Subject: Cooperative Agreement No.: 72050619CA00001, Exports, Jobs and Market Linkages in Carpet and Jewelry Value Chains, under Annual Program Statement (APS) # APS-306-306-17-000003

Pursuant to the authority contained in the U.S. Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) (hereinafter referred to as "USAID" or "Grantor") hereby awards to the Turquoise Mountain Trust (TMT) (hereinafter referred to as "Recipient"), up to the sum of U.S. Dollars 10, to provide support for a program entitled "Export, Jobs and Market Linkages in Carpet and Jewelry Value Chains" as described in the Attachment B, "Program Description", and in accordance with the terms and conditions of this agreement.

This Cooperative Agreement is effective and obligation is made as of the date of this signed letter and shall apply to expenditures made by the Recipient in furtherance of program objectives during the period described in Section A.2 Period of Performance of the Agreement.

This Cooperative Agreement is made to the Recipient with the condition that the funds will be administered in accordance with the terms and conditions as set forth in 2 CFR 200 and 2 CFR 700, entitled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", Attachment A (Schedule), Attachment B (Program Description), Attachment C (Branding Strategy and Marking Plan), Attachment D (Standard Provisions), and Attachment E (Special Provisions for Afghanistan), all of which have been agreed to by your organization and incorporated into this award.

Please sign this letter to acknowledge receipt and confirm acceptance of the Cooperative Agreement, and return a scanned copy electronically by email to the Agreement Officer at
Attachment A: Schedule
Attachment B: Program Description
Attachment C: Branding Strategy and Marking Plan
Attachment E: Special Provisions Specific to Afghanistan (Assistance)

ACKNOWLEDGEMENT:
ATTACHMENT A: SCHEDULE

A.1 PURPOSE OF THE AGREEMENT

The purpose of this Cooperative Agreement is to provide support for the implementation of “Exports, Jobs and Market Linkages in Carpet and Jewelry Value-Chains,” as described in Attachment B of this Agreement entitled “Program Description”.

The recipient is responsible for ensuring the achievement of the program objectives and using its unique combination of staff, facilities, and experience has the primary responsibility for the efficient and effective administration of the award through the application of sound organization and management practices. The Recipient will assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of this award.

A.2 PERIOD OF PERFORMANCE OF THE AGREEMENT

The effective date of this Agreement is the date of the signed cover letter and the estimated completion date is April 30, 2023.

A.3 AMOUNT OF AWARD, OBLIGATION AND PAYMENT

(a) The total estimated amount of this Cooperative Agreement is

(b) USAID hereby obligates the amount of for program expenditures over the next one and a half years starting from the effective date of this award. USAID is not obligated to reimburse the Recipient for costs incurred in excess of the total obligated amount.

(c) Payment shall be made to the Recipient through periodic advance/liquidation in accordance with the procedures described in Section A.12 (2) “Financial Reporting” and the Standard Provision set forth in Attachment D of this Award entitled "Advance Payment and Refunds (2014)".

(d) Until such time as the obligated amount shall equal the total estimated amount of this Award, additional funding will be provided incrementally and the incremental funding may be obligated by USAID Agreement Officer (AO) through a unilateral modification to this award, subject to availability of funds, successful performance by the Recipient as determined by the AOR, program priorities at the time, and the requirements of 2 CFR 200.308.

(e) Subject to the terms and conditions of this award, allowable costs incurred by the Recipient during the period of performance of the award for the implementation of the subject program shall be reimbursable.

(f) The Recipient is required to notify the Agreement Officer in writing whenever it has reason to believe that the costs it expects to incur under this award in the next 60 days will exceed 75 percent of the total obligated amount.
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A.4 AWARD BUDGET

(a) The following is the summary award budget:

(b) The following is the award budget by activity:

(c) No construction activities other than those explicitly approved under the agreement may be performed as part of the cooperative agreement.

(d) The Recipient must not exceed the total estimated Federal amount or the total obligated amount of this award whichever is less. All revisions to the budget will be made in accordance with 2 CFR 200.308 and Section A.5 of this award.

A.5 AWARD BUDGET REVISION

The summary budget set forth in Section A.4 above is based on the detailed budget that the Recipient submitted with its application for this award. The Recipient shall request prior approval from the USAID Agreement Officer for the specific budget revisions described in 2 CFR 200.308.

In accordance with 2 CFR 200.308 (e) the recipient must request a modification to the award in order to transfer funds among activities as identified in A.4 (b) for Federal awards in which the Federal share of the project exceeds the Simplified Acquisition Threshold and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency. The Federal awarding agency cannot permit a transfer that would cause any Federal appropriation to be used for purposes other than those consistent with the appropriation.

A.6 INDIRECT COST

Allowable indirect costs shall be reimbursed in accordance with 2 CFR 200.414 (f) at a de
minimis rate of 10% of modified total direct costs (MTDC). MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each sub-award (regardless of the period of performance of the sub-awards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each sub-award in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the Cognizant agency for indirect costs.

A.7 AGREEMENT OFFICER’S REPRESENTATIVE (AOR)

A.8 SUBSTANTIAL INVOLVEMENT

USAID’s substantial involvement during the implementation of this award is limited to the following areas:

a. Approval of the Recipient’s Implementation Plans
Within 30 calendar days of the signing of the cooperative agreement, TMT will submit a draft implementation plan (work plan) for year one and submit for USAID review, and provide a final work plan within seven days of receiving AOR comments. Draft implementation plans for consecutive years, must be submitted within 30 calendar days of the end of the preceding year.

The AOR is delegated authority to review and approve implementation plans under this award. The AOR will review the agreement’s terms and conditions to ensure that changes to the terms and conditions of the award are not inadvertently approved.

b. Approval of Specified Key Personnel
The following key personnel are approved for the implementation of Exports, Jobs and Market Linkages in Carpet and Jewelry Value-Chains under this award:

The recipient requires USAID Agreement Office’s prior approval to change or replace the above listed key personnel. For the purposes of 2 CFR 200.308(c)(3), the COP serves as the approved “project director.”

c. Agency and Recipient Collaboration or Joint Participation

(1) Monitoring and Evaluation Plan:
a. In addition to the government institutions and recipient’s own monitoring,
a third party monitoring (TPM) will be used to monitor the assistance, including the construction activity. The information gathered during the TPM will be used to understand how implementation changes over time, adjust and improve programmatic approaches. The Recipient must submit an Activity Monitoring and Evaluation Plan (AMEP) to the AOR for approval within 60 days of award. A final plan must be submitted within seven days of receiving AOR comments. AOR approval must be obtained prior to any significant changes or revisions thereto. The monitoring and evaluation plan must include relevant F indicators and custom project indicators, disaggregated as appropriate. Disaggregation should take into account gender, age (youth), and refugee/returnee populations.

b. Review of and Non-Objection to Standard Engineering Designs and/or Construction Drawings: Prior to commencement of any construction activities, the Recipient must submit to USAID for review and approval all relevant engineering designs, drawings, catalogue/vendor cut sheets, and/or detailed written specifications for all major work items as identified in the “Limiting Construction Activities” provision. This must include, but is not limited to: waste water treatment plants and Jewelry facility design drawings and specifications; foundation, wall, and roof structural cross sections; drawings for standard ramps and handrails; and technical specifications for all mechanical/electrical work such as plumbing and installation of lighting, air conditioning, and ventilation equipment.

c. Review of and Non-Objection to Detailed Construction Cost Estimates: For each major work item specified in the “Limiting Construction Activities” provision, the Recipient must submit a detailed unit price cost estimate for review and approval by the USAID, showing the breakdown of material, equipment, and labor, including any applicable costs for profit and overhead. This estimate should make allowance for potential cost increases due to inflation, quantity variations, unforeseen site conditions, and/or other relevant risks that could be encountered over the life of this Agreement.

d. Approval of Construction Implementation Plan or Approach: USAID must approve the recipient’s Construction Implementation Plan or Approach and any revisions.

(2) Direction or Redirection:
USAID reserves the right to agency monitoring to authorize specified kinds of direction or redirection because of interrelationships with other projects. All such activities must be included in the program description, negotiated in the budget, and made part of the award.

(3) Concurrence on the Substantive provisions of Sub-awards:
2 CFR 200.308 already requires the recipient to obtain the AO’s prior approval for the sub-award, transfer, or contracting out of any work under an award. This is generally limited to approving work by a third party under the agreement. In compliance with this provision, the recipient must submit a draft grants manual for AO review and approval for all sub-awards, including grants in-kind, within 60 days
of award. Upon AO approval of the grants manual, the requirements of 2 CFR 200.308(c)(6) are waived for sub-awards valued below the simplified acquisition threshold (SAT), including grants in-kind, however electronic copies of all sub-awards must be provided to the AOR. The requirements of 2 CFR 200.308(c)(6) will remain in place for the sub-award, transfer, or contracting out of work with a cumulative value that exceeds the SAT. This does not preclude requirements related to approval of non-expendable property, IT equipment, etc.

d. Agency Authority to Immediately Halt a Construction Activity
USAID has the authority to stop work at any project site due to any observed or reported conditions of unsatisfactory quality of workmanship, violations of health and safety requirements, or adverse security situations.

A.9 TITLE TO PROPERTY

Title to property under this cooperative agreement shall vest with the Recipient in accordance with Attachment D, Standard Provision M.7.

A.10 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for the implementation of this program is 935 ((any area or country including the recipient country, but excluding any country that is a prohibited source). The Recipient must provide within 90 days after each procurement, an informational copy of the documentation to the AOR to be included in the award file.

A.11 COST SHARING

TMT agrees to provide cost sharing through innovative partnerships and through the leveraging interests of other Donors and Partners to achieve shared objectives. TMT has committed to ensuring a cost-share contribution of 1% of all federal funds expended (approximately, Cost share commitments are legally binding.

A.12 PROGRAM INCOME

The Recipient must account for Program Income in accordance with 2 CFR 200.307 (or the Standard Provision entitled Program Income for U.S. Non-Governmental Organizations). Program Income earned under this award must be added to the project

A.13 SUBAWARD

The following sub-awards have been approved:

Note: The above sub-awards are approved with the understanding that award cannot
be made until the Recipient receives a Notice of Eligibility for the respective organization in accordance with the Vetting Mission Order # 201.6 and Special Provision listed in Section E.5.

A.14 REPORTING REQUIREMENTS

The Recipient must submit periodical financial and performance reports as listed below:

(1) Quarterly Performance Reports:
   The recipient must submit a brief draft quarterly performance report to the AOR within 30 calendar days after the end of each USAID fiscal quarter reflecting results and activities of the preceding quarter. The report must describe the plan for the reporting period and assess overall progress for that period in relation to agreed-upon performance indicators for that quarter. The final quarterly performance report must be submitted within 7 calendar days upon receipt of AOR comments. The report for the fourth quarter will be included in the Annual Report. In accordance with 2 CFR 200.328, performance reports shall be concise, but also present the following information:

   • A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate, and when the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

   • Progress made toward established benchmarks and result indicators of development impact, as discussed in the program description of this award and detailed in the Recipient's AMEP.

   • Reasons why established goals were not met, if appropriate.

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

   • In addition, qualitative descriptions of success stories and achievements to illustrate impacts of the program must be included when possible.

   • Significant developments. Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity. In such cases, the non-Federal entity must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:
     - Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
     - Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or
beginning any construction activities. This plan must include the following details:

- Construction program description or scope of work with a statement that all designs must comply with International Building Code of 2009 (or current version).
- Site Supervision and Quality Assurance Approach: The Recipient must describe, in appropriate detail, its plan to provide adequate oversight of all construction work accomplished by direct hire personnel or by subcontract/subgrant and strict adherence to relevant design codes and specifications.
- Worksite Health and Safety Approach: The Recipient must describe, in appropriate detail, its plan to ensure the safety and avoid negative health impacts to all workers, beneficiaries, and community members associated with this project. In addition, the Recipient must identify one member of its project team as the primary health and safety manager/point of contact.
- Construction Scheduling: The Recipient must include a concise (“roll up”) master project schedule in Gantt chart format showing the planned start date and completion date for work at each construction project site, and include plans for ongoing scheduling.
- Sub-contract Approach: The Recipient must describe in narrative or table format, its plan to subcontract any portions of construction work. This plan must clearly explain the competitive process which will be used to select qualified construction contractors to ensure they are within the range of fair market price.
- Environmental Due Diligence Approach [may not be needed at onset]
- Gender Considerations During Construction

(5) Gender Analysis:
Within the first 60 days of the award, the Recipient must submit a gender analysis report, the contents of which will be agreed to in coordination with the AOR and USAID’s Gender Equality Policy.

(6) Annual Report:
The Activity annual reporting period must coincide with the Mission’s annual reporting period that ends on September 30th. The recipient must submit a draft report, capturing results in a format agreed with by the AOR. The AOR will provide comments on the draft Annual Report and the recipient must then submit a final report to the AOR for approval. The final format of the report must be agreed upon in consultation with the AOR, however they should not include less than the information provided in the quarterly report.

(7) Final Report:
The final report must be submitted within 30 days of the end of the activity.

A.15 CLOSEOUT PLAN

Ninety (90) calendar days prior to the completion date of the Cooperative Agreement, the Recipient shall submit a Closeout Plan to the AOR and the Agreement Officer. The closeout plan shall include, at a minimum, an illustrative Property Disposition plan, a delivery schedule for all reports or other deliverables required under the agreement, and a time line for completing all required actions in the closeout plan, including the submission date of the final
property disposition. The closeout plan shall be approved in writing by the AOR.

A.16 ENVIRONMENTAL COMPLIANCE

Per the Agency's Initial Environmental Evaluation, the TMT has been given a Recommended Threshold Determination of "Negative Determination with Conditions" for Exports, Jobs and Market Linkages in Carpet and Jewelry Value Chains." For the following activities specific actions are required to ensure compliance with USAID environmental regulations:

Exports, Jobs, and Market Linkages in the Carpet and Jewelry Value-Chains will implement its proposed program/economic growth strategy through the following areas of activity on the supply side:

1) Integration of Carpet Producers and Jewelers into International Value-Chains:

   • Technical Capacity:
   Afghan carpet producers and jewelers do not consistently produce to the quality standard of the international market due to inadequate technical knowledge and resources as well as limited access to high quality raw materials. TMT to provide technical support to Afghan carpet producers including areas such as dyeing, washing, and finishing, and jewelers to consistently produce to the quality standard of the international market and bridge the gap for both sectors to multiple sources of access to high quality raw materials such as connecting carpet producers to local wool suppliers.

   • Design:
   A lack of local design capacity persists in the carpet and jewelry sectors. This includes limited ability to create new designs as well as a sparse understanding of international design trends. TM will connect carpet producer companies and jewelers with the resources design centers in Afghanistan as well as exposing them to international design trends.

   • Business Processes:
   Carpet producer companies and jewelers have limited systems in place, restricting their ability to do business internationally. TMT will support carpet producer companies and jewelers in the creation and usage of systems that facilitate international trade.

2) Integration of Weavers into the International Value-Chain:

   • Technical Skills:
   Many weavers lack the technical skills to meet international quality and technical specifications. Working together with carpet producer companies, Turquoise Mountain will offer technical training to weavers to improve and expand their weaving techniques.

   • Organization of Weavers:
The majority of weavers are home-based allowing for only limited supervision, and technical training and support. TMT will help the creation of weaving centers where the consistency and reliability of production could be guaranteed.

3) Social and Environmental Responsibility in the Carpet and Jewelry sectors:

- **Working Conditions:**
  Working conditions of weavers and jewelers are often poor and do not comply with international labor and fair trade standards. TMT will partner with Label STEP to raise awareness among producer companies and jewelers about international labor and fair trade standards to improve working conditions.

- **Weaver Wages and Economic Vulnerability:**
  The majority of weavers receive below market and living wages, and wages are often not paid directly to (predominantly female) weavers. Label STEP will communicate market and living wage levels to producers and monitor wages paid to beneficiaries whilst lobbying for direct wage payment.

- **Environmental Issues:**
  Environmentally safe practices at carpet production sites and jewelry workshops are not guaranteed, and waste management facilities are lacking. Label STEP will focus on the environmental aspects of the carpet and jewelry production processes, including the safe disposal of waste water and waste management in general, and compliance with international standards, also taking into account USAID’s environmental requirements. Where international standards do not exist, or have not yet been fully adapted to the Afghan context, Label STEP will research and develop these.

- **Fair-Trade or other Certification:**
  Few Afghan carpet producer companies and jewelers are certified. For jewelers, certification criteria have not yet been established. Label STEP will carry out verification visits to all producer companies that are part of the project and will measure producers against internationally-recognized standards.

4) International Awareness about the Afghan Carpet and Jewelry Industries:

- **International buyers and consumers are not fully aware of the production possibilities in the Afghan carpet and jewelry sectors and their unique offering of handmade products. TMT will run an International awareness campaign to buyers and consumers through various channels to promote Afghan carpets and jewelry sectors and their unique offering of handmade products.**

5) Sales and Exports of Finished Afghan Carpet and Jewelry Products:

- **Direct-to-Market Sales:**
  Very few finished Afghan carpet and jewelry products are sold directly to clients within the international market. TMT will help carpet producers and jewelers to improve their customer responsiveness, and connect them directly and indirectly to international buyers/markets through different channels.
6) International Order Fulfilment in the Afghan Carpet and Jewelry Sectors:

- **Client Communications:**
  Order communications are often haphazard and unprofessional. TMT will train producer companies and jewelers in client liaison and communications, and technically assists carpet producers in setting up quality control processes that ensure orders meet quality standards.

- **Quality Control:**
  Quality control systems are often not in place, or inconsistent.

- **Shipping and logistics:**
  Freight options from Afghanistan are expensive and unreliable. TMT will help producers companies and jewelers to use its existing air freight relationships, and will continue to work on more affordable air freight options.

**Conditions for support are as follows:**

**Categorical Exclusion:**
The following activities are categorically excluded and no action is required:

- International awareness about the Afghan carpet and jewelry industries;
- Sales and exports of finished Afghan carpet and jewelry products; and
- International order fulfilment in the Afghan carpet and jewelry sectors.

**Negative Determination with Conditions:**
The following activities may have environmental, health and social impact which need to be mitigated:

1. **Integration of Carpet Producers and Jewelers into International Value-Chains:**
   **Technical Capacity, Design, Business Processes:**

   **Conditions:**
   1. All applicable safety standards based on international standards and in line with all applicable Afghan regulations shall be adhered to in carpet repairing and washing and jewelry making, including sustainable carpet certification based on NDF/ANSI 140 certification standard\(^1\) and those relating to forced labor\(^2\).

   2) For Jewelry, all applicable regulations and standards relating to “conflict minerals” shall be adhered to\(^3\).

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3) All waste including waste water from washing carpets shall be disposed of in accordance with industry best practices and in line with all applicable Afghan regulations.

4) Implementer shall develop a Standard Operating Procedure (SOP) in Dari and Pashto (or other languages, as applicable) detailing environmental and personal safety guidelines, to be reviewed by MEO and AOR within 60 days of signing the award. Safety standards will include availability of an adequate number of Medical Kits and Fire Extinguishers, and appropriate number of Fire Exits.

5) Any pest control practices (e.g. for rodents or other storage pests) including FUMIGATION shall be reviewed by MEO. This includes the use of pesticides that shall comply with the 2016 USAID Afghanistan P-PERSUAP, amended in 2018. All safety measures and training requirements shall be adhered to.

6) The facilities to be operated by TMT or its supported businesses shall have adequate potable water and sanitation facilities for male and female employees, in accordance with international best practices and in line with all and any applicable Afghan regulations.

7) For office and warehouse refurbishment, if any:
   a) All industry best practices shall be adhered to, including sound and safe waste disposal in accordance with local regulations and use of all applicable personal protective equipment (PPE).
   b) No lead containing paint shall be used.
   c) No asbestos shall be used.
   d) If older material containing asbestos will be removed from the facility, all applicable safety and disposal standards shall be adhered to. MEO shall be informed before such removal shall take place.

2. Integration of Weavers into the International Value-Chain:
   • Technical skills, Organization of weavers:

   Condition:
   Technical training on weaving techniques shall incorporate applicable occupational health and safety and environmental standards. COR and MEO shall review.

3. Social and Environmental Responsibility in the Carpet and Jewelry Sectors:
   • Working conditions, Weaver wages and economic vulnerability, Environmental issues, Fair-trade or other certification:

   Condition:
   Technical training on weaving techniques shall incorporate applicable occupational health and safety and environmental standards. COR and MEO shall review.

CLIMATE CHANGE RISK SCREENING:
Climate risk screening review confirmed that this activity has a LOW vulnerability rating to climate change because it is dealing primarily with building capacity in building trade linkages that are not directly impacted by the negative effects from climate change. Nevertheless, some opportunities and management options have been identified; these are in the areas of awareness rising.

### A.17 SPECIAL AWARD CONDITIONS

<table>
<thead>
<tr>
<th>Finding No.</th>
<th>Risk Assessment Finding</th>
<th>Mitigating Action</th>
<th>Verifiable indicators</th>
<th>Due date</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>TMT policies indicated that variance reports are prepared and shared among project managers on a monthly basis. However, there is no reference to the actions to be taken if variances are material or exceed the 10% threshold flexibility.</td>
<td>The Finance or Operations manual should include internal controls/procedures to prevent a budget line item from being exceeded and describe steps to be undertaken if a budget line item is exceeded.</td>
<td>Amended Operations and Finance Manuals that include the listed mitigation action and evidence of implementing it.</td>
<td>3 months from the signing of the Agreement</td>
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<tr>
<td>2</td>
<td>Manuals /Policies are revised in an ad-hoc manner without appropriate management approval. For example, the initial TMT Operation and Finance Manual received, did not include audit recommendations follow-up procedures. After the team requested additional documentation on the subject issue, TMT submitted a page describing the audit follow-up process.</td>
<td>Any amendment to the policies or procedures should be approved by management, as required in the operations manual to ensure due process and transparency. These manuals should also clearly state the date such documents were prepared, modified, and/or approved for tracking purposes.</td>
<td>1. Amended Operations manual that include the requirements for documenting the amendment process. 2. Corrective action plan to avoid the amendment of policies/procedures without the due process to ensure transparency.</td>
<td>3 months from the signing of the Agreement</td>
</tr>
<tr>
<td>3</td>
<td>TMT’s finance manual indicates that, to the extent possible, payments will be made via bank transfers and that cash payments may be made to keep the operations running efficiently due to the</td>
<td>The finance manual should be revised to clearly indicate that cash payments should not exceed a defined monetary value, and preferably, be limited to small value procurements only.</td>
<td>Amended Finance Manual that include the listed mitigation action and evidence of implementing it.</td>
<td>3 months from the signing of the Agreement</td>
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<tr>
<td>Finding No.</td>
<td>Risk Assessment Finding</td>
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<td>4</td>
<td>TMT’s finance manual states that a monthly bank reconciliation needs to be performed with adequate approvals. However, the manual fails to mention the actions to be taken for old reconciling items (e.g. items older than 60 days).</td>
<td>The finance manual should include procedures to manage bank reconciling items to prevent the accounting system from showing erroneous balances and to ensure that reconciling items are closed in a timely manner.</td>
<td>Amended Finance Manual that include the listed mitigation action and evidence of implementing it.</td>
<td>3 months from the signing of the Agreement</td>
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<td>5</td>
<td>TMT’s sub-award policies and procedures involve applying the donor’s terms and conditions to the sub-awardees and are briefly documented in a short Sub-Contracting Manual covering; selection process, assessment, donor approval, reporting, closure and records, and the legal agreement requirements and regulations. The manual does not elaborate on the criteria for determining the type of sub award or type of recipient, the award process from application to approval by the donor including; cost and price analysis, negotiations, and vetting. Further,</td>
<td>TMT should expand its Sub-Contracting manual to include in detail all the steps/processes (eligibility criteria, award process, and award administration which include approval of the sub-awardees’ key personnel, monitoring performance during the implementation phase, communication, payments, termination and suspension, branding and marking and documentation) to ensure proper oversight of its sub awardees</td>
<td>Amended Sub-contracting manual that include the listed mitigation action and evidence of implementing it.</td>
<td>3 months from the signing of the Agreement</td>
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<td>Finding No.</td>
<td>Finding</td>
<td>Mitigating Action</td>
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<td>6</td>
<td>There is a contradiction between the operations and finance manuals with regards to the requirement for quotations. The threshold prescribed under the finance manual (page # 17) for requesting quotations is for purchases above $200 for a single item and $400 for multiple items. In the operations manual (section 4.1.3 - page # 30), the threshold for requiring quotations is above $1,000 for a single item and $2,000 for multiple items.</td>
<td>TMT needs to revise its operations and finance manuals, particularly the sections describing the requirements for quotations, to ensure uniform guidance on how and when quotations should be requested.</td>
<td>Amended Operations and Finance Manuals that include the listed mitigation action and evidence of implementing it.</td>
<td>3 months from the signing of the Agreement</td>
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<tr>
<td>7</td>
<td>The operations manual indicates that TMT monitors the working hours of its staff to ensure an efficient working environment. However, the policy does not require signed timesheets from the employees nor does it require their cognizant supervisors to verify worked days/hours.</td>
<td>TMT should update the operations manual to include timesheet approval by both the employees and their supervisors to document worked hours. TMT should also provide clear instructions in their operations manual on how the staff time will be apportioned to different activities when an employee works on more than one activity at a time.</td>
<td>Amended Operations Manuals that include the listed mitigation action and evidence of implementing it.</td>
<td>3 months from the signing of the Agreement</td>
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different beneficial results than originally planned.

- The Annual Performance Report must include an update on land access acquired for use by beneficiaries in line with the approach described in the program description, specifically for Components 1 & 2. It should highlight successes and problems, and be clear about the expected ability to meet or exceed performance objectives within the period of performance as a result of land access obtained during each performance year. Continued funding of these components is contingent upon sufficient progress in beneficiary access to necessary land to engage in the activities described in Attachment B.

(2) Financial Report:

(I) Reporting of Expenditures

(A) Financial reporting requirements shall be in accordance with the Standard Provisions set forth in Attachment 3 of this Award entitled "Payment -- Advance. Electronic copies (scanned PDF document) to be submitted.

(B) Financial reports shall be submitted to the payment office indicated in Section C. under Accounting and Appropriation Data. In addition, one copy shall be submitted to the AOR.

(i) SF-1034, "Public Voucher for Purchases and Services Other Than Personal," supported by the Statement of Certified Cash Needs Report shall be used to request advance payments of estimated expenditures (the form shall be marked to indicate that it is a request for advance) and, in accordance with the aforementioned Standard Provision, shall be submitted monthly; and,

(ii) SF-1034 supported by the Certified Fiscal Report shall be used to report actual expenditures and liquidate the advances, and, with the exception of the final financial report, shall be submitted not later than 30 days after the end of each month. The final financial report shall be submitted not later than 90 days after the estimated completion date of this Award.

(C) The SF-1034 form and instructions are available on the internet at: https://www.usaid.gov/forms/sf-1034. If the Recipient is unable to obtain this form and the instructions via the internet, they will be made available by the AOR.

(3) Environmental Monitoring and Evaluation Plan (EMEP):

The Recipient must submit an EMMP within 30 days of award and report against it in the Quarterly Performance Reports.

(4) Construction Implementation Plan/Approach

The Recipient must submit for approval a concise and detailed Construction Implementation Plan covering planned construction activities in the award before
Progress against these Special Award Conditions as laid out above shall be reviewed by USAID’s Office of Financial Management, the Agreement Officer’s Representative and the Agreement Officer. Lack of sufficient progress per the submission deadlines above is ground to hold on future obligations of funds under this award.

The recipient is required to submit an action plan to the AOR, 30 days after award outlining how the above conditions will be addressed.

A.18 RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Award shall be resolved by applying the following in descending order of precedence:

1. Attachment A – Schedule
2. 2 CFR 200 and 2 CFR 700
5. Attachment B - Program Description
6. Attachment C – Branding Strategy and Marking Plan

[END OF ATTACHMENT A]
ATTACHMENT B - PROGRAM DESCRIPTION

Exports, Jobs and Market Linkages in the Carpet and Jewelry Value-Chains

ACRONYMS

AJCP       Afghanistan Jobs Creation Program
BLT        Building Livelihoods and Trade
CDCS       Country Development Cooperation Strategy
CLA        Collaboration Learning Adapting
GNDR       Gender
DQA        Data Quality Assessments
EG         Economic Growth
HR         Human Resources
IDP        Internally Displaced Person
MEL        Monitoring Evaluation Learning
M&E        Monitoring & Evaluation
MIS        Management Information System
MSME       Micro, Small and Medium Enterprise
PIRS       Performance Indicator Reference Sheets
PMI        Performance Management Indicator
TM         Turquoise Mountain
TMT        Turquoise Mountain Trust
USAID      United States Agency for International Development
WG         Weaver Group
WR         Weaver Representative
EXECUTIVE SUMMARY

Afghanistan is at a pivotal and difficult point in its history, and job and export growth has never been more important. Across the developing world the artisan sector is a major driver of growth and jobs, producing for a vast and rapidly expanding international market in ethical, sustainable, and luxury goods: the global handicrafts market was $395.6 billion in 2014 and is estimated to grow to over $707.2 billion in 2019.\textsuperscript{4} In Afghanistan, as elsewhere, the artisan sector is the second largest employer after agriculture employing some 1.6 million Afghans.\textsuperscript{5}

The carpet and jewelry sectors have some of the highest potential for job and export growth, and Turquoise Mountain has a decade of experience, a network of producers and buyers, and a successful pilot to make a significant impact on jobs and exports. The \textit{Exports, Jobs, and Market Linkages in the Carpet and Jewelry Value-Chains} program supports the Afghan carpet and jewelry sectors as major drivers of broad-based economic growth and sustainable employment in Afghanistan. The goal of the program is to create jobs and exports within the carpet and jewelry sectors, driving $20 million in direct-to-market sales of finished Afghan carpet and jewelry products ($19 million in sales of carpets and $1 million in sales of jewelry), and supporting 5,000 new jobs, particularly for women.

In order to realize this goal Turquoise Mountain’s program is designed to address bottlenecks identified within six focus areas of the carpet and jewelry value-chains. Turquoise Mountain will:

1) \textit{Integrate carpet producer companies and jewelers into international value-chains} so that they are able to consistently meet international quality requirements with products of the right technical specification; innovate and produce designs that cater to key international market tastes; and do business with international clients in a manner that is professional, seamless, reliable, and reflects industry standards.

2) \textit{Integrate weavers into the international carpet value-chain} so that weavers are able to consistently meet international quality and technical specification demands.

3) \textit{Increase social and environmental responsibility within the Afghan carpet and jewelry sectors} so that weavers and jewelers work in better conditions, receive at least market wages and are economically less vulnerable; engage in working practices that do not damage the environment and conform to international standards; and enjoy certification.

4) \textit{Raise awareness and change perceptions about the Afghan carpet and jewelry industries in the global market} so that international buyers view Afghanistan as a viable production country for their products and consumers show an interest in Afghan carpet and jewelry products.

5) \textit{Convert potential interest from key buyers into high-volume and high-value orders for Afghan carpets and jewelry products} so that sales and exports of Afghan carpet and

\textsuperscript{4} Technovia, Global Handicrafts Market 2015-2019 Report
jewelry products increase.

6) Streamline and improve international order fulfillment within the Afghan carpet and jewelry sectors so that international buyers find it seamless, reliable, and professional to source from Afghanistan and place repeat orders.

**Approach:**
Turquoise Mountain's approach, based on integration of the carpet value-chains, is born out of a model that has proven crucial in growing carpet industries in regional production countries such as Turkey, India, and Nepal. Central to this approach is the construction of weaving centers alongside on-site design, dyeing, washing and finishing facilities, which bring all production processes under the supervision of a single producer company who can then respond to and meet the standards of the international market at a higher level, attracting and sustaining higher value direct-to-market exports.

**Implementation Partners:**
Turquoise Mountain believes that implementation is the strength that it and its partners bring. Turquoise Mountain has worked successfully from its base in Afghanistan for over a decade, implementing complex and ambitious projects, and building up its networks in the craft industry, government and beyond. Sustained relationships with Afghan carpet producer companies and jewelers, and across the global handmade carpet and jewelry wholesale and retail markets, will be leveraged for this project. Three international partners will bring also their expertise to the project: Label STEP (established fair-trade verifiers and trainers), GOLIN (renowned public relations firm), and HALI & COVER (the leading carpet trade magazines in the U.S. and Europe).

**Sustainability:**
Sustainability beyond the award is built into the core of the program: all activities are designed to improve, empower, and enable the actors driving the carpet and jewelry sectors in Afghanistan to ensure that they have the capacity to continue to respond to the needs of international buyers, and thus to ensure that international buyers are more likely to embark on sustainable commercial relationships with those producers. The role of Turquoise Mountain beyond the award is that of a platform that aggregates Afghan supply of carpet and jewelry products for the international market, and as a stakeholder that continuously exposes producer companies and jewelers to the highest quality and order fulfillment standards.

**Environmental Impact Review:**
The aim of the program’s environmental responsibility activities is not only to minimize its environmental impact but to improve environmental practices in Afghanistan’s carpet and jewelry industries, and to ensure that carpet and jewelry producers meet the requirements of international buyers. Environmental safeguards are, therefore, built into the program’s design: environmental issues will be systematically analyzed and deficiencies addressed. Systematic monitoring by our partner Label STEP will warrant producers’ compliance with international standards, Afghan laws and regulations, and USAID environmental policies.

**Gender:**
Women play a crucial role in the carpet sector, forming the vast majority of weavers. Improving
the carpet sector in Afghanistan thus offers opportunities to impact gender equality in employment and other income generating activities. The creation of weaving centers, in particular, provides a great opportunity: weaving centers enable female professional development, and increase the likelihood of direct wage payment as well as better working conditions.

Turquoise Mountain has laid the foundations of this program, having piloted many of the activities for years with a select number of carpet producer companies and jewelers in Afghanistan as well as with top international designers, buyers, trade experts and technical specialists within USAID-funded Re-branding Afghanistan: Creating Jobs, Changing Perceptions, Empowering Women (RACCEW) program as well as a World Bank-funded pilot, with strong results. We are now in an unique position with a set of trusted producers and buyers that has already stimulated sales directly and allows Afghan producers and jewelers to access market feedback instantly. With a strong foundation in place, and palpable interest for Afghanistan’s offering, now is the time to scale impact on jobs and exports.

Technical Approach

1. Background

Across the developing world the artisan sector is a major driver of growth and jobs, producing for a vast and rapidly expanding international market in ethical, sustainable, and luxury goods: the global handicrafts market was $395.6 billion in 2014 and is estimated to grow to over $707.2 billion in 2019. In Afghanistan, as elsewhere, the artisan sector is the second largest employer after agriculture employing some 1.6 million Afghans.

The two most promising avenues for the creation of jobs and exports within the artisan sector are carpets and jewelry. In carpets, Afghanistan has the raw materials, skills, labor force, and heritage to be a major global player, and is already a recognized producer. In the global carpet industry, demand for handwoven carpets is increasing, while supply in traditional production countries such as Turkey and Iran is on the wane, due to urbanization, rising production costs, or sanctions. Afghanistan thus has a unique opportunity to position itself as a leading producer for handmade carpets, alongside Nepal and India. At the same time, as the Afghan and U.S. governments continue to invest in the extractives industry, it will become increasingly important to ensure that Afghanistan has skilled jewelers and gem cutters in-country, able to add value to those natural resources and leverage past and future investments in gem stones. Best-in-class methods in both industries from Nepal, India and Turkey can and will be adapted to the Afghan context. There is proof of concept for these industries, due to the work of many, including Turquoise Mountain with USAID support. The challenge now is to convert potential and interest into transactions, at higher volume and higher value, to accelerate economic growth and create a large increase in sustainable employment.

The Problem and the Opportunity:

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6 Technovia, Global Handicrafts Market 2015-2019 Report
• "If I need something complicated or fast, I go to India. They can turn around a sample in four weeks, and I can update designs instantly." - Matt Bourne, Carpet Designer and Buyer, UK

• In 2016, roughly 1 million square meters or US$50 million worth of Afghan carpets were exported to Pakistan, where washing and finishing was done, with an average export value of $52 per square meter. From Pakistan, they were exported to international markets—without mention of their Afghan provenance. Only 50,000 square meters or US$4.5 million were directly exported as finished carpets from Afghanistan to international markets, representing an almost double per square meter value of $91.8

• Afghanistan has millions of dollars’ worth of gem stones in the ground, but licit exports of gems and jewelry remain in the hundreds of thousands of dollars per year.9

These quotes and statistics hint at the problems, which include:

**In Exports:**
Difficulties converting interest to signed contracts and winning repeat orders due to slow sampling and product development; poor client liaison throughout sampling, design and quotation processes; non-responsive design interpretation; uncompetitive shipping costs; lack of responsiveness to market trends.

**In Jobs:**
A lack of vertical integration and consequently disaggregated supply chains; delays and communication difficulties; unnecessary additional costs from intermediaries; distance between producers and customer adding to a lack of responsiveness; limited infrastructure for later stage value addition (washing and finishing carpets, gem-cutting and jewelry skills, quality control, shipping and logistics).

The same statistics, however, also represent the opportunity: by addressing the problems that keep Afghanistan behind other regional producer countries such as Nepal and India, exports of higher value finished products can grow significantly. Turquoise Mountain has learned that it is possible to stimulate international demand for high-quality carpets and jewelry, but in most cases customers will continue to source repeatedly only if the process is at least as smooth as their options, for example, in Jaipur in the case of jewelry, and other parts of India in the case of carpets. This is the message we have heard very clearly from buyers, and which is the key to achieving sustainability of exports and jobs; they will continue to place orders year after year only if the process is seamless, professional, and reliable.

By following the best-in-class models that have made the Indian and Nepalese carpet industries successful, and which have been piloted in Afghanistan, Turquoise Mountain will address the problems and consolidate the value-chains within Afghanistan. This will bring weavers, producer companies, and jewelers closer to the international market and make them more responsive.

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8 According to the Afghan Carpet Exporters’ Guild, and corroborated with Label STEP contacts in Lahore and Peshawar.

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while improving working conditions for them and creating a higher value finished product that can satisfy client standards and generate repeat orders. With a simultaneous internationally focused drive to stimulate demand, this will result in increased and sustained exports in these two key sectors.

2. **Program Goals and Objectives:**

The overall goal of the *Exports, Jobs, and Market Linkages in the Carpet and Jewelry Value-Chains* program is to create Afghan carpet and jewelry sectors that are major drivers of broad-based economic growth and sustainable employment in Afghanistan. In order to achieve this goal, Turquoise Mountain has set itself the following two primary objectives:

- Drive $20 million (carpets $19 million, jewelry $1 million) in direct-to-market exports of finished Afghan carpet and jewelry products by 2022.
- Create 5,000 new jobs in the carpet and jewelry sectors in Afghanistan, over half of which are for women by 2022.

3. **Program Statement**

3.1 **Introduction:**

The program will have a duration of four years and two months. The level of effort, budget-wise, for carpet jobs and exports is approximately 84% for carpets, for jewelry it is 16%. Although the bulk of effort is directed towards the carpet component, the level of effort does not correspond exactly to the targeted exports ($19 million for carpets and $1 million for jewelry), and reflects the relative maturity of the carpet sector versus the jewelry sector. The proportionally higher level of effort for jewelry is justified because of the importance of creating in-country capacity to add value to the extractives wealth in the ground. Regarding the project's geographical scope, most effort is geared towards rural and peri-urban areas in the north, west, and center of Afghanistan (Balkh, Jawzjan, Herat, Bamyan) where major carpet producers are based. In jewelry, the work will be done predominantly, but not exclusively, in Kabul where the most promising jewelry workshops are located.

3.2 **Bottlenecks and Areas of Activities:**

The World Bank-supported *Afghan Carpet Sector Gender-Sensitive Value-Chain Diagnostic*, authored by Turquoise Mountain and its partner Label STEP in June 2017, shows that integrating value-chains is key to increasing employment and exports, and thus to stimulating broad-based economic growth. The Diagnostic also identifies bottlenecks that presently hamper integration - and thus limit job creation and exports - in six areas of activity of the carpet value-chain, three on the supply-end and three on the demand-end. A decade of experience promoting Afghan jewelry has shown Turquoise Mountain that these bottlenecks apply also to the jewelry value-chain (with the exception of weaver integration). The bottlenecks in the areas of activity on the supply side...
are:

1) **Area of activity: Integration of carpet producers and jewelers into international value-chains.**

**Technical capacity:**
Afghan carpet producers and jewelers do not consistently produce to the quality standard of the international market due to inadequate technical knowledge and resources as well as limited access to high quality raw materials.

**Design:**
A lack of local design capacity persists in the carpet and jewelry sectors. This includes limited ability to create new designs as well as a sparse understanding of international design trends.

**Business processes:**
Carpet producer companies and jewelers have limited systems in place, restricting their ability to do business internationally.

2. **Area of activity: Integration of weavers into the international value-chain.**

**Technical skills:**
Many weavers lack the technical skills to meet international quality and technical specifications.

**Organization of weavers:**
The majority of weavers are home-based allowing for only limited supervision, and technical training and support.

3. **Area of activity: Social and environmental responsibility in the carpet and jewelry sectors.**

**Working conditions:**
Working conditions of weavers and jewelers are often poor and do not comply with international labor and fair-trade standards.

**Weaver wages and economic vulnerability:**
The majority of weavers receive below market and living wages, and wages are often not paid directly to (predominantly female) weavers.

**Environmental issues:**
Environmentally safe practices at carpet production sites and jewelry workshops are not guaranteed, and waste management facilities are lacking.

**Fair-trade or other certification:**
Few Afghan carpet producer companies and jewelers are certified. For jewelers, certification criteria have not yet been established.

The bottlenecks in the areas of activity on the demand side are:

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10 Wages are usually paid as a piece rate per square meter of woven carpet.
1. **Area of activity: International awareness about the Afghan carpet and jewelry industries.**

International buyers and consumers are not fully aware of the production possibilities in the Afghan carpet and jewelry sectors and their unique offering of handmade products.

2. **Area of activity: Sales and exports of finished Afghan carpet and jewelry products.**

*Direct-to-market sales:* very few finished Afghan carpet and jewelry products are sold directly to clients within the international market.

3. **Area of activity: International order fulfilment in the Afghan carpet and jewelry sectors.**

*Client communications:* order communications are often haphazard and unprofessional.

*Quality control:* quality control systems are often not in place, or inconsistent.

*Shipping and logistics:* freight options from Afghanistan are expensive and unreliable.

3.3 **Activities and Expected Results:**

The proposed program is designed to address the bottlenecks within the six focus areas above. Turquoise Mountain requests funding from USAID for four years and two months which will:

1) **Integrate carpet producer companies and jewelers into international value-chains** so that they are able to consistently meet international quality requirements with products of the right technical specification; innovate and produce designs that cater to international tastes; and do business with clients in a manner that is professional, seamless, and reliable. Turquoise Mountain Trust will achieve this result through the following activities:

**Technical support:**

Turquoise Mountain will provide technical support to consolidate the value-chains within Afghanistan, engendering value addition in-country. In carpets, Turquoise Mountain’s Technical Expert, one of the foremost experts with over twenty-five years of experience of which eight in Afghanistan, will offer on-the-ground support to wool spinners, and to key producers on raw material inputs (mainly wool), dyeing processes, knot types, and washing and finishing. Only few producer companies are capable of washing and finishing carpets in-country at the moment. The appropriateness of such activities in bringing about value-chain integration is demonstrated by Kirke, a producer based in Aqcha which prior to Turquoise Mountain’s involvement exported 100% of its carpets for washing and finishing to Pakistan from where they were exported with a ‘Made in Pakistan’ label to international markets at a significantly higher margin. Now that Turquoise Mountain has helped Kirke to build washing and finishing facilities on its production site, the company exports 80% of its carpets as higher-value finished products directly to international markets.

**Jewelry Hub:**

Turquoise Mountain has been supporting Afghan jewelers since 2008 with great success. Challenges, however, lie in mastering non-traditional elements of contemporary jewelry, sourcing and handling gem stones, and finishing techniques. Through creation of the Jewelry
Hub, Turquoise Mountain will target technical gaps that need to be bridged if the Afghan jewelry sector is to gain traction in the international market. The Jewelry Hub Manager will advise jewelers on raw materials, and facilitate technical advancement by bringing in expert consultants. Technical training will help individual jewelers to specialize in a particular skill, which will improve production quality. The Hub will also take on ten apprentices each year. This way, the Hub and its resources will ensure that in years to come, as the full potential of Afghanistan’s mineral wealth is realized, there is a cadre of professional gem-cutters and jewelry-makers producing to the technical standards of international clients.

Design support:
Turquoise Mountain will connect producer companies and jewelers with the resources of the Design Center, the only institution dedicated to design education in Afghanistan, including workshops led by expert consultants. It will also expose producer companies and jewelers to design trends by linking them to international buyers and supporting their attendance at key events. In carpets, Turquoise Mountain will provide training to producer companies in the use of design software to ensure accurate and efficient translations of designs. In jewelry, under instruction of the Design Center Manager, the Jewelry Hub will be the birthplace of Afghanistan’s first generation of jewelry designers, pioneering the export segment of locally designed jewelry. Jewelry will be both made and designed in Afghanistan, enabling jewelers to market their own designs directly to international buyers.

The Carpet Festival:
Turquoise Mountain’s network of carpet producer companies covers the top-end of Afghan producers – not only are they best positioned to produce to international standards but they lead the wider sector and provide a model for emulation. In order to reach out to the rest of the sector and expose them to a more integrated model of production, Turquoise Mountain will host an annual Carpet Festival in the historic Carpet Bazaar of Aqcha. During this celebration of Afghan carpets, small local producers, middlemen, contractors and weavers can learn about the changes being driven by their more sophisticated peers. This will influence their perceptions about carpet production and lay the foundation for wider sector transformation in due course.

Business support:
During pilot work with carpet producers funded by the World Bank, Turquoise Mountain found that many carpet producer companies have limited business systems in place – without a business license or bank account that is able to receive foreign currency transactions many companies are presently simply unable to export. International buyers, additionally, have complained about a lack of uniform and transparent communication throughout the order process, including quotations and invoices. Finally, limited awareness about branding and marketing limits Afghan companies’ visibility in the international marketplace. Turquoise Mountain’s Business Mentors, led by the experienced Head of Business Development, will assist producer companies in the creation and usage of systems that facilitate international trade through workshops that will be offered at businesses on a monthly basis. Turquoise Mountain’s Head of Business Development, , is an industry specialist with extensive experience supporting small enterprise development in emerging economies, including at the USAID-sponsored Center for Entrepreneurship and Executive Development in Moldova. She leads the two Business Mentors who will provide basic business advisory services to carpet producer
companies and jewelry businesses who are identified as having little to no systems in place. These include: Business Registration; Basic Financial Systems; Business Plan Writing; Access to Finance; and Human Resources. These workshops on basic services will draw on the curriculum that was developed with input from the Export Promotion Agency of Afghanistan (EPAA) for Turquoise Mountain’s Artisan Toolkit, an essential part of Turquoise Mountain’s USAID-funded Re-branding Afghanistan: Changing Perceptions, Creating Jobs, and Empowering Women program. A second focus is on communications, branding and marketing; the key elements in establishing a recognized Afghan ‘brand’ that commands premium pricing. Workshops in this area focus on: Creation of Professional Email and Social Media Accounts; Branding; Product Development; Exhibition Management; and Customer Services. The content of the workshops will be informed by experience providing mentorship in marketing, branding, and merchandising as well as her experience working in the artisanal product private sector in both Asia and North America. For businesses that already have basic systems in place, workshops will focus on those topics that facilitate international trade through adoption of more advanced and transparent systems including Inventory Tracking; Invoicing and Quotations; Transaction Lists; Partnership Agreements, and Contracting; QuickBooks; Sales Growth; and Pricing Strategies. These more advanced workshops will be led by the Head of Business Development, who has over a decade of experience supporting artisan businesses, specifically in the fields of marketing, merchandising, and exports. Turquoise Mountain Trust will also work creatively beyond their own team, bringing in expertise through cooperation with the Business Innovation Hub at the American University of Afghanistan. Turquoise Mountain’s Business Development Team has fine-tuned various curricula that target Afghan businesses at different levels of maturity, and that focuses on equipping businesses with the necessary systems, skills and confidence to grow international exports. It has over seven years’ experience implementing these and similar trainings with over 130 businesses across Afghanistan.

2) **Integrate weavers into the international carpet value-chain** so that weavers are able to consistently meet international quality and technical specification demands. We will achieve this through the following activities:

*Weaving Centers:*

In the carpet industry, the creation of weaving centers in Turkey, Nepal, and India, has had demonstrable effects on the quality of carpet production, the responsiveness of weavers to client needs, and weaver working conditions and wages. Indeed, international buyers have expressed that they would channel more of their orders to Afghanistan if there were centralized set-ups which could guarantee the consistency and reliability of production. Turquoise Mountain will support the construction of ten centralized weaving centers in predominantly peri-urban areas. The centers will be set up, managed, and owned by producer companies. In order to facilitate and encourage weavers to work at weaving centers, Turquoise Mountain will provide daily transportation for 30 weavers for each weaving center during the first year of its operations. This facilitation will be matched by Label STEP interventions at the community level to explain to weavers and local representatives the benefits associated with working at weaving centers. Note that these centers will be well positioned to cater to recent arrivals, be they IDPs or returning refugees, many of whom have existing weaving skills.

*Weaver Groups:*

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Label STEP will organize beneficiary weavers, both in weaving centers and home-based, into Weaver Groups of twenty to twenty-five weavers each so that weaving capacity becomes more centralized and controlled, under the supervision of two appointed Weaver Representatives per group.

**Technical Training:**
Working together with carpet producer companies, Turquoise Mountain will offer technical training to weavers to improve and expand their weaving techniques.

3) Increase social and environmental responsibility within the Afghan carpet and jewelry sectors so that weavers and jewelers work in better conditions; receive at least market wages; engage in working practices that do not damage the environment and conform to international standards; and enjoy certification. We will achieve this result through the following activities:

**Working Conditions:**
Label STEP translates international labor standards into effective compliance criteria for the artisan sector. Label STEP will raise awareness among producer companies and jewelers about international labor and fair-trade standards and the correlation between improved working conditions and a healthy workforce, and production standards and international sales. In carpets, Label STEP will encourage weavers to move to weaving centers that comply with international labor standards. Weavers will also be empowered to improve their own working conditions through trainings for Weaver Representatives. In addition, Label STEP will audit carpet production locations and jewelry workshops for compliance with international standards.

**Weaver wages and economic vulnerability:**
Label STEP will communicate market and living wage levels to producers and monitor wages paid to beneficiaries whilst lobbying for direct wage payment. A gender-sensitive value-chain diagnostic, by Turquoise Mountain and Label STEP for the World Bank, shows that there is a correlation between direct-wage payment and job satisfaction. Label STEP will also educate Weaver Groups about market rates and bargaining techniques. It should be noted here that Label STEP data shows that weavers, home-based and in weaving centers, working in integrated international value-chains on average earn double the market rate in Afghanistan: $2/day as opposed to $1/day.

**Environmental responsibility:**
Label STEP will focus on the environmental aspects of the carpet and jewelry production processes, including the safe disposal of waste water and waste management in general, and compliance with international standards, also taking into account USAID’s environmental requirements. Where international standards do not exist, or have not yet been fully adapted to the Afghan context, Label STEP will research and develop these. Label STEP will raise
awareness among producer companies and jewelers about environmental issues and perform environmental reviews as part of regular audits at producer locations and jewelry workshops.

Verification:
Label Step will verify compliance with ethical standards for those producers that pass comprehensive audits, thereby enabling them to increase international sales at higher margins. In jewelry, Label STEP will pioneer verification for Afghanistan.

4) **Change perceptions and raise awareness about the Afghan carpet and jewelry industries in the international market** so that international buyers view Afghanistan as a viable production country for their products and consumers show an interest in Afghan carpet and jewelry products. We will achieve this through the following activities:

**Buyer education:**
Turquoise Mountain’s team of international sales representatives will educate key buyers about the possibilities of sourcing from Afghanistan through face-to-face meetings, and by hosting a bi-annual Afghan Carpet Summit and annual Afghan Jewelry Summit as well as facilitating visits by existing and potential buyers to Afghanistan.

**PR and advertising:**
The communications partner GOLIN will devise and carry out a multi-platform four-year PR and marketing campaign that targets the general public and seeks to inform and familiarize them with the story, quality, and accessibility of Afghan carpets, thereby raising consumer awareness. In addition, Turquoise Mountain will place quarterly full-page advertisements in HALI & COVER, partnering trade magazines, each year targeting a key audience of major handwoven rug experts, buyers, and enthusiasts in North America and Europe. Over the course of the program, HALI & COVER will also send out 10 multi-story Turquoise Mountain Carpet Newsletters to their mailing lists and an advertising banner will be shown on www.cover-magazine.com throughout the program. In addition, free-of-charge editorials will cover the annual Afghan Carpet Festival Turquoise Mountain will host in Aqcha starting in year two, including footage shot at the festival. For jewelry PR, online banner adverts will be developed that will promote Afghan made jewelry in strategic and targeted online spaces in addition to social media advertising and placement with influencers. Events, like London Fashion Week or trade fairs such as NY NOW Handmade, will be opportunities to reach new buyers and designers. In addition, after the success of the 2017 Afghan Carpet Summit, Turquoise Mountain will host an annual Jewelry Summit alternating between New York and London.

**Trade Fairs:**
Turquoise Mountain’s years of exhibiting at trade fairs have proven key to changing perceptions about Afghanistan’s offering and engaging buyers to source carpets and jewelry from Afghanistan. In carpets, we have identified and will exhibit at the following three key trade fairs

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12 Changing perceptions is a long-term focus of Turquoise Mountain’s activities which have included the USAID-supported exhibition at the Smithsonian Museum in Washington DC, which attracted over 400,000 visitors and saw demonstrable and record-breaking success in changing perceptions about Afghanistan. The proposed program will build on these first stages of perception change.

13 Note that HALI & COVER’s engagement throughout, especially that of its Editor-in-Chief, is to introduce Turquoise Mountain into carpet distributor networks in North America, Europe, and potentially East Asia – key to achieving the aimed for scale in direct-to-market exports.
every year: Domotex Hannover, the largest flooring exhibition in the world, Domotex Asia, to cater to the growing Asian demand for handwoven rugs, and the New York Rug Show, to engage with the North American market. Partner HALI & COVER, leading trade magazines, will introduce us to or help us maintain relationships with key buyers and stakeholders at each show. In jewelry, we will exhibit at NY NOW Handmade to showcase Afghanistan’s offering to a North American clientele, and Bijorhca Paris to engage European buyers of handmade jewelry. The above fairs have been selected on the basis of past experience attending these and other trade fairs and comparing the successes booked at each as well as industry expertise provided by partner HALI&COVER and existing clients in carpets, and trusted designers and clients in jewelry.

5) **Convert potential interest from key buyers into high-volume and high-value transactions orders for Afghan carpets and jewelry products** so that sales and exports of Afghan carpet and jewelry products increase. We will achieve this through the following activities:

**Product development and sampling:**
The crucial missing link has been converting an initial sales contract into repeat orders – often because sampling and product development in Afghanistan have required more effort than international clients are used to. This issue will be overcome through technical support for responsive product development and representative sampling processes. In jewelry, the controlled production of samples and new lines of products will be the responsibility of the Jewelry Hub Manager.

**Sales and marketing:**
The current base of carpet exports for the seven Turquoise Mountain supported producer companies is $2.7 million (US fiscal year 2016-2017). In order to reach $20 million in exports from supported carpet businesses by the end of the program, Turquoise Mountain will aim to increase export value by $0.5 million in year one (119%), $1.5 million in year two (147%), $2.5 million in year three (153%), and $3.7 million in year four (151%) across a new total of at least twelve producer companies. In jewelry, the current base of exports for the eleven supported jewelers is $156,000 (full-year 2017). Turquoise Mountain aims – through support activities - to add $30,000 (120%) in international sales in year one, $70,000 in year two (137%), $120,000 in year three (147%), and $160,000 in year four (143%) across a new total of at least fifteen jewelry businesses.

Turquoise Mountain’s Communications Department supported by the internationally-based Sales Representatives (two in carpets, one in Jewelry), and Head of Business Development will assist producer companies and jewelers to develop industry-standard sales and marketing materials, and the Business Development Department will support them to attend key trade shows. In addition, the vast majority of high-end carpet sales into international markets are currently customized orders.
Turquoise Mountain's Sales Representatives will also broker direct sales with international buyers. Their efforts are supplemented by the International Creative Director Thalia Kennedy who focuses on project-based, multi-product sales with global interior design firms, corporations, museums, and leading hotel chains. With over a decade of sector-specific sales expertise, Thalia has supported the sale of $6 million worth of Afghan artisan products globally. With a recent focus on project-based sales, she has facilitated the shipment of multiple hundreds of square meters of handwoven carpets to hotel chains in North America and the Gulf, and fitted out hotel and museum shops globally with Afghan handmade jewelry.

Global distributor network:
In pursuit of scale and growth in exports, HALI & COVER, leading trade magazines for handmade carpets, will introduce Turquoise Mountain into a global network of key distributors. Turquoise Mountain’s carpet and jewelry sales representatives will support and enlarge this network. A new focus will be on China as a potential market with significant consumer appetite for handmade Afghan carpets and jewelry within the context of China’s New Silk Road initiative.14 Direct flights to Urumqi by both Kam Air and Ariana could offer economic and expedient air freight options that warrant further exploration.

In jewelry, Turquoise Mountain is in confidential discussions with Ten Thousand Villages (TTV), a leading fair-trade artisan chain in North America with over sixty retail outlets. If successful, TTV would host Turquoise Mountain shops within their shops where products designed, made, and branded by supported businesses would be sold. This would provide a great opportunity for achieving scale in Afghan handmade jewelry merchandising and sales.

Afghan Jewelry Online:
Turquoise Mountain will create Afghan Jewelry Online at the start of year two, an online ‘showroom’ and portal for potential buyers with product specifications and pricing of all export-ready jewelry collections from Afghan jewelers and designers. Offering buyers a professional, uniform, and transparent platform that preempts questions about line sheets, production capacity, and lead times will instill a level of confidence with buyers, educate them about the possibility and limitations of Afghan jewelers, and help win repeat business.

6) Streamline and improve international order fulfilment within the Afghan carpet and jewelry sectors so that international buyers find it seamless, reliable, and professional to source from Afghanistan and place repeat orders. We will achieve this through the following activities:

Order fulfilment and quality control:
Turquoise Mountain has Regional Carpet Officers and a Client Liaison in charge of monitoring the progress and quality of orders. They will also support producers and jewelers in client communications. There will be assistance for producers to set up quality control processes.

14 China’s focus on the New Silk Road project, promotion of Shenzhen as “design city” and home of the recently established Design Society, a cultural platform with a mission to activate design as a social catalyst, and Domotex Asia in Shanghai imply the openness of the Chinese’s market to handmade Afghan rugs, and a story of exchange, heritage, and development across the Silk Road.
Shipping and logistics:
Turquoise Mountain's two Business Mentors, led by the Head of Business Development will work with shipping companies and airlines to promote air freight options so that producers and jewelers become less reliant upon neighboring countries for export routes and provide free-of-charge advice to carpet producer companies on export procedures and shipping. Turquoise Mountain is currently pioneering large shipments (over 1,000 kilograms of carpets) to North America using the more economic Turkish Airlines (rather than relying exclusively on FedEx or DHL).

4. Implementation Plan:
4.1 Approach:
Turquoise Mountain’s integrated value-chain approach is based on a theory of change born out of the findings of their World Bank-supported value-chain diagnostic as well as study of best-in-class models in neighboring producer countries: closer integration of value-chains in response to specific market demands will increase the volume of carpets and jewelry directly exported from Afghanistan as well as the average value of carpet and jewelry products. This will lead to value creation for the Afghan economy, and new jobs to meet increased demand.

This is not a new model, and has been tested in Nepal and India where it has proved key to growing the carpet industry as a major sector of the economy. During the past three years Turquoise Mountain has piloted its adaptation in Afghanistan, working with weavers and producer companies with success. Producers that previously relied on Pakistan for washing and finishing report that they are increasingly exporting finished carpets directly, adding value and creating jobs in-country. The proposed program comes at a time when all the conditions are right for major expansion.

4.1.1. Partners:
Turquoise Mountain will work with three partners: Label STEP, GOLIN, and HALI&COVER. Label STEP is a Swiss fair-trade NGO specializing in the handmade carpet sector and promotion of handmade Afghan products in global markets. Label STEP has been present in Afghanistan since 2010, and has over two decades of experience in the handmade carpet sector across Nepal, India and other major production countries. It leverages this experience and expertise to bring best-in-class practices to Afghanistan in the areas of wage increases for weavers, improvements in working conditions, and better environmental practices. The organization’s fair-trade labelling approach, moreover, adds value to finished products in a market where consumers are ever more attuned to the origins of their products. Label STEP has over 50 licensees worldwide, and is well respected in the industry for its effective and professional approach in often sensitive areas. Throughout its interventions in Afghanistan over the last seven years the organization has seen the wages of weavers in STEP-monitored international supply chains reach on average double the local market wage level. The organization strongly believes in the uniqueness and quality of Afghan hand-knotted carpets, and the potential for bringing Afghan products to international markets as a way to promote Afghan exports and create jobs at a crucial moment in Afghanistan’s development. Turquoise Mountain and Label STEP have worked together over the course of the past two years and have developed a strong working relationship which has benefited weavers and exporters alike. As part of the proposed program, Label STEP will focus
on social and environmental issues. Activities will include the monitoring and implementation of international labor and environmental standards in the carpet and jewelry industry, the support of weavers and artisans and the improvement of their working and living conditions through education, awareness raising and capacity building as well as the minimization of environmental impact through the introduction of environmental plans and the improvement of the ecological situation through the support and promotion of waste water treatment facilities.

HALI & COVER are the two leading trade magazines for antique and contemporary carpets, with a strong track record of working with buyers, wholesalers and influencers across the industry to bring stories of socially conscious production to its large network of subscribers and readers (HALI 5,000 & COVER 9,000). It has an impressive track-record of influencing key buyers and connecting businesses in the carpet sector, most recently on behalf of the Turkish Carpet Exporters' Association and Azerbaijan's Carpet Week.

GOLIN is one of the leading communications agencies, with a respected track record in promoting and protecting the global reputation of brands, organizations and products. They are specialists in identifying channels, influencers, stories and content which drives reappraisal, consideration and purchase – with a specialist model reflecting the demands of modern communicators. With teams across core markets – including Europe, the US and the Middle East – and a data-led approach to storytelling which delivers targeted, creative messaging through relevant stakeholders and channels, they are the ideal partner for Turquoise Mountain to spread a message to the general public about the desirability and accessibility of handwoven Afghan carpets. GOLIN has a genuine desire to help in the transformation and rehabilitation of Afghanistan’s reputation through promoting and showcasing the incredible arts and crafts of the region – and the strategic and engaging program they conceived for Turquoise Mountain attests to this.

4.1.2 Beneficiary Selection and new jobs:
There are three main beneficiary categories (or recipients of technical assistance) in this program: carpet producer companies, weavers, and jewelers. In regard to producer companies, Turquoise Mountain currently works with seven producer companies in three regions: two in Jawzjan, one in Balkh, and three in Kabul. At least five additional producer companies will be targeted with the following preliminary breakdown: one in Bamyan, two in Herat, and two in Balkh. In order to become part of the network of carpet producer companies, companies will need to meet the following criteria: a) the business should have a physical presence producing carpets, b) the owner is willing to become part of the network, c) carpet production is operational, d) the company has long-term relations with experienced weavers, either in weaving centers or in homes, and e) the samples produced by the company are accepted by the Technical Expert and demonstrate technical potential to – within the life of the program – service an international market and produce to international standards. In addition, Turquoise Mountain includes USAID policies on environmental issues, prohibited activities and child safeguarding in its contracts with producer companies. Currently, an estimated 20 to 25 producer companies across Afghanistan, mapped by the Technical Expert through liaison with local Carpet Exporters' Associations, are capable of producing and exporting finished handwoven carpets to international markets. Many more have the potential to do so with Turquoise Mountain Trust support.
Turquoise Mountain and Label STEP aim to support 1,250 workers (the majority of which will be weavers) each year. These workers will be engaged in new jobs. The aspired geographic breakdown per year is as follows: 500 new jobs in Balkh/Jawzjan, 350 new jobs in Bamyan, 200 new jobs in Herat, and 200 new jobs in Kabul. Of these new jobs, the 200 jobs in Kabul will be focused on the jewelry sector with all other new jobs being carpet based. A “new job” is considered as a newly contracted staff member with a business. This captures a novel relationship between producer companies and weavers or jewelers which results in a) increased livelihood security, and b) wage payment according to pre-agreed terms. This benefits weavers, countering widespread underemployment, and facilitates business growth.

Weaver beneficiaries will be identified through the producer companies that Turquoise Mountain will work with in each region. Producer companies have access to a pool of home-based weavers within their vicinity. Relationships between the producer company and weaver families are often long-standing and built on proven reliability. Lessons learnt during a World Bank-funded pilot with weavers in Balkh and Jawzjan that started in 2017 showed that building on existing networks and relationships is crucial when it comes to identifying beneficiaries with the right skill-set and who are willing to participate in donor-funded projects—especially considering the prevalence of insecurity in provinces and the consequent importance of trust between weavers, producer companies, and NGOs such as Turquoise Mountain and Label STEP.

The twelve producer companies will take on the responsibility for recruiting beneficiaries, making sure that at least fifty per cent of beneficiaries are female, whilst Label STEP’s and Turquoise Mountain’s field teams oversee the process and ensure that any recruitment complies with fair trade and international labor standards (including the legal working age). Prior to onboarding beneficiaries, Label STEP and Turquoise Mountain will meet with the identified beneficiaries and their local representatives and explain the aims of the program, and to ensure recruitment has taken place fairly and in accordance with the stipulated criteria.

The following selection criteria will be employed:

- Geographical location: district (and subsequently village and community) selection will take account centers of carpet production as well as security, accessibility, and existing Turquoise Mountain and Label STEP networks. In addition, weavers from rural and peri-urban areas are to be represented equally
- At least 50 per cent of beneficiaries are female.
- At least 50 per cent of beneficiaries have access to a loom.
- Beneficiaries have pre-existing weaving skills and experience.
- Beneficiaries are at least 16 years old.
- Weavers can be home-based or working at weaving centers. In both cases, there are no restrictions on multiple family members from one household being beneficiaries.
- Beneficiaries are not already contractually employed by a producer company.
- Beneficiaries do not already weave on a full-time-equivalent basis.
- Beneficiaries are in no way inhibited from engaging in contractual weaving activity for at least one year.
Producer companies will be assisted throughout the selection process by Turquoise Mountain and through us be informed about relevant government initiatives. Becoming a beneficiary means that the person in question will be offered a renewable, output-based draw-down contract by a producer company, thereby increasing his or her job and livelihood security and ensuring payment in accordance with pre-agreed terms. In addition, beneficiaries will receive Turquoise Mountain technical training and participate in activities and meetings organized by Label STEP.

Note that beneficiaries will already have pre-existing weaving skills. The issue in regard to job creation and increased exports in the Afghan carpet industry is not an insufficiently large labor force. After all, some 1 million Afghans are estimated to be active in the sector in some capacity or other. The issue, rather, lies with the fact that the vast majority of these are underemployed and do not enjoy job and livelihood security through contractual employment. The aim, accordingly, is not to train Afghans in weaving from scratch but to capitalize on persons with existing weaving skills, getting these up to international standards, and to facilitate their movement into fair employment, thereby creating new contract-specific jobs at carpet businesses.

Turquoise Mountain and Label STEP will facilitate the contracting process in the following ways: Label STEP field officers will assist in contracting new weavers on the weaver side, meeting with potential new recruits, explaining to them the purpose and benefits of the contract, and assisting them with signing. Meanwhile, Carpet Regional Officers will embed at least one day a week with each producer company within their regional supervision to support staff on administrative issues surrounding contracting new weavers and human resource management. Turquoise Mountain, based on its experience working with carpet producer companies within the context of job creation, expects that some producers will be first movers in regard to contracting weavers – with these a more intensive relationship is envisioned as they will set the tone for other producer companies in the region to follow.

By tasking producer companies with recruitment – with the assistance of Turquoise Mountain and Label STEP – Turquoise Mountain ensures that producer companies are content with beneficiaries’ skill-set and potential, and are happy to work with them (important given the significant value and upfront capital required for executing carpet orders), and vice versa. Producer companies also have a keen sense of local security dynamics. This allows them to recruit weavers from areas that are accessible to their supervision and training staff as well as Turquoise Mountain’s and Label STEP’s carpet field teams. Past experience has shown Turquoise Mountain that this approach is to be favored over randomized beneficiary selection – even if initial consent for collaboration has been expressed by all involved parties.

In jewelry, over the course of the program, Turquoise Mountain aims to support 250 beneficiaries. In this component, the beneficiaries are all jewelers either running or employed by a workshop or part of the yearly cohort of apprentices that the Jewelry Hub takes on. Beneficiaries will be selected thus: Turquoise Mountain currently works with eleven workshops, based in Kabul. Each workshop employs between one and five jewelers. The aim is to grow the capacity of workshops to employ more jewelers as well as to increase the number of supported workshops to fifteen. Turquoise Mountain will launch an open call for support that any jewelry basis can apply to. Businesses will then be selected on the basis of design and production
capacity and business potential (as assessed by the Jewelry Hub Manager and the Head of Business Development). On average, each jewelry business will aim to create fourteen new jobs for both inexperienced persons as well as those with existing jewelry skills over the life of the program. Jewelry business managers will be responsible for recruitment—with support from Turquoise Mountain and Label STEP to ensure that any recruitment and contracting conforms to fair trade and international labor standards. The following selection criteria will apply:

- Beneficiaries do not need to have existing jewelry skills.
- At least 50 per cent of beneficiaries is female.
- Beneficiaries are able to travel at least three times a week to the jewelry workshop that employs them.
- Beneficiaries do not already work in jewelry on a full-time-equivalent basis.
- Beneficiaries are in no way inhibited from engaging in contractual jewelry work for at least one year.
- Beneficiaries are at least 16 years old.

In addition, the Jewelry Hub will take on ten apprentices each year (40 over the life of the program). These will be the most talented of recent graduates of the Turquoise Mountain Institute for Afghan Arts and Architecture and any other graduates from similar TVET institutions with the requisite skill level. The selection of apprentices will be based on a merit-review of graduates by the Jewelry Hub Manager and the Director of the Institute. The apprentices will spend five half-days a week in the Hub assisting jewelry businesses in sampling and order fulfilment and receive a stipend for their work.

It should be noted that although Turquoise Mountain will not specifically target IDPs and returnees as beneficiaries of the program, IDPs and returnees are likely to partake in program activities as beneficiaries. Returnees in particular often have weaving skills, having been active in the carpet industry if Pakistan. Faced with an influx of people with this skill-set, leveraging the skills they already have by providing them with employment is part of Turquoise Mountain’s ongoing work in the Afghan carpet sector. Turquoise Mountain, for example, already engages in carpet weaving and livelihood enhancing activities (technical support, improving working conditions, and market-making) for a group of 120 IDPs from Faryab Province in Rabat Village, just outside of Mazar-e Sharif in Balkh. These IDPs have pre-existing weaving skills but are not actively employed and could be included as program beneficiaries. As Turquoise Mountain, furthermore, maintains close working relationships with regional UNHCR offices notably that based in Mazar-e Sharif, opportunities exist for including IDPs and returnees among the beneficiary pools in each region, despite the absence of a specific target for inclusion. When IDPs and/or returnees are included in program activities, Turquoise Mountain will note this explicitly in its reporting to USAID.

A final note on the role of major carpet producer companies: carpet producer companies play a crucial role in three of the six Areas of Activity that underpin this program. On the supply side, in Area of Activity I - Integration of Carpet Producer Companies into the International Carpet Value-Chain - Afghan producer companies in Afghanistan are beneficiaries. Through technical support activities led by the Carpet Technical Expert they are integrated into the international carpet value-chain: their production capacity is improved and expanded so that it can cover processes across the length of the carpet-value chain, from procurement of raw materials to
dyeing, weaving, washing, finishing, and export. Secondly, producer companies play a crucial role in Area of Activity 2 - the Integration of Weavers into the International Carpet Value-Chain. Weavers active in the international carpet value-chain, on average, double their income and enjoy increased wage security as they weave carpets for a known end-customer. A pre-condition for this role is a producer company’s success in Area of Activity 1: by being active across the entirety of the value chain, producer companies can cut out intermediaries between weavers and international end-customers who historically have exerted downward pressure on wage-levels for weavings by taking cuts themselves. It is through producer companies that weavers - the vast majority of whom are home-based - can be reached most effectively, linked to international markets, and enjoy the benefits thereof. Finally, on the demand side, producer companies play a crucial role in Area of Activity 2 - Sales and Exports of Finished Afghan Carpet Products. Producer companies - with the support of Turquoise Mountain - will be encouraged and supported to set up weaving centers which bring all production processes under the supervision of a single producer company who is consequently better able to respond to and meet the standards of the international market at a higher level, thereby attracting and sustaining higher value direct-to-market exports.

4.2 Implementation of activities on the supply side

1) Area of activity: Integration of producers and jewelers in the international value-chain.

Implementation of technical support activities:
In carpets, the Technical Expert, drawing on decades of experience will

- Identify the technical areas (dyeing, washing, finishing) in which each producer company would benefit from support, and offer on-the-ground advice and training through monthly visits to producer companies.
- Connect those companies that do not have dyeing or washing and finishing facilities with those that do, and arrange service fee agreements. With experience constructing facilities in Herat and Mazar-e Sharif under a previous USG-funded program, the Technical Expert will also support companies interested in installing these facilities, keeping in mind USAID and international environmental standards.
- Bring on board new producer companies according to Turquoise Mountain’s selection criteria, in collaboration with the Carpet Program Manager, having already mapped the major producer companies active in their focal regions through liaison with Carpet Exporters’ Association offices.
- Identify regional wool spinners, and train them on how to correctly spin high-quality wool.
- Connect carpet producer companies with suppliers of high-quality, long-fiber Ghazni wool, one of the most outstanding types of wool for carpet weaving globally available. Turquoise Mountain has previously facilitated the supply of Ghazni wool to three Afghan producer companies, and knows suppliers (all from Ghazni) who can consistently and reliably supply the amounts of wool necessary to meet the export targets aspired to under this program. Turquoise Mountain will compile a directory of wool suppliers in Afghanistan, and distribute this to all interested carpet producer companies. In addition, we will explore the possibility of connecting producers with wool suppliers yearly at the Agricultural Fair organized by the Ministry of Agriculture, Irrigation, and Livestock. The Technical Expert also facilitates
access to high-quality natural dye materials such as madder (from Iran or India) as well as locally sourced walnut and pomegranate, and raw materials for mordant such as alum, iron, or copper that stabilize the color (and which many producer companies in Afghanistan are currently not using).

Creation of the Jewelry Hub and implementation of technical support activities:

- Turquoise Mountain will use part of its existing space in the old city of Kabul to establish the Jewelry Hub. The Jewelry Hub will be run by the Hub Manager and employ a Hub Mentor who advises supported jewelry businesses, all based in close proximity, on export-focused manufacturing techniques. This will include specific training to improve methods that Turquoise Mountain has identified as sub-standard (for example, gem cutting, gold plating, metalwork finishing, stone setting, wax carving, clasp and hinge making, engraving). The manager will bring in expert consultants (four consultants per year, staying one month). The focus is on tailor-made support: Gawharshad and Lajaward (two businesses run by female artisans), for example, have already developed strength in chain-making which training would enhance. Aquamarine has begun to specialize in gemstone cutting but requires support to bring capacity to international standards. The Hub will be operational in month four of year one, then consultants will start.
- The Hub Mentor will embed with jewelry workshops on an ad hoc basis to provide technical support in order to complement training conducted at the Hub, for example, to ensure correct fulfilment of large or important orders.
- The Jewelry Hub will provide key machinery (by the first quarter of year one) that would require significant upfront investment for businesses, for example, gold-plating and polishing machines, and make these available to jewelers to use under supervision of the Manager and against a service fee (a list with fees for the services offered will be made public).
- The Jewelry Hub will take on ten apprentices each year. The apprentices will spend five half-days a week in the Hub assisting jewelry businesses in sampling and order fulfilment.

Implementation of design support activities:

- Turquoise Mountain's Design Center, under supervision of the Design Center Manager, and located next to the Jewelry Hub, will offer workshops to jewelers, led by Design Consultants, to translate on-trend designs into viable jewelry products. Three design consultants will come each year, staying for one month each time.
- Carpet producer companies will be able to access the Design Center’s online Carpet Design Library, and participate in tailor-made carpet seasonal design classes run by Tamim Sahibzada, a miniature painter master who has decades of experience designing carpets.
- Carpet and jewelry design will also be part of the curriculum offered to students enrolled at the Design Center, taught by the Design Center Manager Maryam Omar (jewelry), trained at the London College of Fashion, and Tamim Sahibzada (carpets). We will also work with a top international carpet design house that has offered to bring out their designers on short-term pro bono assignments.
- We will expose producer companies and jewelers to international design trends through Turquoise Mountain brokered orders from international clients, and support their attendance at key events by securing invitations, and assisting in travel and accommodation arrangements.
The Technical Expert will train producer companies in the use of design software such as *Boorta*, and for those companies that do not have software, advise them in procurement.

**Implementation of the Afghan Carpet Festival in Aqcha, Jawzjan:**

- Starting in year two of the program, Turquoise Mountain will organize an annual Carpet Festival in the historic Carpet Bazaar of Aqcha in April where carpet traders have met for centuries, and still do twice a week. Turquoise Mountain is already operative in the area, working with nearby producer companies, and has built strong relationships with key stakeholders in local government and business. Further research will be done in year one.
- Turquoise Mountain will engage a local film-maker to shoot footage of the event which will be made available to their international wholesale and retail clients to support their sales pitch of Afghan carpets and their partner HALI&COVER Magazines will publish an annual editorial about the festival.

**Implementation of business support activities:**

- Turquoise Mountain has a team of two Business Mentors based in Kabul who have a track record of supporting businesses in the Afghan crafts industry as part of Turquoise Mountain’s current USAID-sponsored program *Re-branding Afghanistan: Changing Perceptions, Creating Jobs, and Empowering Women* (RACCEW). Mentors already have relationships with the producer companies and jewelers we work with, having supported many with the set-up of business systems including setting up a business license and bank account, company website and email addresses, invoice system, payroll, and inventory management. They will continue their activities, with focus on export-specific skills, with producer companies and jewelry workshops that come on board, conducting an initial audit of the business, identifying the systems that are in place, those that are lacking, and those that require improvement, and devise a tailor-made and time-targeted package of support. The mentors visit businesses at least once a month.
- As part of the agreement signed between Turquoise Mountain and the supported business, the latter is also required to share with Turquoise Mountain monthly updates on sales and employment numbers (split between male and female, full-time and part-time) as well as a list of their sub-contracts that allow the mentors to carefully monitor progress made and the viability of the business as a whole. Where needed, timely interventions are staged.

2) Area of activity: Integration of weavers into the international value-chain.

**Establishing Weaving Centers:**

- Weaving centers are key to integrating the Afghan carpet value-chain, centralizing weaving capacity under increased supervision, allowing for more responsive sampling and product development as well as on-the-job technical mentoring, and higher quality products. They also lay the foundation for further integration of design, dyeing, weaving, washing, and finishing facilities under one roof. There is little information about the number of weaving centers currently operative in Afghanistan but Turquoise Mountain knows of fifteen, and these cater to only a fraction of weavers. In discussions, producer companies have stated a strong interest in building weaving centers and the majority (55%) of 377 women surveyed by Turquoise Mountain and Label STEP between March and May 2017 across four provinces in Afghanistan (Jawzjan, Balkh, Bamyan and Kabul) also expressed willingness to...
work in weaver centers. Turquoise Mountain will work with producer companies interested
in building weaving centers: Turquoise Mountain's Technical Expert and Label STEP's on­
the-ground team will educate producer companies on the benefits of weaving centers, and the
in-house engineer and architect will provide construction, design, and international
environmental and labor standards advice.

- If a producer company is struggling to fill a weaving center or has spare capacity, Label
STEP’s team will work with weaver communities to encourage them at community, family,
and individual level, to move to weaving centers by educating them about the benefits.

Creating Weaver Groups:
- Label STEP’s on-the-ground team will organize home-based and workshop-based weaver
beneficiaries into Weaver Groups of twenty to twenty-five weavers, the primary unit for
implementation of Label STEP’s activities under the project. The focus with Weaver Groups
will include a) training of the group members, b) empowering members to improve their
working conditions, and c) close monitoring and reporting of activities and their impact.15
- Weaver Groups in discussion with Label STEP will select two members of each group with
both seniority and technical skill, and appoint them as the group’s Weaver Representatives.
- Label STEP in collaboration with village leaders and Weaver Groups will identify suitable
venues to hold Weaver Group meetings. These take place monthly.

Technical Training:
To ensure weavers are capable of weaving the designs favored by the international market
and master the necessary techniques, Turquoise Mountain will arrange for technical
trainings to weavers. The aim is to provide trainings to approximately 5,000 weavers
over the course of 4 years within the program. Turquoise Mountain will engage one
master trainer and two assistant trainers to provide the trainings and on-the-job
mentoring (with input from the Technical Expert) in each region. In accordance with
the number of new jobs targeted in each region, training per year will take place
consecutively in the following regions for the stipulated time period: Balkh/Jawzjan
(500 per year): 5 months of training, Bamyan (350 per year): 3 months of training,
Herat (200 per year): 2 months of training, Kabul (200 per year): 2 months of training.

3) Area of activity: Social and environmental responsibility in the carpet and jewelry
sectors.

Implementation of activities to improve working conditions:
- Label STEP’s team will arrange meetings with producer company management and staff as
well as jewelry workshops to educate them about international labor standards. It will also
conduct an initial audit of all production locations, including weaving centers, identify
deficiencies, advise on improvements, and engage in ongoing monitoring. There are two full
verification cycles each year that include visits to home-based weavers as well as more
frequent visits to weaving centers (four times per year).

15 Continuous and thorough monitoring and reporting will be necessary for the efficient and successful implementation of the
project. It will serve as the data base for project evaluation and measuring the achievement of its objectives. Weaver
Representatives will use reporting forms to share activities and updates from their Weaver Groups and communities on a monthly
basis. Detailed surveys at the beginning and end of the Weaver Group activities will allow for precise analyses of the project’s
impact.
• Label STEP will conduct awareness trainings on health and best practices with Weaver Groups. First, a Training Need Assessment (TNA) is carried out through group discussions focused on weavers’ needs, capacities, and qualifications. Label STEP then adapts the training curriculum and methodology. Secondly, Label STEP invites Weaver Representatives to participate in Training of Trainers (ToT), a six-day training that covers all relevant social and environmental issues. Weaver Representatives, back in their villages, provide training to the Weaver Groups in monthly meetings, using training module content and a schedule provided by Label STEP. Finally, Label STEP pays monthly visits to Weaver Groups to supervise progress of activities.

• There are two further one-off activities: Label STEP invites Weaver Groups to participate in a ‘value-chain field visit’. Weaver Groups visit producer companies to see other steps of the value chain with the aim of increasing their knowledge, and enabling direct interaction between management and weavers. On International Women’s Day (8 March), Label STEP invites regionally-based Weaver Groups to a Weaver Group Conference in Mazar-e Sharif combining celebration, education, and meetings with producers, government, and carpet associations.

Weaver wages and economic vulnerability:
• Label STEP’s team will communicate market and living wage levels to producer companies and monitor paid wages as part of its regular audits. It also lobbies for direct wage payment to weavers at producer, family and community levels.
• Label STEP trains Weaver Representatives about market rates and bargaining techniques.

Implementation of activities to improve environmental standards:
• Label STEP conducts environmental reviews of production locations annually as part of regular audits. On the basis of reviews, Label STEP advises on addressing deficiencies in jewelry, benefitting from its vast experience in the carpet industry, Label STEP will develop environmental standards for the jewelry sector in Afghanistan. After thoroughly researching environmental conditions, and studying best practice examples in the more developed Indian jewelry sector (with the support of Label STEP’s India office), a jewelry standard will be developed. Three steps are envisioned: 1) research on environmental issues, including existing regulation on the use of chemicals, 2) development of environmental guidelines to be distributed among jewelers, and 3) establishment of a best practice facility towards the end of the project, on a cost share basis with a jewelry workshop. Once the new standard and compliance criteria are established, Label STEP will run its verification program for and support all jewelers interested.

Implementation of verification of carpet producers and jewelers:
• Label STEP will carry out verification visits to all producer companies that are part of the project; these audits will take place at least twice per year and will measure producers against internationally-recognized standards.
• In jewelry, Label STEP will tailor and pioneer verification for Afghan jewelers starting in year two. Jewelers will be then able to go to clients with a label from a reputable source.

4.3 Implementation of activities on the demand side
4) Area of activity: International awareness about Afghan carpets and jewelry.

Implementation of activities educating international buyers:

- Turquoise Mountain Trust's team of internationally-based carpet representatives, one based in the U.S., the other in Europe, and one global jewelry representative will identify key buyers with the capacity to source from Afghanistan, and educate them about the possibilities through face-to-face meetings, information packages, and marketing and sales materials.
- Label STEP, using its communication channels, trade shows and conferences, will raise awareness for the program's social impact, contributing to branding of Afghan handmade carpets as ethical and sustainable, and supporting women's employment and empowerment.
- The sales representatives will work with the team in Kabul to facilitate visits to Afghanistan of interested buyers. Staff in Kabul will take care of all accommodation, food, security protocols, and transportation during a buyer's stay. The Carpet Program Manager will accompany the buyer to key production sites locations. Turquoise Mountain has regularly hosted international designers and buyers since 2007, and is well equipped to ensure a safe and productive stay.
- Turquoise Mountain last year pioneered the Afghan Carpet Summit in Istanbul, Turkey, and will host the Summit bi-annually, in October of years one and three, in a regional hub such as Istanbul that is accessible to buyers. The summit is a three-day day conference bringing together buyers, trade press, not-for-profits, and senior Afghan government officials as well as Afghan producers. The aim is to close the gap between international buyers and Afghan producer communities, to discuss the challenges facing the Afghan carpet industry, and the activities taking place.
- Starting in 2019, Turquoise Mountain will also host a one-day, annual Afghan Jewelry Summit in February, alternating between New York and London to bring together buyers, trade press, not-for-profits, and other stakeholders. This will provide an opportunity to capitalize on shared sales data, lessons learned, and consider ways forward for promoting Afghan jewelry.

PR and advertising:

- The communications partner GOLIN's multi-platform marketing campaign promoting handmade Afghan carpets will consist of three phases over the course of four years. Firstly, five notable influencers will be invited to experience carpet craftsmanship firsthand in Afghanistan. Influencers will work with international design partners to design their own rug, and participate in its weaving. The carpets they create will be auctioned off, and the process documented and leveraged on social channels. Secondly, a virtual-reality filmmaker will travel with the influencers to capture the process of carpet-making. GOLIN will take this virtual-reality experience to trade shows and give it to retailers to use. Finally, GOLIN will bring weavers and artisans to New York and Los Angeles, setting up looms in notable locations to work live in front of consumers to show them the uniqueness of Afghan carpets. Content created will be pushed out also to retail partners to make it easy for them to highlight Afghan carpets above others.
- HALI&COVER will place quarterly full-page advertisements designed by Turquoise Mountain's in-house designer about the Afghan carpet industry. She will also design an online advertisement banner which will be displayed on COVER magazine's website.
throughout the entire program. Free-of-charge editorials authored by the Deputy Country Director will cover the Afghan Carpet Festival in Aqcha. She and the Carpet Team will also put together 10 multi-story newsletters about Turquoise Mountain and the Afghan carpet sector that HALI&COVER will send out to their mailing lists.

- Online banners and advertising including social media advertising will drive retail and wholesale buyers to Afghan Jewelry Online following its set-up at the start of year two. Advertisements will be designed, placed, and managed by the Communications Department.

**Trade Fairs:**
- Turquoise Mountain's Carpet Program Manager, Technical Expert, and one Carpet Representative will exhibit at Domotex Hannover (in January), Domotex Asia (in March), and the New York Rug Show (in August) with a booth annually, showcasing Afghan designed and handwoven carpets. In jewelry, the Head of Business Development and Global Jewelry Representative will exhibit at NY NOW Handmade (in August) and Bijoucra Paris (in September) with a booth showcasing Afghan designed and handmade jewelry lines on behalf of supported jewelry businesses. Turquoise Mountain has years of experience exhibiting at trade fairs, informing attendees, and thus bringing in new buyers.

5) Area of activity: Sales and exports of finished Afghan carpet and jewelry products.

**Product development and sampling:**
- In carpets, the Sales Representatives together with the Kabul-based Client Liaison will work with producers to create representative samples, clearly communicating client requirements and designs whilst the on-the-ground team of Carpet Officers will oversee sample production, and arrange for shipping to Kabul. The Carpet Logistics Officer handles shipping to the client.
- The Technical Expert will work with producers to improve sampling quality and expediency, training staff how to be more responsive using graphing software, and on-site weaving capacity.
- In jewelry, all sampling by jewelry businesses will be done under the direct supervision of the Hub Manager and Hub Mentor who will ensure the process is responsive and the samples fully representative. The Hub Manager will arrange for shipping in collaboration with the Sales and Logistics Assistant. The Jewelry Representative will communicate with clients on the progress of samples.

**Implementation of sales activities:**
- Turquoise Mountain's Communication Department and Head of Business Development will assist producer companies and jewelers to develop and improve industry-standard sales and marketing materials, including ready-to-go information packages with cataloged items, technical details, average lead times, and FAQ sheets. In year one, much of the effort will lie with Turquoise Mountain, with producer companies and jewelers providing information. Over the course of the next years, carpet producers and jewelers will update this material themselves and create new material where needed through trainings conducted by the Communications and Graphic Design team.
- Turquoise Mountain, through its trading arm Turquoise Mountain Trading Limited (TMTL), drives additional sales with an exclusive set of clients by brokering them directly. The Sales Representatives will broker commissions for direct exports at trade shows and through trade
press, conferences, and leveraging the strong reputation of Turquoise Mountain and Label STEP. In addition, the International Creative Director will drive Turquoise Mountain’s multi-country, multi-product, project-based sales for international interior design firms, corporations, and hotel chains, building on an already impressive track-record with five-star hotel chains and museums in the Gulf and Europe. TMTL will charge no fee brokering carpet and jewelry sales, and earn no profit from its brokering activities. In addition, producer companies and jewelry businesses are free to use any organization that could sell and broker their products and are supported to sell to international clients directly.

- In jewelry, there is a specific opportunity to increase the Afghan bead supply in the Saudi prayer bead industry which caters to eight million per year (estimated to rise to 15 million by 2020) who go on pilgrimage to Mecca and Medina. Turquoise Mountain has a country office in Saudi Arabia, and is opening centers in Medina and Yanbu which will give unprecedented access to the Islamic tourism market. Turquoise Mountain operates under a Memorandum of Understanding with the Saudi Ministry of Culture, Tourism, and Heritage. Year one will be dedicated to researching the viability of this opportunity.

Creating a global distributor network:
- HALI & COVER Editor in Chief will identify and introduce Turquoise Mountain into a network of key regional distributors in North-America, Europe, and the Gulf. He and his team have years of experience influencing key buyers and connecting businesses. Most recently, they have done so with great success on behalf of the Turkish Carpet Exporters’ Association and the Carpet Week hosted in Azerbaijan. Turquoise Mountain’s international sales representatives will build relationships following introductions with the aim of securing commissions and working agreements, and service this network.
- Turquoise Mountain will dedicate year one to research into China as a new market for Afghan handmade products, leveraging its connections with the Design Society in Shenzhen. Here also, HALI & COVER will make introductions with key stakeholders, and provide media coverage.

Implementing Afghan Jewelry Online:
- Turquoise Mountain will work with a web designer to create Afghan Jewelry Online at the start of year two. There will be an open call for jewelers asking them to design a line of jewelry conforming to predetermined standards in terms of number and types of items. Annually, there will be two such calls. The best four (two per season) designs will be fully sampled, financed by Turquoise Mountain. The professional in-house photographer will create standard sets of images for each line, and these will be showcased on Afghan Jewelry Online, along with technical specifications, lead times, and price indications. Each line will be branded under the jeweler’s name. Any commissions on the back of a showcased line will be given to the jeweler who designed it or contracted out if he or she is at full capacity to
another jeweler deemed most suitable to fulfil the order. If Afghan Jewelry Online proves a success, we will consider a similar online showcase for Afghan carpet producers. This site will be used by buyers and designers we meet and direct toward it but online banners, placements with influencers and social media advertising will also drive traffic to Afghan Jewelry Online.

6) Area of activity: International order fulfilment in the Afghan carpet and jewelry sectors.

**Implementing seamless order fulfilment:**
- The Client Liaison and Carpet Officers monitor order progress and perform quality control on-site, and communicate updates to international sales representatives who then inform clients.
- Turquoise Mountain’s Communications Team will train producer companies and jewelers in client liaison and communications. The Technical Expert assists carpet producers in setting up quality control processes that ensure orders meet quality standards. In jewelry, the Hub Manager oversees the entire order fulfilment process for jewelry orders including quality control.

**Implementing improved shipping options:**
- Turquoise Mountain will leverage existing relationships with FedEx and DHL as well as Turkish Airlines and Ariana to secure economic air freight tariffs. Turquoise Mountain will inform clients through a Shipping FAQ Sheet about shipping options, and when initial quotations are shared calculate estimated shipping costs using various options. Ahead of shipping, a Pre-Shipping Notification will be sent to clients by the Logistics Team to confirm shipping details.
- Producer companies and jewelers will also be informed about different shipping options and introductions with freight companies made. Turquoise Mountain has facilitated the export of over $6 million worth of artisan products to international markets and is well-versed in export procedures and shipping. The two Business Mentors, led by the Head of Business Development, will provide advice – free of charge – to carpet producers and jewelers on logistics and export procedures including customs as well as shipping through workshops that will be conducted by the team during monthly visits to businesses. In addition, the Jewelry Hub will host weekly drop-in sessions with the Business Mentors during which Mentors can offer ad hoc advice related to specific orders jewelry businesses may have. The Business Development Department has over seven years of experience assisting more than 130 Afghan craft businesses in logistics, export, and shipping. Being up to speed with and compliant with current procedures is paramount for timely shipping. The Mentors also liaise with freight companies such as DHL and FedEx to negotiate advantageous pricing for supported businesses and are pioneering large-scale shipments with Turkish Airlines.

5. **Monitoring, Evaluation, and Learning (MEL) Approach:**

Turquoise Mountain’s approach to project implementation, monitoring, evaluation, and learning is rooted in four sequential steps: data collection, data analysis, adaptation, and reflection. We
will collect and analyze performance information to track progress towards planned results, and inform decision-making and resource allocation. Turquoise Mountain will communicate results achieved or not attained as well as lessons learned to partners and stakeholders.

Key to Turquoise Mountain’s approach to Monitoring, Evaluation, and Learning are two documents, the M&E Matrix and the Activity Plan. In order to plan and oversee all monitoring, evaluation, and learning activities, Turquoise Mountain has created an M&E Matrix. This master document details the program’s outcomes, outputs, and activities, and matches these with indicators and data sources. It also assigns roles and responsibilities for M&E-related tasks, as per USAID guidelines and requirements. Performance Indicators (internal and USAID) are embedded within the M&E Matrix, and separate Performance Indicator Reference Sheets will be developed. A section on ‘Risks and Assumptions’ outlines context monitoring. The draft Activity Plan consists of a timeline for monthly activities in year one, and also includes monitoring, evaluation, and learning tasks. For year two these tasks are outlined quarterly, and bi-annually for years three and four. As MEL planning and management tools, the M&E Matrix and Activity Plan ensure a systematic approach to sampling, data collection, entry, and archiving as well as accurate methodologies, and means of verification. For more detail, please see the annexed MEL Plan.

6. Sustainability Plan:

To ensure that activities and results will continue beyond USAID funding, two elements of sustainability need to be brought about which are intimately connected: firstly, the sustainability of the supported Afghan carpet producer companies and jewelers as gold standard drivers of the sectors that are able to flourish, support large-scale employment, and export internationally without public donor support; and secondly, the sustainability of Turquoise Mountain’s role in Afghanistan.

The Sustainability of the Afghan Carpet and Jewelry Sectors:
A key component of the program is strengthening the carpet and jewelry sectors through various support activities geared towards the top producers of each sector. The program will be sustainable if by the end of activities, these Afghan producers and jewelers are financially viable, have increased exports to international markets, employ more people in socially and environmentally responsible environments, and maintain durable sales relations with an increasing number of international clients.

This sustainability will be achieved through implementation of targeted activities, outlined in the Implementation Plan, that address the bottlenecks that currently hamper job creation and exports. Sustainability beyond the award is, therefore, built into the core hypothesis of the intervention: all activities are aimed at improving, empowering, and enabling the actors driving the carpet and jewelry sectors in Afghanistan to ensure that they have the capacity to respond to the needs of international buyers, and embark on sustainable commercial relationships with them. Weaving centers, where weaving capacity is centralized and can be linked with on-site design, dyeing, washing and finishing facilities, are crucial in this regard. They engender a much more tightly integrated value-chain under the supervision of a single producer company that can better meet
international standards. In addition, with the support of the Business Mentors, producer companies and jewelers by the end of the program will have much greater prospects of financial sustainability.

On the demand side, too, sustainability is built into the activities underpinning the intervention. Raising awareness about the unique products made in Afghanistan and streamlining order fulfilment will catalyze demand for Afghan handmade carpets as these are able to fill a niche within international markets. Handmade carpet production in Turkey and Iran, which used to be powerhouses of the industry, has all but died out. Nepal and India are the other two countries, aside from Afghanistan, that continue to produce carpets by hand to a high standard. All three countries have distinctive styles. Among them Afghanistan has unique advantages, which contribute to this moment of opportunity as global demand increases while the number of supply countries diminishes. Some of the attributes that make Afghanistan globally competitive are high quality inputs, specific technical know-how, supply of skilled labor, and price; there are certain carpet products produced in Afghanistan that simply cannot be (re)produced elsewhere and that international buyers have expressed interest in but currently find difficult to source. By improving order fulfilment so that it is at least as smooth as in neighboring countries such as India and Nepal, demand will naturally flow to Afghanistan, catalyzing further investment in the private sector.

An additional way in which sustainability is built into the program is through verification: verification of Afghan carpet and jewelry businesses binds them to regular audits covering working conditions and environmental practices by Label STEP. These audits, which will continue also after program activities end and are financed through a percentage of sales, will allow for continuous monitoring and ensure international labor and environmental standards continue to be met: should deficiencies be identified, Label STEP works with businesses to address these. Afghan businesses are incentivized to keep their verification as it will help them to access international markets that are sensitive to ethical production.

As for new institutions, such as the Jewelry Hub and weaving centers: the weaving centers will be built and operated by the Afghan producer companies we work with, in places leveraging other sources of financing including Afghan government support. In Kabul, Turquoise Mountain will manage the Jewelry Hub where it will be integrated into the fabric of the old city where proceeds from fees from businesses with workshops in the area will be used to fund the ongoing operation of the facilities.

Regarding the sustainability, specifically, of the jewelry component, focusing on the design capacity of jewelry businesses in Afghanistan opens up new opportunities that enhance their prospects of sustainability. Jewelry businesses, previously, were focused, almost exclusively, on the execution of designs by international designers such as Pippa Small, Kate Spade, Katherine Parr, and Bex Rox, to name but a few. Once Afghan jewelers start designing as well as producing their own lines of jewelry, they are at liberty to market these directly to international retailers and wholesalers at higher margins. Turquoise Mountain will ensure that over the 50 months of the program, the necessary linkages are made between jewelry businesses and retailers/wholesalers and that jewelry businesses are equipped with the technical and business skills needed to continue and expand these relationships further after the program ends. This intense focus on design is entirely new in Afghanistan and is currently being piloted through...
weekly product development and design trainings at Turquoise Mountain's Design Center – the first of its kind in Afghanistan – with great success: over the course of the last 7 months four jewelry businesses (two of which are women-owned) have developed their own lines of jewelry and sold these to international retailers such as Artisan & Fox in Singapore. Such direct-to-market successes that are not only ‘Made in Afghanistan’ but also ‘Designed in Afghanistan’ add to the global recognition for Afghan-made jewelry that is gaining traction and that is exemplified in the contribution of Saeeda Etebari – a Turquoise Mountain Institute graduate and now a successful jewelry entrepreneur - to the Prince & Patron exhibition currently on at Buckingham Palace in London: her emerald necklace takes center stage among the cloak of Napoleon, the pure gold tiger’s head of Tipu Sultan, and the pearl encrusted belt of Maharaja Sher Singh. Her work has been previously exhibited at the Smithsonian Museum in Washington DC, the World Economic Forum in Davos, and the Milan Design Biennale.

A final note on job creation in the carpet industry, given that the vast majority of the labor going into a handmade carpet consists of weaving, the importance of a large pool of skilled weavers is not to be underestimated. In this regard, hundreds of thousands of refugees returning from Pakistan as well as settlements of IDPs in peri-urban areas, many of whom have weaving experience, offer a large and skilled labor force that can be drawn from for new job creation in years to come.

The Sustainability of Turquoise Mountain’s Role:
In regard to the sustainability of Turquoise Mountain’s role, it is twofold: firstly, Turquoise Mountain brokers sales for its network of Afghan carpet producer companies and jewelers with the top-end of international buyers. As part of that it trains and supports these businesses to ensure they can produce to the standards the orders demand. Secondly, by engaging in these support activities, Turquoise Mountain is enabling the producer companies and jewelers to become increasingly able to win sales contracts directly and create markets for their products themselves. Even if, as expected, producer companies and jewelers increasingly expand international markets for themselves, there is still a role for Turquoise Mountain, both as a platform that aggregates supply, and as a stakeholder that continuously exposes producer companies and jewelers to the highest quality and order fulfilment standards.

Turquoise Mountain’s brokering role is performed by its trading subsidiary Turquoise Mountain Trading Limited (TMTL), wholly owned by Turquoise Mountain Trust (TMT). It is a social enterprise and trading platform that aggregates artisan supply for the international market and will continue to secure commissions for and sell high-value carpets and jewelry products beyond the award, where warranted. It does so free of charge, no fee or margin is charged. This is not to build in dependence of Afghan producer companies and jewelers on TMTL but to make sure they are held up to the standards of the most reputable and demanding international clients. Constant exposure to these standards will drive the producer companies to continue to improve their technical abilities and services. In addition, research into carpet and jewelry sectors elsewhere has shown that brokers between production countries and clients are essential parts of integrated value-chains. Especially with continued limited accessibility and transparency in Afghanistan, TMTL will have a crucial role to play. As part of this program’s legacy, it is also an expression of Turquoise Mountain’s long-term commitment to improving the Afghan carpets and jewelry sectors, and to create jobs and increase exports.
7. Environmental Impact Review:

Impact of Proposed Activities:
The Afghan carpet industry works in a very traditional way: carpets are produced using almost only natural raw fibers like wool, cotton and silk and dyes from vegetable or mineral sources. Nevertheless, there are environmental risks in the carpet value-chain, particularly in the dyeing of raw materials, the washing of carpets, and handling of waste water.

Environmental Standards:
Interventions aimed at improving eco-friendly production methods in the carpet and jewelry industries are key program activities, and help ensure that carpet and jewelry producers meet the requirements of international buyers. In addition, these activities serve as environmental safeguards that help mitigate the environmental impact of the project.

Firstly, Label STEP will conduct an environmental impact review of both industries. This will include a) analysis of the production sites of all carpet producers and jewelry workshops. The focus will be on dyeing and washing facilities (identification and analysis of chemicals used; energy sources and their emissions; solid and liquid waste produced), and waste water treatment, and b) research into Afghan laws and regulations regarding environmental protection, and levels of compliance within the carpet and jewelry sectors. After this initial phase of research, the following environmental safeguards will be developed:

Environmental Guidelines (year one):
Label STEP will develop environmental guidelines for carpet producers and jewelers. These will include: recommendation lists of environmentally safe chemicals and dyes and blacklists of unsafe products; recommendations for clean energy sources and tips for the minimization of emissions; guidelines for the minimization of waste production, the safe disposal of solid waste and the proper treatment of waste water. Carpet producer companies and jewelers will be supported in the implementation of environmental guidelines.

Environmental audits (years one to four):
Once a year, Label STEP will audit all production sites with environmental impact for compliance with Afghan laws and regulations, developed environmental guidelines, USAID environmental policies, and Label STEP's environmental criteria for verification. Waste water samples will be lab tested at least twice during the program.

Establishment of waste water treatment facilities (years three and four):
Label STEP will draw on its experience in the carpet industry in other countries to support the setup of waste water treatment facilities at production sites. A former Label STEP project in Nepal demonstrates the feasibility of cost-efficient, low-maintenance waste water treatment facilities. With the support of the Technical Expert, set-up and construction plans will be adapted to the Afghan context.

Trainings on Environmental Requirements:
All environmental guidelines will be compiled in a manual and introduced at all carpet production sites and jewelry workshops, and management and staff will be trained in the implementation of the guidelines by Label STEP. In addition, a lobbying campaign will raise awareness and promote environmentally friendly practices in the carpet industry nationwide, and
international buyers will be prompted to request environmental responsibility from their suppliers.

8. Gender:

Developing the carpet sector in Afghanistan has the potential to significantly contribute to women's economic empowerment. Afghanistan ranks last of 169 countries in UNDP's Gender Development Index (2016), and have one of the lowest rates of female labor force participation at only 16 percent.16 Women play a crucial role in the carpet sector, the second largest employment industry after agriculture, forming the vast majority of weavers.17 Intense participation of women in the carpet sector does not, however, translate into equal employment opportunities or equal earnings for men and women. Women and men tend to work in different parts of the sector: men as producers, administrative staff, middlemen, or involved in dyeing, washing and finishing processes, women as weavers or wool spinners. Women engage in low-productivity and labor-intensive activities, and are more likely to be in unpaid family employment. Consequently, gender gaps in earnings persist in the sector.

Anticipated levels of participation of men and women:
Activities — whether technical support or raising awareness of environmental issues — target both weavers (predominantly female) and producer company staff (predominantly male). As weavers make up the bulk of a producer companies’ workforce, nominally more women are likely to receive training, mentoring, and support. In jewelry, most jewelers are men (of the eleven businesses currently supported by Turquoise Mountain, only two are run by women). In order to ensure participation of proportionally more women, the apprentices taken on by the Jewelry Hub will be 50% male and 50% female, and female leadership will be looked upon favorably when selecting new businesses.

Possible differential effects the activity might have on men and women:
Activities aim to empower weavers — predominantly female — and to improve their working conditions, including better and directly-paid wages, and therefore help to tighten the gap between men and women in regard to knowledge levels and income. Men, the carpet producers above all, will be made aware of the issues facing female weavers, and encouraged to make improvements in working conditions and pay wages directly. There is no immediate gender focus in implementation of the activities but given the division of labor in the carpet sector, the impact of activities in the field of social and environmental issues is likely to felt most strongly among women given their position as weavers.

Opportunities to promote women's empowerment:
Studies have shown that exploitation and vulnerability are consistent features of the carpet value-chain in Afghanistan.18 A survey, conducted by Turquoise Mountain and Label STEP, of 377 female weavers across four provinces in Afghanistan showed that the sources of exploitation and

17 The typical gender ratio among weavers appears to be 70-80 percent female depending on the province in question
vulnerability lie in: 1) poor wages, 2) lack of market knowledge, and 3) poor working conditions including long and tiring hours leading to health issues. The activities proposed under Area of Activity 3 (Social and Environmental Responsibility) in the Implementation Plan are designed specifically to improve wages, direct wage payment, working conditions, and weavers' knowledge of the carpet market to empower them.

The creation of weaving centers provides a great opportunity to promote women's empowerment. Weaving centers, to be considered socially acceptable, are often run exclusively by women. Not only the weavers are all female, so too are the production supervisor, administrative staff, and support staff. Weaving centers thus provide opportunities for women to move into other roles than weaver, notably that of production supervisor or administrative staff-member. The role of Weaver Representative also brings opportunities for female leadership.

Weaving centers also encourage women to leave their homes and thus ensure that they are working in an environment that conforms to international standards. This hypothesis is in line with recent studies that have shown that home-based work increases the likelihood of unsafe or unhealthy working conditions and the occurrence of child labor. Female carpet weavers working at weaving centers are also more likely to be paid their wages directly. In jewelry, because jewelers, especially in small workshops, have to work as business managers also, supporting female jewelers provides opportunity for promoting female leadership.

**Strategy and action plan for addressing identified gender inequalities:**
The aims of the proposed activities, among other things, are to reduce the disparity in access to, control over, and benefit from resources and opportunities and to increase the capability of female weavers and jewelers to realize their rights and influence decision-making, conforming to USAID's Gender Equality and Female Empowerment Policy. These aims have been adapted into specific results with indicators, including: vertical integration of women in the carpet and jewelry value-chains (indicator: number of new design or administrative jobs for women), higher wages for female weavers (indicator: level of paid wages), more development and education opportunities for women (indicator: number of trainings conducted, and classes offered at weaving centers, the Jewelry Hub, or Design Center). Gender equality is, therefore, built into the project's design, implementation, monitoring and evaluation.
Strategic Planning:
Successful implementation depends on continued strategic planning based on informed analysis and expert advice. The CEO and COP will oversee the production of regular strategic plans with heads of department producing work plans for their department. The strategic planning for this project includes three crucial elements: ongoing planning for overall project delivery of the AJCP grant; new strategic planning (branding, distribution and sales) for the Afghan artisan sector; ongoing strategic planning for Turquoise Mountain as a whole, including synergies.
between projects.

The Entities: Turquoise Mountain Trust (TMT):
Turquoise Mountain Trust (TMT) was the first organization of Turquoise Mountain to be founded, in 2006. TMT is a non-profit non-governmental organization registered in Scotland, and operates in Afghanistan under registration with the Ministry of Economy (No: 237). Turquoise Mountain is also active in Myanmar, Jordan and Saudi Arabia.

Turquoise Mountain Trading Limited (TMTL):
In order to drive the growth of the Afghan artisan sector from a more commercial standpoint, and as an integral part of the sustainability plan for the sector as set out by TMT, TMT set up TMTL in 2014. TMTL is a private company limited by shares, with the objective of carrying out business to support the work of TMT.

The Leadership Team:
The team is comprised of the CEO, Chief of Party (COP), Deputy Chief of Party (DCOP), Head of Business Development, Chief Financial Officer (CFO) and the Head of Operations and includes both national and international staff. The CEO is accountable to the TMT Board and is responsible for all strategic planning and the management of TMT and TMTL. The COP (international) reports directly to the CEO and collaboratively plans overall strategy, implementation, and management decisions. The COP is accountable for all operations, supervision, planning, and communications in Afghanistan. The COP directly supervises: the DCOP (international), the Head of Business Development (national), the CFO (national) and the Head of Operations (national). All department heads make decisions with the COP and are ultimately accountable for their respective team’s performance. The COP will ensure that a planned timeline for the project is in place before implementation.

Finance Department:
Comprised of the CFO and (1) finance officer (both national). The CFO reports to the COP and is accountable for all finance management and operations. The finance officers report directly to the CFO. All are existing staff and will be ready to begin work on the AJCP on the initial start date.

Communications & Reporting Department:
The Head of Communications and Reporting (international) will serve as the primary Monitoring and Evaluation Specialist for the AJCP program. She will oversee one senior M&E Officer (national) and the Communications Designer (national). All are existing staff and will be ready to begin work on the AJCP on the initial start date.

Operations Department:
The Head of Operations is directly responsible for overseeing all operations and managing the following staff: Senior Human Resource Officer, Senior Security and Transport Officer, Liaison Officer, and a large cohort of approximately 50 support staff – they consist of drivers, guards, maintenance personnel, contractors and cooks. All are existing national staff and will be ready to begin work on the AJCP on the initial start date.
Business Development Department:
The Head of Business Development directly manages the following national staff: (1) Senior Finance Officer, (2) Business Mentors, (1) Jewelry Hub Manager, and (1) Production and Sampling Manager. In turn, the Jewelry Hub Manager will supervise (1) Jewelry Hub Mentor, (1) Jewelry Quality Controller, and (16) International Jewelry Consultant trips. The Production and Sampling Manager will supervise (1) Production and Sampling Officer and (1) Sales and Logistics Assistant. Most are current staff and recruitment for the following positions will begin in the first month of the program: Jewelry Hub Manager, Jewelry Hub Mentor, Jewelry Consultants.

International Trading Team:
The team (international staff) are (1) International Head of Trading, (1) International Creative Director, (1) Global Sales Support Officer, (1) Carpet Sales Representative - North America, (1) Carpet Sales Representative - Europe, (1) Global Jewelry Products Sales Representative. The International Head of Trading and International Creative Director are current staff members and are structured under TMTL, with the International Creative Director, assisted by the Global Sales Support Officer, reporting to the International Head of Trading who reports to the CEO. The COP will work directly with them and the CEO to devise international sales strategies. The Carpet and Jewelry Representatives will report to the International Head of Trading. The Carpet Representative North America and the Global Jewelry Products Sales Representative will be recruited at the start of the program in April 2019. The Carpet Representative Europe will start in November 2019.

The Carpet Team:
The Carpet Manager will report directly to the DCOP and manage the following staff: (1) Carpet Technical Expert, (1) Carpet Client Liaison, (1) Carpet Accountant and Logistics Officer, (2) Regional Carpet Officers – Herat + Bamyan, (1) Regional Carpet Manager who will supervise (1) Carpet Coordinator and (1) Regional Carpet Officer – Mazar. Two thirds of the team members are currently working on carpet related activities and additional staff will be recruited in year one of the project. All will be national staff.

Design Team:
The Design Center Manager will report to the DCOP and supervise (12) Design Consultant trips. The Design Centre Manager is a current international employee and all the consultants will be a mix of local, regional and international positions.

Management of Sub-Awards:
Turquoise Mountain will provide sub awards to the following partners: GOLIN – an American public relations firm; HALI & COVER Magazine – prominent carpet trade publications; Label STEP – a Fairtrade certification organization based in Switzerland with offices in Afghanistan. The COP will supervise all activities and communications with partners. All decision making will be undertaken in consultation with the CEO and relevant department heads. Implementation of activities will begin during the first month of the program.

Collaboration Scheme:
Turquoise Mountain Trust has built up a strong network of support, which is crucial for a project
of this nature. This includes the Government of Afghanistan, the international community and the private sector. We are currently managing a large USAID grant and have programs in the carpet sector with the World Bank and UNHCR. The Afghan Government has pledged financial and institutional support for this program through national programs such as the Displacement and Return Executive Committee (DIREC) and the Women’s Economic Empowerment National Priority Program. Donors such as the British Council are currently supporting these activities. The COP will focus on maintaining and strengthening these relationships and utilizing the considerable resources at hand to achieve the objects of the AJCP over the course of the program.

11. Institutional Capacity

Turquoise Mountain has over a decade of experience implementing multi-million dollar projects in artisan enterprise development in Afghanistan. Since 2008 Turquoise Mountain has been a partner of USAID, completing major urban regeneration and community development projects in Kabul. Since 2015, Turquoise Mountain has focused on developing the artisan sector across Afghanistan, developing a model of end-to-end, vertically-integrated support for artisan businesses. The Business Development team has grown over these years, bringing in the brightest Afghan graduates, including many from the American University of Afghanistan’s MBA program. The capacity of this team, developed under the USAID RACCEW program, will be carried over into this new program. The following projects are detailed in the annexes: USAID: Turquoise Mountain Smithsonian Enterprises, (TMSE) AID- 306-G-15-00003; USAID: Rebranding Afghanistan Creating Jobs, Changing Perceptions, Empowering Women (RACCEW) AID- 306-F-15-00001. In addition, Turquoise Mountain has recently embarked on a carpet-sector-focused project with funding from the World Bank, and in cooperation with the Afghan government. This project is detailed in the annex: World Bank: Diagnosing and Developing Sustainable Solutions for Afghan Women’s Economic Empowerment Through Carpet Value Chains, Contract 7182026. The aim of the project is to improve the wages and working conditions of 500 female carpet weavers in the north. It is a pilot project designed to inform Afghan government policy-making decisions. The value-chain diagnostic undertaken through this project informs deeply this AJCP program description. This kind of joined-up development will be a feature of the approach under AJCP.

Turquoise Mountain is also in confidential negotiations to acquire ARZU, Inc. (important note: this information is confidential, covered under a mutual NDA. This note is authorized by both Turquoise Mountain and ARZU Inc). The acquisition would include existing sales channels in the United States, designs, Bamyan weaving supply chain, washing, dyeing and finishing capacity, and ARZU’s strong brand reputation, built over more than a decade, in Afghanistan, the United States and beyond. This coming together of Turquoise Mountain and ARZU would represent a consolidation of supply chain capacity, significant sales and market potential. Turquoise Mountain Trust believe this would translate into huge benefits for the carpet industry and the implementation of this program. Turquoise Mountain Trust have always worked alongside ARZU as a fellow and like-minded actor working to promote Afghan crafts. In the early stages of building up high end export from Afghanistan, the benefits of another high-quality actor in the market outweigh any potential losses from competition. The proposal for this coming together (for which Turquoise Mountain would serve as the sole owner going forward)
was brought up just at the end of December 2017. As Turquoise Mountain Trust had not
calculated it into the original goals, it is not necessary that the proposal goes through for them to
achieve their proposed goals. If it did go through (which we would anticipate early Q2 of 2018),
it would only serve to enhance the offering, experience and capacity of this proposed project.

In carpets, over the course of the last three years, Turquoise Mountain has positioned itself with
the help of its expert staff – notably the Carpet Technical Expert – as the go-to organization for
carpet-related activities from both international community and government sides. Turquoise
Mountain advises the government in its carpet industry related exports and job creation efforts
through liaison with the Ministry of Commerce and Industries as well as the Ministry of Labor,
Social Affairs, Martyrs, and Disabled, and initiatives such as the Women’s Economic
Empowerment National Priority Program. Internationally, Turquoise Mountain is perceived by
high-end buyers and designers as the one organization able to facilitate smooth sourcing of
custom-made Afghan carpets and their impressive track-record includes famous designers, large
hotel chains and exhibitions of Afghan made carpets at the Milan Design Biennale, the World

In jewelry, Turquoise Mountain, with the support of USAID, trained a first generation of Afghan
jewelers in metalwork, stone cutting and polishing, and basic business skills. Through Turquoise
Mountain these businesses have been connected with international designers such as Pippa
Small, Hattie Richards, Jenny Bird, Katherine Parr, and others. In addition, Turquoise Mountain
has brokered sales for these jewelry businesses with retailers such as Monsoon, Bajalia, Par +
Wide Collective as well as museums such as the Smithsonian and the British Museum. Over the
last four years, nearly $433,000 of Afghan jewelry sales has been made.

Turquoise Mountain has an impressive record in staff retention which ensures that institutional
memory and lessons learned are incorporated into daily work. Turquoise Mountain’s out-of-
country senior management (CEO, COO, Creative Director, Regional Director) have 15 years of
Afghanistan experience between them, as well as knowledge of local languages. The in-country
management also has many years of experience in the region.

The team in Afghanistan is made up of 97 per cent Afghan nationals, many of whom have been
with the organization for over five years. The strong team of Afghan managers (CFO, Design
Manager, Operations Manager, and Communications Specialist) has received years of mentoring
and outside training, through which they have become proficient in donor grant management.
We have undergone over twenty clean annual and program audits in Afghanistan.

As an NGO, Turquoise Mountain Trust maintains a low-profile approach to security in
Afghanistan. Their experience, and networks with local government and other NGOs, allow us to
navigate the local security environment pragmatically and for the benefit of the project goals. We
recognize the difficult security context of the country and remain committed to continuing work,
making adjustments as needed. To date in their USAID TMSE and RACCEW projects they met
or exceeded all targets. They are an organization dedicated to growing the artisan sector, thus
creating jobs and exports; it is their mission as a charity. They are not distracted by a portfolio of
other unrelated projects. All their resources and experience will be channeled to achieving the
goals under AJCP.
Label Step was founded in Switzerland in 1995, and has more than 20 years of experience improving working conditions in handmade carpet industries, and has pioneered a fair-trade standard for the sector. Today 50 wholesale and retail companies from seven countries in Europe and North America trust Label Step to verify if their producers comply with fair-trade standards. Label STEP carries out hundreds of audits every year, working with export companies in production companies, and organizes awareness and capacity-building trainings for thousands of weavers. Label STEP has been in Afghanistan since 2010 with offices in Mazar-e Sharif and Kabul. The last eight years it has implemented projects focused on improving working conditions and wages with funding from GIZ, the World Bank, and UNHCR.
ATTACHMENT C: APPROVED BRANDING STRATEGY AND MARKING PLAN

SECTION I

Branding Strategy:

Per ADS 320.3.2.1 the branding strategy identifies the program name, the branding and marking format for expected outputs, project attribution and desired level of visibility.

Project Name:

The name of the project is “Export, Jobs and Market Linkages in Carpet and Jewelry Value-Chain”.

Positioning:

Turquoise Mountain Trust has redesigned its logo and developed a new branding strategy as attached in annex 1 the will be used following USAID’s Branding Marking policy.

- The USAID identity will be positioned on the far left of the page and the Turquoise Mountain Trust identity will be positioned on the far right for all materials produced for project reports PMP, Annual Reports.
- The USAID identity will always be of size and prominence equivalent to or greater than the recipient’s, sub-recipient’s other donor’s or third parties.
- In case of multiple identities/sponsors such as with the implementing partner, the NGOs identity will be positioned between USAID and Foundation identities.

The USAID identity will be used in accordance with USAID Graphic Standards Manual and Partner Co-Branding Guide. The logos will be positioned in all publication as follows:

![USAID Logo](image1)

![Turquoise Mountain Logo](image2)

Visibility:

Overall, USAID’s identity will have a high level of visibility when it is appropriate, and the audience will understand that the aid is provided by the American people. In cases where some audiences might be perceived to react negatively, such as in places where security risk may be high, visibility will be low, and a waiver or partial waiver will be requested on a case by case basis.
**Project Communications and Publicity:**

**Key Audiences and Messages:**

The primary audiences are:

- Artisans - especially female and male carpet weavers and artisans working in the handmade jewelry and gem-cutting sector.
- Entrepreneurs who are managing handicraft production enterprises in the carpet and jewelry sector.
- National and international partners such as Pippa Small, ISHKAR, Far & Wide, Matt Camron, Creative Matters, Kababian, Elko, Creative Matters, Christopher LA, Allistair Covell, Dandelion Rugs, LAMDARY & ARCDI, Lawrence of La Brea, ORITOP GmbH, Basagoti.
- USAID. For this audience, we want to document project results, promote successful approaches, and share lessons learned that can inform USAID programs, and instill a sense of pride in members of the USAID community.
- The American public in general.
- Stakeholders in the handicraft sector, the Afghan Government, NGO that are working in the artisan sector, donor partners with USAID, and provincial and district authorities.
- National and international media, tourists, local visitors to the Turquoise Mountain Trust facilities/offices housed in historic buildings in the old city of Kabul, Murad Khani which were restored with USAID support.
- Management and leadership of key partners, stakeholder organizations, other donors and development partners.

At each public event, USAID branding will be appropriately displayed and the support from the American people will be verbally acknowledged in language laid out in the accompanying Marking Plan. In addition, the project will ensure that all staff can speak about the activity and explain USAID and the American peoples’ role in the process.

**Project Communications and Publicity:**

USAID is supporting the “Export, Jobs and Market Linkages in Carpet and Jewelry Value-Chains” program to increase Afghanistan’s competitiveness in the carpets and jewelry production sector globally by imprinting a sustainable and positive impact on Afghanistan’s economy and by creating jobs while promoting Afghan quality products of cultural heritage and pride.

**Printed Materials:**

**Stories/News items for USAID:**

Turquoise Mountain Trust will provide USAID with Snapshots, first person accounts, case studies, photo & caption, before and after stories, and Fact Sheets using USAID-branded templates provided by USAID/Afghanistan Development Outreach and Communications Office. These will be marked with USAID identity and the Turquoise Mountain Trust logo will not be
Certificates:

Certificates for any workshops and trainings funded by USAID will be co-branded with the Turquoise Mountain Trust logo, the USAID identity, and the logos of other partner organizations or Government Ministries. Marking of the USAID identity will be of a size and prominence equivalent to the Foundation’s and partner organizations’ logos. The marking of USAID identity on certificates will be on the left-hand side at the bottom of the certificate and the Foundation will be on the right-hand side at the bottom.

Posters, Leaflets, Brochures:

Posters, leaflets, and brochures for activities funded by USAID will be co-branded with the USAID identity, Turquoise Mountain Trust, and the partner organizations or ministries’ logos, with the USAID identity on the bottom left-hand side and the Turquoise Mountain Trust on the bottom right. All public printed, video, and audio materials will also include a disclaimer (text included in the accompanying Marking Plan) to identify parties responsible for publication contents. USAID reserves the right to request pre-production review of USAID-funded public communications materials.

Public Events and Communications:

All award-supported events including training seminars and training-related meetings will have the USAID identity displayed on events signage and in materials distributed to participants. In case of co-sponsorships of events, the event will be co-branded with USAID, Turquoise Mountain Trust, and co-sponsors as appropriate as per USAID branding regulations.

Authorities:

The program AOR will be the primary point of contact for all branding and marking issues. The AOR will be provided with sufficient information to monitor compliance with the branding regulations. All sub-grantees will use the same Branding Implementation Plan as TURQUOISE MOUNTAIN TRUST. The project will clear any press releases, media events, media interviews and other project outreach materials with USAID (AOR and DOC). Requests for waivers or modifications to the Branding Implementation Plan will be directed to the AOR. Specific questions regarding branding will be directed to the AOR.

Acknowledgements:

Turquoise Mountain Trust will work closely with relevant ministries, national and international partners, as well as provincial and district level staff in the implementation of activities of the project. The Branding Strategy and Marking Plan may include the logo and the appropriate acknowledgement of a ministry or donor where it contributes resources or technical support to the implementation of the program. In addition to the USAID logo appearing on the upper left-hand corner of the cover page, the identities of the other implementing partners and appropriate collaborators may be listed. This would include the principal implementer identity as mentioned above, and the other implementing partners will be added between the donor and primary
SECTION II

Marketing Plan:

The covers of all reports prepared and submitted to USAID will be marked with both the USAID and Turquoise Mountain Trust logos, with the USAID logo positioned on the top left-hand side of the page and the Turquoise Mountain Trust logo positioned on the right. All reports released under the award will comply with publications provisions stipulated under the Grant and the AAPD 05-11, such as inclusion of the disclaimer for publications not reviewed and approved by USAID (per 226.91(c)(1)).

Disclaimer Language for Publications:

All studies, reports, publications, web sites (note: any websites developed by the activity require a separate USAID approval), and all informational and promotional products will contain the following provision:

This study/report/publication (specify) is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of (name of organization) and do not necessarily reflect the views of USAID or the United States Government.

The table below provides a list of items to be governed by this Grant’s Marking Plan

<table>
<thead>
<tr>
<th>Description</th>
<th>Type of USAID Marking Required</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Funded Inventory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment provided to NGO partners</td>
<td>No USAID marking</td>
<td></td>
</tr>
<tr>
<td>Equipment provided to government entities</td>
<td>No USAID marking</td>
<td></td>
</tr>
<tr>
<td>Equipment, supplies, and commodities for beneficiaries</td>
<td>No USAID marking</td>
<td></td>
</tr>
<tr>
<td>Communications and Outreach Products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banners, posters, periodic program reports and publications and other printed documents</td>
<td>Co-branding as per ADS 320 and the USAID Graphic Standards Manual</td>
<td>All printed materials may contain disclaimer language at the bottom of the first page</td>
</tr>
</tbody>
</table>
Estimated Cost Associated with Branding and Marking:

Turquoise Mountain Trust will incorporate the USAID identity in the design of all new electronically-produced documents and program materials. As such, the cost of this marking will not represent any additional cost.

There are minimal to no costs associated with branding and marking.

Deliverables without Marking:

Turquoise Mountain Trust may request a waiver for communications and outreach materials, where the USAID identity will potentially compell the security concerns to beneficiaries and partners and it may reduce the impact of a market-making effort.

Modifications:

In the event of changed communications circumstances over the course of activity implementation requiring a modification to this Marking Plan, implementing organization, through its AOR, will submit to USAID a request to modify this plan and/or other related documents, such as the Branding Strategy. Such a request requires the approval of the activity’s
AOR, in consultation with the DOC team and possibly the Agreement Officer.

ANNEXES:

Turquoise Mountain Identity Guideline:

![Turquoise Mountain Brand](image)

**Turquoise Mountain Brand:**

The Master Brand consists of the 5 hexagons in a pyramidal arrangement and the Turquoise Mountain name. The Master Brand should appear in all print and electronic communications that are large enough to depict the Master Brand at its minimum size. Minimum Size: The minimum width for the Master Branding print and non-screen applications is 4 cm (1.6 in). If larger than 4 cm, the height should be increased proportionately.

**COLORS:**

**Primary:**

Color plays an important role in representing the Turquoise Mountain brand. Use Turquoise Mountain turquoise (RGB: 0, 145, 186) on all corporate-wide communications. When used consistently over time, this color will become directly associated with Turquoise Mountain.
Expanded:

An expanded color family for the Turquoise Mountain logo, in grey scale, has been developed to allow for flexibility in brand communications where sub-brand, cultural or product distinction is warranted.

<table>
<thead>
<tr>
<th>Black</th>
<th>Grey</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGB: 35, 31, 32</td>
<td>RGB: 177, 182, 185</td>
<td>RGB: 255, 255, 255</td>
</tr>
</tbody>
</table>

Typography:

Typography can work together with other design elements to make communications more readable, consistent and visually appealing.

Sans Serif

Proxima Nova Semi bold is the approved Turquoise Mountain sans serif typeface and should be used for all headings and subheadings (headings 14 point and sub headings 12 point).

Serif

New Caledonia has been designated as Turquoise Mountain serif typeface and it should be used for all body text (body text 11 point)

Collaborations:

Turquoise Mountain (comprised of the Turquoise Mountain Trust, TMT, and Turquoise Mountain Trading Limited, TMTL) seeks to bring together a coalition of partners and stakeholders to
move promote the aims of the Export, Jobs and Market Linkages in Carpet and Jewelry Value-Chains Program. We aim to work with partners across the public and private sectors, possibly including but not limited to:

**Educational Institutions:**
- The American University of Afghanistan.
- Central Saint Martins in London.
- The London Business School.

**Governments:**
- The Government of Afghanistan—EPAA within the Ministry of Commerce and Industry, the Ministry of Information and Culture including its regional offices, and others
- Donors and Embassies, which have particular access and ideas about target markets; specifically working with the World Bank on carpet production.

**Private Sector**
- Artisan businesses across the country—their input will be important both in the formation of the ‘Buy Afghan’ campaign (as a response to findings on ‘Brand Afghanistan’), and in decisions on implementation.
- National and international partners such as Pippa Small, ISHKAR, Far & Wide, Matt Camron, Creative Matters, Kababian, Elko, Creative Matters, Christopher LA, Allistair Covell, Dandelion Rugs, LAMDARY & ARCADI, Lawrence of La Brea, ORITOP GmbH, Basagit.
- HALI & CARPET Magazines
- GOLIN advertising
- Label STEP
- Clients—clients who have worked with Turquoise Mountain and/or Afghanistan before will provide valuable feedback on the brand as it is developed.

[END OF ATTACHMENT C]
ATTACHMENT D: STANDARD PROVISIONS FOR NON-U.S. NONGOVERNMENTAL ORGANIZATIONS

Mandatory Standard Provisions for Non-U.S. Nongovernmental Organizations

M1. ALLOWABLE COSTS (DECEMBER 2014)
M2. ACCOUNTING, AUDIT, AND RECORDS (OCTOBER 2017)
M3. AMENDMENT OF AWARD AND REVISION OF BUDGET (AUGUST 2013)
M4. NOTICES (JUNE 2012)
M5. PROCUREMENT POLICIES (JUNE 2012)
M6. USAID ELIGIBILITY RULES FOR PROCUREMENT OF COMMODITIES AND SERVICES (JUNE 2012)
M7. TITLE TO AND USE OF PROPERTY (DECEMBER 2014)
M8. SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND DATA RIGHTS (JUNE 2012)
M9. MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE (DECEMBER 2014)
M10. AWARD TERMINATION AND SUSPENSION (DECEMBER 2014)
M11. RECIPIENT AND EMPLOYEE CONDUCT (JUNE 2018)
M12. DEBARMENT AND SUSPENSION (JUNE 2012)
M13. DISPUTES AND APPEALS (DECEMBER 2014)
M14. PREVENTING TERRORIST FINANCING (AUGUST 2013)
M15. TRAFFICKING IN PERSONS (April 2016)
M16. VOLUNTARY POPULATION PLANNING ACTIVITIES – MANDATORY REQUIREMENTS (MAY 2006)
M17. EQUAL PARTICIPATION BY FAITH-BASED ORGANIZATIONS (JUNE 2016)
M18. NONDISCRIMINATION (JUNE 2012)
M19. USAID DISABILITY POLICY - ASSISTANCE (JUNE 2012)
M20. LIMITING CONSTRUCTION ACTIVITIES (AUGUST 2013)
M21. USAID IMPLEMENTING PARTNER NOTICES (IPN) PORTAL FOR ASSISTANCE (JULY 2014)
M22. PILOT PROGRAM FOR ENHANCEMENT OF GRANTEE EMPLOYEE WHISTLEBLOWER PROTECTIONS (SEPTEMBER 2014)
M23. SUBMISSION OF DATASETS TO THE DEVELOPMENT DATA LIBRARY (OCTOBER 2014)
M24. PROHIBITION ON REQUIRING CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS OR STATEMENTS (MAY 2017)
M25. CHILD SAFEGUARDING (June 2015)
M26. MANDATORY DISCLOSURES (July 2015)
M27. NONDISCRIMINATION AGAINST BENEFICIARIES (November 2016)
M28. CONFLICT OF INTEREST (August 2018)
M1. ALLOWABLE COSTS (DECEMBER 2104)

a. The recipient will be reimbursed for costs incurred in carrying out the purposes of this award in accordance with the terms of this award and the applicable cost principles in effect on the date of this award. The recipient may obtain a copy of the applicable cost principles from the Agreement Officer (AO):

2 CFR 200, Subpart E, Cost Principles

48 CFR 31.2 Federal Acquisition Regulations (FAR) and 48 CFR 731.2 USAID Acquisition Regulations (AIDAR) - Cost Principles for Commercial Organizations

b. It is the recipient's responsibility to ensure that costs incurred are in accordance with the applicable cost principles, meaning the costs are (1) reasonable: costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business; (2) allocable: incurred specifically for this award; and (3) allowable: conform to any limitations in this award. The recipient must obtain any prior written approvals from the AO that are required by the applicable cost principles. The recipient may obtain the AO’s written determination on whether specific costs not clearly addressed in the applicable cost principles are allowable or allocable. The AO reserves the right to make a final determination on the allowability of costs.

c. USAID will not pay any profit or fee to the recipient or subrecipients of a grant or cooperative agreement. This restriction does not apply to procurements under this award made in accordance with Standard Provision, “Procurement Policies.”

d. The recipient must retain documentation to support charges to this award for a period of three years from the date of submission of the final expenditure report in accordance with the Standard Provision, “Accounting, Audit, and Records.”

e. This provision must be incorporated into all subawards and contracts, which are paid on a cost reimbursement basis.

[END OF PROVISION]

M2. ACCOUNTING, AUDIT, AND RECORDS (OCTOBER 2017)

a. Records and Accounting. The recipient must maintain financial records, supporting documents, statistical records and all other records, to support performance of, and charges to, this award. Such records must comply with accounting principles generally accepted in the U.S., the cooperating country, or by the International Accounting Standards Board (a subsidiary of the International Financial Reporting Standards Foundation). Accounting records and supporting documentation must, at a minimum, be
adequate to show all costs incurred under this award; receipt and use of goods and services acquired under this award; the costs of the program supplied from other sources; and the overall progress of the program. Unless otherwise notified by USAID, the recipient records and subrecipient records that pertain to this award must be retained for a period of three years from the date of submission of the final expenditure report.

b. Audits.

(1) The recipient must have an annual audit, consistent with 2 CFR Part 200, Subpart F, for any recipient fiscal year in which the recipient expends a combined total of $750,000 or more in all USAID awards, either directly or through another USAID contractor or recipient, excluding fixed price contracts and fixed amount awards.

(i) The audit report must be submitted to USAID within 30 days after receipt of the auditor's report, but no later than nine months after the end of the period audited.

(ii) The USAID Inspector General will review this report to determine whether it complies with the audit requirements of this award. USAID will only pay for the cost of audits conducted in accordance with the terms of this award.

(iii) In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this provision, USAID will consider appropriate sanctions which may include suspension of all, or a percentage of, disbursements until the audit is satisfactorily completed.

(2) The recipient is not required to have an annual audit for any recipient fiscal year in which the recipient expends a combined total of less than $750,000 in all USAID awards, either directly or through a prime contractor or recipient, excluding fixed price contracts and fixed amount awards. However, the recipient must make records pertaining to this award for that fiscal year available for review by USAID officials or their designees upon request.

(3) USAID retains the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending USAID funds, regardless of the audit requirement.

c. Subawards and Contracts.

(1) If the recipient provides USAID resources to other organizations to carry out the USAID-financed program and activities, the recipient is responsible for monitoring such subrecipients or contractors. The costs for subrecipient audits for organizations that meet the threshold in paragraph b. are allowable. The costs for subrecipient audits for organizations that do not meet the threshold in paragraph b. are allowable only for the following types of compliance audits: activities allowed or unallowed; allowable
costs/cost principles; eligibility; cost share; level of effort; earmarking; and reporting.

(2) This provision must be incorporated in its entirety into all subawards and contracts with non-U.S. organizations that are for more than $10,000. Subawards of grants and cooperative agreements made to U.S. organizations must state that the U.S. organization is subject to the audit requirements contained in 2 CFR 200, subpart F.

[END OF PROVISION]

M3. AMENDMENT OF AWARD AND REVISION OF BUDGET (AUGUST 2013)

a. This award may only be amended in writing, by formal amendment or letter, signed by the Agreement Officer (AO), and in the case of a bilateral amendment, by the AO and an authorized official of the recipient.

b. In addition to other approvals required in this award, the recipient must receive prior written approval from the AO to:

(1) Change the scope or the objectives of the program, and/or revise the total award amount or the period of the award (amendment required);

(2) Receive an additional obligation of USAID funds in excess of the amount currently obligated (amendment required);

(3) Change key personnel, if specified in the award;

(4) Permit the absence of more than three months from, or a 25 percent reduction in time devoted to, the award by the principal project leader approved for the award;

(5) Transfer funds from the indirect cost line item to absorb increases in direct costs, or vice versa; 08/30/2018 Partial Revision 9 Text highlighted in yellow indicates that the material is new or substantively revised.

(6) Obtain reimbursement for costs that require prior approval in accordance with the Standard Provision, “Allowable Costs”;

(7) Transfer funds allotted for training allowances (direct payment to trainees) to other cost categories;

(8) Transfer funds allotted for construction activities (as defined in the Mandatory Provision entitled, “Limiting Construction Activities”) to other cost categories, or vice versa;

(9) Subaward or contract any work under this award, if such subawards or contracts were not described in this award and funded in the approved budget. This does not apply to the
purchase of supplies, material, equipment, or general support services; or
(10) If specified in this award, transfer funds among direct cost categories, or programs,
functions, and activities listed in the award budget, when the cumulative amount of such
transfers exceeds or is expected to exceed 10% of the total award amount, as last approved by
the AO.

c. Failure by the recipient to obtain the approvals required above, or elsewhere in this
award, may result in the AO disallowing such costs. USAID is under no obligation to
reimburse the recipient for costs incurred in excess of the total amount obligated under
this award. If the total obligated amount under this award has been increased, the AO will
notify the recipient of the increase and specify the new total obligated amount by written
amendment to the award.

[END OF PROVISION]

M4. NOTICES (JUNE 2012)

Any notice given by USAID or the recipient is sufficient only if in writing and delivered in
person, mailed or e-mailed as follows:

(1) To the USAID Agreement Officer, at the address specified in this award; or
(2) To the recipient, at the recipient's address shown in this award, or to such other
address specified in this award.

[END OF PROVISION]

M5. PROCUREMENT POLICIES (JUNE 2012)

The recipient must use its own procurement policies and procedures for the procurement of
commodities and services necessary for this award, provided they conform to the requirements
listed below and the Standard Provision, “USAID Eligibility Rules for Procurement of
Commodities and Services.” A procurement is not a subaward, which is an award of financial
assistance to carry out the purposes of the program in the form of money, or property in lieu of
money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a
lower tier subrecipient. If subawards are authorized under this award, then the recipient must
comply with the Standard Provision “Subawards.”

a. Procurement Policies and Procedures. The recipient must maintain and conduct all of its
procurements according to written policies and procedures for the award and administration
of contracts, and ensure that the price is fair and reasonable for all procurements. The
recipient may designate a reasonable micro-purchase threshold (e.g., $2,500) under which
more simplified acquisition procedures may apply. The recipient’s procurement procedures must provide, at a minimum:

(1) Procurements above the recipient’s micro-purchase threshold must be conducted in a manner to provide fair and unbiased competition, including the following:

   (i) All responsible sources are permitted to compete in an equal manner.
   (ii) Purchase requests must clearly establish all requirements that the bidder or offeror must fulfill in order to be evaluated by the recipient.
   (iii) Contracts must be made to the offeror whose offer is responsive to the purchase request and has the most advantageous price, quality, and other factors.
   (iv) The recipient is encouraged to use U.S. small businesses whenever practicable.

(2) Where appropriate, the recipient must determine the most economical and practical means by which to accomplish program objectives, including the necessity of the commodities or services, lease or purchase options, and reasonableness of costs.

(3) The recipient must maintain a system for contract administration to ensure that goods and services are provided in accordance with the terms, conditions, and specifications of the contract, including full and timely delivery and performance.

(4) Conflicts of Interest. The recipient must avoid conflicts of interest, including bias and unfair competitive advantage. The recipient’s standards of conduct must provide for disciplinary actions for violations of such standards by officers, employees, or agents of the recipient.

   (i) Bias. The recipient must ensure that competitions are not biased in favor of one offeror over another. For instance, the recipient, an employee, officer or agent of the recipient, or any member of an employee’s immediate family must not receive an award, or have a financial or other interest in the individual or firm selected for an award. The officers, employees, and agents of the recipient must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subawards. In addition, a contractor that develops or drafts specifications, requirements, statements of work, invitations for bids, and/or requests for proposals must be excluded from competing for such procurements.

   (ii) Unfair Competitive Advantage. The recipient must ensure that no potential contractor has unequal access to information that may provide that contractor an unfair competitive advantage. For instance, a potential contractor who has received procurement sensitive information, such as others’ offered prices that are not available to all competitors must be excluded from the competition.

(5) The recipient must retain all procurement records related to this award in accordance with
the Standard Provision, “Accounting, Audit and Records,” and make such records available to USAID upon request. In addition, for awards above the recipient’s micro-purchase threshold, the recipient must also retain the following written documentation:

(i) Basis for contractor selection;
(ii) Justification for lack of competition when competitive bids or offers are not obtained; and
(iii) Basis for award cost or price.

(6) The type of procurement instruments used (for example, fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts) must be appropriate for the particular procurement and for promoting the best interest of the program or project. The recipient must not use a “cost-plus-a percentage-of-cost,” “percentage of construction cost,” or any other method that provides for a fee payable as a percentage of costs incurred, because such arrangements encourage the contractor to increase costs to increase its fee.

b. For contracts under this award, the recipient must include all provisions required by this award to be included in contracts, any other provisions necessary to define a sound and complete contract, and the following provisions:

(1) Contracts in excess of the recipient’s micro-purchase threshold must contain provisions that allow for administrative, contractual, or legal remedies if a contractor violates the contract terms; and

(2) In all contracts for construction or facility improvement awarded for more than $100,000, the recipient must observe generally accepted bonding requirements.

[END OF PROVISION]

M6. USAID ELIGIBILITY RULES FOR PROCUREMENT OF COMMODITIES AND SERVICES (JUNE 2012)

a. This provision is not applicable to commodities or services that the recipient provides with private funds as part of a cost-sharing requirement, or with Program Income generated under this award.

b. Ineligible and Restricted Commodities and Services:

(1) Ineligible Commodities and Services. The recipient must not, under any circumstances, procure any of the following under this award:

(i) Military equipment,
(ii) Surveillance equipment,
(iii) Commodities and services for support of police or other law enforcement activities,
(iv) Abortion equipment and services,
(v) Luxury goods and gambling equipment, or
(vi) Weather modification equipment.

(2) Ineligible Suppliers. Any firms or individuals that do not comply with the requirements in Standard Provision “Debarment and Suspension” and Standard Provision “Preventing Terrorist Financing” must not be used to provide any commodities or services funded under this award.

(3) Restricted Commodities. The recipient must obtain prior written approval of the Agreement Officer (AO) or comply with required procedures under an applicable waiver, as provided by the AO when procuring any of the following commodities:

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

c. Source and Nationality:

Except as may be specifically approved in advance by the AO, all commodities and services that will be reimbursed by USAID under this award must be from the authorized geographic code specified in this award and must meet the source and nationality requirements set forth in 22 CFR 228. If the geographic code is not specified, the authorized geographic code is 937. When the total value of procurement for commodities and services during the life of this award is valued at $250,000 or less, the authorized geographic code for procurement of all goods and services to be reimbursed under this award is code 935. For a current list of countries within each geographic code, see ADS 310, Source and Nationality Requirements for Procurement of Commodities and Services Financed by USAID.

d. Guidance on the eligibility of specific commodities and services may be obtained from the AO. If USAID determines that the recipient has procured any commodities or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the AO may require the recipient to refund the entire amount of the purchase.

e. This provision must be included in all subawards and contracts, which include procurement of commodities or services.
M7. TITLE TO AND USE OF PROPERTY (DECEMBER 2014)

a. Title to all Property financed under this award vests in the recipient upon acquisition unless otherwise specified in this award.

b. Property means equipment, supplies, real property, and intangible property, each defined individually below, financed under this award or furnished by USAID:

(1) Equipment means tangible nonexpendable personal property (including information technology systems) having a useful life of more than one year, and an acquisition cost of $5,000 or more per unit. However, consistent with the recipient’s policy, lower limits may be established.

(2) Supplies means tangible personal property excluding equipment. A computing device is a supply if the acquisition cost is less than $5,000 per unit.

(3) Real Property means land, including land improvements, structures and appurtenances, including permanent fixtures.

(4) Intangible Property includes, but is not limited to, intellectual property, such as trademarks, copyrights, patents and patent applications, and debt instruments, such as bonds, mortgages, leases or other agreements between a lender and a borrower.

c. The recipient agrees to use and maintain all Property for the purpose of this award in accordance with the following procedures:

(1) The recipient must use the Property for the program for which it was acquired during the period of this award, and must not provide any third party a legal or financial interest in the property (e.g., through a mortgage, lien, or lease) without approval of USAID.

(2) When the Property is no longer needed for the program for which it was acquired during the period of this award, the recipient must use the Property in connection with its other activities, in the following order of priority:

(i) Activities funded by USAID, then

(ii) Activities funded by other United States Government (USG) agencies, then
(iii) As directed by the Agreement Officer (AO).

d. The recipient must maintain the Property in good condition, have management procedures to protect the Property, and maintain an accurate inventory of all Property. Maintenance procedures must include the following:

(1) Accurate description of the Property, including serial number, model number, or other identifying number, acquisition date and cost, location and condition, and data on the disposition of any Property (date of disposition, sales price, method used to determine current fair market value, etc.), as applicable.

(2) A physical inventory of Property that must be taken, and the results reconciled with the equipment records, at least once every two years during the period of this award.

(3) A control system must be in effect to maintain the Property and ensure adequate safeguards to prevent loss, damage, or theft of the Property. The recipient must maintain appropriate insurance equivalent to insurance the recipient maintains for its own property. Any loss, damage, or theft must be investigated and fully documented, and the recipient must promptly notify the AO. The recipient may be liable where insurance is not sufficient to cover losses or damage.

e. Upon completion of this award, the recipient must submit to the AO a property disposition report of the following types of Property, along with a proposed disposition of such Property.

(1) All equipment that has a per unit current fair market value at the end of this award of $5,000 or more.

(2) New/unused supplies with an aggregate current fair market value at the end of this award of $5,000 or more.

(3) Real or intangible property, of any value.

f. The recipient must dispose of Property at the end of this award in accordance with the recipient’s property disposition report, unless the AO directs the recipient in writing within 60 days of the AO’s receipt of the recipient’s property disposition report to dispose of the Property in a different manner. Disposition may include the following:

(1) The recipient may retain title with no further obligation to USAID.
(2) The recipient may retain title, but must compensate USAID for the USAID share, based on the current fair market value of the Property.

(3) The recipient may be directed to transfer title to USAID or a third party, including another implementing partner or the host country government. In such case, the recipient will be compensated for its proportional share of the Property that the recipient financed with its own funds, if any, based on the current fair market value of the Property.

g. The AO may direct, at any time during this award, that title to the Property vests in the USG or a third party, such as the cooperating country. In such cases, the recipient must maintain custody and control of the Property, until directed otherwise, and must allow reasonable access to the Property to the title holder. While in its custody and control, the recipient must follow the provisions above for protection and maintenance of the Property, and provide the AO with an annual inventory of such Property and follow any additional instructions on protection and maintenance as may be provided by the AO.

h. This provision must be included in all subawards and contracts.

[END OF PROVISION]

MS. SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND DATA RIGHTS (JUNE 2012)

a. Submissions to the Development Experience Clearinghouse (DEC).

1) The recipient must provide the Agreement Officer’s Representative one copy of any Intellectual Work that is published, and a list of any Intellectual Work that is not published.

2) In addition, the recipient must submit Intellectual Work, whether published or not, to the DEC, either on-line (preferred) or by mail. The recipient must review the DEC Web site for submission instructions, including document formatting and the types of documents to submit. Submission instructions can be found at:

http://dec.usaid.gov

3) For purposes of submissions to the DEC, Intellectual Work includes all works that document the implementation, evaluation, and results of international development assistance activities developed or acquired under this award, which may include program
and communications materials, evaluations and assessments, information products, research and technical reports, progress and performance reports required under this award (excluding administrative financial information), and other reports, articles and papers prepared by the recipient under the award, whether published or not. The term does not include the recipient’s information that is incidental to award administration, such as financial, administrative, cost or pricing, or management information.

4) Each document submitted should contain essential bibliographic information, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) development objective; and 6) date of publication.

5) The recipient must not submit to the DEC any financially sensitive information or personally identifiable information, such as social security numbers, home addresses and dates of birth. Such information must be removed prior to submission. The recipient must not submit classified documents to the DEC.

b. Rights in Data

1) Data means recorded information, regardless of the form or the media on which it may be recorded, including technical data and computer software, and includes Intellectual Work, defined in a. above.

2) Unless otherwise provided in this provision, the recipient may retain the rights, title and interest to Data that is first acquired or produced under this award. USAID reserves a royalty-free, worldwide, nonexclusive, and irrevocable right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

c. Copyright. The recipient may copyright any books, publications or other copyrightable materials first acquired or produced under this award. USAID reserves a royalty-free, worldwide, nonexclusive, and irrevocable right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

d. The recipient will provide the U.S. Government, on request or as otherwise provided in this award, a copy of any Data or copyrighted material to which the U.S. Government has rights under paragraphs b. and c. of this provision. The U.S. Government makes no representations or warranties as to title, right to use or license, or other legal rights or obligations regarding any
M9. MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE (DECEMBER 2014)

a. The USAID Identity is the official marking for USAID, comprised of the USAID logo and brandmark with the tagline “from the American people”, unless amended by USAID to include additional or substitute use of a logo or seal and tagline representing a presidential initiative or other high level interagency initiative. The standard USAID logo must be used unless the award requires use of an additional or substitute logo. The USAID Identity (including any required presidential initiative or related identity) is available on the USAID Web site at www.usaid.gov. Recipients must use the USAID Identity, of a size and prominence equivalent to or greater than any other identity or logo displayed, to mark the following:

1. Programs, projects, activities, public communications, and commodities partially or fully funded by USAID;

2. Program, project, or activity sites funded by USAID, including visible infrastructure projects or other physical sites;

3. Technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities, promotional, informational, media, or communications products funded by USAID;

4. Commodities, equipment, supplies, and other materials funded by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs; and

5. Events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities. If the USAID Identity cannot be displayed, the recipient is encouraged to otherwise acknowledge USAID and the support of the American people.

b. The recipient must implement the requirements of this provision following the approved Marking Plan in the award.
c. The AO may require a preproduction review of program materials and “public communications” (documents and messages intended for external distribution, including but not limited to correspondence; publications; studies; reports; audio visual productions; applications; forms; press; and promotional materials) used in connection with USAID-funded programs, projects or activities, for compliance with an approved Marking Plan.

d. The recipient is encouraged to give public notice of the receipt of this award and announce progress and accomplishments. The recipient must provide copies of notices or announcements to the Agreement Officer’s Representative (AOR) and to USAID’s Office of Legislative and Public Affairs in advance of release, as practicable. Press releases or other public notices must include a statement substantially as follows:

"The U.S. Agency for International Development administers the U.S. foreign assistance program providing economic and humanitarian assistance in more than 80 countries worldwide."

e. Any “public communication” in which the content has not been approved by USAID must contain the following disclaimer:

"This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert recipient name] and do not necessarily reflect the views of USAID or the United States Government."

f. The recipient must provide the USAID AOR, with two copies of all program and communications materials produced under this award.

g. The recipient may request an exception from USAID marking requirements when USAID marking requirements would:

(1) Compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials;

(2) Diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent;

(3) Undercut host-country government “ownership” of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications;
(4) Impair the functionality of an item;

(5) Incur substantial costs or be impractical;

(6) Offend local cultural or social norms, or be considered inappropriate; or

(7) Conflict with international law.

h. The recipient may submit a waiver request of the marking requirements of this provision or the Marking Plan, through the AOR, when USAID-required marking would pose compelling political, safety, or security concerns, or have an adverse impact in the cooperating country.

(1) Approved waivers “flow down” to subawards and contracts unless specified otherwise. The waiver may also include the removal of USAID markings already affixed, if circumstances warrant.

(2) USAID determinations regarding waiver requests are subject to appeal by the recipient, by submitting a written request to reconsider the determination to the cognizant Assistant Administrator.

i. The recipient must include the following marking provision in any subagreements entered into under this award:

“As a condition of receipt of this subaward, marking with the USAID Identity of a size and prominence equivalent to or greater than the recipient’s, subrecipient’s, other donor’s, or third party’s is required. In the event the recipient chooses not to require marking with its own identity or logo by the subrecipient, USAID may, at its discretion, require marking by the subrecipient with the USAID Identity.”

[END OF PROVISION]

M10. AWARD TERMINATION AND SUSPENSION (DECEMBER 2014)

a. The recipient or Agreement Officer (AO) may terminate this award at any time, in whole or in part, upon written notice to the other party in accordance with the Standard Provision, “Notices.” The termination notice must contain the reason(s) for the termination; the effective date; and, in the case of a partial termination, the portion to be terminated. If the termination is based on non-compliance, note that this termination decision may be considered in selection for future awards.
b. USAID may suspend this award, in whole or in part, at any time, following notice to the recipient, and prohibit the recipient from incurring additional obligations chargeable to this award other than those costs specified in the notice of suspension during the period of suspension.

c. In the event the recipient or any of its employees, subrecipients, or contractors are found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR 140, USAID reserves the right to terminate this award, in whole or in part, or take any other appropriate measures including, without limitation, refund or recall of any award amount. Additionally, the recipient must make a good-faith effort to maintain a drug-free workplace and USAID reserves the right to terminate or suspend this award if the recipient materially fails to do so.

d. Termination and Suspension Procedures. Upon receipt of, and in accordance with, a termination or suspension notice from USAID as specified above, the recipient must take immediate action to minimize all expenditures and, in the event of termination, cancel all obligations financed by this award to the greatest extent possible. Except as provided in this provision or as approved in writing by the AO, the recipient is not entitled to costs incurred after the effective date of termination.

e. Within 30 calendar days after the effective date of such termination, the recipient must repay to the U.S. Government all unexpended USAID funds as of the effective date of termination, which are not otherwise obligated by a non-cancelable legally binding transaction applicable to this award.

f. Should the funds paid by USAID to the recipient prior to the effective date of the termination of this award be insufficient to cover legally binding obligations to third parties by the recipient, the recipient may submit to USAID within 90 calendar days after the effective date of a termination a written claim covering such recipient obligations. The AO must determine the amount(s) to be paid by USAID to the recipient under such claim in accordance with this provision and the Standard Provision, “Allowable Costs.”

g. The recipient must, to the greatest extent possible, include a provision in all subawards, including subawards and contracts, affording the recipient the right to terminate the subaward in the event USAID terminates this award, including the refund requirement in paragraph c.

[END OF PROVISION]

M11. RECIPIENT AND EMPLOYEE CONDUCT (JUNE 2018)
a. The recipient must have written policies and procedures in place to prevent personal conflicts of interest and to prevent its officers, employees, or agents from using their positions for personal gain or presenting the appearance of a personal conflict of interest. A personal conflict of interest is a situation in which an officer, employee, or agent of the recipient has a financial interest, personal activity, or relationship that could impair the employee’s ability to act impartially when performing under the award. The recipient’s written policy must state that an employee, officer, or agent of the recipient, or any member of an employee’s immediate family cannot receive a subaward, or have a financial or other interest in the entity selected for a subaward without disclosing the conflict and following the recipient’s written policies and procedures for mitigating the conflict. In addition, the written policy must state that the officers, employees, and agents of the recipient must neither solicit nor accept gratuities, favors, or anything of monetary value from subrecipients or prospective subrecipients.

b. The recipient, its employees, and consultants are prohibited from using U.S. Government information-technology systems (such as Phoenix, GLAAS, etc.), must be escorted to use U.S. Government facilities (such as office space or equipment), and may not rely on assistance from any U.S. Government clerical or technical personnel in the performance of this award, except as otherwise provided in this award.

c. The recipient, its employees, and consultants are private individuals, are not employees of the U.S. Government, and must not represent themselves as such.

d. The following requirements in this provision apply to the recipient’s employees who are not citizens of the cooperating country.

(1) If the recipient’s employees enjoy exemptions from import limitations, customs duties or taxes on personal property in connection with performance of this award, the sale of such personal property is governed by the rules contained in 22 CFR 136, including a prohibition from profiting from such sale, except as this may conflict with host-government regulations.

(2) Any outside business dealings of the recipient’s employees must be legal and not conflict in any manner with this award. Outside business dealings include, but are not limited to, any investments, loans, employment, or business ownership by the recipient’s employees, other than work to be performed under this award.

e. As part of the recipient’s internal controls and standards of employee conduct, the recipient must ensure that its employees adhere to these standards of conduct in a manner consistent with
the standards for United Nations (UN) employees in Section 3 of the UN Secretary-General’s Bulletin - Special measures for protection from sexual exploitation and sexual abuse (ST/SGB/2003/13).

f. If the recipient determines that the conduct of any recipient employee is not in accordance with this provision or this award, the recipient’s Chief of Party must coordinate with the Agreement Officer and the USAID Mission Director to resolve the situation with regard to such employee including, if necessary, termination of the employee. In the case of termination of a non-host country national, the recipient must use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

g. The parties recognize the rights of the U.S. Chief of Mission to direct the removal from a country of any U.S. citizen, or direct the discharge from this award of any individual (U.S., third-country, or cooperating-country national) when, at the discretion of the U.S. Chief of Mission, it is in the best interest of the United States.

h. If it is determined, under paragraph (f) or (g) above, that the services of such employee should be terminated, the recipient must use its best efforts to cause the return of such employee to the United States, or third-country point of origin, as appropriate, and replace the employee with an acceptable substitute at no cost to USAID.

g. The substance of this provision, including this paragraph g., must be included in all subawards. Any matters relating to subrecipients, including the employees of subrecipients, must be coordinated through the recipient’s Chief of Party.

[END OF PROVISION]

M12. DEBARMENT AND SUSPENSION (JUNE 2012)

a. The recipient must not transact or conduct business under this award with any individual or entity that has an active exclusion on the System for Award Management (SAM) (www.sam.gov) unless prior approval is received from the Agreement Officer. The list contains those individuals and entities that the U.S. Government has suspended or debarred based on misconduct or a determination by the U.S. Government that the person or entity cannot be trusted to safeguard U.S. Government funds. Suspended or debarred entities or individuals are excluded from receiving any new work or any additional U.S. Government funding for the duration of the exclusion period. If the recipient has any questions about listings in the system, these must be directed to the Agreement Officer.

b. The recipient must comply with Subpart C of 2 CFR Section 180, as supplemented by 2 CFR
780. USAID may disallow costs, annul or terminate the transaction, debar or suspend the recipient, or take other remedies as appropriate, if the recipient violates this provision. Although doing so is not automatic, USAID may terminate this award if a recipient or any of its principals meet any of the conditions listed in paragraph c. below. If such a situation arises, USAID will consider the totality of circumstances—including the recipient’s response to the situation and any additional information submitted—when USAID determines its response.

c. The recipient must notify the Agreement Officer immediately upon learning that it or any of its principals, at any time prior to or during the duration of this award:

(1) Are presently excluded or disqualified from doing business with any U.S. Government entity;

(2) Have been convicted or found liable within the preceding three years for committing any offense indicating a lack of business integrity or business honesty such as fraud, embezzlement, theft, forgery, bribery or lying;

(3) Are presently indicted for or otherwise criminally or civilly charged by any governmental entity for any of the offenses enumerated in paragraph c.(2); or

(4) Have had one or more U.S.-funded agreements terminated for cause or default within the preceding three years.

d. Principal means—

(1) An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or

(2) A consultant or other person, whether or not employed by the participant or paid with Federal funds, who—
   (i) Is in a position to handle Federal funds;
   (ii) Is in a position to influence or control the use of those funds; or,
   (iii) Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.

e. The recipient must include this provision in its entirety except for paragraphs c.(2)-(4) in any subawards or contracts entered into under this award.

[END OF PROVISION]

M13. DISPUTES AND APPEALS (DECEMBER 2014)
a. Any dispute under this award will be decided by the Agreement Officer (AO). The AO must furnish the recipient a written copy of the decision.

b. Decisions of the AO are final unless the recipient appeals the decision to USAID’s Deputy Assistant Administrator, Bureau for Management. Any appeal made under this provision must be in writing, postmarked within 30 calendar days of receipt of the AO’s decision; include all relevant and material evidence; and be addressed to the Deputy Assistant Administrator, Bureau for Management, U.S. Agency for International Development, Management Bureau, 1300 Pennsylvania Ave, NW, Washington, D.C. 20523. A copy of the appeal must be concurrently furnished to the AO. No hearing will be provided.

c. A decision under this provision by the Deputy Assistant Administrator, Bureau for Management is final.

d. Notwithstanding any other term of this award, subawardees and contractors have no right to submit claims directly to USAID and USAID assumes no liability for any third party claims against the recipient.

[END OF PROVISION]

M14. PREVENTING TERRORIST FINANCING (AUGUST 2013)

a. The recipient must not engage in transactions with, or provide resources or support to, individuals and organizations associated with terrorism including those individuals or entities that appear on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Treasury (online at: http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx) or the United Nations Security designation list (online at: http://www.un.org/sc/committees/1267/au_sanctions_list.shtml).

b. This provision must be included in all subawards and contracts issued under this award.

[END OF PROVISION]

M15. TRAFFICKING IN PERSONS (April 2016)

a. The recipient, subawardee, or contractor, at any tier, or their employees, labor recruiters,
brokers or other agents, must not engage in:

(1) Trafficking in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime) during the period of this award;

(2) Procurement of a commercial sex act during the period of this award;

(3) Use of forced labor in the performance of this award;

(4) Acts that directly support or advance trafficking in persons, including the following acts:

i. Destroying, concealing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;

ii. Failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:

   a) exempted from the requirement to provide or pay for such return transportation by USAID under this award; or

   b) the employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action;

iii. Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;

iv. Charging employees recruitment fees; or

v. Providing or arranging housing that fails to meet the host country housing and safety standards.

b. In the event of a violation of section (a) of this provision, USAID is authorized to terminate this award, without penalty, and is also authorized to pursue any other remedial actions authorized as stated in section 1704(c) of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013).
c. If the estimated value of services required to be performed under the award outside the United States exceeds $500,000, the recipient must submit to the Agreement Officer, the annual “Certification regarding Trafficking in Persons, Implementing Title XVII of the National Defense Authorization Act for Fiscal Year 2013” as required prior to this award, and must implement a compliance plan to prevent the activities described above in section (a) of this provision. The recipient must provide a copy of the compliance plan to the Agreement Officer upon request and must post the useful and relevant contents of the plan or related materials on its website (if one is maintained) and at the workplace.

d. The recipient’s compliance plan must be appropriate to the size and complexity of the award and to the nature and scope of the activities, including the number of non-United States citizens expected to be employed. The plan must include, at a minimum, the following:

(1) An awareness program to inform employees about the trafficking related prohibitions included in this provision, the activities prohibited and the action that will be taken against the employee for violations.

(2) A reporting process for employees to report, without fear of retaliation, activity inconsistent with the policy prohibiting trafficking, including a means to make available to all employees the Global Human Trafficking Hotline at 1-844-888-FREE and its e-mail address at help@befree.org.

(3) A recruitment and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging of recruitment fees to the employee, and ensures that wages meet applicable host-country legal requirements or explains any variance.

(4) A housing plan, if the recipient or any subawardee intends to provide or arrange housing. The housing plan is required to meet any host-country housing and safety standards.

(6) Procedures for the recipient to prevent any agents or subawardee at any tier and at any dollar value from engaging in trafficking in persons activities described in section a of this provision. The recipient must also have procedures to monitor, detect, and terminate any agents or subawardee or subawardee employees that have engaged in such activities.

e. If the Recipient receives any credible information regarding a violation listed in section a(1)-(4) of this provision, the recipient must immediately notify the cognizant Agreement Officer and the USAID Office of the Inspector General; and must fully cooperate with any Federal agencies
responsible for audits, investigations, or corrective actions relating to trafficking in persons.

f. The Agreement Officer may direct the Recipient to take specific steps to abate an alleged violation or enforce the requirements of a compliance plan.

g. For purposes of this provision, "employee" means an individual who is engaged in the performance of this award as a direct employee, consultant, or volunteer of the recipient or any subrecipient.

h. The recipient must include in all subawards and contracts a provision prohibiting the conduct described in section a(1)-(4) by the subrecipient, contractor, or any of their employees, or any agents. The recipient must also include a provision authorizing the recipient to terminate the award as described in section b of this provision.

[END OF PROVISION]

M16. VOLUNTARY POPULATION PLANNING ACTIVITIES – MANDATORY REQUIREMENTS (MAY 2006)

a. Requirements for Voluntary Sterilization Programs

   (1) Funds made available under this award must not be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any individual to practice sterilization.

b. Prohibition on Abortion-Related Activities:

   (1) No funds made available under this award will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to any person to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for or against abortion. The term “motivate,” as it relates to family planning assistance, must not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options.

   (2) No funds made available under this award 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 abortions is not precluded.

[END OF PROVISION]

M17. EQUAL PARTICIPATION BY FAITH-BASED ORGANIZATIONS (JUNE 2016)

a. Faith-Based Organizations Encouraged

Faith-based organizations are eligible, on the same basis as any other organization, to participate in any USAID program for which they are otherwise eligible. Neither USAID nor entities that make and administer subawards of USAID funds shall discriminate for or against an organization on the basis of the organization’s religious character or affiliation. Additionally, religious organizations shall not be disqualified from participating in USAID programs because such organizations are motivated or influenced by religious faith to provide social services, or because of their religious character or affiliation.

Decisions about awards of USAID financial assistance must be free from political interference or even the appearance of such interference. Awards must be made on the basis of merit, not the basis of the religious affiliation of an applicant, or lack thereof. A faith-based organization may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, within the limits contained in this provision. For more information, see the USAID Faith-Based and Community Initiatives Web site and 22 CFR 205.1.

b. Explicitly Religious Activities Prohibited.

(1) Explicitly religious activities include activities that involve overt religious content such as worship, religious instruction, prayer, or proselytization.

(2) The recipient must not engage in explicitly religious activities as part of the programs or services directly funded with financial assistance from USAID. If the recipient engages in explicitly religious activities, the activities must be offered separately, in time or location, from any programs or services directly funded by this award, and participation must be voluntary for beneficiaries of the programs or services funded with USAID assistance.

(3) These restrictions apply equally to religious and secular organizations. All organizations that participate in USAID programs, as recipients or subawardees, including religious ones, must carry out eligible activities in accordance with all program requirements and other
(4) Notwithstanding the restrictions of b.(1) and (2), a religious organization that participates in USAID-funded programs or services:

(i) May retain its independence and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct financial assistance from USAID to support or engage in any explicitly religious activities or in any other manner prohibited by law;

(ii) May use space in its facilities, without removing religious art, icons, scriptures, or other religious symbols; and

(iii) May retain its authority over its internal governance, and may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

c. Implementation in accordance with the Establishment Clause: Nothing in this provision shall be construed as authorizing the use of USAID funds for activities that are not permitted by Establishment Clause jurisprudence or otherwise by law.

d. Discrimination Based on Religion Prohibited: The recipient must not, in providing services, discriminate against a program beneficiary or potential program beneficiary on the basis of religion or religious belief, refusal to hold a religious belief or a refusal to attend or participate in a religious practice.

e. A religious organization's exemption from the Federal prohibition on employment discrimination on the basis of religion, set forth in Sec. 702(a) of the Civil Rights Act of 1964, 42 U.S.C. 2000e–1 is not forfeited when the organization receives financial assistance from USAID.

f. The Secretary of State may waive the requirements of this section in whole or in part, on a case-by-case basis, where the Secretary determines that such waiver is necessary to further the national security or foreign policy interests of the United States.

g. This provision must be included in all subawards under this award.

[END OF PROVISION]
M18. NONDISCRIMINATION (JUNE 2012)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination on the basis of race, color, national origin, age, disability, or sex under any program or activity funded by this award when work under the grant is performed in the U.S. or when employees are recruited from the U.S.

Additionally, USAID is committed to achieving and maintaining a diverse and representative workforce and a workplace free of discrimination. Based on law, Executive Order, and Agency policy, USAID prohibits discrimination, including harassment, in its own workplace on the basis of race, color, religion, sex (including pregnancy and gender identity), national origin, disability, age, veteran’s status, sexual orientation, genetic information, marital status, parental status, political affiliation, and any other conduct that does not adversely affect the performance of the employee.

In addition, the Agency strongly encourages its recipients and their subrecipients and vendors (at all tiers), performing both in the U.S. and overseas, to develop and enforce comprehensive nondiscrimination policies for their workplaces that include protection for all their employees on these expanded bases, subject to applicable law.

[END OF PROVISION]

M19. USAID DISABILITY POLICY - ASSISTANCE (JUNE 2012)

The recipient must not discriminate against people with disabilities in the implementation of USAID funded programs and should demonstrate a comprehensive and consistent approach for including men, women, and children with disabilities.

[END OF PROVISION]

M20. LIMITING CONSTRUCTION ACTIVITIES (AUGUST 2013)

APPLICABILITY: In accordance with the policy at ADS 303.3.30, AOs must include this provision in all solicitations and awards. When no construction activities are contemplated under the award, the AO must insert “Construction is not eligible for reimbursement under this award” in section d) of this provision. If the award permits construction activities based on the policy above (or as authorized by waiver), the AO must insert the description and location(s) of the specific construction activities in section d) of this provision. The AO must not make a general
reference to the Program Description. The AO must also ensure that there is a specific line item for construction activities in the award budget.

LIMITING CONSTRUCTION ACTIVITIES (AUGUST 2013)

a) Construction is not eligible for reimbursement under this award unless specifically identified in paragraph d) below.

b) Construction means — construction, alteration, or repair (including dredging and excavation) of buildings, structures, or other real property and includes, without limitation, improvements, renovation, alteration and refurbishment. The term includes, without limitation, roads, power plants, buildings, bridges, water treatment facilities, and vertical structures.

c) Agreement Officers will not approve any subawards or procurements by recipients for construction activities that are not listed in paragraph d) below. USAID will reimburse allowable costs for only the construction activities listed in this provision not to exceed the amount specified in the construction line item of the award budget. The recipient must receive prior written approval from the AO to transfer funds allotted for construction activities to other cost categories, or vice versa.

d) Description: 1. Construction of two water treatment plants at production sites
2. Construction of one best practice jewelry facility.

e) The recipient must include this provision in all subawards and procurements and make vendors providing services under this award and subrecipients aware of the restrictions of this provision.

[END OF PROVISION]

M21. USAID IMPLEMENTING PARTNER NOTICES (IPN) PORTAL FOR ASSISTANCE (JULY 2014)

APPLICABILITY: For use in all solicitations and resulting awards. Please refer to ADS 303 Section 303.3.31, “USAID Implementing Partner Notices (IPN) Portal For Assistance” for additional guidance.

USAID IMPLEMENTING PARTNER NOTICES (IPN) PORTAL FOR ASSISTANCE (JULY 2014)
(a) Definitions

"USAID Implementing Partner Notices (IPN) Portal for Assistance ("IPN Portal")" means the single point where USAID posts proposed universal bilateral amendments for USAID awards, which can be accessed electronically by registered USAID recipients. The IPN Portal is located at https://sites.google.com/site/usaidipnforassistance/.

"IPN Portal Administrator" means the USAID official designated by the Director, M/OAA, who has overall responsibility for managing the USAID Implementing Partner Notices Portal for Assistance.

"Universal bilateral amendment" means those amendments with revisions or new requirements or provisions that affect all awards or a designated class of awards, as specified in the Agency notification of such revisions or new requirements.

(b) By submission of an application and execution of an award, the Applicant/Recipient acknowledges the requirement to:

(1) Register with the IPN Portal if awarded an assistance award resulting from this solicitation, and

(2) Receive universal bilateral amendments to this award and general notices via the IPN Portal.

(c) Procedure to register for notifications.

Go to https://sites.google.com/site/usaidipnforassistance/ and click the "Register" button at the top of the page. Recipient representatives must use their official organization email address when subscribing, not personal email addresses.

(d) Processing of IPN Portal Amendments

The Recipient may access the IPN Portal at any time to review all IPN Portal amendments; however, the system will also notify the Recipient by email when the USAID IPN Portal Administrator posts a universal bilateral amendment for Recipient’s review and signature. Proposed USAID IPN Portal amendments distributed via the IPN Portal are applicable to all awards, unless otherwise noted in the proposed amendment.
Within 15 calendar days from receipt of the notification email from the IPN Portal, the Recipient must do one of the following:

1. (a) verify applicability of the proposed amendment for their award(s) per the instructions provided with each amendment; (b) download the amendment and incorporate the following information on the amendment form: award number, organization name, and organization mailing address as it appears in the basic award; (c) sign the hardcopy version; and (d) send the signed amendment (by email or hardcopy) to the AO for signature. The Recipient must not incorporate any other changes to the IPN Portal amendment. Bilateral amendments provided through the IPN Portal are not effective until the both the Recipient and the AO sign the amendment;

2. Notify the AO in writing if the amendment requires negotiation of additional changes to terms and conditions of the award; or

3. Notify the AO that the Recipient declines to sign the amendment.

Within 30 calendar days of receipt of a signed amendment from the Recipient, the AO must provide the fully executed amendment to the Recipient or initiate discussions with the Recipient.

[END OF PROVISION]

M22. PILOT PROGRAM FOR ENHANCEMENT OF GRANTEE EMPLOYEE WHISTLEBLOWER PROTECTIONS (SEPTEMBER 2014)

The requirement to comply with and inform all employees of the "Pilot Program for Enhancement of Contractor Employee Whistleblower Protections" is retroactively effective for all assistance awards and subawards (including subcontracts) issued beginning July 1, 2013.

The Grantee must:

1. Inform its employees working under this award in the predominant native language of the workforce that they are afforded the employee whistleblower rights and protections provided under 41 U.S.C. § 4712; and

2. Include such requirement in any subaward or subcontract made under this award.

41 U.S.C. § 4712 states that an employee of a Grantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for "whistleblowing." In addition, whistleblower
protections cannot be waived by any agreement, policy, form, or condition of employment. Whistleblowing is defined as making a disclosure "that the employee reasonably believes" is evidence of any of the following:

- Gross mismanagement of a Federal contract or grant;
- A gross waste of Federal funds;
- An abuse of authority relating to a Federal contract or grant;
- A substantial and specific danger to public health or safety; or
- A violation of law, rule, or regulation related to a Federal contract or grant (including the competition for, or negotiation of, a contract or grant).

To qualify under the statute, the employee’s disclosure must be made to:

- A Member of the U.S. Congress, or a representative of a U.S. Congressional Committee;
- A cognizant U.S. Inspector General;
- The U.S. Government Accountability Office;
- A Federal employee responsible for contract or grant oversight or management at the relevant agency;
- A U.S. court or grand jury; or,
- A management official or other employee of the Grantee who has the responsibility to investigate, discover, or address misconduct.

[M23. SUBMISSION OF DATASETS TO THE DEVELOPMENT DATA LIBRARY (OCTOBER 2014)]

a. Definitions. For the purpose of submissions to the DDL:

(1) “Dataset” is an organized collection of structured data, including data contained in spreadsheets, whether presented in tabular or non-tabular form. For example, a Dataset may represent a single spreadsheet, an extensible mark-up language (XML) file, a geospatial data file, or an organized collection of these. This requirement does not apply to aggregated performance reporting data that the recipient submits directly to a USAID portfolio management system or to unstructured data, such as email messages, PDF files, PowerPoint presentations, word processing documents, photos and graphic images, audio files, collaboration software, and instant messages. Neither does the requirement apply to the recipient’s information that is incidental to award
administration, such as financial, administrative, cost or pricing, or management information. Datasets submitted to the DDL will generally be those generated with USAID resources and created in support of Intellectual Work that is uploaded to the Development Experience Clearinghouse (DEC) (See M8. SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND DATA RIGHTS (JUNE 2012).

(2) “Intellectual Work” includes all works that document the implementation, monitoring, evaluation, and results of international development assistance activities developed or acquired under this award, which may include program and communications materials, evaluations and assessments, information products, research and technical reports, progress and performance reports required under this award (excluding administrative financial information), and other reports, articles and papers prepared by the recipient under the award, whether published or not. The term does not include the recipient’s information that is incidental to award administration, such as financial, administrative, cost or pricing, or management information.

b. Submissions to the Development Data Library (DDL)

(1) The recipient must submit to the Development Data Library (DDL) at www.usaid.gov/data in a machine-readable, non-proprietary format, a copy of any Dataset created or obtained in performance of this award, including Datasets produced by a subawardee or a contractor at any tier. The submission must include supporting documentation describing the Dataset, such as code books, data dictionaries, data gathering tools, notes on data quality, and explanations of redactions.

(2) Unless otherwise directed by the Agreement Officer (AO) or the Agreement Officer Representative (AOR), the recipient must submit the Dataset and supporting documentation to the DDL within thirty (30) calendar days after the Dataset is first used to produce an Intellectual Work or is of sufficient quality to produce an Intellectual Work. Within thirty (30) calendar days after award completion, the recipient must submit to the DDL any Datasets and supporting documentation that have not previously been submitted to the DDL, along with an index of all Datasets and Intellectual Work created or obtained under the award. The recipient must also provide to the AOR an itemized list of any and all DDL submissions.

The recipient is not required to submit the data to the DDL, when, in accordance with the terms and conditions of this award, Datasets containing results of federally funded scientific research are submitted to a publicly accessible research database. However, the recipient must submit a notice to the DDL by following the instructions at www.usaid.gov/data, with a copy to the agreement officer representative, providing details on where and how to access the data. The
direct results of federally funded scientific research must be reported no later than when the data are ready to be submitted to a peer-reviewed journal for publication, or no later than five calendar days prior to the conclusion of the award, whichever occurs earlier.

(2) The recipient must submit the Datasets following the submission instructions and acceptable formats found at www.usaid.gov/data.

(4) The recipient must ensure that any Dataset submitted to the DDL does not contain any proprietary or personally identifiable information, such as social security numbers, home addresses, and dates of birth. Such information must be removed prior to submission.

(5) The recipient must not submit classified data to the DDL.

[END OF PROVISION]

M24. PROHIBITION ON REQUIRING CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS OR STATEMENTS (MAY 2017)

(a) Definitions.

“Contract” has the meaning given in 2 CFR Part 200.

“Contractor” means an entity that receives a contract as defined in 2 CFR Part 200.

“Internal confidentiality agreement or statement” means a confidentiality agreement or any other written statement that the recipient requires any of its employees or subrecipients to sign regarding nondisclosure of recipient information, except that it does not include confidentiality agreements arising out of civil litigation or confidentiality agreements that recipient employees or subrecipients sign at the behest of a Federal agency.

“Subaward” has the meaning given in 2 CFR Part 200.

“Subrecipient” has the meaning given in 2 CFR Part 200.

(b) The recipient must not require its employees, subrecipients, or contractors to sign or comply with internal confidentiality agreements or statements that prohibit or otherwise restrict employees, subrecipients, or contractors from lawfully reporting waste, fraud, or abuse related to the performance of a Federal award to a designated investigative or law enforcement
representative of a Federal department or agency authorized to receive such information (for example, the Agency Office of the Inspector General).

(c) The recipient must notify current employees and subrecipients that prohibitions and restrictions of any preexisting internal confidentiality agreements or statements covered by this provision, to the extent that such prohibitions and restrictions are inconsistent with the prohibitions of this provision, are no longer in effect.

(d) The prohibition in paragraph (b) of this provision does not contravene the requirements applicable to Standard Form 312 (Classified Information Nondisclosure Agreement), Form 4414 (Sensitive Compartmented Information Nondisclosure Agreement), or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(e) In accordance with section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015, (Pub. L. 113-235), and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions) use of funds appropriated (or otherwise made available) is prohibited, if the Government determines that the recipient is not in compliance with the requirements of this provision.

(f) The recipient must include the substance of this provision, including this paragraph (f), in subawards and contracts under such awards.

(END OF PROVISION)

M25. CHILD SAFEGUARDING (June 2015)

(a) Because the activities to be funded under this award may involve children, or personnel engaged in the implementation of the award may come into contact with children, these activities could raise the risk of child abuse, exploitation, or neglect within USAID-funded programs. The organization agrees to abide by the following child safeguarding core principles:

(1) Ensure compliance with host country and local child welfare and protection legislation or international standards, whichever gives greater protection, and with U.S. law where applicable;

(2) Prohibit all personnel from engaging in child abuse, exploitation, or neglect;
(3) Consider child safeguarding in project planning and implementation to determine potential risks to children that are associated with project activities and operations;
(4) Apply measures to reduce the risk of child abuse, exploitation, or neglect, including, but not limited to, limiting unsupervised interactions with children; prohibiting exposure to pornography; and complying with applicable laws, regulations, or customs regarding the photographing, filming, or other image-generating activities of children;

(5) Promote child-safe screening procedures for personnel, particularly personnel whose work brings them in direct contact with children; and

(6) Have a procedure for ensuring that personnel and others recognize child abuse, exploitation, or neglect; mandating that personnel and others report allegations; investigating and managing allegations; and taking appropriate action in response to such allegations, including, but not limited to, dismissal of personnel.

(b) The organization must also include in their code of conduct for all personnel implementing USAID-funded activities the child safeguarding principles in (a) (1) through (6).

(c) The following definitions apply for purposes of this provision:

(1) Child: A child or children are defined as persons who have not attained 18 years of age.

(2) Child abuse, exploitation, or neglect: Constitutes any form of physical abuse; emotional ill-treatment; sexual abuse; neglect or insufficient supervision; trafficking; or commercial, transactional, labor, or other exploitation resulting in actual or potential harm to the child's health, well-being, survival, development, or dignity. It includes, but is not limited to: any act or failure to act which results in death, serious physical or emotional harm to a child, or an act or failure to act which presents an imminent risk of serious harm to a child.

(3) Physical abuse: Constitutes acts or failures to act resulting in injury (not necessarily visible), unnecessary or unjustified pain or suffering without causing injury, harm or risk of harm to a child's health or welfare, or death. Such acts may include, but are not limited to: punching, beating, kicking, biting, shaking, throwing, stabbing, choking, or hitting (regardless of object used), or burning. These acts are considered abuse regardless of whether they were intended to hurt the child.

(4) Sexual Abuse: Constitutes fondling a child's genitals, penetration, incest, rape, sodomy,
indecent exposure, and exploitation through prostitution or the production of pornographic materials.

(5) Emotional abuse or ill treatment: Constitutes injury to the psychological capacity or emotional stability of the child caused by acts, threats of acts, or coercive tactics. Emotional abuse may include, but is not limited to: humiliation, control, isolation, withholding of information, or any other deliberate activity that makes the child feel diminished or embarrassed.

(6) Exploitation: Constitutes the abuse of a child where some form of remuneration is involved or whereby the perpetrators benefit in some manner. Exploitation represents a form of coercion and violence that is detrimental to the child’s physical or mental health, development, education, or well-being.

(7) Neglect: Constitutes failure to provide for a child’s basic needs within USAID-funded activities that are responsible for the care of a child in the absence of the child’s parent or guardian.

(d) The recipient must insert the provisions in (a) and (b) in all sub-awards under this award.

[END OF PROVISION]

M26. MANDATORY DISCLOSURES (July 2015)

Consistent with 2 CFR §200.113, applicants and recipients must disclose, in a timely manner, in writing to the USAID Office of the Inspector General, with a copy to the cognizant Agreement Officer, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Subrecipients must disclose, in a timely manner, in writing to the USAID Office of the Inspector General and to the prime recipient (pass through entity) all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

Disclosures must be sent to:

U.S. Agency for International Development
Office of the Inspector General
P.O. Box 657
Washington, DC 20044-0657
Failure to make required disclosures can result in any of the remedies described in 2 CFR §200.338 Remedies for noncompliance, including suspension or debarment (See 2 CFR 180, 2 CFR 780 and 31 U.S.C. 3321).

The recipient must include this mandatory disclosure requirement in all subawards and contracts under this award.

[END OF PROVISION]

M27. NONDISCRIMINATION AGAINST BENEFICIARIES (November 2016).

(a) USAID policy requires that the recipient not discriminate against any beneficiaries in implementation of this award, such as, but not limited to, by withholding, adversely impacting, or denying equitable access to the benefits provided through this award on the basis of any factor not expressly stated in the award. This includes, for example, race, color, religion, sex (including gender identity, sexual orientation, and pregnancy), national origin, disability, age, genetic information, marital status, parental status, political affiliation, or veteran's status. Nothing in this provision is intended to limit the ability of the recipient to target activities toward the assistance needs of certain populations as defined in the award.

(b) The recipient must insert this provision, including this paragraph, in all subawards and contracts under this award.

[END OF PROVISION]

M28. CONFLICT OF INTEREST (August 2018)

a. A conflict of interest in the award, administration, or monitoring of subawards arises when an employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of these parties, has a financial or other interest in or a tangible personal benefit from a non-federal entity considered for a subaward. The officers, employees, and agents of the non-federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from subrecipients or parties to subawards. However,
pass-through entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the pass-through entity.

b. The recipient must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of subawards. The standards must prohibit employees from using their positions for a purpose that constitutes or presents the appearance of a conflict of interest.

c. The non-federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-federal entity is unable or appears to be unable to be impartial in conducting a subaward action involving a related organization.

d. The recipient must have a system or systems in place to identify, address, resolve, and disclose to USAID any conflicts of interest as described in this provision that affect any subaward, regardless of the amount funded under this award.

e. The recipient must disclose any conflict of interest and the recipient’s approach for resolving the conflict of interest to the cognizant Agreement Officer for the award within 10 calendar days of the discovery of the conflict of interest.

f. Upon notice from the recipient of a potential conflict of interest and the approach for resolving it, the Agreement Officer will make a determination regarding the effectiveness of the recipient’s actions to resolve the conflict of interest within 30 days of receipt of the recipient’s notice, unless the Agreement Officer advises the recipient that a longer period is necessary.

g. The recipient cannot request payment from USAID for costs for transactions subject to the conflict of interest pending notification of USAID’s determination. Failure to disclose a conflict of interest may result in cost disallowances.

h. For conflicts of interest, including organizational conflicts of interest, involving contracts, the recipient must follow 2 CFR 200.318, general procurement standards.

i. The recipient must insert the substance of this provision, including paragraph (i), in all subawards under this award, at any subaward tier.
REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR NON-U.S. NONGOVERNMENTAL ORGANIZATIONS

1 RAA1. ADVANCE PAYMENT AND REFUNDS (DECEMBER 2014)
5 RAA5. UNIVERSAL IDENTIFIER AND SYSTEM OF AWARD MANAGEMENT (July 2015)
6 RAA6. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (DECEMBER 2014)
7 RAA7. SUBAWARDS (DECEMBER 2014)
8 RAA8. TRAVEL AND INTERNATIONAL AIR TRANSPORTATION (DECEMBER 2014)
9 RAA9. OCEAN SHIPMENT OF GOODS (JUNE 2012)
10 RAA10. REPORTING HOST GOVERNMENT TAXES (JUNE 2012)
12 RAA12. EXCHANGE VISITORS AND PARTICIPANT TRAINING (JUNE 2012)
14 RAA14. COST SHARE (JUNE 2012)
15 RAA15. PROGRAM INCOME (DECEMBER 2014)
16 RAA16. FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES (JUNE 2012)
17 RAA17. STANDARDS FOR ACCESSIBILITY FOR THE DISABLED IN USAID ASSISTANCE AWARDS INVOLVING CONSTRUCTION (SEPTEMBER 2004)
19 RAA19. STATEMENT FOR IMPLEMENTERS OF ANTI-TRAFFICKING ACTIVITIES ON LACK OF SUPPORT FOR PROSTITUTION (JUNE 2012)
20 RAA20. ELIGIBILITY OF SUBRECIPIENTS OF ANTI-TRAFFICKING FUNDS (JUNE 2012)
APPlicability: This provision must be incorporated into awards that authorize advance payments, which may be authorized when the recipient’s accounting and financial management systems conform to the accounting principles generally accepted for funds control and accountability required under the Standard Provision, "Accounting, Audit, and Records," and meet the pre-award responsibility requirements in ADS Chapter 303.

ADVANCE PAYMENT AND REFUNDS (DECEMBER 2014)

a. The recipient is not required to maintain separate bank accounts for USAID funds, unless otherwise required. However, when advances are authorized by this award, the recipient must deposit such funds in a reputable bank and be able to account for the receipt and expenditure of funds and interest earned on the advances provided by the U.S. Government (USG).

b. The recipient must maintain advances of USAID funds in interest-bearing accounts, unless:

(1) The recipient receives less than $120,000 in USG awards per year;

(2) The best reasonably available interest-bearing account would not be expected to earn interest in excess of $250 in a twelve month period on USG cash balances; or

(3) The bank would require an average or minimum balance so high that it would not be practical to maintain the advance in an interest-bearing account.

c. The recipient may retain up to $250 of interest earned in a twelve-month period on USG cash balances for administrative expenses. Any additional interest earned on advances must be remitted to the USAID payment office specified in this award, or such other location as the payment office advises.

d. The recipient must request advance payments for anticipated expenditures at time intervals as close as is administratively feasible to the actual disbursements by the recipient, and for the minimum amounts necessary.
e. To request an advance payment, the recipient must submit (preferably electronically) to the payment office the Standard Form-270 Request for Advance, Standard Form-425 Federal Financial Report or Standard Form-1034 Public Voucher for Purchases and Services Other Than Personal. (See http://www.gsa.gov/portal/forms/type/SF for forms.) The recipient must print the statement "Request for Advance" at the top of the form.

f. In order to obtain the initial advance, the recipient must request an advance for the initial thirty-day period of projected cash disbursement needs immediately upon signing this award. Additional advance payment requests must be submitted at least three weeks prior to the period for which funds are needed, in order to maintain a consistent cash flow. The recipient may submit requests for advances to the paying office specified in this award as often as may be necessary to meet projected expenses. An advance may not exceed 30 days of the organization’s projected expenses. Subject to Chief Financial Officer (CFO) or Mission Controller approval (as appropriate), requests may be submitted:

1. Every 30 days covering a 30-day period;

2. Three requests may be submitted covering 30-day sub-periods of a 90-day period to be paid automatically every 30 days; or

3. One request for 90 days may be submitted to be automatically disbursed in 30-day equal increments.
   Requests must state the estimated disbursements to be made during the period covered by the request, the estimated balance of cash on hand from prior advance requests, and the advance amount being requested.

g. The recipient must submit an SF-270, SF-425, or SF-1034 (with the words "Liquidation of Advances" printed at the top of the form), quarterly, no later than 30 days after the end of the quarter, to the paying office specified in this award in order to liquidate outstanding advances. Failure to provide these quarterly reports may result in the suspension, disruption, or termination of additional payments.

Within 90 days following the expiration of this award, the recipient must submit the final financial report using the SF-270, SF-425, or SF-1034 showing total disbursements, total advances received, and any cash remaining on hand, which the recipient must refund to USAID.

h. When this award expires, the recipient must immediately return all unexpended funds that USAID has advanced to the recipient, unless such advanced funds have already been spent or committed in a legally binding transaction during the period of this award, or are required for
approved close-out costs. USAID reserves the right, at any time, to 1) withhold or offset payments to or 2) require refund by, the recipient of any amount that the recipient did not spend according to the terms and conditions of this award or are otherwise determined by the Agreement Officer to be unallowable. USAID retains the right to a refund of all amounts paid under this award until all outstanding audit findings and settlement claims have been resolved between USAID and the recipient.

i. Cash advances made by the recipient to subrecipients or the recipient’s field organizations must conform substantially to paragraphs a., b., c., d. and h. of this provision. In the case of paragraph c., any interest over $250 per account, per year must be remitted through the prime recipient.

[END OF PROVISION]

RAA5. UNIVERSAL IDENTIFIER AND SYSTEM OF AWARD MANAGEMENT (July 2015)

APPLICABILITY: This provision is required in accordance with 2 CFR 25, Universal Identifier And System of Award Management. Agreement Officers (AOs) must include this provision in all assistance solicitations and all awards, unless the AO exempts an organization from compliance with the provision under one of the following exceptions, from paragraph d. below:

Exceptions. The requirements of this provision to obtain a Data Universal Numbering System (DUNS) number and maintain a current registration in the System of Award Management (SAM) do not apply, at the prime award or subaward level, to:

(1) Awards to individuals

(2) Awards less than $25,000 to foreign recipients to be performed outside the United States (based on a USAID determination)

(3) Awards where the AO determines, in writing, that these requirements would cause personal safety concerns.
a. **Requirement for System of Award Management (SAM).** Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently, if required by changes in your information or another award term.

b. **Requirement for Data Universal Numbering System (DUNS) numbers.** If you are authorized to make subawards under this award, you:

   (1) Must notify potential subrecipients that no entity (see definition in paragraph c. of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.

   (2) May not make a subaward to an entity unless the entity has provided its DUNS number to you.

c. **Definitions.** For purposes of this award term:

   (1) **System of Award Management (SAM)** means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at www.sam.gov).

   (2) **Data Universal Numbering System (DUNS) number** means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at fedgov.dnb.com/webform).

   (3) **Entity,** as it is used in this award term, means all of the following, as defined at 2 CFR 25, subpart C:

      (i) A governmental organization, which is a State, local government, or Indian tribe;
      (ii) A foreign public entity;
      (iii) A domestic or foreign nonprofit organization;
      (iv) A domestic or foreign for-profit organization; and
      (v) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

   (4) **Subaward:**
(i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you, as the recipient, award to an eligible subrecipient.

(ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200 subpart F Audit Requirements).

(iii) A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

(5) Subrecipient means an entity that:

(i) Receives a subaward from you under this award; and

(ii) Is accountable to you for the use of the Federal funds provided by the subaward.

ADDENDUM (JUNE 2012):

a. Exceptions. The requirements of this provision to obtain a Data Universal Numbering System (DUNS) number and maintain a current registration in the System of Award Management (SAM) do not apply, at the prime award or subaward level, to:

(1) Awards to individuals

(2) Awards less than $25,000 to foreign recipients to be performed outside the United States (based on a USAID determination)

(3) Awards where the Agreement Officer determines, in writing, that these requirements would cause personal safety concerns.

b. This provision does not need to be included in subawards.

END OF PROVISION

RAA6. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (DECEMBER 2014)

APPLICABILITY: This provision is required in accordance with 2 CFR 170, Award Term for Reporting Subawards and Executive Compensation. AOs must include this provision in all assistance solicitations and all awards expected to exceed $25,000, unless an exemption applies under paragraph d. of the provision or the exemptions listed below in this applicability.
statement. If the AO determines that an exemption applies, the AO must provide guidance to the recipient on reporting with generic information.

Exemptions.

(1) The requirements to report under this provision do not apply to:
   (i) Awards to individuals
   (ii) Awards less than $25,000

(2) When the AO determines, in writing, that these requirements would cause personal safety concerns, reporting under this provision can be accomplished using generic information.

REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (DECEMBER 2014)

a. Reporting of First-Tier Subawards.

(1) Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates $25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

(2) Where and when to report.

   (i) You must report each obligating action described in paragraph a.(1) of this award term to www.fsrs.gov

   (ii) For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

   (4) What to report. You must report the information about each obligating action that the submission instructions posted at www.fsrs.gov specify.

b. Reporting Total Compensation of Recipient Executives.

(1) Applicability and what to report. You must report total compensation for each of your five
most highly compensated executives for the preceding completed fiscal year, if—

(i) The total Federal funding authorized to date under this award is $25,000 or more;

(ii) In the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(iii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)

(2) Where and when to report. You must report executive total compensation described in paragraph b.(1) of this award term:

(i) As part of your registration profile at www.sam.gov/

(ii) By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

(1) Applicability and what to report. Unless you are exempt, as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you must report the names and total compensation of each of the subrecipient’s five most highly compensated executives for the subrecipient’s preceding completed fiscal year, if—

(i) In the subrecipient’s preceding fiscal year, the subrecipient received—

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at
2 CFR 170.320 (and subawards); and

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)

(2) Where and when to report. You must report subrecipient executive total compensation described in paragraph c.(1) of this award term:

(i) To the recipient.

(ii) By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (for example, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions.

If in the previous tax year you had gross income, from all sources, under $300,000, you are exempt from the requirements to report:

(1) Subawards, and

(2) The total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions.

For purposes of this award term:

(1) Entity means all of the following, as defined in 2 CFR 25:

(i) A governmental organization, which is a State, local government, or Indian tribe;
(ii) A foreign public entity;
(iii) A domestic or foreign nonprofit organization;
(iv) A domestic or foreign for-profit organization;
(v) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

(2) Executive means officers, managing partners, or any other employees in management positions.

(3) Subaward:

(i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

(ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200 subpart F Audit Requirements).

(iii) A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

(4) Subrecipient means an entity that:

(i) Receives a subaward from you (the recipient) under this award; and

(ii) Is accountable to you for the use of the Federal funds provided by the subaward.

(5) Total compensation means the cash and noncash dollar value earned by the executive during the recipient’s or subrecipient’s preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

(i) Salary and bonus.

(ii) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
(iii) Earnings for services under nonequity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

(iv) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

(v) Above-market earnings on deferred compensation which is not tax-qualified.

(vi) Other compensation, if the aggregate value of all such other compensation (for example, severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds $10,000.

[END OF PROVISION]

RAA7. SUBAWARDS (DECEMBER 2014)

APPLICABILITY: This provision is applicable when subawards are expected to be financed under this award.

SUBAWARDS (DECEMBER 2014)

a. Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

b. The recipient remains responsible for the work that is subawarded, and therefore, the recipient must comply with the following:

(1) Subrecipient’s responsibility: The recipient must determine that the subrecipient possesses the ability to perform successfully under the terms and conditions of a proposed award, taking into consideration the subrecipient’s integrity, record of past performance, financial and technical resources, and accessibility to other necessary resources. The recipients must ensure subawards are made in compliance with the Standard Provision “Suspension and Debarment,”
and the Standard Provision “Prevention of Terrorist Financing.”

(2) Enter into a written subaward: All subawards must contain the following:

(i) Program description, budget, and period of performance,

(ii) Terms and conditions to define a sound and complete agreement,

(iii) All provisions from this award that contain a requirement to incorporate that provision into the subawards. The recipient must insert a statement in the subaward that, where appropriate, in instances where USAID is mentioned in such flow down provisions, the recipient’s name will be substituted and where “recipient” appears, the subrecipient’s name will be substituted.

(iv) Other terms that the recipient determines are required to ensure compliance with the terms of this award.

c. Unless otherwise approved by the USAID Agreement Officer, the recipient must not provide funds to the governments of or entities controlled by the governments of countries ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

[END OF PROVISION]

RAAS. TRAVEL AND INTERNATIONAL AIR TRANSPORTATION (DECEMBER 2014)

APPLICABILITY: This provision is applicable when costs for international travel or air transportation of cargo are anticipated to be funded by USAID. This provision is not applicable if the recipient is providing for international travel costs with private funds as part of a cost-sharing requirement or with Program Income generated under this award.

TRAVEL AND INTERNATIONAL AIR TRANSPORTATION (DECEMBER 2014)

a. TRAVEL COSTS

All travel costs must comply with the applicable cost principles and must be consistent with those normally allowed in like circumstances in the recipient’s non-USAID-funded activities. Costs incurred by employees and officers for travel, including air fare, costs of lodging, other
subsistence, and incidental expenses, may be considered reasonable and allowable only to the extent such costs do not exceed reasonable charges normally allowed by the recipient in its regular operations as the result of the recipient organization's written travel policy and are within the limits established by the applicable cost principles.

In the absence of a reasonable written policy regarding international travel costs, the standard for determining the reasonableness of reimbursement for international travel costs will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current Standardized Regulations on international travel costs may be obtained from the AO. In the event that the cost for air fare exceeds the customary standard commercial airfare (coach or equivalent) or the lowest commercial discount airfare, the recipient must document one of the allowable exceptions from the applicable cost principles.

b. FLY AMERICA ACT RESTRICTIONS

(1) The recipient must use U.S. Flag Air Carriers for all international air transportation (including personal effects) funded by this award pursuant to the Fly America Act and its implementing regulations to the extent service by such carriers is available.

(2) In the event that the recipient selects a carrier other than a U.S. Flag Air Carrier for international air transportation, in order for the costs of such international air transportation to be allowable, the recipient must document such transportation in accordance with this provision and maintain such documentation pursuant to the Standard Provision, “Accounting, Audit and Records.” The documentation must use one of the following reasons or other exception under the Fly America Act:

(i) The recipient uses a European Union (EU) flag air carrier, which is an airline operating from an EU country that has signed the US-EU “Open Skies” agreement (http://www.state.gov/e/eb/rls/othr/agm/14170684.htm).

(ii) Travel to or from one of the following countries on an airline of that country when no city pair fare is in effect for that leg (see http://apps.fas.usa.gov/citypairs/search/).

a. Australia on an Australian airline,

b. Switzerland on a Swiss airline, or

c. Japan on a Japanese airline;
(iii) Only for a particular leg of a route on which no US Flag Air Carrier provides service on that route;

(iv) For a trip of 3 hours or less, the use of a US Flag Air Carrier at least doubles the travel time;

(v) If the US Flag Air Carrier offers direct service, use of the US Flag Air Carrier would increase the travel time by more than 24 hours; or

(vi) If the US Flag Air Carrier does not offer direct service,

   a. Use of the US Flag Air Carrier increases the number of aircraft changes by 2 or more,

   b. Use of the US Flag Air Carrier extends travel time by 6 hours or more, or

   c. Use of the US Flag Air Carrier requires a layover at an overseas interchange of 4 hours or more.

c. DEFINITIONS

The terms used in this provision have the following meanings:

(1) “Travel costs” means expenses for transportation, lodging, subsistence (meals and incidentals), and related expenses incurred by employees who are on travel status on official business of the recipient for any travel outside the country in which the organization is located. “Travel costs” do not include expenses incurred by employees who are not on official business of the recipient, such as rest and recuperation (R&R) travel offered as part of an employee’s benefits package that are consistent with the recipient’s personnel and travel policies and procedures.

(2) “International air transportation” means international air travel by individuals (and their personal effects) or transportation of cargo by air between a place in the United States and a place outside thereof, or between two places both of which are outside the United States.

(5) “U.S. Flag Air Carrier” means an air carrier on the list issued by the U.S. Department of Transportation at http://ostpxweb.dot.gov/aviation/certifice/certlist.htm. U.S. Flag Air Carrier service also includes service provided under a code share agreement with another air carrier.
when the ticket, or documentation for an electronic ticket, identifies the U.S. flag air carrier's
designator code and flight number.

(4) For this provision, the term "United States" includes the fifty states, Commonwealth of

d. SUBAWARDS AND CONTRACTS

This provision must be included in all subawards and contracts under which this award will
finance international air transportation.

[END OF PROVISION]

RAA9. OCEAN SHIPMENT OF GOODS (JUNE 2012)

APPLICABILITY: This provision is applicable for awards and subawards for which the
recipient contracts for ocean transportation for goods purchased or financed with USAID funds.
In accordance with 22 CFR 228.21, ocean transportation shipments are subject to the provisions
of 46 CFR Part 381.

OCEAN SHIPMENT OF GOODS (JUNE 2012)

a. Prior to contracting for ocean transportation to ship goods purchased or financed with USAID
funds under this award, the recipient must contact the office below to determine the flag and
class of vessel to be used for shipment:

U.S. Agency for International Development,
Bureau for Management
Office of Acquisition and Assistance, Transportation Division
1300 Pennsylvania Avenue, NW
Washington, DC 20523-7900
Email: oceantransportation@usaid.gov

b. This provision must be included in all subagreements, including subawards and contracts.

[END OF PROVISION]

RAA10. REPORTING HOST GOVERNMENT TAXES (JUNE 2012)
**APPLICABILITY:** This provision is applicable to all USAID agreements that obligate or subobligate FY 2003 or later funds except for agreements funded with Operating Expense, Pub. L. 480 funds, or trust funds, or agreements where there will be no commodity transactions in a foreign country over the amount of $500. Please insert address and point of contact at the Embassy, Mission, or M/CFO/CMP as appropriate under section (b) of this provision.

**REPORTING HOST GOVERNMENT TAXES (JUNE 2012)**

a. By April 16 of each year, the recipient must submit a report containing:

   (i) Contractor/recipient name.

   (ii) Contact name with phone, fax and e-mail.

   (iii) Agreement number(s).

   (iv) The total amount of value-added taxes and customs duties (but not sales taxes) assessed by the host government (or any entity thereof) on purchases in excess of $500 per transaction of supplies, materials, goods or equipment, during the 12 months ending on the preceding September 30, using funds provided under this contract/agreement.

   (v) Any reimbursements received by April 1 of the current year on value-added taxes and customs duties reported in (iv).

   (vi) Reports are required even if the recipient did not pay any taxes or receive any reimbursements during the reporting period.

   (vii) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.

b. Submit the reports to: [insert address and point of contact at the Embassy, Mission, or M/CFO/CMP as appropriate, may include an optional “with a copy to”].

c. Host government taxes are not allowable where the Agreement Officer provides the necessary means to the recipient to obtain an exemption or refund of such taxes, and the recipient fails to take reasonable steps to obtain such exemption or refund. Otherwise, taxes are allowable in accordance with the Standard Provision, “Allowable Costs,” and must be reported as required in
d. The recipient must include this reporting requirement in all applicable subagreements, including subawards and contracts.

[END OF PROVISION]

RAA12. EXCHANGE VISITORS AND PARTICIPANT TRAINING (JUNE 2012)

APPLICABILITY:
This provision applies to awards that contain funding for any exchange visitor activities or participant training, as defined in ADS 252 and 253, respectively, conducted or paid for by the recipient with USAID funds under this award.

EXCHANGE VISITORS AND PARTICIPANT TRAINING (JUNE 2012)

For any Exchange Visitor, Participant Training or Invitational Travel activities, the recipient must comply with this provision.

a. Definitions:

(1) An Exchange Visitor is any host-country or third-country national traveling to the U.S., for any purpose, including Participant Training and Invitational Travel, funded by USAID in whole or in part, directly or indirectly.

(2) A Participant is a host-country or third-country national sponsored by USAID for a Participant Training activity taking place in the U.S., a third country, or in the host country.

(3) Participant Training is a learning activity conducted within the U.S., a third country, or in the host country for the purpose of furthering USAID development objectives. A learning activity takes place in a setting in which an individual (the Participant) interacts with a knowledgeable professional, predominantly for the purpose of acquiring knowledge or skills for the professional or technical enhancement of the individual. Learning activities may be formally structured, such as an academic program or a technical course, or they may be more informal, such as an observational study tour.

(4) Invitational Travel is a type of travel that USAID funds for non-U.S. Government employees. This type of travel may be approved for both U.S. and foreign citizens who are not employed by the U.S. Government (USG), not receiving any type of compensation from the
USG for such travel, and only when it is determined that the functions to be performed are essential to the interests of USAID.

b. Program Monitoring and Data Reporting: The recipient must monitor Exchange Visitors’ and Participants’ progress during their program and ensure that problems are identified and resolved quickly.

(1) For U.S.-based activities, the recipient must use USAID’s official Exchange Visitor and Participant Training information system, currently called “Training Results and Information Network – TraiNet” (see http://traincthelp.usaid.gov), to report and manage Exchange Visitor and Participant Training data. The recipient must also use the USAID Visa Compliance System – VCS (see http://trainethelp.usaid.gov) to transfer required data for USAID Exchange Visitors to the Department of Homeland Security’s Student and Exchange Visitor Information System (SEVIS).

(2) For all third-country activities, and for host-country activities of two consecutive days or 16 contact hours or more in duration, the recipient must use USAID’s official Exchange Visitor and Participant Training information system, currently called “Training Results and Information Network – TraiNet” (see http://traincthelp.usaid.gov), to report and manage Participant Training data.

c. Health and Accident Insurance:

(1) For Exchange Visitors traveling to the United States, the recipient must enroll Exchange Visitors in health and accident insurance coverage that meets or exceeds Department of State and USAID minimum coverage requirements as set forth in 22 CFR 62.14 and ADS 253.3.6.2. The requirements may be obtained from the Agreement Officer’s Representative.

(2) For Participants traveling to a third country, the recipient must obtain health and accident insurance coverage for all Participants.

(3) For Participants traveling within the host country, the recipient must determine whether specific in-country participant training activities subject them to any risk of health and accident liability for medical costs. Participants may incur, and if so, take appropriate steps according to the local situation, including obtaining health and accident insurance coverage for Participants.

d. Immigration Requirements:

(1) For Exchange Visitors traveling to the United States, the recipient must ensure that all
USAID-sponsored Exchange Visitors obtain, use, and comply with the terms of the J-1 visa, issued in conjunction with a USAID-issued Certificate of Eligibility for J-1 Visa Status (DS-2019).

(2) For Participants traveling to a third country or within the host country, the recipient must ensure that all Participants obtain, use, and comply with the terms of all applicable immigration, visa and other similar requirements.

e. **Language Proficiency:** The recipient must verify language proficiency. Exchange Visitors must possess sufficient English language proficiency to participate in a U.S.-based activity. Participants of third-country or host-country training must be proficient in the language of training at a sufficient level for participation, unless an interpreter has been arranged. Language competency can be verified through a variety of means including proficiency assessments of interviews, publications, presentations, education conducted in English, and formal testing.

f. **Pre-departure Orientation:** The recipient must conduct pre-departure orientation for U.S-bound Exchange Visitors and Participants of third-country training programs. Pre-departure orientation covers: program objectives; administrative and policy review; cultural aspects; and training/learning methods.

g. **Conditions of Sponsorship:** The recipient must ensure that all Exchange Visitors read and sign the Conditions of Sponsorship for U.S.-Based Activities form (AID 1381-6). The recipient must also ensure that all Participants of long-term (six months or longer) third-country training read and sign the form Conditions of Sponsorship for Third-Country Training form (AID 1381-7). The recipient must report to the Agreement Officer any known violations by Exchange Visitors of visa or other immigration requirements or conditions.

h. **Exchange Visitor Security Risk and Fraud Inquiry:** Each USAID Mission has an established process for conducting a Security Risk and Fraud Inquiry (SRFI) for Exchange Visitors. The recipient must be prepared to assist Missions in conducting the SRFI, if requested. However, the recipient’s role is contributive, and the Mission is ultimately responsible for conducting the SRFI.

i. **Fly America:** To the extent that participants travel by international air travel, the recipient must comply with the Standard Provision, “International Air Travel and Air Transportation of Property.”

j. **Use of Minority Serving Institutions:** For U.S.-based Participant Training, the recipient must, to the maximum extent possible, maintain their use of Historically Black Colleges and Universities (HBCUs) and other Minority Serving Institutions (MSIs), including Hispanic
Serving Institutions and Tribal Colleges and Universities, as training or education providers.

[END OF PROVISION]

RAA 14. COST SHARE (JUNE 2012)

**APPLICABILITY:** This provision is applicable when the recipient provides a Cost Share.

**COST SHARE (JUNE 2012)**

a. During the period of this award, the recipient agrees to spend an amount of funds from non-U.S. Government sources specified as Cost Share, as provided in the award budget. Any Cost Share restrictions contained in this award take precedence over the terms of this provision.

b. The recipient's Cost Share under this award may include project costs incurred by the recipient from its own funds, or project costs financed with cash, services, or property contributed or donated to the recipient from other non-U.S. Government sources, including subrecipients. Not all Cost Share requires cash outlays by the recipient; examples are depreciation and use charges for buildings and equipment.

c. The recipient's Cost Share contributions, both cash and in-kind, must meet all of the following criteria:

   (1) Are verifiable from the recipient's records;
   (2) Are not included as cost share contributions for any other U.S. Government (USG) assisted program;
   (3) Are necessary and reasonable for proper and efficient accomplishment of this award's objectives;
   (4) Are allowable under the Standard Provision, "Allowable Costs";
   (5) Are not paid by the USG under another grant or agreement (unless the grant or agreement is authorized to be used for Cost Share); and
   (6) Are included in the approved budget.

d. The source, nationality, and restricted goods requirements in the Standard Provision “USAID Eligibility Rules for Procurement of Commodities and Services” do not apply to cost share expenditures.

e. The value of non-U.S. Government in-kind contributions applied to Cost Share is established
by the following procedures:

(1) Volunteer services must be an integral and necessary part of an approved program. Rates for volunteers must be consistent with those paid for similar work in the recipient's organization, or consistent with those paid for similar work in the labor market in which the recipient competes. Volunteer services furnished by others must be valued at the employee's regular rate of pay, exclusive of overhead costs, provided these services are of the same skill for which the employee is normally paid. In any case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(2) The assessed value of donated supplies and equipment must be reasonable and must not exceed the fair market value of the property at the time of the donation.

(3) The value of donated property must be determined in accordance with the usual accounting policies of the recipient with the following qualifications:

   (i) If the purpose of this award is to assist the recipient in the acquisition of equipment, buildings, or land, the total value of the donated property may be claimed as Cost Share.

   (ii) If the purpose of this award is to support activities that require the use of equipment, buildings, or land, normally only depreciation or use charges for equipment and buildings may be made. However, the Agreement Officer (AO) may approve the charge of the full value of equipment or other capital assets and fair rental charges for land.

   iii) The value of donated land and buildings must not exceed its fair market value at the time of donation to the recipient as established by an independent appraiser.

   (iv) The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.

   (v) The value of donated space must not exceed the fair rental value of comparable space and facilities in a privately owned building in the same locality, as determined by adequate market research.

   (vi) The value of loaned equipment must not exceed its fair rental value.

f. The recipient must provide supporting records for in-kind contributions from third parties.
(1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the recipient for its employees.

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

g. If the recipient expends less than the agreed upon Cost Share as specified in this award, the AO may apply the difference to reduce the amount of USAID funding for the following funding period, require the recipient to refund the difference to USAID when this award expires or is terminated, or reduce the amount of cost share required under the award.

h. In the event of any disallowance of expenditures from USAID award funds, the recipient may substitute expenditures made with funds provided from non-U.S. Government sources, provided they are eligible in accordance with all the Standard Provisions of this award.

[END OF PROVISION]

RAA15. PROGRAM INCOME (DECEMBER 2014)

APPLICABILITY: This provision is applicable when Program Income is expected to be earned under this award. The default for non-commercial organizations is that Program Income is added to total program amount. Alternatively, this award may stipulate in the Schedule of this award: 1) Program Income is used to finance the non-USG share of this award, or 2) Program Income is deducted from the USG share of this award in a cost-share scenario.

PROGRAM INCOME (DECEMBER 2014)

1. Program income includes but is not limited to income from fees for services performed, the use or rental or real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them.

2. The recipient must apply the standards set forth in this provision to account for gross income earned from federally-supported activities ("Program Income") under this award.
a. Income earned during the project period must be added to the total program amount and used to further eligible project or program objectives, unless this award Schedule specifies otherwise.

b. Notwithstanding paragraph c., above, commercial organization recipients are prohibited from adding Program Income to increase the total program amount. Instead, Program Income will be deducted from the U.S. Government share of this award.

c. Costs incident to generating program income under this award may be deducted from gross income to calculate Program Income, provided these costs have not been charged to this award and comply with the Standard Provision, “Allowable Costs.”

d. The recipient has no obligation to the USG regarding Program Income earned after the end of the project period, unless the terms and conditions of this award provide otherwise.

[END OF PROVISION]

RAA16. FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES (JUNE 2012)

APPLICABILITY: Include this provision in agreements funded from the following accounts:

- Development Assistance, including assistance for sub-Saharan Africa,
- Global Health Programs, and
- Micro and Small Enterprise Development Program Account.


FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES (JUNE 2012)

a. U.S. Government funds under this award must not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government’s delegation to an international conference sponsored by a multilateral organization, as defined below, unless approved by the Agreement Officer in writing.

b. Definitions:
(1) A foreign government delegation is appointed by the national government (including ministries and agencies but excluding local, state and provincial entities) to act on behalf of the appointing authority at the international conference. A conference participant is a delegate for the purposes of this provision, only when there is an appointment or designation that the individual is authorized to officially represent the government or agency. A delegate may be a private citizen.

(2) An international conference is a meeting where there is an agenda, an organizational structure, and delegations from countries other than the conference location, in which country delegations participate through discussion, votes, etc.

(3) A multilateral organization is an organization established by international agreement and whose governing body is composed principally of foreign governments or other multilateral organizations.

[END OF PROVISION]

RAA17. STANDARDS FOR ACCESSIBILITY FOR THE DISABLED IN USAID ASSISTANCE AWARDS INVOLVING CONSTRUCTION (SEPTEMBER 2004)

APPLICABILITY: This provision must be included in Request for Applications (RFAs) and in awards involving construction.

STANDARDS FOR ACCESSIBILITY FOR THE DISABLED IN USAID ASSISTANCE AWARDS INVOLVING CONSTRUCTION (SEPTEMBER 2004)

a. One of the objectives of the USAID Disability Policy is to engage other U.S. Government agencies, host country counterparts, governments, implementing organizations, and other donors in fostering a climate of nondiscrimination against people with disabilities. As part of this policy USAID has established standards for any new or renovation construction project funded by USAID to allow access by people with disabilities (PWDs).

b. USAID requires the recipient to comply with standards of accessibility for people with disabilities in all structures, buildings or facilities resulting from new or renovation construction or alterations of an existing structure.

c. The recipient will comply with the host country or regional standards for accessibility in
construction when such standards result in at least substantially equivalent accessibility and usability as the standard provided in the Americans with Disabilities Act (ADA) of 1990 and the Architectural Barriers Act (ABA) Accessibility Guidelines of July 2004. Where there are no host country or regional standards for universal access or where the host country or regional standards fail to meet the ADA/ABA threshold, the standard prescribed in the ADA and the ABA will be used.

d. New Construction. All new construction will comply with the above standards for accessibility.

e. Alterations. Changes to an existing structure that affect the usability of the structure will comply with the above standards for accessibility unless the recipient obtains the Agreement Officer’s advance approval that compliance is technically infeasible or constitutes an undue burden or both. Compliance is technically infeasible where structural conditions would require removing or altering a load-bearing member that is an essential part of the structural frame or because other existing physical or site constraints prohibit modification or addition of elements, spaces, or features that are in full and strict compliance with the minimum requirements of the standard. Compliance is an undue burden where it entails either a significant difficulty or expense or both.

f. Exceptions. The following construction related activities are excepted from the requirements of paragraphs a. through d. above:

(1) Normal maintenance, reroofing, painting or wall papering, or changes to mechanical or electrical systems are not alterations and the above standards do not apply unless they affect the accessibility of the building or facility; and

(2) Emergency construction (which may entail the provision of plastic sheeting or tents, minor repair and upgrading of existing structures, rebuilding of part of existing structures, or provision of temporary structures) intended to be temporary in nature. A portion of emergency construction assistance may be provided to people with disabilities as part of the process of identifying disaster- and crisis-affected people as “most vulnerable.”

[END OF PROVISION]
**Applicability:** This provision must be included in any award that

(1) uses funds made available to carry out the Trafficking Victims Protection Act of 2000, Division A of P.L. 106-386; and

(2) covers a program that targets victims of severe forms of trafficking in persons (as defined below) and provides services to individuals while they are still engaged in activities that resulted from such victims being trafficked.

"Severe forms of trafficking in persons" means

(1) sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

(2) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

**STATEMENT FOR IMPLEMENTERS OF ANTI-TRAFFICKING ACTIVITIES ON LACK OF SUPPORT FOR PROSTITUTION (JUNE 2012)**

By accepting this award, the recipient hereby states that it does not promote, support, or advocate the legalization or practice of prostitution. This statement may be true by virtue of the organization’s lack of any policy regarding the issue.

[END OF PROVISION]

**RAA20. ELIGIBILITY OF SUBRECIPIENTS OF ANTI-TRAFFICKING FUNDS (JUNE 2012)**

**APPLICABILITY:** This provision must be included in any award that uses funds made available to carry out the Trafficking Victims Protection Act of 2000, Division A of P.L. 106-386, for a program that targets victims of severe forms of trafficking in persons. "Severe forms of trafficking in persons" means

(1) sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

(2) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or
services, through the use of force, fraud, or coercion for the purpose of subjecting to involuntary servitude, peonage, debt bondage, or slavery.

ELIGIBILITY OF SUBRECIPIENTS OF ANTI-TRAFFICKING FUNDS (JUNE 2012)

The recipient must not provide funds made available to carry out this award to any organization that has not stated in either a grant application, a grant agreement, or both, that it does not promote, support, or advocate the legalization or practice of prostitution. Such a statement is not required, however, if the sub-recipient organization provides services to individuals solely after they are no longer engaged in activities that resulted from such victims being trafficked. If required, the sub-recipient organization’s statement may be true by virtue of the organization’s lack of any policy regarding the issue.

[END OF PROVISION]

RAA27. CONTRACT PROVISION FOR DBA INSURANCE UNDER RECIPIENT PROCUREMENTS (DECEMBER 2014)

APPLICABILITY: The following provision is required when the recipient is expected to procure services to be performed overseas.

DEFENSE BASE ACT (DBA) WORKERS’ COMPENSATION INSURANCE FOR PROCUREMENT CONTRACT (DECEMBER 2014)

All contracts made by the recipient under this award for services to be performed overseas must contain the following provision, as applicable.

WORKERS’ COMPENSATION INSURANCE (DEFENSE BASE ACT)

(a) The Contractor must--

(1) Before commencing performance under this contract, establish provisions to provide for the payment of disability compensation and medical benefits to covered employees and death benefits to their eligible survivors, by purchasing Defense Base Act (DBA) insurance pursuant to the terms of the contract between USAID and USAID’s DBA insurance carrier unless the Contractor qualifies as a self-insurer under the Longshore and Harbor Workers’ Compensation Act (33 U.S.C. 932) as extended by the Defense Base Act (42 U.S.C. 1651, et seq.), or has an approved retrospective rating agreement for DBA. The Contractor must continue to maintain
these provisions to provide such Defense Base Act benefits until contract performance is completed.

(2) If USAID or the Contractor has secured a waiver of DBA coverage in accordance with AIDAR 728.305-70(a) for contractor's employees who are not citizens of, residents of, or hired in the United States, the contractor agrees to provide such employees with worker's compensation benefits as required by the laws of the country in which the employees are working, or by the laws of the employee's native country, whichever offers greater benefits. The Department of Labor has granted partial blanket waivers of DBA coverage applicable to USAID-financed contracts performed in countries listed in the DEFENSE BASE ACT (DBA) WAIVER LIST.

(3) Within ten days of an employee's injury or death or from the date the Contractor has knowledge of the injury or death, submit Form LS-202 (Employee's First Report of Injury or Occupational Illness) to the Department of Labor in accordance with the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 930(a), 20 CFR 702.201 to 702.203).

(4) Pay all compensation due for disability or death within the timeframes required by the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 914, 20 CFR 702.231 and 703.232).


(6) If controverting the right to compensation, submit Form LS-207 (Notice of Controversion of Right to Compensation) to the Department of Labor in accordance with the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 914(d), 20 CFR 702.251).

(7) Immediately upon making the first payment of compensation in any case, submit Form LS-206 (Payment of Compensation Without Award) to the Department of Labor in accordance with the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 914(c), 20 CFR 702.234).

(8) When payments are suspended or when making the final payment, submit Form LS-208 (Notice of Final Payment or Suspension of Compensation Payments) to the Department of Labor in accordance with the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 914(c) and (g), 20 CFR 702.234 and 702.235).

(9) Adhere to all other provisions of the Longshore and Harbor Workers' Compensation Act as
extended by the Defense Base Act, and Department of Labor regulations at 20 CFR Parts 701 to 704.

For additional information on the Longshore and Harbor Workers' Compensation Act requirements see [http://www.dol.gov/owcp/dlhwc/lstba.htm](http://www.dol.gov/owcp/dlhwc/lstba.htm).

The Contractor must insert the substance of this clause including this paragraph (c), in all subcontracts to which the Defense Base Act applies.

[END OF PROVISION]

RAA28. CONTRACT AWARD TERM AND CONDITION FOR RECIPIENT INTEGRITY AND PERFORMANCE MATTERS (April 2016)

**APPLICABILITY:** This provision must be incorporated into awards if the total federal share of the award may include more than $500,000 over the period of performance.

AWARD TERM AND CONDITION FOR RECIPIENT INTEGRITY AND PERFORMANCE MATTERS (APRIL 2016)

A. Reporting of Matters Related to Recipient Integrity and Performance

1. General Reporting Requirement

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313).

As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

2. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

a. Is in connection with the award or performance of a grant, cooperative agreement, or
procurement contract from the Federal Government;

b. Reached its final disposition during the most recent five year period; and

c. Is one of the following:

(1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;

(2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of $5,000 or more;

(3) An administrative proceeding, as defined in paragraph 5 of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of $5,000 or more or reimbursement, restitution, or damages in excess of $100,000; or

(4) Any other criminal, civil, or administrative proceeding if:

   (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;

   (ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and

   (iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

4. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent
five year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report.

Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than $10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

For purposes of this award term and condition:

a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

c. Total value of currently active grants, cooperative agreements, and procurement contracts includes—

(1) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and

(2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

B. [Reserved]
ATTACHMENT E: SPECIAL PROVISIONS SPECIFIC TO AFGHANISTAN (ASSISTANCE)

E.1 USAID/AFGHANISTAN SECURITY REQUIREMENTS (NOVEMBER 2016)

E.1 SECURITY REQUIREMENTS (NOVEMBER 2016)

The Recipient must comply with all Government of the Islamic Republic of Afghanistan (GIRoA) and U. S. Government civilian/military agency security policies and orders (COM/FRAG) as they relate to the activities under this Cooperative Agreement.

As a result of Presidential Decree #62, recipient that will be using Armed Security Guards during the performance of this award must coordinate its security requirements through the Afghan Ministry of Interior’s Afghanistan Public Protection Force (APPF). At the time of award of this Cooperative Agreement, procedures for obtaining security are in transition and Recipient must closely monitor APPF procedural requirements and implement changes. Recipient must initiate discussion with APPF regarding security requirements as soon as possible. The APPF will require Recipient to prepare and submit information on several forms. After receipt, APPF will discuss Recipient’s specific security requirements in a personal interview at APPF headquarters:

Recipient can also contact APPF via e-mail: info@appf.gov.af, +93 0700 707 777 or visit their web site for more information http://www.appf.gov.af/ USAID Partner Liaison Security Office (PLSO) is available to assist and can be reached at kabulaidssos@state.gov or 301-490-1042,
+93(0) 700 114 000 Extension 3342 or 3115.
The Recipient is responsible for providing all life-support and security services required for its personnel deployed to project locations except when it is expressly stated in individual contracts that such facilities and services are to be provided by other means. The Recipient responsibilities must include all life support, communications, and transportation of materials, personnel, and equipment to work sites. In addition, the Recipient is responsible for maintaining the security of its personnel, materials, and equipment.

The Recipient must prepare a comprehensive security plan pertaining to all aspects of its activities and the activities of its employees in the performance of all work related to this Cooperative Agreement as well as the off-duty activities of its employees, as those activities relate to performance of contract work or to serving in Afghanistan or elsewhere within the region as it relates to performance of the work. The Recipient must continuously monitor and update this comprehensive security plan by means of qualified and competent staff of personnel. The Recipient must work closely with and establish liaison and cooperate with all authorized and appropriate safety and security organizations and entities for the protection and safety of its operations and employees.

E.2 SERIOUS INCIDENT REPORTING (SIR) IN AFGHANISTAN (APRIL 2016)

The prime recipient is responsible for reporting all serious incidents during performance of the award. This reporting must apply to the prime recipient and all sub-awardees regardless of the tier (subs of subs and lower, etc.). In addition to reporting, the prime recipient is responsible for ensuring timely investigation of all serious incidents and maintaining on file all records of reported serious incidents.

A serious incident is defined (but not limited to) the following incidents affecting an employee or the implementation of activities paid for with U.S. Government funding regardless of the funding source and tier of the organization:

1. Arrest – A legal detention by the Afghanistan National Security Forces (ANSF) or Coalition Forces (CF)
2. Complex Attack – An attack using multiple means of engagement such as an Improvised Explosive Device (IED) followed by small arms fire
3. Demonstration – An organized act of protest against legitimate operations that results in violence or the threat of violence
4. Harassment – Interference in legitimate operations by ANSF, RS, or local civilian forces
5. Indirect Fire (IDF) – Attacks in which weapons are not directly aimed at the target (such as mortars, artillery, emplaced rockets but not rocket propelled grenades - RPGs)
6. Improvised Explosive Device (IED) – A bomb made and delivered in a non- conventional way (body borne IED, vehicle borne IED, remote control
IED, magnetic IED etc.)

7. Capture - Illegal or hostile detention by insurgents or criminals for any length of time
   a. Abduction: the act of taking someone away by force or fraud
   b. Kidnapping: the abduction of a person by force or fraud for use as a hostage
   c. Hostage: a person given or held as security for the fulfillment of certain conditions or terms, promises, etc., by another.

8. Land Mine - A manufactured anti-personnel or anti-vehicle mine.

9. Motor Vehicle Accident (MVA) - An airplane, motorcycle, car, or truck crash which results in injury or damage.

10. Robbery -- Non-insurgent related theft of property.

11. Small Arms Fire (SAF) - a hostile engagement by a direct fire weapon (such as a pistol, AK-47, PK machine gun, RPG etc.)

12. Threat - Verbal (in-person, telephone, etc.), SMS (text message), or written message threatening violence or demanding payment in any form.

13. Other - negligent or unintentional firearm discharge, physical altercation between employees, cybersecurity incident, sexual misconduct etc.

INITIAL NOTIFICATION:
Recipient must provide initial notification by email or telephone to the USAID Partner Liaison Security Officer (PLSO), the Agreement Officer, and the Agreement Officer’s Representative (COR/AOR) for accountability purposes of any serious incident as soon as practical, if it cannot be done immediately. This notification must provide as many details as are known at the time about the incident. The email address for the PLSO is KabulAIDSSO@usaid.gov and/or KabulAIDSSO@state.gov and the telephone number is +1 (301) 490-1042 Ext. 3342 or Ext. 3115. A point of contact (POC) for the prime recipient must be provided to the PLSO and COR/AOR in order for USAID personnel to follow up on the security incident details. Additionally, if a security incident which involves an employee wounded in action (WIA) who later succumbs of the wound(s), the recipient must provide notification within 24 hours of the death of the individual.

SERIOUS INCIDENT REPORT:
Additionally, within 24 hours, the recipient must submit an initial Serious Incident Report (SIR) documenting the incident in detail to the USAID PLSO using the form provided. The SIR must include, at a minimum, the award number, the name of the company, location where the incident occurred (Latitude/Longitude, GPS or MGRS coordinates, location name, etc.), time when the incident occurred, a brief description of the events of the incident, details about any known casualties, country of origin of all involved and a point of contact for the USAID PLSO to request further information as needed. Each SIR must be completed as thoroughly as possible and sent to KabulAIDSSO@usaid.gov and/or KabulAIDSSO@state.gov. The prime recipient must concurrently send a notice to the USAID (COR/AOR) and the Agreement Officer that a SIR has been submitted to PLSO.

Following the conclusion or solution of the reported incident, a Final Serious Incident
Report should be submitted to the USAID PLSO to identify the resolution of the reported event and provide details indicating the resolution thereof.

E.3 SPECIAL PROVISION FOR PERFORMANCE IN AFGHANISTAN (JULY 2010)

All recipient personnel deploying to Afghanistan under grants or cooperative agreements with a performance period over 30 days or valued at more than $100,000 must be accounted for in the Department of Defense maintained Synchronized Pre-deployment and Operational Tracker (SPOT) system. Information about SPOT is available at http://www.dod.mil/bta/products/spot.html as well as from the Agreement Officer (AO) or Agreement Officer's Representative (AOR).

Recipient must register those individuals requiring SPOT-generated Letters of Authorization (LOAs) in SPOT before deploying any employees or consultants to Afghanistan. If individuals are already in Afghanistan at the time the recipient employs them, the recipient must enter each individual upon his or her becoming an employee or consultant under this award. Personnel that do not require LOAs are still required to be accounted for in SPOT for reporting purposes either individually or via an aggregate tally methodology. The recipient must maintain and keep current all employee and consultant data in SPOT. Information on how individual and/or aggregate tally registrations will be made in SPOT is available from the Agreement Officer (AO) or Agreement Officer's Representative (AOR).

Recipient performance may require the use of armed private security personnel. To the extent that such private security contractors (PSCs) are required, recipients are required to ensure they adhere to Chief of Mission (COM) policies and procedures regarding the operation, oversight, and accountability of PSCs. PSCs will be individually registered in SPOT.

Under this award, the term “PSC” includes any personnel providing protection of the personnel, facilities, or property of a recipient or sub recipient at any level, or performing any other activity for which personnel are required to carry weapons in the performance of their duties. As specific COM policies and procedures may differ in scope and applicability, recipient is advised to review post policies and procedures carefully in this regard and direct any questions to the Embassy Regional Security Office (RSO) via the Agreement Officer’s Technical Representative. Any exception to these policies must be granted by the COM via the RSO. A copy of any exception must be provided to the AO and AOR. COM policies and procedures may be obtained from the RSO via the Agreement Officer’s Representative. Recipient is also advised that these policies and procedures may be amended from time to time at the post in response to changing circumstances.

Recipient is advised that adherence to these policies and procedures is considered to be a material requirement of this grant/cooperative agreement. The recipient must include this provision in all sub-awards at any tier or contracts under their grant/cooperative agreement. Recipient is reminded that only the Agreement Officer has the authority to modify the Notice
of Award. Recipients must proceed with any security guidance provided by the RSO, but must advise the Agreement Officer and the Agreement Officer's Representative of the guidance received and any potential cost or schedule impact.

E.4 USAID/AFGHANISTAN SMART TRAVELER ENROLLMENT PROGRAM (STEP) (AUGUST 2016)

The recipient must enroll all American citizens traveling to Afghanistan in STEP at www.travel.state.gov. Information provided must be accurate and up-to-date and is applicable to both long-term and short-term travel funded by USAID.

E.5 USAID/AFGHANISTAN VETTING REQUIREMENT (NOVEMBER 2016)

The recipient must comply with USAID/Afghanistan’s Mission Order 201.06, National Security Screening (Non-U.S. Party Vetting).

A. In accordance with USAID/Afghanistan Mission Order 201.06 - National Security Screening (Non-U.S Party Vetting) the recipient must complete and submit a “USAID Information Form” for:

a. Itself, if it is a non-U.S. entity;

b. Each subcontractor or subcontractor of a subcontractor, regardless of the tier, valued cumulatively at $25,000 or more, that is a non-U.S. entity; or

c. Each key individual that is a non-U.S. entity.

B. For purposes of this requirement, the following definitions apply:

a. "Non-U.S. entity” means:

   i. any non-US citizen or non-permanent legal resident of the United States:

   or

   ii. any entity that is not formed in the United States or for which 50% or more of the equity is owned or controlled by persons who are not U.S. citizens or permanent legal residents of the United States.

b. "Key individuals” means:

   i. An individual or entity owning 10% or more equity stake in the organization, whether publicly- or privately-held:

   ii. Principal officers of the organization’s governing body (e.g., chairman, vice chairman, treasurer or secretary of the board of directors or board of trustees):

      a) The principal officer and deputy principal officer of the
organization (e.g., executive director, deputy director; president, vice president);

b) The program manager or chief of party for the USAID financed program; and

c) Any other person with significant responsibilities for administration of USAID financed activities or resources.

C. The requirements of paragraph A. of this clause must be completed prior to the Government's acceptance of the agreement and following that, at the earlier of:

i. Once a year; or

ii. When there is a change or addition to any entity or person identified in paragraph

D. USAID reserves the right to rescind approval for a sub-award in the event that USAID subsequently becomes aware of information indicating that the sub-award is contrary to U.S. law or policy prohibiting support for terrorism, or facilitating criminal activity. In such cases, USAID's Agreement Officer will provide written instructions to the recipient to terminate the sub-award.

E.6 HOMELAND SECURITY PRESIDENTIAL DIRECTIVE (HSPD-12) (SEPTEMBER 2006)

In response to the general threat of unauthorized access to federal facilities and information systems, the President issued Homeland Security Presidential Directive-12. HSPD-12 requires all Federal agencies to use a common Personal Identity Verification (PIV) standard when identifying and issuing access rights to users of Federally-controlled facilities and/or Federal Information Systems. USAID is applying the requirements of HSPD-12 to applicable assistance awards. USAID will begin issuing HSPD-12 “smart card” IDs to applicable recipients (and recipient employees), using a phased approach. Effective October 27, 2006, USAID will begin issuing new “smart card” IDs to new recipients (and recipient employees) requiring routine access to USAID controlled facilities and/or access to USAID’s information systems. USAID will begin issuance of the new smart card IDs to existing recipients (and existing recipient employees) on October 27, 2007. (Exceptions would include those situations where an existing recipient (or recipient employee) loses or damages his/her existing ID and would need a replacement ID prior to Oct 27, 2007. In those situations, the existing recipient (or recipient employee) would need to follow the PIV processes described below, and be issued one of the new smart cards.)

Accordingly, before a recipient (including a recipient employee) may obtain a USAID ID (new or replacement) authorizing him/her routine access to USAID facilities, or logical access to USAID’s information systems, the individual must provide two forms of identity source documents in original form and a passport size photo. One identity source document must be
a valid Federal or state government-issued picture ID. (Overseas foreign nationals must comply with the requirements of the Regional Security Office.) USAID/W recipients (and recipient employee) must contact the USAID Security Office to obtain the list of acceptable forms of documentation, and recipients working in overseas Missions must obtain the acceptable documentation list from the Regional Security Officer. Submission of these documents, and related background checks, are mandatory in order for the recipient (or employee) to receive a building access ID, and before access will be granted to any of USAID's information systems. All recipients (or employees) must physically present these two source documents for identity proofing at their USAID/W or Mission Security Briefing. The recipient (or employee) must return any issued building access ID and remote authentication token to USAID custody upon termination of the individual's employment with the recipient or completion of the award, whichever occurs first.

The recipient must comply with all applicable HSPD-12 and PIV procedures, as described above, as well as any subsequent USAID or government-wide HSPD-12 and PIV procedures/policies, including any subsequent applicable USAID General Notices, Office of Security Directives and/or Automated Directives System (ADS) policy directives and required procedures. This includes HSPD-12 procedures established in USAID/Washington and those procedures established by the overseas Regional Security Office. In the event of inconsistencies between this clause and later issued Agency or government-wide HSPD-12 guidance, the most recent issued guidance should take precedence, unless otherwise instructed by the Agreement Officer.

E.7 USAID/AFGHANISTAN IMPLEMENTING PARTNER NOTICES (NOVEMBER 2016)

The Recipient must comply with and adhere to all USAID/Afghanistan recipient Notices. Copies of the notices are provided to recipients at the time of issuance. Copies are also available upon request from the Cognizant Agreement Officer.

E.8 USAID/AFGHANISTAN PUBLIC POSTING (APRIL 2016)

The recipient must provide a redacted version of the award within 30 days of the effective date and direct the request and redacted copy via e-mail to kbeta+++++++++++++++++@usaid.gov or the award will be posted without alteration on the USAID/Afghanistan website.

E.9 USAID/AFGHANISTAN DATABASE and GIS/GPS REPORTING REQUIREMENTS (DECEMBER 2016)

USAID/Afghanistan uses a web-based system to collect and organize information critical to program management, oversight, and reporting. This system is named Afghan Info. Afghan Info supports a number of exercises including: Mission-wide Portfolio Reviews, the Performance Plan and Report, the Multi-Tiered Monitoring Approach, Geographic Information System (GIS) analysis, and overall coordination efforts. Reported information may impact
policy formulation and project design stakeholders including USAID/Afghanistan, USAID/Washington, the United States Congress, the Government of the Islamic Republic of Afghanistan (GIROA), and other donors.

USAID requires a minimum of quarterly (United States Government Fiscal Quarters) data submissions throughout the entire life of the award. The partner must provide updates for all required data elements as specified in the reporting requirements of their award. As applicable, data to be reported into Afghan Info may include:

- Monitoring and Evaluation (M&E) Plan indicator reporting and aggregate and/or raw data.
- Attribution by provinces/districts of total quarterly costs/ vouchered expenses.
- Documents as required in the reporting requirements section of the award.

Partners are additionally required to collect and report on Global Positioning System (GPS) data and other GPS supporting details for all implementation activities. (This is especially important if data could/will be analyzed to the type III Geographical Disaggregation level.) Geographic data collection, analysis, and submission methods must be included in annual work and M&E plans. Partners must ensure the following standard settings are utilized when collecting latitude/longitude GPS coordinate data for USAID/Afghanistan activities:

<table>
<thead>
<tr>
<th>Coordinate System/Datum:</th>
<th>WGS 1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinate Format:</td>
<td>Decimal Degrees</td>
</tr>
<tr>
<td>Latitude Coordinate Parameters:</td>
<td>Must be between 29.378060 - 38.489592</td>
</tr>
<tr>
<td>Longitude Coordinate Parameters:</td>
<td>Must be between 60.475769 - 74.889862</td>
</tr>
<tr>
<td>Accuracy Level:</td>
<td>Less than 15 meters</td>
</tr>
</tbody>
</table>

The COR/AOR responsible for the award will provide specific guidance on reporting, provide access to the Afghan Info system for the recipient, and ensure that all applicable reporting requirements have been assigned to the award and as necessary, appropriately configured in the system. IPs must use the Afghan Info interface for data entry. Criteria for restricting reporting activity or reporting sites will be provided by the COR. Data entered into the system must adhere to USAID data quality standards (ADS 203.3.11.1). All geographic data will additionally adhere to OMB Circular A-16 and A-130; Executive Order 12906; ADS 557 (Public Information); and ADS 579 (USAID Development Data). Data entry modules will include an option for selecting certain sites for restricted access in the database. (Note: all activities will be recorded, but those restricted will be viewable only by those with a “need to know”.)

In consultation with the USAID/Afghanistan’s GIS Specialist and/or as directed by USAID/Afghanistan or USAID/Washington, the COR/AOR will manage this geographic data for use in project management, communications, reporting, and evaluation. In the case of proprietary or contractual restrictions preventing submission/publication of geographic data, the recipient shall provide justification to the COR/AOR. For activities requiring multiple
data points, to include infrastructure activities such as dam, power line, and road construction, data can be submitted to USAID or through a “cloud-based data transfer mechanism that is outside USAID (example: Dropbox), but must be stored and submitted to the COR/AOR in industry standard formats such as ESRI Shapefile, ESRI Feature Class, or Microsoft Excel, and include any and all metadata. All infrastructure programs will include photo documentation from no less than two sides with no less than beginning and ending project photographic documentation.

Metadata or “Properties” is a summary providing content, quality, type, creation, and spatial information about a data set. In the file’s “properties” programmatic specifics to include name, description of the file, program and implementer, geospatial location and description of the activity will be included. For example, a photograph’s metadata will include Title- the name of the event or site, such as “Ghazi Mohammad Ayub Khan High School”; Subject- what the photo depicts; such as “prior to start of construction a/o 20160207”; TAGS - will include, at a minimum, the program and the implementer for example: “SACCARP; IOM;” Comment: the grid and the nature of the project/event, such as “31.623130, 65.055618 photo of the front of the school. Prior to stair repair, painting and toilet rehab”. The date the photo was taken should already be included automatically but if not it should be also added.

Although the example discusses an image file, the same requirement for metadata documentation is required for other file formats (docx or xlsx) that document a specific project’s geographically linked activity that will be used for permanent documentation.

Please note some cameras with integrated GPS capability place that automatically into the Exif metadata. That should be kept; but often the Lat/Long format is in Hours/Min/Sec not in digital degrees so it must be converted and added to the metadata. There are free available sites on the web, such as http://www.latlong.net/degrees-minutes-seconds-to-decimal-degrees or for more complicated conversions http://www.earthpoint.us/Convert.aspx. Unless otherwise specified, Afghan Info can be accessed at: https://usaidinfo.usaid.gov/

The recipient is required to include this clause in any sub-awards (including subcontracts) that require the sub-awardee or sub-awardee employee to have routine physical access to USAID space and logical access to USAID’s information systems.

E.10 COMPENSATION FOR COOPERATING COUNTRY NATIONALS (CCNS) IN AFGHANISTAN – FOR NON-US BASED ASSISTANCE RECIPIENT (NOVEMBER 2016)

The Standard Provision for Non-US Nongovernmental Organizations, ‘M1. ALLOWABLE COSTS (DECEMBER 2014)’ states that “the recipient will be reimbursed for costs incurred in carrying out the purposes of this award in accordance with the terms of this award and the applicable cost principles in effect on the date of this award.” With this in mind, and in accordance with CFR 200.430(b), from the effective date of Implementing Partner Notice#OAA-IP-2016-001, the rates from the National Technical Assistance Salary Scale and
Implementation Guideline (NTA) are to be used as the measurement for reasonableness of compensation in the Afghanistan labor market for all Cooperative Country Nationals (CCN).

All recipients must utilize the current English version NTA compensation scale, as posted on the Government of the Islamic Republic of Afghanistan (GIRoA) Ministry of Finance website (http://www.budgetmof.gov.af/index.php/en/about-nta), and USAID Implementing Partner Notice #OAA-IP-2016-001 as the Local Compensation Plan for all CCNs. This includes all clarification notes, addendums, or updates.

The NTA is a compensation package, developed by the GIRoA that includes all regular benefits and allowances except transportation, communication, and health insurance. These allowances may be provided as per the internal policies of the organization. It is expected that allowances meet the requirements of CFR 200.404 and do “not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost”.

E.11 NON-FEDERAL AUDITS (NOVEMBER 2016)

In accordance with 22 C.F.R. Part 200 Subpart F – Audit Requirements, Recipients and sub recipients are subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” Recipients and sub recipients must use an independent, non-Federal auditor or audit organization which meets the general standards specified in generally accepted government auditing standards (GAGAS) to fulfill these requirements.

E.12 USAID/AFGHANISTAN HOST COUNTRY TAXES AND DUTIES (NOVEMBER 2016)

The recipient is advised that equipment, materials, and funds introduced into Afghanistan under the USAID program are exempt from customs, duties, and taxes of every kind. In accordance with the applicable U.S. Government cost principles, such costs are unallowable and may not be charged to this Award or paid with funding provided in the Award. If the recipient is assessed any such charges, they must bring the proposed assessment to the immediate attention of the Agreement Officer and USAID/Afghanistan.

E.13 SUB-AWARD REQUIREMENTS (NOVEMBER 2016)

A. Applicability: This section limits the number of tiers of sub-awards to two tiers below the awardee for all awards. The recipient must not allow lower-tier sub-awards without the express written approval of the Agreement Officer.

B. Definitions: The term "award" in this clause refers to the direct award between USAID and the recipient. A "first-tier sub-award" is a direct award between the IP and a sub-awardee (the "first-tier sub-awardee"). A "second-tier sub-award" is a direct
award between the first-tier sub-awardee and its sub-awardee (the "second-tier sub-
awardee").

C. USAID's objective is to promote, to the extent practicable, competitive, transparent, and
appropriate local sub-awards with legitimate and competent sub-awardees. IP's must
ensure that all sub-awardees at any tier are actively engaged in the performance of sub-
awarded work. IP's must ensure that sub-awardees do not engage in "brokering" or
"flipping" their sub-awards under this award and that all sub-awardees at any tier self-
perform appropriate portions of the work. "Brokering" or "flipping" is the practice of
a sub-awardee receiving a sub-award and either selling such sub-award or not
performing a significant percentage of the work with the sub-awardee's own
organization.

D. Should exceptional circumstances warrant sub-awards below two tiers, the IP
must promptly request approval in writing from the Agreement Officer, which must
include the information set forth in paragraph E. below.

E. An IP's written request for approval to allow sub-awardees below the second tier
will include the following information:

(i) Sub-award number and title (or a general description of the sub-award work) of
the existing sub-award;

(ii) Detailed explanation regarding why the work to be performed by the lower-tier
sub-awardee cannot be performed by the prime or the two levels of sub-awardees.

(iii) The total value of the work and total value of the work to be self-performed by
the existing sub-awardee;

F. For purposes of calculating tiers, the following will not be considered a
tier:

(i) subsidiaries of the awardee;
(ii) Members of a joint-venture, provided the joint venture is either the awardee
or otherwise a "tier" hereunder;
(iii) Employment awards for a single individual, provided that such individual issues
no further sub-awards;
(iv) Suppliers/service providers for component parts for a sub-award issued for finished
commodities purchased on the market. Only the sub-awardee supplying the
finished commodity will be considered a "tier" for purposes of this
clause/provision;
(v) Suppliers of administrative or professional services incidental to the completion of
the award nor their sub-awardees, such as legal or financial services, provided such
suppliers or their sub-awardees do not perform substantive work related to the
award.

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G. Unless an exception is provided per section D. above, the IP will include this clause in all sub-awards, and will require sub-awardees to include this clause in all lower-tier sub-awards. The IP is responsible for compliance with this clause/provision by all sub-awardees and lower-tier sub-awardees.

E.14 RESTRICTIONS ON RECIPIENTS EXECUTING AGREEMENTS WITH GOVERNMENT OF AFGHANISTAN (APRIL 2016)

A. Only the Mission Director of USAID/Afghanistan has the authority to negotiate, execute, and implement agreements (such as Memorandums of Understanding or Letters of Intent or Collaboration) with the Government of Afghanistan (GOA) for activities using USAID funds. Recipient must not have separate agreements between their organizations and any unit entity of the Government of Afghanistan including ministries, provincial or district government entities, or city and village entities.

B. If a recipient determines an agreement with the GOA is beneficial to the implementation of activities funded by USAID, the recipient must request their AOR to draft and negotiate that agreement between USAID and the GOA. The request should include at a minimum:
   a. how large or important a role the GOA unit entity (e.g. ministry, agency, city) is being asked to play in the activity;
   b. previous experience or status of current relations with the GOA unit entity;
   c. any relevant US legislation; and
   d. the advantages to be gained from formally establishing the term of the assistance relationship with the GOA entity.

C. After the GOA entity and the Mission Director sign the agreement, the AOR is responsible for implementation of the agreement in coordination with the recipient as necessary. Any likely or actual violation of the terms of an agreement by any participant should be reported immediately to the AOR who will report directly to the Deputy Mission Director and the RLO if the violation could be considered to be of significance.

D. All amendments to the agreement must be approved by the AOR.

E.15 USAID/AFGHANISTAN PRESS RELATIONS (NOVEMBER 2016)

The recipient must coordinate all press inquiries and statements with the AOR and USAID/Afghanistan’s Development Outreach and Communication (DOC) Office. The Recipient must seek approval from the AOR and DOC before agreeing to or allowing staff to conduct interviews with the press. The DOC contact is:

Development Outreach and Communication (DOC) Office
US Embassy Kabul
E.16 RESTRICTIONS ON FUNDING FOR LAW ENFORCEMENT
(NOVEMBER 2016)

None of the funds made available through this award shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces. The only exception to this restriction is activities that enhance professional capabilities to carry out investigative and forensic functions conducted under judicial or prosecutorial control. The recipient shall consult with USAID before relying on this exception.

E.17 COMPLIANCE WITH ADS 206 PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (AUGUST 2016)

USAID reserves the right to terminate this agreement, to demand a refund or take other appropriate measures, if the Recipient has been convicted of a narcotics offense or to has been engaged in drug trafficking as defined in 22 CFR Part 140. This provision must be included in all subcontracts/sub-awards issued under this grant/cooperative agreement.

E.18 USAID/AFGHANISTAN FRAUD REPORTING (November 2016)

The awardee is required to report on indications of fraud in host-country institutions or other matters that could reasonably be expected to be of foreign policy interest to the U.S. Government’s development and stabilization efforts. Corruption, real or perceived, may critically impact USAID programming objectives as might other knowledge the awardee acquires in its normal course of business. This provision must not be construed to require the awardee to conduct investigation for such information outside of its normal business practices or to report on matters not directly or indirectly related to USAID programming or the proper use of U.S. Government funds. In the event awardee has special non-disclosure requirements or confidentiality requirements (such as are prevalent in the legal and banking industries), or awardee determines such reporting would conflict with applicable laws, awardee must include a proposal to obtain any necessary waivers from the applicable host-country institution allowing such reporting to the maximum extent possible. Reports under this requirement must be submitted as a deliverable under the award.

E.19 RESERVED

E.20 COMPLIANCE WITH ADS 252 & 253 - TRAINING AND RESULTS AND INFORMATION NETWORK (TRAINET) (AUGUST 2016)

1. Participant Training Reports. The recipient will collect training data on technical trainings (i.e., conferences and workshops) provided for beneficiaries that were held in the
United States, third countries, or in-country under this grant/cooperative agreement. The training data will be entered into TraiNet and submitted to the AOR quarterly no later than 45 days following the end of each fiscal quarter measured from October 1, as relevant. The recipient will follow ADS 252 policy, which provides detailed information regarding visa compliance guidelines, and ADS 253, which provides guidance on how to implement USAID funded training programs. USAID/Afghanistan’s Office of Program Management (OPPD) can assist recipient to roll out TraiNet for their activity and share their training data on TraiNet with OPM.

2. TraiNet and USAID Sponsored J-1 Visas. All host country nationals being funded fully, partially, directly, or indirectly by USAID must enter the U.S. on a J-1 Visa, regardless of the type or duration of the activity. In order to secure a J-1 visa, each participant must first secure a DS-2019 form (Certificate of Eligibility for Exchange Visitor J-1 Status). TraiNet is the only means of obtaining a DS-2019 for USAID-funded Exchange Visitors.

USAID/Afghanistan prefers that TraiNet data entry, verification, and reporting responsibilities for exchange programs held in the United States be completed by the Mission. USAID/Afghanistan’s Office of Program Management (OPM) is responsible for data entry (the R1 role), verification (the R2 role), and approval (the R3 role) of all U.S.-based training programs and participants that are funded by USAID. USAID/Afghanistan’s AORs are responsible for working with their recipient to obtain the data needed by the R1, R2 and R3 to complete this action. USAID/Washington is responsible for submission of the data (the R4 role) to SEVIS. The DS-2019 approval process is as follows:

The recipient provides to the AOR and OPM required documents to initiate the DS-2019 approval process (as per Mission Order 252) by minimum 8-10 weeks prior to the start date of the training program.

Data is entered into TraiNet by OPM’s Data Entry Initiator (R1) once all information and documents are received from the recipient and are correct. The R1 submits the information to the Visa Compliance System (VCS).

The designated Verifier (R2) in OPM verifies the accuracy of the data in the VCS, uploads documents, and either submits the information to the R3 if all is correct, or rejects the file if there are errors in the data.

The designated Approver (R3) in OPM reviews the electronic versions of documents and either approves or rejects the files (for missing data or other concerns based on review of the files) sending them back to the R1 with comments.

When the R3 approves a file, the information is electronically transferred to the Responsible Officer (R4) in USAID/Washington who provides the final approval before the information is submitted to the Department of Homeland Security SEVIS database. The DS-2019 form is created, printed and mailed to the R3. The R3 gives the form to the R1 who coordinates with
the AOR and recipient on completing the visa application process.

The recipient is responsible for ensuring that participants complete the on-line visa application form. When asked to enter a “Program Number”, applications should enter USAID’s Exchange Visitor Program Number G-2-00263.” The SEVIS number required for completing the visa application will be provided by the R1.

The R1 is responsible for providing the recipient or participant with the SEVIS number required for completing the on-line visa application form, scheduling an appointment with the Consular Office, and delivering the DS-2019 form to the recipient or to the participant so that he/she can present it to the Consular Officer during their appointment for a J-1 visa at the U.S. Embassy consular section.

All host country nationals being funded fully, partially, directly, or indirectly by USAID must enter the U.S. on a J-1 Visa, regardless of the type or duration of the activity. In order to secure a J-1 visa, each participant must first secure a DS-2019 form (Certificate of Eligibility for Exchange Visitor J-1 Status). TraiNet is the only means of obtaining a DS-2019 for USAID funded Exchange Visitors.

USAID/Afghanistan delegates the TraiNet data entry, verification, and reporting responsibilities to its recipient responsible for data entry (the R1 role) and verification (the R2 role) of all training programs and participants that are funded by USAID. USAID/CAR/SPO is responsible for approval (the R3 role) and the AOR and Program Managers are responsible for working with their recipient to obtain the data needed by the R3. USAID/Washington is responsible for submission of the data (the R4 role) to SEVIS. The DS-2019 approval process is as follows:

- Data is entered into TraiNet by the recipient’s Data Entry Initiator (R1);
- The R1 submits the information to the Visa Compliance System (VCS); the designated Verifier (R2) verifies the accuracy of the data in the VCS, uploads documents, and either submits the information to the R3 if all is correct, or rejects the file if there are errors in the data;
- A designated United States citizen in the Mission – the Approver (R3) – reviews the electronic versions of documents and either approves or rejects the files (for missing data or other concerns based on review of the files) sending them back to the R1 with comments;
- When the R3 approves a file, the information is electronically transferred to the Responsible Officer (R4) in USAID/Washington who provides the final approval before the information is submitted to the Department of Homeland Security SEVIS database; The DS-2019 form is created, printed and mailed to the R3;
- The R3 gives the form to the USAID COR or AOR who provides it to the recipient.

The recipient is responsible for delivering the form to the participant so that he/she can present it to the Consular Officer during their appointment for a J-1 visa at the U.S. Embassy consular
section, or designated Consulate. Exchange visitors apply online at the U.S. State Department's website in the respective country. When asked to enter a “Program Number”, applications should enter USAID's Exchange Visitor Program Number G-2-00263.

[END OF ATTACHMENT E]

[END OF COOPERATIVE AGREEMENT NO. 72030619CA00001]