

*Annex I*

PDKA 8492

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, DC 20511

NOV 16 1984

Mr. Jose A. Font  
President  
Greater Washington Ibero-American Chamber of Commerce  
2100 M St., N.W., Suite 607  
Washington, DC 20037

Subject: Amendment No 2 to Cooperative Agreement No.  
LAC-0619-A-00-4052-00

Dear Mr. Font:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development hereby amends the subject agreement with Greater Washington Ibero-American Chamber of Commerce to provide the additional the sum of Two Hundred Nineteen Thousand One Hundred Thirty-Three Dollars (\$219,133). This amendment is made in order to complete incremental funding of the subject agreement which provides for the support of a project to provide small and medium size enterprises of the Caribbean Basin countries with marketing services and representation in the U.S. marketplace, particularly the U.S. Hispanic market, as more fully described in Attachment 2 of the basic agreement, entitled "Program Description".

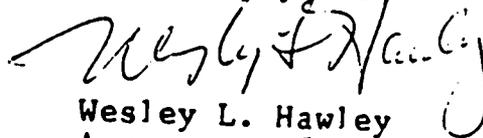
The subject Agreement is hereby further amended as follows:

ATTACHMENT 1 - SCHEDULE

- A. Delete from Special Provision B.2. the date "November 15, 1984" and insert "September 30, 1985" in lieu thereof.
- B. Delete from Special Provision C.2. the amount "\$92,000" and insert "\$311,133" in lieu thereof.

Please acknowledge receipt and acceptance of this Cooperative Agreement Amendment by signing all copies, retaining one set for your files, and returning the remaining copies to this office, being sure to return all copies marked "Funds Available".

Sincerely yours,



Wesley L. Hawley  
Agreement Officer  
Regional Operations Division-LAC  
Office of Contract Management

ACKNOWLEDGED:

Greater Washington Ibero-American Chamber of Commerce

BY: Armando Lago

TYPED NAME: Armando Lago

TITLE: Economic Counsel

FISCAL DATA

PIO/T No.:	598-0619-1-5651304
Appropriation No.:	72-1151021.6
Budget Plan Code:	LDAA-85-35598-DG-12
Allotment No.:	546-65-598-00-69-51
This Obligation:	\$219,133
Total Obligation:	\$311,133
Total Est. A.I.D. Cost:	\$311,133
LOC No.:	To be assigned
E.I. No.:	52-1107833
DUNS No.:	016475428
Technical Office:	LAC/DR
Funding Source:	AID/W

FUNDS AVAILABLE

*Stoddard*  
NOV 19 1984  
o/c 4190

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

AUG 8 1984

Mr. Jose A. Font  
President  
Greater Washington Ibero-American Chamber of Commerce  
2100 M St., N.W., Suite 607  
Washington, DC 20037

Subject: Amendment No. 1 to Cooperative Agreement No.  
LAC-0619-A-00-4052-00

Dear Mr. Font:

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 amends the subject Agreement with Greater Washington Ibero-American Chamber of Commerce. It has come to our attention that Treasury Regulations require \$120,000 of available funding, rather than a minimum of \$120,000 of estimated costs in a Cooperative Agreement, in order to open a Letter of Credit. Additional funding to increase the subject Agreement from the current obligated amount of \$92,000 to this minimum level is not expected to be available before October, 1984. Therefore, until there is \$120,000 available in the Agreement with which to open a Letter of Credit as described in the provision "Payment - Letter of Credit (July 1984)", Standard Provision 7.B., which was deleted by Special Provision J.2., is hereby reinstated.

The subject Agreement is hereby further amended as follows:

ATTACHMENT 1 - SCHEDULE

A. Delete from Special Provision J.2. the deletion:

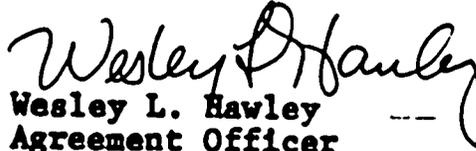
7A. Payment - Periodic Advances

B. Add the following to Standard Provision J.3.:

Until there is \$120,000 available in the Agreement with which to open a Letter of Credit as described in the provision "Payment - Letter of Credit (July 1984)", Standard Provision 7.B. is hereby reinstated.

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

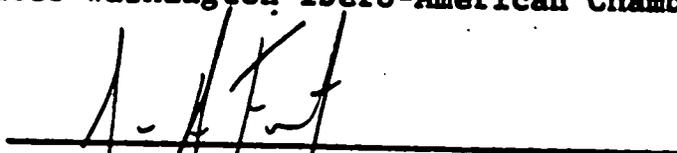
Sincerely yours,



Wesley L. Hawley  
Agreement Officer  
Regional Operations Division-LAC  
Office of Contract Management

**ACKNOWLEDGED:**

Greater Washington Ibero-American Chamber of Commerce

BY: 

TYPED NAME: JOSE ANTONIO FONT

TITLE: PRESIDENT

FISCAL DATA

PIO/T No.:	598-0619-1-6541327
Appropriation No.:	72-1141021.6
Budget Plan Code:	LDAA-84-35598-DG-1L
Allotment No.:	446-65-598-00-69-41
Previous Obligation:	\$92,000
This Obligation:	\$-0-
Total Obligation:	\$92,000
Total Est. A.I.D. Cost:	\$311,133
LOC No.:	To be assigned
E.I. No.:	52-1107833
DUNS No.:	016475428
Technical Office:	LAC/DR
Funding Source:	AID/W

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

JUL 12 1984

Mr. Jose A. Font  
President  
Greater Washington Ibero-American Chamber of Commerce  
2100 M St., N.W., Suite 607  
Washington, DC 20037

Subject: Cooperative Agreement No. LAC-0619-A-00-4052-00.

Dear Mr. Duarte:

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 Greater Washington Ibero-American Chamber of Commerce (hereinafter referred to as "GWIACC" or "Recipient") the sum of Ninety-Two Thousand Dollars (\$92,000) in support of a project to provide small and medium size enterprises of the Caribbean Basin countries with marketing services and representation in the U.S. marketplace, particularly the U.S. Hispanic market, as more fully described in Attachment 2, entitled "Program Description".

This Cooperative Agreement is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives through the estimated completion date of September 30, 1985. Funds disbursed by A.I.D. but uncommitted by the Recipient at the expiration of this period shall be refunded to A.I.D.

The total estimated cost of the program to A.I.D. is \$311,133, of that amount, \$92,000 is hereby obligated. A.I.D. shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount. However, subject to the availability of funds, and program priorities at the time, A.I.D. may provide additional funds during the Cooperative Agreement period up to a maximum of \$311,133. It is anticipated that the obligated amount will be sufficient through November 15, 1984. Additionally the Recipient will contribute cash and in-kind contributions obtained from other sources totaling \$35,000 to the program.

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

PREVALIDATED ON PAGE 2

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Please acknowledge receipt and acceptance of this Cooperative Agreement by signing all copies of this Cover Letter, retain one set for your files, and return the remaining copies to this office, being sure to return all copies marked "Funds Available".

Sincerely yours,

*Wesley L. Hawley*

Wesley L. Hawley  
Agreement Officer  
Regional Operations Division-LAC  
Office of Contract Management

**Attachments:**

1. Schedule
2. Program Description
3. Standard Provisions

**ACKNOWLEDGED:**

Greater Washington Ibero-American Chamber of Commerce

BY: *Guillermo Ballvé*

TYPED NAME: Guillermo Ballvé

TITLE: Vice Chairman of the Board

FUNDS AVAILABLE  
*H. Stoddard*  
 JUL 13 1984  
 o/c 4190  
 Program Accty. Division  
 OFFICE OF FINANCIAL MANAGEMENT

**FISCAL DATA**

PIO/T No.:	598-0619-1-6541327
Appropriation No.:	72-1141021.6
Budget Plan Code:	LDAA-84-35598-DG-12
Allotment No.:	446-65-598-00-69-41
This Obligation:	\$92,000
Total Est. A.I.D. Cost:	\$311,133
LOC No.:	To be assigned
E.I. No.:	52-1107833
DUNS No.:	016475428
Technical Office:	LAC/DR
Funding Source:	AID/W

ATTACHMENT 1

SCHEDULE

A. Purpose of Cooperative Agreement/Grant:

The purpose of this Agreement is to provide small and medium size enterprises of the Caribbean Basin countries with marketing services and representation in the U.S. marketplace, particularly the U.S. Hispanic market, as more specifically described in Attachment 2 to this Agreement entitled "Program Description."

B. Period of Agreement:

1. The effective date of this Agreement is July 12, 1984 and the estimated expiration date is September 30, 1985. Notwithstanding the effective date of this Cooperative Agreement, costs incurred on or after April 1, 1984 shall constitute allowable costs under this Agreement.

2. Funds obligated hereunder are available for program expenditures for the estimated period April 1, 1984 to November 15, 1984 as shown in the Financial Plan below.

C. Amount of Agreement and Payment:

1. The total estimated cost of this agreement to A.I.D., thru September 30, 1985, is \$311,133.

2. A.I.D. hereby obligates the amount of \$92,000 for program expenditures during the period set forth in B.2. above and as shown in the Financial Plan below.

3. Payment shall be made to the Recipient in accordance with procedures set forth in the clause "Payment-Letter of Credit (July 1984)"

D. Financial Plan:

1. The following is the Financial Plan for this Agreement, including local cost financing items, if authorized. Revisions to this Plan shall be made in accordance with Standard Provision of this Agreement, entitled "Revision of Financial Plans."

2. Without the prior written approval of the A.I.D. Agreement Officer, the Recipient may not exceed the Grand Total set forth in the budget, nor may the Recipient adjust the costs for any individual line item by more than 15% of such line item.

3. Notwithstanding the effective date of this Cooperative Agreement, and subject to the Standard Provision entitled "Allowable Costs and Payment (Other than Educational Institutions)," costs incurred on or after April 1, 1984 shall constitute allowable costs under this Agreement.

4. Financial Plan (Budget)	Est. Amount
a. AID Contribution	
1. Direct Labor	\$109,060
2. Fringe Benefits	24,648
3. Overhead	91,991
4. Consultants and Interns	14,213
5. Travel, Transportation, and Per Diem	38,472
6. Other Direct Costs	<u>32,749</u>
	\$311,133
b. Recipient Cash and In-kind Contributions	<u>35,000</u>
	\$346,133

E. Substantial Involvement Understanding:

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

1. The selection of the direct beneficiaries for this assistance program (by Project Officer)
2. The development and approval of the marketing strategies to be employed (by Project Officer)
3. Approval of travel itineraries and schedules (by Project Officer)

4. Notwithstanding paragraph (a) of the Standard Provision of this Agreement entitled "Subordinate Agreements", and paragraph (b)(7) of the Standard Provision entitled "Revision of Financial Plans", (by Agreement Officer)

**F. Reporting:**

**1. Financial Reporting**

a. Financial reporting requirements shall be in accordance with the Standard Provision of this Agreement entitled "Payment-Letter of Credit (July 1984)".

b. The original and two copies of all financial reports shall be submitted to AID, Office of Financial Management, Program Accounting Division (FM/PAD), Washington, D.C. 20523. In addition, five copies of all financial reports shall be submitted to the Technical Office specified in the Cover Letter of this Agreement.

**2. Program Performance Reporting**

a. The Recipient shall submit quarterly program performance reports, and a final report, which briefly presents the following information:

(1) A comparison of actual accomplishments with the goals established for the period, the findings of the investigator, or both. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs,

(2) Reasons why established goals were not met,  
and

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

b. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Recipient shall inform AID as soon as the following types of conditions become known:

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

(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

c. If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Agreement entitled "Revision of Financial Plans", the Recipient shall submit a request for budget revision.

d. Five copies of each program performance report shall be submitted to the Technical Office specified in the Cover Letter of this Agreement.

### 3. Special Reports

The Recipient shall provide special reports as requested by the A.I.D. Agreement Officer or the AID/W Project Officer.

### G. Overhead Rate:

Pursuant to the Standard Provision of this Cooperative Agreement entitled "Negotiated Overhead Rates - Nonprofit Organizations Other than Educational Institutions", 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 cost rates for the initial period, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate applied to the base which is set forth below.

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>
Provisional	68.8%	Direct Salaries & Fringe Benefits	4/1/84 Until Amended

**H. Title to Property**

Title to all property procured under this Agreement shall vest to the Recipient.

**I. Project Management**

The A.I.D. Project Manager for this project is LAC/DR, Mr. L. James Eaton, or his successor or designee.

**J. Special Provisions**

1. The Standard Provisions contained in Attachment 3 to this Agreement (Form AID 1420-52(2-82)) are modified as set forth in the July 1982 Attachment to AID Forms 1420-51, -52, -53, and -54, entitled "Alterations in Grant", which is attached hereto and made a part of this Agreement. References to "Grant" and "Grantee" in the Standard Provisions are hereby changed to "Cooperative Agreement" and "Recipient" respectively.

2. The following Standard Provisions set forth in Attachment 3 of this Agreement are deleted:

- 5A. Negotiated Overhead Rates - Predetermined
- 7A. Payment - Federal Reserve Letter of Credit (FRLC) Advance
- 7B. Payment - Periodic Advances
- 7C. Payment - Reimbursement
- 10B. Procurement of Goods and Services Over \$250,000
- 13B. Title to and Care of Property (U.S. Government Title)
- 13C. Title to and Care of Property (Cooperating Country Title)

3. The Standard Provisions: 7A. Payment - Federal Reserve Letter of Credit (FRLC) Advance, 7B. Payment - Periodic Advances, 7C. Payment - Reimbursement, set forth in Attachment 3 of this Agreement are superseded by the Standard Provision entitled "Payment-Letter of Credit (July 1984)", which is attached hereto and made a part of this Agreement. Revocation of the LOC as described in the provision shall reinstate Standard Provision 7C. Payment - Reimbursement

4. Standard Provision No. 20 set forth in Attachment 3 of this Agreement entitled "Patents" is superseded by the Standard Provision entitled "Patent Rights (Small Business Firms and Nounprofit Organizations) (March 1982) (OMB Circular A-124)", which is attached hereto and made a part of this Agreement.

5. OMB Circular A-122 reserves the sections on bid and proposal costs and independent research and development costs. A.I.D. and the Recipient hereby agree upon the following treatment of these costs, pending such time as the circular is amended to include them.

(i) Bid and proposal costs. Bid and proposal costs are the immediate costs of preparing bids, proposals, and applications for potential Federal and non-Federal grants, contracts and agreements, (b&p) costs incurred for the preparation of requests for specific projects and programs are acceptable for recovery as indirect costs. However, proposal costs incurred in the attempt to obtain unrestricted funds are to be treated as fund raising and must be included in the organization's direct cost base. (B&p) costs do not include independent research and development costs which are covered by paragraph (2) below, or preaward costs covered by Attachment B, Paragraph 33, of OMB Circular A-122. (FPR 1-15.603.2.)

(ii) Independent research and development (r&d) costs are for (r&d) conducted by an organization which is not sponsored by Federal or non-Federal grants, contracts or other agreements. Independent (r&d) costs must be included in the organization's direct cost base for allocation of its proportionate share of indirect costs. The costs of independent (r&d), including its proportionate share of indirect costs, are unallowable under AID agreements.

6. Standard Provision No. 35 entitled "Workmens' Compensation Insurance" is attached hereto and made a part of this Agreement.

## Program Description

### Background

The Greater Washington Ibero-American Chamber of Commerce (GWIACC) studied the marketplace (specifically the U.S. Hispanic market) taking into consideration the export suppliers' current development status, needs and potentials. Their conclusion is that many of the problems suffered by the export suppliers are the direct result of "mismatches in the marketplace," and that the U.S. Hispanic market offers considerable opportunities (niches in the marketplace) compatible with the needs of a broad sector of small and medium scale export suppliers of the Caribbean Basin. In this respect, this project will fill a gap not presently accounted for by export development efforts. This will not be an integrated export development project dealing directly with all problems on all levels. Rather, the efforts of the Ibero-American Chamber of Commerce will focus on outputs where it is uniquely capacitated to intervene in the marketplace on behalf of the small and medium scale export supplier.

### Problems to be Addressed

#### 1. Supply/Market Mismatches

Regardless of whatever deficiencies of the product or its supply, many small and medium scale export suppliers have succeeded to some extent in exporting their products. Quite often, however, the products enter the market channels at a point significantly distant from its acceptance, or may even enter a channel never leading to the end user/consumer that might offer highest returns for the supplier.

Among the major problems suffered by small and medium scale suppliers as the result of mismatches include:

o Financial Penalties Not only are prices lower and more unstable, but terms and conditions for payment are most disadvantageous.

o Market Insecurity Mismatches always indicate competitive disadvantage, often related to competing in the same market channels with larger scale producers. The products of smaller suppliers are often brokered on instable spot markets to increase buyer profits.

o Misleading Market Feedback Information supplied by the market always reflects the interests of the buyer. When mismatches occur, information supplied not only by the buyer, but by institutions promoting export development often misdirect management decisions and production planning.

2. Unavailability of Appropriate Information and Information Services

An abundance of market, marketing, technical and export management information is currently and readily available to even the smaller export suppliers throughout the Caribbean Basin. For the small and medium scale export supplier, abundance, however, can be as great a problem as scarcity of information. Unlike the large scale suppliers, the smaller ones do not possess the resources or capabilities to gather and make use of all the information they need.

The most important and basic information for the small and medium scale export suppliers is that regarding the specific marketing channels through which they are currently exporting or planning to export. Such individualized information services are not readily available to the small and medium scale export suppliers.

A much greater barrier to information utilization than the limited capacity to process it is the form and manner in which information is disseminated. If information is to be utilized at all, then it must strictly conform with the entrepreneurial behavior characteristics of the small and medium scale Caribbean Basin entrepreneur. The information systems applied by the host national institutions have for the most part been based on the American model of business management, and do not respond to the needs of the host national entrepreneur.

One of the most effective ways (and in most cases the only way) in which to penetrate and maintain the U.S. Hispanic market is through traditional Hispanic business practices and the establishment of personal relationships upon which commercial relationships are based and maintained. Twenty percent of the Hispanic market business is conducted exclusively in Spanish and forty percent by second and third generation Hispanics who abide by many of the business customs and practices of their forefathers. Thus, while the Hispanic market offers a compatible marketplace for the small and medium scale export suppliers, the lack of representation has acted as a barrier to market penetration.

Among other problems are included:

- o Inadequate access to outside services and referrals in the marketplace when needed to protect or promote the supplier's best interests including legal services, claims management, technical services, promotions and advertising services, information services, etc.
- o Excessive or prohibitive costs as related to market testing, sales promotion, account management, negotiations, and the day-to-day business activities requiring direct communications with the market place.
- o Inability or excessive cost to adequately investigate the business establishments with which the export supplier is contemplating doing business, a risk few small and medium scale suppliers can afford.
- o Lack of market feedback and current market information exclusively related to the individual needs, interests and potentials of the export supplier.

### Project Description

#### A. Project Purpose

1. The purpose of this project is to provide small and medium scale producer enterprises of Caribbean Basin countries with efficient and effective marketing services and representation in the U.S. marketplace. The project purpose will be realized by brokering, promoting, and closing commercial opportunities within the U.S. Hispanic market and other markets.

#### B. End of project objectives:

- a. \$5 million F.O.B. exports are generated by the project.
- b. 3 Caribbean Basin Countries benefit from project services.
- c. 24 experienced exporters are successfully matches with markets more compatible with their needs, interests and development.
- d. 16 non-experienced exporters are successfully matched with markets.
- e. All host national project counterpart organizations attain their goals established for income generation derived from export development efforts.

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- f. All host national project counterpart organizations attain their goals established for employment generation.
- g. The project cost/exports generated ratio is demonstrated to be below 0.05, thus indicating the feasibility of eventual project self-sufficiency.
- h. Service fees generated will be added as a verifiable "end of project status" indicator following the end of the first quarter.

### C. Focus

The project will focus on marketing of agri-business/industry products, but will not exclude any product conforming with the project goal and purpose and which might benefit from opportunities generated during the process of serving the primary target beneficiaries.

The project domain will encompass all countries qualified under the Caribbean Basin Initiative (CBA), including those represented by the Hemispheric Congress of Latin American Chambers of Commerce and Industry for which the Ibero-American Chamber of Commerce serves as a liason in the nation's capital. Project services will be channeled via memorandums of understanding (MOU) with the host national counterpart organizations as a vehicle to both facilitate project management and to coordinate available resources which can enhance the attainment of project purpose and goals.

Project services will be initiated first for Costa Rican export suppliers. An MOU with the Costa Rica Chamber of Commerce has already been signed and project planning has already been carried out. Services to other countries will become available during the second quarter of the project and will be initiated upon formalization of the respective MOU's. A minimum of three countries will be served under the project. This number is considered sufficient to verify the efficiency and effectiveness of the GWIACC's existing networking capabilities without need for an extensive and costly project outreach effort.

Direct beneficiaries of the proposed project will include: (a) the national and local chambers of commerce and industry benefiting from increased capabilities to serve their general membership; (b) the owners and managers of the on-farm and off-farm enterprises which produce, handle, process, transform, commercialize of otherwise supply products served by the project;

(c) employees and workers of these enterprises who receive increased income and employment opportunities; and (d) women benefiting particularly from those activities where they have a dominant or substantial role. Indirect beneficiaries will include the U.S. Hispanic entrepreneurs and employees who benefit from improved supply and supply channels established as the result of project services to the target beneficiaries and from project referral services linking them with resources outside the project such as those provided through the Minority Business Development Agency network.

#### D. Approach

The GWIACC will harness its capabilities and its established network relationships in order to identify and consummate market matches within the U.S. Hispanic food market and other marketing channels.

Another innovative element of the project is the approach and strategies applied towards attainment of ultimate project self-sufficiency; self-sufficiency being defined as a situation in which the cost of services rendered are paid by the project beneficiaries by means of service fees and commissions established in accordance with the norms and practices of the respective private sector service industry. Once this objective is attained, services being provided by GWIACC will be spun-off to the for-profit, private sector if this is shown to be in the best interest of the beneficiaries.

GWIACC will bring outside resources to bear upon project outputs. These include a network of some 100 Minority Business Development Centers (MBDC's), the Hispanic Business Organizational System which includes a National Hispanic Chamber and over 120 local Chambers, the Fortune 1000 private sector minority business procurement initiative known as the National Minority Suppliers Development Council. It also includes the U.S. Peace Corps and many marketing service and consulting firms prepared to cooperate.

These additional resources will be self-managed and available to the project, imposing no additional burden on project management. For each network mentioned above, GWIACC will maintain at least one senior staff person with direct responsibilities to these organizations.

**E. Outputs**

**1. Market Brokering Services:** This refers to those project activities and services related to the process of identifying, validating, evaluating and matching specific market opportunities with specific export suppliers. The resulting matching patterns may be "direct matches" where the market opportunity is offered by the importer and the export supplier is the exporter, or "indirect matches" where an appropriate market opportunity has been matched with a specific export supplier, but requires identification of the importer and/or distributor in order to complete the match. Brokering services do not become directly involved with the process of consummating the commercial transaction beyond transmitting information to facilitate and promote communication between the respective parties. When a transaction occurs as the result of this serve it is called a "successful brokering match" contributing towards attainment of project purpose and documented accordingly.

(a) 120 U.S. food industry buyers will be identified and profiled for the purpose of matching their buying requirements with the supply, needs and interests of the project beneficiary enterprises. Among others, these buyers will include: wholesale distributors; food processors and related industries; institutional buyers; importer distributors; and supermarket chains.

(b) Memorandums of Understanding detailing specific project commitments pledged by the buyer will be formalized with at least 30 prospective project buyers. The primary function of the MOU's will be to obtain buyer support which might facilitate project implementation and enhance attainment of project purpose.

(c) 15 U.S. import brokers will be identified and profiled for the purpose of providing intermediary services as required to complete an identified brokering match.

(d) MOU's will be established with 10 import brokers.

(e) Market opportunities and prospective brokering matches will be identified for at least 70% of the export ready beneficiaries, and 50% of those without significant export experience. Achievement of this minimum ratio will be sufficient in relation with other outputs to attain project purpose.

**2. Commercial Representations Services:** This refers to those project activities and services which intervene directly in the marketplace on behalf of the export supplier client including sales promotions, market testing, and negotiations, and referrals for services provided outside the project such as advertising, publishing of promotional material, legal services and claims management, and any other services which the export supplier client may require as appropriate to attain project purpose. When a transaction occurs as a result of these services it is a successful brokering match; however, to distinguish the additional services required it is called a "successful market opportunity consummation" and documented accordingly.

(a) 32 marketing trips will be scheduled as appropriate, over the duration of the project. Marketing trips to at least 20 Hispanic Areas of Dominant Influence (ADI's) will be scheduled during the first three quarters.

~~(b)~~-A total of at least 52 prospective buyers will be visited during the first three quarters.

(c) At least 6 market test for project beneficiary products will be conducted during the first three quarters.

(d) Sales promotion will include 3400 promotional mailings over the duration of the project tailored to each targeted segment and level of the market. Media promotions will be provided as appropriate and where funded by or on behalf of the beneficiary enterprises.

**3. Market Feedback Dissemination:** This refers to information gathered during the process of providing project services or from project resources which have been specifically processed for consumption by the export supplier and/or the host national counterpart organization. It is not intended to provide an integrated information service, but rather a "closed circuit" information channel through which export suppliers and host national counterparts can obtain a flow of current market information. Such information will be limited to that pertinent to immediate tasks and short range planning for marketing of their products with project support.

All project counterpart organizations and all project beneficiary enterprises will receive 18 written monthly market reports providing current market feedback tailored to the specific product, needs and interest of each individual beneficiary. In addition to this regular periodic report, market updates, market opportunities, prospective brokering matches and other market information will be communicated by telephone, telex and/or mail as appropriate.

4. Referral Services and Second Tier Services: This refers to those project activities directed at obtaining outside services which will magnify and enhance project impact. These include services rendered directly to the project beneficiaries and second tier services which will increase beneficiary market opportunities. These leveraged project inputs will be obtained through referrals to outside organizations with which the Ibero-American Chamber of Commerce maintains working relationships.

5. Specialized Outside Consultant and Volunteer Services: This refers to services provided by outside consultants and volunteers which are drawn upon by project management to meet special or unique project requirements that will be outside the capabilities of project staff. The primary function of such services is intended to assist the overall project marketing effort as opposed to servicing the special or unique needs of any individual project beneficiary enterprise. Outside consultant and volunteer services to individual beneficiaries will be considered where determined that the overall project marketing effort will also benefit. These services will be restricted to the marketing effort within the U.S. marketplace.

F. Major Elements and Methodology

1. Project Duration: The proposed project will require an eighteen month implementation schedule to accomplish the project outputs and attain the project purpose as described above. As previously mentioned, the proposed project is viewed as the pilot phase for follow-on project activities that will require additional contributions from AID for an estimated additional eighteen months before the project can be "weaned" of subsidies and attain eventual self-sufficiency.

2. Delivery of Services: As previously defined, the project domain will encompass all countries qualified under the CBI including those represented by the Hemispheric Congress of Latin American Chambers of Commerce and Industry.

Availability of services to three target countries within the first three quarters (nine months) of the project will indicate attainment of project purpose as regards viability as a regional project.

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Project services will start in Costa Rica. All other countries in the Region will be notified within forty-five days of project initiation and invited to participate. At least one additional country will be admitted into the program during the second quarter and one during the third quarter at which point the project capacity will be evaluated prior to admitting further participants.

3. Selection of Counterparts and Beneficiaries: In order to facilitate delivery of project services to the individual beneficiary enterprises and in order to magnify the impact of these services, host national counterpart organizations will be incorporated into the project. The primary functions of the counterpart will include: (a) collaborating with and coordinating project planning, monitoring and evaluation; (b) serving as the vehicle through which project services are delivered; (c) complementing and coordinating project services with additional resources and services provided by the counterpart and, where applicable, by outside sources; and (d) serving as project modulator to synchronize the gathering, verification, and transmission of information from the host country with the project systems, mechanisms and strategies applied by the project.

Although institution building has not been designed as a project objective or output, it is certainly the intent and desire that the proposed project act to strengthen and assist in the development of the Hemispheric network and its individual participant institutions and organizations. Also for this reason controls are imposed to protect the interests of these organizations. One such control is the restrictions on direct access to project services by individual enterprises. As a rule, services will not be provided directly to individual enterprises; the chamber or host institution will be utilized. Case-by-case exceptions will be considered.

4. The Memorandum of Understanding and the Project Participation Plan: Upon determination that the prospective counterpart organization meets the project participation requirements, GWIACC and the prospective counterpart will enter into joint deliberations. The two principal planning instruments will be: (a) the Memorandum of Understanding which specifies the project commitments of each party; and (b) the Participation Plan which provides guidelines to tailor and integrate the GWIACC and the counterpart's organization plan.

5. The Brokering Inventory System: The primary function of the Brokering Inventory System is to facilitate identification of appropriate brokering matches between suppliers and buyers. Only current and verified sources and data will be maintained within this system. An important element of the system is that it will interface with the Ibero-American Chamber of Commerce existing database systems (available to the project under cooperative agreement with MBDA). These existing data bases include:

o Profile System: a self-contained brokering inventory system for matching U.S. minority firms.

o Dun and Bradstreet Information Systems: a series of systems that provide financial profiles and computations used to evaluate the performance of all U.S. buyers and intermediaries prior to matching them with a project beneficiary.

o Control Data Donnelly X/Census Plus: a database that provides marketing demographic data related to the U.S. food industry that will be applied to identify efficient marketing channels and for other brokering services.

o QMS/QM LINE Information Systems: will be used to identify and match second tier federal contracts for project beneficiaries.

o MBDA Electronic Mail Procurement System: will be utilized to communicate brokering opportunities with 100 MBDC's and 30 other organizations including the U.S. Hispanic Chamber of Commerce.

## 6. Marketing Trips:

In this proposed project, 32 marketing trips will be scheduled to the Hispanic Areas of Dominant Influence. The primary function of these trips will be to provide representation services in the U.S. Hispanic marketplace for the individual project beneficiary enterprises. Prerequisite functions prior to establishment of commercial relationships will include project outreach activities and the establishment of personal relationships and commitments from prospective buyers to the project.

The scheduling of the initial trips will be based first on feedback from promotional mailings and telephone surveys; secondly on cost effectiveness factors; and thirdly these factors will be correlated with the specific needs and interests of the initial project beneficiary enterprises.

7. Market Tests: Market tests as provided under the project are not to be confused with the term or techniques as applied to "test markets." "Market test" here refers to placing a product which does not fully meet commercial requirements on the market

under controlled conditions for the purpose of evaluation of the product and its market potential. A buyer or group of buyers willing to cooperate with the tests will collaborate with project staff to monitor and evaluate product characteristics and performance. Results of the tests and recommendations for meeting the commercial requirements will be communicated to the project counterpart organization responsible for providing management and technical assistance for product development. In order to qualify for market tests the product will be referred by the project counterpart organization accompanied by: a) a comprehensive production profile; b) a business profile of the beneficiary enterprise; c) a product profile; and d) a summary of assistance that will be available for product development.

G. Implementation Schedule

Project start-up activities have been reduced to a minimum through pre-project planning and collaboration with the Costa Rica Chamber of Commerce. Delivery of project services to Costa Rica will start immediately upon project initiation. During the first thirty days, these services will be offered to highest priority cases only, allowing project staff to concentrate on preparations for full operations including: expansion of project commitments from the U.S. Hispanic market; capacitation of the brokering inventory systems; and project outreach to the targeted beneficiary countries. Full operations and services to Costa Rica will be available within thirty days, and to other countries by the end of the first quarter.

Charts A and B which follow provide time phased plans for achievement of project outputs and purpose.

CHART A: TIME PHASE PLAN FOR PROJECT OUTPUTS

Description Output	Verifiable Indicators						EOPS Totals
	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr.5	Qtr.6	
<u>1. Brokering</u>							
<u>Outputs</u>							
(a) # of buyers identified	20	30	30	30	10	*	120
(b) # of buyers MOU's	5	10	10	5	*	*	30
(c) # of import brokers identified	3	5	5	2	*	*	15
(d) # of import broker MOU's	1	3	3	3	*	*	10
(e) Market opportunities and prospective matches identified for: % experienced exporters/% not experienced	50/0	70/50	70/50	70/50	70/50	70/50	70/50
<u>2. Marketing</u>							
<u>Outputs</u>							
(a) # of marketing trips	3	6	6	6	6	5	32
(b) # of new ADI's visited	3	4	3	4	3	3	20
(c) # of new buyers visited	8	10	8	10	8	8	52
(d) # of market tests conducted	1	2	3	*	*	*	6
(e) # of promotional mailings	400	600	600	600	600	600	3400
<u>3. Market Feedback Output</u>							
(a) # of market reports to each beneficiary	3	3	3	3	3	3	18
<u>4. Referral/Second Tier</u>							
<u>Output</u>							
(a) # of MOU's with outside organizations	5	5	5	5	*	*	20

**CHART A: TIME PHASE PLAN FOR PROJECT OUTPUTS**  
(continued)

Description Output	Verifiable Indicators						EOPS
	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr.5	Qtr.6	Totals
<u>5. Consultant/ Volunteer Out- puts</u>							
(a) # of con- sultant hours provided	26	16	24	24	24	16	120
(b) # of volun- teer hours provided	20	40	40	40	40	40	220

**Note to Chart A:** Refer to Part II, Section C, "Project Outputs" for a detailed narrative description of the outputs listed in the first column of the chart.

\* As appropriate

**CHART B: TIME PHASE PLAN FOR ATTAINMENT OF PROJECT PURPOSE**

<b>Verifiable Indicators for Attainment of Project Purpose</b>	<b>Qtr.1</b>	<b>Qtr.2</b>	<b>Qtr.3</b>	<b>Qtr.4</b>	<b>Qtr.5</b>	<b>Qtr.6</b>	<b>EOPS</b>
(1) \$ Volume of exports generated (expressed in millions of US dollars)	0.20	0.50	0.80	1.00	1.20	1.30	5.00
(2) # of countries served	1	1	1				3
(3) # of experienced exporters successfully matched	3	4	5	5	4	3	24
(4) # of non-experienced exporters successfully matched	0	3	4	4	3	2	16
(5) Performance level of counterpart on income generation goal							100%
(6) Performance level of counterpart on employers generation goal	-	-	-	-	-	-	100%
(7) Project cost/exports generated ratio	-	-	-	-	-	-	0.5%
(8) Service fees generated (project issue to be determined by end of 1st quarter)							

**Note to Chart B:** Refer to Part II, Section A, "Project Goal and Purpose" for a detailed narrative on the verifiable indicator listed in the first column of chart B.

Payment - Letter of Credit (July 1984)

(This provision is applicable only when the following conditions are met: (i) the total advances under all the grantee's cost-reimbursement contracts and assistance instruments with AID exceed \$120,000 per annum, (ii) AID has, or expects to have, a continuing relationship with the grantee for at least one year; (iii) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof; (iv) the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this grant, entitled "Accounting, Audit, and Records" and, either (v) the foreign currency portion of the total advance under this grant is less than 50% or (vi) the foreign currency portion of the total advance under this grant is more than 50% but more than one foreign currency country is involved.)

(a) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by AID's Office of Financial Management, Program Accounting Division (M/FM/PAD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAD constitute payment conditions of this grant, superseding and taking precedence over any other provision of this grant concerning payment.

(c) Reporting:

(1) A "Financial Status Report" SF-269, shall be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period, in an original and two copies to AID/M/FM/PAD, Washington, D.C. 20523. If the grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final report must be submitted within 90 days after the conclusion of the grant to M/FM/PAD. In cases where grants are Mission funded, the Grantee will forward an information copy to the AID Mission accounting station at the same time the original and one copy are mailed to M/FM/PAD, AID/Washington.

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(2) The grantee shall submit an original and one copy of SF-272, "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/FM/PAD. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report all cash advances in the Remarks section of SF-272. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the grantee's field organizations shall be supported by short narrative explanations of action taken by the grantee to reduce the excess balances.

(d) Revocation of the LOC is at the discretion of the authorized LOC certifying officer of M/FM/PAD. Notification of revocation must be in writing and must specify the reason for revocation. The recipient may appeal any such revocation to the grant officer.

Grant Standard Provision No. \_\_\_\_\_

**PATENT RIGHTS (Small Business Firms and  
Nonprofit Organizations) (March 1982)  
(OMB Circular A-124)**

**a. Definitions**

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

(2) "Subject Invention" means any invention of the grantee conceived or first actually reduced to practice in the performance of work under this grant.

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

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

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

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

**b. Allocation of Principal Rights**

The grantee may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this provision and 35 U.S.C. 203. With respect to any subject invention in which the grantee retains title, the Federal Government shall have a non-exclusive, non-transferable, irrevocable, paid-up license to practice or

have practiced for or on behalf of the United States the subject invention throughout the world. This license will include the right of the Agency for International Development (AID), with respect to any existing or future international agreement entered into under the Foreign Assistance Act of 1961, as amended, to sublicense any foreign government or public international organization in accordance with the terms of any such international agreement.

c. Invention Disclosure, Election of Title and Filing of Patent Applications by Grantee

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

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

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

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

**d. Conditions When the Government May Obtain Title**

(1) The grantee will convey to AID, upon written request, title to any subject invention:

(i) If the grantee fails to disclose or elect the subject invention within the times specified in paragraph c. of this provision, or elects not to retain title.

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

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

**e. Minimum Rights to Grantee**

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

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

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

**f. Grantee Action to Protect the Government's Interest**

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

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

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

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

## g. Subcontracts and Subgrants

(1) The grantee will include this provision suitably modified to identify the parties, in all subcontracts and subgrants, regardless of tier, for experimental developmental or research work to be performed by a small business firm or nonprofit organization. The subcontractor or subgrantee will retain all rights provided for the grantee in this provision, and the grantee will not, as part of the consideration for awarding the subcontract or subgrant, obtain rights in the subcontractor's or subgrantee's subject inventions.

(2) With respect to any subcontract or subgrant with a profit making organization, regardless of tier, the clause specified in Sec. 1-9.1 of the Federal Procurement Regulations (41 CFR 1-9.1) shall be used for such subcontracts, and the provision specified in Appendix 4C, provision 28, Patents, of AID Handbook 13 shall be used for such subgrants. With respect to any subcontract or subgrant with any small business firm or nonprofit organization, regardless of tier, this provision's requirements shall apply.

(3) In the case of subcontracts or subgrants, at any tier, when the prime award with AID was a grant (but not a contract), AID, subcontractor or subgrantee, and the grantee agree that the mutual obligations of the parties created by this provision constitute a contract between the subcontractor or subgrantee and AID with respect to those matters covered by this provision.

## h. Reporting on Utilization of Subject Inventions

The grantee agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the grantee or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the grantee, and such other data and information as AID may reasonably specify. The grantee also agrees to provide additional reports as may be requested by AID in connection with any march-in proceeding undertaken by AID in accordance with paragraph j. of this provision. To the extent data or information supplied under this section is considered by the grantee, its licensee or assignee to be privileged and confidential and is so marked, AID agrees that, to the extent permitted by 35 USC 202(c)(5), it will not disclose such information to persons outside the Government.

## i. Preference for United States Industry

Notwithstanding any other provision of this provision, the grantee agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject

invention in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by AID upon a showing by the grantee or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

#### j. March-in Rights

The grantee agrees that with respect to any subject invention in which it has acquired title, AID has the right in accordance with the procedures in OMB Circular A-124 and Appendix 4C, provision 28, Patents, Handbook 13 to require the grantee, an assignee or exclusive licensee of a subject invention to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the grantee assignee, or exclusive licensee refuses such a request, AID has the right to grant such a license itself if AID determines that:

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

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

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

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

#### k. Special Provisions for Grants with Non-profit Organizations

If the grantee is a non-profit organization, it agrees that:

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

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

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

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

(3) The grantee will share royalties collected on subject invention with the inventor; and

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

#### 1. Communications

Communications concerning this provision shall be addressed to the AID Grant Officer at the address shown on the face of this grant.

**ALTERATIONS IN GRANT**

The following alterations have been made in the provisions of this grant:

1. Change the title of Standard Provision 15\*, dated "2-82, to read:

"TERMINATION AND SUSPENSION".

2. Insert a new paragraph "(d)" in Standard Provision 15\* as follows:

(d) Suspension: Termination for Changed Circumstances. If at any time AID determines (1) that disbursement by AID would be in violation of applicable law, or (2) 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, then AID may, following notice to the Grantee, suspend this Grant and prohibit the Grantee from incurring additional obligations chargeable to this Grant other than necessary and proper costs in accordance with the terms of this Grant during the period of suspension. If the situation causing the suspension continues to pertain for 60 days or more, then AID may terminate this Grant on written notice to the Grantee and cancel that portion of this Grant which has not been disbursed or irrevocably committed to third parties. Financial settlement of this Grant shall be governed by the termination procedures specified in paragraph (c) above.

3. Delete the applicability statement in Standard Provision 16, Voluntary Participation, and substitute the following therefor:

"(This provision is applicable to all grants involving any aspect of family planning or population assistance activities.)"

4. Delete the applicability statement in Standard Provision 17, Prohibition on Abortion-Related Activities, and substitute the following therefor:

\*This is Standard Provision 5 for AID Forms 1420-53, and -54

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

5. Add the following to the last line of paragraph (a) of Standard Provision 17: "; (5) lobbying for abortion."

6. Delete paragraph (b) of Standard Provision 17 and substitute the following therefor:

" (b) No funds made available under this Grant will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortion is not precluded.

(c) The Grantee shall insert paragraphs (a), (b), and (c) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder."

7. \*Delete Paragraph (c) of Standard Provision 10A entitled "Procurement of Goods and Services Under \$250,000" and substitute the following therefore:

"(c) Geographic Source and Order of Preference

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

- (1) the United States (AID Geographic Code 000),
- (2) the cooperating country,
- (3) "Selected Free World" countries (AID Geographic Code 941),
- (4) "Special Free World" countries (AID Geographic Code 935)."

8. \*\*Delete Paragraph (d) of Standard Provision 10B entitled "Procurement of Goods and Services Over \$250,000," and substitute the following therefore:

\*This is Standard Provision 12A for AID Forms 1420-53 and -54.  
\*\*This is Standard Provision 12B for AID Forms 1420-53 and -54

"(d) Nationality. Except as specified in paragraph (c) of this provision, in order to be eligible for AID financing under this grant, suppliers, contractors, or subcontractors must fit one of the following categories:

(1) Suppliers of commodities. A supplier providing goods under this grant must fit one of the following categories for the costs of such goods to be eligible for AID financing:

(i) An individual who is a citizen or, except as provided in paragraph (d)(7) of this clause, a legal resident of a country or area included in the authorized geographic code;

(ii) A corporation or partnership organized under the laws of a country or area included in the authorized geographic code;

(iii) A controlled foreign corporation, i.e., any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock is owned by United States shareholders within the meaning of Section 957 et seq. of the Internal Revenue Code, 26 U.S.C. 957; or

(iv) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which are eligible under any of the foregoing categories.

(2) Privately owned commercial suppliers of services. An individual or a privately owned commercial firm is eligible for financing by AID under this grant as a contractor providing services only if the criteria in paragraphs (d)(2)(i), (ii), or (iii) of this provision are met and, in the case of the categories described in paragraphs (d)(2)(ii) and (iii), the certification requirements in paragraph (d)(2)(iv) are met.

(i) The supplier is an individual who is a citizen of and whose principal place of business is in a country or area included in the authorized geographic code or a non-U.S. citizen lawfully admitted for permanent residence in the United States whose principal place of business is in the United States;

(ii) The supplier is a privately owned commercial (i.e., for profit) corporation or partnership that is incorporated or legally organized under the laws of a country or area included in the authorized geographic code, has its principal place of business in a country or area included in the authorized geographic code, and meets the criteria set forth in either subparagraph (A) or (B) below:

(A) The corporation or partnership is more than 50% beneficially owned by individuals who are citizens of a country or area included in the authorized geographic code. In the case of corporations, "more than 50% beneficially owned" means that more than 50% of each class of stock is owned by such individuals; in the case of partnerships, "more than 50% beneficially owned" means that more than 50% of each category of partnership interest (e.g., general, limited) is owned by such individuals. (With respect to stock or interest held by companies, funds or institutions, the ultimate beneficial ownership by individuals is controlling.)

(B) The corporation or partnership:

(1) has been incorporated or legally organized in the United States for more than 3 years prior to the issuance date of the invitation for bids or request for proposals, and

(2) has performed within the United States similar administrative and technical, professional, or construction services under a contract or contracts for services and derived revenue therefrom in each of the 3 years prior to the issuance date of the invitation for bids or request for proposals, and

(3) employs United States citizens in more than half its permanent full-time positions in the United States, and

(4) has the existing capability in the United States to perform the contract.

(iii) The supplier is a joint venture or unincorporated association consisting entirely of individuals, corporations, partnerships, or nonprofit organizations which are eligible under paragraphs (d)(2)(i), (d)(2)(ii), or (d)(3) of this provision.

(iv) A duly authorized officer of a firm or nonprofit organization shall certify that the participating firm or nonprofit organization meets either the requirements of paragraphs (d)(2)(ii)(A), (d)(2)(ii)(B), or (d)(3) of this clause. In the case of corporations, the certifying officer shall be the corporate secretary. With respect to the requirements of paragraph (d)(2)(ii)(A), the certifying officer may presume citizenship on the basis of the stockholder's record address, provided the certifying officer certifies, regarding any stockholder (including any corporate fund or institutional stockholder) whose holdings are material to the corporation's eligibility, that the certifying officer knows of no fact which might rebut that presumption.

(3) Nonprofit organizations. Nonprofit organizations, such as educational institutions, foundations, and associations, are eligible for financing by AID under this grant as contractors for services if they meet all of the criteria listed in paragraphs (d)(3)(i), (ii), and (iii) below, and the certification requirement in paragraph (d)(2)(iv) of this clause is met. (International agricultural research centers and such other international research centers as may be, from time to time, formally listed as such by the Senior Assistant Administrator, Bureau for Science and Technology, are considered to be of U.S. nationality for purposes of this provision.) Any such organizations must:

(i) Be organized under the laws of a country or area included in the authorized geographic code; and

(ii) Be controlled and managed by a governing body, a majority of whose members are citizens of countries or areas included in the authorized geographic code; and

(iii) Have its principal facilities and offices in a country or area included in the authorized geographic code.

(4) Government-owned organizations. Except as may be specifically approved in advance by the Grant Officer firms operated as commercial companies or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof are not eligible for financing by AID under this grant as contractors.

(5) Joint ventures. A joint venture or unincorporated association is eligible only if each of its members is eligible in accordance with paragraphs (d)(2), (3), or (4) of this clause.

(6) Construction services from local firms. When the host country is an authorized source for services, and the estimated cost of the construction services is \$5 million or less, a corporation or partnership may be determined by AID to be an integral part of the local economy in accordance with AID Handbook 1B, Chapter 5, Paragraph 5D5, is eligible.

(7) Ineligible suppliers. Citizens of any country or area, and firms and organizations located in or organized under the laws of any country or area, which is not included in Geographic Code 935 are ineligible for financing by AID as suppliers of services or of commodities, or as agents acting in connection with the supply of services or of commodities, except that non-U.S. citizens lawfully admitted for permanent residence in the United States are eligible regardless of such citizenship.

(8) Special restrictions on procurement of construction or engineering services. Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, obtain the AID Grant Officer's approval for any such contract."