

|  |         |                                      |  |
|--|---------|--------------------------------------|--|
| <b>CONTRACT/AGREEMENT<br/>DATA SHEET</b> | B-24130 | 1. M/SER/AAM/A/SUP<br>Action Monitor | 2. Date PIO/T Received in<br>M/SER/AAM/A/SUP |
|  |         | cme                                  | 3 / 17 / 89                                  |

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

|   |   |
|---|---|
| 1. Contract/Agreement/Number<br><u>9131</u><br><u>OTR-0192-A-00-<del>4087</del>00</u>   | 5. Contractor Acronym<br><u>CLUSA</u><br>(NCBA) |
| 4. Contractor/Recipient Name<br><u>The Cooperative League of the U.S.A. Inc.</u><br>National Cooperative Business Association | 7. Project Number<br><u>938-0192</u>            |
| 6. Project Title<br><u>Co-op Program Support Agreement</u>  | 9. Bureau or USAID Symbol<br><u>FVA/PVC</u>     |
| 8. Project Officer's Name<br><u>D. Miller</u>   |   |

|   |   |
|---|---|
| 10. PIO/T Number<br><u>938-0192-3-9381103</u> | 21. Budget Plan Code<br><u>BDNA-89-13810-KG11</u><br>App. 72-1191021.3 All. 943-38-099-00-76-91 |
|---|---|

|  |                                       |  |  |   |
|--|---------------------------------------|--|--|---|
| 11. TYPE OF ACTION<br>A. New Acquisition/Assistance<br>B. Amendment/Modification<br>1. New/Revised Scope<br>2. Funded Extension<br>3. No Cost Extension<br>4. Transfer of action from AID/W to Mission/Mission to AID/W<br>5. Incremental Funding<br>6. Overhead Rate Adjustment<br>7. Contract Closeout<br>8. Other<br><br>C. FPR or FAR <u>HB 13</u> | <input checked="" type="checkbox"/> A | 22. Country or Region of Performance<br><u>Worldwide</u> | 23. A. This Action Increases or Decreases TEC by<br><u>\$ - 0 -</u><br><br>B. Total Estimated Cost of Contractual Document<br><u>\$6,050,000</u> | 24. Amount of Non-Federal Funds Pledged to the Project<br><u>\$10,515,000</u> |
|--|---------------------------------------|--|--|---|

|   |  |
|---|--|
| 12. Amount of this PIO/T<br>Obl. U.S. \$ <u>850,000</u> | 25. Effective Date of this Action<br><u>3 / 1 / 89</u> |
|---|--|

|  |  |
|--|--|
| 13. Amount <input checked="" type="checkbox"/> Obligated <input type="checkbox"/> Subobligated <input type="checkbox"/> Deobligated<br>by this Contract or Amendment<br>U.S. \$ <u>850,000</u> | 26. Estimated Completion/Expiration Date<br><u>2 / 28 / 94</u> |
|--|--|

|  |  |
|--|--|
| 14. Cumulative Obligation (Life of Contract)<br>U.S. \$ <u>850,000</u> | 27. Contractor DUNS Number<br><u>074 925 978</u> |
|--|--|

|  |  |
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| 15. This Action Funded Through<br><u>2128190</u> | 28. Consultant Type Award<br><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|--|--|

|   |  |
|---|--|
| 16. Date Contractual Documents Signed by AID Official<br><u>7 / 18 / 89</u> | 29. Number of Person Months (PASA/RSSA only)<br><u>N/A</u> |
|---|--|

|   |  |
|---|--|
| 17. Incrementally Funded Contracts<br><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | 30. Number of Persons (PASA/RSSA only)<br><u>N/A</u> |
|---|--|

|   |  |
|---|--|
| 18. Host Country/Counterpart Institution (University Contracts)<br><u>N/A</u> | 31. CONTRACT TYPE<br>A. Fixed Price (specify: <input type="checkbox"/> FFP <input type="checkbox"/> FPRD <input type="checkbox"/> FPEPA <input type="checkbox"/> FPI) <input checked="" type="checkbox"/> D<br>B. Cost Reimbursement (specify: <input type="checkbox"/> CR <input type="checkbox"/> CPFF <input type="checkbox"/> CS <input type="checkbox"/> CPAF <input type="checkbox"/> CPIF)<br>C. IQC and Requirements Contracts<br>D. Grant <input checked="" type="checkbox"/> CA/PASA/RSSA<br>E. Contracts with Individuals |
|---|--|

|   |  |
|---|--|
| 19. Campus Coordinator (University Contracts)<br><u>N/A</u> |  |
|---|--|

|  |  |
|--|--|
| 20. ADVANCE<br>A. No Advance <input checked="" type="checkbox"/> C<br>B. Advance Non-FRLC<br>C. Advance FRLC |  |
|--|--|

|  |   |                                       |
|--|---|---------------------------------------|
| 32. Negotiator's Typed Name<br><u>B. Humphreys</u> <u>P. Merrill</u> | 33. Negotiator's Signature<br><u>Pauline M. Merrill</u> | 34. Date Signed<br><u>7 / 14 / 89</u> |
|--|---|---------------------------------------|

|   |  |                                       |
|---|--|---------------------------------------|
| 35. Contract/Grant Officer's Organization Symbol<br><u>W/MS</u> | 36. Contract/Grant Officer's Signature<br><u>[Signature]</u> | 37. Date Signed<br><u>7 / 18 / 89</u> |
|---|--|---------------------------------------|

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

N/A USA

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

N/A

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

B

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)*

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

H

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

PFM/FM/PAFD

J

ORIGINAL

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

JUL 18 1989

Mr. Robert Scherer  
President and Chief Executive Officer  
The Cooperative League of the U.S.A. d.b.a.  
The National Cooperative Business Association  
1401 New York Avenue, N.W. - Suite 1100  
Washington, D.C. 20005-2160

SUBJECT: Cooperative Agreement No. OTR-0192-A-00-9137-00

Dear Mr. Scherer:

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 Cooperative League of the U.S.A. d.b.a. The National Cooperative Business Association (hereinafter referred to as "NCBA" or "Recipient") the sum of \$6,050,000 to provide support to the Recipient under A.I.D.'s Co-op Program Support project as more fully described in 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 the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives from March 1, 1989 through February 28, 1994.

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

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, including all copies stamped "Funds Available."

Sincerely,

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

Enclosures:

- 1. Schedule
- 2. Program Description
- 3. Standard Provisions

ACKNOWLEDGED:

THE COOPERATIVE LEAGUE OF THE U.S.A. d.b.a.  
NATIONAL COOPERATIVE BUSINESS ASSOCIATION

BY:

TYPED NAME: Richard Westing

TITLE: Controller

DATE: 8/8/89

FISCAL DATA

|                         |                     |
|-------------------------|---------------------|
| PIO/T No.:              | 9381103             |
| Project No.:            | 938-0192            |
| Appropriation No.:      | 72-1191021.3        |
| Budget Plan Code:       | EDNA89-13810-KG11   |
| Allotment No.:          | 943-38-099-00-76-91 |
| Amount Obligated by     |                     |
| This Action:            | \$ 850,000          |
| Total Obligated Amount: | \$ 850,000          |
| Total Estimated Amount: | \$6,050,000         |
| Technical Office:       | FVA/PVC             |
| Funding Source:         | FVA/PVC             |
| DUNS No.:               | 074925978           |
| E.I. No.:               | 36-2007481          |

**FUNDS AVAILABLE**  
  
 JUL 21 1989  
 DC 4190  
 Program Acctg Division  
 Office of Financial Management

H

SCHEDULE

A. Purpose of Cooperative Agreement

The purpose of this agreement is to provide support for The Cooperative League of the U.S.A. d.b.a. The National Cooperative Business Association (NCBA) to strengthen and expand the role of private cooperative businesses in lesser developed countries, *and to create innovative program approaches.*

The above is more specifically described in Enclosure 2 to this agreement entitled "Program Description" and in NCBA's proposal dated September 15, 1988 and revision to the proposal dated November 28, 1988, which are incorporated by reference in this Agreement. 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 on the date of signature of the A.I.D. Grant Officer. However, funds committed under the program description and within the terms of this agreement are authorized for the period beginning March 1, 1989 until the signature date of this agreement. The estimated completion date is February 28, 1994.

2. Funds obligated hereunder are available for program expenditures for the period March 1, 1989 through February 28, 1990 as shown in the budget below. 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 \$6,050,000.

2. A.I.D. hereby obligates the amount of \$850,000 for program expenditures during the period set forth in B.2. above and as shown in the Budget below.

3. The Mission Support portion of this agreement represents \$1,800,000 of the total estimated amount in Paragraph 1 above. This amount is an estimate which is dependent upon unknown support by the A.I.D. Missions. Consequently, it is not expected that this figure will be obligated in the exact amount represented herein. At the point of expiration of this Agreement, this figure and the figure shown in the Cover Letter and Paragraph 2 above will be adjusted accordingly.

4. Payment shall be made to the Recipient in accordance with procedures set forth in Enclosure 3 - Optional Standard Provision, entitled "Payment - Letter of Credit".

5. 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. Substantial Involvement

1. 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, with the prior approval of the 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 the evaluation(s). At least one evaluator will be an individual not currently employed by the Recipient. The 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.

2. Mission Support: Certain activities may require the substantial involvement of the A.I.D. Project Officer as follows:

a. When the activity is deemed by A.I.D. to be closely related to a broader program, A.I.D. will require advance review and approval of a detailed implementation plan, and identify any special monitoring and reporting requirements.

b. When the success of a later phase of an activity is contingent upon the achievement of certain objectives or

conditions precedent, critical benchmarks will be identified. Before a later phase can proceed, A.I.D. will determine if the benchmarks have been achieved and provide written approval to proceed.

E. Budget

The Budget is listed below. The Recipient may not exceed the total estimated amount or the obligated amount, whichever is less (see Paragraph C above).

CENTRAL BUDGET

| LINE ITEMS:       | OBLIGATED          | FUTURE             | TOTAL              |
|-------------------|--------------------|--------------------|--------------------|
|                   | AMOUNT             | AMOUNT             | AMOUNT             |
|                   | FR: 3/1/89         | FR: 3/1/90         | FR: 3/1/89         |
|                   | TO: <u>2/28/90</u> | TO: <u>2/28/94</u> | TO: <u>2/28/94</u> |
| Program Costs     | \$ 615,250         | \$2,427,949        | \$3,043,199        |
| Indirect Costs    | 229,750            | 958,351            | 1,188,101          |
| Procurement Costs | 5,000              | 13,700             | 18,700             |
| TOTAL CEN BUDGET  | <u>\$ 850,000</u>  | <u>\$3,400,000</u> | <u>\$4,250,000</u> |

MISSION/BUREAU SUPPORT BUDGET

| LINE ITEMS:          | OBLIGATED | FUTURE      | TOTAL              |
|----------------------|-----------|-------------|--------------------|
|                      | AMOUNT    | AMOUNT      | AMOUNT             |
|                      | FR: _____ | FR: _____   | FR: 3/1/89         |
|                      | TO: _____ | TO: _____   | TO: <u>2/28/94</u> |
| Mission Support      | \$ - 0 -  | \$1,800,000 | \$1,800,000        |
| TOTAL A.I.D. SUPPORT |           |             | <u>\$6,050,000</u> |

RECIPIENT SUPPORT \$10,515,000

Notes to the Budget:

1. Recipient is allowed 5% flexibility among all line items in the Central Budget. No flexibility will be allowed in the Mission Support Budget. However, within each line item the Recipient has full flexibility of funds.
2. The Recipient is expected to use its own private funds for all procurement of non-expendable property estimated at over \$500 each and also for all non-U.S. procurements. This alleviates the requirement for a source/origin waiver and also placed the title to property completely in the Recipient's name.

3. The Agreement is deliberately designed to include multiple funding sources from within A.I.D. The Recipient is encouraged to seek additional support from A.I.D. Missions. However, they are admonished to ensure that the activity for which they are seeking support is indeed assistance to the Recipient or their program and is in no way technical assistance to the Missions. Technical assistance to the Missions must be implemented through a separate contractual document. Additionally, Mission supported activities must comply with the following:

a. The activity must be under the terms of the Program Description.

b. The activity must be such that it does not require other than general monitoring by the Mission.

c. The activity shall not be a long term project which should be processed by the Mission.

d. The cumulative total of all Mission Support Activities shall not exceed \$1,800,000.

e. Country Loan Financed activities and Pro-Ag Agreements shall not be funded under this Agreement.

#### F. Reporting

##### 1. Financial Reporting:

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

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 (PFM/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 specified in the Cover Letter of this agreement.

##### 2. Program Reporting:

a. Semi-annual and Annual Reports: Semi-annual and annual reports will be submitted to the A.I.D./FVA/PVC Project Officer 30 days after each semi-annual and annual anniversary date of the Agreement. Reports will reflect progress made in

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achieving goals and objectives as specified in the Program Description and Implementation Plan. Reports will also include a detailed pipeline analysis of financial expenditures for the grant period which identifies disbursements by expense category.

Further guidance on the content and preparation of these reports will be provided by the A.I.D. Project Officer.

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.

c. Final Report: The final year report will be the last annual 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.

### 3. Evaluation:

Self-evaluation will be conducted by the Recipient in accordance with its normal evaluation program as described in its grant proposal. In addition, from time-to-time A.I.D. Officers will, with prior notification to your headquarters office, visit selected project sites. In collaboration with FVA/PVC, the Recipient will carry out independent mid-term and final evaluations. Special requirements for this project evaluation are delineated under Section D.1, "Substantial Involvement" above.

### G. Indirect Cost Rates

Pursuant to the Optional Standard Provision of this Cooperative Agreement entitled "Negotiated Indirect Cost Rates

- Provisional", a rate or rates shall be established for each of the Recipient's accounting periods which apply to this agreement. Pending establishment of revised provisional or final indirect cost rates for each of the Recipient's accounting periods which apply to this agreement, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates(s) applied to the base(s) which are set forth below.

| <u>Type of Rate</u> | <u>Rate</u> | <u>Period</u>        |
|---------------------|-------------|----------------------|
| Provisional         |             |                      |
| Overhead            | 37%         | 1/1/88 until amended |

Base: Total Direct Costs excluding equipment, non-expendable property, subcontracts and subgrants in excess of \$25,000 and in-country training costs.

|     |    |                      |
|-----|----|----------------------|
| G&A | 3% | 1/1/88 until amended |
|-----|----|----------------------|

Base: Total direct costs for contracts and grants.

#### H. Title to Property

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

ENCLOSURE 2

PROGRAM DESCRIPTION

I. Program Goal

The goal of this Agreement is to strengthen and expand the role of private cooperative businesses in lesser developed countries.

II. Program Purpose

The purpose of this Agreement is to provide support for NCBA to enhance NCBA capability to design, develop, and manage cooperative business projects and to create innovative program approaches.

III. Principal Activities

NCBA intends to use this Agreement to continue, extend and reinforce project development and cooperative promotion activities of its international division. To accomplish the goal and purpose, activities in the following program areas are planned:

A. Program Development

The mission of the international division of NCBA is to promote the development of sound, economically viable, private sector cooperative business organizations through technical assistance and training projects. Thus, the major thrust of the permanent NCBA staff will be to develop these projects, and such developmental tasks constitute the majority of staff activities.

B. Organizational Enhancement

1. Research and Evaluation. NCBA proposes to establish systematic research and evaluation capacity by creating a new full-time position based in the Washington office. The goal is to solidify its organizational learning capability in order to capture new insights and lessons from the diversity of field projects and to disseminate them among its projects, the development community, and cooperative movements. The first year will be devoted to developing and field testing an analytical framework and specific

methodologies for evaluating different project facets--impact, member benefits, enhancement of Board skills and member responsibility, economic development, and strengthening of secondary and tertiary cooperative structures. During the second year, the project evaluation methodologies and data collection formats will be incorporated into ongoing field and central office monitoring systems and used for internal evaluations.

Topical research will continue and technical papers will be prepared. Project evaluations, research, and publications will continue in year three. Staff will develop standardized guidelines for new project design, implementation, and staff orientation. Need for continuation of the new research/evaluation position will be assessed during the third year.

2. Africa Regional Office(s). Because of current and anticipated program growth, NCBA plans to use this Agreement to explore possible sites for a regional office or offices in Africa. During year one of the Agreement, NCBA intends to identify possible office sites and staff, and develop a general work plan and budget for the office. The first office will likely be in West Africa and open in 1990 (year two of the Agreement), providing training assistance and new project exploration to the Niger, Mali, and Equatorial Guinea projects, and at least one other project that should be operating in West Africa by that time.

3. Expansion of Asian Programs. In order to take advantage of NCBA's long presence in Asia and to enjoy certain operational efficiencies and cost reductions, the India office will provide services in project exploration/development and the Indonesia office will explore intercooperative trade. Decentralization of these services will increase NCBA's capability to function effectively and efficiently in the region. Where feasible, NCBA will relate these opportunities and services to the trading activities of CBI.

4. Intern Program for the Africa Region. In order to enhance its own capacities in project design and implementation, and to contribute to the advancement of the African cooperative movement, NCBA plans to undertake an intern program. The goal of their involvement will be to master the

innovative training, management, and cooperative development technologies that NCBA has developed. The interns will spend time at several projects, both at the village and the regional office levels, and will participate in all relevant training. Exceptional candidates, deemed to have potential for extensive involvement in NCBA, may be brought to the U.S. for exposure to the home office and U.S. co-ops. Depending on their interest/talents and NCBA's needs, graduates of the program may be engaged as consultants or project staff.

5. Indigenous Co-op Technical Assistance Organizations. A perpetual management dilemma has been the lack of a mechanism to monitor and support activities that may follow the end of a project. One solution to this problem is to create or strengthen during the life of the project an indigenous organization capable of performing these functions and of surviving without project support. The training center in Rwanda, which is increasingly operating on a fee-for-service basis, provides one model, as does the cooperative already formed by the Niger project field trainers. Project and NCBA headquarters staff will continue to assist the Niger workers' coop, and will maintain contact with both organizations after project completion to assess three things: the degree to which participants can continue to support their respective cooperative movements, the issues for which NCBA interventions may be necessary, and the applicability of experiences to other projects.

### C. Resource Enhancement

1. Co-op to Co-op Program. NCBA foresees the re-emergence of a co-op to co-op program as one means of providing the kind of personal contact and experiences that engender greater support for international development and counter negative perceptions and misunderstandings about cooperatives. The program will be modeled after the Sister Cities program. Exchange between partners will occur through publications, correspondence, and observational trips.

2. NCBA Member Education. To complement the co-op to co-op program, NCBA will undertake a number of actions to increase members' understanding of the process of cooperative development and of the activities of the international division: (1) the monthly Co-op Business Journal will include a section on international programs and development issues; (2) the NCBA Annual Report will include a section on international projects; (3) international staff will attend domestic

cooperative conferences and seminars; (4) international staff will visit U.S. co-ops to present educational programs; and (5) news releases that describe project progress will go to the hometown newspapers of staff serving overseas.

3. Diversification of Project Funding Sources. In its search to meet the needs of third world cooperatives, NCBA will continue to promote the role of cooperatives as an important rural development strategy to the donor community. Specific promotional materials describing specific NCBA project successes and the anticipated benefits from cooperative programs will be prepared and used in regular contacts with donors in the U.S., Europe, and third world. Materials will include brochures/pamphlets and technical papers, as well as audio-visual presentations (slides and video films). These materials will also be used in member-education programs and in soliciting foundations and other private sources of support.

#### D. Limited Program Services

This set of services represents an in-house technical assistance capability that will be promoted but whose actual recipients are impossible to identify at this time. These services include policy analysis and privatization consultations and the design of food-aid monetization components for projects. Other anticipated activities are gender-specific studies to assess impact of projects on women and to identify obstacles that have impeded their full participation; feasibility studies of international trade possibilities involving at least one cooperative partner; exploring the potential of a new type of cooperative development, worker-owned businesses; and collaborating with the Cooperative Housing Foundation in selected housing and home improvement programs.

#### IV. Program Management

The international division of the NCBA will implement this program. The international division is currently under the general management of Robert Scherer, President of NCBA. Program management of this Agreement is the responsibility of Karen Schwartz, Deputy Vice President for Program Operations.

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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.

(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

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)

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