



# USAID | AFGHANISTAN

FROM THE AMERICAN PEOPLE

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**Subject: C.A. 306-A-00-09-00522-00 International Election Observation Mission for the 2009 Presidential and Provincial Council Elections in Afghanistan.**

Dear Mr. Cowan,

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) hereby awards to Democracy International (DI) (hereinafter referred to as the "Cooperative Agreement"), the sum found in Section A.3.a Amount of Award to support an International Election Observation Mission for the 2009 Presidential and Provincial Council Elections in Afghanistan Program as described in Attachment A, the Schedule and in Attachment B, entitled "Program Description", and as guided by Attachment C, entitled Standard Provisions.

This Cooperative Agreement is effective and obligation is made as of the signature date of this letter and shall apply to expenditures made by the Recipient in furtherance of program objectives during the period beginning with the effective Signature Date of this letter and ending November 30, 2009. USAID will not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

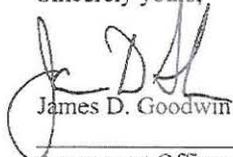
This Cooperative Agreement is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A (the Schedule), Attachment B (the Program Description), and Attachment C (the Standard Provisions), all of which have been agreed to by your organization.

U.S. Agency for International Development  
U.S. Embassy Cafe Compound  
Great Masood Road  
Kabul, Afghanistan

Tel: [+93] 20 230 0436  
Fax: [+93] 20 230 1364  
<http://afghanistan.usaid.gov/>

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the Cooperative Agreement, and return the original and all but one copy to the Agreement Officer.

Sincerely yours,



James D. Goodwin

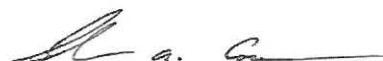
\_\_\_\_\_  
Agreement Officer  
USAID/Afghanistan

Attachments:

- A. Schedule
- B. Program Description

\_\_\_\_\_  
C. Standard Provisions  
\_\_\_\_\_  
\_\_\_\_\_

Signature Date: July 13, 2009



ACKNOWLEDGED:

BY: Glenn Cowan

TITLE: CEO

DATE: July 13, 2009

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**Financial Information:**

**A. GENERAL**

1. Total Estimated USAID Amount: \$5,000,000.00  
2. Total Obligated USAID Amount: \$5,000,000.00  
3. Activity Title: "International Election Observation Mission for the 2009  
Presidential and Provincial Council Elections in Afghanistan"  
5. USAID Technical Office: ODG  
6. Tax I.D. Number: 71-943640  
7. DUNS No.: 143047319  
8. LOC Number: TBD

**B. SPECIFIC**

FUND CITE FOR MAARD:		306-MAARD-90303
Amount:	\$4,827,928.00	\$172,072.00
Appropriation:		727/21037-90
Fund Code:	ES-SUP/2007/2008	ES/2007/2008
Program Area:		A09
Program Element:		A041
EOCC:		4100201
CO REFERENCE:		306-SOAG-306-05-0006.00--2
CO Accounting Line #:	18	16
TOTAL MAARD AMOUNT:		\$5,000,000.00

**C. PAYMENT OFFICE**

M/FM/CMP- LOC Unit  
USAID/Washington  
Room 7.07-06S, RRB  
1300 Pennsylvania Avenue  
Washington, D.C. 20523

## **ATTACHMENT A**

### **SCHEDULE**

#### **A.1 PURPOSE OF AGREEMENT**

The purpose of this agreement is to provide support for the program described in Attachment B of this Agreement entitled "Program Description."

#### **A.2 PERIOD OF AGREEMENT**

The effective date of this Agreement is the date of signature found on the cover of this document. The estimated completion date of this Agreement is November 30, 2009.

#### **A.3 AMOUNT OF AWARD AND PAYMENT**

- a. The total estimated amount of this Cooperative Agreement for the period shown in A.2 Period of Agreement above is \$5,000,000.00.
- b. USAID hereby obligates the amount of \$5,000,000.00 for program expenditures during the period set forth in A.2 Period of Agreement above and as shown in the section A.4 Budget below. This award is fully funded thus no further obligation will be made unless the amount of the award in A.3.a above is modified. USAID is not obligated to reimburse the Recipient for the expenditure of amounts in excess of the total obligated amount.
- c. USAID provided authorization to the recipient to incur pre-award costs for a total amount of \$1,000,000.00 as part of the Total Estimated amount of \$5,000,000.00, starting June 25, 2009.
- d. Payment shall be made to the Recipient using Letter of Credit (LOC).
- e. Funds obligated here under are available to cover program expenditures for the estimated period covered under A.2 Period of Agreement (fully funded).

#### **A.4 BUDGET**

The following is the Agreement Budget. Revisions to this budget shall be made in accordance with 22 CFR 226.

<b>COST ELEMENT</b>	<b>U.S DOLLARS</b>
Labor	720,565.00
Fringe Benefits	70,072.00
Travel, Transportation and Per-Diem	694,552.00
Allowances	\$414,644.00
Other Direct Costs	2,100,277.00
Overhead	999,890.00
<b>Total</b>	<b>5,000,000.00</b>

#### **A.5 REPORTING AND EVALUATION**

Observer Deployment Plan: The recipient will present USAID an Observation Deployment Plan with detailed reference to the Provinces to be covered by the Observation Mission. This plan will request approval of the COTR prior to its implementation.

Final Performance Report: Final performance report is the responsibility of the recipient and is needed by USAID to provide timely input to the Activity Report which will be submitted to USAID/Washington upon conclusion of the Elections Event, approximately by September 2009. The final performance report should cover activities and results through the end of the activity. The Final Performance Report must be received by USAID in draft no later than September 20 and in final no later than September 30, 2009 in order to allow USAID sufficient time to integrate the results with other elements of the SO and prepare the Combined Report for timely submission to Washington.

The Recipient shall submit an original and one copy to the USAID/Afghanistan AOTR, one copy to the USAID/ Afghanistan Agreement Officer, and one copy to the following:

- i) VIA E-mail: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org);
- ii) VIA U.S. Postal Service: The Development Experience Clearinghouse, 803 Colesville Road, Suite 210, Silver Spring, MD 20910, USA; and
- iii) VIA Fax: (301) 588-7787; or on line [http:// www.dec.org/index.cfm?fuseaction=docSubmit.hom](http://www.dec.org/index.cfm?fuseaction=docSubmit.hom)
- iv) The final report shall include:
  - Assessment of the project’s achievement of results
  - Data collected on project beneficiaries segregated by gender (and when possible by people with disabilities served and whether or not they were ex-combatants)
  - An assessment and analysis of the efficiency, effectiveness, viability and replicability of the activity and delivery mechanism
  - Lessons learned and recommendations for future programs/activities

In accordance with 22 CFR 226.70-72, the original and two copies of all final financial reports shall be submitted to M/FM/CMP-LOC Unit. The electronic version of the final PSC 272 or 272a shall be submitted to HHS in accordance with paragraph (i) above. Hence, only the Final copy of the SF 269

Financial Report is required to be submitted to USAID Office of Financial Management, Cash Management and Payment, Letter of Credit Unit.

Please see Substantial Involvement Clause under section A.8.a Special Provisions – Substantial Involvement.

#### **A.6 TITLE TO PROPERTY**

Property Title will be vested with the recipient subject to the requirements of 22 CFR 226.30 through 37. Title to all non-expendable property, supplies and other expendable equipment remains vested in the recipient, until such time as USAID issues disposition instructions.

#### **A.7 AUTHORIZED GEOGRAPHIC CODE**

The authorized geographic code for procurement of goods and services under this award is Code 935 - Any area or country including the cooperating country, but excluding foreign policy restricted countries.

#### **A.8 SPECIAL PROVISIONS**

##### **i. SUBSTANTIAL INVOLVEMENT:**

Pursuant to ADS 303.5.11(a), USAID substantial involvement in this cooperative agreement shall include:

USAID shall approve the following:

- Observer Deployment Plan. The recipient will present to USAID an Observation Deployment Plan with detailed reference to the Provinces to be covered by the Observation Mission. The recipient will obtain approval of the AOTR prior to its implementation.
- DI will deploy observers in RC-West which includes Farah, Heart, Badghis and Ghor. The USG also has a need to work in RC-South and DI may deploy observers to these provinces in coordination with USAID.
- Review and approval of selection/replacement of key personnel. The positions to cover Director and Deputy Director are considered key personnel for the implementation of this Cooperative Agreement.

##### **ii) APPROVAL OF THE OBSERVERS TEAM.**

The proposed Observers team included in DI's application dated June 21, 2009 is hereby approved. DI will request AOTR written approval to any changes to the proposed Observers Team. Also, USAID AOTR has the authority to request changes and/or substitutions of any member of the Observers team.

##### **iii) SPECIAL SECURITY REQUIREMENTS, FOR AMERICAN CITIZENS ONLY**

The Recipient shall ensure that all expatriate citizens (including those with dual citizenship) being funded with US Government funds, who enter Afghanistan under this project:

1. Register upon arrival with the American Citizen Registry at the US Embassy.
2. Consult with the USAID/RSO for additional required security measures.

If the Recipient can not meet the above requirements, then the Recipient will be required to fill the post or position with a non-American Citizen.

[END OF ATTACHMENT A]

## ATTACHMENT B – PROGRAM DESCRIPTION

Democracy International, Inc. (DI) proposes to organize an election observation mission for the presidential and provincial council elections in Afghanistan, currently expected on August 20, 2009. DI proposes this program to complement ongoing efforts supported by the U.S. government and others to promote good governance and improved security in Afghanistan through the strengthening of democratic electoral systems and processes. International election observation missions can help create a basis for democratic change in politically uncertain environments of entrenched conflict such as Afghanistan.

To achieve these objectives, DI proposes to field an international election observation mission led by DI Principal Glenn Cowan as Project Director, DI Principal Eric Bjornlund as Senior Technical Advisor and elections security expert Scott Carnie as Security Director. The mission will commence with a preliminary assessment by a team of experts on elections and election observation to determine the scale and scope of the observation project. In mid-July, DI will send Long-Term Observers (LTOs) along with DI core staff members to Afghanistan to prepare for the Election Day Observation Phase. Before Election Day, DI intends to deploy a delegation of approximately 50 Election Day observers—led by a Head of Delegation and including LTOs and STOs—to five key locations in the country. Observers will include distinguished experts in election processes, Afghanistan politics, U.S. foreign policy and democracy assistance. Delegates will reconvene shortly after Election Day to compare findings and draft a preliminary statement. Security permitting, LTOs and DI core staff members will remain in Afghanistan until mid to late September in order to monitor the postelection phase including the vote count and compilation of results. DI will issue a comprehensive report on the entire election process at the conclusion of the project, making recommendations regarding election-management practices and other reforms. DI anticipates a challenging security context in Afghanistan and will take appropriate steps to ensure the safety of its delegates and staff throughout the project.

DI is a recognized leader in election assistance and election observation, including fielding an election observation mission in Pakistan in February 2008. To field this mission, DI has recruited a team of experts with extensive experience in managing election observation missions, particularly in challenging security environments. In addition, DI has not been engaged with any political actor in Afghanistan and as such will be perceived as an impartial, objective observer.

### PROGRAM NARRATIVE

#### OBJECTIVES

Democracy International views this election observation project as an essential component of the effort to contribute to good governance and overall stability in Afghanistan through the strengthening of democratic electoral systems and processes. DI seeks to support USAID/Afghanistan's existing assistance strategy in the country by fielding an international election observation mission including senior election experts with proven experience in election observation, particularly in Afghanistan and other conflict-prone countries.

The ongoing conflict in Afghanistan and the resulting difficult security environment in the country have the potential to pose significant obstacles for an election observation mission. However, DI recognizes the potentially critical importance of the mission, particularly given Afghanistan's significance in the U.S. government's foreign policy agenda and the importance of the country for

regional and international security. Accordingly, DI has developed a detailed security strategy to confront potential security issues and enable the successful execution of the project. As DI principals wrote in a recent book chapter, —In fragile states the international community has a far greater role in determining the legitimacy of elections than it does in more stable transitional or established democracies. 11 Because of the continued instability of the country, the entrenched uncertainty over the Afghanistan political process, and some risk of controversy about election results, international election monitoring has the potential to make a significant contribution to stability and future democratization.

#### DEMOCRACY INTERNATIONAL'S APPROACH TO INTERNATIONAL ELECTION MONITORING

Experience has shown that international election monitoring can contribute to building the foundation for democracy. In politically uncertain environments of entrenched conflict, such as Afghanistan today, election monitoring can contribute to public confidence in the integrity of elections by encouraging fairer electoral rules, better campaign practices, and a more informed electorate. By increasing transparency, election monitoring deters fraud and helps reduce irregularities in election administration. Election monitoring also can provide meaningful moral support to democratic activists or opposition political leaders, and it educates audiences around the world about the struggle for democracy in transitional countries. Properly conceived and implemented, comprehensive international election monitoring not only provides an objective assessment of a given country's electoral process but can also promote the integrity of the elections and related institutions, encourage public participation, and reinforce domestic engagement in democratic politics.

There is now an international consensus that democratic elections extend far beyond the activities on Election Day, and, thus, election monitoring should have broad scope. Accordingly, Democracy International's election observation mission to Afghanistan will assess a broad range of substantive issues, including: (a) the administration of the election, including the processes of voter registration, balloting, counting, and complaint resolution; (b) the institutional framework for the election, including election laws, the credibility and neutrality of the Independent Election Commission of Afghanistan (IEC); and (c) the political context and environment in which the election takes place, including the extent of freedoms of speech, movement and association, the fairness of the media, the opportunities for the opposition to compete, and the nature of the campaign. In general, monitoring missions should consider all phases of an election process over time, including the campaign and pre-election period, the balloting and initial counting, the post-election aggregation and tabulation of votes and adjudication of complaints, and the formation of a new government or parliament.

#### DESCRIPTION OF ACTIVITIES

##### *Preliminary Assessment Team*

DI has recruited a strong team of highly qualified elections experts for a preliminary assessment mission for a period of ten days to two weeks. Among those who are available, depending on timing, are the following individuals:

**Glenn Cowan**, DI Principal, is an expert on election administration and vote count verification, political party organizing, legislative processes, civil society advocacy, local government and public opinion research. Mr. Cowan led the DI international election observation mission to the Pakistan elections in 2008. Over the past 30 years, Mr. Cowan has advised scores of government agencies,

legislatures, political parties, candidates, and corporate and nonprofit clients in the U.S. and around the world and has designed and managed democracy and governance programs in 35 countries.

■ **Scott Carnie** is an operational planning, risk and crisis management, and security specialist with extensive operational experience in both a military and civilian context in the Balkans, the Middle East, Asia, and Africa. He has special expertise providing elections security, most notably as Director of Security for the Joint Election Management Body (JEMB) in Afghanistan for the 2005 National Assembly and Provincial Council Elections.

■ **Deborah Alexander, Ph.D.**, is an experienced democracy and governance professional with specific expertise in election administration, conflict analysis and mediation, civil-military relations, political development, and governance. She served in Afghanistan as a Senior Advisor for Elections and Governance to the State Department during the 2004 and 2005 elections. She currently works with the U.S. Joint Forces Command developing assessment frameworks and training initiatives on governance and elections in peace-keeping and stabilization missions.

■ **David Avery** is the former Chief of Operations to the Joint Election Management Body (JEMB) in Afghanistan in 2004 and 2005 and also served as the Chief of Elections for the UN Assistance Mission in Iraq in 2005 and 2006. Mr. Avery is a preeminent elections expert with over twenty years of experience administering elections in post-conflict and conflict environments and providing technical assistance to governments worldwide.

**Gerald F. Hyman** is the former Director of the Office of Democracy and Governance at USAID and is a democracy and governance expert with nearly 20 years of experience. Mr. Hyman recently served as a member of a USAID democracy and governance assessment team in Afghanistan. He currently serves as Senior Advisor and President of the Hills Program on Governance at the Center for Strategic and International Studies (CSIS) in Washington, D.C.

**Patrick J. Fn'Piere** is an experienced USAID democracy and governance practitioner who has worked recently on USAID's assistance to the 2008 Pakistan elections. Mr. Fn'Piere has more than twenty years of international and domestic experience in strategic planning, policy development, operations management, facilitation of public/private partnerships, and coordination of marketing, communication, and external/political affairs.

The team will meet with members of the IEC, Afghanistan political party leaders, USAID, U.S. embassy officials, the team in the Office for Reconstruction and Stabilization, and the European Commission (EC) as well as other implementers providing election assistance, election donors, and additional relevant U.S. government and security stakeholders. Team members will use these and other meetings to assess the overall pre-election environment, including pre-election preparations, the effectiveness and impartiality of the IEC, the institutional framework for elections, potential voter registration issues, adjudication of election disputes, media access, and, as is critical in the case of Afghanistan, the current security situation. The team will also divide into four teams of two in order to assess the political environment in four locations outside of Kabul. This work should lay the groundwork for the staff members of the long-term observation mission as they plan logistics and design the Election Day deployment strategy.

#### *Long-Term Observation Phase*

In mid-July, following the preliminary assessment mission, DI core staff members will travel to Kabul along with approximately 10 Long-Term Observers (LTOs). The LTOs will divide into five

teams of two for deployment to five key cities where they will be based before, during and after Election Day. They will remain after Election Day for the post-election assessment. DI will endeavor to deploy observers to as diverse and representative a set of locations as possible, although serious security concerns may prevent safe travel and observation in certain provinces. DI will make its final deployment selections on the basis of the security information provided by the DI security team and in consultation with USAID, the U.S. military and other relevant security stakeholders.

Once deployed to these locations, LTOs will continue the efforts of the preliminary assessment mission by observing and reporting on all aspects of the pre-election context, including the opportunities for the opposition to compete, the extent of freedoms of speech, movement and association, media fairness, and other aspects of the pre-election period. The LTOs will meet with local elections officials, candidates and other relevant parties to aid in gathering this information. Working together, the LTOs and DI core staff members will provide regular reports and make preparations for the subsequent visit of short-term observers (STOs).

The team of DI core staff members will be based in a headquarters office in Kabul and will support the regional operations of the observers leading up to, during and following Election Day. DI has recruited an extremely strong and well-qualified core team to manage the election observation project. Team members have extensive experience organizing election monitoring missions in politically unstable and security-sensitive countries. The core staff team includes a Project Director and a Deputy, a Security Director and Technical Staff members including a Political Expert, an Elections Expert/IEC Liaison and a Press Officer. An Operations Manager will oversee the work of an Accountant and a Logistics Team.

#### *Election Day Observation Phase*

In the week prior to Election Day, DI will deploy a delegation of approximately 50 Election Day observers led by a Head of Delegation and including LTOs and STOs. The observers will be distinguished experts in election processes, Afghan politics, U.S. foreign policy and democracy assistance. Upon convening in Kabul, the entire delegation will meet for briefings on the current political and security situations. The STOs will then be divided into about 20 teams of two for deployment to the regional LTO offices. They will meet with local officials, candidates and domestic and international election monitors and observe the balloting on Election Day. As stated earlier, DI will try to deploy observers to as diverse and representative a set of districts as possible within the four regional LTO cities and Kabul, understanding that security concerns could prevent safe travel and observation in certain areas.

DI will arrange for extensive briefings for the observation delegation in Kabul upon arrival. These will include briefings on the current political situation in Afghanistan, the relevant electoral laws and procedures, the fairness of the campaign period, the activities of other monitoring organizations, and any other information relevant to an effective and informed observation of the process. DI will arrange for meetings with representatives of the IEC, the political parties, USAID officials, U.S. government officials, local analysts and others to speak to the delegation. DI will provide training on poll-watching techniques and accepted international observation standards and explain the deployment plan and methodology for the mission. In addition, the briefings will include extensive information on security procedures and on acceptable conduct for election observers, including relevant regulations and policies of the Afghan government, the IEC and the U.S. government. DI will emphasize that observers must restrict themselves to observing the electoral process and must not take any action that could be interpreted as interference in the process.

Subject to logistical constraints and consistent with security plans, DI will deploy observer teams to selected locations in the country before Election Day. DI is cognizant of the importance of having observers visit as wide a range of locations as possible, geographically and demographically. That said, the primary criteria for choosing general areas to deploy observers in Afghanistan will be security and logistics. Before deploying observers to an area, we will need to ensure that we can reasonably guarantee their safety and provide the necessary lodging, transportation and other logistical support. This means that most or all observer teams will likely be based in larger cities and will deploy from there on Election Day. Working with USAID and the U.S. Embassy, DI and its security team will eliminate those cities or areas where we do not feel security or logistical arrangements are sufficient, and will choose from among the remaining options to provide a good spread. Within and around these cities, observers will deploy to achieve the maximum possible coverage, including driving out from city centers to reach more rural polling places. Upon arrival, observer teams will meet with the LTOs based in their deployment cities, local and regional political party representatives, local election administration officials, and representatives of other domestic and international monitoring groups to collect information on the local political and security context. DI will provide forms, checklists and communications protocols for observer teams to use to summarize and compile as much information as possible in real time and relay it to the core staff in Kabul. This will help the core staff in Kabul to anticipate and monitor any problems or issues that may arise. DI's core staff team will remain at the delegation's head-quarters in Kabul to manage the deployment of the observer teams, collect information, and monitor the political and security situations in the deployment locations.

For Election Day, each observer team will visit several polling stations to observe the opening of the polls, the voting process throughout the day, and the closing and counting procedures. DI will provide a checklist/questionnaire form to structure this process. Teams will consult regularly during Election Day with domestic election monitors, such as the Free and Fair Election Foundation of Afghanistan (FEFA). We expect that every team is likely to observe in five to ten polling stations, and some may be able to visit more. DI will try to ensure that the delegation as a whole will visit a mix of polling stations consistent with Afghanistan's demographic and political make-up. The work of the STOs in conjunction with that of the LTOs will enable the election observation mission to collect information from around the country and discern trends over the weeks leading up to the election. Additionally, as noted above, we will draw on existing relationships with credible local sources of information, including journalists, political leaders, candidates, party activists, governmental officials and nonpartisan election monitors, at both national and sub-national levels. This will assist the election observation mission in determining how experiences or impressions vary in different locations across Afghanistan.

#### *Delegation Debriefing and Preliminary Statement*

Most observers will return to Kabul shortly after Election Day to compare observations and share their findings and experiences from around the country including the extent of any irregularities. Representatives of the mission will consult closely with major domestic and international observer groups, as well as other members of the international community, to ensure that the various observation missions share information effectively and to afford opportunities to cross-check reports and assessments. After a thorough debriefing session and consultation with other election observers, the mission will prepare a statement of preliminary findings, including an assessment of any

irregularities observed. Unless circumstances dictate otherwise, we expect the mission to hold a press briefing in Kabul and to release the statement publicly a few days after Election Day.

#### *Postelection Monitoring*

Although election observers, both domestic and international, tend to report on violations in the pre-election period and on Election Day, it is national authorities—including electoral authorities, police, prosecutors, and courts—who determine what, if anything, will be done about those violations.

Accordingly, after the election, we will monitor the tabulation phase, the integrity of the consolidation of results, the processing of election complaints and challenges, the investigation of problems identified by Election Day observers, the extent of post-election intimidation and retribution, and the process leading to the assumption of office by the president in accordance with the election outcome. Therefore, and since the election results are not expected until early September, the LTOs and DI core staff are expected to remain in-country until mid to late September pending favorable security conditions in order to observe the entire postelection process.

After the entire election period and drawing on the experience of our election monitoring delegation and in-country team, we will conduct a thorough analysis of the strengths and weaknesses of the existing institutional and legal arrangements. We will conduct a post-election analysis that will offer lessons learned and recommendations and thus contribute to the institutionalization and sustainability of improved election management practices and the adoption of further reforms. We will offer recommendations as appropriate to address priority weaknesses identified and to help develop a plan for necessary reforms.

#### *Postelection Monitoring – Optional Extension*

DI has included in its proposal an optional extension of the postelection monitoring phase through May 2010. If granted, the extension would include a postelection assessment mission in early 2010 to evaluate the legal and institutional framework for elections and the postelection political environment and to provide recommendations for future reforms. DI will maintain an office in Afghanistan in preparation for the follow-up mission, including an Afghan political expert who will monitor the political context and provide regular reports to DI home office staff members and other relevant stakeholders.

#### *Final Report*

Before the end of the project, DI will prepare an independent, documented, comprehensive report on the overall election process. This report will synthesize and update the findings of the preliminary assessment mission, the election observer delegation and the post-election mission. We will also carefully review other international and domestic observation reports, statements from the IEC, quantitative analyses of election results, opinion research and media reports. On the basis of this postelection monitoring and in consultation with the IEC and USAID, we will make recommendations about election-management practices, mechanisms for building support from parties and other stakeholders, and other reforms. Working with USAID and the U.S. embassy, we will work to encourage effective follow-up of our findings and recommendations with national authorities and the international community.

## IMPLEMENTATION PLAN

the pre-election activities of the IEC and local political stakeholders. DI will also deploy STO teams in Kabul and selected provinces to observe election day activities. DI will release an initial statement with preliminary findings based on observations of the LTO and STO teams.		
1.3 Post-Election Monitoring and Release of Findings	DI	August – November 2009
2009LTO teams will continue to monitor election-related activities throughout the results tabulation and certification processes, and any post-election contests or challenges		

STAFFING PLAN

Starting in early to mid-July, DI will begin deploying staff members to Afghanistan. The proposed organizational structure is included in a chart in the cost proposal. The project will be directed by a **Project Director** who will lead strategic management and planning efforts for deployment of the observer delegation. He will also manage high-level coordination with the IEC, USAID, U.S. embassy officials, the team in the Office for Reconstruction and Stabilization, other observer groups, the European Commission (EC) delegation and the Organization for Security and Co-operation in Europe (OSCE) as well as other diplomatic entities. The **Deputy Project Director** will oversee day-to-day management and coordinate the activities of the project as a whole, supporting the Director where necessary to execute the objectives of the mission. Assistants to the Head of Mission and to the Deputy Head of Mission will provide support for all of these functions.

The **Political Expert** will provide informed analysis on the Afghan political context, including insight into how current political developments affect the electoral process. The **Elections Expert** will provide expertise and knowledge of internationally accepted standards for democratic elections and will advise delegates on proper and effective election observation techniques. Possessing a solid understanding of the institutional composition and the operations of election commissions, the Elections Expert will also serve as **IEC Liaison**, supporting the work of the Head of Mission in interactions with the IEC and managing the process of obtaining credentials for observers. The **Press Officer** will communicate with domestic and international news organizations and arrange the effective and professional dissemination of the delegation’s preliminary findings.

The **Operations Manager** will oversee staff operations at the Headquarters in Kabul, ensuring the successful and safe deployment of all delegates and coordinating the briefing sessions in Kabul before Election Day. The **Accountant** will keep careful track of mission expenses in close collaboration with other DI core staff members. The **Security Director** will liaise with an out-side security firm, the U.S. government and other relevant security entities and will oversee the execution of DI’s security strategy. The **Observer Liaison** will serve as the point of contact for all delegates before and during the mission, managing communication between LTOs, STOs and DI staff members. The **Logistics Manager** will oversee the Observer Liaison, an Office

Parties in Post-Conflict and Fragile States, in Derick W. Brinkerhoff (ed.), *Rebuilding Governance in Post-Conflict Societies and Fragile States: Emerging Perspectives, Actors, and Approaches*.

**Whitney Haring-Smith** – Mr. Haring-Smith is an experienced election observer and logistics manager with work in Afghanistan, Pakistan, Iraq, Indonesia, and El Salvador, among other countries. From June–August 2006, he worked for the Afghanistan New Beginnings Programme, a UN-run disarmament, demobilization, and reintegration program, during which he rotated to several sites in northern and eastern Afghanistan, including Kabul, Mazar-i-Sharif, and Jalalabad. His primary responsibility was to manage weapons and ammunition collection teams as part of the Disarmament of Illegal Armed Group and Ammunition programs. Mr. Haring-Smith has recently served as a Long-Term Observer for the Carter Center in Aceh, Indonesia for the 2009 parliamentary elections, and he previously worked as a data analyst for the Free and Fair Elections Network in Pakistan during the 2008 parliamentary elections. Mr. Haring-Smith is currently pursuing a D.Phil. from Oxford University, where his dissertation is focused on modeling civil conflicts. He currently works as an independent consultant for the Eurasia Group conducting political risk assessments for corporate and U.S. Government clients.

**Miki Wilkins** – Ms. Wilkins is an expert on civil society, autocratic states, and democratic transitions, particularly in the Middle East, North Africa, and southern Asia. Ms. Wilkins holds an M.A. in Democracy and Governance with a Certificate in Arab Studies from Georgetown University. She was a Logistical Officer to DI's February 2008 Election Observation Mission to the Parliamentary Elections in Pakistan. While at DI she was also responsible for drafting proposals and preparing detailed budgets for USAID grants and contracts. In 2008 Ms. Wilkins was awarded a U.S. Department of State Critical Language Scholarship to study Modern Standard Arabic in Oman, as well as a David L. Boren Fellowship to study Modern Standard Arabic and conduct original research in Damascus, Syria for the 2008-2009 academic year. She also spent the summer of 2007 in Damascus, Syria studying Modern Standard Arabic and the Syrian dialect.

**Evan Smith** – Mr. Smith is an expert in election administration and international election observation and he currently serves as a Program Officer at Democracy International. He was previously a graduate intern at Democracy International, and in February 2008 he helped organize and participated in DI's election observation mission to Pakistan. Mr. Smith recently completed the Masters Degree program in Democracy and Governance at Georgetown University, where his research experience included elections and election administration, international democracy promotion, transitional justice, and post-conflict reconstruction. Before joining DI, Mr. Smith served for three years as an election administrator at the local and state levels, where he has worked on issues relating to voting technology, election law, poll-worker training and recruitment, voter information management, and public relations.

DI will recruit Long- and Short-Term Observers from universities, think tanks, civil society organizations, democracy assistance organizations, development implementers, and election organizations and through DI's extensive list of professional contacts. An effort will be made to include regional, ethnic and political diversity in the core staff, long-term observers, and short-term observers. We will also endeavor to recruit observers from outside the U.S., although we expect that the majority will be Americans. We have already been in touch with a number of potential observers and have received strong expressions of interest. Based on this and our experience in Pakistan and elsewhere, we expect to be able to recruit a strong group of observers for the delegation DI will ensure that a substantial number of its short-term observers, long-term observers, and core staff

members are women, as it did for its election observation mission in Pakistan in 2008. Furthermore, DI will pay particular attention to the ability of women to fully participate in the elections process and any obstacles or difficulties that may make women less likely to vote, and will ensure that all observers are adequately trained to observe and be particularly sensitive to these issues.

## SECURITY STRATEGY

In executing this observation mission, DI will pay careful attention to the security situation in Afghanistan and will focus all efforts on ensuring the safety of our staff and delegates. Security considerations may compel us to alter our plans and will require us to remain flexible about our preferred observation methodology. This will likely include limiting the areas of the country where deploy observers and may require that we limit the size and scope of the delegation over-all. Scott Carnie, who served as Director of Security for the Joint Election Management Body (JEMB) in Afghanistan for the 2005 National Assembly and Provincial Council Elections, will design and manage DI's security arrangements.

The security situation in Afghanistan is geographically variable, meaning that it fluctuates from permissive through to highly non-permissive for the implementation of international operations and projects. Typically, the most insecure provinces are in the east, southeast and south of Afghanistan although there are some exceptions to this, and serious security incidents have been known to take place from time to time in other locations.

By and large there are three generic threats to international operations in Afghanistan: **terrorism** perpetrated by Anti-Government Elements (a term used to describe the insurgency, Taliban, Hizb-i-Islami, and other smaller groups including Al Qaeda associated cells); **factionalism**, meaning clashes between non-insurgent armed groups, including tribal fighting; and **criminality**, which ranges in scope from petty crime to sophisticated organized crime, such as armed robberies and abductions. A fourth threat, which can sit both within and outside of these categories, is **public disorder** and rioting.

In light of these challenges a rigorous approach to security is required with robust contingencies in place to respond to each of the threats identified above. DI will be particularly vigilant regarding delegates' movements between cities, especially in the days leading up to, during and following the voting. We will exercise extreme caution in choosing the polling stations we observe and will make arrangements for proper escorts. We will work closely with our security consultant, the U.S. military and the U.S. government, including USAID, to prepare and execute a security plan that permits our observers to carry out their functions safely. If there is any doubt, we will err on the side of the safety of our observers and staff members.

A dedicated Protective Security Detail (PSD) will provide for the security of each observer team and ensure freedom of movement in their respective area of interest. To support the day-to-day activities of observer teams in the field, a 24/7 Operations Cell will be established in Kabul for the duration of the project to provide timely access to security information, coordination with international/national security forces and other security stakeholders, command and control in the event of an incident/crisis and coordination of —in extremis— support as required.

Democracy International has identified potential security providers and is still in the process of evaluating the strengths, weaknesses and potential benefits of each. In particular, DI is considering two firms with strong experience providing security to international organizations in Afghanistan,

including in an electoral context. The two firms, Edinburgh International and Olive Group, are well established and have been operating in Afghanistan for an extended period of time. They both have an operational footprint in multiple locations throughout the country and a low profile approach to their security operations.

Edinburgh International (EI) has been licensed, registered and operating in Afghanistan since March 2005 and currently has 509 staff members in Afghanistan across six of the eight regional centers. EI has an experienced Program Management Team in Afghanistan that understands the social and cultural complexity that is overlaid with the provision of security and related services and additionally the need for integrity, discretion, information security, and transparency. EI maintains staff members who have previously held senior appointments in the UN administered National Assembly and Provincial Council Elections (NAPCE) in Afghanistan in 2005. All were based in the Independent Electoral Commission (IEC) of Afghanistan Compound in Kabul and retain close affiliations with current staff members within the IEC of Afghanistan.

Olive Group has been operating in Afghanistan since 2004 and was the first security company to be legally licensed by the Ministry of Interior (MoI). With a permanent office in Kabul, Olive Group has developed extensive Afghan experience and possesses a detailed knowledge of the operating environment, supporting clients throughout the country. Olive Groups' professionalism has earned the praise and respect of the United Nations, International Forces and numerous Afghan Institutions with the company enjoying a close working relationship with each of these organizations. Olive Group was closely involved with the Afghan Elections process in 2004/05 providing specialized training and support to the Joint Electoral Management Body and supporting the OSCE Observation Mission, which saw observers deployed to locations throughout the country.

#### PROJECT MOBILIZATION AND LOGISTICAL SUPPORT

DI has contacted local logistics support firms to assist in acquiring short-term office space that requires little or no additional setup costs. We will strive to achieve cost savings to the extent possible by renting office space that is already furnished and renovated to meet international standards. We are also in discussions with local organizations about providing support for hiring and managing local staff members, and for incidental services such as information technology (IT) setup and support, accommodations management for the Long- and Short-Term Observers, and support for observer training and briefing.

In addition, DI has assembled a team experienced in election project mobilization in Afghanistan and in operating in Kabul and other regional centers. DI's security director, Scott Carnie, has worked extensively in Afghanistan, including during the most recent elections, and has personal relationships with many local partners willing and able to provide any services we need at competitive costs. One of DI's logistics officers, Whitney Haring-Smith, has worked in a similar capacity in Kabul and regional centers and has numerous local contacts with operational and logistical support firms across the country. DI is in the process of recruiting additional personnel with applicable experience in Afghanistan.

DI will use its assessment mission to further determine the cost-effectiveness of working with each of the potential local partners and will work to realize all potential cost-savings available in this period of high demand.

#### COORDINATION WITH OTHER STAKEHOLDERS

As requested in the RFA, DI agrees that it will: a) coordinate its observation plans and share information with other observer groups, the Free and Fair Elections Foundation for Afghanistan (FEFA), and with the —International Observer Coordination Secretariat; b) abide by the provisions laid out in the UN Declaration of Principles for International Election Observation and Code of Conduct for International Election Observers, which DI has endorsed; c) ensure that all observers and staff members are accredited by the IEC before participating in any election observation; and d) participate in the observer training session sponsored by USG and UNDP, provided that such session is scheduled at a reasonable time that does not interfere with DI's deployment its observers.

#### SCHEDULING CONCERNS

Because of the relatively short amount time left before Election Day, the scope of the proposed observation mission could also be constrained by delays in the start-up of the project. To conduct the mission as proposed, we assume that USAID will be able to act promptly on this proposal and will be able to provide DI with authority to begin to expend funds within a short time. We also assume that USAID will be able to advance funds well before the deployment of the election mission. Any significant delay in this regard may shorten the timeline and limit the scope of the work of the preliminary assessment team and the LTOs.

Our plan also assumes that the government of Afghanistan will promptly issue visas to all core staff members and delegates and that the ECP or other appropriate authority will provide any necessary credentials. Similarly, we assume that Afghan authorities will not place undue restrictions on the movement or work of the delegation.

#### INSTITUTIONAL CAPABILITY AND PAST PERFORMANCE

Democracy International, Inc. designs, evaluates, implements, and provides technical assistance for democracy and governance programs worldwide. Founded in 2003 by leading experts in international democracy assistance, DI offers expertise in election processes and election monitoring, political party development, legislative strengthening, local government and decentralization, civil society development, strategic communications, and rule of law programming. The firm has extensive experience with assessments, evaluations, project designs, and survey research. Over the past 25 years, DI and its principals have worked with civil society and election monitoring organizations, election commissions, government agencies and others in more than 70 countries and in every region of the world. DI has worked extensively with USAID as well as with other donor agencies, intergovernmental organizations, international NGOs, and consulting firms.

#### ELECTION EXPERTISE AND EXPERIENCE

The founding principals of DI are among the world's leading experts on international and domestic election monitoring and elections in emerging democracies. DI's principals have helped launch and advised nonpartisan domestic election monitoring organizations around the world and have directed long-term monitoring programs and international observer delegations. In the late 1980s, DI Principal Glenn Cowan invented the path-breaking, sample-based PVT election-monitoring methodology, which is now an institutionalized component of serious election monitoring, to deter or detect fraud in the aggregation (—tabulation") of election results. DI Principal Eric Bjornlund wrote a comprehensive study of election monitoring, *Beyond Free and Fair: Monitoring Elections and Building Democracy*. By designing and implementing specialized monitoring programs and innovative techniques focused on voter registration, vote counting, media access and fairness,

campaign finance, election violence, and other election-related issues, DI's principals have significantly influenced the practice and methodology of international election observation. The U.S. government has recognized DI's **election monitoring expertise**. In February of 2008, at the request of the U.S. government, DI organized the U.S. delegation to observe national parliamentary elections in **Pakistan**. The 38-person bipartisan delegation included recognized leaders from the political, academic and foreign policy fields in the U.S., as well as experts in election processes and Pakistani politics.

At the invitation of USAID's DG office, DI Principal Eric Bjornlund participated in a study and conference as an expert on **elections and security**. For the State Department's Office of the Coordinator for Reconstruction and Stabilization, Mr. Bjornlund served as an expert participant in a working group on **elections and political parties in stabilization and reconstruction operations**. The State Department hired DI to prepare an overview essay on "free and fair elections" for its worldwide Democracy Dialogues initiative as well as to participate in on-line fo-rums on **election monitoring**. For the U.S. Embassy in **Cameroon**, Mr. Bjornlund spoke on role of election commissions for an audience of election officials and civic leaders. DI has also advised The Carter Center on the Center's project to **improve international election monitoring**, including an effort to develop more objective indicators for the elements of free and fair elections and a methodology for monitoring electronic voting; DI has advised on election standards, prepared a major working paper on international monitoring methodology, and participated in working group meetings on developing a methodology for monitoring electronic voting.

#### COUNTRY AND REGIONAL EXPERIENCE

DI has extensive experience in South Asia, especially in **Pakistan**. As mentioned above, at the request of the U.S. government, DI organized the U.S. delegation to observe national parliamentary elections in Pakistan on February 18, 2008. DI also completed an evaluation of political party assistance in Pakistan in 2008; DI Principal Glenn Cowan, Program Officer Bill Gallery, and Political Parties Expert Brian Katulis conducted interviews for that evaluation in Islamabad, Karachi and Lahore in December 2007. Previously, Mr. Bjornlund served as the senior legal advisor to the principal U.S. election monitoring effort in 1990 in the country, and he led a pre-election mission and oversaw election monitoring efforts for the elections in 1997. Mr. Cowan conducted a pre-election assessment in Pakistan in 1992, and he provided short-term technical assistance to political parties on election monitoring in 1993. During 2007 and early 2008, DI advised the Pakistani Free and Fair Election Network (FAFEN), a civil society domestic election monitoring coalition on election monitoring methodologies, including a voter registration audit and a nationwide parallel vote tabulation for upcoming elections.

DI and its principals have worked elsewhere in South Asia and other Muslim-majority countries. DI worked on a program to engage political parties in the process of local governance reform in **Sri Lanka**. In **Bangladesh**, Mr. Bjornlund and Mr. Cowan worked for years beginning in 1989-90 with domestic election monitoring groups and organized international election monitoring, legislative development and political party building programs. In **Nepal**, working for NDI in the late 1990s, they oversaw projects in support of domestic election monitoring and women's political empowerment. As a firm, DI has worked extensively and continues to work in **Indonesia**, the world's largest Muslim-majority country

#### DEMOCRACY AND GOVERNANCE EXPERIENCE

Democracy International has broad experience working on democracy and governance programs with USAID. DI holds two Indefinite Quantity Contracts (IQCs) from USAID as a prime contractor: **Elections and Political Processes** and **Democracy and Governance Analytical Services**. In the past two years, DI has conducted democracy and governance assessments and evaluations and provided election assistance in **Albania, Armenia, Bosnia and Herzegovina, Burundi, Colombia, Democratic Republic of the Congo, Ecuador, Ghana, Indonesia (including regional elections in Aceh), Jamaica, Kosovo, Liberia, Moldova, Nigeria, Pakistan, Romania, Serbia, Ukraine, West Bank and Gaza, and Zimbabwe**. DI also conducted a major study of USAID political party programs in **Europe and Eurasia**, which included extensive field work in **Georgia, Kyrgyzstan, Romania and Serbia**, and a comprehensive review and assessment of **vote count verification** techniques for transitional and post-conflict elections, including **Parallel Vote Tabulations (Quick Counts)**, exit polls and public opinion surveys. DI is currently working in **Albania, Bolivia, El Salvador, Honduras, Indonesia, Kosovo, Mexico, Sudan, and Timor-Leste**.

PAST PERFORMANCE

<p>Grant Name: Support for the Pakistani 2008 Parliamentary and Provincial Elections Grant Entity: USAID Pakistan Grant No.: 391-A-00-08-01104-00 Grant Value: \$991,468 Time Period: February 2008 to May 2008</p>	<p>At the request of the U.S. government, Democracy International organized the U.S. delegation to observe national parliamentary elections in Pakistan on February 18, 2008. In coordination with the Free and Fair Election Network, a Pakistani nonpartisan monitoring group, delegates observed the balloting and counting at polling stations on Election Day. To follow up on these findings, a small team led by DI Principal Glenn Cowan conducted a post-election monitoring mission in April. DI issued a comprehensive final report on the entire process in May.</p>	<p>Agreement Officer: Dale Lewis Phone Number: + 92-51-2082098 Email Address: dalewis@usaid.gov Technical Officer: Patrick FN'Piere, USAID/DG Email Address: patfnpiere@usaid.gov</p>
<p>Contract Name: Supporting Free and Fair Elections in Pakistan Contracting Entity: The Asia Foundation Contract Value: \$141,749 Primary Location: Pakistan Time Period: April 2007 to April 2008</p>	<p>DI has worked extensively with The Asia Foundation on domestic election monitoring in Pakistan. DI advised the Free and Fair Election Network, a domestic election monitoring coalition of civil society groups, on a voter registration audit and a nationwide parallel vote tabulation.</p>	<p>Point of Contact: Jon Summers - The Asia Foundation Email Address: jsummers@asiafound.org</p>
<p>Contract Name: Support to Haitian Election Authorities Grant Entity: UN Stabilization Mission in Haiti (MINUSTAH) Primary Location: Haiti Time Period: September 2005 to February 2006</p>	<p>During the year leading up to the 2006 Presidential and legislative elections, DI provided analysis and design of election systems for the United Nations, Organization of American States and the Haitian Central Election Commission (CEP). DI representatives frequently briefed MINUSTAH, USAID, the U.S. State Department and the international donor community on status of election preparations.</p>	<p>Technical Officer: Gerard LeChevallier, UN Chief of Electoral Assistance Phone Number: +509-424-2799 Email Address: lechevallier@un.org Technical Officer: Martin Landi, UN Deputy Chief of Electoral Assistance Phone Number: +509-527-5119 Email Address: lan-dim@un.org</p>

<p>Contract Name: Indonesia Local Governance Support Program (LGSP) Contracting Entity: USAID Indonesia through RTI International Contract Type: Fixed Daily Rates, Modified Time and Materials (subcontract under MOBIS) Contract Value: \$1,481,440 Primary Location: Indonesia Time Period: March 2005 to September 2009</p>	<p>With a subcontract from RTI International under the LGSP in Indonesia, DI provided direct technical assistance to support and improve the quality of the new processes for direct election of governors and district executives in 2005 elections. DI experts led by Alan Wall advised national, provincial, and district election commissions and the Center for Electoral Reform, a leading Indonesian NGO, on regulations for voting and counting, training of election officials, voter information and voter education, a code of conduct for parties and candidates, and similar issues.</p>	<p>Contracting Officer: Tim Weinzapfel, RTI Phone Number: +1-919-541-5906 Email Address: timw@rti.org  Technical Officer: Judith Edstrom, RTI Phone Number: +62 21 515-0010 Email Address: jed-strom@lgsp.or.id</p>
<p>Contract Name: Guyana Democratic Consolidation and Conflict Resolution Project Contracting Entity: USAID/Guyana through RTI International Contract Type: Time and Materials Contract Value: \$498,000</p>	<p>Democracy International (DI) provided direct technical assistance to the Guyana Election Commission (GECOM) including voter registration database development and biometric security systems, voting and vote counting systems, voting results reporting, communications and logistics. DI Senior Advisor Michael Yard led these efforts in Guyana. DI has also worked with civil society organizations and political parties in developing voter education mechanisms and strategies for coordinating election monitoring and other related activities with the GECOM.</p>	<p>Technical Officer: Gary Bland - RTI Phone Number: +1-202-728-2049 Email Address: gbland@rti.org</p>
<p>Contract Name: Indonesia Election Monitoring Project Contracting Entity: The Carter Center Contract Value: \$15,000 Primary Location: Indonesia Time Period: April 2009 to May 2009</p>	<p>For national elections in Indonesia in April, Eric Bjornlund advised The Carter Center on a long-term election monitoring project and led a team of short-term observers as part of a limited observation project. The Carter Center issued a series of reports on election dispute resolution, campaign finance and related issues.</p>	<p>Point of Contact: David Carroll - The Carter Center Phone Number: +1-404-420-5172 Email Address: djcarroll@emory.edu</p>

<p>Contract Name: Ghana Election Monitoring Project Contracting Entity: The Carter Center Primary Location: Ghana Time Period: June 2008 to December 2008</p>	<p>In Ghana DI worked with the Carter Center and re-searchers from the University of California, San Di-ego on election monitoring and vote count verification for the elections in December. On behalf of the Cart-er Center, Glenn Cowan visited Ghana in July to meet with election monitoring groups and assess plans for a parallel vote tabulation. In October he participated in a Carter Center preelection mission.</p>	<p>Point of Contact: David Car-roll - The Carter Center Phone Number: +1-404-420-5172 Email Address: djcar-ro@emory.edu</p>
<p>Contract Name: Liberia CEPPS Evaluation Contracting Entity: USAID Liberia Contract No.: DFD-I-00-04-00229-00 Contract Type: Fixed Dai-ly Rate, Time and Mate-rials Contract Value: \$152,501 Primary Location: Liberia Time Period: September 2008 to November 2008</p>	<p>In September-October 2008, DI conducted an evalu-ation for USAID of a \$17.8 million elections and polit-ical processes program in Liberia. DI evaluated ac-tivities since 2004 in legislative strengthening, civic and voter education, political party building, local election preparations, anticorruption, and public atti-tudes about political processes.</p>	<p>Contracting Officer: R. Brian Aaron - USAID Liberia Phone Number: +231 77 798 521 Email Address: baa-ron@usaid.gov</p>
<p>Contract Name: Tech-nical Support for Ecuador Parallel Vote Tabulation Contracting Entity: USAID Ecuador Contract No.: EPP IQC DFD-I-00-05-00198-00 Contract Type: Fixed Dai-ly Rate, Time and Mate-rials Contract Value: \$25,000 Primary Location: Ecua-dor Time Period: March 2009 to May 2009</p>	<p>DI advised on a parallel vote tabulation for April 2009 elections in Ecuador. DI Principal Glenn Cowan tra-veled to Quito for the program in March.</p>	<p>Contracting Officer: Mark Walther Technical Officer: Carol Sah-ley - USAID Ecuador Email Address: csah-ley@usaid.gov</p>

END OF ATTACHMENT B

**ATTACHMENT C**

**STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL RECIPIENTS**

**C.1 APPLICABILITY OF 22 CFR PARTS 226 (May 2005):**

- a. All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the recipient and to sub-recipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a sub-recipient from coverage. The recipient shall assure that sub-recipients have copies of all the attached standard provisions.
- b. For any sub-awards made with Non-US sub-recipients the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Cooperative Agreementtees." Recipients are required to ensure compliance with monitoring procedures in accordance with OMB Circular A-133.

**C.2 INELIGIBLE COUNTRIES (MAY 1986):**

Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

**C.3 NONDISCRIMINATION (MAY 1986):**

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

**C.4 NONLIABILITY (NOVEMBER 1985):**

USAID does not assume liability for any third party claims for damages arising out of this award.

**C.5 AMENDMENT (NOVEMBER 1985):**

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the recipient.

**C.6 NOTICES (NOVEMBER 1985):**

Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the USAID Agreement Officer, at the address specified in the award.

To recipient, at recipient's address shown in the award or to such other address designated within the award Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

**C.7 SUBAGREEMENTS (JUNE 1999):**

Sub-recipients, sub-awardees, and contractors have no relationship with USAID under the terms of this agreement. All required USAID approvals must be directed through the recipient to USAID.

**C.8 OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT (December 2003):**

The Standard Provisions containing the requirement and an estimate of the public reporting burden (including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) are

<u>Standard Provision</u>	<u>Burden Estimate</u>
Air Travel and Transportation	1 (hour)
Ocean Shipment of Goods	.5
Patent Rights	.5
Publications	.5
Negotiated Indirect Cost Rates - (Predetermined and Provisional)	1
Voluntary Population Planning	.5
Protection of the Individual as a Research Subject	1

<u>22 CFR 226</u>	<u>Burden Estimate</u>
22 CFR 226.40-.49 Procurement of Goods and Services	1
22 CFR 226.30 -.36 Property Standards	1.5

Comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, may be sent to the Office of Procurement, Policy Division (M/OP/P) U.S. Agency for International Development, Washington, DC 20523-7801 and to the Office of Management and Budget, Paperwork Reduction Project (0412-0510), Washington, D.C 20503.

**C.9 USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (APRIL 1998):**

(a) Ineligible and Restricted Goods and Services: USAID's policy on ineligible and restricted goods and services is contained in ADS Chapter 312.

- (1) Ineligible Goods and Services. Under no circumstances shall the recipient 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. Funds provided under this award shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Non-procurement Programs." USAID will provide the recipient with a copy of these lists upon request.
- (3) Restricted Goods. The recipient shall not procure any of the following goods and services without the prior approval of the Agreement Officer:
  - (i) Agricultural commodities,
  - (ii) Motor vehicles,
  - (iii) Pharmaceuticals,
  - (iv) Pesticides,
  - (v) Used equipment,
  - (vi) U.S. Government-owned excess property, or
  - (vii) Fertilizer

Prior approval will be deemed to have been met when:

- (i) the item is of US source/origin;
- (ii) the item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and
- (iii) the costs related to the item are incorporated in the approved budget of the award.

Where the item has not been incorporated into the award as described above, a separate written authorization from the Agreement Officer must be provided before the item is procured.

- (b) Source and Nationality: The eligibility rules for goods and services based on source and nationality are divided into two categories. One applies when the total procurement element during the life of the award is over \$250,000, and the other applies when the total procurement element during the life of the award is not over \$250,000, or the award is funded under the Development Fund for Africa (DFA) regardless of the amount. The total procurement element includes procurement of all goods (e.g., equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source, origin and nationality are contained in 22 CFR Part 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by the Agency for International Development, which is incorporated into this Award in its entirety.

- (1) For DFA funded awards or when the total procurement element during the life of this award is valued at \$250,000 or less, the following rules apply:
    - (i) The authorized source for procurement of all goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free World," and such goods and services must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 in accordance with the following order of preference:
      - (A) The United States (USAID Geographic Code 000),
      - (B) The Cooperating Country,
      - (C) USAID Geographic Code 941, and
      - (D) USAID Geographic Code 935
    - (ii) Application of order of preference: When the recipient procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(i) above, the recipient shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the Cooperative Agreementee's documentation:
      - (A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
      - (B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
      - (C) Compelling local political considerations precluded consideration of U.S. sources,
      - (D) The goods or services were not available from U.S. sources, or
      - (E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.
  - (2) When the total procurement element exceeds \$250,000 (unless funded by DFA), the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars, which will be reimbursed under this award must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 for the authorized geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 000, the United States.
- (c) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by USAID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available

to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

- (1) The United States (USAID Geographic Code 000),
  - (2) The Cooperating Country,
  - (3) "Selected Free World" countries (USAID Geographic Code 941), and
  - (4) "Special Free World" countries (USAID Geographic Code 899).
- (d) If USAID determines that the recipient has procured any of these goods or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

This provision must be included in all sub-agreements which include procurement of goods or services which total over \$5,000.

**C.10 DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (January 2004):**

- a. The recipient agrees to notify the Agreement Officer immediately upon learning that it or any of its principals:
- (1) Are presently excluded or disqualified from covered transactions by any Federal department or agency;
  - (2) Have been convicted within the preceding three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects your present responsibility;
  - (3) Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b); and
  - (4) Have had one or more public transactions (Federal, State, or local) terminated for cause or default within the preceding three years.
- b. The recipient agrees that, unless authorized by the Agreement Officer, it will not knowingly enter into any sub-agreements or contracts under this Cooperative Agreement with a person or entity that is included on the Excluded Parties List System (<http://epls.arnet.gov>). The recipient further agrees to include the following provision in any sub agreements or contracts entered into under this award:

DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION (DECEMBER 2003)

The recipient/contractor certifies that neither it nor its principals is presently excluded or disqualified from participation in this transaction by any Federal department or agency.

- c. The policies and procedures applicable to debarment, suspension, and ineligibility under USAID-financed transactions are set forth in 22 CFR Part 208.

**C.11 DRUG-FREE WORKPLACE (January 2004):**

- a. The recipient agrees that it will publish a drug-free workplace statement and provide a copy to each employee who will be engaged in the performance of any Federal award. The statement must
  - (1) Tell the employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in its workplace;
  - (2) Specify the actions the recipient will take against employees for violating that prohibition; and
  - (3) Let each employee know that, as a condition of employment under any award, he or she
    - (i) Must abide by the terms of the statement, and
    - (ii) Must notify you in writing if he or she is convicted for a violation of a criminal drug statute occurring in the workplace, and must do so no more than five calendar days after the conviction.
- b. The recipient agrees that it will establish an ongoing drug-free awareness program to inform employees about
  - (i) The dangers of drug abuse in the workplace;
  - (ii) Your policy of maintaining a drug-free workplace;
  - (iii) Any available drug counseling, rehabilitation and employee assistance programs; and
  - (iv) The penalties that you may impose upon them for drug abuse violations occurring in the workplace.
- c. Without the Agreement Officer's expressed written approval, the policy statement and program must be in place as soon as possible, no later than the 30 days after the effective date of this award or the completion date of this award, whichever occurs first.
- d. The recipient agrees to immediately notify the Agreement Officer if an employee is convicted of a drug violation in the workplace. The notification must be in writing, identify the employee's position title, the number of each award on which the employee worked. The notification must be sent to the Agreement Officer within ten calendar days after the recipient learns of the conviction.
- e. Within 30 calendar days of learning about an employee's conviction, the recipient must either

- c Other than work to be performed under this award for which an employee is assigned by the recipient, no employee of the recipient shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.
- d The recipient's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.
- e In the event the conduct of any recipient employee is not in accordance with the preceding paragraphs, the recipient's chief of party shall consult with the USAID Mission Director and the employee involved and shall recommend to the recipient a course of action with regard to such employee.
- f The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this Cooperative Agreement award of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- g If it is determined, either under (e) or (f) above, that the services of such employee should be terminated, the recipient shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

**C.15 CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY  
(NOVEMBER 1985):**

Upon arrival in the Cooperating Country, and from time to time as appropriate, the recipient's chief of party shall consult with the Mission Director who shall provide, in writing, the procedure the recipient and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

**C.16 USE OF POUCH FACILITIES (AUGUST 1992)**

- a. Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID recipients and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or USAID Mission. In consideration of the use of pouch facilities, the recipient and its employees agree to indemnify and hold harmless, the Department of State and USAID for loss or damage occurring in pouch transmission:
  - (1) Recipients and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of .9 kgs per shipment of correspondence and documents needed in the administration of assistance programs.
  - (2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of .45 kgs per shipment (but see (a)(3) below).

- (3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.
- (4) Official and personal mail pursuant to a.1. and 2. above sent by pouch should be addressed as follows:  
  
Name of individual or organization (followed by letter symbol "G")  
City Name of post (USAID/\_\_\_\_\_)  
Agency for International Development  
Washington, D.C. 20523-0001
- (5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.
- (6) Recipient personnel are NOT authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide.

- b. The recipient shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.
- c. Specific additional guidance on Cooperative Agreement use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or USAID Mission.

**C.17 INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (JUNE 1999):**

**a. PRIOR BUDGET APPROVAL**

In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

- (1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).
- (2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the implementation plan (initial or revisions), or amendments to the award; and
- (3) the costs related to the travel are incorporated in the approved budget of the award.

The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph (a)(2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

**b. NOTIFICATION**

- (1) As long as prior budget approval has been met in accordance with paragraph (a) above, a separate Notification will not be necessary unless:
  - (i) the primary purpose of the trip is to work with USAID Mission personnel, or
  - (ii) the recipient expects significant administrative or substantive programmatic support from the Mission. Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.
- (2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:
  - (i) Send a written notice to the cognizant USAID Technical Office in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Technical Officer to forward the notice to the field.
  - (ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.
  - (iii) The notification shall contain the following information: the award number, the Agreement Officer Technical Representative, the traveler's name (if known), date of arrival, and the purpose of the trip.
  - (iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.
  - (v) If a sub-recipient is required to issue a Notification, as per this section, the sub-recipient may contact the USAID Technical Officer directly, or the prime may contact USAID on the sub-recipient's behalf.

**c. SECURITY ISSUES**

Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before travelling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet. Where security is a concern in a specific region, recipients may choose to notify the US Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

**d. USE OF U.S.-OWNED LOCAL CURRENCY**

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the Cooperative Agreementtee may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this Cooperative Agreement.

**e. THE FLY AMERICA ACT**

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator of General Services Administration (GSA) is authorized to issue regulations for purposes of implementation. Those regulations may be found at 41 CFR part 301, and are hereby incorporated by reference into this award.

**f. COST PRINCIPLES**

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the Cooperative Agreementtee. If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance 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 subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

**g. SUBAWARDS.**

This provision will be included in all sub-awards and contracts which require international air travel and transportation under this award.

**C.18 OCEAN SHIPMENT OF GOODS (JUNE 1999):**

- a. At least 50% of the gross tonnage of all goods purchased under this agreement and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.
- b. At least 50% of the gross freight revenue generated by shipments of goods purchased under this agreement and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.
- c. When U.S. flag vessels are not available, or their use would result in a significant delay, the Cooperative Agreementtee may request a determination of non-availability from the USAID Transportation Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the Cooperative Agreementtee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this Cooperative Agreement.
- d. The recipient shall send a copy of each ocean bill of lading, stating all of the carrier's charges including the basis for calculation such as weight or cubic measurement, covering a shipment under this agreement to:

U.S. Department of Transportation,  
Maritime Administration, Division of National Cargo,  
400 7th Street, S.W.,

Washington, DC 20590, and

U.S. Agency for International Development,  
Office of Procurement, Transportation Division  
1300 Pennsylvania Avenue, N.W.  
Washington, DC 20523-7900

- e. Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by USAID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).
- f. Shipments financed under this Cooperative Agreement must meet applicable eligibility requirements set out in 22 CFR 228.21.

**C.19 LOCAL PROCUREMENT (APRIL 1998):**

- a. Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers or producers, with payment normally being in the currency of the cooperating country.
- b. Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in mandatory standard provision, "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:
  - (1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.
  - (2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.
  - (3) Professional Services Contracts estimated not to exceed \$250,000.
  - (4) Construction Services Contracts estimated not to exceed \$5,000,000.
  - (5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:
    - (i) Utilities including fuel for heating and cooking, waste disposal and trash collection;
    - (ii) Communications - telephone, telex, fax, postal and courier services;
    - (iii) Rental costs for housing and office space;
    - (iv) Petroleum, oils and lubricants for operating vehicles and equipment;
    - (v) Newspapers, periodicals and books published in the cooperating country;

- (vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.
- c. The coverage on ineligible and restricted goods and services in the mandatory standard provision entitled, "USAID Eligibility Rules for Goods and Services," also apply to local procurement.
- d. This provision will be included in all sub-agreements where local procurement of goods or services is a supported element.

**C.20 NEGOTIATED INDIRECT COST RATES - PREDETERMINED (April 1998)**

- a. The allowable indirect costs shall be determined by applying the predetermined indirect cost rates to the bases specified in the schedule of this award.
- b. Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed predetermined indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, the proposed predetermined indirect cost rates, and supporting cost data to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of predetermined indirect cost rates shall begin soon after receipt of the recipient's proposal.
- c. Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.
- d. The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon predetermined rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the specific items treated as direct costs. The indirect cost rate agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.
- e. Pending establishment of predetermined indirect costs rates for any fiscal year, the recipient shall be reimbursed either at the rates fixed for the previous fiscal year or at billing rates acceptable to the USAID Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year or other period are established.

**C.21 TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)  
(NOVEMBER 1985)**

- a. Except as modified by the schedule of this Cooperative Agreement, title to all equipment, materials and supplies, the cost of which is reimbursable to the recipient by USAID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating country may designate, unless title to specified types or classes of equipment is reserved to USAID under provisions set forth in the schedule of this award. All such property shall be under the custody and control of recipient until the owner of title directs otherwise or completion of work under this award or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions.

All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

- b. The recipient shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this Cooperative Agreement. The recipient shall take all reasonable steps to comply with all appropriate directions or instructions which the Agreement Officer may prescribe as reasonably necessary for the protection of the Government property.
- c. The recipient shall prepare and establish a program, to be approved by the appropriate USAID Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The recipient shall be guided by the following requirements:
  - (1) Property Control: The property control system shall include but not be limited to the following:
    - (i) Identification of each item of cooperating country property acquired or furnished under the award by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of (insert name of cooperating country)."
    - (ii) The price of each item of property acquired or furnished under this award.
    - (iii) The location of each item of property acquired or furnished under this award.
    - (iv) A record of any usable components which are permanently removed from items of cooperating country property as a result of modification or otherwise.
    - (v) A record of disposition of each item acquired or furnished under the award.
    - (vi) Date of order and receipt of any item acquired or furnished under the award.
    - (vii) The official property control records shall be kept in such condition that at any stage of completion of the work under this award, the status of property acquired or furnished under this award may be readily ascertained. A report of current status of all items of property acquired or furnished under the award shall be submitted yearly concurrently with the annual report.
  - (2) Maintenance Program: The recipient's maintenance program shall be consistent with sound business practice, the terms of the award, and provide for:
    - (i) disclosure of need for and the performance of preventive maintenance,
    - (ii) disclosure and reporting of need for capital type rehabilitation, and
    - (iii) recording of work accomplished under the program:

- (A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.
- (B) Records of maintenance - The recipient's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.
- (C) A report of status of maintenance of cooperating country property shall be submitted annually concurrently with the annual report.

d. Risk of Loss:

- (1) The recipient shall not be liable for any loss of or damage to the cooperating country property, or for expenses incidental to such loss or damage except that the recipient shall be responsible for any such loss or damage (including expenses incidental thereto):
  - (i) Which results from willful misconduct or lack of good faith on the part of any of the recipient's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the recipient's business, or all or substantially all of the recipient's operation at any one plant, laboratory, or separate location in which this award is being performed;
  - (ii) Which results from a failure on the part of the recipient, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:
    - (A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of cooperating country property as required by (i) above, or
    - (B) to take all reasonable steps to comply with any appropriate written directions of the Agreement Officer under (b) above;
  - (iii) For which the recipient is otherwise responsible under the express terms designated in the schedule of this award;
  - (vi) Which results from a risk expressly required to be insured under some other provision of this award, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or
  - (v) Which results from a risk which is in fact covered by insurance or for which the Cooperative Agreementtee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;
  - (vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the recipient's liability under any one exception shall not be limited by any other exception.

- a. USAID reserves the right to terminate assistance to, or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.
- b. (1) For any loan over \$1000 made under this agreement, the recipient shall insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall or refund by the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.  
  
(2) Upon notice by USAID of a determination under section (1) and at USAID's option, the recipient agrees to immediately cancel, accelerate or recall the loan, including refund in full of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.
- c. (1) The recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a sub-recipient designated by USAID ("Designated Sub-recipient") until advised by USAID that: (i) any United States Government review of the Designated Sub-recipient and its key individuals has been completed; (ii) any related certifications have been obtained; and (iii) the assistance to the Designated Sub-recipient has been approved. Designation means that the sub-recipient has been unilaterally selected by USAID as the sub-recipient. USAID approval of a sub-recipient, selected by another party, or joint selection by USAID and another party is not designation.  
  
(2) The recipient shall insert the following clause, or its substance, in its agreement with the Designated Sub-recipient:  
  
"The recipient reserves the right to terminate this [Agreement/Contract] or take other appropriate measures if the [Sub-recipient] or a key individual of the [Sub-recipient] is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140."

#### **C.23 REPORTING OF FOREIGN TAXES (March 2006)**

- a. The recipient must annually submit a report by April 16 of the next year.
- b. Contents of Report. The report must contain:
  - (i) Contractor/recipient name.
  - (ii) Contact name with phone, fax and email.
  - (iii) Agreement number(s).
  - (iv) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year.
  - (v) Only foreign taxes assessed by the foreign government in the country receiving U.S. assistance is to be reported. Foreign taxes by a third party foreign government are not to

be reported. For example, if an assistance program for Lesotho involves the purchase of commodities in South Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa).

- (vi) Any reimbursements received by the Recipient during the period in (iv) regardless of when the foreign tax was assessed and any reimbursements on the taxes reported in (iv) received through March 31.
  - (vii) Report is required even if the recipient did not pay any taxes during the report period.
  - (viii) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.
- c. Definitions. For purposes of this clause:
- (i) "Agreement" includes USAID direct and country contracts, Cooperative Agreements, Cooperative Agreements and interagency agreements.
  - (ii) "Commodity" means any material, article, supply, goods, or equipment.
  - (iii) "Foreign government" includes any foreign governmental entity.
  - (iv) "Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.
- d. Where. Submit the reports to: [insert address and point of contact at the Embassy, Mission or FM/CMP as appropriate. see b. below] [optional with a copy to ]
- e. Sub-agreements. The recipient must include this reporting requirement in all applicable subcontracts, sub-Cooperative Agreements and other sub-agreements.
- f. For further information see <http://www.state.gov/m/rm/c10443.htm>.

#### **C.24 PUBLIC NOTICES (MARCH 2004):**

It is USAID's policy to inform the public as fully as possible of its programs and activities. The recipient is encouraged to give public notice of the receipt of this award and, from time to time, to announce progress and accomplishments. Press releases or other public notices should 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 120 countries worldwide."

The recipient may call on USAID's Bureau for Legislative and Public Affairs for advice regarding public notices. The recipient is requested to provide copies of notices or announcements to the agreement officer, technical officer and to USAID's Bureau for Legislative and Public Affairs as far in advance of release as possible.

#### **C.25 HIGH RISK RECIPIENTS:**

If after a comprehensive review of a potential recipient the Agreement Officer can not make a positive responsible determination, the Agreement Office may choose either to deny the recommendation of the SO/RP team and not make the award, or award with "Special Award Conditions" (High Risk) as detailed at 22 CFR 226.14 (See Mandatory Reference 22 CFR 226.14). While 22 CFR 226 does not cover awards to non- U.S organization, as a matter of USAID policy it is appropriate to invoke the standards established in this section as applicable to non- U.S recipients.

Deviation is not required to impose Special Award Condition, however, the Agreement Officer may consider this option only where it appears likely that the potential recipient can correct such deficiencies in a reasonable period.

#### High Risk Recipients

1. Indicators of High Risk. (See Mandatory Reference, 22 CFR 226.14).
2. Minimizing the Risk. It is the responsibility of the USAID Agreement Officer to minimize the risk this type of organization presents to USAID as much as possible. Where the Agreement Officer chooses to award, the following additional conditions that might also be considered:
  - a. Special award conditions, such as additional financial reporting detail, or frequency;
  - b. Technical Assistance to Recipient to contract for its own technical assistance;
1. Require the recipient to contract for the technical assistance;
2. USAID may separately contract for the technical assistance and authorize the recipient to call on the contractor for specified services; and
3. Furnish the technical assistance directly by USAID personnel.
4. These conditions are intended to be for a limited time period only, not for the life of award.

#### **C.26 EXECUTIVE ORDER ON TERRORISM FINANCING**

The Contractor/Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the contractor/recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/sub-awards issued under this contract/agreement.

#### **C.27 USAID DISABILITY POLICY - ASSISTANCE (DECEMBER 2004)**

- a. The objectives of the USAID Disability Policy are (1) to enhance the attainment of United States foreign assistance program goals by promoting the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2) to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3) 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; and (4) to support international advocacy for people with disabilities. The

full text of the policy paper can be found at the following website:  
[http://pdf.dec.org/pdf\\_docs/PDABQ631.pdf](http://pdf.dec.org/pdf_docs/PDABQ631.pdf).

b. USAID therefore requires that the recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the program under this Cooperative Agreement or Cooperative Agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.

END OF ATTACHMENT C