

PDBBR943



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U.S.A.I.D. MISSION TO KENYA
OFFICE OF THE DIRECTOR

POST OFFICE BOX 30261
NAIROBI, KENYA

FEB 19 1988

Mrs. Kalimi Mworja
Executive Director
Family Planning Association of Kenya
P. O. Box 30581
Nairobi, Kenya

Subject: Grant No. AID-615-0232-G-00-8018

Dear Mrs. Mworja:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Family Planning Association of Kenya (hereinafter referred to as "FPAK") the sum of \$854,600 to fund the initial two years of a proposed five year project for Community Based Family Planning Services as described in Attachment 1, the Schedule of this Grant, and Attachment 2, entitled "Program Description."

This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending on approximately February 28, 1990.

This grant is made to FPAK on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled the "Schedule", Attachment 2, entitled "Program Description," and Attachment 3 entitled "Standard Provisions," which are hereby agreed to by your organization.

Please sign the original and four (4) copies of this letter to acknowledge your receipt of the grant, and return the original and three (3) copies of the entire document to the Project Development Office, USAID/Kenya, P. O. Box 30261, Union Towers, Nairobi, Kenya.

Sincerely,


Steven W. Sinding
Director
Grant Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

Family Planning Association of Kenya

By:  Kalini M. Mwarua (Mrs)

Title: Executive Director

Date: 19th February 1988

Fiscal Data

Appropriation:	72-11M-1021
Budget Plan Code:	GDA-85-21615-BG13
PIO/T No.:	<u>615-0232-3-50075</u>
Total Obligated Amount:	\$400,000
Funding Source:	Population and Health
RES. CTL. No.:	

Appropriation:	72-117/1021
Budget Plan Code:	GDPA-87-21615-KG13
PIO/T NO:	615-0232-3-70064
Total Obligated Amount:	\$454,600
Funding Source:	Population and Health
RES. CTL. NO.:	

FPAK Grant
Grant No.: AID-615-0232-
G-00-8018
Dated: February 19, 1988

ATTACHMENT 1

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to fund the initial two years of a proposed five year project for Community Based Family Planning Services, as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

1. The effective date of this Grant is the date of signature of the Grant. The estimated expiration date of this Grant is February 28, 1990.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$854,600 for purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Optional Standard Provision 14, entitled "Payment-Periodic Advance."

D. Financial Plan

The budget for this Grant is set forth in Annex 1 to this attachment. Revisions to this Plan shall be made in accordance with the Standard Provision of this Grant, entitled "Revision of Grant Budget." FPAK is fully responsible for financial management and accountability for utilization of Grant Funds.

E. Overhead Rate

An overhead rate is not applicable to this grant. The Grantee shall only be reimbursed for direct costs incurred as a result of activities carried out in accordance with the Program Description.

F. Reporting and Evaluation

1. Technical Reporting

During the life of the Grant, FPAK will submit to A.I.D. the following reports:

On a semi-annual basis, a report will be submitted on project progress and on problems encountered to date in achievement of Grant objectives. The semi-annual report will include a general assessment of progress and problems to date; a brief status report on each of the subprojects and the indicators of outputs achieved to date; a brief summary of actions planned for the next period; and a table showing all personnel directly financed under this Grant. These reports will contain both quantitative and qualitative information to the extent possible. The first such report will cover the period ending August 31, 1988. Each such report is due 60 days following the end of the reporting period and will be submitted in 3 copies.

2. Financial Reporting

Within 30 days following the end of each quarter, a Grant financial report is required. The first such report will be due no later than June 30 1988. This report will include the following:

- (a) Standard Form 1034 (Public Vouchers for Purchase and Services other than Personnel). Original, plus two copies are required; and
- (b) A consolidated report of Grant expenditures which shows by budget line item:
 - (1) amount budgeted per the financial plan,
 - (2) amount expended for the quarterly period under consideration,
 - (3) total cumulative amount expended, and
 - (4) remaining balance per line item.

The Grantee agrees to consult with A.I.D.'s Regional Financial Management Office (RFMC) concerning further details for submitting all financial reports and estimates.

3. Estimates of Advance Requirements

As soon as possible for the first quarter, and 30 days in advance of the beginning of each succeeding quarter, the Grantee will submit to A.I.D. its estimate of advance requirements for the quarter broken down on a monthly basis. Advances will be provided in accordance with standard AID procedures for advance payments

4. Final Report

A final report is required which will include a comprehensive review and discussion of project activities and achievements. This report will be due no later than the estimated expiration date of the grant.

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5. Evaluation

An evaluation of the entire project will be conducted in the 7th quarter of the project as described in the Program Description, Attachment 2, to the Grant.

G. Implementation

This Grant is made to FPAK on condition that funds will be administered in accordance with the terms and conditions as set forth in the following Attachment 2 which contains the Program Description and Attachment 3, Standard Provisions. It is expected that FPAK will exert its best efforts to adhere to the plan for project implementation described in Attachment 2 and will advise A.I.D. promptly of significant delays, if any are experienced.

H. Special Provisions

1. A.I.D. Mandatory and Optional Standard Provisions, set forth in Attachment 3, apply to this Agreement.
2. The Optional Standard Provision entitled "Local Cost Financing with U.S. Dollars" is applicable to this Grant. Local cost financing is authorized for expenditures up to the maximum amount of the funds provided under the Grant during the period of the Grant without prior Grant Officer approval.
3. Within sixty days of the date of signature of the Grant Agreement, FPAK will submit to A.I.D. a detailed implementation plan for the first year's activities identifying major outputs, steps necessary to achieve those outputs, and a plan for procurement and use of technical assistance, training, and commodities.
4. Three months prior to commencement of activities in year 2, FPAK will submit to A.I.D. implementation plans for activities to be financed in that project year.
5. The Grantee is responsible for assuring that financial management and reporting regarding Grant funds are thoroughly audited as part of its regular annual audit. The audit report will be submitted to A.I.D. in the normal course of the annual update of FPAK's registration with A.I.D.
6. The Grantee is solely responsible for ensuring that each employee is legally employed and granted all benefits (including salary, leave and termination) in accordance with applicable laws of the Government of Kenya.

I. Authorized Source and Origin for Goods and Services

Goods and services financed by A.I.D. under this Grant shall have their source and origin in countries contained in AID Geographic Code 935 in accordance with the order of preference rules specified in the Standard Provision of this Grant entitled, "Eligibility Rules for Goods and Services." (See Annex 2 to this Attachment for details on countries covered in A.I.D. Geographic Codes).

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FPAK Grant
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ANNEX 1
to ATTACHMENT 1

Estimated Grant Budget
(U.S.\$)

<u>Cost Element</u>	<u>A.I.D.</u>	<u>FPAK</u>	<u>TOTAL</u>
1. Salaries and Wages	\$191,790	\$55,820	\$247,610
2. Staff Benefits	107,470	5,582	113,052
3. Honoraria for CBD Agents	160,970	0	160,970
4. Administrative Costs	17,360	13,090	30,450
5. Travel & Per Diem	92,030	12,820	104,850
6. Supplies & Equipment	81,090	180,480	261,570
7. Consultants	27,490	0	27,490
8. Training	<u>98,710</u>	<u>11,120</u>	<u>109,830</u>
Subtotal	776,910	278,912	1,055,822
9. Contingency (10%)	<u>77,690</u>	<u>0</u>	<u>77,690</u>
TOTAL GRANT	\$854,600	\$278,912	\$1,133,512

Conversion Rate from Kenya Shillings: KSh 16.5 = \$1.00

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FPAK Grant
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ANNEX 2
to ATTACHMENT 1

RELEVANT A.I.D. GEOGRAPHIC CODES

The eligible source/origins of A.I.D.-financed procurement are shown in the A.I.D.-Financed Export Opportunities circulars and Procurement Information Bulletins by a three digit A.I.D. Geographic Code Number. Following are summaries of the most frequently used codes with listings of the countries included in each (see A.I.D. Regulation 1, Section 201.11 for further details).

Suppliers should retain a copy of this Small Business Memo for future references. This Small Business Memo supersedes SBM 86-3.

- Code 000 UNITED STATES. The states of the United States, The District of Columbia and areas of U.S. associated sovereignty, including the trust territories.
- Code 899 FREE WORLD* Any area or country in the FREE WORLD*, excluding the participating country itself.
- Code 935 SPECIAL FREE WORLD Any area or country in the FREE WORLD* including the participating country itself.
- Code 941 SELECTED FREE WORLD Any independent country in the FREE WORLD* except the cooperating country itself and the following:

<u>Europe</u>		<u>Other</u>	
Andorra	Luxembourg	Angola	Mozambique
Austria	Malta	Australia	New Zealand
Belgium	Monaco	Bahrain	Qatar
Denmark	Netherlands	Canada	Saudi Arabia
Finland	Norway	Cyprus	Singapore
France	Portugal	Gabon	South Africa
Germany, Federal	San Marino	Greece	United Arab Emirates
Republic of	Spain	Hong Kong	Iraq
(including West Berlin)	Sweden	Japan	Kuwait
Italy	United Kingdom		
Iceland	Yugoslavia		
Liechtenstein			

* FREE WORLD excludes the following areas or countries: Afghanistan, Albania, Bulgaria, Cambodia, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Iran, Laos, Libya, Mongolia, North Korea, People's Democratic Republic of Yemen (South Yemen), People's Republic of China, Poland, Romania, Syria, Union of Soviet Socialist Republic (USSR), and Vietnam.

Attachment 2

PROGRAM DESCRIPTION

The program description includes an overview, background on the organization and its activities, a description of the program, a discussion of implementation activities, and a description of funding arrangements. Additional information can be found in the FPAK proposal "FPAK Community Based Family Planning Services" dated December 1987 on file in the Population and Health Office of USAID Kenya. This proposal is incorporated by reference as a part of this Grant.

OVERVIEW

The purpose of this Grant is to assist the Family Planning Association of Kenya (FPAK) in improving and consolidating its present community based distribution (CBD) of contraceptives activities in three pilot areas and to expand CBD family planning services into an additional 15 of the most densely populated areas of Kenya

The CBD approach is expected to achieve greater family planning impact at a lower cost than existing clinical based family planning systems by:

- 1) Increasing accessibility of family planning services to under served populations in areas that are difficult to reach through existing systems.
- 2) Providing better coverage to the target population by making available sufficient supplies of contraceptives.
- 3) Encouraging greater community involvement and participation in the delivery of family planning services.
- 4) Ensuring proper training, retraining and follow-up of all project staff.

The specific project objectives are:

- 1) To establish and strengthen CBD projects in 18 sites:
 - . 9 new sites
 - . 6 sites with distributors selected and trained, but not currently distributing contraceptives.
 - . Two existing FPAK pilot sites (currently funded by IPPF).

One site currently funded under a UNICEF Child Survival Project.

- 2) To train in CBD techniques 350 newly recruited and 130 existing CBD agents in 18 designated rural districts.
- 3) To recruit a total of 49,000 new family planning acceptors by the end of the project period (i.e., 13,000 new acceptors by the end of the first year; 36,000 new and 9,800 continuing acceptors by the end of the second year.)
- 4) To improve the data collection system of service statistics from CBD sites through a new Management Information System (MIS).

BACKGROUND

Kenya's estimated population of 22.5 million is growing at an estimated rate of 4.0 percent per year, representing a doubling time of less than 18 years and an average completed family size of eight children. This growth rate has produced one of the highest child-to-adult dependency ratios in the world and threatens the fragile capacity of Kenya's existing economic and social systems.

The Government of Kenya (GOK) has taken major steps in recent years to reduce the country's population growth rate. In particular, it has emphasized the importance of promoting the use of all safe and proven modern methods of family planning. The 1984 Kenya Contraceptive Prevalence Survey (KCPS) showed that 32% of Kenyan women who are married and fecund do not want more children in the future, up from 17% in 1977.

Limited access to quality family planning services for a majority of Kenya's rural population is a major constraint to increasing contraceptive prevalence rates. The 1984-88 Ministry of Health Development Plan shows that only 30% of the population live within easy reach (2 Kilometers) of a health facility. Half of the existing facilities are inadequately staffed and equipped, while less than 50% offer family planning services. Inadequate services coupled with poor supervision and follow-up have contributed to a drop-out rate of around 46% for clinic based programs.

The National Council for Population and Development (NCPD) and the Ministry of Health (MOH) have developed a plan for a national program for the community based distribution of contraceptives (CBD) in Kenya to expand and extend family planning services beyond limited clinical facilities. This effort is being coordinated by NCPD with technical guidance and logistical support being provided by MOH.

The CBD approach was introduced on a pilot basis through FPAK and other NGOs in the early 1980s. By 1985, the success of these pilot projects demonstrated that: 1) demand for family planning information and supplies did exist among the rural population; 2) family planning services could be provided successfully by members of local communities; and 3) the CBD approach of service delivery achieved better results at a lower cost than either clinic based family planning or out-reach services.

FPAK is a national non-profit, voluntary organization established about 25 years ago to promote the development of family planning services in Kenya. It currently provides 27% of all family planning services in the country (KCPS 1984) and has been very influential in shaping government policies in this area. Additionally, it has played a leadership role over the years in creating a demand for family planning among its constituents. It is organized through a network of 104 volunteer branches distributed across the country and thereby enjoys widespread grassroots support.

Many staff at FPAK have had CBD exposure through consultative CBD meetings and visits to other successful CBD programs in Kenya and Zimbabwe that will be useful in their management of this CBD project. Similarly, the two pilot CBD projects FPAK began in 1983 with assistance from the Pathfinder Fund have proven very successful and are targeted for expansion under the project.

THE PROJECT

The FPAK project will increase accessibility and coverage of family planning services by instituting and strengthening CBD projects in 18 rural sites throughout 15 Districts. As a priority, the project will concentrate initially on the most densely populated locations within divisions which have poor access to family planning services. The total population of the divisions to be covered is about 2.5 million of which 22% (550,000) are women of reproductive age.

It is estimated that by the end of the project there will be:

- (1) significantly increased accessibility of family planning services in the 18 areas designated by the project,
- (2) improved availability and use of sufficient contraceptive supplies in the target population,
- (3) significantly greater community involvement and participation in the delivery of family planning services,
- (4) institutionalization of proper training, retraining and follow up activities of all project staff,

- (5) a strengthened data collection system for service statistics from CBD sites through a new Management Information System,
- (6) improved levels of knowledge and utilization of family planning services,
- (7) a decrease in the drop-out rate of acceptors in family planning programs,
- (8) an increase in the average contraceptive prevalence rate in the areas covered by the CBD program.

The method of achieving these outcomes involves training 350 newly recruited part time CBD agents and providing orientation workshops for 130 existing agents in 18 designated rural sites of Kenya. They will be trained in new CBD techniques and eventually charged with recruiting 13,000 new accepters of family planning by the end of the first year and 36,000 new accepters by the end of the second year, with a continuation rate of approximately 75% anticipated during the second year.

The CBD agents also will be responsible for distributing contraceptives. These commodities (condoms, foaming tablets, jelly, cream and resupply of pills) will be obtained from the FPAK warehouse and distributed through the FPAK network at local levels. In addition, the CBD agents will be responsible for client counselling and follow-up activities.

Family planning information and education will be provided to all clients served and shall be the responsibility of all CBD agents, Field Workers and Area Supervisors. These activities will include home visits, group talks, lectures at health facilities and adult literacy classes, public meetings, and individual counselling.

Clients who require family planning services which are not available through the CBD program will be referred to one of 15 designated MOH and FPAK clinics. These clinics have been staffed and equipped by the MOH through the integrated Rural Health and Family Planning Program. The Area CBD Supervisors will work closely with MOH and FPAK members to ensure that each clinic is competently staffed and adequately supplied with contraceptives and necessary equipment.

Provision will also be made in this project for technical assistance to FPAK in the development, testing, implementation and evaluation of a family planning Management Information System (MIS). Work on the MIS will begin as soon as the project starts and is expected to be completed within the first 6 quarters of the project. The objective of the MIS is to generate reliable data necessary for effective decision-making at all levels of project management, client follow-up and donor reporting.

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IMPLEMENTATION

The activities of the project will be conducted in two phases over the initial period of two years:

Phase I: During the first year, the project will cover a total of nine sites: the three pilot areas and six areas where distributors have been selected and trained but are not yet distributing contraceptives. The first group of (175) new CBD Agents will be recruited and trained. This will be referred to as the consolidation phase.

Phase II: During the second year, the project will be expanded to cover nine additional sites from which the second group of (175) new CBD Agents will be recruited. This will be referred to as the expansion phase.

FPAK will monitor the activities of its 18 CBD sites throughout the life of the project. FPAK will receive and analyze information from both its CBD program management and field staff. This will include information from CBD agents, CBD Field Workers, CBD Supervisors, the Area Programme Officers (APO), the Programme Officer/CBD, the Programme Manager and the Executive Director. Relevant technical information will be summarized in semi-annual progress reports to USAID and NCPD. FPAK personnel will visit the CBD field sites on a regular basis.

The FPAK Executive Director will provide the principal liaison between FPAK and USAID/Kenya's Office of Population and Health and the NCPD's CBD Division. At the national level, the Executive Director and Program Manager will have the responsibility for the overall management of the CBD project. The Project Manager will be the FPAK liaison with other agencies involved with CBD activities and with USAID and the NCPD on all matters concerning monitoring and evaluation. The Programme Officer/CBD will be responsible for the day-to-day administration, coordination and management of the project. The APOs will be responsible for management of the project at the area level. Routine supervision will be the joint responsibility of the Programme Officer/CBD, the Area CBD Field Supervisors and the CBD Field Workers. Supervision will be undertaken primarily through site visits by the supervisory staff.

The 480 part-time CBD Agents will be responsible for recruiting family planning clients and supplying them with non-prescriptive contraceptives. They will be recruited with the assistance of local development agencies and will provide necessary counselling and follow-up services, submit monthly reports to the Field workers, and carry out information and education activities related to CBD in their areas of operation.

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VALUATION INDICATORS

An evaluation conducted during the 7th quarter of the project will examine the following indicators to assist in the planning for the continuation and expansion of the project for an additional three years:

- number of trained project personnel (old, new and existing cadres of trainees) and course content;
- number of active CBD agents (480 expected);
- number of new acceptors by method in the CBD project (49,000 total acceptors anticipated);
- number of referrals to the clinic;
- number of continuing users by method (37,000 total continuing users expected); and
- number of contraceptives distributed by method.

The evaluation is expected to concentrate on the following:

- the process of recruiting CBD agents;
- the training of trainers, CBD Field Workers, CBD Agents;
- the supervisory structure, including aspects of project management that affect service delivery at field level;
- all aspects of service delivery including:
 - o clinical back up system;
 - o CBD delivery of services;
 - o client satisfaction;
 - o community participation;
- appropriateness and adequacy of the design and implementation of the management information system;
- effectiveness and efficiency of the system to provide timely information to management for decision making;
- utilization of field staff;
- financial management at all levels; and
- degree of involvement of FPAK Committee and headquarters staff in the CBD programme.

FUNDING

Funds under this grant will be used to support FPAK project activities for the initial two (2) years of a proposed five (5) year project. The total estimated cost of the AID contribution, as projected in FPAK's proposal, is \$854,600. The AID contribution will fund local costs including salaries and wages, general administration, fees to CBD Agents, travel and associated expenses, supplies and equipment, MIS consultancy service, education and training, benefits and other direct costs.

FPAK will provide the Kenya shilling equivalent, in cash or in kind, of approximately \$278,912 for the provision of a portion of personnel costs, training materials and activities, office equipment, I.E.C. materials, use of vehicles, contraceptive commodities, and office/storage space. These contributions represent over 25 percent of total AID contributions.

ATTACHMENT 3.

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OMB Control No. 0412-0510
Expiration Date: 12/31/89

**MANDATORY STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEE¹**

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

1. ALLOWABLE COSTS (MAY 1986)

(a) The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant and the applicable* cost principles in effect on the date of this grant, which are attached.

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

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

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

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

¹When these Standard Provisions are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient" "Grant" means "Cooperative Agreement," and "AID Grant Officer" means "AID Agreement Officer."

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

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

2. ACCOUNTING, AUDIT, AND RECORDS (MAY 1986)

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. Accounting records that are supported by documentation will as a minimum accumulate and record all costs incurred under a grant and disclose the amount of that portion of the cost of the project supplied by other sources. The grantee records and subgrantee records which pertain to this grant shall be retained for a period of three years from the date of expiration of this grant and may be audited by AID and/or its representatives.

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

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

(1) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. These records shall be maintained for three years after final payment. These records may be audited by the grantor's representatives.

(2) The grantee agrees to have the funds provided under this grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the

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grantee's audit reports will be provided to the grantor. If the audit coverage is not sufficient to verify the source and application of grant funds or the audit does not meet the requirements of an independent audit, a second audit will be requested of the grantee and that audit shall meet the requirements of the grantor.

3. REFUNDS (MAY 1986)

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

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

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

4. REVISION OF GRANT BUDGET (MAY 1986)

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

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

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

(2) Additional funding is needed.

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

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

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

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

5. TERMINATION AND SUSPENSION (MAY 1986)

(a) For Cause. This grant may be terminated for cause at any time, in whole or in part, by the grant officer upon written notice to the grantee, whenever it is determined that the grantee has failed to comply with the conditions of the grant.

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

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

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(d) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the grantee shall take immediate action to minimize all expenditures and obligations financed by this grant and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended AID funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6. DISPUTES (NOVEMBER 1985)

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

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

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

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

7. INELIGIBLE COUNTRIES (MAY 1986)

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

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

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

9. NONLIABILITY (NOVEMBER 1985)

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

10. AMENDMENT (NOVEMBER 1985)

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

11. NOTICES (NOVEMBER 1985)

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

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

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

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

(END OF MANDATORY STANDARD PROVISIONS)

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

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of this Handbook. Each grant is required to have a payment provision. Check off the provisions which are to be included in the grant. Only those standard provisions which have been checked off are included within the grant.

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

(INCLUDE THIS PAGE IN THE GRANT)

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PAYMENT - PERIODIC ADVANCE (NOVEMBER 1985)

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

- (a) AID funds shall not be commingled with other grantee owned or controlled funds. The grantee shall deposit all AID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.
- (b) Each quarter, after the initial cash advance, the grantee shall submit to the AID Controller, identified in the schedule, voucher SF 1034 (original) and SF 1034-A (three copies), entitled "Public Voucher for Purchases and Services Other Than Personal", copies of which are attached.
- (c) Each voucher shall be identified by the appropriate grant number and shall be accompanied by an original and three copies of a report in the following format:

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

A. Period covered by this report:

FROM (Month, day, year) _____
TO (Month, day, year) _____

Period covered by the next report:

FROM (Month, day, year) _____
TO (Month, day, year) _____

B. Cash Advance Use and Needs:

- 1. Cash advance on hand at the beginning of this reporting period \$ _____
- 2. U.S. Treasury check advance(s) received during this reporting period..... \$ _____
- 3. Interest earned on cash advance during this reporting period..... \$ _____

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4. GROSS cash advance available during this reporting period (Lines 1, 2, & 3).....\$ _____
5. LESS, interest remitted to AID during this reporting period..... \$ _____
6. NET cash advance available during this reporting period (Line 4 minus Line 5)..... \$ _____
7. Total disbursements during this reporting period, including subadvances (see footnote 1)..... \$ _____
8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7)..... \$ _____
9. Projected disbursements, including subadvances, for the next reporting period (see footnote 2)..... \$ _____
10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8)..... \$ _____
11. Total interest earned on cash advance from the start of the grant to the end of this reporting period, but not remitted to AID \$ _____
12. Total cash advances to subgrantees, if any, as of the end of this reporting period..... \$ _____

FOOTNOTES:

1. The grantee shall submit a cumulative detailed report of disbursements by BUDGET line item quarterly.
2. The grantee shall attach a Summary, by BUDGET line item, of its projected disbursements for the next reporting period.

C. Certification:

The undersigned hereby certifies: (1) that the amount in paragraph B.9 above represents the best estimate of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the grant will be made in the event of disallowance in accordance with the terms of the grant, (3) that appropriate refund or

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credit to the grant will be made in the event funds are not expended; and (4) that any interest accrued on the funds made available herein will be refunded to AID.

DATE _____ BY _____
TITLE _____

(END OF STANDARD PROVISION)

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AIR TRAVEL AND TRANSPORTATION (MAY 1986)

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

- (a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event less than three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant mission, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.
- (b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a SF 1169, Government Transportation Request (GTR), which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.
- (c) All air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the U.S. and/or its territories and one or more foreign countries.
- (d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not 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

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

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

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

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

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

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

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

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed

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departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

- (h) For travel between two points outside the U.S. the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:
- (1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute;
 - (2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the U.S., if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or
 - (3) Where the travel is not part of a trip to or from the U.S.; if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.
- (i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.
- (j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.
- (k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. air flag carriers for international transportation, the grantee will include a certification on vouchers involving such transportation which is essentially as follows:

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"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

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

(2) The grantee will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in an international travel status in accordance with the grantee's established policies and practices which are uniformly applied to federally financed and other activities of the grantee. The standard for determining the reasonableness of reimbursement for overseas allowance is the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the grant officer.

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

(END OF STANDARD PROVISION)

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OCEAN SHIPMENT OF GOODS (MAY 1986)

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

- (a) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.
- (b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.
- (c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the AID Transportation Support Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not 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."

(END OF STANDARD PROVISION)

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PROCUREMENT OF GOODS AND SERVICES (MAY 1986)

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

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

(a) General Requirements:

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

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

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

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

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

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

- (A) Brief general description and quantity of goods or services;
- (B) Closing date for receiving quotations or proposals; and
- (C) Address where solicitations and specifications can be obtained.

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

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

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

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

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

(A) Basis for contractor selection;

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

(C) Basis for award: cost or price.

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

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

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

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

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

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

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

(END OF STANDARD PROVISION)

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AID ELIGIBILITY RULES FOR GOODS AND SERVICES (MAY 1986)

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

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

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

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

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

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

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Rubber compounding chemicals and plasticizers.

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- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into the two categories. One applies when the total procurement during the life of the grant is over \$250,000 and the other applies when the total procurement element during the life of the grant is not over \$250,000. The total procurement element includes procurement of all goods (e.g. equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the grant officer. AID policies on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, (Procurement Policies).

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

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

- (A) The United States (AID Geographic code 000),
- (B) The Cooperating Country,
- (C) Selected Free World countries (AID Geographic Code 941),
- (D) Special Free World countries (AID Geographic Code 935).

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

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

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

(C) Impelling local political considerations precluded consideration of U.S. sources,

(D) The goods or services were not available from U.S. sources, or

(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

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

- (c) Marine Insurance: The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to and the insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in the U.S., then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U.S. with a company or companies authorized to do marine insurance business in the U.S.
- (d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant.
- (e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical

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assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources in order of preference:

- (1) The United States (AID Geographic code 000),
 - (2) The Cooperating Country,
 - (3) Selected Free World countries (AID Geographic Code 941),
 - (4) Free World countries (AID Geographic Code 899).
- (f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, the grantee shall obtain the grant officer's prior approval for any such contract.

(END OF STANDARD PROVISION)

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LOCAL COST FINANCING (MAY 1986)

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

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

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

- (b) To qualify as local costs, goods and services must also meet the following additional requirements:
- (1) They must be paid for in local currency.
 - (2) They must not be specifically imported for this grant.
 - (3) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.

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- (4) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.
- (c) Ineligible Goods and Services: Under no circumstances shall the grantee procure any of the following under this grant:
- (1) Military equipment,
 - (2) Surveillance equipment,
 - (3) Commodities and services for support of police or other law enforcement activities,
 - (4) Abortion equipment and services,
 - (5) Luxury goods and gambling equipment, or
 - (6) Weather modification equipment.
- (d) Ineligible Suppliers: Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended, or Ineligible Awardees (AID Regulation 8, (22 CFR 208)). AID will provide the grantee with this list upon request.
- (e) Restricted Goods: The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:
- (1) Agricultural commodities,
 - (2) Motor vehicles,
 - (3) Pharmaceuticals,
 - (4) Pesticides,
 - (5) Rubber compounding chemicals and plasticizers,
 - (6) Used equipment,
 - (7) U.S. Government-owned excess property, or
 - (8) Fertilizer.

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

(END OF STANDARD PROVISION)

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PUBLICATIONS (MAY 1986)

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

- (a) If it is the grantee's intention to identify AID's contribution to any publication resulting from this grant, the grantee shall consult with AID on the nature of the acknowledgement prior to publication.
- (b) The grantee shall provide the AID project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.
- (c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant unless the schedule of the grant has identified the profits or royalties as program income.
- (d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but AID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

(END OF STANDARD PROVISION)

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VOLUNTARY POPULATION PLANNING (AUGUST 1986)

(This provision is applicable to all grants involving any aspect of voluntary population planning activities.)

(a) Voluntary Participation:

(1) The grantee agrees to take any steps necessary to ensure that funds made available under this grant will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the grantee agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

(2) Activities which provide family planning services or information to individuals, financed in whole or in part under this agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.

(b) Voluntary Participation Requirements For Sterilization Programs:

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

(2) The grantee shall ensure that any surgical sterilization procedures supported in whole or in part by funds from this grant are performed only after the individual has voluntarily gone to the treatment facility and has given informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after being advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and the option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress, or other forms of coercion or misrepresentation.

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(3) Further, the grantee shall document the patient's informed consent by (i) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (ii) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of the oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

(4) Copies of informed consent forms and certification documents for each voluntary sterilization procedures must be retained by the grantee for a period of three years after performance of the sterilization procedure.

(c) Prohibition on Abortion-Related Activities:

(1) No funds made available under this grant will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to women to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for abortion.

(2) 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 abortions is not precluded.

(d) Ineligibility of Foreign Nongovernmental Organizations That Perform or Actively Promote Abortion As a Method of Family Planning:

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

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

(3) In the event AID has reasonable cause to believe that the recipient may have violated its undertaking not to perform or actively promote abortion as a method of family planning, the recipient shall make available to AID such books and records and other information as AID may reasonably request in order to determine whether a violation of the undertaking has occurred.

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

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

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

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

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

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

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

(iv) The subrecipient shall refund to the recipient the entire amount of assistance for family planning furnished to the subrecipient under this grant in the event it is determined that the certification provided by the subrecipient under subparagraph (6), above, is false.

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

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

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

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

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

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

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

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

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

(ii) To perform abortions means to operate a facility where abortions are performed as a method of family planning. Excluded from this definition are clinics or hospitals which do not include abortion in their family planning programs.

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

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

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

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

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

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

(B) Excluded from the definition of active promotion of abortion as a method of family planning are referrals for abortion as a result of rape, incest or if the life of the mother would be endangered if the fetus were carried to term.

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

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

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

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

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- (15) Assistance for family planning may be furnished under this grant by a recipient, subrecipient or sub-subrecipient to a foreign government even though the government includes abortion in its family planning program, provided that no assistance may be furnished in support of the abortion activity of the government and any funds transferred to the government shall be placed in a segregated account to ensure that such funds may not be used to support the abortion activity of the government.
- (e) The grantee shall insert paragraphs (a), (b), (c), and (e) of this provision in all subsequent subgrants and contracts involving family planning or population activities which will be supported in whole or part from funds under this grant. Paragraph (d) shall be inserted in subagreements and sub-subagreements in accordance with the terms of paragraph (d). The term subagreement means subgrants and subcooperative agreements.

(END OF STANDARD PROVISION)

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

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

- (a) Title to all property financed under this grant shall vest in the grantee.
- (b) The grantee agrees to use and maintain the property for the purposes of the grant.
- (c) With respect to property having an acquired value of \$1,000 or more, the grantee agrees to report such items to the grant officer as they are acquired and to maintain a control system which will permit their ready identification and location.
- (d) Within thirty calendar days after the end of the grant, the grantee will provide a list to the grant officer of each item that has an appraised value of \$1,000 or more with a detailed proposal of what the grantee intends to do with that property. If the grant officer does not respond within 120 calendar days, the grantee may proceed with the disposition of the property. However, if the grantee uses the property for purposes other than those of the grant or sells or leases the property, AID shall be reimbursed for its share of the property unless the grant officer authorizes AID's share of the income from selling or leasing the property to be used as program income. This share is based upon the percentage of AID's contribution to the grantee's program. If AID paid 100% of the grantee's costs, then AID would receive 100% of the selling cost less a nominal selling fee of \$100.

(END OF STANDARD PROVISION)

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