



U S AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

PD-ABQ 814

4/10/98

598-0840

U S - Cuba Business  
Council

(Grant Agreement)

FEB 3 1998

Mr Thomas E Cox  
Program Director  
U S -Cuba Business Council  
5313 Lee Highway  
Suite B  
Arlington, VA 22207

Subject Award No LAG-G-00-98-00014-00

Dear Mr Cox

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U S Agency for International Development

(hereinafter referred to as "USAID" or "Grantor") hereby grants to

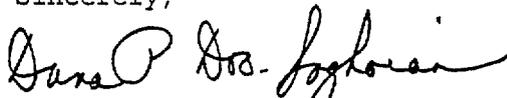
the U S -Cuba Business Council (herein after referred to as USCBC or "Recipient"), the sum of \$267,380 00 to provide support for a program in Cuban transition activities, as described in the Schedule of this award and the Attachment 2, entitled "Program Description "

This award is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending 02/02/1999 USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount

This award is made to USCBC, on condition that the funds will be administered in accordance with the terms and conditions as set forth in 22 CFR 226 entitled "Administration of Assistance Awards to U S Non-Governmental Organizations", Attachment 1, entitled "Schedule", Attachment 2, entitled "Program Description", and Attachment 3 entitled "Standard Provisions "

Please sign the original and each copy of this letter to acknowledge your receipt of this award, and return the original and all but one copy to the Grant Officer

Sincerely,



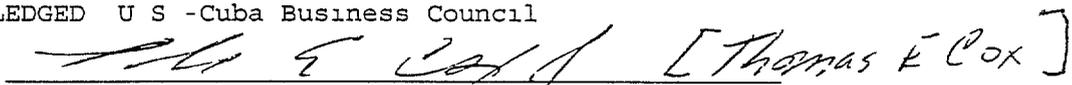
Dana P Doo-Soghlian  
Grant Officer  
Office of Procurement  
M/OP/B/LA

Attachments

- 1 Schedule
- 2 Program Description
- 3 ~~Standard Provisions~~
- 4 ~~Standards for USAID Funded Communications Projects~~

ACKNOWLEDGED U S -Cuba Business Council

BY



Title

Program Director

Date

February 10, 1998

ACCOUNTING AND APPROPRIATION DATA

A GENERAL

1	Total Estimated Amount	\$267,380 00
2	Cost Share Amount	\$ 93,590 00
3	Total Program Amount	\$360,970 00
4	Cost-Sharing Percentage (Non-Federal)	35%
5	Activity Title	US-Business Council Transition to Private Enterprise
6	USAID Senior Advisor to Cuba	AA/LAC - David Mutchler USAID - Room 5 08-036 Washington, DC 20523
7	Tax I D Number	52-1861160
8	DUNS No	958132490
9	LOC Number	N/A

B SPECIFIC

1	NMS Request No	7
2	Org ID No	11093
3	Account No	ES97/98LES798
4	Project No	598-0840
5	Amount Obligated	\$267,380 00

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## SCHEDULE

## 1 1 PURPOSE OF AGREEMENT

The purpose of this Agreement is to provide support for the program described in Attachment 2 of this Agreement entitled "Program Description "

## 1 2 PERIOD OF AGREEMENT

The effective date of this Agreement is the date of the Cover Letter and the estimated completion date is 02/02/1999

## 1 3 AMOUNT OF AWARD AND PAYMENT

- (a) USAID hereby obligates the amount of \$267,380 00 for the purposes of this Agreement
- (b) \*Payment shall be made to the Recipient by Payment - Request for Advance or Reimbursement in accordance with procedures set forth in 22 CFR 226 22

## 1 4 BUDGET

The following is the Agreement Budget, including local cost financing items, if authorized Revisions to this budget shall be made in accordance with 22 CFP 226 25

GRANT BUDGET  
2/03/98 - 2/02/99

Cost Line Item	Amount
Transition to Private Enterprise in Cuba	\$267,380
USAID Grant Amount	267,380**
Grantee Cost Share	<u>93,590</u>
TOTAL ESTIMATED PROGRAM AMOUNT	\$360,970

\*In order to ensure proper accounting of costs under this grant activity, the Grantee shall request for a periodic advance in the amount of \$23,120 for the first month. At the end of the first month, USAID/OP will review the accounting process for compliance in which these costs were recorded. Noncompliance will result in suspension of funds under this grant.

\*\*USAID reserves the right to conduct a followup accounting system audit within six months from the effective date of this grant to ensure the Grantee has installed an accounting system adequate for government purposes. Noncompliance will result in suspension or termination in accordance with 22 CFR 226 61

## 1 5 REPORTING AND EVALUATION

## 1 5 1 Financial Reporting

In keeping with the requirements established in 22 CFR 226 52, the Recipient is required to

(a) Submit an original and two copies of a "Request for Advance or Reimbursement", SF 270, on a monthly basis to USAID, Office of Financial Management, M/FM/CMP/DC, Room 7 07-095, RRB, Washington, DC 20523. The additional copies shall be submitted as follows: one copy each of SF 270 to the USAID Senior Advisor for Cuba, LAC/AA, RRB 5 08-036, Washington, DC 20523, and one copy each of SF 270 to the cognizant Agreement Officer, M/OP/B/LA, RRB, Room 7 09-103, Washington, DC 20523-7100. The Request for Advance or Reimbursement

reports shall be in keeping with the Financial Reporting requirements and shall be in accordance with 22 CFR 226 22 entitled, "Payment"

(b) Prepare a "Financial Status Report", SF 269a, on an accrual basis and submitted quarterly in an original and two copies to USAID Office of Financial Management M/FM/CMP/DC, Room 7 07-095, RRB, Washington, DC, 20523. A final SF269a report shall be submitted within 90 days of completion of this Grant. An additional copy of each SF269a shall be submitted to the cognizant Agreement Officer, M/OP/B/LA, Room 7 09-103, RRB Washington, DC 20523-7100. The Financial Status Reports shall be in keeping with the financial reporting requirements and shall be in accordance with 22 CFR 226 52 entitled "Financial Reporting"

## 1 5 2 Monitoring and reporting program performance

(a) Requirements. The Recipient shall submit an original and one copy of a brief quarterly program report to the address listed in the Cover Letter. In addition, one copy shall be submitted to USAID/CDIE/DI Washington DC 20523-1802. An additional copy of each performance report shall be submitted to the cognizant Agreement Officer M/OP/B/LA, RRB, Room 7 09-103, Washington, DC 20523. Program reports shall include the information specified in 22 CFR 226 51 entitled, "Monitoring and Reporting Program Performance". A final performance report is also required.

(b) Contents. The Program report shall briefly present the information contained in 22 CFR 226 51(d)

- (1) A comparison of actual accomplishments with the goals and objectives established for the period; the findings of the investigator or both. Whenever appropriate and 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, if appropriate.
- (3) An illustrative list of titles of publications and videos shall be included in Quarterly Performance Reports.
- (4) Include, as an attachment, a copy of materials distributed such as brochures and the like.

- (5) Copy of any insurance policy(ies) deriving from this grant
- (6) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs

### 1 5 3 Final Report

Within 90 days following the estimated completion date of this Grant, (see Section 1 2 above), the Grantee shall submit a final report to the USAID Senior Advisor for Cuba, RRB, Room 5 08-036, Washington, DC 20523, who shall forward one copy of the final report to USAID, CDIE/DI, Washington, DC 20523

The Grantee shall also submit one copy of the final report to the cognizant Agreement Officer, M/OP/B/LA, RRB, Room 7 09-103, Washington, DC 20523. The report shall cover the entire period of the Grant and include all information shown in Section 1 5 2, specifically including but not necessarily limited to

- (1) A summarization of the program's accomplishments or failings,
- (2) An overall description of the activities under the program during the period of this Grant
- (3) A description of the methods of work used,
- (4) Comments and recommendations regarding unfinished work and/or program/continuation and direction and,
- (5) A fiscal report that describes in detail how the Grant funds were used

### 1 5 4 Special Reports

Between the required program performance reporting dates, events may occur that have significant impact upon the program. In such instances the Grantee shall inform the USAID Project Officer 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 work units by established time periods. This disclosure shall be accompanied by a statement of the action taken or contemplated and any USAID 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
- (3) If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in 22 CFR 226 25, the Grantee shall submit a request for budget revision to the Grant Officer and the USAID Senior Advisor to Cuba



1 6 KEY PERSONNEL

The key personnel which the Grantee shall furnish for the performance of this Grant is as follows

POSITION	NAME
Program Director	Thomas E Cox

The personnel specified above is considered essential to the work being performed hereunder Prior to selecting or replacing any of the specified individual, the Grantee shall notify both the cognizant USAID Grant Officer and the cognizant USAID Senior Advisor to Cuba reasonably in advance and shall submit written justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program No replacement shall be made by the Grantee without the written consent of the Grant Officer

1 7 TITLE TO AND CARE OF PROPERTY

Title to all property financed under this award shall vest in the Recipient subject to the requirements of 22 CFR 226 30 through 37

The Grant Officer hereby approves the purchase of tangible nonexpendable general and special purpose personal property (equipment) including exempt property charged directly to the award having a useful life of less than one year and an acquisition cost of \$5 000 or less per unit The Grant Officer must approve the purchase of tangible nonexpendable genral and special purpose personal property (equipment) including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5 000 or more per unit Approval is subject to programmatic constraints as deemed appropriate by the cognizant Grant Officer

The prior approval for property with a useful life of less than one year and less than \$5 000 per unit is subject to the authorized geographic code below

1 8 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this award is 000

1 9 INDIRECT COSTS

No indirect costs will be charged to this Award The Recipient understands and agrees that indirect costs attributable to this Award will be absorbed by the Recipient and considered cost sharing

1 10 RESOLUTION OF CONFLICTS

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

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Attachment 1 - Schedule  
22 CFR 226  
Attachment 3 - Standard Provisions  
Attachment 2 - Program Description

## 1 11 COST SHARING

The Recipient agrees to expend an amount not less than 35% of the total Federal contribution. Cost sharing contributions will meet the criteria as set out in 22 CFR 226.23.

## 1 12 COMMUNICATIONS PRODUCTS (OCT 1994)

(a) Definition - Communications products are any printed materials (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the agreement or approved in writing by the agreement officer. A copy of the standards for USAID financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the agreement officer:

- (1) Any communication product costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.
- (2) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to CDIE and other USAID/W offices for internal use).

## 1 13 PAYMENT OFFICE

The payment office and the office which requests for payments shall be sent to U.S. Agency for International Development, Office of Financial Management (FM/CMP/MP), Room 7 07-095, RRB, Washington, DC 20523.

## 1 14 GRANT ADMINISTRATION OFFICE

The post-award grant administration office is the U.S. Agency for International Development, M/OP/B/LA, RRB, Room 7 09-103, Washington, DC 20523. The cognizant Grant Officer is Dana P. Doo-Soghlian, Grants Officer, and may be contacted at 202-712-5671.

## 1 15 PROJECT OFFICE

The Project Office is the U S Agency for International Development, LAC/SPM, RRB, Washington, DC 20523 The cognizant Project Officer is the USAID Senior Advisor to Cuba, David Mutchler, and may be contacted at 202-712-4742

## 1 16 SPECIAL PROVISIONS

(a) This Grant is made pursuant to the authorities of the Cuban Democracy Act, 22 U S C Sec 6001 et seq , Sec 6004, ("CDA") and the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996, 22 U S C Sec 6021 et seq , Sec 6039, ("Libertad Act") Activities authorized and financed under this Grant are governed and limited by the terms of the CDA and the Libertad Act

(b) The CDA and the Libertad Act authorize assistance through nongovernmental organizations to support individuals and independent nongovernmental organizations to promote peaceful, nonviolent democratic change in Cuba through various types of democracy-building efforts for Cuba The Grantee agrees that funds made available under this Grant will only be utilized for peaceful, nonviolent activities in accordance with the CDA and the Libertad Act The Grantee has assured USAID that the program of the Grantee does not include support or promotion of political change in Cuba by violent means

(c) The Grantee further agrees that no funds made available under this Grant will be utilized

(1) by the Grantee, by any subgrantee or subrecipient, or by any member organization of the Grantee, in any program involving support or promotion of political change in Cuba by violent means,

(2) nor by any subgrantee, subrecipient or member organization of the Grantee, the program of which includes support or promotion of political change in Cuba by violent means

(d) No funds or assistance under this Grant may be provided to the Cuban Government as stated in the Libertad Act The Libertad Act, 22 U S C Sec 6023(1) and (5), defines "Cuban Government" as including the government of any political subdivision of Cuba, and also any "agency or instrumentality" of the Government of Cuba, as these terms are further defined in 28 U S C Sec 1603(b) Section 1603(b) states that an organization which is either 1) an "organ of a foreign state or political subdivision thereof" (here an organ of the Cuban Government), or 2) "a majority of whose shares or other ownership interest is owned by a foreign state or political subdivision thereof" is an "agency or instrumentality of a foreign state" thus ineligible for funding under this Grant Employees of the government of Cuba as defined above are also ineligible for assistance under this Grant while working in their official capacities However such persons while not working in their official capacities as employees of the Cuban Government, are considered as individuals and are eligible for assistance Furthermore merely providing information on transitions to democracy, human rights, and market economies to individuals who are Cuban Government employees is not considered assistance to the Cuban Government because the

information is offered to these persons as individuals, and does not benefit the current Government of Cuba

- (e) The Conference Report to the Libertad Act H R 104-468, page 50, clarifies that "incidental payments or indirect benefits to commercial or regulatory entities of the Cuban Government, e g , payments for hotels, car rental, travel or transportation to or within the island, purchases of other goods or services in the local economy, customs fees, migration fees, or other comparable government charges" are not considered to be assistance to the Cuban Government which is prohibited by the Libertad Act
- (f) The Grantee shall take all reasonable steps necessary to ensure that the above special provisions a-e are followed In addition to any other remedies stated in the Grant, violation of these special provisions may be grounds for termination of this Grant pursuant to 22 CFR 226 61

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LAG-G-00-98-00014-00

Attachment 2

ATTACHMENT

PROGRAM DESCRIPTION

The Grantee's proposal entitled "Transition to Private Enterprise & a Free Market Economy" dated October 16, 1997 and revisions thereto and the Program Description (Attachment 2) are hereby incorporated and made a part of this Award

## PROGRAM DESCRIPTION

### Objective

To help facilitate social, economic and political transition to a free and democratic Cuba

### Summary

The Grantee will do the following to accomplish the above objective of this grant activity

A The Grantee will conduct a survey of Corporate 1,000, minority and other business executives to compile an "inventory" of private sector plans and resources to assist Cuba's economic revival. The survey will provide an account of private sector resources available to support economic development in Cuba which will facilitate U S plans for aiding a transitional Cuba, and communicate to the Cuban people the willingness and capacity of the U S business community to promote rapid socio-economic development on the island.

B The Grantee will organize a series of conferences on the role of U S firms in a transitional Cuba. This will involve the participation of executives from large, medium, and small businesses. Invitations will be sent to the USAID Senior Advisor to Cuba so that he may attend as an observer.

C The Grantee will develop a compendium of existing literature on Cuban industry, society and economic conditions. This database of socio-economic indicators will include studies presented at annual meetings of the Association for the Study of the Cuban Economy, research on Cuban industry sectors, and other appropriate documents. The Grantee will also draw on the database in producing a study entitled, "Cuba's Economic Transition: Challenges and Solutions". This study will focus on the task of rebuilding Cuba's physical infrastructure and developing indigenous private enterprise and a free labor movement.

D In order to establish an effective outreach program to the Cuban people, the Grantee will use broadcast, print and recorded message for transmitting to the Cuban people the results of the analysis carried out under the grant. Broadcast media include Radio Marti, as well as commercial broadcast stations in southern Florida which have sufficient power to reach Cuba. The Grantee will also explore the possibility of television transmission via TV Marti and commercial networks. Written reports and monographs will be distributed by friendly governments with diplomatic representation in Cuba, and by travelers to Cuba from third countries. The Grantee will also attempt to send cassettes and reports through the international mail system.