 AMENDMENT (NOVEMBER 1985)

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.

11.0 NOTICES (NOVEMBER 1985)

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

To the AID grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

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

(END OF MANDATORY STANDARD PROVISIONS)

REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR NON-U.S., NONGOVERNMENTAL GRANTEES

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 Paragraph 1E of Chapter 1 of this Handbook. Each grant is required to have a payment provision. Check off the provisions which are to be included in the grant. Only those standard provisions which have been checked off are included within the grant.

1. Payment - Periodic Advance	X
2. Payment - Cost Reimbursement	
3. Air Travel and Transportation	X
4. Ocean Shipment of Goods	X
5. Procurement of Goods and Services	X
6. AID Eligibility Rules for Goods and Services	X
7. Subagreements	X
8. Local Cost Financing	X
9. Patents Rights	
10. Publications	X
11. Nondiscrimination	X
12. Regulations Governing Employees	X
13. Participant Training	
14. Voluntary Population Planning	
15. Protection of the Individual as a Research Subject	
16. Negotiated Overhead Rates - Provisional.	
17. Government Furnished Excess Personal Property	
18. Title To and Use of Property (Grantee Title)	X
19. Title To and Care of Property (U.S. Government Title)	
20. Title To and Care of Property (Cooperating Country Title)	
21. Cost Sharing (Matching)	

(INCLUDE THIS PAGE IN THE GRANT)

(NEXT PAGE 4D-9)

01.0 PAYMENT - PERIODIC ADVANCE (NOVEMBER 1985)

(This provision is applicable when (1) the grantee has an acceptable accounting system (2) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, and (3) the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this agreement entitled "Accounting, Audit, and Records".)

a) AID funds shall not be commingled with other grantee owned or controlled funds. The grantee shall deposit all AID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

(b) Each quarter, after the initial cash advance, the grantee shall submit to the AID Controller, identified in the schedule, voucher SF 1034 (original) and SF 1034-A (three copies), entitled "Public Voucher for Purchases and Services Other Than Personal", copies of which are attached.

(c) Each voucher shall be identified by the appropriate grant number and shall be accompanied by an original and three copies of a report in the following format:

FEDERAL CASH ADVANCE STATUS REPORT
(Report Control No. W-245)

A. Period covered by this report:

FROM (Month, day, year) _____
TO (Month, day, year) _____
Period covered by the next report
FROM (Month, day, year) _____
TO (Month, day, year) _____

B. Cash Advance Use and Needs:

1. Cash advance on hand at the beginning of this reporting period ..... $ _____

2. U.S. Treasury check advance(s) received during this reporting period..... $ _____

3. Interest earned on cash advance during this reporting period..... $ _____

4. GROSS cash advance available during this reporting period (Lines 1, 2, & 3)..... $ _____

5. LESS, interest remitted to AID during this reporting period..... $ _____

6. NET cash advance available during this reporting period (Line 4 minus Line 5)..... $ _____

7. Total disbursements during this reporting period, including subadvances (see footnote 1)..... $ _____

8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7)..... $ _____

9. Projected disbursements, including subadvances, for the next reporting period (see footnote 2)..... $ _____

10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8)..... $ _____

11. Total interest earned on cash advance from the start of the grant to the end of this reporting period, but not remitted to AID ..... $ _____

12. Total cash advances to subgrantees, if any, as of the end of this reporting period..... $ _____

FOOTNOTES:

1. The grantee shall submit a cumulative detailed report of disbursements by BUDGET line item quarterly.

2. The grantee shall attach a Summary, by BUDGET line item, of its projected disbursements for the next reporting period.

C. Certification:

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

DATE _____ BY _____

TITLE _____

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(END OF STANDARD PROVISION)

03.0 AIR TRAVEL AND TRANSPORTATION (MAY 1986)

(This provision is applicable when any costs for air travel or transportation are included in the budget.)

(a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event less than three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant mission, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.

(b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a SF 1169, Government Transportation Request (GTR), which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(c) All air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the U.S. and/or its territories and one or more foreign countries.

(d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimburseable under this grant.

(e) U.S. flag air carrier service is considered available even though:

(1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;

(2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

(3) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies.

(f) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-financed commercial foreign air travel if service provided by such carriers is available. In determining availability of a U.S flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the U.S. being performed by a foreign air carrier:

(1) U.S. flag air carrier service available at point of origin should be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;

(2) Where an origin or interchange point is not served by U.S flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or

(3) Where a U.S. flag air carrier involuntarily reroutes the traveler via a foreign air carrier the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

(g) For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which the traveler first debarks incident to travel from the U.S.) passenger service by U.S. flag air carrier will not be considered available:

(1) Where the gateway airport abroad is the traveler's origin or destination airport, and the use of U.S. flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier:

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

(h) For travel between two points outside the U.S. the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:

(1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute;

(2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the U.S., if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

(3) Where the travel is not part of a trip to or from the U.S.; if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.

(i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.

(j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.

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

"CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS

I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth above)."

(l) International Travel

(1) As used herein, the term "international travel" includes travel to all countries other than travel within the home country of the grantee.

(2) The grantee will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in an international travel status in accordance with the grantee's established policies and practices which are uniformly applied to federally financed and other activities of the grantee. The standard for determining the reasonableness of reimbursement for overseas allowance is 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 grant officer.

(m) This provision will be included in all subagreements and contracts which require air travel and transportation under this grant.

(END OF STANDARD PROVISION)

04.0 OCEAN SHIPMENT OF GOODS (MAY 1986)

(This provision is applicable when goods purchased with funds provided under this grant are transported to cooperating countries on ocean vessels.)

(a) At least 50% of the gross tonnage of all goods purchased under this grant 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 grant 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 grantee may request a determination of non-availability from the AID Transportation Support Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee 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 reimburseable under this grant.

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows:

> "I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the U.S. Department of Transportation, Maritime Administration, Division of National Cargo, 400 7th Street, S.W., Washington, D.C. 20590, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(END OF STANDARD PROVISION)

05.0 PROCUREMENT OF GOODS AND SERVICES (MAY 1986)

(This provision is applicable when goods or services are procured under the grant.)

The grantee may use its own procurement policies and practices for the procurement of goods and services under this grant, provided they conform to all of AID's requirements listed below and the standard provision entitled "AID Eligibility Rules For Goods and Services".

(a) General Requirements:

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using AID funds. Conflict of interest situations involving employees, officers or agents or their immediate families shall be avoided. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the offeror whose offer is responsive/responsible to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the offeror must fulfill in order to be evaluated by the recipient. Any and all offers may be rejected when it is in the recipient's interest to do so.

(3) All grantees shall establish procurement procedures that provide for, at a minimum, the following procedural requirements:

(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary items.

(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition.

(iii) Positive efforts shall be made by the recipients to utilize U.S. small business and minority owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts utilizing AID funds. The grantee shall to the maximum extent possible provide the following information to the Office of Small Disadvantaged Business Utilization, AID, Washington, D.C. 20523, at least 45 days prior (except where a shorter time is requested of and granted by the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of $25,000:

(A) Brief general description and quantity of goods or services;

(B) Closing date for receiving quotations or proposals; and

(C) Address where solicitations and specifications can be obtained.

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. In those instances where a cost type contract authorizes a fee, a fixed amount will be used in lieu of a percentage of cost.

(v) Contracts shall be made only to responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed contract. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Contracts shall not be made to firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees. AID will provide the grantee with a copy of this list upon request.

(vi) All proposed sole source contracts or where only one proposal is received in which the aggregate expenditure is expected to exceed $10,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

(vii) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

(viii) Procurement records and files for purchases in excess of $10,000 shall include the following:

(A) Basis for contractor selection;

(B) Justification for lack of competition when competitive offers are not obtained;

(C) Basis for award: cost or price.

(ix) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely followup of all purchases.

(b) Each contract and subcontract shall contain in addition to provisions to define a sound and complete contract, the following contract provisions as well as any provision within this grant which requires such inclusion of that provision. Whenever a provision is required to be inserted in a contract under this grant, the grantee shall insert a statement in the contract that in all instances where AID is mentioned the grantee's name shall be substituted.

(1) Contracts in excess of $10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of $10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) All negotiated contracts over $10,000 awarded by recipients shall include a provision to the effect that the recipient, AID or their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(4) In all contracts for construction or facility improvement awarded for more than $100,000, recipients shall observe generally accepted bonding requirements.

(5) Contracts, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters.

(END OF STANDARD PROVISION)

06.0 AID ELIGIBILITY RULES FOR GOODS AND SERVICES (MAY 1986)

(This provision is applicable when goods or services are procured under the grant.)

(a) Ineligible and Restricted Goods and Services: If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

(1) Ineligible Goods and Services. Under no circumstances shall the grantee procure any of the following under this grant:

(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 grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended or Ineligible Awardees (AID Regulation 8 (22 CFR 208)). AID will provide the grantee with this list upon request.

(3) Restricted Goods. The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

(i) Agricultural commodities,

(ii) Motor vehicles,

(iii) Pharmaceuticals,

(iv) Pesticides,

(v) Rubber compounding chemicals and plasticizers,

(vi) Used equipment,

(vii) U.S. Government-owned excess property, or

(viii) Fertilizer.

(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into the two categories. One applies when the total procurement during the life of the grant is over $250,000 and the other applies when the total procurement element during the life of the grant is not over $250,000. 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 grant officer. AID policies on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, (Procurement Policies).

(1) When the total procurement element during the life of this grant is valued at $250,000 or less, the following rules apply:

(i) All goods and services, the costs of which are to be reimbursed under this grant and which will be financed with U.S. 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:

(A) The United States (AID Geographic code 000),

(B) The Cooperating Country,

(C) Selected Free World countries (AID Geographic Code 941),

(D) Special Free World countries (AID Geographic Code 935).

(ii) Application of Order of Preference: When the grantee procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(ii) above, the grantee shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(C) Impelling 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 grant.

(2) When the total procurement element exceeds $250,000, the following rule applies: Except as may be specifically approved or directed in advance by the grant officer, all goods and services, which will be reimbursed under this grant and financed with U.S. dollars, shall be procured in and shipped from the U.S. (Code 000) and from any other countries within the authorized geographic code as specified in the schedule of this grant.

(c) Marine Insurance: The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to and the insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in the U.S., then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U.S. with a company or companies authorized to do marine insurance business in the U.S.

(d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant

(e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by AID 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 (AID Geographic code 000),

(2) The Cooperating Country,

(3) Selected Free World countries (AID Geographic Code 941),

(4) Free World countries (AID Geographic Code 899).

(f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, the grantee shall obtain the grant officer's prior approval for any such contract.

(END OF STANDARD PROVISION)

07.0 SUBAGREEMENTS (MAY 1986)

(This provision is applicable when subgrants or cooperative agreements are financed under the grant.)

(a) Awards shall be made only with responsible recipients who possess the potential ability to perform successfully under the terms and conditions of a proposed agreement. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Awards shall not be made to firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees. AID will provide the grantee with a copy of this list upon request.

(b) All subagreements shall as a minimum contain in addition to provisions to define a sound and complete agreement, the following provisions as well as any that are specifically required by any other provision in this grant. Whenever a provision within this grant is required to be inserted in a subagreement, the grantee shall insert a statement in the subagreement that in all instances where AID is mentioned, the grantee's name will be substituted.

(1) Subagreements in excess of $10,000 shall contain provisions or conditions that will allow for administrative or legal remedies in instances where subrecipients violate subagreement terms and provide for such remedial action as may be appropriate.

(2) All subagreements in excess of $10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such subagreements shall describe conditions under which the subagreement may be terminated for default as well as conditions where the subagreement may be terminated because of circumstances beyond the control of the subrecipient.

(3) All subagreements over $10,000 issued by recipients shall include a provision to the effect that the recipient, AID, or their duly authorized representatives, shall have access to any books, documents, papers and records of the subrecipient which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(4) Subagreements, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or subagreements in the field of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the subagreement are subject to the regulations contained in the provisions of this grant. The subrecipient shall be advised as to the source of additional information regarding these matters.

(END OF STANDARD PROVISION)

08.0 LOCAL COST FINANCING (MAY 1986)

(This provision applies only when local costs are authorized by the grant, and must be used with the standard provision entitled "Procurement of Goods and Services.")

(a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported shelf items are goods that are normally imported and kept in stock, in the form in which imported, for sale to meet a general demand in the country for the item.

Imported shelf items are eligible in unlimited quantities if they have their origin in a country included in AID Geographic Code 941. Imported shelf items having their origin in any country included in Code 899 but not in Code 941 are eligible if the price of one unit does not exceed $5,000. For goods sold by units of quantities; e.g., tons, barrels, etc., the unit to which the local currency equivalent of $5,000 is applied is that which is customarily used in quoting prices. The total amount of imported shelf items purchased from countries included in Code 899 but not in Code 941 may not exceed $25,000 or 10% of the total local costs financed by AID for the grant, whichever is higher; however, in no case may the total amount of such purchases exceed $250,000 without first obtaining a specific geographic source waiver. Imported shelf items produced in or imported from countries not included in Geographic Code 899 are ineligible for AID financing.

(b) To qualify as local costs, goods and services must also meet the following additional requirements:

(1) They must be paid for in local currency.

(2) They must not be specifically imported for this grant.

(3) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.

(4) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.

(c) 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.

(d) Ineligible Suppliers: Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended, or Ineligible Awardees (AID Regulation 8, (22 CFR 208)). AID will provide the grantee with this list upon request.

(e) Restricted Goods: The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

(1) Agricultural commodities,

(2) Motor vehicles,

(3) Pharmaceuticals,

(4) Pesticides,

(5) Rubber compounding chemcials and plasticizers,

(6) Used equipment,

(7) U.S. Government-owned excess property, or

(8) Fertilizer.

(f) IF AID determines that the grantee has procured any of the restricted or ineligible goods and services specified in subparagraphs (c) through (e) above, or has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

(END OF STANDARD PROVISION)

010.0 PUBLICATIONS (MAY 1986)

(This provision is applicable when publications are financed under the grant.)

(a) If it is the grantee's intention to identify AID's contribution to any publication resulting from this grant, the grantee shall consult with AID on the nature of the acknowledgement prior to publication.

(b) The grantee shall provide the AID project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.

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

(d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but AID 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 STANDARD PROVISION)

O11.0 NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (MAY 1986)

(This provision is applicable when work under the grant is performed in the United States or when employees are recruited in the United States.)

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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 grant on the basis of race, color, national origin, age, handicap, or sex.

(END OF STANDARD PROVISION)

O12.0 REGULATIONS GOVERNING EMPLOYEES (MAY 1986)

(The following applies to the grantee's employees who are not citizens of the cooperating country.)

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(a) The grantee's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.

(b) The sale of personal property or automobiles by grantee 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 AID personnel employed by the Mission except as this may conflict with host government regulations.

(c) Other than work to be performed under this grant for which an employee is assigned by the grantee, no employee of the grantee 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 grantee'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 grantee employee is not in accordance with the preceding paragraphs, the grantee's chief of party shall consult with the AID Mission Director and the employee involved, and shall recommend to the grantee 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 grant 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, under either (e) or (f) above, that the services of such employee shall be terminated, the grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

(END OF STANDARD PROVISION)

018.0 TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (MAY 1986)

(This provision is applicable only when the Government vests title to property in the grantee.)

(a) Title to all property financed under this grant shall vest in the grantee.

(b) The grantee agrees to use and maintain the property for the purposes of the grant.

(c) With respect to property having an acquired value of $1,000 or more, the grantee agrees to report such items to the grant officer as they are acquired and to maintain a control system which will permit their ready identification and location.

(d) Within thirty calendar days after the end of the grant, the grantee will provide a list to the grant officer of each item that has an appraised value of $1,000 or more with a detailed proposal of what the grantee intends to do with that property. If the grant officer does not respond within 120 calendar days, the grantee may proceed with the disposition of the property. However, if the grantee uses the property for purposes other than those of the grant or sells or leases the property, AID shall be reimbursed for its share of the property unless the grant officer authorizes AID's share of the income from selling or leasing the property to be used as program income. This share is based upon the percentage of AID's contribution to the grantee's program. If AID paid 100% of the grantee's costs, then AID would receive 100% of the selling cost less a nominal selling fee of $100.

(END OF STANDARD PROVISION)