

sent F-101 8/20/88

CONTRACT/AGREEMENT DATA SHEET	B 20359	1. M/SER/AAM/A/SUP Action Monitor	2. Date PIO/T Received in M/SER/AAM/A/SUP
		DRG	06 / 07 /88

COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

1. Contract/Agreement/Number OTR-0158-A-00-8161-00		5. Contractor Acronym (AFK)
4. Contractor/Recipient Name Aga Khan Foundation U.S.A.		
6. Project Title Match Grant		7. Project Number 938-0158
8. Project Officer's Name J. McEnaney		9. Bureau or USAID Symbol EVA/PVC

10. PIO/T Number 8381814	21. Budget Plan Code EDHA-88-13810-KC:11 APP. 72-1181021.8 ALL. 848-38-099-00-76-81
11. TYPE OF ACTION A. New Acquisition/Assistance B. Amendment/Modification 1. New/Revised Scope 2. Funded Extension 3. No Cost Extension 4. Transfer of action from AID/W to Mission/Mission to AID/W 5. Incremental Funding 6. Overhead Rate Adjustment 7. Contract Closeout 8. Other  C.FPR or FAR <u>H.B. 13</u>	22. Country or Region of Performance Worldwide  23. A. This Action Increases or Decreases TEC by \$ <u>00</u>  B. Total Estimated Cost of Contractual Document \$ <u>1,200,000</u>  24. Amount of Non-Federal Funds Pledged to the Project <u>\$ 1,200,000</u>

12. Amount of this PIO/T Obl. U.S. \$ <u>400,000</u>	25. Effective Date of this Action <u>07, 01, 88</u>
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13. Amount <input checked="" type="checkbox"/> Obligated <input type="checkbox"/> Subobligated <input type="checkbox"/> Deobligated by this Contract or Amendment U.S. \$ <u>400,000</u>	26. Estimated Completion/Expiration Date <u>6, 30, 91</u>
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14. Cumulative Obligation (Life of Contract) U.S. \$ <u>400,000</u>	27. Contractor DUNS Number <u>07-117-2035</u>
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15. This Action Funded Through <u>81 31 89</u>	28. Consultant Type Award <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
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16. Date Contractual Documents Signed by AID Official <u>8, 30, 88</u>	29. Number of Person Months: (PASA/RSSA only) <u>N/A</u>
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17. Incrementally Funded Contracts <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	30. Number of Persons (PASA/RSSA only) <u>N/A</u>
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18. Host Country/Counterpart Institution (University Contracts) <u>N/A</u>	31. CONTRACT TYPE A. Fixed Price (specify: <input type="checkbox"/> FFP <input type="checkbox"/> FPI) <input type="checkbox"/> EPRD <input type="checkbox"/> EPEA B. Cost Reimbursement (specify: <input type="checkbox"/> CR <input type="checkbox"/> CPFF <input type="checkbox"/> CS <input type="checkbox"/> CPAF <input type="checkbox"/> CPIF) C. IQC and Requirements Contracts D. Grant/CA/PASA/RSSA E. Contracts with Individuals
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19. Campus Coordinator (University Contracts) <u>N/A</u>	20. ADVANCE A. No Advance B. Advance Non-FRLC C. Advance FRLC  32. Negotiator's Typed Name C.A. Williams
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33. Negotiator's Signature <u>C.A. Williams</u>	34. Date Signed <u>8, 30, 88</u>
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35. Contract/Grant Officer's Organization Symbol W/MS	36. Contract/Grant Officer's Signature <u>CR Eldredge</u>	37. Date Signed <u>8, 30, 88</u>
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ENTERED  
COORS SECTION

38. SUBJECT TO STATUTORY REQUIREMENT

- A. Walsh-Healey Act, Manufacturer\*
- B. Walsh-Healey Act, Regular Dealer\*
- C. Service Contract Act  
*(U.S. ONLY - Guards, Maintenance, Laborers)*
- D. Davis-Bacon Act *(Construction)*
- E. Not subject to Walsh-Bacon Act  
*(Most AID Contracts)*

E

\*Equipment, Supplies, Materials, and Commodities

39. Country of Manufacture

U.S.

40. CURRENCY INDICATOR

- A. U.S. Dollar
- B. Local Currency
- C. Combination
- D. Unfunded

A

41. SUBCONTRACTS

Is there a provision for a subcontract? *(Contracts only)*

YES  NO

42. TYPE OF SERVICE

- A. Training of Participants
- B. Technical Assistance to Host Country  
*(Program, Project related except A&E Services)*
- C. A&E Services
- D. Construction
- E. Research
- F. Technical Services to AID  
*(other than training; usually operating expense)*
- G. Training Service for AID
- H. Equipment, Materials, Supplies, Commodities
- I. Translation Service

E

43. CONTRACT/AGREEMENT SOURCE

- A. U.S. Contractor/Grantee
- B. Non-U.S. Contractor/Grantee
- C. Combination of A & B

A

44. TYPE OF AMERICAN OWNERSHIP

*(U.S. Persons or Firms Only)*

- Minority
- A. Asian/Pacific Islander
  - B. Black American
  - C. American Aleuts or Eskimos
  - D. American Indian
  - E. Hispanic

G

G. Non-Minority

45. METHOD OF SOLICITATION

- A. Sealed Bid
- B. Competitive Proposal
- C. Combination/Competition
- D. Other Competition
- E. Noncompetitive

B

46. LABOR SURPLUS AREA PREFERENCE

- Labor Surplus Area
- A. No Preference
  - B. Tie Bid Preference
  - C. Total Set Aside
  - D. Not a Labor Surplus Area Preference Award

D

47. TYPE OF BUSINESS

- A. Source: Non-U.S. and Used Outside U.S. & Possessions
- B. Source: Non-U.S. and Possessions  
*(Foreign Purchases Used Inside U.S.)*  
*(If U.S. Source, complete C through Q)*
- C. Firm - Profit Making & PSC's

H

Non-Profit Organizations

- D. Private Educational Organizations
- E. Hospitals
- F. Research Institutions, Foundations, and Laboratories
- G. Other

Private Voluntary Organizations

- H. U.S. Registered
- I. U.S. Non-Registered
- J. Foreign

State/Local Government

- K. Educational Institutions
- L. Hospitals
- M. Research Organizations
- N. Other

- O. International Agricultural Research Organizations
- P. Public International Organizations
- Q. U.S. Cooperatives

48. Women Owned Business?

YES  NO

49. TYPE OF AWARD

- Small Business
- A. Not Set Aside
  - B. Partial Set Aside
  - C. Total Set Aside
- Other Than Small Business
- D. Personal Service Contract
  - E. Individual Non-Personal Service Contract
  - F. U.S. Government
  - G. University
  - H. Non-Profit Organizations and PVOs
  - I. Large Businesses

H

50. Paying Office:

Payment will be made by FM / PAFD

J

AID 1350 I  
(387)

\*PIO/T

AGENCY FOR  
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1 Cooperating Country

Centrally Funded

Page 1 of Pages 3

2 PIO/T No

8381814

3  Original or  
Amendment No. \_\_\_\_\_

4 Project/Activity No. and Title

938-0158 Matching Grant with Aga Khan Foundation  
(AKF)

DISTRIBUTION:

M/FM/PAFD

POSTED

6/3/88

FUNDS RESERVED BY  
*Marie Evans*

5 Appropriation Symbol

72-1181021.8

6. Budget Plan Code

EDHA88 13810 K611 848-38-099-00-76-81

7. Obligation Status

Administrative Reservation

Implementing Document

8. Project Assistance Completion Date  
(Mo., Day, Yr.)

9 Authorized Agent

AID/W

10 This PIC T is in full conformance with PRO/AG P's.  
Date

11a. Type of Action and Governing AID Handbook

AID Contract  
(HB 14)

AID Grant or  
Cooperative Agreement  
(HB 13)

PASA/RSSA  
(HB 12)

Other

11b. Contract/Grant/Cooperative Agreement/  
PASA/RSSA Reference Number (if this is  
an Amendment)

12 Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. \_\_\_\_\_)

Maximum AID Financing Available	A Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
		- 0 -	400,000		
	B. U.S.-Owned Local Currency				

13. Mission  
References

14A. Instructions to Authorized Agent

SER/OP/W/MS is requested to execute a Three (3) year assistance agreement with Aga Khan Foundation (AFK) effective from Sept 1, 1988 through Aug 31, 1991. Initial funding of \$400,000 is provided for expenditures during the first Twelve months. Depending on availability of funds and progress in the program satisfactory to A.I.D., additional annual increments of funding will be provided, up to a total of \$1,200,000

14B. Address of Voucher Paying Office

AID/M/FM/PAFD, Washington, D.C. 20523

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The Project Officer certifies that the specifications in the statement of work or program description are technically adequate.

FVA/PVC, JMcEnaney *JMc*

Phone No.

5-4718

Date

5/31/88

B. The statement of work or program description lies within the purview of the initiating office and approved agency programs.

FVA/PVC, KPoe *K.Poe*

Date

5/31/88

FVA/PVC, Jvan der Vlugt *JvdV*

Date 5/31/88

D. Funds for the services requested are available

Date

FVA/PVC, LWatlington *LW*

Date 5/31/88

E. FVA/PPM, KKosar *KK*

Date

6/1/88

16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to

Signature \_\_\_\_\_

Date \_\_\_\_\_

Title \_\_\_\_\_

17. For the Agency for International Development

Signature *Barry Tanner*

Title Larry Tanner, Deputy Director, FVA/PPM

\*See HB 3, Sup. A, App. C, Art. B for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action.

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AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

AUG 30 1988

Mr. Iqbal Noor Ali  
Chief Executive Officer  
Aga Khan Foundation U.S.A.  
1800 K Street, N.W.  
Suite 920  
Washington, D. C. 20006

SUBJECT: Cooperative Agreement No. OTR-0158-A-00-8161-00

Dear Mr. Noor Ali:

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 Aga Khan Foundation U.S.A. hereinafter referred to as "Aga Khan" or "Recipient") the sum of \$ 1,200,000 to provide support to the Recipient under A.I.D.'s Matching Grant Program as more fully described in the Enclosure 1 of this Cooperative Agreement entitled "Schedule" and Enclosure 2, entitled "Program Description."

This Cooperative Agreement is effective and obligation is made as of July 1, 1988, and shall apply to commitments made by the Recipient in furtherance of program objectives through the estimated completion date of June 30, 1991.

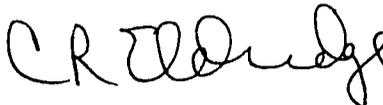
This Cooperative Agreement is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Enclosure 1 entitled "Schedule," Enclosure 2 entitled "Program Description," and Enclosure 3 entitled "Standard Provisions," which have been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

ORIGINAL

4

Please acknowledge receipt of this Cooperative Agreement by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the undersigned.

Sincerely,

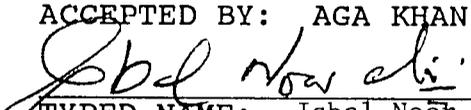


Carolyn R. Eldridge  
Grant Officer  
Management Services Branch  
Office of Procurement

Enclosures:

1. Schedule
- 1.a Budget
2. Program Description
3. Standard Provisions
4. PVO Annual Reporting Guidelines

ACCEPTED BY: AGA KHAN FOUNDATION U.S.A.

  
TYPED NAME: Iqbal Noor Ali  
TITLE: Chief Executive Officer  
DATE: October 27, 1988

FISCAL DATA

PIO/T NO.: 938-0158-8381814  
APPROPRIATION NO.: 72-1181021.8  
ALLOTMENT NO.: 848-38-099-00-76-81  
BUDGET PLAN CODE: EDHA88 13810 KG11  
THIS OBLIGATION: \$400,000  
TOTAL OBLIGATION: \$400,000  
TOTAL ESTIMATED AMOUNT: \$ 1,200,000  
TECHNICAL OFFICE: FVA/PVC, John McEnaney  
FUNDING SOURCE: M/FM/PAFD  
DUNS NO.: 07-117-2035  
DOC #: 60320

FUNDS AVAILABLE  
*Gloria Gray*  
AUG 31 1988  
0124190  
Program Accounting Division  
Office of Financial Management

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Enclosure 1

SCHEDULE

A. Purpose of Cooperative Agreement

The purpose of this Agreement is to provide support for the Aga Khan Foundation to work with local residents, governments and donors to create an effective health services delivery system at affordable costs, demonstrating that health care delivery can be mobilized using local resources, as more specifically described in Enclosure 2 to this agreement entitled "Program Description," and the recipient's proposal which is incorporated herein by reference. In the event of an inconsistency between the Recipient's proposal, the program description, and this schedule; the schedule and then the program description shall take precedence.

B. Period of Agreement

1. This agreement is effective July 1, 1988. The estimated completion date is June 30, 1991.

2. Funds obligated hereunder are available for program expenditures for the estimated period July 1, 1988 to June 30, 1989 as shown in the budget enclosed. In the event there are funds remaining after this date, the Recipient is authorized to utilize them for the purposes of the Agreement as long as they are used within the period shown in B.1 above.

C. Amount of Agreement and Payment

1. The total estimated amount of this agreement for the period shown in B.1. above is \$ 1,200,000.

2. AID hereby obligates the amount of \$ 400,000 for program expenditures during the period set forth in B.2. above and as shown in the Budget enclosed.

3. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 3 - Optional Standard Provision, entitled "Payment -- Cost Reimbursement".

4. Additional funds up to the total amount of the agreement shown in C.1. above may be obligated by A.I.D subject to the availability of funds, program priorities at the time, and the requirements of the Mandatory Standard Provision of this Agreement, entitled "Revision of Grant Budget."

D. Budget

The Budget may be found at Enclosure 1a of this agreement. The Recipient may not exceed the total estimated amount or the obligated amount, whichever is less (see Section C above).

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Notes to the Budget:

1. Recipient is allowed 5% flexibility among cost elements in the budget. Within the cost elements however, the Recipient has full flexibility of funds.

2. The Recipient is expected to use its own private cost-share/matching funds for all procurement of non-U.S. vehicles and other non-U.S. non-expendable property estimated at over \$500 each. This alleviates the requirement for a source/origin waiver and also places the title to property completely in the Recipient's and AKF U.S.A's sub-recipients name.

3. The Recipient has agreed to expend from its non-Federal funds by the end of the life-of-program (LOP) period at a ratio of at least 1 to 1. The Recipient is required to meet the requirements of the Standard Provision of this Agreement entitled "Cost Share/Matching".

4. Aga Khan U.S.A's share may be from funds which go directly through Aga Khan U.S.A.'s accounting system or through the accounting system of an Aga Khan U.S.A. affiliate assisted by this agreement. However Aga Khan U.S.A. will be solely accountable for insuring that the total Aga Khan U.S.A. cost share contribution is provided.

5. If this award was made on the basis that the Recipient has offered to cost share at a rate greater than 1 to 1, the Recipient is required to notify the Grant and Project Officer of any changes in the amount to be cost shared by the Recipient in accordance with the Standard Provision entitled "Revisions to Grant Budget". Such a change may impact on future funding decisions under this Agreement.

6. The Recipient is required to report in its Annual Reports to FVA/PVC, in their Incremental Funding Request Letter, and in the Financial Status Report Form (SF 269), the total amount of cost-sharing to date. Although the Recipient is required to cost share on a life-of-program basis, they are also expected to expend those funds on a pro rated basis per year and not wait until the last year of the agreement to expend their cost share.

E. Substantial Involvement

It is understood and agreed that A.I.D. will be involved in the following:

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1. Countries: The following countries are approved for direct in-country program support under the Cooperative Agreement: Pakistan, Kenya, Bangladesh. Other countries may be approved during the period of the grant. Such approval must be communicated by A.I.D. in writing after consultation with the relevant A.I.D. Missions.

2. Evaluation: The scope of work for the independent mid-term and/or final evaluation must be developed with, and the evaluator(s) chosen to carry out this activity, must be approved in advance by, the AID/FVA/PVC Project Officer. This approval must be communicated in writing. The Recipient is encouraged to provide at least one evaluator from its permanent staff for this evaluation(s). At least one evaluator will be an individual not currently employed by the Recipient. The A.I.D./FVA/PVC Project Officer is to participate in the pre- and post- evaluation briefings and to receive six (6) copies of the completed evaluation report for FVA/PVC and one copy of each country evaluated.

3. Self-Evaluation: Self-evaluation will be conducted by the recipient in accordance with its normal evaluation program as described in its proposal. In addition, from time-to-time A.I.D. Officers will, with prior notification to the PVO's headquarters, visit selected project sites. An independent mid-term and/or final evaluation in collaboration with the recipient will be carried out at either the mid point of the program or no later than June of the last year of the Agreement. Special requirements for this project evaluation are delineated under No. 2 of Section E, "Substantial Involvement" above.

4. Aga Khan Foundation U.S.A. agrees that, should anyone of the key personnel identified below change during the period of this agreement, that a successor of comparable professional experience and stature will be appointed in a timely manner to the vacated position, and further agrees to advise U.S.A.I.D. of any such changes as they are known:

Key Personnel: Dr. John Bryant  
Dr. Nizar Verjee  
Mr. Iqbal Noor Ali

## F. Reporting

### 1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Optional Standard Provision of this agreement entitled "Payment - Cost Reimbursement", as shown in Enclosure 3.

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b. The original and one copy of all financial reports shall be submitted to A.I.D., Office of Financial Management, Program Accounting and Finance Division (FM/PAFD), Room 700, SA-2, Washington, D.C. 20523. In addition, one copy of all financial reports shall be submitted to the Technical Office, FVA/PVC.

## 2. Program Reporting

a. Annual Report: Ten copies of the Annual Report plus one copy for the A.I.D. Mission in each target country in the program will be submitted to the A.I.D./FVA/PVC Project Officer 30 days prior to each anniversary date of the agreement. Annual reports will describe project activities and the Recipient's financial contribution to the project. Guidance for Periodic and Final Reports to FVA/PVC on Grant Accomplishments is provided as Enclosure 4 for illustrative purposes. (AID/FVA/PVC is in the process of submitting this guidance format to OMB for their clearance. Once OMB clearance is given the suggested format will be required.)

The Annual Report will also include a country data sheet for each subproject activity and will be furnished in the standard format prescribed by FVA/PVC for its grant information system (AID FORM 1550-11 included in Enclosure 4). Other current A.I.D. grants cooperative agreements and contracts such as OPGs, will be noted in the report with an explanation of any relationship of such agreements to this cooperative agreement supported program.

b. Interim Reports: Prior to the required final performance reporting date, events may occur that have significant impact upon the project. In such instances, the recipient shall inform the Grant and Project Officer as soon as the following types of conditions become known.

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

ii. Favorable developments or events that enable time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.

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c. Final Report: The final year report, as described in the PVO Annual Reporting Guidelines, which are provided for illustrative purposes, will be the last report required under this Agreement. All work to be charged to the Agreement, including preparation of the final report, must be completed prior to the expiration date of this Agreement.

G. Indirect Cost Rates

Indirect Costs will not be included in this Agreement.

H. Title to Property

Title to all property purchased under this agreement shall be vested in the Recipient.

I. Special Provisions

Deviation to the Standard Provision entitled "Air Travel and Transportation."

As shown in paragraph (a) of this Standard Provision, delete the following:

"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 at least three weeks before travel is planned to commence," and in lieu thereof substitute the following:

"Advance notification and approval by the project officer of the Recipient's travel intentions overseas is waived for this Agreement. All other terms and conditions of this Standard Provision remain unchanged."

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Enclosure No. 1a

AGREEMENT BUDGET

OTR-0158-A-00-8161-00

	<u>From: 7/1/88</u>	<u>To: 6/30/89</u>	<u>From: 7/1/89</u>	<u>To: 6/30/91</u>	<u>From: 7/1/88</u>	<u>To: 6/30/91</u>	
	<u>A. I. D.</u>	<u>RECIPIENT</u>	<u>A. I. D.</u>	<u>RECIPIENT</u>	<u>A. I. D.</u>	<u>RECIPIENT</u>	<u>TOTAL</u>
	<u>OBLIGATED</u>	<u>SHARE</u>	<u>ESTIMATED</u>	<u>SHARE</u>	<u>ESTIMATED</u>	<u>SHARE</u>	<u>PROGRAM</u>
Program Costs	\$ 329,700	\$ 263,800	\$ 793,300	\$ 295,600	\$1,123,000	\$ 559,400	\$1,682,400
Indirect Costs	-0-	-0-			-0-	-0-	
Program Management	-0-	149,300	-0-	239,300	-0-	388,600	388,600
Evaluation	41,000	64,500	36,000	187,500	77,000	252,000	329,000
Total Amount:	\$ 370,700	\$ 477,600	\$ 829,300	\$ 722,400	\$1,200,000	\$1,200,000	\$2,400,000

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Enclosure No. 2

PROGRAM DESCRIPTION

## PROGRAM DESCRIPTION

### I. Program Goal:

The goal of the proposed grant is: The goal of AKF USA's health projects to be funded under the Matching Grant program is to enhance the equity, cost-effectiveness and sustainability of primary health care/child survival programs in Africa and Asia.

### II. Program Purpose:

The purpose of the proposed grant is: To strengthen management and management information of two PHC projects serving the health needs of over 140,000 urban and rural poor people (including 58,000 women and children).

### III. Principal Activities:

Practical, accurate and reliable health management information systems will be developed to provide information support for management. Innovative methods of program planning and management will be developed and tested in this multi-national program. A comparative analysis of primary health care programs will be conducted and the results will be shared widely. These findings could contribute substantially to a proposed international conference on Primary Health Care Organization and Management which might be conducted within three to four years. (The proposed conference is not among the projects to be funded under the Matching Grant program).

The program incorporates two PHC/MC-S projects: (1) the Urban Primary Health Care Project in Karachi, Pakistan; and (2) the Mombasa Primary Health Care Project in the Coast Province of Kenya. Maternal and child survival priorities are the central focus of each project. Each project will train community health workers and traditional birth attendants, and promote immunization, child growth monitoring, oral rehydration therapy for diarrhea, prenatal care for mothers, birth spacing, breast-feeding and improved sanitation and water supply, as appropriate in the local context.

The projects share three common objectives: (1) To establish community-based primary health care programs for well defined populations; (2) to improve maternal and child survival by "targeting" PHC services to meet the priority needs of women and children; and (3) to establish practical, accurate and reliable information systems to support more

**BEST AVAILABLE DOCUMENT**

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effective efficient planning approaches to primary health care which could contribute significantly to learning important "generic lessons" on PHC organization and management through the proposed Monitoring, Evaluation and Comparative Analysis of PHC Programs.

IV. Program Management

The KARACHI project will be implemented by AKU's Department of Community Health Sciences (AKU/CHS) in five of Karachi's deprived urban neighborhoods as well as one lower middle-class community. Each of these "modules" will cover a population of 10,000 to 20,000 people.

The Mombasa Primary Health Care Project in Kenya will be implemented by the Aga Khan Health Services-Kenya (AKHS-K). It will establish a community-based health program in 3 sub-locations in Kwale district of the Coast Province. The project will build on the experience and success of AKHS-K's existing PHC project in Kisumu.

The Matching Grant will also help establish a Regional Resource Network for Strengthening the Management, Monitoring and Evaluation of Primary Health Care Programs in Asia and Africa at the Aga Khan University Faculty of Health Sciences in Karachi. It will play a coordinating role in providing technical assistance, arranging technical exchanges and training for improving Aga Khan network primary health care and child survival programs, information systems and management.

**BEST AVAILABLE DOCUMENT**

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Enclosure No. 3

STANDARD PROVISIONS

MANDATORY STANDARD PROVISIONS FOR  
U.S., NONGOVERNMENTAL GRANTEEES<sup>1</sup>

INDEX OF  
MANDATORY STANDARD PROVISIONS

- |                                   |                                  |
|-----------------------------------|----------------------------------|
| 1. Allowable Costs                | 7. Ineligible Countries          |
| 2. Accounting, Audit, and Records | 8. Nondiscrimination             |
| 3. Refunds                        | 9. U.S. Officials Not to Benefit |
| 4. Revision of Grant Budget       | 10. Nonliability                 |
| 5. Termination and Suspension     | 11. Amendment                    |
| 6. Disputes                       | 12. Notices                      |

1. ALLOWABLE COSTS (NOVEMBER 1985)

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, any negotiated advance understanding on particular cost items, and the applicable\* cost principles in effect on the date of this grant.

\* NOTE: For Educational Institutions use OMB Circular A-21; for all other non-profits use OMB Circular A-122; and for profit making firms use FAR 31.2. and AIDAR 731.2.

2. ACCOUNTING, AUDIT, AND RECORDS (JANUARY 1988)

(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. The grantee's financial management system shall provide for the following:

(1) Accurate, current, and complete disclosure for each A.I.D.-sponsored project or program in accordance with the reporting requirements of this grant. While A.I.D. requires reporting on an accrual basis, the grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

<sup>1</sup>When these Standard Provisions are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient," "Grant" means "Cooperative Agreement," and "A.I.D. Grant Officer" means "A.I.D. Agreement Officer."

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(2) Records that identify adequately the source and application of funds for A.I.D.-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.

(3) Effective control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

(4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.

(5) Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the recipient, whenever funds are advanced by the Federal Government.

(6) Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant.

(7) Accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a grant and which fully disclose (i) the amount and disposition by the grantee of the proceeds of such assistance, (ii) the total cost of the project or undertaking in connection with which such assistance is given or used, (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources, and (iv) such other records as will facilitate an effective audit.

(8) Examinations in the form of audits or internal audits shall be made by qualified individuals that are sufficiently independent of those that authorize the expenditure of A.I.D. funds to produce unbiased opinions, conclusions, or judgments. They shall meet independence criteria along the lines of Chapter IV, Part B of the U.S. General Accounting Office Publication Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1981 Revision). These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant. It is not intended that each grant awarded to the grantee be examined. Generally, examinations should be conducted on an organization-wide basis to determine whether the institution has implemented and utilizes appropriate financial and administrative systems and controls in accordance with the uniform administrative requirements of OMB Circular A-110 and the applicable cost principles specified in the "Allowable Costs" standard provision of this grant, and to test the fiscal integrity of financial transactions, including accuracy and reliability of financial reports submitted to A.I.D. and other Federal agencies under agreements to which the terms of Attachment G of OMB Circular A-110 apply, as well as compliance with the

terms and conditions of the A.I.D. grant. Such tests would include an appropriate sampling of A.I.D. and other Federal grants and agreements. Examinations will be conducted with reasonable frequency, on a continuing basis or at scheduled intervals, usually annually, but not less frequently than every two years. A copy of the audit report shall be furnished to the A.I.D. grant officer who shall make appropriate distribution within the Agency. The frequency of these examinations shall depend upon the nature, size, and the complexity of the activity. These grantee self-examinations do not relieve A.I.D. of its audit responsibilities, but may affect the frequency and scope of such audits.

(9) A systematic method to ensure timely and appropriate resolution of audit findings and recommendations.

(b) The grantee shall preserve and make available such records for examination and audit by A.I.D. and the Comptroller General of the United States, or their authorized representatives:

(1) until the expiration of three years from the date of termination of the grant;

(2) for such longer period, if any, as is required to complete an audit to resolve all questions concerning expenditures unless written approval has been obtained from the grant officer to dispose of the records. A.I.D. follows generally accepted accounting practices in determining that there has been proper accounting and use of grant funds. The grantee agrees to make available any further information requested by A.I.D. with respect to any questions arising as a result of the audit; and

(3) If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigations, claims or audit findings involving the records have been resolved.

(c) The grantee shall require subrecipients to adopt the standards in paragraphs (a) and (b) above except that portion of subparagraph (a) 1 that would require specific financial reporting forms and frequencies in accordance with the payment provisions of the grant.

### 3. REFUNDS (JANUARY 1988)

(a) The grantee shall remit to A.I.D. all interest earned on funds provided by A.I.D. at least quarterly, except that interest amounts up to \$100 per year may be retained by the grantee for administrative expense.

(b) Funds obligated by A.I.D. but not disbursed to the grantee at the time the grant expires or is terminated shall revert to A.I.D., 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 and not encumbered by a legally binding transaction applicable to this grant at the time of expiration or termination of the grant shall be refunded to A.I.D.

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(c) If, at any time during the life of the grant, or as a result of final audit, it is determined by A.I.D. 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 A.I.D.

#### 4. REVISION OF GRANT BUDGET (NOVEMBER 1985)

(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 the following reasons:

(1) Changes in the scope or the objectives of the program and/or revisions in the funding allocated among program objectives.

(2) The need for additional funding.

(3) The grantee expects the amount of A.I.D. authorized funds to exceed its needs by more than \$5,000 or five percent of the A.I.D. 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 substantive programmatic work under this grant, and such contracts or subgrants were not included in the approved grant budget.

(6) The grantee plans to incur an expenditure which would require advance approval in accordance with the applicable Federal cost principles and was not included in the approved grant budget.

(7) The grantee plans to transfer funds allotted for training allowances to other categories of expense.

(c) When requesting approval for budget revisions, the grantee shall use the budget formats that were used in the application unless a letter request will suffice.

(d) Within 30 calendar days from the date of the receipt of the request for budget revisions, the grant officer shall review the request and notify the grantee whether the budget revisions have been approved. If the revisions are still under consideration at the end of 30 calendar days, the grant officer shall inform the grantee in writing of the date when the grantee may expect the decision. The grant officer shall obtain the project officer's clearance on all such requests prior to communication with the grantee.

(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this standard provision, AID determines not to provide additional funds, the AID grant officer will, upon written request of the grantee, terminate this grant pursuant to the standard provision of this grant, entitled "Termination and Suspension."

(f) 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 in such notice the new obligated 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

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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 (MARCH 1987)

(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 AID's Associate Assistant to the Administrator for Management. Any appeal made under this provision shall be in writing and addressed to the Associate Assistant to the Administrator for Management, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In order to facilitate review on the record by the Associate Assistant to the Administrator for Management, the grantee shall be given an opportunity to submit written evidence in support of its appeal. No hearing will be provided.

(d) A decision under this provision by the Associate Assistant to the Administrator for Management shall be final.

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. NONDISCRIMINATION (MAY 1986)

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

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this grant on the basis of race, color, national origin, age, handicap, or sex.

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.

(END OF MANDATORY STANDARD PROVISIONS)

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ADDITIONAL STANDARD PROVISIONS FOR  
U.S., NONGOVERNMENTAL GRANTEEES

The following standard provisions which have been checked are hereby incorporated into the grant/agreement.

- |   |                  |
|---|------------------|
| 1. Payment - Letter of Credit                                 | _____            |
| 2. Payment - Periodic Advance                                 | _____            |
| 3. Payment - Cost Reimbursement                               | _____ X _____    |
| 4. Air Travel and Transportation                              | _____ X _____    |
| 5. Ocean Shipment of Goods                                    | _____ ✓ _____    |
| 6. Procurement of Goods and Services                          | _____ X _____    |
| 7. AID Eligibility Rules for Goods and Services               | _____ X _____    |
| 8. Subagreements  | _____ X _____    |
| 9. Local Cost Financing                                       | _____ _____      |
| 10. Patent Rights   | _____ X _____    |
| 11. Publications  | _____ X _____    |
| 12. Negotiated Indirect Cost Rates - Predetermined            | _____            |
| 13. Negotiated Indirect Cost Rates - Provisional              | _____            |
| 14. Regulations Governing Employees                           | _____ X _____    |
| 15. Participant Training                                      | _____ X _____    |
| 16. Voluntary Population Planning                             | _____            |
| 17. Protection of the Individual as a Research Subject        | _____ X _____    |
| 18. Care of Laboratory Animals                                | _____            |
| 19. Government Furnished Excess Personal Property             | _____            |
| 20. Title to and Use of Property (Grantee Title)              | _____ X _____    |
| 21. Title to and Care of Property (U.S. Government Title)     | _____            |
| 22. Title to and Care of Property (Cooperating Country Title) | _____            |
| 23. Cost Sharing (Matching)                                   | _____ X _____    |
| 24. Use of Pouch Facilities                                   | _____ X _____    |
| 25. Conversion of United States Dollars to Local Currency     | _____ N/A. _____ |

3. PAYMENT - COST REIMBURSEMENT (NOVEMBER 1985)

(This provision is applicable to grants for construction, or to grants where the grantee does not meet the conditions for either a letter of credit or periodic advance payment.)

(a) At the end of each month of this grant, the grantee shall submit an original and two copies of SF-270, "Request for Advance or Reimbursement," to the payment office address specified in the schedule of this grant.

(b) A final SF-270, shall be submitted within 60 days after the conclusion of the grant to the payment office.

(c) The reports will be prepared on a cash basis. However, if the grantee's accounting records are not normally kept on a cash basis, the grantee shall not be required to convert its accounting system to meet this requirement.

(d) Assignment of Claims (otherwise known as assignment of proceeds) is authorized under this grant and will be processed by the payment office.

(END OF STANDARD PROVISION)

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4. AIR TRAVEL AND TRANSPORTATION (NOVEMBER 1985)

(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 at least three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant U.S. Mission or Embassy, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.

(b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a U.S. Government S.F. 1169, Transportation Request (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 United States and/or its territories and one or more foreign countries.

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

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

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

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

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

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5f) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-financed commercial foreign air travel if service provided by such carriers is available. In determining availability of a U.S. flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the United States being performed by foreign air carrier:

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

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

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

(g) For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight: departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which 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 United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier

including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

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

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

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

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

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

(1) International Travel

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

(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 subgrants and contracts which require air travel and transportation under this grant.

(END OF STANDARD PROVISION)



5. 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 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."

(e) Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).

(END OF STANDARD PROVISION)

6. PROCUREMENT OF GOODS AND SERVICES (November 1985)

(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. No employee, officer or agent shall participate in the selection, award or administration of a contract in which AID funds are used, where, to that individual's knowledge, the individual or the individual's immediate family, partners, or organization in which the individual or the individual's immediate family or partners has a financial interest or with whom that individual is negotiating or has any arrangement concerning prospective employment. 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, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeree whose bid/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 bidder/offeree must fulfill in order to be evaluated by the recipient. Any and all bids/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 or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical practical procurement.

(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. "Brand-name or equal" descriptions may be used as a means to define the performance of other salient requirements of a procurement and when so used the specific features of the named brand which must be met by bidders/offerors shall be clearly specified.

(iii) Positive efforts shall be made by the recipients to utilize 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. To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this grant, 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, proposals, or bids; and
- (C) Address where solicitations or 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. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

(v) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

(vi) All proposed sole source contracts or where only one bid or proposal is received in which the aggregate expenditure is expected to exceed \$5,000 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, market prices and similar indicia, 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 bids or 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 shall contain, in addition to provisions to define a sound and complete contract, the following contract provisions, if applicable, 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 the U.S. Government or 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) In all contracts for construction or facility improvement awarded for more than \$100,000, recipients shall observe generally accepted bonding requirements.

(4) All contracts awarded by the grantee or subgrantee to be performed in the United States having a value of more than \$10,000, shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).

(5) All contracts and subgrants in excess of \$2,000 for construction or repair to be performed in the United States awarded by the grantee or subgrantee shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which that individual is otherwise entitled. The grantee shall report all suspected or reported violations to AID.

(6) When required by the Federal program legislation, all construction contracts to be performed in the United States awarded by the grantee or subgrantee of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The grantee shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The grantee shall report all suspected or reported violations to AID.

(7) Where applicable, all contracts awarded by the grantee or subgrantees in excess of \$2,000 for construction contracts to be performed in the United States and its territories and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work day of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to the worker's health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies of materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(8) 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.

(9) All negotiated contracts over \$10,000 awarded by the grantee shall include a provision to the effect that the grantee, AID, the Comptroller General of the United States, or any of 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.

(10) Contracts in excess of \$100,000 to be performed in the United States shall contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401) and the Federal Water Pollution Control Act (40 CFR 15) as amended. Violations shall be reported to AID and the Regional Office of the Environmental Protection Agency.

(11) Contracts which require performance outside the United States shall contain a provision requiring Workmen's Compensation Insurance (42 U.S.C. 1651, et seq.). As a general rule, Department of Labor waivers will be obtained for persons employed outside the United States who are not United States citizens or residents provided adequate protection will be given such persons. The grantee should refer questions on this subject to the AID grant officer.

(END OF STANDARD PROVISION)

7. AID ELIGIBILITY RULES FOR GOODS AND SERVICES (NOVEMBER 1985)

(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. AID's policy on ineligible and restricted goods and services is contained in Chapter 4 of AID Handbook 1, Supplement B, entitled "Procurement Policies".

(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 firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees under AID Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). AID will provide the grantee with a copy of 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.

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(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into 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 and definitions on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, entitled "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), and
- (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:

- (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), and
- (4) "Special 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)

8. SUBAGREEMENTS (NOVEMBER 1985)

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

(a) Funds provided under this grant shall not be used to support any subrecipient whose name appears on the AID Consolidated List of Debarred, Suspended, or Ineligible Awardees under AID Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). 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 the U.S. Government 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) 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.

(4) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, AID, the Comptroller General of the United States, or any of 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.

(END OF STANDARD PROVISION)

10. PATENT RIGHTS (NOVEMBER 1985)

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

(a) Definitions.

(1) Invention means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

(2) Subject invention means any invention of the recipient conceived or first actually reduced to practice in the performance of work under this agreement.

(3) Practical application means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(4) Made when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) Small business firm means a domestic small business concern as defined at Section 2 of Public Law 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, shall be used.

(6) Nonprofit organization means a domestic university or other institution of higher education or an organization of the type described in Section 501(c) (3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under Section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any domestic nonprofit scientific or any educational organization qualified under a state nonprofit organization statute.

(b) Allocation of Principal Rights: The recipient may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the recipient retains title, the Federal Government shall have a non-exclusive, non-transferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

(c) Invention Disclosure, Election of Title, and Filing of Patent Applications by Recipient:

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

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

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

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

(d) Conditions When the Government May Obtain Title: The recipient shall convey to AID upon written request, title to any subject invention:

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

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

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

(e) Minimum Rights to Recipient:

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

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

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

(f) Recipient Action to Protect the Government's Interest:

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

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

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

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

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

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

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

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

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

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

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

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

(k) Special Provisions for Agreements with Nonprofit Organizations: If the recipient is a nonprofit organization, it agrees that:

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

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

(i) Five years from first commercial sale or use of the invention;  
or

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

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

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

(1) Communications: Communications concerning this provision shall be addressed to the grant officer at the address shown in this agreement.

(END OF STANDARD PROVISION)

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11. PUBLICATIONS (NOVEMBER 1985)

(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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14. REGULATIONS GOVERNING EMPLOYEES (NOVEMBER 1985)

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

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

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

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

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

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

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

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

(END OF STANDARD PROVISION)

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15. PARTICIPANT TRAINING (MAY 1986)

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

(a) Definition: A participant is any non-U.S. individual being trained under this grant outside of that individual's home country.

(b) Application of Handbook 10: Participant training under this grant is to be conducted according to the policies established in AID Handbook 10, Participant Training, except to the extent that specific exceptions to Handbook 10 have been provided in this grant with the concurrence of the Office of International Training. (Handbook 10 may be obtained by submitting a request to the Office of International Training (S&T/IT), Agency for International Development, Washington, D.C. 20523.) Except for paragraph (h) on orientation, the following paragraphs in this standard provision are not subject to waiver except as specifically stated.

(c) Participant Training Information System: All grantees shall ensure that participants trained in the United States or in a third country are included in the Agency's Participant Training Information System.

The grantee shall fill out form AID 1381-4 entitled "Participant Data" and send it to the addresses indicated on the back of the form. The grantee can obtain a supply of these forms and additional instructions for completing them from the Office of International Training. Data should be submitted prior to the initiation of participant travel. If this is not possible, the forms should be prepared and submitted immediately after arrival of the participant(s). The grantee shall also submit to the Office of International Training a blue copy of the form when subsequent changes in the participant's training program are made and at termination of participant's training program, ensuring that the original participant number (pre-printed on the form) is used.

(d) Visa Requirements for Training Within The United States:

(1) Under the authority of Section 635(f) of the Foreign Assistance Act, AID-sponsored participants are admitted to the United States under the Department of State/USIA Exchange Visitor Program and are issued J-1 visas. The program identification number is G-2-0263.

(2) J-1 visas are issued by the U.S. Embassy or Consulate for AID-sponsored participants upon submission by the participant of Form IAP-66A which may be obtained only from the AID Mission. The Mission retains one copy of the IAP-66A and forwards one copy to AID/S&T/IT.

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(i) The enrollment fee shall be accompanied by a letter which lists the names of the participants (identical to that on the Participant Data Form), participant I.D. numbers from the Participant Data Form, period of coverage, fee amount paid, grant number, name of grantee, host country, and the U. S. Government appropriation number as shown on the grant.

(ii) The enrollment fees shall be calculated on the basis of fixed rates per participant per each 30 day period. The enrollment fees may not be prorated for fractional periods of less than 30 days and should cover the current training period for which funds are obligated under the grant. Current rates are found in Handbook 10 Participant Training Notices.

(4) The grantee shall assure that enrollment begins immediately upon the participant's departure for the United States for the purpose of participating in a training program financed or sponsored by AID, and that enrollment continues in full force and effect until the participant returns to his or her country of origin or is released from AID's responsibility, whichever occurs first. The grantee shall continue enrollment coverage for participants whose departure is delayed due to medical or other compelling reasons, with the written concurrence of the grant officer.

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

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

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

(g) Participant Counseling For Training Within The United States: Problems involving participants such as serious physical or emotional illness, accident or injury, arrest, death, the voluntary or involuntary early termination of a program, and the refusal of a participant to return to the home country upon completion of the program should be referred to the AID Participant Counselor at the Office of International Training.

The Counselor can be reached by calling the Office of International Training during workdays and the AID Duty Officer (202-647-1512) at other times. In referring cases, give the Counselor the name, country, and current location of

the participant as well as a brief description of the problem with names and telephone numbers of hospitals, physicians, attorneys, etc. Following verbal referral, the participant's name, home address, and next of kin, and location of training should be sent to the grant officer, who will transmit the information to the S&T/IT Counselor.

(h) Orientation: In addition to the above mandatory requirements for all participants, grantees are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation (see Chapter 13 of Handbook 10) and orientation in Washington at the Washington International Center (see Chapter 18D of Handbook 10). The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the United States through liaison with the National Council for International Visitors (NCTIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the grant officer, who will transmit the request to NCTIV through S&T/IT.

(END OF STANDARD PROVISION)

17. PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT (NOVEMBER 1985)

(This provision is applicable when human subjects are involved in research financed by the grant.)

(a) Safeguarding the rights and welfare of human subjects involved in research supported by AID is the responsibility of the organization to which support is awarded. It is the policy of AID that no work shall be initiated under any grant for the support of research involving human subjects unless the research is given initial and continuing review and approval by an appropriate committee of the applicant organization. This review shall assure that (1) the rights and welfare of the individuals involved are adequately protected, (2) the methods used to obtain informed consent are adequate and appropriate, and (3) the risks and potential medical benefits of the investigation are assessed.

(b) The organization must provide written assurance to AID that it will abide by this policy for all research involving human subjects supported by AID. This assurance shall consist of a written statement of compliance with the requirements regarding initial and continuing review of research involving human subjects and a description of the organization's review committee structure, its review procedures, and the facilities and personnel available to protect the health and safety of human subjects. In addition to providing the assurance, the organization must also certify to AID for each proposal involving human subjects that its committee has reviewed and approved the proposed research before any work may be initiated.

(c) Since the welfare of the subject individual is a matter of concern to AID as well as to the organization; AID advisory groups, consultants, and staff may independently review all research involving human subjects, and prohibit research which presents unacceptable hazards. This provision, however, shall not derogate in any manner from the responsibility of the organization set forth herein.

(d) All of the above provisions apply to any research involving human subjects conducted outside of the United States and, in addition, such overseas research will conform to legal and other requirements governing human research in the country where they are conducted.

(e) In addition to the procedures set forth above, studies with unmarketed drugs will be carried out in accordance with provisions applicable in the country where the study is conducted. In the United States, the regulations of the Food and Drug Administration will be followed and evidence of such compliance provided to AID.

(f) Guidance on procedures to safeguard human subjects involved in research is found in Title 45, Part 46, of the Code of Federal Regulations. Compliance with these procedures, except as modified above, is required.

(END OF STANDARD PROVISION)

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20. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (NOVEMBER 1985)

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

Title to all property financed under this grant shall vest in the grantee, subject to the following conditions:

(a) The grantee shall not charge for any depreciation, amortization, or use of any property, title to which remains in the grantee under this provision under this grant or any other U.S. Government agreement, subagreement, contract, or subcontract.

(b) The grantee agrees to use and maintain the property for the purpose of the grant in accordance with the requirements of paragraphs (c), (d), (e), and (f) below.

(c) Real Property:

(1) Real property means land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

(2) Use of Real Property:

(i) The grantee shall use the real property for the authorized purpose of the project, as long as it is needed.

(ii) The grantee shall obtain approval from AID for the use of real property in other projects when the grantee determines that the property is no longer needed for the purpose of the original program. Use in other programs shall be limited to those under other federally sponsored programs (i.e., grants or other agreements) that have purposes consistent with those authorized for support by AID.

(3) Disposition of Real Property: When the real property is no longer needed as provided in (2) above, the grantee shall request disposition instructions from AID or its successor Federal sponsoring agency. AID or the successor Federal sponsoring agency shall observe the following rules in the disposition instructions:

(i) The grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original program to the fair market value of the property.

(ii) The grantee may be directed to sell the property under guidelines provided by the Federal sponsoring agency and pay the Federal Government an amount computed by applying the Federal percentage of participation in the cost of the original program to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any,

from the sales proceeds). When the grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(iii) The grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the grantee shall be entitled to compensation computed by applying the grantee's percentage of participation in the cost of the program to the current fair market value of the property.

(d) Nonexpendable Property:

(1) Nonexpendable personal property means tangible personal property having a useful life of more than two years and an acquisition cost of \$500 or more per unit.

(2) Use of Nonexpendable Personal Property:

(i) The grantee shall use the property in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal funds. When no longer needed for the original program, the grantee shall use the property in connection with its other federally sponsored activities in the following order of priority:

(A) Activities sponsored by AID.

(B) Activities sponsored by other Federal agencies.

(ii) Shared use - During the time that nonexempt nonexpendable personal property is held for use on the program for which it was acquired the grantee shall make it available for use on other programs if such other use will not interfere with the work on the program for which the property was originally acquired. First preference for such other use shall be given to other programs sponsored by AID; second preference shall be given to programs sponsored by other Federal agencies. User charges should be considered if appropriate.

(3) Disposition Of Nonexpendable Personal Property - With A Unit Acquisition Cost Of Less Than \$1,000: The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

(4) Disposition Of Nonexpendable Personal Property With A Unit Acquisition Cost Of \$1,000 Or More:

(i) The grantee agrees to report such items to the grant officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.



(ii) The grantee may retain the property for other uses provided that compensation is made to AID or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from AID.

(iii) AID shall determine whether the property can be used to meet AID requirements. If no requirement exists within AID the availability of the property shall be reported to the General Services Administration by AID to determine whether a requirement for the property exists in other Federal agencies. AID shall issue instructions to the recipient no later than 120 days after the grantee's request and the following procedures shall govern:

(A) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse AID an amount computed by applying to the sales proceeds that percentage of Federal participation in the cost of the original program. However, the grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(B) If the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the recipient's participation in the cost of the original grant program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(C) If the grantee is instructed to otherwise dispose of the property, the grantee shall be reimbursed by AID for such costs incurred in its disposition.

(e) Expendable Personal Property:

(1) Expendable personal property means all tangible personal property other than nonexpendable property.

(2) The grantee shall use the expendable personal property for the authorized purpose of the grant program, as long as it is needed.

(3) If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and the property is not needed for any other federally sponsored program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

(f) The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

(1) Property records shall be maintained accurately and shall include:

(i) A description of the property.

(ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(iii) Source of the property, including grant or other agreement number.

(iv) Whether title vests in the grantee or the Federal Government.

(v) Acquisition date and cost.

(vi) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired.

(vii) Location, use, and condition of the property and the date the information was reported.

(viii) Unit acquisition cost.

(ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates AID for its share.

(2) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall in connection with the inventory, verify the existence, current utilization, and continued need for the property. The inventory listing shall be retained as documentation in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records."

(3) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented.

(4) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(5) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

(END OF STANDARD PROVISION)

23. COST SHARING (MATCHING) (NOVEMBER 1985)

(This provision is applicable when the recipient is required to cost share or provide a matching share.)

(a) For each year (or funding period) under this grant, the grantee agrees to expend from non-Federal funds an amount at least equal to the percentage of the total expenditures under this grant specified in the schedule of the grant. The schedule of this grant may also contain restrictions on the application of cost sharing (matching) funds. The schedule takes precedence over the terms of this provision.

(b) Eligibility of non-Federal funds applied to satisfy cost sharing (matching) requirements under this grant are set forth below:

(1) Charges incurred by the grantee as project costs. Not all charges require cash outlays by the grantee during the project period; examples are depreciation and use charges for buildings and equipment.

(2) Project costs financed with cash contributed or donated to the grantee by other non-Federal public agencies (may include public international organizations or foreign governments) and institutions, and private organizations and individuals, and

(3) Project costs represented by services and real and personal property, or use thereof, donated by other non-Federal public agencies and institutions, and private organizations and individuals.

(c) All contributions, both cash and in-kind, shall be accepted as part of the grantee's cost sharing (matching) when such contributions meet all of the following criteria:

(1) Are verifiable from the grantee's records;

(2) Are not included as contributions for any other Federally assisted program;

(3) Are necessary and reasonable for proper and efficient accomplishment of project objectives;

(4) Are types of charges that would be allowable under the applicable Federal cost principles;

(5) Are not paid by the Federal Government under another grant or agreement (unless the grant or agreement is authorized by Federal law to be used for cost sharing or matching);

(6) Are provided for in the approved budget when required by AID; and

(7) Conform to other provisions of this paragraph.



(d) Values for grantee in-kind contributions will be established in accordance with the applicable Federal cost principles.

(e) Specific procedures for the grantee in establishing the value of in-kind contributions from non-Federal third parties are set forth below:

(1) Valuation of volunteer services: Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Volunteer services may be counted as cost sharing or matching if the service is an integral and necessary part of an approved program:

(i) Rates for volunteer services: Rates for volunteers should be consistent with those paid for similar work in the grantee's organization. In those instances in which the required skills are not found in the grantee's organization, rates should be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved.

(ii) Volunteers employed by other organizations: When an employer other than the grantee furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead costs) provided these services are of the same skill for which the employee is normally paid.

(2) Valuation of donated expendable personal property: Donated expendable personal property includes such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to expendable personal property included in the cost share (match) should be reasonable and should not exceed the market value of the property at the time of the donation.

(3) Valuation of donated nonexpendable personal property, buildings, and land or use thereof:

(i) The method used for charging cost sharing or matching for donated nonexpendable personal property, buildings and land may differ according to the purpose of the grant as follows:

(A) If the purpose of the grant is to assist the recipient in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost sharing or matching.

(B) If the purpose of the grant is to support activities that require the use of equipment, buildings, or land; depreciation or use charges for equipment and buildings may be made. The full value of equipment or other capital assets and fair rental charges for land may be allowed provided that AID has approved the charges.

(ii) The value of donated property will be determined in accordance with the usual accounting policies of the grantee with the following qualifications:

(A) Land and buildings: The value of donated land and buildings may not exceed its fair market value, at the time of donation to the grantee as established by an independent appraiser; and certified by a responsible official of the grantee.

(B) Nonexpendable personal property: The value of donated nonexpendable personal property shall not exceed the fair market value of equipment and property of the same age and condition at the time of donation.

(C) Use of space: The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.

(D) Borrowed equipment: The value of borrowed equipment shall not exceed its fair rental value.

(f) The following requirements pertain to the grantee's supporting records for in-kind contributions from non-Federal third parties:

(1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the grantee for its employees.

(2) The basis for determining the valuation for personal services, material, equipment, buildings and land must be documented.

(g) Individual expenditures do not have to be shared or matched provided that the total expenditures incurred during the year (or funding period) are shared or matched in accordance with the agreed upon percentage set forth in the schedule of the grant.

(h) If at the end of any year (or funding period) hereunder, the grantee has expended an amount of non-Federal funds less than the agreed upon percentage of total expenditures, the difference may be applied to reduce the amount of AID funding the following year (or funding period), or, if this grant has expired or been terminated, the difference shall be refunded to AID.

(i) Failure to meet the cost sharing (matching) requirements set forth in paragraph (a) above shall be considered sufficient reasons for termination of this grant for cause in accordance with paragraph (a) entitled "For Cause" of the standard provision of this grant entitled "Termination and Suspension".

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(j) The restrictions on the use of AID grant funds set forth in the standard provisions of this grant are applicable to expenditures incurred with AID funds provided under this grant. The grantee will account for the AID funds in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records".

(k) Notwithstanding paragraph (b) of the standard provision of this grant entitled "Refunds", the parties agree that in the event of any disallowance of expenditures from AID grant funds provided hereunder, the grantee may substitute expenditures made with funds provided from non-Federal sources provided they are otherwise eligible in accordance with paragraph (b) of this provision.

(END OF STANDARD PROVISION)

24. USE OF POUCH FACILITIES (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for AID grantees and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or AID Mission. In consideration of the use of pouch facilities, the grantee and its employees agree to indemnify and hold harmless, the Department of State and AID for loss or damage occurring in pouch transmission:

(1) Grantees and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of two pounds per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to (a)(1) and (2) above sent by pouch should be addressed as follows:

Name of individual or organization (followed by  
letter symbol "G")  
Name of post (USAID/\_\_\_\_\_)  
Agency for International Development  
Washington, D.C. 20523

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(6) AID grantee personnel are not authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide. Posts having access to APO/FPO facilities and using such for diplomatic pouch dispatch, may, however, accept the grantee's official and personal mail for pouch, provided of course, adequate postage is affixed.

(b) The grantee shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or AID Mission.

(END OF STANDARD PROVISION)

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Enclosure No. 4

ANNUAL REPORTING GUIDELINES

Revised: March 29, 1988

Matching Grant Program

## PVO ANNUAL REPORTING GUIDELINES

Specific guidelines are to be followed when submitting annual reports for grants funded by FVA/PVC. Annual report information should be written and organized in accordance with this guidance and outlined format. A Summary and a Table of Contents should introduce the annual report. Reports should cover each section and sub-section of the outline. If any portion of the outline is inapplicable, an explanation should be included. Pages should be numbered. It is understood that the suggested page number guidance will vary depending on the number of countries, etc. A completed Form 1550-11 should be submitted for each sub-project of a grant (Sample is Annex C).

Reports submitted in the first, mid-course, and final years of grants should differ in the attention devoted to the different report outline sections. First-year reports are to focus special attention on Sections II and III: are all preconditions met? are all inputs in place? are inputs functioning as planned? etc. The first year report is also to include the more finalized project implementation, monitoring and evaluation plans including detailed baseline data, critical indicators, and targets. Mid-course reports are to focus special attention on Sections IV and V: the status of outputs, critical indicators, and benchmark findings. In final year reports, greater reflection and breadth is expected in Sections I, II, III, VII and VIII: identifying lessons learned, program areas needing strengthening, targets reached, and impact measurements.

Annual reports are due to the PVO's FVA/PVC Project Officer thirty days before the anniversary date of the grant each year. Please submit 10 copies plus one for the A.I.D. mission in each primary target country in the grant. The report period to be covered is the full year. What is expected to be accomplished in the remaining month should be included.

## OUTLINE FOR PVO ANNUAL REPORTS

Summary of Program, Administrative, and Financial Status  
(1 page)

Table of ContentsI. Background to Grant and Project Context (2-3 pages)

1. Describe the PVO's organizational purpose, approach, and special capability. What were the socio-economic-

political conditions and circumstances which gave rise to the project and each country program? What was the essence of the problem? What were the express needs of beneficiaries, participants, the PVO, etc. What gender concerns need attention?

2. What local or other resources were available to meet the above needs? Why was external funding necessary?

## II. Project Methodology (2-3 pages)

1. Summarize the grant project goal, purpose, objectives, approach, methodology, and strategy? What are the key inputs for achieving this strategy? Who are the target groups? What are the expected outputs and products? How does strategy involve women as both participants and beneficiaries?

2. For the project generally, provide a comparison of actual accomplishments with those originally proposed for the period of the report. Include gender accomplishments. State the reasons for any variance.

## III. Monitoring and Evaluation (1-2 pages)

1. Describe and discuss PVO refinements, changes, and additions to the following monitoring and evaluation information from that originally presented in the PVOs proposal:

- a. baseline data
- b. targets
- c. critical indicators of effectiveness
- d. benchmarks of project progress
- e. monitoring plan
- f. evaluation plan

2. Describe the status of midterm assessment and final evaluation. Specifically address gender concern status and results.

IV. Review and Analysis of Project Results by Country  
(5-10 pages)

1. Describe for each country for the report period:
  - a. the specific outputs achieved in each country
  - b. effect on target groups disaggregated by gender.
  - c. problems encountered and how they have been addressed
  - d. impact on local institutions, local policy, and people (disaggregate by gender) outside the project
  - e. unintended effects.
2. For each country, provide a comparison of actual accomplishments with those originally proposed for the period of the report. State the reasons for any variance. Discuss any anticipated problems in meeting the final project objectives and PVO's plans to deal with these.

V. Management: Review and Analysis of Headquarters/Support Functions (2-5 pages)

1. Describe for the reporting period:
  - a. project planning and management activities
  - b. staff resources (management and technical)
  - c. training (disaggregated by staff and beneficiary and gender)
  - d. logistical support
  - e. technical assistance
  - f. project fund-raising and marketing
  - g. role of the Board of Directors
  - h. development education
2. For each of the above, provide a comparison of actual accomplishments with those originally proposed for the period of the report. State reasons for any variance. Discuss problems encountered and how they have been addressed. Discuss any anticipated problems in meeting final project objectives and PVO's plans to deal with these.

VI. Financial Report (2-4 pages)

1. Provide completed, updated, Project Financial Overview and PVO Organizational Financial Overview (format charts attached as Annex A and B).

2. Compare the proposed budget with actual expenditures, both A. I. D. and PVO, for all project years to date, and, provide update estimates for remaining project years. Discuss any actual and/or anticipated variance from the proposed budget line items.
3. Discuss the status, usual timing and rate of letter-of-credit drawdowns. Provide analysis and explanation of any actual and/or anticipated changes in the rate of drawdown as well as cost overruns or unusually high expenses.
4. Provide a brief discussion of fund-raising plans and activities: main sources, status, and actual or anticipated problems, if any.
5. Provide a discussion of PVO cost-share: status; any actual or anticipated problems in meeting agreed cost-share, annual and total. Include corrective measures planned or taken.

VII. Lessons Learned and Long-Term Project Implications  
(4-10 pages)

1. Estimates of project costs and benefits
2. Institution building assessment
3. Estimate of sustainability
4. Benefit distribution (disaggregate by gender)
5. Local participation (disaggregate by gender)
6. Leadership development (disaggregate by gender)
7. Innovation and technology transfer
8. Policy implications
9. Collaboration/networking with other agencies
10. Replication potential of project approach and activities.

VIII. Recommendations (2 pages)

1. To project leadership and PVO
2. To country and local leaders
3. To donors or other organizations seeking similar impacts

IX. Attachments to Annual Reports

1. Country data sheets (see attached Form 1550-11)
2. Original logical framework (or other project design summary), and any modifications
3. Any detailed addenda amplifying textual material
4. Tables, lists, samples of publications, etc.

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## FINANCIAL PROFILE OF THE PROJECT

### A. BUDGETED VERSUS ACTUAL EXPENDITURES

<u>Project Elements</u>	A. I. D.		(Year)*	
	<u>Budget</u>	<u>Expend.</u>	<u>Budget</u>	<u>Expend.</u>
List here the same line items that are in the summary budget of your final project proposal.	\$ XXX	\$ XXX	\$ XXX	\$ XXX
	\$ XXX	\$ XXX	\$ XXX	\$ XXX
	\$ XXX	\$ XXX	\$ XXX	\$ XXX
TOTAL PROJECT	\$ XXX	\$ XXX	\$ XXX	\$ XXX

### B. SOURCES OF PROJECT FUNDS FOR THE PVO\* (Same Year as above)

A.I.D. Matching Grant	\$ XXXXX
Private	
Cash	XXXXX
In-kind	XXXXX
Host and Other Governments	
Cash	XXXXX
In-kind	XXXXX
Other A.I.D. Grants/Contracts**	XXXXX
Other U. S. Government** (e. g., Peace Corps)	XXXXX
Other** (specify, e.g., PACT, CODEL, IDB, etc.)	XXXXX
TOTAL	\$ XXXXXX

\*Prepare this chart for each year of the grant as well as a summary table for the life of the grant.

\*\*Provide separate list by country giving grant/contract number, amount, years of funding.

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FINANCIAL PROFILE OF THE PVO

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3*</u>
A. <u>Program Expenditures:</u>			
Small Project Grants	\$ XXX .	\$ XXX	\$ XXX
Training	XXX	XXX	XXX
Sectoral Strategy Dev.	XXX	XXX	XXX
Disaster Relief	XXX	XXX	XXX
Evaluation	XXX	XXX	XXX
Program Management	XXX	XXX	XXX
Indirect Costs	XXX	XXX	XXX
 TOTAL WORLDWIDE PROGRAM	 \$ XXXX	 XXXX	 XXXX
 B. <u>Sources of Funds:</u>			
A.I.D. Matching Grant	\$ XXX	\$ XXX	\$ XXX
Private			
Cash	XXX	XXX	XXX
In-kind	XXX	XXX	XXX
Host/Other Governments			
Cash	XXX	XXX	XXX
In-kind	XXX	XXX	XXX
Other A.I.D. Grants or Contracts	XXX	XXX	XXX
Other U. S. Government (e. g., Peace Corps)	XXX	XXX	XXX
Other (specify) (PACT, CODEL. IDB, etc.)	XXX	XXX	XXX
 TOTAL	 \$ XXXX	 \$ XXXX	 \$ XXXX

\*continue for each year of the grant

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**PVO PROJECT REPORTING INFORMATION  
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0530  
Expiration Date: 03/31/89

**FOR OFFICIAL USE ONLY**

PVO Type		Project Number	
Appropriation		Level	
Country Code	Fund Type	Technical Code	
Project Officer	Key 1	Key 2	

**PROJECT INFORMATION (PRIMARY)**

Name of Organization		Grant/Contract Number
Start Date (MM/DD/YY)	End Date (MM/DD/YY)	AID Project Officer's Name

**AID OBLIGATION BY AID-FY (\$000)**

FY	AMOUNT	FY	AMOUNT

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Activity Description

Status

**COUNTRY INFORMATION (SECONDARY)**

Country	Location in Country (Region, District, Village)
PVO Representative's Name	Local Counterpart/Host Country Agency

**COUNTRY FUNDING INFORMATION (\$000)**

YEAR				
AID \$				
PVO \$				
INFORMED				
LOCAL				
TOTAL				

*GA*

## INSTRUCTIONS

1. For Official Use Only – To be completed by AID official ONLY.
2. Project Information (Primary) -- Self-explanatory. Complete all boxes.
3. AID Obligation By AID-FY (\$000) – To be completed by AID official ONLY.
4. Activity Description – Provide narrative (*i.e., sectoral emphasis, description of beneficiaries, program description*). Limit to space provided.
5. Status – Provide narrative (*i.e., accomplishments to date, verifiable impact, completed or scheduled evaluations and date of writing*). Limit to space provided.
6. Country Information (Secondary) – Self-explanatory. Complete all boxes.
7. Country Funding information (\$000) – Include data for all fiscal years of the grant (*identify in thousands of dollars*). Dollar figures (\$000) for all completed years of the grant should indicate expenditures. Dollar figures (\$000) for all current and future years should indicate projections.

## OMB STATEMENT

The data contained in this form is being requested as an input for the Agency for International Development's (A.I.D) Private and Voluntary (PVO) Information System. The purpose of this system is to:

- Broker information between PVOs and A.I.D. through an active two-way information flow;
- Create an institutional memory which can provide information on such questions as PVO activities and A.I.D. funding levels - which PVOs are doing what and where, with what amount of A.I.D. funding;
- Improve accuracy, responsiveness, and turnaround time to inquiries about PVOs and A.I.D. - funded PVO activities; and,
- Disseminate information about A.I.D.'s PVO programs to meet Agency information and reporting requirements to the Congress and the public on PVO activities, A.I.D. funding levels and PVO capabilities.

Completion of this form is a mandatory requirement under the Conditions of Registration as outlined in Part 201, Chapter II, Title 22, Code of Federal Regulations, as amended as of November 30, 1982.