



116/OP/PS/SUP

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF THE AID REPRESENTATIVE

ROFCW731
American Embassy
Islamabad, Pakistan

March 24, 1991

Mr. Zia Kazimi
Director (Acting)
International Medical Corps
55C - 3 Gulmohar Lane
University Town GPO 562
Peshawar, Pakistan

Subject: Grant No.: 306-0211-A-00-1206-00
PVO Support Project

Dear Mr. Kazimi:

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 International Medical Corps (hereinafter referred to as "IMC" or "Recipient") the sum of Two Million One Hundred and Eighty Five Thousand dollars (\$2,185,000) for its ongoing Fprogram which implements and improves the delivery of health services through IMC'sclinics inside Afghanistan, as more fully described in Attachment 1 entitled "Schedule and Program Description."

This Agreement is effective and obligation is made as of May 1, 1991 and shall apply to commitments made by the Grantee in furtherance of program objectives from the effective date through the estimated completion date. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

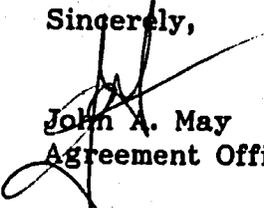
The total estimated amount of the program is \$2,185,000 all of which is hereby obligated. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

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

IMC AGREEMENT NO. 306-0211-A-00-1206-00

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

Sincerely,


John A. May
Agreement Officer

Attachments:

1. Schedule & Program Description
2. Standard Provisions

ACKNOWLEDGED:

INTERNATIONAL MEDICAL CORPS

BY:



NAME:

_____ ZIA KAZIMI _____

TITLE:

_____ Director (Acting) _____

DATE:

FISCAL DATA

PIO/T No.:	306-0211-3-10015
Appropriation No.:	72-1111021
Budget Plan Code:	QDHA-91-23306-KG-13
This obligation:	\$2,185,000
Total Estimated Amount:	\$2,185,000
Technical Office:	Office of the A.I.D. Representative for Afghanistan Affairs

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Attachment 1

SCHEDULE & PROGRAM DESCRIPTION

ARTICLE I - PURPOSE OF THE AGREEMENT AND PROGRAM DESCRIPTION

A. Purpose

The purpose of this Agreement is to continue to implement and improve the delivery of health services through IMC's 56 clinics and small hospitals located throughout Afghanistan.

B. Background

IMC's Afghan health program has been funded by A.I.D. since 1985. IMC has developed into a significant actor in the overall health delivery system developed in rural, i.e. Resistance-held areas of Afghanistan, which represents 80% of the Afghan population. IMC has developed a sophisticated training center at Nasir Bagh, located near an Afghan refugee camp outside of Peshawar, and IMC supports over 100 Afghan staff in Nasir Bagh and 126 health service providers in the 56 clinics and small hospitals inside Afghanistan. IMC also receives funding and commodity assistance from WHO, UNICEF, and from private U.S. donations.

In 1990, IMC began a series of initiatives to upgrade and strengthen its network of health facilities. Formalized retraining of medics was initiated to improve the clinical skills of IMC medics who had been working in Afghanistan for three to four years, and new training programs were developed and implemented to train laboratory technicians and improve the clinical skills of Afghan physicians. These personnel were then placed in IMC clinics where they began to function as members of health care teams capable of providing both curative and preventive health care. IMC's EPI program funded by UNICEF, was expanded in 1990, and IMC is now successfully managing a major WHO-funded clinic construction program in Afghanistan. In 1990, IMC also reopened Gulbahar Hospital in Kapisa Province.

IMC seeks to strengthen the efforts begun last year to develop stronger linkages between its health facilities. During the 1991-1992 grant year, IMC will increase its mid-level retraining programs in conjunction with a combined training consortium while ending the program to train new medics. IMC will also try to establish a technical monitoring system by recruiting physicians willing and able to travel to IMC facilities inside Afghanistan. Finally, IMC will continue to improve the Health Information System which was established in 1990. These efforts will focus on developing solid data on clinic impact and quality of care.

2. General and Specific Objectives of this Agreement

Under the terms of the Cooperative Agreement, IMC, in collaboration with A.I.D. working with other cross-border implementing agencies in health, will undertake activities to improve the health system inside Afghanistan while at

the same time reducing the recurrent costs to make the health system affordable to the future Afghan government and probable future donor inputs into the health sector. IMC's specific program objectives for the 1991/1992 grant year -- July 1, 1991 - June 30, 1992 -- supported by A.I.D. (in whole or in part), are as follows:

a. Mid-Level Health Worker Refresher Training

IMC plans to implement four refresher training courses in 1991 for up to 60 previously trained IMC medics; two courses - post 9/30/91 - will be in conjunction with a combined training program. By the end of the 1991 grant year, up to two-thirds of all previously trained IMC medics will have participated in the retraining course.

b. Training of New Medics to Fully Staff IMC Clinics

Students of IMC's 7th medic class will graduate in the spring of 1991 and will be placed in existing IMC clinics. Over 90% of all IMC clinics will have at least 2 medics.

A.I.D. will not fund any additional training of new medics, with the exception of female MCH workers. IMC will fully staff its existing clinics by tapping existing available health providers and providing them refresher training in the Combined Training program.

c. Advanced Clinical Training for Afghan Physicians

In the 1991 grant year, IMC will continue the advanced clinical training program and implement two more training courses. This program is primarily funded by WHO, with some AID assistance in support for staff and facilities. Each course will be 7 months in duration and will have no more than 12 Afghan students. Faculty for the course will be the expatriate medical staff who are involved in IMC's mid-level health worker training, so program costs will be minimal. IMC has secured the International Organization for Migration (I.O.M.'s) commitment to support the salaries of all graduates of these courses for two years.

The 1991 physician training courses will focus on Public Health/Community Health while providing the physicians enrolled in the course with intensive exposure to pediatrics, MCH, basic surgical techniques, internal medicine, and communicable and infectious diseases. IMC anticipates that the graduates of this program will work with IMC as physician/monitors or direct providers of care in IMC facilities in Afghanistan.

d. Management of Gulbahar Hospital

In mid-1990, IMC re-opened the Gulbahar Hospital in Kapisa, Afghanistan. This facility, which was built by the Germans in the late 1960's, is one of the largest and most comprehensive hospitals in northern Afghanistan.

Using funds which were available in IMC's 1990 A.I.D. budget, the agency has been able to staff this hospital with 4 physicians, 1 dentist, 2 lab technicians,

1 mid-wife, 10 nurses, and 2 mid-level medics. IMC has also provided medicines and funds to support the on-going costs of the hospital. The hospital is currently seeing over 200 patients per day in its outpatient department.

A.I.D. will partially support Gulbahar Hospital under this agreement - the Hospital will be funded by WHO, and/or other donors.

e. Establish District Level Hospitals in five Afghan Provinces

In 1990 IMC began a series of initiatives to strengthen and upgrade its clinic network. A key component of these initiatives was the WHO-funded construction of a group of small district level hospitals in a number of regions in Afghanistan. Construction of these facilities will be completed by the end of 1991. IMC staff in place at these sites includes laboratory technicians, mid-level health workers, and physicians.

In 1991, IMC intends to add additional staff and develop these facilities as central referral sites for their areas. Any new staff to be funded by A.I.D. will be recruited from existing trained health staff available for Afghanistan. Linking these facilities to other IMC clinics will be the key objective for IMC's Afghan clinic operations in 1991.

f. Expansion of EPI Program Activities in Northern/Western Afghanistan

IMC will support the doubling of IMC EPI activities in Gaghlan, Badghis, Kunduz, Faryab, Samagan, Takhar, Ghorat, Jowzjan, Balkh, Logar and Herat Provinces. This activity is primarily funded by UNICEF, with less than 10% of the support from A.I.D. The target goal for IMC's EPI program objective in 1991 is to fully immunize 104,000 children and 48,000 women against measles, polio, diphtheria, pertussis, tuberculosis and tetanus. Recurrent costs for the program will be funded by UNICEF.

g. Establish IMC Program Office in Quetta

Because of funding priorities IMC has decided not to establish and maintain a program office in Quetta.

h. Participate in Mid-Level Health Worker Training Consortium

IMC will be an active participant in the A.I.D. initiated consortium for retraining of mid-level health workers. IMC now has significant experience in the area of refresher training for the mid-level health workers. As such, IMC is expected to play a key role in any retraining initiatives.

IMC has sufficient training staff to expand retraining activities at the Training Hospital at Nasir Bagh or any other facility designated by A.I.D. IMC will also have sufficient staffing to support retraining activities at more than one site.

If requested by O/AID/REP in writing, IMC will oversee operations at the THAL facility (previously operated by Freedom Medicine) for an interim period until the combined Refresher Training Consortium decides upon further use of the training site. The cost of such an oversight service will be negotiated at that time.

i. Continue Efforts to Recruit and Place Afghans in Senior Field-Level Management Positions

IMC continues its efforts to "Afghanize" senior level field staff in order to assure an expeditious and effective move into Afghanistan. Afghans now hold most major positions at IMC. IMC will have no more than four expatriates in senior field-level management positions by the end of 1991.

3. Special Implementation Conditions

The following conditions will apply to the Cooperative Agreement with IMC:

- a. Prior to July 1, 1992, IMC will implement revenue generating activities at, at least, 5% of the supported health clinics and not less than one hospital inside Afghanistan.
- b. Prior to July 1, 1991, IMC will cut the costs 20% for all clinics and all hospitals through revising the types and quantities of pharmaceuticals and medical supplies and by revising the systems utilized for distribution.
- c. IMC will participate in a combined procurement scheme and, if the O/AID/REP determines it to be effective, packaging arrangements of specific pharmaceuticals and medical supplies to be administered by MSH. This system will be implemented by July 15, 1991 in preparation for IMC's Spring, 1992 clinic resupply schedule. IMC will purchase all necessary pharmaceuticals to resupply its health clinics and hospitals inside Afghanistan for Fall, 1991.

In addition, IMC will seek O/AID/REP approval and provide assurance of quality of any pharmaceuticals and/or medical supplies purchased with AID funds outside of the combined procurement scheme.

- d. Following September 30, 1991, continuing education ("refresher" course) training for all health mid-level workers will be accomplished via a combined training program with both A.I.D.-funded PVOs and others training health workers for Afghanistan.
- e. IMC will not fund any training of new health workers nor establish any new health facilities with the exception of female health workers and MCH facilities after September 30, 1991 without the written permission of the O/AID/Rep.
- f. In the replacement of health workers and/or facilities lost to attrition, IMC will place emphasis on:

- i) selection of candidates for replacement of attrited workers form among the pool of trained health workers who now are outside of a support system, and
- ii) balancing the unequal geographic distribution of services, replacing attrited worker/facilities from well-served to underserved areas inside Afghanistan.

IMC must receive written approval from the Health and Education Office, the O/AID/Rep, for the replacement of attrited workers and facilities.

4. Recipient Staffing Plan and Key Personnel Approval

The following three positions are "key positions" in this Agreement. The replacement personnel in any of these positions will require specific approvals.

Program Director
 Assistant Program Director
 Medical Director

Replacement of personnel for these key positions, must be approved in advance by the Health and Education Office, in O/AID/Rep. IMC will submit a CV(s) of the proposed replacement(s) to the O/AID/Rep at least 30 days prior to the proposed final selection of a candidate for a key person position.

The Health and Education Office will also approve all short-term expatriate advisors -- exclusive of "medical volunteers" -- travelling to Pakistan and/or Afghanistan. IMC should submit requests for applicable short-term advisors 15 days before proposed arrival.

IMC shall ensure that for the period of the Agreement no U.S. national shall be sent inside Afghanistan under this Agreement, unless specifically approved in writing by the A.I.D. Representative.

ARTICLE II: PERIOD OF AGREEMENT

- A. The effective date of this Agreement is: May 1, 1991.
 The expiration date of this Agreement is: June 30, 1992.

ARTICLE III: FUNDS OBLIGATED, PAYMENT AND ESTIMATED COST

A. Funds Obligated

Funds are to be obligated as follows:

<u>Line Items</u>	
Personnel	\$ 807,650
Transportation	224,500
Supplies/Equipment	480,750
Overhead	317,350
Direct Costs	<u>354,750</u>
Total	<u>\$2,185,000</u>

B. Payment

Payment shall be made to the Recipient in accordance with the procedures set forth in Attachment 3, and the Standard Provision entitled "Payment - Periodic Advance".

C. Estimated Cost

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

Line Items

Personnel	\$ 807,650
Transportation	224,500
Supplies/Equipment	480,750
Overhead	317,350
Direct Costs	<u>354,750</u>

Total \$2,185,000

2. Any variation in excess of 15 percent among budget line items category will require written approval of the Agreement Officer.

3. The Recipient agrees to furnish data which the Agreement Officer may request on costs expended or accrued under this Agreement in support of the budget information provided herein.

4. The restrictions on the use of A.I.D. funds hereunder set forth in the Standard Provision of this Agreement are applicable expenditures incurred with A.I.D. funds provided under this Agreement. The Standard Provisions are not applicable to expenditures incurred with funds provided from non-Federal sources. The Recipient will account for A.I.D. funds in accordance with Standard Provision No. 2 entitled "Accounting, Audit and Records."

5. Financial Reports

All financial reports and vouchers for payment and reporting of expenditures will be submitted quarterly (on an advance/ reimbursement system) by the Recipient and will conform to A.I.D. regulations and the terms of the Optional Standard Provision entitled "Payment - Periodic Advance".

Billings should be submitted on a monthly basis in the following format:

<u>Itemized</u> <u>Budget</u>	<u>Claimed</u> <u>Previously</u>	<u>Claimed</u> <u>This Period</u>	<u>Total</u> <u>Claimed</u>
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Billings should be submitted to: Controller USAID/Islamabad
PSC Box 4
APO New York 09614-0006
- or -
Controller - USAID
18, 6th Avenue, Ramna 5
Islamabad, Pakistan

ARTICLE IV: ESTABLISHMENT OF OVERHEAD RATE

Pursuant to the Standard Provision of this Agreement entitled "Negotiated Indirect Rates - Provisional", a rate or rates shall be established for each of the Recipient's accounting periods during the term of this Agreement. Pending establishment of final indirect costs shall be made on the basis of the following rates applied to the bases which are set forth below.

<u>Type</u>	<u>Rate</u>	<u>Period</u>	<u>Base of Application</u>
Provisional	12%	Until Amended	Total allowable costs excluding capital expenditure and other exclusions specified in the Agreement.

ARTICLE V: REPORTING REQUIREMENTS

The Recipient shall submit three copies of the following reports to the Project Officer. These progress reports will be the basic source of information for ongoing project management and shall follow the Mission's standard data and format requirements. Reports should be based on information provided by the monitoring system and should summarize current project accomplishments, problems, and recommended actions.

A. Implementation Plan

The Implementation Plan shall be submitted to O/AID/Rep for review and approval within 30 days of the effective date.

The Plan shall schedule and quantify each of the specific objectives.

The Plan shall present a program and staffing pattern for each of the activities listed above in accordance with the strategies described under Article I. It will identify needed equipment, material and services. The plan will present budgets for each component, in addition to estimated beneficiaries and anticipated beginning and ending dates for each activity. The plan will also describe a monitoring system and project monitoring requirements.

B. Implementation Plan Update

On or about December 31, 1991, a review and update of the implementation Plan will be prepared for the following six months and will be submitted to O/AID/Rep for review and approval. This update will detail achievements and constraints of the previous six months and future corrective actions and revised budgets, taking into consideration information provided by both the quarterly progress and semiannual monitoring reports.

C. Quarterly Progress Reports

Quarterly progress reports will be the basic source of information for interim project management. These reports should be based on standard guidance

provided by the Mission and information provided by the monitoring system. These reports will summarize current and project accomplishments and problems for the O/AID/Rep's and the Recipient's management.

D. End of Tour Report

An end of tour report will be submitted in writing by each Program Director at the end of his tour.

ARTICLE VI: PROCUREMENT APPROVALS

The Recipient shall submit a procurement plan to the Health and Education Office, AID/REP for written approval. This plan will be submitted by July 1, 1991.

ARTICLE VII: LOCAL CURRENCY GENERATION

Local currency (Rupees and Afghanis) may be generated by the Recipient in the course of revenue generating activities inside Afghanistan. The Recipient will ensure that local currencies thus generated by A.I.D.-funded inputs are promptly recycled into the health delivery system. Appropriate systems will be put in place for tracking and use of generated local currency. All revenue generating schemes, including recycling of generated local currency, are subject to approval by the O/AID/Rep.

ARTICLE VIII: SUBSTANTIAL INVOLVEMENT

It is understood and agreed that A.I.D. shall be substantially involved during the implementation of the Agreement, as follows:

- A. The Health and Education Project Officer will review and approve the Implementation plan
- B. The A.I.D. Representative will approve all AID-funded persons --- exclusive of medical volunteers --- nominated to fill expatriate positions.
- C. The Project Officer will approve all short-term advisors.
- D. The Project Officer will provide guidance for the Quarterly Progress Reports.
- E. The Project Officer will approve in writing all procurement requests for non-expendable items with a value exceeding \$1,000.
- F. The Project Officer and Controller will approve in writing all plans for revenue generation activities implemented in the course of this Agreement.
- G. Substantial involvement does not apply to any aspect of the program fully funded from non-AID source(s).

ARTICLE IX: SPECIAL PROVISIONS

A. Title to Property

Title to all property financed under this Agreement shall vest in the U.S. Government, subject to the conditions of the Standard Provision entitled, "Title to and Use of Property (U.S. Government Title)."

B. Authorized Geographic Code

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

C. Prohibition on Assistance to Drug Traffickers

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

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

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

The Recipient shall provide any certification which may be required regarding compliance with the provision.

D. Special Audit Provisions

SECTION DELETED

~~Based upon a Section 451 approved by the A.I.D. Representative, the provisions of this Agreement with respect to accounting, records and audit shall be apply to operational costs incurred by the Recipient within Afghanistan and end-use-checks of commodities and equipment located within Afghanistan. However, the Recipient agrees to the maximum reasonable extent to exercise prudent oversight of such operational costs and commodities. Further, the Recipient agrees to report in detail on such costs and commodities as part of this Agreement's reporting requirements.~~

E. Key Personnel

The key personnel which the Contractor shall furnish for the performance of this contract are as follows:

Position Title

Program Director
Deputy Program Director
Medical Director

The personnel specified above are considered to be essential to the work being performed hereunder. Prior to replacing any of the specified individuals, the contractor shall notify both the Contracting Officer and the AID Project Officer reasonably in advance and shall submit written justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No replacement shall be made by the Contractor without the written consent of the Contracting Officer.

F. Personnel Compensation

1. Limitations. Compensation of personnel which is charged as a direct cost under this Agreement are subject to the following additional specific understandings which set limits on items which otherwise would be reasonable, allocable, and allowable.

G. Special Audit Provisions

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

H. Geographic Locations:

1. The United States: Home Office.

2. Pakistan: The Recipient's field headquarters shall be based in Pakistan. All expatriates will be based there, but extensive travel in Pakistan (and later in Afghanistan) is anticipated.

3. Afghanistan: At the present time, U.S. Government policy prohibits entry into Afghanistan by U.S. direct hire employees or by U.S. nationals financed by the U.S. Government. Grantee employees of other nationalities are not affected by this policy. This policy is expected to change as security conditions improve inside Afghanistan.

In this event, the Grantee will be required to establish its headquarters and headquarters staff inside Afghanistan. In the meantime, the Recipient, using Afghan and third country nationals, shall be expected to establish operations, field offices and implementation inside Afghanistan within the first year of the project, and maintain such until termination of the Grant.

I. Close-out Procedures

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

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

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

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

2. AID closeout procedures include the following requirements:

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

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

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

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

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

J. Restrictions on Lobbying

(a) Definitions. As used in this clause,

"Agency," as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal action" means any of the following Federal actions:

- (1) The awarding of any Federal contract;
- (2) The making of any Federal grant;
- (3) The making of any Federal loan;
- (4) The entering into of any cooperative agreement; and
- (5) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (1) An individual who is appointed to a position in the Government under title 5, U.S. Code, including a position under a temporary appointment;
- (2) A member of the uniformed services as defined in section 101(3), title 37, U.S. Code;
- (3) A special Government employee as defined in section 202, title 18, U.S. code; and
- (4) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, U.S. Code, appendix 2.

"Person" means an individual, cooperation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Reasonable compensation" means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

"Reasonable payment" means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

"Recipient" includes all contractors and subcontractors at any tier in connection with a Federal contract. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed" means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibitions.

(1) Section 1352 of title 31, U.S. code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, renewal, amendment, or modification of any Federal contract, grant loan, or cooperative agreement.

(2) The prohibition does not apply as follows:

(i) Agency and legislative liaison by Own Employees.

(A) The prohibition on the use of appropriated funds, in paragraph (1) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.

(B) For purposes of paragraph (A) of this section, providing any information specifically requested by an agency or Congress is allowable at any time.

(C) For purposes of paragraph (A) of this section, the following agency and legislative liaison activities are allowable at any time only where they are not related to a specific solicitation for any covered Federal action:

(i) Discussing with an agency (including individual demonstrations) the the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(D) For purposes of paragraph (A) of this section, the following agency and legislative liaison activities are allowable only where they are prior to formal solicitation of any covered Federal action:

(i) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(ii) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(iii) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Pub. L. 95-507 and other subsequent amendments.

(E) Only those activities expressly authorized by paragraph (i) of this section are allowable under paragraph (i).

(ii) Professional and technical services by Own Employees.

(A) The prohibition on the use of appropriated funds, in paragraph (1) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract or an extension, continuation, renewal, amendment, or modification of a Federal contract if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal contract.

(B) For purposes of paragraph (A) of this section, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they

provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

(C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal action include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(D) Only those services expressly authorized by paragraph (ii) of this section are allowable under paragraph (ii).

(iii) Reporting for Own Employees.

No reporting is requirements with respect to payments of reasonable compensation made to regularly employed officers or employees of a person.

(iv) Professional and technical services by Other than Own Employees.

(A) The prohibition on the use of appropriated funds, in paragraph (1) of this section, does not apply in the case of any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action, if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of by bid, proposal, or application for that covered Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that covered Federal action.

(B) For purposes of paragraph (A) of this section, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contracts allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal

aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

(C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal action include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(D) Persons other than officer or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(E) Only those services expressly authorized by paragraph (iv) of this section are allowable under paragraph (iv).

(c) Disclosure.

(1) Each person who requests or receives from an agency a covered Federal action shall file with that agency a certification that to person has not made, and will not make, any payment prohibited by paragraph (b) of this provision.

(2) Each person who requests or receives from an agency a covered Federal action shall file with that agency a disclosure form, disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under paragraph (b) of this provision if paid for with appropriated funds.

(3) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (2) of this section. An event that materially affects the accuracy of the information reported includes:

(i) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or

(ii) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or

(iii) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

(4) Any person who requests or receives from a person referred to in paragraph (1) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.

(5) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (1) of this section. That person shall forward all disclosure forms to the agency.

(d) Penalties.

(1) Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

(2) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

(3) Contractors may rely without liability on the representation made by their subcontractors in the certification and disclosure form.

(f) Cost allowability.

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would otherwise be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provision of part 31 of the Federal Acquisition Regulation.

MANDATORY STANDARD PROVISIONS FOR
- U.S., NONGOVERNMENTAL GRANTEES 1/
INDEX OF
MANDATORY STANDARD PROVISIONS

- | | |
|--------------------------------------|---|
| 1. Allowable Costs | 7. Ineligible Countries |
| 2. Accounting, Audit,
and Records | 8. Debarment, Suspension, and other
Responsibility Matters |
| 3. Refunds | 9. Nondiscrimination. |
| 4. Revision of Grant Budget | 10. U.S. Officials Not to Benefit. |
| 5. Termination and Suspension | 11. Nonliability |
| 6. Disputes | 12. Amendment |
| 7. Ineligible countries | 13. 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 AID- 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.

1/ When these Standard Provisions are used for cooperative agreements, the following terms apply:

"Grantee" means "Recipient"
"Grant" means "Cooperative Agreement,"
and "A.I.D. Grants Officer" means "A.I.D. Grant Officer"

(2) Records that identify adequately the source and application of funds for AID-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 the 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 test the fiscal integrity of financial transactions, as well as compliance with the terms and conditions of the A.I.D. grant. Such tests would include an appropriate sampling of 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 submit it to A.I.D.'s Regional Inspector General for Audit. 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, A.I.D. determines not to provide additional funds, the A.I.D. 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 A.I.D. 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 A.I.D. 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 A.I.D. 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 A.I.D. funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6. DISPUTES (NOVEMBER 1989)

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

(b) Decisions of the A.I.D. grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to A.I.D.'s Deputy Assistant to the Administrator for Management Services. Any appeal made under this provision shall be in writing and addressed to the Deputy Assistant to the Administrator for Management Services, 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 Deputy Assistant to the Administrator for Management Services, 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 A.I.D. grant officer, no funds will be expended for assistance to countries ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

8. DEPARTMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (MARCH 1989)

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

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

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

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

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

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

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

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

(3) The policies and procedures applicable to debarment, suspension and ineligibility under AID-financed transactions are set forth in 22 CFR Part 208.

9. NONDISCRIMINATION (MAY 1986)

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.

10. 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.

11. NONLIABILITY (NOVEMBER 1985)

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

12. 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.

13. NOTICES (NOVEMBER 1985)

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

To the A.I.D. 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.

**OPTIONAL STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES**

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of Handbook 13. Each grant is required to have a payment provision. Check off the optional standard provisions which are included in the grant. Only those standard provisions which have been checked off are included physically within this grant.

1.	Payment - Letter of Credit	<u>XXX</u>
2.	Payment - Periodic Advance	<u>XXX</u>
3.	Payment - Cost Reimbursement	<u>XXX</u>
4.	Air Travel and Transportation	<u>XXX</u>
5.	Ocean Shipment of Goods	<u>XXX</u>
6.	Procurement of Goods and Services	<u>XXX</u>
7.	A.I.D. Eligibility Rules for Goods and Services	<u>XXX</u>
8.	Subagreements	<u>XXX</u>
9.	Local Cost Financing	<u>XXX</u>
10.	Patent Rights	<u> </u>
11.	Publications	<u> </u>
12.	Negotiated Indirect Cost Rates - Predetermined	<u> </u>
13.	Negotiated Indirect Cost Rates - Provisional	<u>XXX</u>
14.	Regulations Governing Employees	<u>XXX</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> </u>
21.	Title to and Care of Property (U.S.G. Title)	<u>XXX</u>
22.	Title to and Care of Property (Cooperating Country Title)	<u> </u>
23.	Cost Sharing (Matching)	<u>XXX</u>
24.	Use of Pouch Facilities	<u> </u>
25.	Conversion of United States Dollars to Local Currency	<u>XXX</u>

ID 1350-1
-871

PIO/T

AGENCY FOR
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION
ORDER/TECHNICAL
SERVICES

1. Cooperating Country
Afghanistan

Page 1 of Pages

2. PIO/T No.
306-0211-10015

3. Original or
Amendment No.

4. Project/Activity No. and Title
PVO Support Project (306-0211)
(International Medical Corp.)

DISTRIBUTION

USAID/P
O/CC
O/FM
EXO
RLA

O/AID/Rep - 3

AID/W
ENE/PD/SA - 2

9/88 AAM for
the HSSP
Project
No. 306-0203

13. Mission
References

Grant No.
306-0201-G-00-
7200 and
Amendments
1 - 8
Action Memo to
AID/Rep 3/21/91

NON-COMPETITIVE
JUSTIFICATION
DATED 3/18/91

5. Appropriation Symbol

72-1111021

6. Budget Plan Code

GDHA-91-23306-K413

7. Obligation Status

Administrative Reservation

Implementing Document

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

12/31/92

9. Authorized Agent

O/CC USAID/Pakistan

10. This PIO/T is in full conformance with PRO/AG No.

Date N/A

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
					2,185,000
	B. U.S.-Owned Local Currency				

14A. Instructions to Authorized Agent

The Agreement Officer is requested to execute a Cooperative Agreement
to International Medical Corps in order to accomplish the following:
1) Provide funding of \$2,185,000 (See Attachments 1 and 1(A), and
2) Includes schedule and program description, as detailed in
attachment II.

14B. Address of Voucher Paying Office

O/FM USAID/Pakistan

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.

H&E:Thomas Eighmy/Doug Palmer

Phone No.

Date
3-1-91

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

PROG:Nancy Hardy

Date

Nancy C. Hardy 3/8/91

C. PD:Diana Swain

Date
3-25-91

D. Funds for the services requested are available

Date

3-26-91

E. D/AID/Rep Jonathan Spurling

Date
3/22/91

O/FM, Raymond DeBruce

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

Signature _____ N/A _____ Date _____

Title

17. For the Agency for International Development

Signature _____ Robert N. Bakley _____ Date _____

Title _____ AID/Representative _____

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

Provisions for Logistic Support (Continued)

B. Additional Facilities Available From Other Sources **None** Diplomatic pouch PX Commissary Other (specify, e.g., duty free, entry, tax exemption)

C. Comments

21. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

B. Cooperating Country Liaison Officials **Afghan authorities in areas of project implementation.**C. AID Liaison Officials **Chief, Health and Education Office, O/AID/Rep
and Health Officer, O/AID/Rep**

22. Background information (additional information useful to authorized agent)

- Grant Agreement No. 306-0201-G-00-7200 and amendments 1 through 7.
- IMC 1991/92 Proposal dated January 6, 1991.

23. Summary of attachments that accompany the PIO/T (check applicable boxes)

- A. Detailed budget estimate in support of increased funding (Block 12) **Attachment I**
- B. Evaluation criteria for competitive procurement (Block 14A)
- C. Justification for procurement by other than full and open competition or noncompetitive assistance
- D. Statement of work or program description (Block 18) **Attachment II**
- E. Waiver(s) justification(s), clearance(s), certification(s) (Block 19) (specify number **1**) **Non-Competitive Justification -
See accompanying action memorandum**

Statement of work or program description for this project is described in Attachment No. 2

Special Provisions

- A. Language Requirements (specify) None, but Dari and/or Pashto helpful.
(If marked, testing must be accomplished by AID to assure desired level of proficiency.)
- B. Access to classified information will will not be required by technical specialists. (Indicate level) _____
- C. Duty post(s) and duration of technical specialist(s) services at post(s) (months) Peshawar
- D. Dependents will will not be permitted to accompany technical specialist(s).
- E. Geographic code applicable to procurement under this PIO/T is 000 899 935 941 Other (specify) Pakistan and Afghanistan
- F. Salary approval(s) to exceed FS-1 salary ceiling are attached in process N/A.
- G. Cooperating country acceptance of this project (applicable to AID/W projects only)
 has been obtained is in process is not applicable to services required by PIO/T.
- H. Justification for use of external resources for consulting services is attached N/A.
- I. Clearance for procurement of ADP equipment, software, and services is attached in process N/A.
- J. OMB approval of any report to be completed by ten or more members of the general public under the statement of work is
 attached in process N/A.
- K. Participant training is is not being funded as part of this PIO/T.
- L. Requirement (contracts only) is recommended for small business set-aside SBA 8(a) Program neither.
- M. Other (specify). Non-Competition Block 23E.

20. Provisions for Logistic Support	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER	N/A
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY		
A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")						
(1) Office Space					X	
(2) Office Equipment					X	
(3) Housing and Utilities					X	
(4) Furniture					X	
(5) Household Appliances (Stoves, Refrig., etc.)					X	
(6) Transportation in Cooperating Country					X	
(7) Transportation To and From Country					X	
(8) Interpreter Services/Secretarial					X	
(9) Medical Facilities (Health Room)					X	
(10) Vehicles (official)					X	
(11) Travel Arrangements/Tickets					X	
(OTHER SPECIFY) (12) Nightwatchman for Living Quarters					X	
(13)						
(14)						
(15)						

Attachment I
PIO/T 306-0211

IMC
Illustrative
Grant Budget
1991-1992

Obligated Under the new
Cooperative Agreement

Personnel	\$ 907,650
Transportation	224,500
Supplies/Equipment	480,750
Other Direct Costs	<u>354,750</u>
Sub-Total	\$ 1,867,650
Overhead	<u>\$ 317,350</u>
TOTAL	<u>\$ 2,185,000</u>

IMC

ATTACHMENT I (a)

1. PERSONNEL

<u>U.S. Personnel</u>	<u>Afghan Clinic</u>	<u>Training Center</u>
Executive Director (1/3 salary)	10,000	10,000
Recruitment Director (1/3 salary)	7,000	7,000
Controller/Payroll (1/3 salary)	9,000	9,000
Sub-total	26,000	26,000
<u>Expatriate Staff - Pakistan</u>		
Program Director	17,000	17,000
Asst. Director/Finance	12,500	12,500
Asst. Medical Director/ Training Coordinator	10,000	10,000
Asst. Director/Afghan Programs	28,000	0
Immunization Program Specialist	23,000	0
Operations Manager	0	15,000
Training Volunteer Stipends (5 X \$800/month)	0	48,000
Sub-total Pakistan	90,500	102,500
Total Salaries	116,500	128,500
25% fringe	29,125	36,125
SUB-TOTAL SALARIES	145,625	160,625

Afghan PersonnelAfghan ClinicTraining Center

150 medics (\$130/mo X 12/mo)	234,000	0
Afghan Clinic Support Staff	66,400	0
Laboratory Technicians	24,000	0
Afghan Physician Monitors	14,000	0
Afghan Clinic Monitors	42,000	0
Afghan Physicians	20,000	18,000
Translators	3,000	12,000
Afghan Managers	5,000	5,000
Technicians/Medical Support Staff	0	12,000
Guards	0	18,000
Cooks/Helpers	0	6,000
Drivers	0	6,000
Clerks	3,000	3,000
General Help	0	10,000
	-----	-----
Sub-total Afghan Salaries	411,400	90,000
Sub-total U.S. Salaries	145,625	160,625
SUB-TOTAL ALL SALARIES	557,025	250,625

2. TRAVEL AND TRANSPORTATION

	<u>Afghan Clinic</u>	<u>Training Center</u>
Volunteer round-trip airfare	0	12,500
Permanent Pakistan staff vacations	0	6,000
Support visits by Director to home office	0	1,500
Support visits by Board/home office staff to field	0	4,000
Hotels/meals/volunteers	0	1,000
Hotels/meals/business	0	1,000
Volunteer travel per diems	0	500
Vehicle gas, oil	0	9,000
Repairs/maintenance	0	3,000
Vehicle registration/insurance	0	6,000
Medicine transport/Afghanistan	180,000	0
	-----	-----
Sub-total	180,000	44,500

3. MEDICAL SUPPLIES/EQUIPMENT

	<u>Afghan Clinic</u>	<u>Training Center</u>
Afghan clinic medicine	400,000	0
Training center supplies/equipment/medicine	0	80,750
	-----	-----
Sub-total	400,000	80,750

4. OTHER DIRECT COSTS

	<u>Afghan Clinic</u>	<u>Training Center</u>
Clinic operating expenses	170,750	0
Clinic electricity	0	25,000
Maintenance/repair	0	2,000
Student housing/training		
Teaching supplies	0	5,000
Food supplies	0	36,000
Maintenance/repair	0	2,000
Staff housing/repair		
Rent	0	13,000
Electricity	0	12,000
Telephone	0	5,000
Food/supplies	0	26,000
Maintenance/repair	0	2,000
Administrative support		
Rent	0	10,000
Electricity	0	10,000
Telephone	0	15,000
Office supplies	0	6,000
Maintenance/repair	0	1,000
Recruiting costs	0	4,000
Public information	0	10,000
	-----	-----
	170,750	184,000
SUB-TOTAL	1,307,775	559,875
OVERHEAD (17%)	222,250	95,100
TOTAL	1,530,025	654,975
TOTAL REQUESTED:		2,185,000

**GRANT YEAR 1991-1992
TOTAL PROGRAM BUDGET SUMMARY**

	<u>Training Center</u>	<u>Afghan Clinics</u>	<u>Total</u>
A.I.D. Grant	654,975	1,530,025	2,185,000
W.H.O. Urgan Project *	0	150,000	150,000
W.H.O. Helmand Project	0	100,000	100,000
W.H.O. Clinic Construction Project *	0	250,000	250,000
UNICEF E.P.I. Program	0	187,000	187,000
International Foundation	0	25,000	25,000
Private American Donation	0	400,000	400,000
Sub-total	654,975	2,642,025	3,297,000

Total A.I.D. Portion: 66%
Total Other Sources: 34%

* Unspent balance of 1990 grant

	<u>Training Center</u>	<u>Afghan Clinics</u>	<u>Total</u>
<u>Proposals Submitted for Funding</u>			
<u>Funding Not Yet Confirmed</u>			
W.H.O. Lab Technician Retraining	84,000	0	84,000
W.H.O. X-ray Technician Training	54,000	0	54,000
W.H.O. Monitoring/Evaluation	0	50,000	50,000
W.H.O. Construction (In-Country Training Hospital)	0	379,000	379,000
W.H.O. Gulbohar Hospital	0	142,000	142,000
Sub-total	138,000	571,000	709,000

TOTAL PROGRAM BUDGET IN ALL PROPOSALS FUNDED	792,975	3,213,025	4,006,000
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Total A.I.D. Portion: 55%
Total Other Sources: 45%

Attachment I (b)
PIO/T 3C6-0211

IMC
Illustrative
Grant Budget
1991-1992, 1992-1993

	Obligated Under Grant No. 306-0211 G-00-7200	Obligated Under this Cooperative Agreement	Illustrative Proposed Obligations for grant year 1992/1993* under the Cooperative Agreement	Total Planned Obligations Under the Original Grant and the Cooperative Agreement through June 30, 1993
Personnel	2,777,652	807,650	750,000	4,335,302
Transportation	1,280,193	224,500	350,000	1,854,693
Supplies/Equipment	3,084,018	480,750	200,000	3,764,768
Other Direct Costs	<u>1,118,494</u>	<u>354,750</u>	<u>281,280</u>	<u>1,754,444</u>
Sub-Total	\$ 8,260,357	\$1,867,650	\$1,581,200	\$11,709,207
Overhead	<u>991,243</u>	<u>317,350</u>	<u>268,800</u>	<u>1,577,393</u>
TOTAL	\$9,251,600	\$2,185,000	\$1,850,000*	\$13,286,600

* This budget is for illustrative purposes for general planning purposes, and assumes an extension of the PACB beyond 12/31/92.

Attachment II

SCHEDULE AND PROGRAM DESCRIPTION

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ARTICLE IV	Establishment of Overhead Rate	9
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ARTICLE I - PURPOSE OF THE AGREEMENT AND PROGRAM DESCRIPTION

A. Purpose

The purpose of this Agreement is to continue to implement and improve the delivery of health services through IMC's 56 clinics and small hospitals located throughout Afghanistan.

B. Program Description

1. Background

IMC's Afghan health program has been funded by A.I.D. since 1985. IMC has developed into a significant actor in the overall health delivery system developed in rural, i.e. Resistance-held areas of Afghanistan, which represents 80% of the Afghan population. IMC has developed a sophisticated training center at Nasr Bagh, located near an Afghan refugee camp outside of Peshawar, and IMC supports over 100 Afghan staff in Nasr Bagh and 126 health service providers in the 56 clinics and small hospitals inside Afghanistan. IMC also receives funding and commodity assistance from WHO, UNICEF, and from private U.S. donations.

In 1990, IMC began a series of initiatives to upgrade and strengthen its network of health facilities. Formalized retraining of medics was initiated to improve the clinical skills of IMC medics who had been working in Afghanistan for three to four years, and new training programs were developed and implemented to train laboratory technicians and improve the clinical skills of Afghan physicians. These personnel were then placed in IMC clinics where they began to function as members of health care teams capable of providing both curative and preventive health care. IMC's EPI program, funded by UNICEF, was expanded in 1990, and IMC is now successfully managing a major WHO-funded clinic construction program in Afghanistan. In 1990, IMC also reopened Gulbohar Hospital in Kapisa Province.

IMC seeks to strengthen the efforts begun last year to develop stronger linkages between its health facilities. During the 1991-1992 grant year, IMC will increase its mid-level retraining programs in conjunction with a combined training consortium while ending the program to train new medics. IMC will also try to establish a technical monitoring system by recruiting physicians willing and able to travel to IMC facilities inside Afghanistan. Finally, IMC will continue to improve the Health Information System which was established in 1990. These efforts will focus on developing solid data on clinic impact and quality of care.

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2. General and Specific Objectives of this Agreement

Under the terms of the Cooperative Agreement, IMC, in collaboration with A.I.D. working with other cross-border implementing agencies in health, will undertake activities to improve the health system inside Afghanistan while at the same time reducing the recurrent costs to make the health system affordable to the future Afghan government and probable future donor inputs into the health sector.

IMC's specific program objectives for the 1991/92 grant year -- July 1, 1991 - June 30, 1992 -- supported by A.I.D. (in whole or in part), are as follows:

a. Mid-Level Health Worker Refresher Training

IMC plans to implement four refresher training courses in 1991 for up to 60 previously trained IMC medics; two courses - post 9/30/91 - will be in conjunction with a combined training program. By the end of the 1991 grant year, up to two-thirds of all previously trained IMC medics will have participated in the retraining course.

b. Training of New Medics to Fully Staff IMC Clinics

Students of IMC's 7th medic class will graduate in the spring of 1991 and will be placed in existing IMC clinics. Over 90% of all IMC clinics will have at least 2 medics.

A.I.D. will not fund any additional training of new medics, with the exception of female MCH workers. IMC will fully staff its existing clinics by tapping existing available health providers and providing them refresher training in the Combined Training program.

c. Advanced Clinical Training for Afghan Physicians

In the 1991 grant year, IMC will continue the advanced clinical training program and implement two more training courses. This program is primarily funded by WHO, with some AID assistance in support for staff and facilities. Each course will be 7 months in duration and will have no more than 12 Afghan students. Faculty for the course will be the expatriate medical staff who are involved in IMC's mid-level health worker training, so program costs will be minimal. IMC has secured the International Organization for Migration (I.O.M.'s) commitment to support the salaries of all graduates of these courses for two years.

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The 1991 physician training courses will focus on Public Health/Community Health while providing the physicians enrolled in the course with intensive exposure to pediatrics, MCH, basic surgical techniques, internal medicine, and communicable and infectious diseases. IMC anticipates that the graduates of this program will work with IMC as physician/monitors or direct providers of care in IMC facilities in Afghanistan.

d. Management of Gulbohar Hospital

In mid-1990, IMC re-opened the Gulbohar Hospital in Kapisa, Afghanistan. This facility, which was built by the Germans in the late 1960's, is one of the largest and most comprehensive hospitals in northern Afghanistan.

Using funds which were available in IMC's 1990 A.I.D. budget, the agency has been able to staff this hospital with 4 physicians, 1 dentist, 2 lab technicians, 1 mid-wife, 10 nurses, and 2 mid-level medics. IMC has also provided medicines and funds to support the on-going costs of the hospital. The hospital is currently seeing over 200 patients per day in its outpatient department.

A.I.D. will not support Gulbohar Hospital under this agreement - the Hospital will be funded by WHO, and/or other donors.

e. Establish District Level Hospitals in five Afghan Provinces

In 1990 IMC began a series of initiatives to strengthen and upgrade its clinic network. A key component of these initiatives was the WHO-funded construction of a group of small district level hospitals in a number of regions in Afghanistan. Construction of these facilities will be completed by the end of 1991. IMC staff in place at these sites includes laboratory technicians, mid-level health workers, and physicians.

-4-

In 1991, IMC intends to add additional staff and develop these facilities as central referral sites for their areas. Any new staff to be funded by A.I.D. will be recruited from existing trained health staff available for Afghanistan. Linking these facilities to other IMC clinics will be the key objective for IMC's Afghan clinic operations in 1991.

f. Expansion of EPI Program Activities in Northern/Western Afghanistan

IMC will support the doubling of IMC EPI activities in Gaghlan, Badghis, Kunduz, Faryab, Samagan, Takhar, Ghorat, Jowzjan, Balkh, Logar and Herat Provinces. This activity is primarily funded by UNICEF, with less than 10% of the support from A.I.D. The target goal for IMC's EPI program objective in 1991 is to fully immunize 104,000 children and 48,000 women against measles, polio, diphtheria, pertussis, tuberculosis and tetanus. Recurrent costs for this program will be funded by UNICEF.

g. Establish IMC Program Office in Quetta

Because of funding priorities IMC has decided not to establish and maintain a program office in Quetta.

h. Participate in Mid-Level Health Worker Training Consortium

IMC will be an active participant in the A.I.D. initiated consortium for retraining of mid-level health workers. IMC now has significant experience in the area of refresher training for the mid-level health workers. As such, IMC is expected to play a key role in any retraining initiatives.

IMC has sufficient training staff to expand retraining activities at the Training Hospital at Nasr Bagh or any other facility designated by A.I.D. IMC will also have sufficient staffing to support retraining activities at more than one site.

i. Continue Efforts to Recruit and Place Afghans in Senior Field-Level Management Positions

IMC continues its efforts to "Afghanize" senior level field staff in order to assure an expeditious and effective move into

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Afghanistan. Afghans now hold most major positions at IMC. IMC will have no more than four expatriates in senior field-level management positions by the end of 1991.

3. Special Implementation Conditions

The following conditions will apply to the Cooperative Agreement with IMC:

- a. Prior to July 1, 1992, IMC will implement revenue generating activities at, at least, 5% of the supported health clinics and not less than one hospital inside Afghanistan.
- b. Prior to July 1, 1991, IMC will cut the costs 20% for all clinics and all hospitals through revising the types and quantities of pharmaceuticals and medical supplies and by revising the systems utilized for distribution.
- c. IMC will participate in a combined procurement and, if the O/AID/Rep determines it to be effective, packaging arrangements of specific pharmaceuticals and medical supplies to be administered by MSH. This system will be implemented by July 15, 1991, after the development of an O/AID/Rep approved plan for IMC, MSH, and MCI.

In addition, IMC will seek O/AID/Rep approval for and provide assurance of quality of any pharmaceuticals and/or medical supplies purchased with AID funds outside of the combined procurement scheme.

- d. Following September 30, 1991, continuing education ("refresher" course) training for all health mid-level workers will be accomplished via a combined training program with both A.I.D.-funded PVOs and others training health workers for Afghanistan.
- e. IMC will not fund any training of new health workers nor establish any new health facilities with the exception of female health workers and MCH facilities after September 30, 1991 without the written permission of the O/AID/Rep.
- f. In the replacement of health workers and/or facilities lost to attrition, IMC will place emphasis on:

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- 1) selection of candidates for replacement of attrited workers from among the pool of trained health workers who now are outside of a support system, and
- b) balancing the unequal geographic distribution of services, replacing attrited worker/facilities from well-served to underserved areas inside Afghanistan.

IMC must receive written approval from the Health and Education Office, the O/AID/Rep, for the replacement of attrited workers and facilities.

4. Recipient Staffing Plan and Key Personnel Approval

Only three of the positions are "key persons" and subject to approval:

<u>Title</u>	<u>Incumbent</u>
Program Director	(Todd Peterson)
Assistant Program Director	(Zia Kasami)
Medical Director	(Dr. Anwar)

Replacement of personnel for these key positions, must be approved in advance by the Health and Education Office, in O/AID/Rep. IMC will submit a CV(s) of the proposed replacement(s) to the O/AID/Rep at least 30 days prior to the proposed final selection of a candidate for a key person position.

The Health and Education Office will also approve all short-term expatriate advisors -- exclusive of "medical volunteers" -- travelling to Pakistan and/or Afghanistan. IMC

should submit requests for applicable short-term advisors 30 days before proposed arrival.

IMC shall ensure that for the period of the Agreement no U.S. national shall be sent inside Afghanistan under this Agreement, unless specifically approved in writing by the A.I.D. Representative.

ARTICLE II: PERIOD OF AGREEMENT

A. The effective date of this Agreement is the date of the Cover Letter and the estimated expiration date is June 30, 1992.

B. Funds obligated hereunder are available for program expenditures for the estimated period from the effective date until June 30, 1992; however, the O/AID/Rep expects to provide second year funding during FY 92.

ARTICLE III: FUNDS OBLIGATED, PAYMENT AND ESTIMATED COST

A. Funds Obligated (See Attachments I and I(a) for details)

Funds are to be obligated as follows:

Line Items

1. Personnel	\$ 807,650
2. Transportation	224,500
3. Supplies/Equipment	480,750
3. Other Direct Costs	354,750
4. Overhead	<u>317,350</u>
Total	\$ 2,185,000 =====

B. Payment

Payment shall be made to the Recipient in accordance with the procedures set forth in Attachment 3, and the Standard Provision entitled "Payment - Periodic Advance".

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C. Estimated Cost

1. The budget for this Agreement is given in Attachment I and I(a). Revisions to this budget shall be made in accordance with Standard Provisions of this Agreement, entitled "Revision of Grant Budget."

ILLUSTRATIVE BUDGET
(July 1, 1991 - June 30, 1992)
(See page 7, Attachment I(a))

<u>AID</u> <u>Contribution</u>	<u>IMC</u> <u>Contribution</u>	<u>Expected UN</u> <u>Agencies</u> <u>Contributions</u>	<u>Total</u>
\$2,185,000	\$ 425,000	\$1,683,000	\$4,293,000

2. Any variation in excess of 15 percent among budget line items category will require written approval of the Agreement Officer.

3. The Recipient agrees to furnish data which the Agreement Officer may request on costs expended or accrued under this Agreement in support of the budget information provided herein.

4. The restrictions on the use of A.I.D. funds hereunder set forth in the Standard Provision of this Agreement are applicable expenditures incurred with A.I.D. funds provided under this Agreement. The Standard Provisions are not applicable to expenditures incurred with funds provided from non-Federal sources. The Recipient will account for A.I.D. funds in accordance with Standard Provision No. 2 entitled "Accounting, Audit and Records."

5. Financial Reports

All financial reports and vouchers for payment and reporting of expenditures will be submitted quarterly (on an advance/reimbursement system) by the Recipient and will conform to A.I.D. regulations and the terms of the Optional Standard Provision entitled "Payment - Periodic Advance"

Billings should be submitted on a monthly basis in the following format:

<u>Itemized Budget</u>	<u>Claimed Previously</u>	<u>Claimed This Period</u>	<u>Total Claimed</u>
------------------------	---------------------------	----------------------------	----------------------

Billings should be submitted to: Controller USAID/Islamabad
 PSC Box 4
 APO New York 09614-0006
 -or-
 Controller - USAID
 18, 6th Avenue, Ramna 5
 Islamabad, Pakistan

The Recipient shall submit requests for advances on SF 270 through the Health Officer to the Controller, O/AID/Rep.

ARTICLE IV: ESTABLISHMENT OF OVERHEAD RATE

Pursuant to the Standard Provision of this Agreement entitled "Negotiated Indirect Rates - Provisional", a rate or rates shall be established for each of the Recipient's accounting periods during the term of this Agreement. Pending establishment of final indirect costs shall be made on the basis of the following rates applied to the bases which are set forth below.

<u>Type</u>	<u>Rate</u>	<u>Period</u>	<u>Base of Application</u>
Provisional	12%	Until Amended	Total allowable costs excluding capital expenditure and other exclusions specified in the Agreement.
Note: 17% requested by IMC for Grant year 1991-1992			

ARTICLE V: REPORTING REQUIREMENTS

The Recipient shall submit three copies of the following reports to the Project Officer. These progress reports will be the basic source of information for ongoing project management and shall follow the Mission's standard data and format requirements. Reports should be based on information provided by the monitoring system and should summarize current project accomplishments, problems, and recommended actions.

A. Implementation Plan

The Implementation Plan shall be submitted to O/AID/Rep for review and approval within 30 days of the effective date.

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The Plan shall schedule and quantify each of the specific objectives.

The Plan shall present a program and staffing pattern for each of the activities listed above in accordance with the strategies described under Section III. It will identify needed equipment, material and services. The plan will present budgets for each component, in addition to estimated beneficiaries and anticipated beginning and ending dates for each activity. The plan will also describe a monitoring system and project monitoring requirements.

B. Implementation Plan Update

On or about December 31, 1991, a review and update of the Implementation Plan will be prepared for the following six months and will be submitted to O/AID/Rep for review and approval. This update will detail achievements and constraints of the previous six months and future corrective actions and revised budgets, taking into consideration information provided by both the quarterly progress and semiannual monitoring reports.

C. Quarterly Progress Reports

Quarterly progress reports will be the basic source of information for interim project management. These reports should be based on standard guidance provided by the Mission and information provided by the monitoring system. These reports will summarize current and project accomplishments and problems for the O/AID/Rep's and the Recipient's management.

D. End of Tour Report

An end of tour report will be submitted in writing by each Program Director at the end of his tour.

ARTICLE VI: PROCUREMENT APPROVALS

The Recipient shall submit a procurement plan to the Health and Education Office for written approval. This plan will be submitted by July 1st. The procurement of these items will be undertaken by the Mission's procurement contractor.

ARTICLE VII: LOCAL CURRENCY GENERATION

Local currency (rupees and afghanis) may be generated by the Recipient in the course of revenue generating activities inside Afghanistan. The Recipient will ensure that local currencies thus generated by A.I.D.-financed inputs are promptly recycled into the health delivery system. Appropriate systems will be put in place for tracking and use of generated local currency. All revenue generating schemes, including recycling of generated local currency, are subject to approval by the O/AID/Rep.

-10-

The Plan shall schedule and quantify each of the specific objectives.

The Plan shall present a program and staffing pattern for each of the activities listed above in accordance with the strategies described under Section III. It will identify needed equipment, material and services. The plan will present budgets for each component, in addition to estimated beneficiaries and anticipated beginning and ending dates for each activity. The plan will also describe a monitoring system and project monitoring requirements.

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ARTICLE VII: SUBSTANTIAL INVOLVEMENT

It is understood and agreed that A.I.D. shall be substantially involved during the implementation of this Agreement, as follows:

A. The Health and Education Project Officer will review and approve the Implementation Plan.

B. The A.I.D. Representative will approve all AID-funded persons nominated to fill expatriate positions (see Section B.5.).

C. The Project Officer will approve all short-term advisors.

D. The Project Officer will provide guidance for the Quarterly Progress Reports.

E. The Project Officer will approve in writing all procurement requests for non-expendable items with a value exceeding \$1,000.

F. The Project Officer and Controller will approve in writing all plans for revenue generation activities implemented in the course of this Agreement.

G. Substantial involvement does not apply to any aspect of the program fully funded from non-AID source(s).

ARTICLE IX: SPECIAL PROVISIONS

A. Title to Property

Title to all property financed under this Agreement shall vest in the U.S. Government, subject to the conditions of the Standard Provision entitled, "Title to and Use of Property (U.S. Government Title)."

B. Authorized Geographic Code

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

C. Prohibition on Assistance to Drug Traffickers

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

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B. Authorized Geographic Code

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

C. Prohibition on Assistance to Drug Traffickers

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

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

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

The Recipient shall provide any certification which may be required regarding compliance with this provision.

D. Special Audit Provisions

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

E. Key Personnel (See also Section B.5.)

1. The following personnel positions are considered key and essential to the performance of this Agreement:

Program Director
Deputy Program Director
Medical Director

2. The key personnel positions identified above are considered to be essential to the work being performed hereunder. Prior to diverting any of the key personnel named above to other programs, the Recipient shall simultaneously notify the Agreement Officer and the Health and Education Officer reasonably in advance and shall submit justification in sufficient detail (including budget impact) to permit evaluation of the impact on the program. Proposed substitutions must be submitted simultaneously to the Agreement Officer and the cognizant A.I.D. Project Officer not later than 30 days after the diversion of any of the approved individuals. No diversion shall

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be made by the Recipient without the written consent of the Agreement Officer not later than 30 days after the diversion of any approved individuals. No diversion shall be made by the Recipient without the written consent of the Agreement Officer. Failure to do so may be considered nonperformance by the Recipient. The listing of key personnel positions may be amended from time to time to either add or delete positions.

F. Personnel Compensation

1. Limitations. Compensation of personnel which is charged as a direct cost under this Agreement are subject to the following additional specific understandings which set limits on items which otherwise would be reasonable, allocable, and allowable.



JOHN MAY HAS
THE REMAINDER OF
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ON HIS COMPUTER ...

FROM MCI'S AGRICULTURE
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