



Ms. Y Morady
PDCR/731

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF THE AID REPRESENTATIVE

American Embassy
Islamabad, Pakistan

March 21, 1991

Mr. Jon Bennett, Director, ACBAR
Mr. Sultan A. Aziz, Chairman, ACBAR
Mr. Ivor S. Telfer, Deputy Chairman, ACBAR
Acting on behalf of
The Agency Coordinating Body for Afghan Relief (ACBAR)
2, Rehman Baba Road
University Town,
Peshawar/Pakistan

Subject: Grant No.: 306-0200-G-00-1204-00

FILE

Dear Sirs:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to the Agency Coordinating Body for Afghan Relief (hereinafter referred to as "ACBAR" or "Grantee") the sum of Fifty Thousand dollars (\$50,000) to coordinate and increase the effectiveness of NGO humanitarian assistance activities inside Afghanistan and in Afghan refugee camps in Pakistan, as more fully described in Attachment 1 entitled "Schedule & 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 through the estimated completion date of March 20, 1992. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

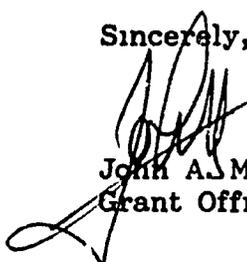
The total estimated amount of the program is \$50,000 all of which is hereby obligated. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

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

ACBAR GRANT NO. 306-0200-G-00-1204-00

Please acknowledge receipt and acceptance of this Grant by signing all copies of this Cover Letter. Retain one set for your files and return the remaining copies to this office.

Sincerely,


John A. May
Grant Officer

Attachments:

1. Schedule & Program Description
2. Standard Provisions

ACKNOWLEDGED:

ACBAR


Jon Bennett
Director

Date: 25/3/91

Sultan A. Aziz
Chairman

Date: _____


Ivor S. Telfer
Deputy Chairman

Date: 24/3/91

FISCAL DATA

PIO/T No.:	306-0200-3-10010
Appropriation No.:	72-1111021
Budget Plan Code:	QDNA-91-23306-KG13
This obligation:	\$50,000
Total Estimated Amount:	\$50,000
Technical Office:	O/AID/REP for Afghanistan Affairs

Attachment I

SCHEDULE & PROGRAM DESCRIPTION

A. PURPOSE OF GRANT

The purpose of this Grant is to coordinate and increase the effectiveness of NGO humanitarian assistance activities inside Afghanistan and in Afghan refugee camps in Pakistan by strengthening the Agency Coordinating Body for Afghan Relief (ACBAR).

B. SCOPE OF WORK

ACBAR was established to coordinate and increase the effectiveness of NGO humanitarian assistance activities inside Afghanistan and in Afghan refugee camps in Pakistan. Through its three primary units -- Management & Policy, Resources & Information, and Coordination -- ACBAR has achieved a number of its stated objectives. It has organized regular NGO coordination meetings for 19 provinces in Afghanistan, established sectoral sub-committees, formed special task forces to deal with emergency situations, produced and distributed a data base listing NGO activities by region, sector, and agency, and prepared and made available a wide range of relevant reports, studies, and other publications. To further the continued achievement of the Grantee's objectives and to support on-going activities as described in Attachment III, "ACBAR, Plans and Priorities, 1991," the Office of the A.I.D. Representative (O/AID/REP) has agreed to make a \$50,000 contribution toward ACBAR's personnel and operating expense costs.

In return, the Grantee will provide to the O/AID/REP the following:

- Within 45 days from the date of this grant, a plan describing the steps the Grantee will take to promote voluntary repatriation among the Afghan refugees,
- Within 60 days from the date of this grant, a plan describing the steps, the grantee will take to promote the technical and administrative development of Afghan NGOs,
- Within 75 days from the date of this agreement, a plan describing the steps the Grantee will take to promote the greater targeting of women as beneficiaries of NGO assistance in Afghanistan and in refugee camps in Pakistan.

The Grantee agrees to maintain and regularly update its data base, listing NGO activities by region, sector, and agency, and, actively encourage its members to use the data base to rationalize the geographical distribution of their assistance inside Afghanistan.

The Grantee will ensure that the AID/REP receives five copies of the data base each time it is revised; the ACBAR directory of members, the ACBAR annual report, and all other studies and reports issued by its Resource and Information Center.

The Grantee will provide the AID/REP with two special reports over the course of the one year grant period. The first report will discuss the progress of

ACBAR activities before during the first six months of the grant period and will be due not less than four weeks after the end of the six month period. Similarly, the second report will discuss the progress of ACBAR activities during the second six months of the grant period and will be due not less than four weeks after the end of the grant period. In addition to indicating how AID/REP - contributed funds have been expended, the special reports will highlight the progress that ACBAR has made and the constraints it has encountered in:

- promoting the technical and administrative development of Afghan NGOs;
- promoting the greater targeting of women as beneficiaries of NGO assistance in Afghanistan and in refugee camps in Pakistan;
- updating the ACBAR/SWABAC data base and encouraging its use to rationalize the geographical distribution of agency assistance inside Afghanistan,
- developing and promoting the use of guidelines and standards in the agriculture, health and veterinary sectors;
- promoting regional coordination among member agencies in the planning and implementation of activities.

C. PERIOD OF AGREEMENT

The effective date of this Grant is: **March 21, 1991.**
 The estimated expiration date is: **March 20, 1992.**

D. AMOUNT OF GRANT AND PAYMENT

1. A.I.D. hereby obligates the amount of \$50,000 for the purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with the procedures set forth in Attachment 2, and the Standard Provision entitled "Payment - Periodic Advances"; however, the Grantee will not request or receive advances in excess of his immediate next 60 day requirement.

E. FINANCIAL PLAN

1. The following is the Grant Budget. Revisions to this budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget."

	<u>Budget</u>		
<u>Line Items</u>	<u>A.I.D.</u>	<u>Other Donors</u>	<u>Total</u>
Personnel	\$30,000	\$161,600	\$191,600
Non-Expendables	-0-	9,162	9,162
Professional Services	-0-	2,000	2,000
Transportation	-0-	29,900	29,900
Operating Expenses	<u>20,000</u>	<u>70,700</u>	<u>90,700</u>
TOTAL	\$50,000	\$273,362	\$323,362

2. The Grantee agrees to furnish data which the Grant Officer may request on costs expended or accrued under this Grant in support of the budget information provided herein.
3. All financial reports and vouchers for payment and reporting of expenditures will be submitted monthly (on an advance/reimbursement system) by the Grantee and will conform to A.I.D. regulations and the terms of the Optional Standard Provision entitled "Payment - Periodic Advance."

F. SPECIAL PROVISIONS

a. Title to Property

Title to any property purchased by the Grantee with funds under this Grant shall be in the USAID Title.

b. Authorized Geographic Code

Commodities and services financed by A.I.D. under this project shall have their source, origin and nationality in the United States of America, Pakistan, Afghanistan and, when agreed to in writing by the A.I.D. Representative, countries in A.I.D. Geographic Code 935. Ocean shipping financed by A.I.D. under this Agreement shall, except as the A.I.D. Representative may otherwise, agree in writing, be financed only on flag vessels of the United States.

c. Prohibition on Assistance to Drug Traffickers

The Grantee shall take all reasonable steps to ensure that assistance is not provided to or through any individual or entity that the Grantee knows or has reason to believe---

(1) has been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States, a State or the District of Columbia, or a foreign country relating narcotic or psychotropic drugs or other controlled substances (as defined in Section 481(1)(3) of the Foreign Assistance Act.

(2) is or has been an illicit trafficker in any such controlled substance or is or has been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such substance.

The Grantee shall provide any certifications which may be required regarding compliance with this provision.

d. Special Audit Provisions

Based upon a Section 451 approval by the A.I.D. Representative, the provisions of this Grant with respect to accounting, records and audit shall not apply to operational costs incurred by the Grantee within Afghanistan and end-use-checks of commodities and equipment located within Afghanistan. However, the Grantee agrees to the maximum reasonable extent to exercise prudent oversight of such operational costs and commodities. Further, the Grantee agrees to report in detail on such costs and commodities as part of the Grant reporting requirements.

e. Cross Border Movement

The Grantee shall ensure that for the period of the grant, no U.S. National shall be sent inside Afghanistan either under this grant or under any other programs or projects of the Grantee.

f. Close-out Procedures

This section prescribes uniform closeout procedures.

1. The following definitions shall apply for the purpose of this section.

a. Closeout: The closeout of a grant or agreement is the process by which AID determines that all applicable administrative actions and all required work of the grant or agreement have been completed by the Grantee and AID.

b. Date of Completion: The date of completion is the date on which all work under grants and agreements is completed or the date on the award documents, or any supplement or amendment thereto, on which AID sponsorship ends.

c. Disallowed Costs: Disallowed costs are those charges to a grant or agreement that AID or its representative determines to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the grant or agreement.

2. AID closeout procedures include the following requirements:

a. Upon request, AID shall make prompt payments to a Grantee for allowable reimbursable costs under the grant or agreement being closed out.

b. The Grantee shall immediately refund any balance or unobligated (unencumbered) cash that AID has advanced or paid and that is not authorized to be retained by the Grantee for use in other grants or agreements.

c. AID shall obtain from the Grantee within 90 calendar days after the agreement all financial, performance, and other reports required as a condition of the grant or agreement. AID may grant extensions when requested by the Grantee.

d. The Grantee shall account for any property acquired with AID funds or received from the Government in accordance with Attachment N of OMB Circular A-110 entitled "Property Management Standards".

e. In the event a final audit has not been performed prior to the closeout of the grant or agreement, AID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

**STANDARD PROVISIONS FOR
NON-U.S. NON-GOVERNMENTAL GRANTEES**

TERMS

When 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.

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

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

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

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

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

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

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

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

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

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

3. 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

(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 provisions) 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.

(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.

8. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

(1) The grantee certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proscribed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission

of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery bribery, falsification or destruction of records, making false statements, or receiving stolen property.

(C) Are not presently indicated for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification, and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default

(2) The grantee agrees that, unless authorized by the Grant Officer, it will not knowingly enter into any subagreements or contracts under this grant with a person or entity that is included on the Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs. The grantee further agrees to include the following provision in any subagreements or contracts entered into under this grant:

DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION
(MARCH 1989)

The recipient/contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(3) The policies and procedures applicable to debarment, suspension and ineligibility under AID-FINANCED TRANSACTIONS ARE SET FORTH IN 22 CFR Part 208.

9. 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.

10. NONLIABILITY (NOVEMBER 1985)

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

11. AMENDMENT (NOVEMBER 1985)

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

12. 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

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

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

1. PAYMENT - PERIODIC ADVANCE (NOVEMBER 1985)

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

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

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

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

A. Period covered by this report:

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

Period covered by the next report

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

B. Cash Advance Use and Needs

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

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

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

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

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

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

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

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

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

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

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

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

FOOTNOTES.

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

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

C. Certification

The undersigned hereby certifies (1) that the amount in paragraph B9 above represents the best estimate of funds needed for the disbursements to be incurred over the period described (2) that appropriate refund or credit to the grant will be made in the event of disallowance in accordance with the terms of the grant (3) that appropriate refund or credit to the grant will be made in the event funds are not expended and (4) that any interest accrued on the funds made available herein will be refunded to AID.

BY DATE TITLE

(END OF STANDARD PROVISION)

3. AIR TRAVEL AND TRANSPORTATION (MAY 1986)

(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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS

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

(l) International Travel

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

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

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

(END OF STANDARD PROVISION)

4. OCEAN SHIPMENT OF GOODS (MAY 1986)

(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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5. PROCUREMENT OF GOODS AND SERVICES (MAY 1986)

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

(a) General Requirements.

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

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

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

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

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

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

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

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

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

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

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

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

- (A) Basis for contractor selection;
- (B) Justification for lack of competition when competitive offers are not obtained;
- (C) Basis for award: cost or price.

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

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

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

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

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

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

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

(END OF STANDARD PROVISION)

6. AID ELIGIBILITY RULES FOR GOODS AND SERVICES (MAY 1986)

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

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

(i) Military equipment,

(ii) Surveillance equipment,

(iii) Commodities and services for support of police or other law enforcement activities.

- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment

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

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

- (i) Agricultural commodities.
- (ii) Motor vehicles
- (iii) Pharmaceuticals
- (iv) Pesticides.
- (v) Rubber compounding chemicals and plasticizers,
- (vi) Used equipment.
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer

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

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

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

- (A) The United States (AID Geographic code 000),
- (B) The Cooperating Country,

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

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

(1) 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)(1) above, the grantee shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

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

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

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

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

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

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

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

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

(e) Printed or Audio-Visual Teaching Materials If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by AID in whole or in part and if other funds including U S-owned or

U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources in order of preference

- (1) The United States (AID Geographic code 000),
- (2) The Cooperating Country,
- (3) Selected Free World countries (AID Geographic Code 941),
- (4) Free World countries (AID Geographic Code 899)

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

(END OF STANDARD PROVISION)

7. SUBAGREEMENTS (MAY 1986)

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

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

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

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

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

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

(END OF STANDARD PROVISION)

8 LOCAL COST FINANCING (MAY 1986)

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

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

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

- (1) They must be paid for in local currency.
- (2) They must not be specifically imported for this grant.

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

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

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

(1) Military equipment,

(2) Surveillance equipment,

(3) Commodities and services for support of police or other law enforcement activities

(4) Abortion equipment and services.

(5) Luxury goods and gambling equipment, or

(6) Weather modification equipment

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

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

(1) Agricultural commodities,

(2) Motor vehicles,

(3) Pharmaceuticals,

(4) Pesticides,

(5) Rubber compounding chemicals and plasticizers,

(6) Used equipment,

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

(8) Fertilizer.

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

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(END OF STANDARD PROVISION)

10. PUBLICATIONS (MAY 1986)

(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)

12. REGULATIONS GOVERNING EMPLOYEES (MAY 1986)

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

(b) The sale of personal property or automobiles by grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the Mission except as this may conflict with host government regulations

(c) Other than work to be performed under this grant for which an employee is assigned by the grantee, no employee of the grantee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned

(d) The grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs

(e) In the event the conduct of any grantee employee is not in accordance with the preceding paragraphs, the grantee's chief of party shall consult with the AID Mission Director and the employee involved and shall recommend to the grantee a course of action with regard to such employee

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(f) The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.

(g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

**19. TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE)
(NOVEMBER 1985)**

(This provision is applicable when title to property is vested in the U.S. Government.)

(a) Property, title to which vests in the Government under this grant, whether furnished by the Government or acquired by the grantee, is subject to this provision and is hereinafter collectively referred to as "Government property." Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personal property by reason of affixation to any real property.

(b) Use of Government Property. Government property shall, unless otherwise provided herein or approved by the grant officer, be used only for the performance of this grant.

(c) Control, Maintenance and Repair of Government Property:

(1) The grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The grantee shall take all reasonable steps to comply with all appropriate directions or instructions which the grant officer may prescribe as reasonably necessary for the protection of the Government property.

(2) The grantee shall submit, for review and written approval of the grant officer, a records system for property control and a program for orderly maintenance of Government property, however, if the grantee's property control and maintenance system has been reviewed and approved by another Federal department or agency pursuant to Attachment N of OMB Circular No. A-110, the grantee shall furnish the grant officer proof of such approval in lieu of another approval submission.

(3) Property Control. The property control system shall include but not be limited to the following:

(i) Identification of each item of Government property acquired or furnished under the grant by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of U.S. Government."

(ii) The price of each item of property acquired or furnished under this grant.

(iii) The location of each item of property acquired or furnished under this grant.

(iv) A record of any usable components which are permanently removed from items of Government property as a result of modification or otherwise.

(v) A record of disposition of each item acquired or furnished under the grant.

(vi) Date of order and receipt of any item acquired or furnished under the grant.

(vii) The official property control records shall be kept in such condition that at any stage of completion of the work under this grant, the status of property acquired or furnished under this grant may be readily ascertained. A report of current status of all items of property acquired or furnished under the grant shall be submitted yearly concurrently with the annual report.

(4) Maintenance Program. The grantee's maintenance program shall be consistent with sound business practice, the terms of the grant, and provide for:

(i) disclosure of need for and the performance of preventive maintenance,

(ii) disclosure and reporting of need for capital type rehabilitation, and

(iii) recording of work accomplished under the program:

(A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The grantee's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

(C) A report of status of maintenance of Government property shall be submitted annually concurrently with the annual report.

(d) Risk of Loss.

(1) The grantee shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage except that the grantee shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the grantee's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the grantee's business, or all or substantially all of the grantee's operation at any one plant, laboratory, or separate location in which this grant is being performed;

(ii) Which results from a failure on the part of the grantee, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (i) above, or

(B) to take all reasonable steps to comply with any appropriate written directions of the grant officer under (c) above;

(iii) For which the grantee is otherwise responsible under the express terms designated in the schedule of this grant,

(iv) Which results from a risk expressly required to be insured under some other provision of this grant, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement,

(vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the grantee's liability under any one exception shall not be limited by any other exception

(2) The grantee shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the grantee to carry such insurance under any other provision of this grant

(3) Upon the happening of loss or destruction of or damage to the Government property, the grantee shall notify the grant officer thereof, shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the grant officer a statement of:

(i) The lost, destroyed, or damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The grantee shall make repairs and renovations of the damaged Government property or take such other action as the grant officer directs.

(5) In the event the grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse the Government, as directed by the grant officer. The grantee shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the grant officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery

(e) Access The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.

(f) Final Accounting and Disposition of Government Property: Upon completion of this grant, or at such earlier dates as may be fixed by the grant officer, the grantee shall submit, in a form acceptable to the grant officer, inventory schedules covering all items of Government property not consumed in the performance of this grant or not theretofore delivered to the Government, and shall prepare, deliver, or make such other disposition of the Government property as may be directed or authorized by the grant officer.

(g) Communications: All communications issued pursuant to this provision shall be in writing.

(END OF STANDARD PROVISION)