

PD-AAA-975  
60172

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

MAR 28 1985

Mr. Willie Campbell  
President  
OEF International  
2101 L Street, N.W.  
Suite 916  
Washington, DC 20037

Subject: Cooperative Agreement No. LAC-0137-A-00-5043-00

Dear Mr. Campbell:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to OEF International (hereinafter referred to as "OEF" or "Recipient") the sum of Two Million Dollars (\$2,000,000) in support of a project entitled Women in Business in Central America, as more fully described in the Attachment 1 of this cooperative agreement entitled Schedule and the Attachment 2, entitled Program Description.

This cooperative 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 through the estimated completion date of September 30, 1987. Funds disbursed by AID but uncommitted by the Recipient at the expiration of this period shall be refunded to A.I.D.

This cooperative agreement is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, the Schedule, Attachment 2, the Program Description, and Attachment 3, the Standard Provisions, which have been agreed to by your organization.

ORIGINAL

Please acknowledge receipt and acceptance of this cooperative agreement by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the undersigned, being sure to return all copies marked "Funds Available".

Sincerely yours,



Wesley L. Hawley  
Grants Officer  
Regional Operations Division-LAC  
Office of Contract Management

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

OEF International

BY:



TYPED NAME: Elise F. Smith

TITLE: Executive Director

DATE: April 15, 1985

FISCAL DATA

PIO/T No.: 596-0137-1-5659514  
Appropriation No.: 72-114/51037  
Budget Plan Code: LES 485-35596-KG13  
Allotment No.: 470-65-596-00-~~69~~-51  
Total Obligated Amount: \$2,000,000  
OEF's Cost Share: \$ 450,000  
E.I. No.: 53-0261050  
Technical Office: LAC/DP/SD  
Funding Source: AID/W/FM/PAFD  
DUNS No.: 040537458

FUNDS AVAILABLE

*Standard*  
MAR 29 1965  
o/c 4190.

Program Acctg. Division

OFFICE OF FINANCIAL MANAGEMENT

10  
3

ATTACHMENT 1

SCHEDULE

A. Purpose of Cooperative Agreement

The purpose of this agreement is to foster the establishment, improvement and expansion of productive, self-sustaining enterprises in Central America, through increased access to management expertise, marketing information and financial resources resulting in increased employment and income for women, as more specifically described in Attachment 2 to this agreement entitled "Program Description."

B. Period of Agreement

The effective date of this agreement is March 31, 1985 and the estimated completion date is September 30, 1987. ✓

C. Amount of Agreement and Payment

1. AID hereby obligates the amount of \$2,000,000 for the purposes of this agreement.

2. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 3 - Standard Provision No. 7A entitled "Payment - Letter of Credit (August 1984)".

D. Financial Plan

1. The following is the Financial Plan for this agreement. The Recipient may not exceed the total estimated amount or the obligated amount, whichever is less (see Part C above). Except as specified in the Standard Provision of this agreement entitled "Revision of Financial Plans", as shown in Attachment 3 and the NOTE below; the Recipient may adjust line item amounts within the grand total as may be reasonably necessary for the attainment of program objectives.

<u>Category</u>	<u>Budget</u>		<u>Total Estimated Cost</u>	
		<u>AID's Share</u>		<u>OEF's Share</u>
1. Salaries		\$ 566,521		-0-
2. Fringe Benefits		198,283		-0-
3. Consultants		81,000	\$ 50,000	
4. Travel & Trans.		282,700		-0-
5. Other Direct Costs		85,900		-0-
6. Equipment		58,404		-0-
7. Office Rental		13,240		-0-
8. Guarantee Fund *		200,000	400,000	
9. Overhead		513,952		-0-
		<u>\$2,000,000</u>		<u>\$450,000</u>

\* NOTE: The \$200,000 Guarantee Fund may not be decreased by the other line item categories.

2. It is understood that in addition to AID's total contribution of \$2,000,000 OEF will obtain an additional contribution of \$450,000 from other sources, bringing the total project cost up to \$2,450,000.

E. Substantial Involvement Understandings

It is understood and agreed that AID will be involved in the following activities to insure that the project is implemented as designed and that project objectives are met:

1. Identification of technical assistance needs and potential resources.
2. Formation of the Business Women's Councils in Honduras and Costa Rica and strengthen their U.S. counterparts.
3. Promotion of Trade Exhibitions
4. Establishment of the Guarantee Fund.

8

F. Reporting

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Standard Provision of this agreement entitled "Payment - Letter of Credit (August 1984)", as shown in Attachment 3.

b. The original and two copies of all financial reports shall be submitted to AID, Office of Financial Management, Program Accounting and Finance Division (FM/PAFD), Washington, D.C. 20523. In addition, three copies of all financial reports shall be submitted to the Technical Office specified in the Cover Letter of this agreement.

2. Program Performance Reporting

a. The Recipient shall submit quarterly program performance reports, and a final report, which briefly presents the following information:

(1) A comparison of actual accomplishments with the goals established for this period, the findings of the investigator, or both. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

b. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Recipient shall inform AID as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any AID assistance needed to resolve the situation.

(2) favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

c. If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this agreement entitled "Revision of Financial Plans", the Recipient shall submit a request for budget revision.

d. Five copies of each program performance report shall be submitted to the Technical Office specified in the Cover Letter of this agreement.

### 3. Special Reports

The Recipient shall provide special reports as requested by the AID Grant Officer, the AID/W Project Officer, LAC/DP/SD, or ROCAP.

### G. Indirect Cost Rates

Pursuant to the Standard Provision of this cooperative agreement entitled "Negotiated Overhead Rates - Nonprofit Organizations Other than Educational Institutions", a rate or rates shall be established for each of the Recipient's accounting periods which apply to this agreement. Pending establishment of revised provisional or final indirect cost rates for each of the Recipient's accounting periods which apply to this agreement, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which are set forth below.

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>
Overhead	36%	Total cost input excluding equip. costs, construction, participant support costs & subgrants	3/31/85 until amended
Fringe Benefit	35%	Direct labor dollars	3/31/85 until amended

H. Title to Property

Title to all property shall be vested with the Recipient.

I. Authorized Geographic Code

The authorized geographic code will be in accordance with the Standard Provision for Procurement of Goods and Services, unless otherwise authorized in writing by the AID/W Project Officer, LAC/DP/SD.

J. Special Provisions

1. For the purposes of this agreement, references to "OMB Circular A-122" in the Standard Provisions of this agreement shall include the AID implementation of such Circular, as set forth in subpart 731.7 of the AID Acquisition Regulations (AIDAR) (41 CFR Chapter 7).

2. Prior to the establishment of a Guarantee Fund, the Recipient will submit to the Grants Officer, for his written approval, a detailed description of how the fund will be established and monitored, and what final disposition of the remaining funds will be.

K. Alterations and Additions to Standard Provisions:

1. In Attachment 3, Standard Provisions, delete the words "Grant" and "Grantee" wherever they appear and substitute in lieu thereof the words "Cooperative Agreement" and "Recipient".

2. Delete the following Standard Provisions:

- a. Provision 5A : Negotiated Overhead Rates - Predetermined
- b. Provision 7B : Payment - Periodic Advance
- c. Provision 7C : Payment - Reimbursement
- d. Provision 10A : Procurement of Goods and Services Under \$250,000
- e. Provision 13B : Title to and Care of Property (U.S. Gov't Title)
- f. Provision 13C : Title to and Care of Property (Cooperating Country Title)

11

8

3. The Standard Provisions of this agreement are hereby amended to include the attached Alterations in Grant dated November 1984.

12

'a'

PROGRAM DESCRIPTION

I. Purpose

The purpose of this project is to foster the establishment, improvement and expansion of productive, self-sustaining enterprises in Central America, through increased access to management expertise, marketing information and financial resources, resulting in increased employment and income for women and their families. This goal will be accomplished through a regional infrastructure of businesswomen's councils which offer technical assistance to micro, small and medium-sized enterprises and cooperatives owned by and/or employing women. The project will be implemented in two Central American countries over a three year period.

II. Implementation

As more fully described in the Recipient's proposal, attached hereto as Appendix A, O.F.F. plans six major activities in implementing the Businesswomen in Central America project.

A. Project Start Up. The staffing pattern to successfully implement this project will include a Project Director, Assistant Director, and two Country Coordinators. The Country Coordinators will be responsible for identifying host country women entrepreneurs, and collecting data on legislation, policies and procedures that enhance the participation of women in business. It will be the responsibility of the Project Director to identify and mobilize the U.S. counterparts through WIB Committees. During this stage an information data base will be established and accessible via computer terminals in the two Central American countries and in the U.S.

B. Formation of Businesswomen's Councils. In each country, a Businesswomen's Council will be established to promote women's enterprises. The Councils will be composed of highlevel women entrepreneurs and corporate executives. The Country Coordinator will assist the long-term development of these councils.

C. Technical Assistance. The Businesswomen's Councils will be responsible for identifying technical assistance needs and potential resources within their own countries. Where assistance is not available among their own members, or through other institutions and individuals in their countries, these needs will be transmitted via the Country Coordinator to the Regional Manager for assistance from another country, and on to the Project Director in Washington for technical assistance between the U.S. and Central America.

D. Businesswomen's Delegations. Each country Council will convene delegations of businesswomen to travel to the U.S. Likewise, each country will receive delegations of U.S. businesswomen. Alternatively, delegations may be organized with participants from several countries, all of whom are interested in a specific sector, i.e. food processing. These delegations will have a "trade mission" objective.

E. Trade Exhibitions. The project will seek to maximize the face-to-face contact opportunities for businesswomen. An international exhibition will bring together U.S. and Central American women to promote technologies, products and services that are provided by women.

F. Guarantee Fund. Existing credit mechanisms in each of the countries will be surveyed to determine the availability and accessibility for women entrepreneurs. A Guarantee Fund will be established with an AID contribution of \$200,000. This Guarantee Fund will serve to leverage additional resources from private sources (banking institutions, other lending agencies, private companies, etc.) which will then capitalize the Guarantee Fund in the amount of \$400,000. Before implementation of the program, the Recipient will submit a document to the AID Grants Officer for his written approval, describing in detail how the fund will be established, monitored and what final disposition of remaining funds will be. The termination date of this fund will correspond to the expiration date of the agreement.

XD-975-A

60374

Appendix A

**WOMEN IN BUSINESS IN CENTRAL AMERICA**

**Project Proposal to the  
Bureau for Latin America and the Caribbean  
U.S. Agency for International Development**

**OEF International  
2101 L Street, N.W., Suite 916  
Washington, DC 20037  
(202) 466-3430**

**February 1985**

12

## TABLE OF CONTENTS

	<u>Page</u>
I. Executive Summary	1
II. Background and Rationale	2
A. The CBI	2
B. The Kissinger Commission	2
C. Women's Participation	3
D. The Women in Business Committee	3
E. Linkages to Other AID Projects	6
III. Project Goal, Purposes and Beneficiaries	8
A. Goal	8
B. Purposes	8
C. Beneficiaries	9
IV. Project Implementation	12
A. Methodology	12
B. Project Activities	13
1. Country Selection	13
2. Project Start-Up and On-Going Activities	13
3. Formation of Businesswomen's Councils	14
4. Technical Assistance	15
5. Businesswomen's Delegations	15
6. Trade Exhibition	15
7. Financing Mechanisms	16
C. Workplan	16.a
D. Project Scenarios	16
E. Institutionalization and Self-Sufficiency	18
F. Staffing	18
G. Evaluation	19
H. OEF Expertise	20

## I. EXECUTIVE SUMMARY

For 38 years, OEF International (formerly known as the Overseas Education Fund) has been working in 50 countries of the world to enable women to participate in the processes and benefits of socio-economic development. Through technical assistance, OEF has supported an expanding spectrum of projects designed to promote small business development and employment opportunities in developing countries.

OEF launched its U.S. Women in Business Committee (WIB) in 1981 to provide a network of support for international programs. A delegation of U.S. WIB Committee members traveled to Central America in June 1984 to view economic development projects first-hand. The result of this trip and other WIB successes lead OEF to propose an expansion of this network to a minimum of two countries of Central America.

The goal of this project is to foster the establishment, improvement and expansion of productive, self-sustaining enterprises in selected countries of Central America, through increased access to management expertise, marketing information and financial resources, resulting in increased employment and income for women and their families. This goal will be accomplished through a regional infrastructure of businesswomen's councils which offer technical assistance to micro, small and medium-sized enterprises and cooperatives owned by and/or employing women. These councils will play an active role in creating a climate conducive to women's involvement in the growth of the private sector.

## II. BACKGROUND AND RATIONALE

### A. The CBI

The Caribbean Basin Economic Recovery Act authorizes a unique one way free trade provision for designated Basin countries as well as other trade and AID provisions designed to help the region to overcome the effects of both its incipient underdevelopment and the worldwide economic recession.

One of the important promotions of the Caribbean Basin Initiative is the development of necessary public and private institutions in the Region, such as trade associations, chambers of commerce, business and trade training facilities, and financial institutions needed to support private enterprise and investment. It is through these institutions that the positive and dynamic values of development and trade will continue beyond the CBI itself.

The CBI seeks to spur economic revitalization and expanded private sector opportunities in the region, primarily via a one-way free trade area which allows duty-free access to the U.S. market for the majority of Caribbean Basin products for twelve years. This duty-free access gives comparative advantages to the beneficiary nations for producing goods in several areas, especially agroindustry, assembly and light manufacturing. It is also expected that the CBI will generate opportunities for direct investment by U.S. firms for joint ventures, subcontract manufacturing and licensing.

### B. The Kissinger Commission

The National Bipartisan Commission on Central America report addressed the problems and solutions in the Region: "We recommend the development of aid programs to nurture small business, including microbusinesses. The small business forms the backbone of these economies. Economic aid programs specifically aimed at encouraging the growth and formation of such businesses would assist in putting more people to work and also give people a larger stake in their economies. Such programs should include such incentives as seed capital, loan guarantees, and technical assistance."

Cooperatives also are an important private sector institution discussed in the Commission report. "We recommend increased economic support for cooperatives. Agricultural cooperatives have been important in both U.S. and Central American rural development. They not only encourage increased production through the pooling of resources and sharing of risks, but contribute to improved distribution of income. We recommend that the United States increase its support for such organizations as part of its bilateral aid program."

The Commission report gives specific attention to the importance of exports. "Until demand recovers for the commodities which Central America produces, the prospects for significant increases in export earnings are limited. The solution to this problem will necessarily be a slow one. Over the medium term, the Central American countries should try to broaden their export bases both in the agricultural and manufactured goods sectors."

The report does not overlook the need for goods manufactured for the domestic market in these countries, however. "In addition, increased investment should be encouraged in industries which produce for local consumption."

#### C. Women's Participation

But the incentives of the CBI and the recommendations of the Kissinger Commission do not automatically translate into increased participation for all entrepreneurs in Central America.

At a meeting in Miami in May 1984, women from Central America and the Caribbean islands questioned whether the benefits of the CBI would reach women. Said Honduras Congresswoman Dilma Quezada de Martinez, "The CBI completely neglects the needs of women in the region." In Honduras, she said, there are thousands of women who run small businesses, but who are not members of the chambers of commerce that periodically conduct seminars on the CBI. Most of these women don't even know that they could export their goods duty free to the United States under the CBI law." She called for collaboration between U.S. officials and international development agencies "to help small businesses, so that they can identify products they could sell in the United States and market them."

In an interview with the The Miami Herald (May 28, 1984), Elise Fiber Smith, OEF Executive Director observed, "There are more than 350,000 women running small businesses in the United States. Very few of them have ever thought of becoming active in international trade."

#### D. The Women in Business Committee

For almost four decades, OEF International, a private, non-profit organization, has worked with Third World women to promote their participation in the social, economic and political lives of their countries. Since its founding in 1947, OEF has been involved in providing integrated technical assistance programs for these women, working with individuals and organizations in some 50 countries of Asia, Africa, the Middle East, the Caribbean and Latin America.

Building on its successes in the developing world, and in response to increasing requests from U.S. businesswomen for more

direct involvement abroad, in 1981 OEF launched the Women in Business Committee. This national advisory body is composed of some 75 senior-level women executives from multinational corporations as well as women entrepreneurs who share a common interest in international business and an awareness of the growing need to communicate with their counterparts overseas.\*

Following the Committee's initial organizing phase, it became clear to OEF and to the members of the Committee that the time had come for direct contact. Thus it was that a delegation of ten committee members and five OEF officials visited Honduras, Costa Rica and Panama -- key countries of the region where OEF had operating programs -- as the first phase of a two-way exchange between U.S. and Central American businesswomen.

The purpose of this program was to design, test, implement and lay the foundation for continuing a broad based exchange between these two groups. Through the exchange, an attempt was made to identify certain management, training and technical problems, provide the assistance needed to deal with these problems, and enhance the understanding of women in this region of problems and opportunities.

It was a landmark trip. For the first time, businesswomen in Central America had an opportunity to learn about U.S. markets; they had a chance to discuss with American entrepreneurs the multitude of constraints they face in their business endeavors. They were able to receive suggestions on technology, to exchange contacts and sales leads, to listen to recommendations on product design.

In turn, the American businesswomen listened and learned, they broadened their perspectives and they expanded their business objectives. They saw markets for their services and new product opportunities. They witnessed the reality of life in the Third World and a slice of the global economy.

The delegation catalyzed a number of activities which are expanding businesswomen's networks. As a direct result of the visit, businesswomen in Costa Rica have now incorporated as a legal entity, and have embarked on a program to link Costa Rican entrepreneurs with markets in the U.S. Honduran women are laying the groundwork for a similar venture, and have high level support in the private sector and the national legislature. Concurrently, women in Panama and other Central American countries have expressed the same interest.

The report delivered in December 1984 by the delegation to the full WIB Committee was extremely favorable. The Committee is now fully committed to responding to the needs identified and capitalizing on the expertise and concern that they share with their Central American colleagues.

---

\* A list of current WIB Committee members is attached.

As stated earlier, the OEF WIB Committee is composed of some 75 senior-level women executives from multinational corporations as well as women business owners. A sampling of the membership includes:

- Sarah Carey, attorney, Adams, Duque & Hazeltine, Washington, D.C. Ms. Carey participated in the OEF WIB Central American delegation, and is currently representing a U.S. firm interested in investing in a tomato processing industry in Honduras; she is also representing a U.S. infant accessory company, negotiating an agreement with a group of rural women in Honduras.
  
- Mary Houghton, Executive Vice President, South Shore Bank, Chicago. Ms. Houghton has pursued a career in banking with an eye toward local entrepreneurial development, whether with low-income neighborhoods of Chicago, the Grameen Bank for the landless in Bangladesh, or the swine farmers in Honduras.
  
- Henrietta Holsman, President, Stockton Wire Products, Burbank, California. Ms. Holsman's company manufactures materials for commercial and residential construction. She has volunteered her expertise in the start-up and operation of manufacturing facilities, especially in production, financial analysis and sales. Her business interests have taken her throughout the world, including Latin America and nearly all the islands in the Caribbean.
  
- Frances Todd Stewart, President, Kerr-Hays Company, Ligonier, Pennsylvania. Ms. Stewart was appointed to the Board of Directors of the Overseas Private Investment Corporation, (she is the youngest based member and its first and only woman). Her company is involved in Import-Export worldwide.
  
- Vicki Smith Downing, President, International Venture and Equity Capital, Dallas, Texas. Ms. Downing has worked with the District Export Council of her region to encourage exporting to the Caribbean Basin countries. She is very active in promoting the role of private voluntary organizations in international trade and development with private companies.
  
- Barbara Reno, Vice President, Chase Manhattan Bank, New York. Ms. Reno has a long-standing interest in assisting Third World women to access credit. She was formerly associated with the World Council of Credit Unions, and edited the publication "Credit and Women's Economic Development".

OEF is now developing the network and programs needed to link U.S. and Caribbean Basin entrepreneurs. The proposal at hand presents a feasible mechanism for achieving this goal. It seeks to strengthen the institutions, the enterprises and the individuals that are potential key players in the private sector of Central America.

E. Linkages to Other AID Projects

This project complements other AID efforts. The Businesswomen's Councils and the U.S. WIB Committee will be able to take advantage of several on-going and planned projects for Central America. In turn these projects will be able to extend the benefits of their activities to a virtually untapped population: women. These projects include:

a) Private Sector Initiatives (LAC Bureau):

- 1) The Chicago Caribbean Basin Promotion Center of the Chicago Association of Commerce and Industry provides professional service to U.S. companies and investors in locating manufacturing facilities or sources of products in the Caribbean Basin, especially Costa Rica. This will be of particular interest since one of the most active cities in the OEF WIB Committee is Chicago.
- 2) The New Orleans Chamber Project has a special focus on trade and investment promotion for Honduras and Belize. Services of this project include a business directory for those two countries, a bulletin on trade and investment, and a series of trade missions.
- 3) The Caribbean/Central American Action (C/CAA) is a Washington based non-profit organization funded primarily by major U.S. corporations. OEF has been active in C/CAA since its inception, with OEF President Willie Campbell serving on the C/CAA Board of Directors. The WIB Project is particularly interested in linking with the C/CAA technical assistance clearinghouse, data bank and information system.

b) The Bureau for Private Enterprise Program in the Caribbean consists of several mutually supportive elements of which the most relevant to the WIB Project are:

- 1) Technical Assistance to business organizations and businesses in the transfer, adaptation and commercialization of technology, investment promotion, non-traditional export promotion and entrepreneurship training.

- 2) Feasibility Study Cost Sharing Program, providing refundable grants for the performance of feasibility studies for potential business ventures in selected sectors.
  - 3) Project financing, through a Revolving Loan Fund.
- c) Trade and Development Program, another means of partial financing for feasibility studies.
- d) AI Missions:
- 1) Costa Rica - The AID Mission in Costa Rica has several activities that are of particular interest to the Businesswomen's Councils through the Coalicion Costarricense de Iniciativas de Desarrollo (CINDE). OEF has already conducted a study of the export assembly industry (maquila) for CINDE, which conducted an in-depth briefing for the U.S. WIB Delegation during its visit in Costa Rica.
  - 2) Honduras - The AID Mission in Honduras is supporting several institutions in the promotion of exports which are labor intensive, based on natural resources and can be produced by artisans and small industries. These institutions include the Entrepreneurial Research and Development Foundation (FIDE), the Federation of Agricultural Export Producers of Honduras (FERROEXAH), the Financiera Industrial y Agropecuaria, S.A. (FIA), the Association of Managers and Businesspersons of Honduras (GEMAH), and the Aid to Artisans project with the Center for Industrial Development (CDI)..

### III. PROJECT GOAL, PURPOSES AND BENEFICIARIES

#### A. Goal

The goal of this project is to foster the establishment, improvement and expansion of productive, self-sustaining enterprises in Central America, through increased access to management expertise, marketing information and financial resources, resulting in increased employment and income for women and their families. This will be accomplished through an infrastructure of national Businesswomen's Councils in selected countries of Central America which offer technical assistance to micro, small and medium-sized enterprises and cooperatives owned by and/or employing women. These councils will play an active role in creating a climate conducive to women's involvement in the growth of the private sector.

#### B. Purposes

The project purposes are:

- a. Promote Businesswomen's Councils in at least two Central American countries and link them to OEF's WIB Committee and other businesswomen's associations in the U.S., especially Hispanic associations.
- b. Coordinate technical assistance through these national Councils to Central American businesswomen to meet their needs in management, marketing, product design, production, credit, transportation, distribution, packaging, quality control, etc.
- c. Enable businesswomen to investigate products and marketing opportunities in Central America and the U.S. through participation in trade conferences, professional meetings, exhibitions, and such.
- d. Collect, analyze and disseminate information on:
  - 1) Products made by women in Central America;
  - 2) Businesswomen in Central America and the U.S. who would be available to render technical assistance;
  - 3) Marketing opportunities in the U.S. and Central America;
  - 4) Meetings, conferences, exhibitions;
  - 5) Legislation, procedures, policies and programs impacting women's participation;
  - 6) Other areas, as identified by the Councils.
- e. Promote increased access to capital for financing enterprise start-up and expansion, through the establishment of a credit fund to provide capital guarantees to women's enterprises and through other credit mechanisms.

OEF will target specific sectors in the economy, depending upon the needs and resources identified in each of the countries. These will include the following sectors:

1. Food production and processing;
2. Manufacturing, from light assembly operations to crafts;
3. Services: communications, legal, banking; and
4. Tourism: restaurants, hotels, retail outlets, etc.

### C. Beneficiaries

The primary beneficiaries of this project will be the women receiving technical assistance in business development. These beneficiaries include the women who participate as members of the Businesswomen's Councils in each country, and those who are reached via these Councils. The benefits of this project will be measurable in terms of increased employment and income. OEF believes that this project is important from many perspectives:

#### a. Central American Businesswomen and Enterprises

- Expanded potential for profitability and growth;
- Access to needed managerial expertise and technology;
- Access to loans and guarantees;
- Access to information on marketing opportunities, product design, production levels, suppliers, legislation, etc.;
- Increased employment opportunities.

#### b. U.S. Businesswomen and Enterprises

- Access to growth markets and suppliers;
- Access to a network of Central American entrepreneurs;
- Expanding possibilities for communication, trade, and capital investment;
- Increased awareness of the global economy.

#### c. A.I.D.

- Greater return on investments already made in Central American enterprise development, especially through the Caribbean Basin Initiative;

- The establishment of a solid mechanism for the mutually beneficial involvement of U.S. and Central American business which, when tested successfully for target countries, can be applied in other parts of the region and other regions of the world;
  - Access to information on U.S. and Central American businessmen and products.
- d. OEF International
- Opportunity to forge specific program linkages between U.S. and Central America;
  - Greater local support for other development initiatives;
  - Increased capabilities in private sector development.

The benefits of the project will reach a wide variety of beneficiaries, at several levels, with different degrees of intensity. The total number of beneficiaries is estimated at more than 21,000 people, viewed as in Chart 1 Project Outreach, on the following page.

PROJECT OUTREACH  
WOMEN IN BUSINESS PROJECT

Businesswomen's  
Councils  
20 members x  
2 countries +  
US 75 = 115

Technical Assistance  
and Delegations 20 x 2  
+ US x 2 years = 120  
Seminars 100 x 5 x 2 countries  
+ US = 1,500

Newsletters 300 x 5 issues x 2 countries  
+ US = 4,500

Information, Referral, General Outreach  
500 x 2 years x 2 countries + US = 3,000

Employees (existing and new) 500 x 2 years x  
2 countries = 2,000

Families of employees 2,000 x 5 = 10,000

Total: 21,235

27

#### IV. PROJECT IMPLEMENTATION

##### A. Methodology

OEF will be directly involved in project implementation via the placement of field staff. OEF's field activity will include the formation, promotion and strengthening of national Businesswomen's Councils so that they will be able to undertake these efforts on their own in the future.

OEF's work in this project (as in all OEF projects) is characterized by four common features:

##### An integrated combination of project components.

Depending on the locally identified needs, a combination of several of the following components may typically be included:

- Business and financial management for small enterprises
- Technology transfer
- Credit
- Legal education
- Cooperative formation
- "Business-readiness" training
- Marketing, product design, production, promotion
- Child care and other community services

##### Participatory Project Design, Implementation and Evaluation

OEF's project process is based on the concept that lasting economic improvement depends on the full involvement of beneficiaries in defining and solving their own business problems. Thus, project implementation will include an assessment of resources and needs in a particular setting, a business plan and a request for assistance. Together members of the Councils, other beneficiaries and OEF staff will assess needs, identify resources, plan appropriate activities and monitor progress. The project's periodic evaluations will determine what is effective and what should be improved.

##### Flexibility in Project Design

OEF's approach is adaptable to the realities of the particular national context. Political, social and economic factors are all considered in project design. For example, Businesswomen's Councils with similar goals may opt for different organizational structures and activities from one country to

another. For instance, in some cases training may be needed, while in other cases, credit is needed. OEF believes that flexibility--providing technical assistance responsive to the needs and conditions of a particular setting--is basic to this project's effectiveness.

### Institution Building and Sustainability

OEF works to benefit project participants, and to strengthen national structures. OEF sees "institutional development" as the transfer of technology, knowledge and skills, so that an organization's own capabilities are expanded in specific areas. The institution's capacity to sustain its activities over a long period of time, once OEF technical assistance is completed, is a major concern. OEF is now finalizing a series of training modules on institutional planning that will assist in this process.

### B. Project Activities

#### 1. Country Selection

Honduras and Costa Rica have been selected as the initial sites for this project, based on the following criteria:

- a) Existence of a group of women who have formed, or are in the process of forming, a Businesswomen's Council.
- b) Request for OEF technical assistance in the formation and institutionalization of a Businesswomen's Council, and willingness to participate in project activities, with the goal and purposes as stated in this proposal.
- c) Business climate in the country, including the country's participation in the CBI, other resources and institutions, both public and private, that the Businesswomen's Councils can access.
- d) High potential for taking advantage of other U.S. efforts in the country.
- e) On-going and/or previous OEF work in the country, in order to maximize existing contacts, resources, technical assistance and supervision.

It is hoped that additional countries within the region can be added to this project, as new funding sources are found. OEF is committed to a region-wide effort, and will do all possible to leverage additional funding from both the private and public sectors.

#### 2. Project Start Up and On-going Activities

OEF will hire a Washington-based Project Director, an Assistant and field-based personnel including Country

Coordinators and Assistants. A meeting will then be convened of project personnel to refine the details of the full implementation plan.

Each Country Coordinator will immediately begin the on-going task of surveying products made by women and identifying women entrepreneurs at all economic levels of the country. She will also collect information on legislation, procedures, policies and programs that enhance the participation of women in business. These activities will eventually be absorbed by the Councils.

In the U.S., through the WIB Committees, the Project Director will communicate with women entrepreneurs, other key contacts, organizations and resources, establishing appropriate linkages. Particular attention will be given to reaching Hispanic entrepreneurs and associations across the U.S.

This information will form a data base accessible to all concerned via computer terminals located in project offices in participating Central American countries and in the U.S. The information will be updated regularly and disseminated through the Councils.

Information activities will take advantage of all existing pools of information. Of particular relevance are those services provided by the U.S. Department of Commerce through the Caribbean Basin Business Information Center, the Caribbean/Central American Action, the Trade Opportunities Program, and the Overseas Private Investment Corporation.

Test videotapes will be made of opportunities for investment, products available for export/import, and other such possibilities. Innovative usage will be made of video as a means of information transfer and promotion.

During the initial months of the project, an outreach plan will be designed to assure that appropriate project visibility is achieved. This plan will include mass media, newsletters and such.

### 3. Formation of Businesswomen's Councils

In each country, a Businesswomen's Council will be established to promote women's enterprises. The Councils will be composed of high-level women entrepreneurs and corporate executives. Each Council will determine its own title, establish membership guidelines, and develop a detailed workplan. In time, each Council will become a locally recognized legal entity. The Project Director will visit each country to assist in the process of forming and launching the Councils. The Country Coordinator will guide the long-term development of these Councils.

#### 4. Technical Assistance

The Businesswomen's Councils will be responsible for identifying technical assistance needs and potential resources within their own countries. Where assistance is not available among their own members, or through other institutions and individuals in their countries, these needs will be transmitted by the Country Coordinator to other Councils, and on to the Project Director in Washington for technical assistance from the U.S.

The delivery of technical assistance will take various forms. Newsletters reach a large audience. Seminars reach a more selected group. One-on-one training and on-site assistance are the most intensive delivery.

Wherever possible, technical assistance will be a "pro-bono" contribution, with out-of-pocket expenses to be arranged between the business assisted, the Council, the U.S. WIB Committee and OEF. Specialized or lengthy training may be handled by OEF staff or delivered on a contractual basis by consultants.

Video training modules will be developed to address the most common needs of entrepreneurs. Several video modules are being prepared at OEF through other projects, and Spanish versions could be adapted easily.

#### 5. Businesswomen's Delegations

Each country Council will convene delegations of businesswomen to travel to the U.S. Likewise, each country will receive delegations of U.S. businesswomen. Alternatively, delegations may be organized with participants from both countries, all of whom are interested in a specific sector, i.e. food processing. These delegations will have a "trade mission" objective--that is, they will be carefully designed to offer on-site experience and the widest possible outreach to market sources, suppliers and other business contacts. The coordination and scheduling of the delegations will be managed by the Project Director, who is based in Washington, D.C. in collaboration with Country Coordinators.

The project will also seek to include women participants in the trade and investment delegations sponsored by other institutions, especially the "twin chamber" programs, C/CAA activities, U.S. Department of Commerce sponsored delegations, and visits sponsored by professional and trade associations.

#### 6. Trade Exhibitions

The project will seek to maximize the face-to-face contact opportunities for businesswomen, such as a possible international exhibition to bring together U.S. and Central American women to promote investment opportunities, technologies, products and services that are provided by and/or benefit women. This

exhibition would be programmed for year two of the project. The exhibition may be "added-on" to an event already scheduled, or it may be entirely independent.

#### 7. Financing Mechanism

Existing credit mechanisms in each of the countries will be surveyed to determine their availability and accessibility for women entrepreneurs. Women will be encouraged to seek credit through existing systems. However, where such systems do not exist or do not have funds available, the creation of new systems may be required. A Loan Fund will provide credit for the women's enterprises which have received assistance through this project. The goal of providing credit is to increase the productivity, marketability and sustainability of these enterprises. As a result of this process, entrepreneurs will gain access to formal credit systems through banking institutions, suppliers and other creditors.

A Guarantee Fund will be established with an AID contribution of \$200,000. This Guarantee Fund will serve to leverage additional resources at a one for two ratio from private sources (banking institutions, other lending agencies, private companies, etc.). All options for the capitalization and operation of the Guarantee Fund will be thoroughly analyzed by a credit consultant, and approved by the AID Project Officer. The criteria for loan approval will be developed in each country, in coordination with the AID mission.

The Loan Fund will be operated in a self-supporting manner by a private bank in each country. An appropriate interest rate will be pegged to the current market rate in the country. The funds generated by the interest should cover basic Loan Fund administrative costs, including inflation, so as to avoid liquidation of the Fund. Loan committees will be established, composed of bank representatives, OEF staff, Businesswomen's Council members, and women borrowers to review loan applications, procedures, repayment rates, and other on-going tasks of the credit component.

The Project Director will have the ultimate responsibility for the prudent and timely management of credit fund. The Country Coordinator will be responsible for all project credit activity in her country.

The project staff and the Businesswomen's Councils will also actively pursue other financing mechanisms for project activities. For example, partial financing of feasibility studies may be available through AID missions or the Trade and Development Program.

#### D. Project Scenarios

The following scenes (semi-fictitious!) are presented to show how the project activities might work:

C. WORKPLAN  
 WOMEN IN BUSINESS  
 IN CENTRAL AMERICA

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Project Start Up																								
Staff Recruitment, orientation																								
Project Planning																								
Database Development																								
Formation of Councils																								
Baseline Data Collection																								
Design of Training and Technical Assistance Materials																								
Technical Assistance																								
Businesswomen Delegations																								
Establishment of Loan Fund procedures, bank relationships, etc.																								
Loan Fund Operation																								
Midpoint Evaluation																								
Trade Exhibition																								
Project Future Planning																								
Final Evaluation																								
Final Project Report																								

16.a

23

30

Case #1:

Women on the north coast of Honduras are producing manioc chips similar to potato chips. They lack the technology for packaging their product appropriately for sale in San Pedro Sula and Tegucigalpa. Their association is in contact with the Honduras Businesswomen's Council, and they make a request for some assistance in packaging. One of the Council members works for a biscuit manufacturer, and she schedules an engineer to meet with the women. They learn of a simple sealing device which a local blacksmith can manufacture. A second member helps in the design of the label. The product is successful in San Pedro Sula and Tegucigalpa, and the women begin to look at the snack food market in the U.S. A U.S. WIB Committee member is a vice-president of a leading corporation in this field, and she introduces the product at the executive dining room. The consensus is that the product shows real potential, and an executive is requested to visit the women on her next trip to Honduras.

Case #2:

Two Miami women are interested in purchasing children's clothing, with fine embroidery as well as machine stitching. Through the Costa Rican Businesswomen's Council they meet with the Executive Director of a Costa Rican organization that started a women's sewing cooperative. The Cooperative already has contracts for adult clothing, and could easily go on to children's wear, but these women do not have embroidery skills. The President of the Cooperative contacts another cooperative in a rural village, and the two cooperatives collaborate on the order. The women in Miami are pleased with their contract, and double their order.

Case #3:

Exotic fruits have recently become a valuable export to American supermarkets. Carambola is a common fruit in Panama but its harvest is usually wasted for lack of a local market. The same is true of the sapotes grown in Panama, the chirimoya in Belize and the cashew fruit in Guatemala. OEF arranges for a multi-country group of potential fruit exporters to visit the wholesale buyers and distributors in New York. Six months later, the produce buyers respond by forming a team of experts to visit these women in Central America, in order to offer their assistance in solving shipping problems at the port, irrigation needs on the farm and transportation bottlenecks. Soon, carambolas replace kiwis as the "in" dessert of the winter season.

Case #4:

A woman in southern Honduras inherited a tile manufacturing plant from her nephew, but the revenues from the business are not meeting her expenses. A businesswomen's Council member pays her

a visit, helps her analyze her expenses and receipts, and the woman realizes she is underpricing her goods. With the help of the Council member, she increases her prices while maintaining her quality. She is successful in obtaining a large new order at her new prices. Encouraged about the future of her business, she seeks a loan through the Council so that she can add new machinery. She hires ten new workers when the equipment is installed.

Case #5:

A textile processing plant has closed its offshore operations in the free zone of Honduras, leaving the machinery to the two hundred now-unemployed workers. The women seek a U.S. partner to supply raw materials and to locate U.S. markets. A videotape of the factory is shown by OEF in a number of cities (hosted by U.S. WIB Committee Members) to selected potential partners. One of these agrees to collaborate with the Honduran women and arranges a subcontracting agreement to get the plant back in business. The women are back at their machines and receive their first paychecks just in time to purchase school supplies for the new year for their children.

E. Institutionalization and Self Sufficiency

The future of the Businesswomen's Councils and the activities fostered by this project will be of great importance to OEF, the Central American women involved, the Councils and the U.S. WIB Committee. From project inception to conclusion, planning will be a major emphasis, in order to ensure the sustainability of the organizations and their activities. Special attention will be placed on structuring the organizations at project start up so that their services are able to meet costs in an equitable and cost-effective manner for project participants and Council members.

Given OEF's participatory and democratic processes, each Council will determine its own structure, membership basis, technical assistance services, administration and financial management. OEF will offer guidance as appropriate to the needs of these Councils. It is anticipated that membership and/or user fees will be levied by the Councils, in accordance with local practice.

At all points in the project, close coordination will be maintained with USAID missions to ensure complementary.

F. Staffing

The project will be staffed by persons with specific skills needed for efficient and successful project implementation. The positions are as follows:

The Regional Director for Latin America and the Caribbean is the overall supervisor of this project and all other OEF projects

in the region. She will spend approximately 30% of her time on this project.

The Project Director is the main person responsible for this project. The Project Director is the liaison to the project's activities with the U.S. WIB Committee. The Project Assistant is responsible for all data base maintenance and the logistics coordination of the delegations on their trips to Central America and the U.S. The Project Secretary is responsible for all D.C.-based clerical tasks.

The Country Coordinators are based in each of the project countries. The Country Assistants are responsible for recordkeeping and for any other tasks assigned by the Country Coordinator, particularly the scheduling and brokering of technical assistance and the delegations. Each country office will have a Secretary/Bookkeeper in order to handle all clerical functions related to the project and the Businesswomen's Council.

The Project Organizational Chart is found on the next page.

#### G. Evaluation

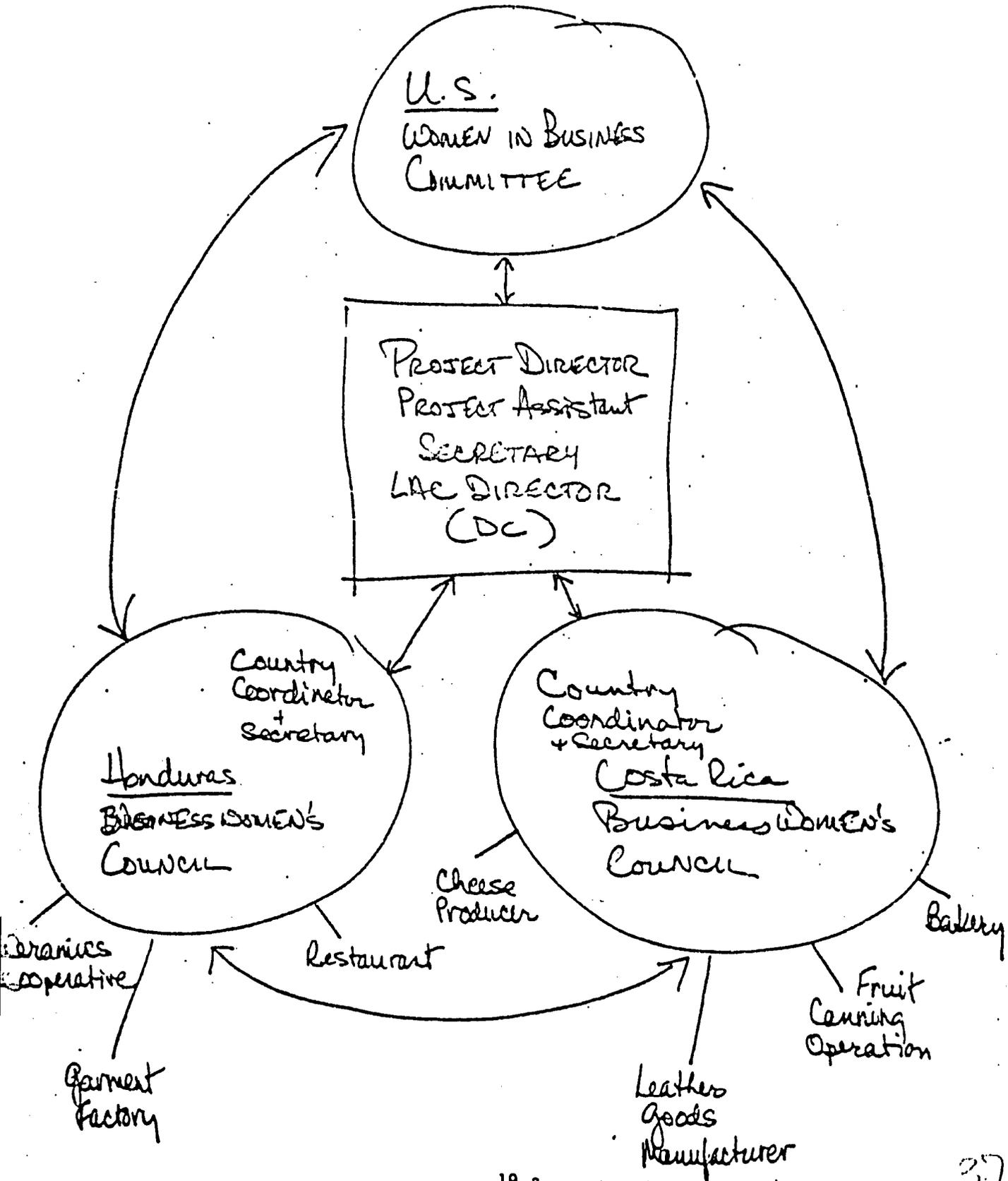
OEF has worked over the years to create a unique and effective approach to project evaluation that emphasizes beneficiary participation, orients project modifications and determines project impact. OEF will evaluate its activities in light of the following basic questions: "Who benefited and by how much? Are the benefits sustainable and are they likely to grow?"

The OEF evaluation procedure includes both formative and summative components. The formative evaluation process includes feedback, monitoring, and a midpoint evaluation. It enables project staff and beneficiaries to examine project implementation in order to identify successful aspects and areas for improvement. The summative evaluation consists of a final project evaluation. Baseline data and evaluation indicators identified at the beginning of the project are compared with the results of the project. This evaluation assesses the immediate impact of the project, and provides for recommendations related to further project activities.

During the first three months of the project, a monitoring system will be designed for use throughout the life of the project. The Project Director will be responsible for semi-annual reports on the status of the program. At project month 12, a midpoint formative evaluation will be conducted by an outside evaluator contracted by OEF. At the conclusion of the project, a final evaluation will be conducted, also by an outside evaluator contracted by OEF.

A full description of the OEF Evaluation System is included as an attachment to this proposal.

ORGANIZATIONAL CHART  
WOMEN IN BUSINESS PROJECT



## H. OEF Expertise

OEF International, founded in 1947, is a private, independent, non-profit organization dedicated to promoting economic development and entrepreneurship among women in developing countries.

For nearly four decades, OEF has worked with women in Africa, Asia, the Middle East, Latin America and the Caribbean to help them to achieve self-reliance and self-sufficiency through business enterprise and democratic practices. Through technical assistance, OEF has supported an expanding spectrum of projects designed to promote small business development and employment opportunities in developing countries.

To build on its successes in the developing world, OEF launched the Women in Business Committee in 1981. This national advisory body is composed of senior-level women executives from multinational corporations and women business owners. Sharing a common interest in international business--as well as an awareness of the growing importance of international economic development-- members of the Women in Business Committee provide an expanding network of support for OEF's work with business women in the United States and in the Third World.

OEF projects reach women, and often men, whose economic activities have been constrained by lack of access to skills, information and resources. Beneficiaries typically have had little access to technical training or credit. The El Castano project in El Salvador catalyzed a community agro-industry, a tomato processing plant producing catsup and other products previously imported. Village women in Honduras are expanding into commercial swine production, and are now acquiring skills in business management and marketing, in addition to improving their skills in animal husbandry. In Panama, a variety of micro-enterprises have been launched in the urban periphery of Panama City, and other women have found jobs in factories.

OEF's most recent innovative work includes research, training and program design for women in the maquila industry in Costa Rica, Panama and Haiti.

Through its project experience, OEF has identified a number of components that need to be included in business programs with women. Successful projects are those that respond to conditions characteristic of this target group, such as lack of access to information, limited managerial and technical skills, and a heavy load of familial responsibility. Therefore, OEF-assisted projects build in a combination of components: a market assessment; "business-readiness" training; technical training; credit; cooperative and small business management training; marketing assistance; and related supports, such as community-based child care.

OEF's' experience in assisting private sector development activities has produced a significant level of organizational expertise in the field. Some highlights of OEF's unique contributions to the methodology of this field include:

- Two training manuals for "business-readiness" and technical training were written and published; the training activities motivate women to participate, help them to organize, and enable them to gain problem-solving skills;
- Simple training materials have been developed for marketing strategies for products and services, feasibility studies, credit, and appropriate recordkeeping and management systems,
- Methods were devised for involving women in non-traditional and economically viable work areas; and
- Evaluation approaches were produced that enable entrepreneurs to measure economic gains for themselves, as well as to provide impact data for donors.
- Design of several programs in productivity improvement, and labor force development.

39

36

ALTERATIONS IN GRANT

The following alterations have been made in the standard provisions of this grant:

1. Standard Provision No. 7A entitled "Payment - Federal Reserve Letter of Credit (FRLC) Advance" is deleted in its entirety and Attachment A entitled "Payment - Letter of Credit (August 1984)" is substituted.
2. Standard Provision No. 7B entitled "Periodic Advance" is changed as follows:
  - a. Applicability Statement: Delete "an FRLC" and substitute "a letter of credit".
  - b. Paragraph (c): Delete "an original and two copies" and substitute "one copy".
3. Standard Provision No. 7C entitled, "Payment - Reimbursement": In the applicability statement, delete "an FRLC" and substitute "a letter of credit".
4. Standard Provision No. 8, entitled "Travel and Transportation", is deleted in its entirety and Attachment B entitled "Air Travel and Transportation" is substituted.
5. Standard Provision No. 9, entitled "Ocean Shipment Of Goods" is deleted in its entirety and Attachment C, entitled the same, is substituted.
6. Standard Provision No. 10A, entitled "Procurement of Goods and Services Under \$250,000": Delete paragraph (c) and substitute the following:

"(c) Geographic Source and Order of Preference

All goods (e.g., equipment, materials, and supplies) and services, the costs of which are to be reimbursed under this grant, and which will be financed with United States dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (1) The United States (AID Geographic Code 000),
- (2) The cooperating country,

40\*

31'

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

(4) "Special Free World" countries (AID Geographic Code 935)."

7. Standard Provision No. 10B, entitled "Procurement of Goods and Services Over \$250,000": Delete paragraph (d) in its entirety and substitute the language shown in Attachment D.

8. Standard Provision No. 13A, entitled "Title To and Use of Property (Grantee Title)":

- a. Delete "(1)" under paragraph (c), and
- b. Delete subparagraph (2) in its entirety under paragraph (c).

9. Standard Provision No. 15 entitled "Termination" is amended as follows:

a. Change the title of Standard Provision No. 15, dated 2-82, to read: "TERMINATION AND SUSPENSION".

b. Delete paragraph (d) in its entirety and substitute the following:

"(d) Suspension: Termination for Changed Circumstances  
If at any time AID determines (1) that disbursement by AID would be in violation of applicable law, or (2) 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, 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 to pertain 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. Financial settlement of this Grant shall be governed by the termination procedures specified in paragraph (c) above.

10. Standard Provision No. 16, entitled "Voluntary Participation": Delete the applicability statement and substitute the following: "(This provision is applicable to all grants involving any aspect of family planning or population assistance activities.)"

11. Standard Provision No. 17, entitled "Prohibition on Abortion-Related Activities":

a. Delete the applicability statement and substitute the following: "(This provision is applicable to all grants involving any aspect of family planning or population activities.)"

b. Add the following to the last line of paragraph (a):  
"; (5) lobbying for abortion."

c. Delete paragraph (b) and substitute the following:

"(b) No funds made available under this Grant will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent, or consequences of abortion is not precluded."

d. Add paragraph (c) as follows:

"(c) The Grantee shall insert paragraphs (a), (b), and (c) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder."

12. Standard Provision No. 20, entitled "Patents", is deleted in its entirety and Attachment E, entitled "Patent Rights", is substituted.

13. Standard Provisions No. 26 and 27 entitled, "Participant Training" and "Health and Accident Coverage for AID Participant Trainees", respectively, are deleted in their entirety and Attachment F, entitled "Participant Training", is substituted.

7A. Payment - Letter of Credit (AUGUST 1984)

(This provision is applicable only when the following conditions are met: (i) the total advances under all the grantee's cost-reimbursement contracts and assistance instruments with AID exceed \$120,000 per annum, (ii) AID has, or expects to have, a continuing relationship with the grantee for at least one year; (iii) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof; (iv) the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this grant, entitled "Accounting, Audit, and Records" and, either (v) the foreign currency portion of the total advance under this grant is less than 50% or (vi) the foreign currency portion of the total advance under this grant is more than 50% but more than one foreign currency country is involved.)

(a) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by AID's Office of Financial Management, Program Accounting and Finance Division (M/PM/PAPD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/PM/PAPD constitute payment conditions of this grant, superseding and taking precedence over any other provision of this grant concerning payment.

## (c) Reporting:

(1) A "Financial Status Report" SF-269, shall be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period, in an original and two copies to AID/M/PM/PAPD, Washington, D.C. 20523. If the grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final report must be submitted within 90 days after the conclusion of the grant to M/PM/PAPD. In cases where grants are Mission funded, the Grantee will forward an information copy to the AID Mission accounting station at the same time the original and one copy are mailed to M/PM/PAPD, AID/Washington.

(2) The grantee shall submit an original and one copy of SF-272, "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/PM/PAPD. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report all cash advances in the Remarks section of SF-272. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the grantee's field organizations shall be supported by short narrative explanations of action taken by the grantee to reduce the excess balances.

(d) Revocation of the LOC is at the discretion of the authorized LOC certifying officer of M/PM/PAPD after consultation with the grant officer. Notification of revocation must be in writing and must specify the reason for revocation. PM/PAPD shall provide the grant officer a copy of the revocation notice and a recommendation for an alternative method of payment (periodic advance or cost reimbursement) based upon the reasons for the revocation. The grant officer shall immediately amend this agreement to provide for an appropriate alternative method of payment. The recipient may appeal any such revocation to the grant officer.

ATTACHMENT B

9. AIR TRAVEL AND TRANSPORTATION (OCTOBER 1984)

(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, not in no event at least 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 U.S. Mission or Embassy, 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 U.S. Government S.F. 1169, Transportation Request (TR) 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 United States 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 United States 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 otherwise available 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 reimbursable 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 United States being performed by 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 he 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 United States 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 United States 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 United States, 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 United States, 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. 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).

(1) International Travel

(i) As used herein, the term "international travel" means travel to all countries other than those within the home country of the traveler. Travel outside the United States includes travel to the U.S. Trust Territories of the Pacific Islands.

(ii) 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 Civilian, 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.

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

9. OCEAN SHIPMENT OF GOODS (OCTOBER 1984)

(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 Commodity Management, 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 reimbursable 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."

(e) Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies (22 CFR 302).

415  
42

## Procurement of Goods and Services Over \$250,000

(d) **Nationality.** Except as specified in paragraph (e) of this provision, in order to be eligible for AID financing under this grant, suppliers, contractors, or subcontractors must fit one of the following categories:

(1) **Suppliers of commodities.** A supplier providing goods under this grant must fit one of the following categories for the costs of such goods to be eligible for AID financing:

(i) An individual who is a citizen or, except as provided in paragraph (d)(7) of this clause, a legal resident of a country or area included in the authorized geographic code;

(ii) A corporation or partnership organized under the laws of a country or area included in the authorized geographic code;

(iii) A controlled foreign corporation, i.e., any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock is owned by United States shareholders within the meaning of Section 957 et seq. of the Internal Revenue Code, 26 U.S.C. 957; or

(iv) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which are eligible under any of the foregoing categories.

(2) **Privately owned commercial suppliers of services.** An individual or a privately owned commercial firm is eligible for financing by AID under this grant as a contractor providing services only if the criteria in paragraphs (d)(2)(i), (ii), or (iii) of this provision are met and, in the case of the categories described in paragraphs (d)(2)(ii) and (iii), the certification requirements in paragraph (d)(2)(iv) are met.

(i) The supplier is an individual who is a citizen of and whose principal place of business is in a country or area included in the authorized geographic code or a non-U.S. citizen lawfully admitted for permanent residence in the United States whose principal place of business is in the United States;

(ii) The supplier is a privately owned commercial (i.e., for profit) corporation or partnership that is incorporated or legally organized under the laws of a country or area included in the authorized geographic code, has its principal place of business in a country or area included in the authorized geographic code, and meets the criteria set forth in either subparagraph (A) or (B) below:

(A) The corporation or partnership is more than 50% beneficially owned by individuals who are citizens of a country or area included in the authorized geographic code. In the case of corporations, "more than 50% beneficially owned" means that more than 50% of each class of stock is owned by such individuals; in the case of partnerships, "more than 50% beneficially owned" means that more than 50% of each category of partnership interest (e.g., general, limited) is owned by such individuals. (With respect to stock or interest held by couples, funds or institutions, the ultimate beneficial ownership by individuals is controlling.)

(B) The corporation or partnership:

(1) has been incorporated or legally organized in the United States for more than 3 years prior to the issuance date of the invitation for bids or request for proposals, and

(2) has performed within the United States similar administrative and technical, professional, or construction services under a contract or contracts for services and derived revenue therefrom in each of the 3 years prior to the issuance date of the invitation for bids or request for proposals, and

(3) employs United States citizens in more than half its permanent full-time positions in the United States, and

(4) has the existing capability in the United States to perform the contract.

(iii) The supplier is a joint venture or unincorporated association consisting entirely of individuals, corporations, partnerships, or nonprofit organizations which are eligible under paragraphs (d)(2)(i), (d)(2)(ii), or (d)(3) of this provision.

(iv) A duly authorized officer of a firm or nonprofit organization shall certify that the participating firm or nonprofit organization meets either the requirements of paragraphs (d)(2)(i)(A), (d)(2)(ii)(1), or (d)(3) of this clause. In the case of corporations, the certifying officer shall be the corporate secretary. With respect to the requirements of paragraph (d)(2)(ii)(A), the certifying officer may presume citizenship on the basis of the stockholder's record address, provided the certifying officer certifies, regarding any stockholder (including any corporate fund or institutional stockholder) whose holdings are material to the corporation's eligibility, that the certifying officer knows of no fact which might rebut that presumption.

(3) **Nonprofit organizations.** Nonprofit organizations, such as educational institutions, foundations, and associations, are eligible for financing by AID under this grant as contractors for services if they meet all of the criteria listed in paragraphs (d)(3)(i), (ii), and (iii) below, and the certification requirement in paragraph (d)(2)(iv) of this clause is met. (International agricultural research centers and such other international research centers as may be, from time to time, formally listed as such by the Senior Assistant Administrator, Bureau for Science and Technology, are considered to be of U.S. nationality for purposes of this provision.) Any such organizations must:

(i) Be organized under the laws of a country or area included in the authorized geographic code; and

(ii) Be controlled and managed by a governing body, a majority of whose members are citizens of countries or areas included in the authorized geographic code; and

(iii) Have its principal facilities and offices in a country or area included in the authorized geographic code.

(4) **Government-owned organizations.** Except as may be specifically approved in advance by the Grant Officer firm operated as commercial companies or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof are not eligible for financing by AID under this grant as contractors.

(5) **Joint ventures.** A joint venture or unincorporated association is eligible only if each of its members is eligible in accordance with paragraphs (d)(2), (3), or (4) of this clause.

(6) **Construction services from local firms.** When the host country is an authorized source for services, and the estimated cost of the construction services is \$5 million or less, a corporation or partnership may be determined by AID to be an integral part of the local economy in accordance with AID Handbook 18, Chapter 3, Paragraph 5D5, is eligible.

(7) **Ineligible suppliers.** Citizens of any country or area, and firms and organizations located in or organized under the laws of any country or area, which is not included in Geographic Code 935 are ineligible for financing by AID as suppliers of services or of commodities, or as agents acting in connection with the supply of services or of commodities, except that non-U.S. citizens lawfully admitted for permanent residence in the United States are eligible regardless of such citizenship.

(8) **Special restrictions on procurement of construction or engineering services.** Section 601(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 the 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, obtain the AID Grant Officer's approval for any such contract."

**13. PATENT RIGHTS (OCTOBER 1984)**

(This provision is applicable whenever patentable processes or practices are financed by the grant).

**a. Definitions.**

- (1) "Invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code.
- (2) "Subject Invention", means any invention of the recipient conceived or first actually reduced to practice in the performance of work under this agreement.
- (3) "Practical Application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.
- (4) "Made" when used in relation to any invention means the conception or first actual reduction to practice of such invention.
- (5) "Small Business Firm" means a domestic small business concern as defined in section 1 of Public Law 95-536 (15 U.S.C. 832) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, shall be used.
- (6) "Nonprofit Organization" means a domestic university or other institution of higher education or an organization of the type described in Section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) and exempt from taxation under Section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any domestic nonprofit scientific or any educational organization qualified under a state nonprofit organization statute.

**b. Allocation of Principal Rights.**

The recipient may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 101 with respect to any subject invention in which the recipient retains title; the Federal Government shall have a non-exclusive, non-transferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

**c. Invention Disclosure, Election of Title and Filing of Patent Applications by Recipient.**

(1) The recipient shall disclose each subject invention to AID within two months after the inventor discloses it in writing to recipient personnel responsible for patent matters. The disclosure to AID shall be in the form of a written report and shall identify the agreement under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to AID the recipient shall promptly file with AID the acceptance or any manuscript describing the invention for publication or of any on sale or public use planned by the recipient.

(2) The recipient shall elect in writing whether or not to retain title to any such invention by notifying AID within twelve months of disclosure to the recipient, provided that in any case where publication, on sale, or public use has initiated the one-year statutory period wherein valid patent protection can still be obtained in the United States, the period of election of title may be shortened by AID to a date that is no more than 60 days prior to the end of the statutory period.

(3) The recipient shall file its initial patent application on an elected invention within two years after election or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The recipient shall file patent applications in additional countries within either ten months of the corresponding initial patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(4) Requests for extension of the time for disclosure to AID, election, and filing may, at the discretion of AID be granted.

**d. Conditions When the Government May Obtain Title.**

The recipient shall convey to AID upon written request, title to any subject invention:

(1) If the recipient fails to disclose or elect the subject invention within the time specified in c. above, or elects not to retain title. AID may only request title within sixty days after learning of the recipient's failure to report or elect within the specified times.

(2) In those countries in which the recipient fails to file patent applications within the times specified in c. above, provided, however, that if the recipient has filed a patent application in a country after the time specified in c. above, but prior to its receipt of the written request of AID the recipient shall continue to retain title in that country.

(3) In any country in which the recipient decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding, on, a patent on a subject invention.

**e. Minimum Rights to Recipient.**

(1) The recipient shall retain a nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title except if the recipient fails to disclose the subject invention within the times specified in c. above. The recipient's license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the recipient is a party and includes the right to grant sublicenses of the same scope to the extent the recipient was legally obligated to do so at the time the agreement was awarded. The license is transferable only with the approval of AID except when transferred to the successor of that party of the recipient's business to which the invention pertains.

(2) The recipient's domestic license may be revoked or modified by AID to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions in the Federal Property Management Regulations and agency licensing regulations (if any). This license shall not be revoked in that field of use or the geographical areas in which the recipient has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of AID to the extent the recipient, its licensee, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, AID shall furnish the recipient written notice of its intention to revoke or modify the license, and the recipient shall be allowed thirty days (or such other time as may be authorized by AID for good cause shown by the recipient) after the notice to show cause why the license should not be revoked or modified. The recipient has the right to appeal, in accordance with applicable agency licensing regulations (if any) and the Federal Property Management Regulations concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of its license.

**f. Recipient Action to Protect the Government's Interest.**

(1) The recipient agrees to execute or to have executed the properly delivered to AID all instruments necessary to (i) establish or conform the rights the Government has throughout the world in those subject inventions to which the recipient elects to retain title, and (ii) convey title to AID when requested under paragraph d. above, and to enable the Government to obtain patent protection throughout the world in that subject invention.

(2) The recipient agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the recipient, each subject invention made under agreement in order that the recipient can comply with the disclosure provisions of paragraph c. above, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by c. (1) above. The recipient shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) The recipient shall notify AID of any decision not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response period required by the relevant patent office.

(4) The recipient agrees to include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under (identify the agreement awarded by AID). The Government has certain rights in this invention."

47X

44

**g. Subagreements and Contracts.**

The recipient shall include this clause suitably modified to identify the parties in all subagreements and contracts, regardless of tier, for experimental, developmental, or research work to be performed by a small business firm or nonprofit organization. The subrecipient or contractor shall retain all rights provided for the recipient in this clause, and the recipient shall not, as part of the consideration for awarding the contract or subagreement obtain rights in the contractor's or subrecipient's subject inventions.

**h. Reporting Utilization of Subject Inventions.**

The recipient agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the recipient or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the recipient, and such other data and information as AID may reasonably specify. The recipient also agrees to provide additional reports as may be requested by AID in connection with any march-in proceedings undertaken by AID in accordance with paragraph j. of this provision. To the extent data or information supplied under this section is considered by the recipient, its licensee or assignee to be privileged and confidential and is so marked, AID agrees that, to the extent permitted by law, it shall not disclose such information to persons outside the Government.

**i. Preference for United States Industry.**

Notwithstanding any other provision of this clause, the recipient agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention shall be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by AID upon a showing by the recipient or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

**j. March-in Rights.**

The recipient agrees that with respect to any subject invention in which it has acquired title, AID has the right in accordance with the procedures in CMB Circular A-124 to require the recipient, an assignee or exclusive licensee of a subject invention to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the recipient, assignee, or exclusive licensee refuses such a request, AID has the right to grant such a license itself if AID determines that:

(1) Such action is necessary because the recipient or assignee has not taken or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use;

(2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the recipient, assignee, or their licensees;

(3) Such action is necessary to meet requirements for public use specified by Federal regulators and such requirements are not reasonably satisfied by the recipient, assignee, or licensees; or

(4) Such action is necessary because the agreement required by paragraph i. of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

**k. Special Provisions for Agreements with Nonprofit Organizations.**

If the recipient is a nonprofit organization, it agrees that:

(1) Rights to a subject invention in the United States may not be assigned without the approval of AID, except where such assignment is made to an organization which has as one of its primary functions the management of inventions and which is not, itself, engaged in or does not hold a substantial interest in other organizations engaged in the manufacture or sale of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention (provided that such assignee shall be subject to the same provisions as the recipient).

(2) The recipient may not grant exclusive licenses under the United States patents or patent applications in subject inventions to persons other than small business firms for a period in excess of the earlier of:

(ii) Eight years from the date of the exclusive license excepting that time before regulatory approval necessary to obtain premarket clearance, unless on a case-by-case basis, AID approves a lesser exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use shall not be deemed commercial sale or use as to other fields of use and a first commercial sale or use with respect to a product of the invention shall not be deemed to end the exclusive period to different subsequent products covered by the invention.

(3) The recipient shall share royalties collected on a subject invention with the inventor; and

(4) The balance of any royalties or income earned by the recipient with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, shall be utilized for the support of scientific research or education.

**l. Communications.**

Communications concerning this provision shall be addressed to the grant officer at the address shown on the face of this agreement.

ATTACHMENT F

26. PARTICIPANT TRAINING (OCTOBER 1964)

(This provision is applicable when any participant training is financed under the grant).

(a) Definitions:

1. Participant training is the training of any non-U.S. individual outside of his or her home country using AID funds or under AID sponsorship.
2. A participant is any non-U.S. individual being trained under this grant outside of his or her home country.

(b) Application of Handbook 10:

Participant training under this grant is to be conducted according to the policies established in AID Handbook 10, Participant Training, except to the extent that specific exceptions to Handbook 10 have been provided in this grant with the concurrence of the Office of International Training. Handbook 10 may be obtained by submitting a request to the Office of International Training (SIT/IT), Agency for International Development, Washington, D.C. 20523.)

(c) Reporting Requirement

For participants trained in the United States, data shall be submitted by means of the form AID 1381-4, "Participant Data", simultaneously with enrollment in the Health and Accident Coverage Program (see Section (d) below). For participants trained in third countries, grantees shall submit to SIT/IT only the top white sheet of the Participant Data form (and blue copies if subsequent changes in the participant's training program are made). Copies of the Participant Data form may be obtained from the Office of International Training at the address indicated in Section (b) above.

(d) Health and Accident Coverage (HAC) Program For Training Within The United States

The grantee shall enroll all participants training in the United States in AID's HAC Program.

1. The HAC Program enables the participant, or the provider of medical services, to submit bills for medical costs resulting from illness and accident to the HAC Claims Office which pays all reasonable and necessary medical charges for covered services not otherwise covered by other insurance programs (see paragraph 3 below), in accordance with the standard coverage established by AID under the HAC Program.
2. The grantee shall, as early as possible and no later than the initiation of travel to the United States by each participant financed by AID under this grant, fill out form AID 1381-4 entitled "Participant Data" and mail it to the addresses indicated on the back of the form. The grantee can obtain a supply of these forms and instructions for completing them from the Office of International Training at the address indicated in section (b) above.
3. Enrollment fees shall be submitted, thirty days prior to the beginning of each new enrollment period. The current enrollment fee amount shall be obtained from the address indicated in section (b) above. Payments will be made via check made payable to A.I.D. and submitted to:

Agency for International Development  
Office of Financial Development  
Central Accounting Division-Cashier (FM/CAD)  
Washington, D.C. 20523

(a) The enrollment fee shall be accompanied by a letter which lists the names of the enrollees identical to that on the Participant Data Form, period of coverage, fee amount, AID grant number, and the U.S. Government appropriation number as shown on the grant.

(b) The enrollment fees shall be calculated on the basis of fixed rates per participant per each 30 day period. The enrollment fees may not be prorated for fractional periods of less than 30 days and should cover the current training period for which funds are obligated under the grant.

4. The grantee shall assure that enrollment begins immediately upon the participant's departure for the United States for the purpose of participating in a training program financed or sponsored by AID, and that enrollment continues in full force and effect until the participant returns to his or her country of origin or is released from AID's responsibility, whichever occurs first.

5. The grantee shall provide each participant with a copy of the HAC brochure, copies of which are available from SIT/IT at the address indicated in section (b) above.

6. If the grantee has a mandatory, nonwaivable health and accident insurance program for participants, the costs of such insurance will be allowable under this grant. Any claims eligible under such insurance will not be payable under AID's HAC plan or under this grant. However, even though the participant is covered by the grantee's mandatory, nonwaivable health and accident insurance program, the participant must be enrolled in AID's HAC Program. In addition, a copy of the mandatory insurance policy must be forwarded to the HAC Claims Office.

7. Medical costs not covered by the grantee's health service program or mandatory, nonwaivable health and accident insurance program, or AID's HAC Program shall not be reimbursable under this grant unless specific written approval from the grant officer has been obtained.