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|-----------------------|--|---|--------|------------------------|
| AWARD/CONTRACT | | 1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) | RATING | PAGE OF PAGES 1 111 |
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| | | |
|---|------------------------------------|---|
| 2. CONTRACT (Proc Inv Ident) NO AID-306-C-12-00007 | 3. EFFECTIVE DATE See Block 20C | 4. REQUISITION/PURCHASE REQUEST/PROJECT NO REQ-306-12-000033 |
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|---|---|
| 5. ISSUED BY USAID/Afghanistan Office of Acquisition & Assistance | 6. ADMINISTERED BY (If other than item 5) |
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| | |
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| 7. NAME AND ADDRESS OF CONTRACTOR (No., Street, City, Country, State and ZIP Code) CREATIVE ASSOCIATES INTERNATIONAL INC 5301 WISCONSIN AVE NW STE 700 WASHINGTON, DC, 20015-2015, US DUNS #: 091345579 TIN #: 52-115-4258 | 8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below) |
|---|--|

| | |
|--|--|
| 9. DISCOUNT FOR PROMPT PAYMENT | 10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN: |
| 11. SHIP TO MARK FOR USAID/Afghanistan 6180 Kabul Place Dulles, VA 20189-6180 | 12. PAYMENT WILL BE MADE BY OFFICE OF FINANCIAL MANAGEMENT 90001 |

| | |
|---|--|
| 13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304 (b) <input type="checkbox"/> 41 U.S.C. 253 (c) (1) | 14. ACCOUNTING AND APPROPRIATION DATA 306 |
|---|--|

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|-------------|-----------------------|--------------|----------|----------------|------------|
| Continued | | | | | |

15G. TOTAL AMOUNT OF CONTRACT **\$22,647,898.00**

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17. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) the award/contract; (b) the solicitation, if any, and (c) such provisions, representations, notifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. SEALED-BID AWARD (Contractor is not required to sign this document.) Your bid on Solicitation Number _____ including the addenda or changes thereto by you which additions or changes are set forth in (a) above, is hereby accepted as to the items listed above and on any continuation sheets. This award commences the contract which consists of the following documents: (a) the Government's solicitation and your bid, and (b) this award/contract. No further contractual document is necessary. (Block 18 should be checked only when awarding a sealed-bid contract.)

| | | | |
|--|-----------------------------------|---|---------------------------------------|
| 15A. NAME AND TITLE OF SIGNER (Type or print) M Charito Kruvant, President & CEO | 15C. DATE SIGNED 4/3/12 | 15D. UNITED STATES OF AMERICA Roy Plucknett | 15E. DATE SIGNED 04/05/2012 |
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PART I-THE SCHEDULE

SECTION B: SUPPLIES OR SERVICES AND PRICE/COSTS

B.1 PURPOSE

The purpose of this contract is to increase job placements, salaries/wages and self-employment opportunities for Afghan men and women through the provision of market-driven skills training, business training and linkages to credit, business development support and job placement services. The contractor shall be responsible for providing all services and activities described throughout this contract document.

B.2 CONTRACT TYPE- CPFF TERM

This is a Cost-Plus-Fixed-Fee (CPFF) term, level of effort, contract. For the consideration set forth below the Contractor shall provide the services and deliverables described in Sections C and F.

B.3 ESTIMATED COST, FIXED FEE, AND OBLIGATED AMOUNT

- a) The estimated cost for the performance of the work required hereunder, inclusive of fee is \$22,647,898.
- b) Within the estimated cost plus fixed fee specified in paragraph (a) above, the amount currently obligated and available for reimbursement of allowable costs incurred by the Contractor (and payment of fee) for performance hereunder is \$5,000,000.00. The Contractor shall not exceed the aforesaid obligated amount.

B.4 RESERVED

B.5 RESERVED

B.6 COST REIMBURSABLE

This is a Cost Reimbursable contract. The costs allowable shall be limited to reasonable, allocable and necessary costs determined in accordance with FAR 52.216-7, Allowable Cost and Payment, FAR 52.216-8, Fixed Fee, if applicable, and AIDAR 752.7003, Documentation for Payment.

B.7 PAYMENT OF FIXED FEE

Payment of fixed fee, subject to FAR 52.216-8, may be made upon receipt of a proper invoice. Subject to FAR 52.216-8, Fixed Fee, shall be allocated based upon the proportion of the labor provided over the period covered by the invoice. In the event that the contractor does not provide the total Level of Effort stipulated in the contract budget, the total amount of fixed fee will be reduced in similar proportion.

[END OF SECTION B)

PARTI-THE SCHEDULE

SECTION C: DESCRIPTION/SPECS/STATEMENT OF WORK Afghanistan **Workforce**

Development Program (AWDP)

C.1 Executive Summary

More than two-thirds of the estimated Afghan population of 31 million is below the age of 25 and as much as half of this number has not attended school or have dropped out due to war, poverty and other reasons. An entire "lost generation" of Afghan youth today constitutes a highly vulnerable, disenfranchised, under-skilled, uneducated, neglected and volatile segment of the society.

Those who have benefited from the increased availability of schooling will face challenges to obtain employment as they may not have the skills in demand by the labor market. With unemployment in Afghanistan estimated at 40% or more, the addition of more job seekers in the labor market without the skills sought by employers will further exacerbate what is already widely acknowledged to be one of the most serious problems at the national and local levels. Anecdotal evidence suggests that the unemployed are drawn to illicit activities including being recruited by the insurgency for pay.

The Afghanistan Workforce Development Program (AWDP) will address these challenges and complement USG and other donor programs in workforce development and investments in the construction, agriculture, public and other sectors. *The overarching goal of AWDP is to increase job placements, salaries/wages and self-employment opportunities for Afghan men and women through the provision of market-driven skills training, business training and linkages to credit, business development support and job placement services.*

The AWDP is comprised of two components; all activities are designed to substantially build the capacity of Afghan partners and to provide maximum flexibility for the United States Government (USG) Regional Platforms (RPs) to utilize and manage the program in the most appropriate manner for their respective areas and priorities. Component 1 focuses on providing capacity building support to Afghan public and private-sector and non-governmental organization technical and vocational education and training (TVET) providers by improving the quality and accessibility of market-driven TVET to the unemployed, underemployed, and other vulnerable groups through partnerships. Component 2 will provide capacity building support to Afghan private and public-sector business training providers by improving the quality and accessibility of business training programs at the BA level and targeted continuing education and professional development needs through partnerships with private and public-sector business institutes and universities.

The AWDP is a nationwide program that will also support development of specialized regional strategies to meet local needs. Recognizing the diversity of labor-market requirements throughout Afghanistan and the complex and varied security situation, AWDP will ensure close collaboration with the expertise and resources of USG Regional Platforms (RPs), Provincial Reconstruction Teams (PRTs) and District Support Teams (DSTs) in order to leverage AWDP's flexible sector approach with development investments being made at the regional, provincial and district levels.

Finally, while AWDP recognizes that the lack of security is a major obstacle to economic growth and job creation in Afghanistan, other obstacles such as lack of access to finance, poor infrastructure, developing regulatory and fiscal structures, corruption, lack of commercial courts, etc., also need to be surmounted. Given the broad scope of these interventions, AWDP will selectively identify strategies to build on and leverage other workforce development efforts supported by GIRA and its donors.

This activity's results and sub-results will support USAID's Strategic Objective (SO) 05 "A Thriving Licit Economy Led by the Private Sector."

C.2 Background

a) *The Afghanistan National Development Strategy*

On April 21, 2008, President Hamid Karzai approved the "Afghanistan National Development Strategy (ANDS): A Strategy for Security, Governance, Economic Growth and Poverty Reduction," which covers the five year period 2008 through 2013, and submitted it to the International Monetary Fund and World Bank as Afghanistan's Poverty Reduction Strategy Paper. While the ANDS recognizes that Afghanistan has made substantial progress in many areas since the fall of the Taliban in 2001, it also highlights the daunting challenges that remain to improve security, build a democratic state, and spur sustained economic development and poverty reduction. Among other things, the ANDS provides a development vision for the country moving forward and lays out six cross-cutting themes-Counter-Narcotics, Anti-Corruption, Capacity Development, Gender Equity, Environment, and Regional Cooperation. It also delineates a national action plan with specific policies and activities to reach target outcomes.

The national action plan across the Pillars noted below address national priorities for training accordingly:

Private Sector Development: Government, donors, the private sector and NGOs will provide additional support to increase the skills of the Afghan workforce. This will help assist both government and the private sector.

Pillar: Economic Governance and Private Sector Development
Sector: Private Sector Development and Trade

Objectives or Outcomes: Economic activity increases in response to increased human capacity and skill sets and business services.

Policy Action or Activities

- Facilitate private sector involvement to offer short-cycle certificate-level education for school leavers to rapidly develop the skills of young people and adults that are crucial to economic development;
- Establish the modality for public-private partnerships in the provision of education from basic education through to tertiary levels, including provision of professional and vocational education;
- Establish a coherent national policy framework to guide professional and vocational education, linked to the overall higher education strategy that will ensure coordination, assign clear accountability and set world-class standards (including the process for licensing, certification and accreditation);
- Create incentives for private sector to invest in education specific to skills training, mentoring and on-the-job training;
- Conceptualization of Private Sector Employment Strategy for Women that will support pro-women employment strategies in the private sector;
- Build a sustainable system for on-going collection, analysis and dissemination of labor market information and implementation of labor market surveys;
- Invest urgently in vocational and professional education to meet current needs, while simultaneously making parallel investments in reform of basic and higher education systems that will yield longer term results.

Pillar: Education and Culture
Sector: Education

Vocational Education

Objectives or Outcomes: Improved Quality of Vocational Education

Policy Action or Activities

- Expand the capacity and improve the quality of Vocational Education and Skills Development;
- Improve the capacity of the national TVET system to manage and deliver market-driven skills training and linkages to micro-credit and business development support services;
- Strengthen coordination among vocational training providers to ensure wider coverage and to improve the quality of program implementation;
- Teaching and operation of individual TVET institutions to be contracted out.

Objectives or Outcomes: Improved Access to Vocational Education

Policy Action or Activities

- Develop an accessible, regional network of TVET schools and training centers and a school for those with special needs;
- Establish employment service centers for providing more job opportunities for both training program graduates as well as for young people.

Pillar: Social Protection & Refugees
Sector: Social Protection

Objectives or Outcomes: Increased Employment

Policy Action or Activities

Establish the institutional framework for accrediting service providers for skills development training and for issuing the certificates.

Objectives or Outcomes: Poverty and vulnerability reduction, improved employment opportunities.

Policy Action or Activities

- Complete the Labor Market Study to ensure that NSDP will meet the needs for skills of the labor market;
- Vocational training programs for widows, chronically poor and disabled women.

b) USAID Assistance Objective 04

The United States Government (USG) is committed to help the Government of the Islamic Republic of Afghanistan (GIROA) to rebuild its political, economic, and social institutions so that it can never again be called a failed state. In addition to the USG's broad support for the ANDS, the Joint Department of State-USAID FOREIGN ASSISTANCE FOR AFGHANISTAN Strategic Plan for 2011-2015 calls for greater "economic growth and development" recognizing that Afghanistan is a "critical country on the front lines in the war on terror" where peace, stability and prosperity are critical to U.S. national interests. The strategy places particular emphasis on the importance of promoting economic growth and promoting alternative income sources, such as high value horticulture, rural small enterprises, capacity building and

train competent workers, as a means to combat opium production and trafficking.

To address Afghanistan's economic growth challenges the USG will target key sectors and implementing activities to support the goal: Stable and Effective Afghan-Led Development. The Office of Economic Growth's (OEG) activities are focused on Activity Objective (AO) 4: A developed business climate that enables private investment job creation and financial independence. Four Intermediate Results have been identified to be achieved during 2011 - 2015:

- Effective fiscal and monetary development and implementation,
- Policy, legal and regulatory framework improved,
- Competitiveness of private sector enhanced, and
- Workforce meets private and public sector demands.

The USG's approach is to implement programs designed to strengthen GIRoA capacity to develop and implement economic and regulatory policy, improve access to financial services, and improve the enabling environment for the private sector to flourish. The USG will implement programs to improve private sector productivity in an effort to increase opportunities for trade, employment, and investment. To generate economic growth the USG will work to improve the conditions for international and cross-border trade and transit. The USG has programs designed to deliver financial services in rural and insecure areas to build self-sustaining and permanent Afghan-owned and governed financial institutions. Through the provision of market-driven skills training, business training, and linkages to credit, the USG will increase job placements, salaries/wages, and self-employment opportunities for Afghan men and women.

A well-incorporated picture of the Afghanistan Workforce Development Program into A04 is shown below:

IR 4.4-WORKFORCE MEETS PRIVATE AND PUBLIC SECTOR DEMANDS

This IR responds to the Afghanistan Regional Stabilization Strategy job creation focus and decentralizing program management to officials assigned to regional civilian-military platforms. Activities will substantially build the capacity of Afghan partners and provide maximum flexibility for the USG regional platforms to utilize and manage the program in the most appropriate manner for their respective areas and priorities. The results expected from these interventions include increasing job placements, salaries/wages and self-employment opportunities for Afghan men and women through the provision of market-driven skills training, business training and linkages to credit, business development support and job placement services. Activities will target two types of skills development: Technical and Vocational Education and Training (TVET) and Business Education and Skills training (BEST) at the bachelor level along with some targeted continuing professional education. TVET activities, centered on capacity building support to private-sector and NGO training providers, will include capacity building of private-sector and non-governmental organization technical and vocational education and training providers. The USG will accomplish this in close collaboration with the GIRoA ministries in the Human Resource Cluster, and will also include activities to enhance their capacity as well. Strengthening the ability of TVET providers to build the capacity of Afghanistan's workforce will lead to higher productivity and higher quality production of Afghan goods and services. Higher productivity will result in higher wages and levels of employment.

- c) BEST activities will also provide capacity building support to private and public-sector business training providers. While technical training provides skilled labor for production, business education and skills are necessary to properly market goods and services produced. Strengthening the ability of BEST providers to build the capacity of private sector entrepreneurs will complement TVET efforts and lead to, again, higher productivity, wages, and employment. *New Approach to Delivery of U.S. Assistance to Afghanistan*

The U.S. Mission's new approach in Afghanistan, to implement the President's Afghanistan-Pakistan Strategy, is to support Afghan leadership, Afghan capacity-building efforts at all levels, Afghan

sustainability (for, with, and by the people), and to increase local procurement initiatives such as "Afghan First." The United States Government's (USG) guiding principle of Afghanization (meaning Afghan-led development) will ensure that Afghans lead, not follow, on their path to a secure and economically viable Afghanistan, in partnership with the U.S. The ultimate objective is consolidation of a government and society that is stable, secure and confident enough to be an effective partner of the U.S.

To this end, there is now an explicit recognition that the USG is pursuing a policy to target, train and transfer. An agile, flexible and responsive U.S. regional strategy provides the framework in which to maximize all USG resources by sector and, more importantly, geographically to promote stability. Essential initiatives include the prioritization of 80 Key Terrain Districts (KTDs) for USG efforts as well as the other described USG priorities in this document.

A significant change in contracting, management, resources, and focus of USG's foreign assistance, will overcome the 'trust deficit', and help the USG engage the Afghan people in ways that demonstrate its commitment to promote a responsive and capable Afghan government. Additional assistance to Afghanistan will be accompanied by new contracting principles and delivery mechanisms to mitigate risks, and to ensure greater accountability, immediate action, and sustained commitment. For example, all new USAID contracts and grants will have a maximum basic performance period of eighteen (18) months, with optional periods possible subsequent to a rigorous performance review. Direct civilian oversight of projects, contracts and grants will also increase dramatically with the influx from the civilian uplift, as well as the establishment of Regional Platforms (RPs) at each of the Regional Commands (RCs).

In short, the USG seeks a stronger and more effective Afghan-U.S. development partnership. At the national level, more U.S. assistance will be channeled through the GIRA core budget. At the field level, U.S. assistance will be shifting to smaller, flexible, and faster contract and grant mechanisms to increase decentralized decision-making in the field. In all cases, clear partnerships with Afghan organizations and a phased transition plan for overall project implementation responsibilities will be heavily weighted in project proposals. In addition, in each program and project design, implementers will outline how field input has been incorporated (i.e. labor market studies, gender equity considerations and approaches) and describe how field staff will be involved in implementation.

d) Gender Considerations

According to USAID's Automated Directives System (ADS, 201.3.9.3), "Gender issues are central to the achievement of strategic plans and Assistance Objectives (AOs), and USAID strives to promote gender equality, in which both men and women have equal opportunity to benefit from and contribute to economic, social, cultural and political development; enjoy socially valued resources and rewards; and realize their human rights."

The contractor will follow the recommendations of USAID's gender programming as appropriate. The contractor will be required to specify how they are going to actively reach and train both men and women during the project and analyze and mitigate for potential gender negative impacts of a program (e.g., increased work load for one gender while the other receives the increased income). Finally, for monitoring and evaluation gender must be taken into consideration. The contractor will be required to specify in the work plans those activities that will benefit female trainees as well as will be required to disaggregate beneficiaries by gender. It is anticipated that female trainees will constitute approximately 25% of project beneficiaries.

As part of the proposal submission, bidders must provide USAID with an outline of potential gender issues that might be encountered during the implementation of this program and how these issues will be addressed during the course of this program. Following current guidelines of the Mission's gender analysis, the implementer is required to ensure that gender issues are suitably integrated into various program components and undertake specific efforts to ensure that activities do not discriminate against or

disproportionally benefit either gender.

e) USAID Approach to Workforce Development

USAID works with developing countries to build the skills and capacity of their workforces to support economic growth and competitiveness, as well as to stabilize societies after conflict or natural disaster. Workforce development programs assist youth and adults in acquiring knowledge and developing skills, attitudes, and behaviors to find secure jobs, establish viable self-employment ventures, and stay employed and productive in a changing economy. USAID programs create policies, programs, and systems that respond to labor market demands in both the formal and informal sectors. Linking the public and private sectors through partnerships is a hallmark of USAID's approach to building sustainable, demand-driven workforce programs.

USAID workforce development programs focus on systemic reform, partnership development, workforce readiness, and technical/vocational education and training. To accomplish its workforce development goals, USAID strives to:

- Deliver holistic programming to at-risk, out-of-school youth in post-conflict environments to help them develop livelihood skills, find or create employment, and continue with their education.
- Connect secondary school and university students to employers through career development programs, mentoring, internships, and job placement services.
- Develop youth employability skills, such as critical thinking and facility with computer technology as well as specific technical/vocational skills, in response to industry workforce demands.
- Build linkages between education and training institutions, private sector companies, and community groups to foster local and regional competitiveness and satisfy needs for qualified workers.
- Assist developing country governments to develop and implement sound policies and build capacity to manage workforce development systems.
- Contribute to economic growth and private sector capacity building by creating workforce development programs that increase employee skills and industry development.
- Build the human and institutional capacity of technical and vocational schools in developing countries by creating and modifying workforce and entrepreneurial curricula to meet the skill needs and practical experience of the productive sectors in developing countries.

f) The Afghanistan Workforce Development Program (AWDP)

USAID began development of this new activity in the fall of 2009 with the objective of exploring private sector-led opportunities in workforce development primarily in technical and vocational education and training (TVET) in addition to business training at the baccalaureate, professional development and continuing education levels. It was determined that USAID investments in workforce development through the Learning for Community Empowerment Program (LCEP II) and Skills Training for Afghan Youth (STAY) would benefit from a complementary program focusing on private-sector and non-governmental organization (NGO) TVET and business education providers to build their capacity to respond to labor market (employer) requirements, as well as being responsive to the mission's Regionalization,

Afghanization and Afghan First priorities.

The proposed Afghanistan Workforce Development Program (AWDP) will increase employment placement, trade, and economic growth by improving the quality and accessibility of access to TVET and higher education business studies through improved curricula, developing new course offerings, expanding operations and enhancing management and capacity in order to meet labor-market demands. The program will identify labor market demand for both men and women through consultation, surveys and analyses with the private and public sectors and ensure that the program's partners are continuously surveying, analyzing and meeting those demands. Direct links with private sector employers and professional bodies will be established/strengthened (internships, apprenticeships, networking, etc.).

AWDP will address both medium-to-long-term development goals while also dedicating resources and mechanisms to respond to short-term and quick-impact skills training requirements of employers in U.S. Government (USG) and International Security Assistance Force (ISAF) priority areas. It is proposed that the program initially focus on the construction sector given the large investments made by the U.S. Government and other donors in building roads, erecting buildings and other structures throughout Afghanistan. It is anticipated that the construction sector will continue to be a significant contributor to employment and GDP for the foreseeable future.

C3. ANALYSIS

Currently the distribution between education levels has 82% of students in primary, 13% in lower secondary and 5% in higher secondary. Over the coming years, the primary students will gradually enter the lower and higher secondary levels. This increase in the number of students in lower and higher secondary schools will be a serious challenge for GIRoA. In the coming five years, the estimated number of secondary and higher secondary graduates will likely reach 700,000. These graduates may not have the skills required by the job market and will therefore have a good chance of being unemployed. Additional concerns are that 58% of students enrolled in TVET are in Kabul, and only 15% out of all TVET students are female.

Another example of the challenges facing graduates can be seen in the case of the 82,850 students at the secondary level that were expected to graduate in 2009. The capacity of the TVET sector to absorb these graduates if they wish to pursue TVET is as follows: MoHE - 22,000; MoE - 16,000 and MoLSAMD - 5,000, a total of 43,000. Although the private sector and NGOs can provide training for about 180,000 students, the courses mainly focus on English and computers and do not provide the entire range of required skills for the actual labor market.

An estimated 68 percent of Afghanistan's population of 31 million people is below the age of 25; or roughly 20 million people. An entire "lost generation" of Afghan youth today constitutes a highly vulnerable, disenfranchised, under-skilled, uneducated, neglected and volatile segment of the society. With estimates of illiteracy among 11 million people in the 15 years old population, combined with high drop out among current school-age population it can be estimated that as many as 8-10 million youth (12-25 year olds) today may have either never had the chance to go to school due to war, or have dropped out of school due to poverty and related causes. While 70-80 percent of this population currently lives in rural areas, growth in the urban population over the next five years may shift much of this population to the cities in search of work. Anecdotal evidence suggests that due to food insecurity and the overall poverty of the majority of Afghan people, many youth are drawn to illicit activities including being recruited by the insurgency for pay.

Afghanistan's unemployment rate is estimated to be at least 40% placing it at 185 in the unemployment

ranking of 200 countries ;

moreover, a recent survey of Afghan public opinion states that unemployment continues to be one of the most important problems at both national (35%) and local (26%) levels another survey of Afghans in key target areas, 55% of respondents stated that unemployment was the most serious problem facing their districts today.¹² Paradoxically, Afghanistan's private-sector demand for skilled and semi-skilled labor continues to go unmet; a 2008 survey of 1,066 firms across 10 cities in Afghanistan reported that 18% of all firms face skill shortages with the highest shortages faced by construction firms (24%) and manufacturing firms (21%).

The Center for International Private Enterprise (CIPE) commissioned a survey of Afghan business views on the economy, government, and business organizations, which was carried out in late 2009/early 2010. Members of the business community indicated that the greatest need for the Afghan workforce is to improve the educational system (32 percent among all respondents). Other needs include the creation of specialized training institutes (19 percent), basic literacy in local languages (14 percent), knowledge of international business standards (13 percent) and computer/software/internet training (12 percent).

English-language training (5 percent) and the adoption of better business ethics (3 percent) are less often mentioned.

Education and literacy are demanded most by the retail sector and, to a lesser extent, in the service sector, where staff interactions with customers are most important. Construction and manufacturing sectors had almost equally high demand for specialized training institutes.

Approximately 80-90% of economic activity outside agriculture is informal and consists mostly of family-owned enterprises while formal sector employment is largely in the public sector. Aid agencies and NGOs account for a significant share of formal, non-public sector employment, however, a private formal sector is emerging and is characterized by labor-intensive, low-productivity small and family-owned enterprises.

In Acknowledging the impact of this problem on the public and private sectors, the ANDS states "[Afghanistan's] immediate human capital challenge is not labor, but productive skilled and semi-skilled labor...technical know-how and managerial competences are all in short supply." The lack of sustainable employment opportunities, as a result, hinders socio-economic development and influences participation in insurgent and illicit activities.

At present the existing technical vocational education and training (TVET) system has little capacity to train current participants or prepare new entrants for the labor force with the needed skill sets. Four factors contribute to this inability to provide the requisite training:

1. Low number of opportunities for training.
2. Poor quality of existing training: training tending to be theoretical, training facilities dilapidated; programs are time-based not competency based, lack of skills standards, lack of quality control mechanism (accreditation), and absence of national technical teacher training facilities.
3. Relevance of training to labor market requirements: little relationship with the labor market, supply-driven system, outdated and theoretical curricula, and little industry input in the formation of curricula.
4. Weak institutional arrangements for planning, managing, regulating and financing training opportunities.

Despite the lack of absorption capacity within the TVET sector, the biggest challenge is not with numbers, but with the limited quality of TVET. Within the sector, 70% of the trainers are illiterate, while the vast

majority of them are close to retirement, often using outdated teaching methodologies. Only 50% of the planned curriculum materials are developed and only 40% of the targets in capacity building programs for teachers are met. There has been little progress in the establishment of an Afghan National Qualification authority for TVET, nor in the TVET Board, registration and accreditation systems. Due to weak institutional arrangements for planning and managing training institutions, the private sector is also limited in the potentially important role it could play in TVET.

C4. Scope of Work

Objective:

The overarching goal of AWDP is to increase job placements, salaries/wages and self-employment opportunities for Afghan men and women through the provision of market-driven skills training, business training and linkages to credit, business development support and job placement services.

Aside from the main objective of the program, the contractor should consider the "management objectives" (outlined below).

Planned Results and Activities:

AWDP is planning to train and place 25,000 individuals, (including 25% women) in sustainable jobs over the anticipated life (48 months) of the project. AWDP is comprised of two components (described below) whose activities are intended to substantially build the capacity of Afghan partners and provide maximum flexibility for the USG regional platforms to utilize and manage the program in the most appropriate manner for their respective areas and priorities.

Component 1: Capacity Building Support to Afghan Public and Private-Sector and NGO TVET Providers

Result 1: Improved quality and access to market-driven technical and vocational education and training (TVET) to the unemployed, underemployed, and other vulnerable groups through partnerships with public and private-sector and NGO TVET providers.

Sub-Result 1.1: Teacher training programs for demand-driven TVET established or improved

Output 1.1: Number of TVET teachers trained and employed

Sub-Result 1.2: Demand-driven TVET curricula developed or improved

Output 1.2: Number of demand-driven TVET curricula developed or improved

Sub-Result 1.3: TVET institutions established or improved

Output 1.3: Number of TVET institutions established or improved

Sub-Result 1.4: Students trained in market-led TVET are employed

Output 1.4: Number of students trained in market-led TVET employed

Component II: Capacity Building Support to Afghan Private, NGO and Public-Sector Business Training Providers

Result 2: Improved quality and expanded accessibility to higher education business degree programs at the bachelor degree level and targeted continuing education and professional development programs through partnerships with private and public-sector business institutes and universities.

Sub-Result 2.1: Teacher training programs for higher level business education established and/or improved

Output 2.1: Number of teachers trained and employed to teach business education

Sub-Result 2.2: Bachelor, continuing education and professional development programs in business established or improved

Output 2.2: Number of bac/telor, continuing education and professional development programs in business established or improved

Sub-Result 2.3: Private and public business education institutions established or improved

Output 2.3: Number of private and public business education institutions established or improved

Sub-Result 2.4: Students trained in business education at the bachelor, continuing education and professional development levels are employed

Output 2.4: Number of students trained in business education at the bachelor, continuing education and professional development levels employed

This activity's results and sub-results will support USAID's Afghanistan Economic Growth Results Framework: AO 04 "A developed business climate that enables private investment, job creation, and financial independence", and the subsequent IR 4.4 "Workforce meets private and public-sector demands".

Program Design and Implementation

The AWDP will be consistent with the GIROA Human Resource Development (HRD) Cluster (Ministry of Education, Ministry of Labor, Social Affairs, Martyrs and Disabled, Ministry of Higher Education, Ministry of Women's Affairs and the Ministry of Public Health) priorities as well as USAID's Workforce Development Guide, and Higher Education (HE) approaches.

AWDP will have multiple mechanisms: 1) a contract with a firm to build the capacities of the GIROA Human Resources Development Cluster and of Afghan TVET and business training providers who have been competitively awarded, 2) grants issued and managed through a Government of Afghanistan on-budget competitive fund. Eligible recipients of the fund are Afghan private sector and NGO workforce development entities. Limited partnerships with international workforce development entities and Afghan public institutions may be eligible.

- Develop a grants manual for USAID approval and follow outlined grants under contract (GUC) procedures for issuing grants.
- Sector needs assessment review, planning and prioritization of focus areas and activities through well-developed and articulated action plans at the national, regional and provincial levels.
- Awarding and managing small grants (grants under contract) for the purposes of meeting specific assistance requests from Afghan entities (non- on-budget grant fund awardees), counterparts and Provincial Reconstruction Teams/Regional Platforms. USAID expects the Contractor to spend no more than \$5 million total on award of these grants. These small short-term local grants will provide assistance in:
 - Targeted vocational training and business skills training;
 - Training in methodological or technical educational areas such as teacher capacity building;
 - Building partnerships with other workforce development entities, including other donors (For example, the governments of Turkey and India have shown interest in workforce partnerships).

The second mechanism, the Program Management Unit (PMU), will be located within the "Human Resource Development Cluster" and will represent all three relevant ministries (Ministry of Education, Ministry of Higher Education and Ministry of Labor, Social Affairs, Martyrs and Disabled). Primary Contractor responsibilities for the PMU are as follows:

- a. Creation of the Program Management Unit (PMU) in close coordination with the partner ministries, identifying human resource needs of the PMU, administrative management requirements and set-up of the PMU.
- b. Recruit appropriate staff for the PMU. Coordinate with counterpart ministries to create partnership opportunities for ministerial staff to participate in PMU operations.
- c. Gain an understanding of the program and its operating environment by reading relevant ministries strategic documents and other donors and implementing partner's reports.
- d. Ensure strategic coordination between counterpart ministries and the PMU to maintain and strengthen the current relationship between the relevant ministries and main implementing partners in the sector. Maintain communication with related program representatives to coordinate activities, exchange ideas, and report back to all stakeholders.
- e. Develop an initial eighteen month (18) work plan to be approved by USAID in coordination with the relevant ministries.
- f. Develop an outreach plan that would indicate how women trainees/women's companies and women's

organizations will be reached.

- g. Ensure that USAID Afghanistan offices of Financial Management and Acquisition and Assistance standards are followed in creating the capacity for the PMU to manage USAID funds.
- h. Develop, in partnership with counterpart ministries and USAID, project evaluation and selection procedures that also include gender equitable considerations. Supervise transparent and representative evaluation of proposals. Provide on-budget grant management process for the selection of proposals, with particular attention toward attaining the 25% inclusion rate of women as beneficiaries of the training programs.
- i. Provide financial management procedures and functions for the PMU, including disbursements to awardees, financial reporting and tracking.
- j. Facilitate independent financial audits of the PMU and AWDP awardees.
- k. Facilitate monitoring and evaluation of the AWDP's on-budget grants awarded through the PMU. This includes monitoring of awardees management of grant funds. Review the output and deliverables of the various program activities on a timely basis, checking for quality, accuracy and responsiveness to stated objectives (i.e., employment generation and salary increases).
- l. Ensure that PMU operations are in accordance with Afghan laws and regulations. Ensure that the necessary government documents and approvals are in place to facilitate timely implementation of PMU activities.
- m. In consultation with partner country stakeholders and other donors, the PMU will develop a mapping of major technical coordination operations and a concise action plan that will include appropriate targets for the implementation of the strategies at the national level.

A. *Management Objectives*

This activity has several management sub-objectives, which the implementer must take into consideration within all activities, all areas and at all levels of the project.

- Management Objective 1: *Afghanization:* Building the capacity of Afghan TVET and business training providers is essential for achieving AWDP objectives. As such, an overriding theme of AWDP is to catalyze the development of market-driven training delivered by Afghan-owned and managed providers.

AWDP will also support Afghanization by employing and building the capacity of hundreds of local Afghan staff. The Contractor should demonstrate how it will substantially use Afghans in senior, key personnel positions and other positions as a means of ensuring a better grasp of the needs and realities on the ground, as well as improving senior management capabilities within Afghanistan. This applies to both the implementation of the technical assistance and the management of the PMU. The Contractor should also demonstrate how it will engage expatriates to provide on-the-job capacity development and training with a view to promoting local staff into positions with higher responsibility. Finally, the Contractor should address how it will support the USG's goal of purchasing more products and services locally and regionally.

- Management Objective 2: *Job Placement:* The high unemployment levels, both in the urban and rural areas, is often the basis for social discord and limited economic opportunities. AWDP will contribute to job placement objectives in Afghanistan, a central component of the USG's strategy for undermining the insurgency, by providing trained manpower. AWDP will contribute to a significant number of job placements by building the capacity of TVET and business training providers to deliver market-driven training and job placement services. The contractor will propose a strategy for increasing job placements through linking training providers with employers, its methodology for calculating job

placement as well as other indicators and targets to measure progress of interventions toward this objective.

- Management Objective 3: *Telling Our Story*: Produce quantitative and qualitative indicators in order to capture how the resources of the USG are helping better the lives of Afghans, as well as to increase awareness of the program among other USG and donor counterparts.
- Management Objective 4: *Gender Equity*: Include gender as a cross-cutting issue throughout all activities, all areas and all levels of the project. A gender analysis should indicate how the different roles (including responsibilities, challenges, obstacles and opportunities) of men and women in the target audience affect the proposed approach and how the program itself will affect those roles, ensuring that the approach and outcomes are equitable. Analyze and consider the complex socio-economic environment in which women sustain their livelihoods and make economic decisions to ensure that women can benefit equitably from the project's interventions. Indicate if and how the approach will be different for men and women and if and how gender roles for women will be broadened.
- Management Objective 5: *Programmatic and Activity Flexibility*: Ensure a program that is geographically and programmatically flexible, adaptable, and agile in the wake of a dynamic political (i.e. elections), military activities, and socio-economic environment (i.e. food security). For many reasons, it is difficult to predict now with certainty which geographic areas might present the best opportunities for program work activities. This is true even in fiscal years 2011 /2012 and much more so in the later period of the program. There is a requirement for a high degree of flexibility, adaptability, and creativity throughout the implementation process on the part of the Contractor. As the overall program moves forward, the offeror may be required, in conjunction with USAID, to implement program activities in different geographic areas of the country as appropriate.
- Management Objective 6: *Conflict Mitigation*: Consider how interventions might inadvertently reinforce pre-existing inequalities and fuel conflict, as well as how they can help build peace. A heightened sensitivity to this context, coupled with agile systems that enable the implementer to change tactics as the context requires, is critical to mitigating the potential harm that certain interventions may cause, addressing the economic root causes of the conflict and facilitating the economic recovery process. AWOP will address a reasonable number and balanced rural workforce development process that will provide TVET to the jobless and vulnerable people, both women and men equitably, who are at risk of misuse by terrorists and tribal conflict involvement.

B. *Design Issues, Assumptions and Risks*

The following aspects will need to be carefully considered and managed to ensure AWOP's success:

- *Political Will*. In order for AWOP to be effective, it must contribute to the political will for implementing the GIRA Human Resource Development cluster priorities through enhancing inter-ministerial collaboration and supporting the National Skills Development Program (NSDP).
- *Corruption*. Recent USG and other reports and surveys continue to confirm that corruption is perceived to be widespread throughout Afghanistan and a factor undermining confidence in the central government and central government programs.
- *Rapid Technological Development and Increasing Customer Sophistication*. Open market policies allow new technology to enter Afghanistan requiring the TVET sector to remain abreast

of these changes and modify its approaches and offerings accordingly in response to increasingly sophisticated customer demand.

- *Short-term TVET vs. Higher Education.* Many talented youth may turn to short courses so they can enter the job market and earn money for themselves and their families. The urgency of earning a living sooner might cause a shortage in supply of more highly qualified technical personnel who require longer training programs. It is important to link TVET schools to higher education programs so that promising students have the opportunity to receive more advanced training.
- *Economic Development and Globalization.* Afghan companies will increasingly use modern technologies for production and providing services for the international market due to the need to comply with trans-national and international standards. Likewise, Afghans will also need to be trained to perform in a globalized economy, to master available technologies, and to produce goods and services that comply with global standards. However, they will be trained in a local setting with its traditions, culture, and attitudes. This means that TVET has to be developed according to local needs and realities, but also must develop and innovate in order to become or to stay competitive.
- *Security.* Sustainable development activities of any type are challenging to implement in an insecure environment. The lack of freedom of movement in many parts of Afghanistan seriously limits access to places of learning. Particular attention is required to facilitate training opportunities for women to ensure that their participation is not impeded by socio-cultural constraints such as restricted mobility and lack of interaction with, and access to, the labor market, or fear of armed and other aggressive groups. In addition to the day-to-day disruption caused by armed conflict, there is a huge psychological impact that impairs cognitive ability making it extremely difficult to study and acquire new skills and knowledge. Insecurity also hampers regular monitoring and evaluation activities.

C. Interventions

The Components and Results in this section are followed by examples of illustrative activities and types of assistance that USAID believes could contribute to Afghanistan's workforce development and labor market development, as well as illustrative indicators. Illustrative activities and indicators are given as a checklist of items that the Contractor is required to address. The Contractor should provide a well-rounded and logical plan and may propose, with justification, additional and/or alternative tasks under each component if it is believed that these will better serve to achieve the specified results.

Component 1: Capacity Building Support to Afghan Public and Private-Sector and NGO TVET Providers

Purpose: To educate and train the target workforce in market-driven skills in order for them to be employed in high-growth sectors through improving the quality and accessibility of public and private-sector and NGO TVET providers. The capacity of TVET providers and educators will be improved to ensure sustainability and quality implementation.

Result 1: *Improved quality and access to market-driven technical and vocational education and training (TVET) to the unemployed, underemployed, and other vulnerable groups through partners/lips with public and private-sector and NGO TVET providers.*

Sub-Result 1.1: Teacher training programs for demand-driven TVET established or improved

Output 1.1: Number of TVET teachers trained and employed

The quality of current TVET provision is generally poor. Typical programs are plagued by high trainee-to-trainer ratios and are time-based rather than being based on competencies acquired. Most training tends to be theoretical and not applied, teaching tends to be rote in nature and the training infrastructure is dilapidated, with obsolete, non-functioning and non-existent equipment being the norm. The GIRA National Skills Development Program (NSDP) reported that 70% of TVET teachers are illiterate. Teacher shortages in TVET institutions have resulted in teachers from other schools or departments taking over TVET teaching responsibilities not related to their field. Many of them have never attended a teacher training program and are only familiar with outdated technologies. These teachers also face challenges with English, which is the primary language medium for modern TVET curricula and literature. Moreover, they lack Information and Communications Technology (ICT) skills further limiting their ability to access modern training curricula and methodologies and to keep abreast of developments in TVET and market demand for training.

The lack of training-of-trainers (ToT) facilities for the sector is another acute problem identified by all involved ministries and listed as a top priority in their strategic plans. The large number of TVET students and high demand for training with only limited numbers of trainers make it impossible for the sector to grow and deliver quality, accessible and market-driven TVET provision.

1.1. a. Illustrative Activities:

- **Improve the professional development of educators in public, private and NGO TVET providers through the provision of refresher training**
- Improve teacher capability through training in new pedagogic systems, new teaching approaches, models and methodologies including the use of Information and Communications Technology (ICT).
- Support the establishment of TVET teacher/trainer training centers including the formation of public-private partnerships to ensure sustainability.
- Link TVET institutions and practitioners through regional, national and international conferences, training events, and other *fora* including exchanges utilizing Information and Communications Technology (ICT).

1.1. a. Illustrative Indicators

- Number of teachers (male and female) completing TVET teacher training, competency evaluation and utilizing their training on the job.
- Number and value of private-public partnerships established and analyzed for sustainability.

Sub-Result 1.2: Demand-driven TVET curricula developed or improved

Output 1.2: Number of demand-driven TVET curricula developed or improved

While progress has been made in curricula development by the MoE Deputy Ministry-TVET (OM TVET) and the NSDP under MoLSAMD, TVET programs are overloaded with academic subjects, have inadequate laboratories for practical training, inadequate teaching aids, and inadequate training curricula and materials. The programs provide limited exposure to students on the practical applications of their training. The training approach is didactic, in-formal and non-formal programs, books, manuals and materials (when available) are of poor quality, dated and not standardized.

1.2.a. Illustrative Activities:

- Improve current standards and adopt regional and international standards in accordance with the GIRoA HRD cluster program and with the substantial involvement of private and NGO sector TVET providers and employers.
- Design, develop, and support the implementation of new courses and/or training programs that respond to high-priority public and private-sector needs including utilization of ICT.
- Develop the missing TVET curricula in conjunction with the GIRoA HRD cluster and review and revise (if needed) the curricula already developed.
- Create strategies for certifying knowledge and technical skills that are recognized by employers and professional standards/associations (national and international), and build pathways for professional development.

1.2.a. Illustrative Indicators

- Number of high-demand curricula developed, improved and implemented
- Number of new high-demand courses and methodologies developed and introduced
- Number of institutions adopting international TVET curriculum accreditation standards.

Sub-Result 1.3: TVET institutions improved
Output 1.3: Number of TVET institutions improved

The shortage of quality public and private-sector TVET institutions delivering market-driven training is a significant obstacle for sector growth hampering overall economic growth due to unmet labor-market requirements. According to the data from the Ministry of Education about 1,260,000 students from secondary education are eligible for technical education indicating a tremendous need for additional TVET facilities. The GIRoA Human Resources Development Cluster Program proposes the construction of numerous district, provincial, regional-level training facilities over a 5-year period.

Practical lessons and laboratory learning are inseparable parts of technical education and training that have received less attention from the public and private sectors due to the large investments required for the necessary equipment and infrastructure. Existing public and private facilities are, in most cases, in poor condition and are not maintained much less improved. The workshops are of limited capacity meaning that students are kept busy with theoretical lessons much of the time and do not obtain sufficient practical hands-on training.

This presents a significant opportunity for increased private-sector investments in training including the formation of public-private partnerships to bolster the quality and accessibility of market-led training in key economic sectors in Afghanistan.

1.3.a. Illustrative Activities:

- Improve the management practices (management, financial management, marketing, strategic planning, fund raising, partnership formation, etc.) of TVET providers and provide material support (equipment, training materials, curricula, and books.) to improve and expand operations;
- Improve and expand workshops and laboratories in accordance with labor-market demand;
- Introduce new technologies including ICT to improve training, operations, management and job placement services for trainees;
- Build TVET provider capacity to respond to the donors' funding opportunities for contract and grant management (financial systems, personnel policies, reporting guidance, and standard clauses).

1.3.a Illustrative Indicators

- Number of TVET providers improved and expanded in priority areas
- Number of TVET providers evaluated for accreditation and sustainability
- Number of TVET workshops and laboratories established and improved with new technologies
- Number of TVET providers meeting minimum standards for donors' contract and grant management

Sub-Result 1.4: Students trained in market-led TVET are employed

Output 1.4: Number of students trained in market-led TVET employed

The overarching goal of AWDP is to increase job placements, salaries/wages and self-employment opportunities for Afghan men and women through the provision of market-driven skills training, business training and linkages to credit, business development support and job placement services.

The AWDP will assist youth and adults in acquiring knowledge and developing skills, attitudes, and behaviors to find secure jobs, establish viable self-employment ventures, and stay employed and productive as the Afghan economy evolves. In order for this to occur, policies, programs, and systems must be created to respond to labor market demands in both the formal and informal sectors. Labor market demand and associated data must also be collected, analyzed and disseminated in support of this goal.

1.4.a. Illustrative Activities:

- Inform labor market and TVET policies that promote job creation and economic growth in close partnership with the ministries in the GIRoA Human Resources Development cluster (Ministry of Education, Ministry of Labor, Social Affairs, Disabled and Martyrs, Ministry of Higher Education and Ministry of Women's Affairs);
- Provide support to TVET providers to establish and maintain linkages including partnerships with the private sector, business associations, and business services industry clusters, etc., to ensure sustainable job placements for trainees;
- Support regulatory and voluntary frameworks and business associations, such as the Afghanistan Investment Support Agency (AISA), Afghanistan Chamber of Commerce and Industry (ACCI), Afghanistan Builders Association (ABA) and others, to inform the private sector of workforce

development policies and opportunities in TVET and stimulate the formation of public-private TVET partnerships;

- Build the capacity of the HRD Cluster and Central Statistics Organization (CSO) to establish a Labor Market Information and Analysis Unit to develop an Afghanistan Employment Strategy, and carry out regular labor force surveys and analysis and disseminate reports to stakeholders;
- Support the GIRoA HRD Cluster to establish and maintain effective Employment Services Centers (ESCs) in partnership with the private sector.

1.4. a. Illustrative Indicators

- GIRoA HRD Cluster adopts a regulatory and quality assurance framework for education and training, including a national qualifications framework and authority;
 - GIRoA HRD Cluster and CSO establish a Labor Market Information and Analysis Unit (LMIAU);
 - The Labor Market Information and Analysis Unit regularly carries out and disseminates labor force demand and other associated surveys;
 - GIRoA HRD Cluster develops an Afghanistan Employment Strategy;
 - Number of effective and sustained private sector-TVET provider partnerships established;
 - Number of Employment Services Centers (ESCs) established;
 - Number of TVET trainees employed through ESCs, disaggregated by gender;
 - Number of TVET providers establishing effective job placement services;
 - Number of trainees gaining employment or better employment within six months of training, disaggregated by gender;
- All of the above need upfront targets for women, and indicators must be gender sensitive and disaggregated by gender.

Component II: Capacity Building Support to Afghan Private, NGO and Public-Sector Business Training Providers

Purpose: To expand the quality provision of market-led business education through support to Afghan private and public sector and NGO business education and training providers, including capacity-building support for business higher education to the Ministry of Higher Education.

Result 2: Improved quality and expanded accessibility to higher education business degree programs at the bachelor degree level and targeted continuing education and professional development programs through partners/zips with private and public-sector business institutes and universities.

Sub-Result 2.1: Teacher training programs for higher level business education established and/or improved

Output 2.1: Number of teachers trained and employed to teach business education increased

Forty-eight percent of the teachers in private universities are from countries in the region, the majority from Pakistan. These regionally-recruited teachers are an expensive burden for the private education system

exacerbating the already numerous sustainability challenges. These teachers may not have studied business education nor have teacher qualifications.

Afghanistan has few experts in business education and they are unlikely to be employed as teachers given the low salaries and high private-sector demand for their services. Most local business teachers lack formal business education qualifications and are employed in both the public and private-sector institutions:

2.1. a. Illustrative Activities:

- Professional development of educators in public, private and NGO TVET providers through the provision of refresher business education programs.
- Improve teacher capability through training in new pedagogic systems, teaching approaches, and teaching models including utilization of ICT.
- Link business education teachers, trainers and institutions through utilization of ICT.

2.1. a. Illustrative Indicators

- Number of teachers attending teaching methods refresher courses and successfully passing competency evaluations.
- Number of faculty/institutions linked via ICT with faculty/institutions in foreign universities to receive training and academic support and share information.

Sub-Result 2.2: Bachelor, continuing education and professional development programs in business established or improved

Output 2.2: Number of bachelor, continuing education and professional development programs in business established or improved

As is the case for more traditional TVET, business education and training institutions in Afghanistan suffer from the same issues of quality and accessibility. Public universities lack resources and as a result have not been able to establish business education programs; those that have faculties of economics are operating with outdated curricula, under-qualified teachers, and limited capacity.

Private sector institutions in higher education have made inroads into business education and training where the public sector has been lacking. Over 30 private universities have Bachelor in Business Administration degree programs albeit of low quality and without any national or international recognition much less accreditation. Currently they are providing business and other educational services to approximately 25,000 students. These universities have adopted regional curricula for business and other areas of studies; however, they still lack the required sophistication to be considered serious contenders for accreditation. Many of these schools are training a small number of people in finance through affiliated foreign universities through distance or online learning.

In summary, public and private universities in Afghanistan are in varying stages of development and require resources to increase the number of qualified teachers, to adopt internationally-recognized curricula and to manage business education and training programs. Contributing factors to the poor management of these universities are: lack of business and managerial capacity, insufficient financing and cost recovery systems and weak infrastructure.

2.2.a. Illustrative Activities:

- Improve the management practices (management, financial management, marketing, strategic planning, fund raising, partnership formation, etc.) of providers and provide material support (equipment, materials, books, etc.) to improve and expand operations;
- Introduce new technology including ICT to improve training capacity, operations, management and job placement services for customers;
- Build business education and training provider capacity in response to the donors requirements for contract and grant management (financial systems, personnel policies, reporting guidance, and standard clauses);
- Improve current standards and adopt regional and international standards in accordance with the GIRoA HRD cluster program and with the substantial involvement of business education providers and employers;
- Design, develop, and support the implementation of new courses and/or training programs that respond to high-priority public and private-sector needs including utilization of ICT;
- Create strategies for certifying knowledge and technical skills that are recognized by employers and professional standards/associations (national and international), and build pathways for professional development.

2.2.a. Illustrative Indicators

- Number of business education and training programs established or improved
- Number of business education and training providers evaluated for accreditation and sustainability
- Number of business education and training facilities improved with new technology
- Number of TVET providers meeting minimum standards for donors' contract and grant management
- Number of new courses and methodologies developed and introduced
- Number of institutions adopting international curriculum accreditation standards.

Sub-Result 2.3: BEST institutions established or improved

Output 2.3: Number of BEST institutions established or improved

The shortage of quality public and private-sector BEST universities and institutions delivering market-driven education is a significant obstacle for sector growth hampering overall economic growth due to unmet labor-market requirements. According to the data from the Ministry of Higher Education about 42 private universities are active in Afghanistan with nearly 67,000 students for English Language and Bachelor degree of Business Administration (4 years) and Information Technology. None of these universities are offering finance degrees on their campus for regular students. Some of them have some kind of affiliation with foreign universities and offering distant learning finance degrees. Graduate from these distant learning system having the difficulties of implementing their theoretical financial knowledge in to practice. On the other side public universities are not offering financial degrees as well.

In spite of the acute shortage of top level skilled labor in the financial sector, Afghanistan is growing with a lot of financial opportunities which are running mostly by the regional experts at the top level. This shortage is a critical problem for the private as well as for the public sector that should be addressed by the donor communities and Afghanistan government.

2.3.a. Illustrative Activities:

- Improve the management practices (management, financial management, marketing, strategic planning, fund raising, partnership formation, etc.) of selected BEST providers and provide material support (equipment, materials, books, etc.) to improve and expand operations;
- Improve and expand workshops and laboratories in accordance with labor-market demand;
- Introduce new technology including ICT to improve training, operations, management and job placement services for customers;
- Build BEST provider capacity in response to the donors' requirements for contract and grant management (financial systems, personnel policies, reporting guidance, and standard clauses).

2.3.a. Illustrative Indicators

- ~~Number of BEST providers improved and expanded in priority areas~~
- Number of BEST providers evaluated for accreditation and sustainability
- Number of BEST workshops established and improved with new technology
- Number of BEST providers meeting minimum standards for donors' contract and grant management

Sub-Result 2.4: Students trained in business education at the bachelor, continuing education and professional development levels are employed

The overarching goal of AWDP is to increase job placements, salaries/wages and self-employment opportunities for Afghan men and women through the provision of market-driven skills training, business training and linkages to credit, business development support and job placement services.

The AWOP will assist youth and adults in acquiring knowledge and developing skills, attitudes, and behaviors to find secure jobs, establish viable self-employment ventures, and stay employed and productive as the Afghan economy evolves. In order for this to occur, policies, programs, and systems must be created to respond to labor market demands in both the formal and informal sectors. Labor market demand and associated data must also be collected, analyzed and disseminated in support of this goal.

2.4.a. Illustrative Activities:

- Inform labor market and policies that promote job creation and economic growth in close partnership with the ministries in the GIRA Human Resources Development cluster;
- Provide support to business education and training providers to establish and maintain linkages including partnerships with the private sector, business associations, and business services industry clusters, etc., to ensure sustainable job placements for trainees;

- Support regulatory and voluntary frameworks and business associations, such as the Afghanistan Investment Support Agency (AISA), Afghanistan Chamber of Commerce and Industry (ACCI), Afghanistan Builders Association (ABA) and others, to inform the private sector of workforce development policies and opportunities in business education and training and stimulate the formation of public-private partnerships.

2.4.a. Illustrative Indicators

- Policies adapted that promote job creation with gender equity considerations
 - Number of effective and sustained public - private partnerships for hiring of students established
 - Number of training providers establishing effective job placement services
 - Number of trainees gaining employment²⁴ or better employment within six months of training, disaggregated by gender
- The indicators above must be disaggregated by gender and gender sensitive indicators should be added if possible

D. Data Quality Assessment

According to the ADS Requirements for Data Quality Assessment (DQA) (ADS 203.3.5.I), for every indicator DQA should be conducted in the field and at the central level of the program. Performance data should be as complete, accurate, and consistent as management needs and resources permit. To be useful in managing for results and credible for reporting, performance data should meet reasonable standards of validity, integrity, precision, reliability, and timeliness.

- **Validity.** Data should clearly and adequately represent the intended result. While proxy data may be used, the contractor should consider how well the data measure the intended result. Another key issue is whether data reflect a bias such as interviewer bias, unrepresentative sampling, or transcription bias.
- **Integrity.** Data that are collected, analyzed, and reported should have established mechanisms in place to reduce the possibility that they are intentionally manipulated for political or personal reasons. Data integrity is at greatest risk of being compromised during collection and analysis.
- **Precision.** Data should be sufficiently precise to present a fair picture of performance and enable management decision-making at the appropriate levels. One key issue is whether data are at an appropriate level of detail to influence related management decisions. A second key issue is what margin of error (the amount of variation normally expected from a given data collection process) is acceptable given the management decisions likely to be affected. In all cases, the margin of error should be less than the intended change; if the margin of error is 10 percent and the data show a change of 5 percent, contractor will have difficulty determining whether the change was due to the USAID activity or due to variation in the data collection process. Contractor should be aware that improving the precision of data usually increases the cost of collection and analysis.
- **Reliability.** Data should reflect stable and consistent data collection processes and analysis methods from over time. The key issue is whether analysts and managers would come to the same conclusions if the data collection and analysis process were repeated. Contractor should be confident that progress toward performance targets reflects real changes rather than variations in data collection methods. When data collection and analysis methods change, the PMP should be updated.

- **Timeliness.** Data should be timely enough to influence management decision-making at the appropriate levels. One key issue is whether the data are available frequently enough to influence the appropriate level of management decisions. A second key issue is whether data are current enough when they are available.

E. Regional Strategies

As part of the U.S. Mission's new approach in Afghanistan, there is now an explicit recognition that the USG is pursuing development within the context of a broader regional strategy, with emphasis on the southern and eastern regions. The Contractor shall identify a strategy for ensuring close collaboration with RPs, PRTs and DSTs, as well as provide illustrative opportunities for leveraging USAID resources with Department of Defense (DOD) Commander's Emergency Response Program (CERP) funds as a means to enhance civilian-military cooperation and augment USAID resources for its activities. In order to ensure that AWDP does not dissipate its effort in a collage of non-strategic activities, the Contractor will be required, once implementation begins, to develop a menu of services to which the RPs, PRTs and DSTs can utilize on a demand-driven basis to enhance impact in their jurisdictions.

The Contractor will also demonstrate how it will ensure a project that is geographically and programmatically flexible, adaptable, and agile in the wake of this dynamic political, military, and socio-economic environment. As the overall project moves forward, the Contractor may be required, in conjunction with USAID, to implement project activities in different geographic areas of the country as appropriate.

F. Linkages and Synergies with Existing Programs and Organizations

An illustrative list of counterparts and potential synergies/interventions may include:

- **Ministry of Education (MoE) including the Deputy Ministry for TVET (DM TVET):** The MoE will be a key AWOP partner due to its overarching responsibility for primary and secondary education in Afghanistan and the specific role the Deputy Ministry for TVET has in developing the TVET sector. Moreover, the MoE has 51 public TVET schools in the country: 19 agriculture schools, 11 mechanical schools, 3 commerce schools, 3 industries schools, 3 accounting schools, 2 IT schools, 2 oil and gas schools, 2 power and electricity schools and 6 other schools.

The MoE is also involved in curriculum development, official recognition of private TVET providers, teacher training and leads the Human Resource Development Cluster.

- **Ministry of Higher Education (MoHE):** As is the case with the MoE, the MoHE will be an important AWOP partner. The Ministry of Higher Education is the GIRoA authority for official recognition of private universities, their curriculum certification, administration and monitoring. The MoHE is also a member of the HRD Cluster.
- **The Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD):** This ministry is will be an important AWOP partner due to its lead in the National Skills Development Program (NSDP) and its role in designing and implementation of the national TVET strategy. It is also a member of the HRD Cluster.
- **The Ministry of Agriculture, Irrigation and Livestock (MAIL):** Agriculture is the dominant factor in the Afghan economy, in food security, in livelihoods, sustainable resources and national security.

Organizational development and capacity building for producers and business groups through their training facilities are key objectives of this ministry.

- Ministry of Rural Rehabilitation (MRRD): This ministry has nationally-accepted and proven mechanisms and approaches with very deep outreach at the level of districts for short-term employment like: NSP (National Solidarity Program), NEEP (National Emergency Employment Program), NABDP (National Area -Base Development Program), MISFA (Microfinance Investment Support Facility for Afghanistan), AREDP (Afghanistan Rural Enterprise Development Program) and others. These programs have provided the minimum required infrastructure and prepared the rural workforce pool for development. These mechanisms are used as gateways for many development programs and it is envisaged that this will also be the case with AWDP.
- Ministry of Urban Development: the Ministry of Urban Development leads the planning on all the construction sites in cities in Afghanistan. These plans figure importantly for workforce development in the construction sector.
- Ministry of Women Affairs: Another key ministry envisaged as an AWDP partner, the Ministry of Women's Affairs (MOWA) developed the National Action Plan for the Women of Afghanistan (NAPWA) to move women into the very active and skilled workforce in the country. The MoWA is a member of the HRD Cluster.
- Afghan Chamber of Commerce and Industry (ACCI): The ideas and needs of employers including workforce requirements and the business community as a whole are represented by ACCI.
- Afghanistan Investment Support Agency (AISA): As a regulatory framework, AISA can provide an enabling environment for workforce development. It will help navigate the regulatory requirements and establishment of advocacy for promoting workforce based on investor requirements.
- Central Statistics Organization (CSO): The Central Statistics Organization, Afghanistan (CSO) is the driving force behind rebuilding an effective, robust and reliable statistical system in the country. The CSO will be a key AWDP partner for labor market and other associated surveys.
- Relevant civil-military personnel, including representatives from RPs, PRTs and DSTs:
- Private-sector business and professional associations with interests in workforce development: build capacity to advocate and promote market-driven TVET and business training as well as linking training providers and their students to employers.
- Afghan Women's Business Federation and other women-oriented business and industry associations.

Relevant projects funded by USAID include, but are not limited to:

- The *Accelerating Sustainable Agriculture Program (ASAP)* is developing a dynamic agriculture system capable of adapting to market forces by engaging activities that will lead to: (1) increased competitiveness of Afghan agriculture products in domestic and international markets for high value commodities; and (2) improved public policies and institutions in support of more competitive agriculture and agribusiness. To achieve competitiveness and a sound policy environment, ASAP supports market linkages, improves farm technology and practices, enhances post harvest activities to meet market requirements, develops business organizations to provide support services to small and

medium scale agribusinesses, and assists in production and post harvest infrastructure construction. ASAP is implemented by Chemonics International.

- The *Afghanistan Higher Education Project (HEP)* is part of an overall program to rehabilitate and strengthen the capacity of the education system to improve access to quality education throughout Afghanistan. HEP supports this broader objective by building sustainable capacity at the tertiary level to deliver high quality pre-service and in-service teacher education for secondary school teachers. The project is designed to deliver both short-term improvements in the quality of teaching and academic administration through training and support, as well as long-term sustainable improvements through strengthening the human resource base and institutional capacity. The project will strengthen both the individual and institutional capacity of the 16 institutions offering four year teacher education programs. HEP is implemented by the Academy for Educational Development (AED).
- The *Afghanistan Municipal Strengthening Program (AMSP)* provides capacity building assistance and resources to provincial municipalities. The program aims to: (1) improve the delivery of public services, such as power, water, sanitation, safe roads, parks, solid waste management and youth activities; (2) improve the capacity of municipal governments in the areas of administration, operations, maintenance and financial management; and (3) increase opportunities for positive youth engagement through sports activities, job skills trainings, and temporary employment through the municipalities. AMSP is implemented by the International City Managers Association (ICMA).
- The *Afghanistan Small and Medium-Sized Enterprise Development (ASMED)* project is providing technical assistance and financial support to the very important SME sector and the organizations that support SMEs throughout Afghanistan. ASMED's activities have national reach-headquartered in Kabul, there are also three regional offices in Herat, Nangarhar, and Balkh, and partner activities in Helmand, Kandahar and Badakhshan. The project has five components: (1) gathering, analyzing and disseminating Afghanistan market information on 12 sectors; (2) developing strong business services providers; (3) strengthening and increasing the number of business associations; (4) creating public-private sector alliances; and (5) building the capacity of an Afghan private sector workforce. ASMED is implemented by Development Alternatives Inc (DAI).
- The *Capacity Development Program (CDP)* seeks to address the critical need in Afghanistan for core public administration competencies through a complete training package of basic foundation competencies and wide choice of capacity building assistance for targeted ministries, agencies, and sub-national government entities in select provinces. Activities include providing training and advisement in core public administration competencies; strategic planning and policy; organizational restructuring and work process streamlining; financial management; procurement and contracting; human resource development; project design, management, monitoring, and evaluation; strategic communications; and leadership and ethics.
- The *Da Afghanistan Breshna Sllerkat (DABS) commercialization project* seeks to improve the operational and financial sustainability of electricity distribution services in Kabul. The activity will assist the GIRoA in designing, tendering and managing a commercialization contract with qualified electricity operating services company. The Commercialization Contractor will operate and manage Kabul's electricity distribution system for three years. The Commercialization Contract will reduce electricity losses in Kabul, and will assist DABS in becoming a successful corporatized, commercialized national electricity utility.
- The *Economic Growth and Governance Initiative (EGGI)* assists the GIRoA to develop and implement sound and sustainable economic and regulatory policies that provide the foundation for

private sector growth within a market economy. The project works with business associations, think-tanks and other NGOs, as well as with GIRoA entities such as the Ministry of Finance, to improve the business enabling environment, reform business regulation, and encourage stakeholder involvement in shaping government policies both in Kabul and in the regions. Specific components include: 1) Supporting national and regional economic policy-making and 2) Improving the business enabling environment.

- The *Financial Access for Investing in the Development of Afghanistan (FAIDA)* project will help build a sustainable, diverse and inclusive financial sector that can meet the needs of micro, small and medium enterprises (MSMEs) throughout the country and generate quality employment. FAIDA will employ a "financial system" approach, with work at three levels to ensure that large numbers of MSMEs have access to a diverse range of financial services: the micro level (retail financial institutions), the micro level (financial market infrastructure), and the macro level (policy environment).
- The *Incentives Driving Economic Alternatives North and East (IDEAINE)* project seeks to increase licit and commercially viable agricultural-based alternatives for rural Afghans with the goal of significantly reducing and ultimately eradicating poppy production. IDEA implements its project through rapid response activities, including cash-for-work, voucher and training programs and small grants, as well as medium and long-term agribusiness development, including value chain integration and enhanced access to credit.
- The *Local Governance and Community Development South and East (LGCD S/E)* program is USAID's flagship counter-insurgency program that implements bottom-up initiatives to mitigate conflict, build the capacity of Afghan government officials, and foster community stabilization. The program works closely with tribal elders, community members, and the GIRoA to implement hundreds of community development projects in 15 of Afghanistan's most insecure and conflict-affected eastern and southern provinces. The program is also working closely with PRTs to support this mandate. Expected outcomes include: (1) Greater community participation in the selection and implementation of small scale development subprojects; (2) Improved provincial and district governance capacities to deliver services that address citizens' most pressing needs; (3) Immediate short-term employment generation through cash-for-work; (4) Significant and lasting improvements in rural infrastructure (e.g. roads, bridges, irrigation systems, and small-scale power sources); (5) Expanded economic opportunities and access to public services for previously marginalized Afghans; and (6) Stronger citizen support for government in insecure areas, resulting in greater stability.
- The *Municipal Governance Support Program of Afghanistan (MGSPA)* is designed by the Independent Directorate for Local Government (IDLG) and represents one of the IDLG's top sub-national governance priorities. MGSPA's objective is to create effective, transparent and democratic municipalities in the most important urban centers of the country. MGSPA helps municipalities plan and execute projects that create jobs and foster local economic growth; foster citizen participation in municipal governance, particularly for youth, and implement new municipal policies to help raise revenue and clarify functions.

Relevant projects funded by other donors include, but are not limited to:

- The *Financial Sector Strengthening Project* is funded by the World Bank and will focus on supporting the Central Bank (Da Afghanistan Bank or DAB) in the areas of accounting and auditing, information technology systems, human resources, and training. It also plans to facilitate businesses' access to

finance and build capacity of the banks to process sound business loans through assistance in establishing a credit information bureau, a collateral registry, and a banker training institute.

- The *Stimulating and Sustaining Private Sector Based Economic Growth Program* is a broad, umbrella project of the World Bank that will sponsor policy-oriented analysis, including sectoral studies and feasibility assessments, leading to practical recommendations for prioritizing and carrying out significant aspects of the economic growth/private sector development agenda. The main tasks are to develop a sound information base for policymaking and advance concrete recommendations for strengthening private sector development.
- The World Bank Afghanistan Skills Development Project (ASDP)

As a key step in responding to the low capacity of the labor force, GIRoA in 2006 requested the World Bank to provide technical and financial assistance in TVET. This request was aimed at improving the skill levels and educational profile of the country's human capacity, while simultaneously laying the policy and institutional framework for further human resource development. This led to the development of the Afghanistan Skills Development Project (ASDP).

In April 2009, a Memorandum of Understanding between three Afghan Ministries (MoE, MRRD and MAIL) and Government of Netherlands was signed on Agriculture Education, Training and Extension over the period 2009-2013. The activities covered by the initial phase of the project include development of National Policy Paper for training in the agriculture sector and establishment of National Center for Agriculture Education in Kabul linked to regional centers, as well as for establishing of Agriculture School in Uruzgan.

- The National Institute for Management and Administration (NIMA) has been established and currently has over 2500 students enrolled. Maxwell Stamp plc in consortium with University of Jyväskylä (Finland) has been contracted to develop the curriculum, teacher training materials, training of academics and management of NIMA. The international contractor will be running the Institute for two years starting from July 2009. During this period local academic and management staff shall be prepared for taking-over. Funded by the World Bank under ASDP.
- Icon Institute GmbH German Education and Training has been contracted for sub-components 2.2 and 2.3 of the ASDP project to support reforms and rehabilitation measures in TVET institutions including administrative and management reforms. Activities: review of all processes and systems in OM TVET, survey on training needs of all staff and officers and recommendations, redefinition of DM TVET primary tasks, comprehensive revision of job description, redesigning interactions with schools and institutes, designing and delivering trainings, development of personal evaluation system and internal HR policies.

Management and Staffing

One of the critical goals of AWDP is to create local capacity to provide the services targeted under this contract, including project management and technical consulting services. The Contractor is expected to reduce expatriate involvement, while increasing local Afghan involvement and responsibility for all aspects of the project as implementation takes place.

The exact structure of management has not been pre-determined. However, the principle of local ownership and capacity building suggest the following minimum requirements:

Management: Management of the project should build local management capacity, biased toward establishing Afghan capacity in each of the management positions. The following principles should be applied to achieve this objective:

Twinning: All expatriate specialists shall be paired with long-term Afghan specialists in an arrangement reasonably likely to maximize knowledge transfer. The Chief of Party (COP) or Deputy Chief of Party shall have at least two Afghan deputies who will be mentored in COP /DCOP skills and responsibilities. Short-term consultants should be paired with local specialists in a manner that will develop local capacity.

Component Management: If capacity exists, each component, or its subparts, should be managed by Afghan professionals. In practice, this may not be possible at the outset, as many of the project activities require expertise not currently abundant in Afghanistan.

Education, Training and Communications: Given the emphasis on education, training, and public education, the Contractor shall have a dedicated management unit for these functions. Activities should include an internship program for university students, as well as recently graduated high school students, particularly in digitization activities. Strategies should be implemented to ensure wide dissemination of USAID-approved reports, training materials, and analyses, including regular and meaningful sharing of information with the Afghanistan Research and Evaluation Unit (AREU), universities, and other counterpart organizations.

Security: The Contractor is responsible for security for the Contractor's personnel and offices. The Contractor shall assess the security situation in Afghanistan, particularly those municipalities and jurisdictions targeted by the project. The Contractor must plan for security needs and institute appropriate measures. The security protocol should allow for completion of contract obligations; if security factors are expected to disrupt implementation or to cause delay in attaining established targets, it is the Contractor's responsibility to notify USAID immediately.

Staffing: The project will require a mix of expatriate and local specialists. Although AWDP is intended to create capacity, technical expertise should be the defining qualification. Initial staff should be chosen on the basis of proven expertise; any position filled by an expatriate, however, should have one or more Afghan counterparts who are being trained and elevated so that they can eventually provide or oversee the services necessary to implement the kinds of activities under this project.

In addition, Contractor will utilize short-term consultants as needed throughout the project. The Contractor is encouraged to utilize national and regional consultants in addition to expatriate specialists.

C5. Expected Results and Performance Management Plan

A. *Expected results*

The overarching goal of AWDP is to increase job placements, salaries/wages and self-employment opportunities for Afghan men and women through the provision of market-driven skills training, business training and linkages to credit, business development support and job placement services.

B. *Performance Management Plan*

As part of the U.S. Mission's new approach in Afghanistan, all new contracts and grants will have an initial basic performance period of 18 months, with an optional 18 months possible for subsequent extension and

a final 12 months period subject to rigorous performance reviews. As such, the Contractor shall submit an illustrative Performance Management Plan (PMP) that includes custom targets and indicators over the course of the entire four year (48 month) program period (which includes the initial eighteen month contract period, the second 18 month program option period and a final program option period of 12 months). These must include gender sensitive indicators, and all indicators must be disaggregated by gender.

Since the PMP must monitor its set of indicators on an ongoing basis, the Contractor should select indicators that relate to the outputs and outcomes described in the causal model it proposes. The indicators delineated in Section C, Statement of Work, are illustrative and given as examples that USAIO has identified as a checklist of indicators that the Contractor is required to propose and report against. The Contractor should, however, note that a key indicator for USAIO/Afghanistan – including for A WOP- is *job placement*. The Contractor shall propose a methodology for attaining the target of 25,000 job placements (with 25% being women), its methodology for calculating job placements, as well as other indicators and targets to measure progress of project interventions toward this objective.

Additional indicator(s) should be proposed to monitor progress on local capacity building. The Contractor will propose targets for transfer of operations to its local partner as well as other targets by which USAID can evaluate local capacity building (i.e., the extent of "*Afghanization*"). In addition, milestones for transfer of responsibilities to the Afghan partner should be clearly outlined in the PMP. Organization charts showing the progression of AWOP's changing implementation structure will be helpful in this regard.

A more detailed and complete PMP will be developed and submitted with the initial eighteen month (18) work plan (WP), which is part of the four year (48 month) program WP, for USAIO's approval within the first 60 days after award. All targets will be subject to revision and expansion based on the initial WP submitted to USAID for approval, as well as periodic progress reviews conducted by USAIO. The

All reporting (whether programmatic or financial) will need to be both consolidated nationally and disaggregated by regions corresponding to the RFPs, by province and by district. Reporting will be provided upon request. At specified periods, a list of activities that AWDP has accomplished, and that are planned, nationally, regionally and by province will also be provided. AWDP will need to quantify both direct and indirect expenditures, past and planned, nationally, regionally and by province. Most of the above information is collected by USAID in a Mission specific database called "Afghan Info".

The overarching indicator for AWDP is *job placement*. The contractor shall propose its target for job placement, its methodology for calculating job placement, as well as other indicators and targets to measure progress of project interventions toward this objective. At a minimum, these other indicators shall include:

- Number of private universities assisted
- Number of public universities assisted
- Number of private TVET schools assisted
- Number of public TVET schools assisted
- Number of workshops and labs established
- Number of workshops and labs improved
- Number of TVET curricula developed
- Number of TVET curricula improved
- Number of TVET learning materials developed and distributed

C. Foreign Assistance ("F") Framework Sub- Elements and Standard Indicators

EG 6.3 Workforce Development

Sub-Elements

Sub-Element 4.6.3.1: Systemic Reform

Numerous institutional and policy issues inhibit the development of the TVET sector in Afghanistan. These issues range from the role of the public sector in training and the fragmentation of responsibilities across several ministries, subsequently GIROA's role in TVET education and training is still being determined. In addition, the private or NGO sector has been successful over the past few years.

In areas such as computer literacy or ESL, for which a significant private market exists in the more urban areas, government intervention should encourage training without supplanting private or NGO efforts. By focusing the public sector's role in improving service standards and teacher/ instructor quality, equitable access, and fostering an environment that encourages private/NGO training, the government will be able to focus on the most vulnerable and disadvantaged populations.

Sub-Element 4.6.3.2: Partnership Development

Many national and international NGOs and donor countries have recognized the lack of qualified trainers and the importance of developing core curriculums, teacher/trainer certification, and course and institutional accreditation. One method to address these concerns is the implementation of partnership programs, between private sector business interests through apprenticeship programs and establishing actual partnerships (mentoring) between Afghan TVET institutes and regional or international TVET institutes.

Sub-Element 4.6.3.3: Workforce Readiness

It is important to align school completion with entry to work because many students join the labor force without the benefit of a tertiary education. A short transition between school and work can be achieved by strengthening the skill curriculum in general education and vice versa; inviting business persons and employers to help develop the curriculum for and to manage VET schools; and introducing apprentice programs into secondary schooling.

Sub-Element 4.6.3.4: Technical/Vocational Training for Employment

To ensure that TVET institutions respond to labor market needs, prospective employers should be solicited for their advice relevant to employment skills and curriculum requirements. Private sector employers and business owners' involvement can narrow the gap between market needs for skilled labor and the institutional output of that skilled labor. In addition, national, regional and local labor market skill requirements need to be solicited regularly to ensure the TVET providers have placements for their trainees.

Indicators

1. Number of persons participated in USG-Funded Workforce Development Programs.
2. Number of persons completed USG-Funded Workforce Development Programs.
3. Number of people gained employment or better employment subsequent to participation in USG-Funded Workforce Development Programs.
4. Number of people transitioned to further education and training as a result of participation in USG-funded workforce development programs.
5. Number of workforce development initiatives created through USG assisted public-private partnerships.
6. Number of new or improved workforce development policies drafted through USG assistance.

[END OF SECTION C)

SECTION D: PACKAGING AND MARKING

D.1 AIDAR 752.7009 MARKING (JAN 1993)

(a) It is USAID policy that USAID-financed commodities and shipping containers, and project construction sites and other project locations be suitably marked with the USAID emblem. Shipping containers are also to be marked with the last five digits of the USAID financing document number. As a general rule, marking is not required for raw materials shipped in bulk (such as coal, grain, etc.), or for semi finished products which are not packaged.

(b) Specific guidance on marking requirements should be obtained prior to procurement of commodities to be shipped, and as early as possible for project construction sites and other project locations. This guidance will be provided through the cognizant technical office indicated on the cover page of this contract, or by the Mission Director in the Cooperating Country to which commodities are being shipped, or in which the project site is located.

(c) Authority to waive marking requirements is vested with the Regional Assistant Administrators, and with Mission Directors.

(d) A copy of any specific marking instructions or waivers from marking requirements is to be sent to the Contracting Officer; the original should be retained by the Contractor.

D.2 BRANDING STRATEGY

The branding strategy for this contract, as specified in USAID ADS 320.3.2.1 is as follows:

Program Name: Afghanistan Workforce Development Program

Branding: The branding shall incorporate the message: The assistance is "from the American People jointly sponsored by USAID and the Government of the Islamic Republic of Afghanistan".

Desired Level of Visibility: USAID identity must be prominently displayed in: commodities or equipment; printed, audio, visual or electronic public communications; studies, reports, publications, web sites, and all promotional and informational products; and events.

Organizations to Acknowledge: The branding may acknowledge other organizations deemed as partners of an event or deliverable.

D.3 BRANDING AND MARKING POLICY

In accordance with provision D.2 above, and where applicable, the Contractor shall comply with the requirements of the policy directives and required procedures outlined in USAID Automated Directive System (ADS) 320.3.2 "Branding and Marking in USAID Direct Contracting" (version from January 8, 2007) at <http://www.usaid.gov/policy/ads/300/320.pdf>; and USAID "Graphic Standards Manual" available at www.usaid.gov/branding, or any successor branding policy.

[END OF SECTION D]

PARTI-THE SCHEDULE

SECTION E: INSPECTION AND ACCEPTANCE

E.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1)

| NUMBER | TITLE | DATE |
|----------|--|----------|
| 52.246-5 | INSPECTION OF SERVICES--COST-REIMBURSEMENT | APR 1984 |

E.2 INSPECTION AND ACCEPTANCE

USAID inspection and acceptance of services, reports and other required deliverables or outputs shall take place in Afghanistan where the services are performed and reports and deliverables or outputs are produced or submitted.

Inspection of all deliverables required hereunder shall be made by the Contracting Officer's Representative (COR), designated in Section G, who has been delegated authority to inspect and accept all services, reports and other required deliverables. Acceptance of services, reports and other deliverables by the COR shall form the basis for payments to the Contractor.

E.3 MONITORING AND EVALUATION PLAN

Monitoring and evaluation programs should be utilized in order to assess the impact of the programs and whether or not objectives are being achieved and if they should be adjusted. The Contractor will input all required information into the USAID Afghan Info System (or any successor database) on a quarterly basis.

[END OF SECTION E]

PARTI-THE SCHEDULE

SECTION F: DELIVERIES OR PERFORMANCE

F.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

FEDERAL ACQUISITION REGULATION (48 CFR Chapter I)

| NUMBER | TITLE | DATE |
|-----------|--------------------------------|------------------------|
| 52.242-15 | STOP-WORK ORDER ALTERNATE I | AUG 1989 (APR 1984) |

F.2 PERIOD OF PERFORMANCE

The period of performance of this contract is as follows: An initial 18 months contact period from award date for the base period, plus two additional option periods, the first for 18 months followed by a 12 months final contract period. The effective date of this contract is the date of the Contracting Officer's Signature on block (20 C) on the cover page.

F.3 PLACE OF PERFORMANCE

Performance of this contract will be in Afghanistan.

F.4 DELIVERABLES

In addition to other required reports and deliverables in this Contract, the Contractor shall deliver the following:

Performance Management Plan (PMP)

The Contractor shall submit a draft Performance Management Plan (PMP) to the COR within 60 days of the effective date of this Contract. The PMP will cover the entire four (4) year period of the program (48 months) and shall include, but not necessarily be limited to, the following: (1) the results to be achieved by the project; (2) the indicators to be used to measure achievement of the results; (3) the method of data collection to be used to obtain the indicator data and the frequency at which each will be collected (monthly, quarterly, semi-annually); and (4) targets for each contract period. USAID will review the draft PMP and provide comments/suggestions within 30 days of receipt. The Contractor shall then submit a final PMP to the USAID COR for approval not later than 15 days from receipt of USAID's comments/suggestions.

Work Plan (WP)

The Contractor will prepare for the COR's review and approval a Work Plan (WP) setting forth in reasonable detail the Contractor's plans for pursuing activities set forth in this RFP and detailing additional proposed activities that may substantially contribute toward the project's goal, as required. The work plan shall also delineate project work by provinces, where appropriate. The draft WP will cover the entire four years (48 months) of the program with particular emphasis on the first 18 months and will be provided as part of the RFP proposal process, with a final version provided to the COR no later than four weeks from

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the effective date of this Contract. Draft work plans for subsequent contract periods shall be submitted to the COR at least 45 days prior to the start of each corresponding project period. As may be necessary due to circumstances beyond the Contractor's control, and subject to the COR's approval, the WP may be amended and benchmarks/indicators/results added, deleted, or revised from time to time.

The WP shall include a schedule of activities and tasks planned to be conducted, and the inputs planned to be provided by the Contractor, including a description of planned activities and tasks and an estimated budget – organized by component and, as appropriate, by sub-component. The initial WP shall also break out activities by province for the benefit of coordinating efforts with PRTs in the field. The WP must be linked to the performance indicators set forth in the PMP.

The Contractor will incorporate any required revisions into a final WP no later than 5 days after receipt of such comments from USAID. The USAID COR will provide a written approval of the final work plan to the Contractor. Should revised activities, performance indicators or performance targets become necessary, the Contractor shall submit a revised work plan to USAID for approval.

F.5 LEVEL OF EFFORT

The total estimated level of efforts under this contract is 2,070 workdays for the Base Period (18 months), 720 workdays for the Option Period (18 months) and 480 workdays for the Option Period (12 months), for each long-term international advisor. Long-term advisors are described as individuals on the ground for 42 days or more (this is based on eligibility of post differential).

The Long Term Cooperative Country National (CCN) level of efforts under this contract is 8,410 workdays during the life of the contract.

Shorter-term international consultants are described as individuals on the ground for 41 days or less. Total workdays estimated for short-term consultants including the home office support are 1,193 workdays during the life of the contract.

Short-term CCNs are estimated at 550 LOE days during the life of the contract.

F.6 PERFORMANCE STANDARDS

Evaluation of the Contractor's overall performance in accordance with the performance standards set forth below, will be conducted jointly by the COR and the Contracting Officer, and shall form the basis of the Contractor's permanent performance record with regard to this contract.

F.7 REPORTS AND DELIVERABLES

All reports and deliverables shall be submitted electronically to the USAID COR, with a copy to the Contracting Officer and to any other USAID personnel upon request. As feasible, the Contractor shall also develop a web-based information system for public access to information, as well as for internal information management. As necessary, the COR may direct the Contractor to provide hard copies of reports and any of the deliverables described below.

All reporting (whether programmatic or financial) will need to be both consolidated nationally and disaggregated by regions corresponding to the military regional commands and by province. The Contractor will need to be able to provide upon request, as well as periodically specified, a list of activities that AWOP has accomplished, and that are planned, nationally, regionally and by province. AWOP will

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need to quantify both direct and indirect expenditures, past and planned, nationally, regionally and by province and district.

Weekly Status Report

Weekly reports ("weeklies") are intended to be brief highlights of achievements across components. Such reports are meant to be shared with the USG community, as well as other donors and Afghan counterparts, to highlight progress and milestones achieved. Creation of Dari and Pashto versions are required as part of the public outreach effort. Weekly status reports shall consist of 1-2 pages of highlights, issues and other pertinent items.

Quarterly Performance Reports

The Contractor shall submit brief quarterly performance reports to the COR within 30 days of the end of each calendar quarter reflecting results and activities of the preceding quarter. The report shall describe the plan for the reporting period (as set forth in the WP) and report on progress to date for PMP indicators for that quarter. A description of the specific accomplishments of the Contractor and any STTA should also be provided, including information on all activities, both ongoing and completed, by component, and geographically by province. The quarterly reports shall highlight any issues or problems that are affecting the delivery or timing of services provided by the Contractor. These reports should summarize project progress against tasks and benchmarks, including tasks assigned through technical directives and identify implementation issues that may inhibit or enhance contractor performance. In each quarterly report, the Contractor shall include success stories which provide information that demonstrates the impact that the activity/program has had during the reporting period through materials such as stories, quotes and photos. The reports will also discuss interaction with counterparts, and any necessary alterations to the work plan and initial timetable.

As agreed upon by the COR, quarterly reporting shall begin after the end of the first quarter from the contract award. The quarterly report is due to the activity manager and/or the COR on or before the last day of the month following the end of each quarter. The COR may make exceptions to this schedule depending on when exactly the contract is signed; for example, if the project begins in November, the time remaining in Q1 may be incorporated into the quarterly report for Q2.

As agreed upon by the COR, a brief summary of quarterly activities and achievements in local languages, Pashto and Dari, are required.

Quarterly Reports Schedule for Submission:

Q1: January 1 to March 31

Q2: April 1 to June 30

Q3: July 1 to September 30

Q4: October 1 to December 31

Quarterly Report due April 30

Quarterly Report due July 31

Quarterly Report due October 31

Quarterly Report due January 31

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Quarterly Financial Reporting

The Contractor shall submit to the COR and to the USAID Financial Management Officer brief quarterly expenditure which will contain a summary page which shows spending by category for the quarter, cumulative spending to date, available funding for the remainder of the activity and any variances from planned expenditures. The Quarterly report will also outline expenditures by results, as well as by province and regional command. If there are significant accrued expenditures for the quarter being reported upon which for some reason have not yet been billed to the contract, the Contractor will include a brief note to that effect, with the specific amount involved, thus enabling the COR to accurately track AWDP's expenditure rate. These reports will be submitted approximately two weeks before the end of the quarter. The precise deadline each quarter for the submittal of the financial reports will be specified by USAID.

Annual Reports

For the program annual report, the Contractor shall submit a draft report, capturing results against the project PMP in a format agreed to by the COR 30 days prior to the end of each year. The COR will provide comments within 15 days, and the Contractor shall then submit a final draft to the COR for approval within 15 days of receipt of the COR's comments.

Project Eighteen Month Report

For the project eighteen month report (covering initial eighteen (18) months), the Contractor shall submit a draft report, capturing results against the project PMP in a format agreed to by the COR. The COR will provide comments within 15 days, and the Contractor shall then submit a final draft to the COR for approval within 15 days of receipt of the COR's comments.

AFGHAN INFO Reporting Requirement:

USAID/Afghanistan uses a management information system to track program and project information for all mission-funded activities at the provincial, district, and village levels. The purpose of this database is to track the location of project implementation to the nearest village or geospatial coordinate, document the use of funds at the district level, and monitor the performance of development projects, while maintaining coordination between USAID/Afghanistan, USAID/Washington, Congress, implementing partners, the Government of Afghanistan, and other donors. This reporting process supports the Government of Afghanistan's requirement that USAID provide information to the Ministry of Finance in order to track ongoing and completed donor-sponsored development activities.

The Contractor shall provide at least a quarterly update of information on the activities under the cooperative agreement by entering this information into the USAID/Afghanistan management information system. The Contractor shall enter information via an Internet website or a Microsoft (MS) Access Database; USAID will provide the URL address or Access Database, and a user id/password. A comprehensive user manual will be provided after that details information on the required information and processes needed for managing the information in USAID/Afghanistan information system.

Foreign Assistance Framework ("F") and other Reporting

The Contractor shall provide input to the Mission's annual Operational Plan (OP), the Mission's Performance Plan and Report (PPR), and USAID Afghanistan's Afghan Info database. The purpose of the Mission's Operational plan, completed each fall, is to set targets for results projected for the following fiscal year. The purpose of the PPR, completed each spring, is to capture results achieved by

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USAID/Afghanistan during the prior fiscal year and report against targets that were outlined in the OP. Afghan Info is populated at a minimum on a quarterly basis.

As part of its input for these reports, the Contractor is required to set targets for and report on "standard indicators" under the "F" framework, in addition to "custom" indicators that it develops under its PMP. The "F" indicators are subject to change as the "F" process evolves.

The AWOP project falls under Program Element 4.6.3, Workforce Development, Sub-Element 4.6.3.1: Systemic Reform, Sub-element 4.6.3.2: Partnership Development, Sub-element 4.6.3.3: Workforce Readiness, and Sub-element 4.6.3.4: Technical/Nonvocational Training for Employment

Short-Term Consultant Reports

Unless otherwise agreed to in writing by the COR, the Contractor will submit within 10 days following departure of a Consultant, a brief written report that describes the purpose of the consultancy, progress made, and any observations to be shared; identifies issues and/or problems encountered; and details expected follow-on activities by resident Contractor staff, as well as actions to be performed by participating counterparts. In some cases the COR will request a briefing from the consultant for him/her and/or other USG staff.

Other Project Reports

The Contractor shall prepare and disseminate, as directed in the WP and approved by the COR, other reports and deliverables needed to accomplish the purpose of this contract, such as technical reports prepared by in-country staff and short-term consultants, studies of policy and other issues, products, sectors, markets, technologies, etc.

Closeout Plan

The Contractor shall submit a Demobilization Plan for COR approval 90 days prior to the end of the contract award. The Demobilization Plan shall include an illustrative Property Disposition Plan, a plan for the phase-out of in-country operations, a delivery schedule for all reports or other deliverables required under the Contract and a timetable for completing all required actions in the Demobilization Plan, including the submission date of the final Property Disposition Plan to the OAA Director.

Final Report

The Contractor shall prepare and submit electronically to the COR, no later than the estimated end-date of this contract date, a detailed final/completion report which summarizes the accomplishments and impact in relation to the expected results and PMP, and recommendations regarding future and unfinished work.

The report will include, but not be limited to:

- A discussion of the impact of the project as compared to baseline conditions and data and an analysis of Afghanistan's workforce market overall;
- A description of all institutions and organizations worked with in connection with project components and an evaluation of their strengths and weaknesses;
- A discussion of problems encountered, objectives not fully achieved and lessons learned, and suggest ways to resolve identified constraints;
- Incorporation of any additional/available evaluative data compared to project results and any explanatory background; and

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- A final financial report.

The final/completion report shall also contain an index of all reports and information products produced under this contract. The completion report may provide recommendations for follow-on work that might complement the work completed under the contract. The COR will provide written comments, and the Contracting Officer may likewise add written comments, which the Contractor will address in revising the draft and submitting a final completion report.

The COR is required to document/certify in the official COR file on a quarterly basis confirming that the contractor is complying with specific reporting/delivery requirements.

Mobilization Plan: The contractor shall submit a mobilization plan detailing the timeframe for deploying staff, setting up additional offices, procuring vehicles and office equipment, and initiating work activities in new provinces/districts.

Grants Manual: Within thirty days after the award of the AWDP contract is made, the Contractor shall submit their Grants Manual for review. The Contractor shall request Grants under Contract (GUC) component, to provide grants to district entities. Inclusion of the grants program is considered essential to the activities of the Contractor in achieving the overall strategy and expected results of the program. The Contractor shall submit a Grants Manual and an accompanying easy to use activity flow chart in order to specify how they will administer the Grants under Contract GUC to achieve results.

Demobilization Plan: The Contractor shall submit a demobilization plan to the COR for approval. The demobilization plan shall include an illustrative property disposition plan, a plan for phase out of in-country operations, a delivery schedule for all reports or other deliverables required under the contract and a timetable for completing all required actions in the demobilization plan, including the submission date of the final property disposition plan to the contracting officer.

F.9 DATABASE REPORTING REQUIREMENTS

USAID/Afghanistan uses a management information system to track program and project information for all mission-funded activities at the provincial, district, and village levels. The purpose of this database is to track the location of project implementation to the nearest village or geospatial coordinate, document the use of funds at the district level, and monitor the performance of development projects, while maintaining coordination between USAID/Afghanistan, USAID/Washington, Congress, implementing partners, the Government of Afghanistan, and other donors. This reporting process supports the Government of Afghanistan's requirement that USAID provide information to the Ministry of Finance in order to track ongoing and completed donor-sponsored development activities.

The Contractor shall provide at least a quarterly update of information on the activities under the contract by entering this information into the USAID/Afghanistan management information system. The Contractor shall enter information via an Internet website or a Microsoft (MS) Access Database; USAID will provide the URL address or Access Database, and a user ID/password. A comprehensive user manual will be provided after that details information on the required information and processes needed for managing the information in USAID/Afghanistan information system.

F.10 KEY PERSONNEL

- a. The following positions are designated as Key Personnel:

Chief of Party (COP)

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Deputy Chief of Party (DCOP), Programs/PMU
 Deputy Chief of Party (DCOP), Capacity Building and Teacher Training Advisor
 Curriculum Development Advisor
 Director of Finance and Grants

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

**F.11 SUBMISSION REQUIREMENTS FOR DEVELOPMENT EXPERIENCE DOCUMENTS
 (JAN 2004)**

Contract Reports and Information/Intellectual Products

- (1) The Contractor shall submit to USAID's Development Experience Clearinghouse (DEC) copies of reports and information products which describe, communicate or organize program/project development assistance activities, methods, technologies, management, research, results and experience as outlined in the Agency's ADS Chapter 540. Information may be obtained from the Contracting Officer Representative (COR). These reports include: assessments, evaluations, studies, development experience documents, technical reports and annual reports. The Contractor shall also submit two copies of information products including training materials, publications, databases, computer software programs, videos and other intellectual deliverable materials required under the Contract Schedule. Time-sensitive materials such as newsletters, brochures, bulletins or periodic reports covering periods of less than a year are not to be submitted.
- (2) Upon contract completion, the Contractor shall submit to DEC an index of all reports and information/intellectual products referenced in paragraph a.1) of this clause.

b. Submission requirements.

(1) Distribution

- (i) At the same time submission is made to the COR, the Contractor shall submit, one copy each, of contract reports and information/intellectual products (referenced in paragraph a.1) of this clause) in either electronic (preferred) or paper form to one of the following:

(A) Via E-mail: docsubmit@usaid.gov

(B) Via U.S. Postal Service:

Development Experience Clearinghouse

M/CIO/KM

RRB M.OI

U.S. Agency for International Development

Washington, DC 20523

or

(C) Online: <http://dec.usaid.gov>

- (ii) The Contractor shall submit the reports index referenced in paragraph a.2) of this clause

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and any reports referenced in paragraph a.1) of this clause that have not been previously submitted to DEC within 30 days after completion of the contract to one of the addresses cited in paragraph b.1) of this clause.

(2) Format

- (1) Descriptive information is required for all Contractor products submitted. The title page of all reports and information products shall include the contract number(s), contractor name(s), name of the USAID COR, the publication or issuance date of the document, document title, author name(s), and strategic objective or activity title and associated number. In addition, all materials submitted in accordance with this clause shall have attached on a separate cover sheet, the name, organization, address, telephone number, fax number, and Internet address of the submitting party.
- (2) The report in paper form shall be prepared using non-glossy paper (preferably recycled and white or off-white) using black ink. Elaborate art work, multicolor printing and expensive bindings are not to be used. Whenever possible, pages shall be printed on both sides.
- (3) The electronic document submitted shall consist of only one electronic file which comprises the complete and final equivalent of the paper copy.
- (4) Acceptable software formats for electronic documents include WordPerfect, Microsoft Word, and Portable Document Format (PDF). Submission in PDF is encouraged.
- (5) The electronic document submission shall include the following descriptive information:
 - (A) Name and version of the application software used to create the file, e.g., WordPerfect Version 9.0 or Acrobat Version 5.0.
 - (B) The format for any graphic and/or image file submitted, e.g., TIFF-compatible.
 - (C) Any other necessary information, e.g., special backup or data compression routines, software used for storing/retrieving submitted data or program installation instructions.

[END OF SECTION F]

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SECTION G: CONTRACT ADMINISTRATION DATA

G.1 AIDAR 752.7003 DOCUMENTATION FOR PAYMENT (NOV 1998)

- a) Claims for reimbursement or payment under this contract must be submitted to the Paying Office indicated in the schedule of this contract. The Contracting Officer's Representative (COR) is the authorized representative of the Government to approve vouchers under this contract. The Contractor must submit either email, paper or fax versions of the SF-I 034 -Public Voucher for Purchases and Services Other Than Personal. Each voucher shall be identified by the appropriate USAID contract number, in the amount of dollar expenditures made during the period covered.

(1) The SF 1034 provides space to report by line item for products or services provided. The form provides for the information to be reported with the following elements:

| TOTAL EXPENDITURES (Document Number: XXX-X-XX-XXXX-XX) | | | |
|---|---|------------------------|----------------------------|
| Line Item | Description | Amt. Vouchered To Date | Amt. Vouchered This Period |
| 0001 | Product/Service Desc. For Line Item 0001 example: Salary/Wages | \$XXXX.XX | \$XXXX.XX |
| 0002 | Product/Service Desc. For Line Item 0002 example: Travel | \$XXXX.XX | \$XXXX.XX |
| Total | | \$XXXX.XX | \$XXXX.XX |

(2) The fiscal report shall include a certification, signed by an authorized representative of the Contractor, as follows:

The undersigned hereby certifies to the best of my knowledge and belief that the fiscal report and any attachments have been prepared from the books and records of the Contractor in accordance with the terms of this contract and are correct: the sum claimed under this contract is proper and due, and all the costs of contract performance (except as herewith reported in writing) have been paid, or to the extent allowed under the applicable payment clause, will be paid currently by the Contractor when due in the ordinary course of business; the work reflected by these costs has been performed, and the quantities and amounts involved are consistent with the requirements of this Contract; all required Contracting Officer approvals have been obtained; and appropriate refund to USAID will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of this contract.

BY: _____
 TITLE: _____
 DATE: _____

- b) Local currency payment: The Contractor is fully responsible for the proper expenditure and control of local currency, if any, provided under this contract. Local currency will be provided to the Contractor in accordance with written instruction provided by the Mission Director. The written instructions will also include accounting, vouchering, and reporting procedures. A copy of the instructions shall be provided

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to the Contractor's Chief of Party and to the Contracting Officer. The costs of bonding personnel responsible for local currency are reimbursable under this contract.

- c) Upon compliance by the Contractor with all the provisions of this contract, acceptance by the Government of the work and final report, and a satisfactory accounting by the Contractor of all Government-owned property for which the Contractor had custodial responsibility, the Government shall promptly pay to the Contractor any moneys (dollars or local currency) due under the completion voucher. The Government will make suitable reduction for any disallowance or indebtedness by the Contractor by applying the proceeds of the voucher first to such deductions and next to any un-liquidated balance of advance remaining under this contract.
- d) The Contractor agrees that all approvals of the Mission Director and the Contracting Officer which are required by the provisions of this contract shall be preserved and made available as part of the Contractor's records which are required to be presented and made available by the clause of this contract entitled "Audit and Records-Negotiation".

G.2 ADMINISTRATIVE CONTRACTING OFFICE

The Administrative Contracting Office is:

USAID/Afghanistan
Office of Acquisition and Assistance
U.S. Embassy East
Compound Great
Masood Road
Kabul, Afghanistan

U.S. Address:

Office of Acquisition & Assistance (OAA/Kabul)
USAID, Afghanistan
6180 Kabul Place,
Dulles, VA 20189-6180

G.3 CONTRACTING OFFICER'S REPRESENTATIVE (COR)

The COR will be designated by a designation letter from the Contracting Officer upon award.

G.4 TECHNICAL DIRECTIONS/RELATIONSHIP WITH USAID

- a) Technical Directions are defined to include:
 - 1) Written directions to the Contractor which fill in details, suggest possible lines of inquiry, or otherwise facilitate completion of work;
 - 2) Provision of written information to the Contractor which assists in the interpretation of drawings, specifications, or technical portions of the work statement;
 - 3) Review and, where required, provide written approval of technical reports, drawings, specifications, or technical information to be delivered. Technical directions must be in writing, and must be within the scope of the work as detailed in Section C.

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- b) The COR is authorized by designation to take any or all action with respect to the following which could lawfully be taken by the Contracting Officer, except any action specifically prohibited by the terms of this Contract:
- 1) Assure that the Contractor performs the technical requirements of the contract in accordance with the contract terms, conditions, and specifications.
 - 2) Perform or cause to be performed, inspections necessary in connection with a) above and require the Contractor to correct all deficiencies; perform acceptance for the Government.
 - 3) Maintain all liaison and direct communications with the Contractor. Written communications with the Contractor and documents shall be signed as "Contracting Officer's Technical Representative" with a copy furnished to the Contracting Officer.
 - 4) Issue written interpretations of technical requirements of Government drawings, designs, and specifications.
 - 5) Monitor the Contractor's production or performance progress and notify the Contractor in writing of deficiencies observed during surveillance, and direct appropriate action to effect correction. Record and report to the Contracting Officer incidents of faulty or nonconforming work, delays or problems.
 - 6) Obtain necessary security clearance and appropriate identification if access to Government facilities is required. If to be provided, ensure that Government furnished property is available when required.

LIMITATIONS: The Contracting Officer's Representative is not empowered to award, agree to, or sign any contract (including delivery or purchase orders) or modifications thereto, or in any way to obligate the payment of money by the Government. The Contracting Officer's Technical Representative may not take any action which may impact on the contract schedule, funds, scope or rate of utilization of LOE. All contractual agreements, commitments, or modifications which involve prices, quantities, quality, and schedules shall be made only by the Contracting Officer.

- c) In the separately-issued Contracting Officer's Representative Designation letter, the CO designates an alternate Contracting Officer's Representative to act in the absence of the designated Contracting Officer's Representative, in accordance with the terms of the letter.
- d) Contractual Problems- Contractual problems, of any nature, that may arise during the life of the contract must be handled in conformance with specific public laws and regulations (i.e. Federal Acquisition Regulation and Agency for International Development Acquisition Regulation). The Contractor and the Contracting Officer's Representative shall bring all contracting problems to the immediate attention of the Contracting Officer. Only the Contracting Officer is authorized to formally resolve such problems. The Contracting Officer will be responsible for resolving legal issues, determining contract scope and interpreting contract terms and conditions. The Contracting Officer is the sole authority authorized to approve changes in any of the requirements under this contract. Notwithstanding any clause contained elsewhere in this contract, the said authority remains solely with the Contracting Officer. These changes include, but will not be limited to the following areas: scope of work, price, quantity, technical specifications, delivery schedules, and contract terms and conditions. In the event the Contractor effects any changes at the direction of any other person other than the Contracting Officer, the change will be considered to have been made without authority.

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- e) Failure by the Contractor to report to the Administrative Contracting Office, any action by the Government considered to a change, within the specified number of days contained in FAR 52.243-7 (Notification of Changes), waives the Contractor's right to any claims for equitable adjustments.

G.S PAYING OFFICE

The preferred method of transmission of invoices is through electronic medium at the following address: KabulAIDevouchers@usaid.gov. Subject line shall read AID-306-12-C-00007. The SF-I 034 must be signed, and it must be submitted along with the invoice and any other documentation in Adobe format. If submitting invoices electronically, do not send a paper copy.

Paper copy submission: One (1) original of each invoice shall be submitted on an SF-1034 Public Voucher for Purchases and Services Other Than Personal to the Office of Financial Management (OFM) at the following address:

Office of Financial Management
USAID/Afghanistan
U.S. Embassy East
Compound Great
Masood Road Kabul,
Afghanistan

Financial Tracking and vouchering

It is likely that multiple resources of funds, e.g., supplemental funds, may be used to fund this contract. The contractor should be prepared to track the use of these multiple financial resources and performance measures associated with these funds. All vouchers should clearly mark the source of funds. Prior year funds should be disbursed first.

[END OF SECTION G)

PART II - CONTRACT CLAUSES

SECTION H: SPECIAL CONTRACT REQUIREMENTS

H.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

| NUMBER | TITLE | DATE |
|----------|---|----------|
| | FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) AIDAR 48 CFR Chapter 7 | |
| 752.7027 | PERSONNEL | DEC 1990 |

H.2 AIDAR 752.211-70 LANGUAGE AND MEASUREMENT (JUNE 1992)

- a) The English language shall be used in all written communications between the parties under this contract with respect to services to be rendered and with respect to all documents prepared by the contractor except as otherwise provided in the contract or as authorized by the contracting officer.
- b) Wherever measurements are required or authorized, they shall be made, computed, and recorded in metric system units of measurement, unless otherwise authorized by USAID in writing when it has found that such usage is impractical or is likely to cause U.S. firms to experience significant inefficiencies or the loss of markets. Where the metric system is not the predominant standard for a particular application, measurements may be expressed in both the metric and the traditional equivalent units, provided the metric units are listed first.

H.3 FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES

Funds in this contract may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization, except as provided in ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences [<http://www.info.usaid.gov/pubs/ads/300/refindx3.htm>] or as approved by the CO.

H.4 AIDAR 752.225-70 SOURCE AND NATIONALITY REQUIREMENTS (FEB 2012)

- a) Except as may be specifically approved by the Contracting Officer, the Contractor must procure all commodities (e.g., equipment, materials, vehicles, supplies) and services (including commodity transportation services) in accordance with the requirements at 22 CFR Part 228 "Rules on Procurement of Commodities and Services Financed by USAID Federal Program Funds." The authorized source for procurement is Geographic Code 937 unless otherwise specified in the schedule of this contract. Guidance on eligibility of specific goods or services may be obtained from the Contracting Officer.
- b) Ineligible goods and services. The Contractor must not procure any of the following goods or services under this contract:
 - (1) Military equipment
 - (2) Surveillance equipment
 - (3) Commodities and services for support of police and other law enforcement activities

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- (4) Abortion equipment and services
- (5) Luxury goods and gambling equipment, or
- (6) Weather modification equipment.
- (c) Restricted goods. The Contractor must obtain prior written approval of the Contracting Officer or comply with the required procedures under an applicable waiver as provided by the Contracting Officer when procuring any of the following goods or services:
- (1) Agricultural commodities,
 - (2) Motor vehicles,
 - (3) Pharmaceuticals and contraceptive items
 - (4) Pesticides,
 - (5) Fertilizer,
 - (6) Used equipment, or
 - (7) U.S. government-owned excess property.

If USAID determines that the Contractor has procured any of these specific restricted goods under this contract without the prior written authorization of the Contracting Officer or fails to comply with required procedures under an applicable waiver as provided by the Contracting Officer, and has received payment for such purposes, the Contracting Officer may require the contractor to refund the entire amount of the purchase.

H.5 INSURANCE AND SERVICES

(a) Pursuant to AIDAR 752.228-3-Worker's Compensation Insurance (Defense Base Act), USAID's DBA insurance carrier is Allied World Assurance Company (Allied). The agent responsible for administration of USAID-funded policies with Allied is Aon Risk Insurance Services, Inc.

Primary Contact

AON
199 Fremont St., Suite 1400
San Francisco, CA 94105
Regina Carter:
Phone: 415-486-7554

Secondary Contact

AON
1120 20th St., N.W., Suite 600
Washington, DC 20036
Ellen Rowan
Phone: 202-862-5306

(b) Current policies written by the former underwriter, CNA (with Rutherford being the agent and not AON), may remain in effect until they expire. Any claims that arise under CNA policies that are valid until 31 December 2010, or earlier, must be submitted to CNA through Rutherford, at the following address:

Rutherford International, Inc.
5500 Cherokee Avenue, Suite 300
Alexandria, VA 22312
Points of Contact:
Diane Proctor or Sue Somers
(703) 813-6503
Hours of Operation are: 8 a.m. to 5 p.m. (EST)
Telefax: (703) 354-0370
E-Mail: www.rutherford.com

(a) The Contractor agrees to procure Defense Base Act (DBA) insurance pursuant to the terms of the contract between USAID and USAID's DBA insurance carrier unless the Contractor has a DBA self insurance program approved by the Department of Labor or has an approved retrospective rating agreement for DBA.

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(b) If USAID or the Contractor has secured a waiver of DBA coverage (see AIDAR 728.305-70(a)) for contractor's employees who are not citizens of, residents of, or hired in the United States, the contractor agrees to provide such employees with worker's compensation benefits as required by the laws of the country in which the employees are working, or by the laws of the employee's native country, whichever offers greater benefits.

(c) The Contractor further agrees to insert in all subcontracts hereunder to which the DBA is applicable, a clause similar to this clause, including this sentence, imposing on all subcontractors a like requirement to provide overseas workmen's compensation insurance coverage and obtain DBA coverage under the USAID requirements contract.

H.6 AIDAR 752.228-70 MEDICAL EVACUATION (MEDEVAC) SERVICES (JULY 2007)

a) Contractors must provide MEDEVAC service coverage to all U.S. citizen, U.S. resident alien, and Third Country National employees and their authorized dependents (hereinafter "individual") while overseas under a USAID-financed direct contract. USAID will reimburse reasonable, allowable, and allocable costs for MEDEVAC service coverage incurred under the contract. The Contracting Officer will determine the reasonableness, allowability, and allocability of the costs based on the applicable cost principles and in accordance with cost accounting standards.

b) Exceptions:

(i) The Contractor is not required to provide MEDEVAC insurance to eligible employees and their dependents with a health program that includes sufficient MEDEVAC coverage as approved by the Contracting Officer.

(ii) The Mission Director may make a written determination to waive the requirement for such coverage. The determination must be based on findings that the quality of local medical services or other circumstances obviate the need for such coverage for eligible employees and their dependents located at post.

c) Contractor must insert a clause similar to this clause in all subcontracts that require performance by contractor's employees overseas.

H.7 AIDAR 752.245-71 TITLE TO AND CARE OF PROPERTY (APR 1984)

a) Title to all non-expendable property purchased with contract funds under this contract and used in the Cooperating Country, shall at all times be in the name of the Cooperating Government, or such public or private agency as the Cooperating Government may designate, unless title to specified types or classes of non-expendable property is reserved to USAID under provisions set forth in the schedule of this contract; but all such property shall be under the custody and control of Contractor until the owner of title directs otherwise, or completion of work under this contract 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 guaranties and warranties obtained from suppliers shall be taken in the name of the title owner. (Non-expendable property is property which is complete in itself, does not lose its identity or become a component part of another article when put into use; is durable, with an expected service life of two years or more; and which has a unit cost of \$500 or more.

b) Contractor shall prepare and establish a program, to be approved by the Mission, for the receipt, use, maintenance, protection, custody, and care of non-expendable property for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program.

c) (1) For non-expendable property to which title is reserved to the U.S. Government under provisions set forth in the schedule of this contract, Contractor shall submit an annual report on all non-expendable property under its custody as required in the clause of this contract entitled "Government Property".

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(2) For non-expendable property titled to the Cooperating Government, the Contractor shall, within 90 days after completion of this contract, or at such other date as may be fixed by the Contracting Officer, submit an inventory schedule covering all items of non-expendable property under its custody, which have not been consumed in the performance of this contract. The Contractor shall also indicate what disposition has been made of such property.

H.8 AIDAR 752.7001 BIOGRAPHICAL DATA (JULY 1997)

The Contractor agrees to furnish to the Contracting Officer on AID Form 1420-17, "Contractor Employee Biographical Data Sheet", biographical information on the following individuals to be employed in the performance of the contract:

(1) All individuals to be sent outside of the United States, or

(2) Any employees designated as "key personnel". Biographical data in the form usually maintained by the Contractor on the other individuals employed under the contract shall be available for review by USAID at the Contractor's headquarters. A supply of AID Form 1420-17 will be provided with this contract. The Contractor may reproduce additional copies as necessary.

H.9 AIDAR 752.7004 EMERGENCY LOCATOR INFORMATION (JUL 1997)

The Contractor agrees to provide the following information to the Mission Administrative Officer on or before the arrival in the host country of every contract employee or dependent:

- (1) The individual's full name, home address, and telephone number.
- (2) The name and number of the contract, and whether the individual is an employee or dependent.
- (3) The contractor's name, home office address, and telephone number, including any after-hours emergency number(s), and the name of the contractor's home office staff member having administrative responsibility for the contract.
- (4) The name, address, and telephone number(s) of each individual's next of kin.
- (5) Any special instructions pertaining to emergency situations such as power of attorney designees or alternate contact persons.

H.10 AIDAR 752.7015 USE OF POUCH FACILITIES (JULY 1997)

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 contractors and their employees as a general policy, as detailed in paragraphs (a)(1) through (a)(7) of this section; however, the final decision regarding use of pouch facilities rests with the Embassy or USAIR Mission. In consideration of the use of pouch facilities as hereinafter stated, the Contractor and its employees agree to indemnify and hold harmless the Department of State and USAID against loss or damage occurring in pouch transmission.

- 1) Contractors and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of 2 pounds per shipment of correspondence and documents needed in the administration of foreign assistance programs.
- 2) U.S. citizen employees of U.S. contractors are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see paragraph (a)(3) of this section).
- 3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this clause, and are not authorized to be sent or received by pouch.

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- 4) Official mail as authorized by paragraph (a)(1) of this clause should be addressed as follows: Individual or Organization Name, followed by the symbol "C", city Name of Post, U.S. Agency for International Development, Washington, D.C. 20523-0001.
 - 5) Personal mail pursuant to paragraph (a)(2) of this section should be sent to the address specified in paragraph (a)(4) of this section, but without the name of the organization.
 - 6) 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.
 - 7) USAID contractor 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. Posts having access to APO/FPO facilities and using such for diplomatic pouch dispatch, may, however, accept official mail from Contractors and letter mail from their employees for the pouch, provided of course, adequate postage is affixed.
- b) The Contractor shall be responsible for advising its employees of this authorization and these guidelines and limitations on use of pouch facilities.
- c) Specific additional guidance on use of pouch facilities in accordance with this clause is available from the Post Communication Center at the Embassy or USAID Mission.

H.II AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this contract is 935.

H.12 LOGISTIC SUPPORT

The Contractor shall be responsible for furnishing all logistic support in the United States and overseas.

H.13 EXECUTIVE ORDER ON TERRORISM FINANCING

The Contractor 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 to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/sub-awards issued under this contract/agreement.

H.14 REPORTING ON TAXATION OF U.S. FOREIGN ASSISTANCE

- (a) The contractor must annually submit a report by April 16 of the next year.
- (b) Contents of Report. The report must contain:
- (1) Contractor name.
 - (2) Contact name with phone, fax and email.
 - (3) Contract number(s).
 - (4) 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.
 - (5) 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 a contractor performing in Losotho using foreign assistance funds should purchase commodities in South Africa, any taxes imposed by South

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Africa would not be reported in the report for Lesotho (or South Africa).

(6) Any reimbursements received by the contractor during the period in (4) regardless of when the foreign tax was assessed and any reimbursements on the taxes reported in (4) received through March 31.

(7) Report is required even if the contractor did not pay any taxes during the report period.

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

(c) Definitions. For purposes of this clause:

(1) "Agreement" includes USAID direct and country contracts, grants, cooperative agreements and interagency agreements.

(2) "Commodity" means any material, article, supply, goods, or equipment.

(3) "Foreign government" includes any foreign governmental entity.

(4) "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: Office of Financial Management
USAID/Afghanistan
U.S. Embassy East Compound
Great Massoud Road

(e) Kabul, Afghanistan (e) Subagreements. The contractor must include this reporting requirement in all applicable subcontracts and other subagreements.

(f) For further information see <http://www.state.gov/m/rm/c10443.htm>.

H.15 USAID DISABILITY POLICY - ACQUISITION (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://www.usaid.gov/about/disability/DISABPOL.FIN.html>.

b) USAID therefore requires that the contractor not discriminate against people with disabilities in the implementation of USAID programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing this contract. To that end and within the scope of the contract, the contractor's actions must demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.

H.16 752.7007 PERSONNEL COMPENSATION (April 2006)

a) Direct compensation of the Contractor's personnel will be in accordance with the Contractor's established policies, procedures, and practices, and the cost principles applicable to this contract.

b) Reimbursement of the employee's base annual salary plus overseas recruitment incentive, if any, which exceed the USAID Contractor Salary Threshold (USAID CST) stated in USAID Automated Directives System (ADS) Chapter 302 USAID Direct Contracting, must be approved in writing by the Contracting Officer, as prescribed in 752.7007-731.205-6(d) or 731.371(b), as applicable.

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H.17 ADDITIONAL REQUIREMENTS FOR PERSONNEL COMPENSATION

a) Limitations:

- 1) Salaries and wages may not exceed the Contractor's established policy and practice, including the Contractor's established pay scale for equivalent classifications of employees, which shall be certified to by the Contractor. Nor may any individual salary or wage, without approval of the Cognizant Contracting Officer, exceed the employee's current salary or wage, or the highest rate of annual salary or wage received during any full year of the immediately preceding three (3) years.
- 2) In addition, there is a ceiling on the reimbursable base salary or wage paid to personnel under the contract equivalent to the maximum annual salary of the USAID established rate for agencies without a certified SES performance appraisal system (also referred to as USAID Contractor Salary Threshold (USAID CST)) [publis4e.a http://www.opm.gov/oca/08tables/html/es.asp](http://www.opm.gov/oca/08tables/html/es.asp), as amended from time to time, unless the Contracting Officer approves a higher amount in accordance with the Agency policy and procedures in ADS 302 "USAID Direct Contracting."

b) Salaries During Travel:

Salaries and wages paid while in travel status will not be reimbursed for a travel period greater than the time required ~~to~~, travel by the most direct and expeditious air route.

c) Return of Overseas Employees:

Salaries and wages paid to an employee serving overseas who is discharged by the Contractor for misconduct, inexcusable non-performance, or security reasons will in no event be reimbursed for a period which extends beyond the time required to return the employee promptly to the point of origin by the most direct and expeditious air route.

d) Annual Salary Increases:

One annual salary increase not more than 3% (includes promotional increase) may be granted after the employee's completion of each twelve month period of satisfactory services under the contract. Annual salary increases of any kind exceeding these limitations or exceeding USAID CST may be granted only with the advance written approval of the Contracting Officer.

e) Consultants:

No compensation for consultants will be reimbursed unless their use under the contract has advance written approval of the Contracting Officer's Technical Representative; and if such provision has been made or approval given, compensation shall not exceed: 1) the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years or 2) the USAID CST, whichever is less. Requests for waiver to this compensation guidance must be fully justified and shall require the approval of the Contracting Officer.

f) Initial Salaries:

The initial starting salaries of all employees whose salaries are charged as a direct cost to this contract must be approved in advance and in writing, by the Contracting Officer. Any initial starting salaries included in the contractor's proposal and accepted during negotiations, are deemed approved upon contract execution.

Note: The Contractor must retain any approvals issued pursuant to sections (a) through (f) above for audit purposes.

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Approvals issued pursuant to the above must be within the terms of this contract, and shall not serve to increase the total estimated cost or the obligated amount of this contract, whichever is less (see Part I, Section B.3 of this contract).

g) Work Week:

1) Non-overseas Employees:

The length of the contractor's U.S., non-overseas employees workday shall be in accordance with the contractor's established policies and practices and shall not be less than 8 hours per day and 40 hours per week.

2) Overseas Employee:

The work week for the Contractor's overseas employees shall not be less than 40 hours and shall be scheduled to coincide with the work week for those employees of the USAID Mission and the Cooperating Country associated with the work of this contract.

h) Compensation of Cooperating Country and Third Country Nationals (CCNs/TCNs):

Consistent with AIDAR 722.170(b), it is USAID policy that TCN/CCNs who are hired as local employees and whose salaries are 100% financed under an acquisition instrument be compensated in local currency, unless a Mission waiver has been obtained permitting compensation in dollars. Employee agreements or contracts entered into by contractors and CCN/TCNs must reflect a fixed annual or monthly salary, denominated in local currency with a provision for annual salary increases that have been approved by the Contracting Officer through negotiations.

i) Definitions

As used in this contract, the terms "salaries" and "wages" mean the periodic remuneration received for professional or technical personal services rendered. Unless the contract states otherwise, these terms do not include any other elements of personal compensation described in the cost principle in FAR 31.205-6 "Compensation for Personal Services," such as (but not limited to) the differentials or allowances defined in the clause of this contract entitled "Differentials and Allowances" (AIDAR 752.7028). The term "compensation" is defined in FAR 31.205-6(a) and includes fees and honoraria related to the personal services provided under this contract, but excludes earnings from sources other than the individual's professional or technical work, overhead, or other charges.

H.18 ENVIRONMENTAL COMPLIANCE

The contractor shall comply with 22 CFR 216²⁷ requirements, the Initial Environmental Examination Recommendations and Afghan environmental laws and regulations.

H.19 CONSENT TO SUBCONTRACTS

In accordance with Contract FAR clause 52.244-2, Subcontracts, the Contractor must request Contracting Officer consent and submit the information required by the aforementioned clause for any subcontracts requiring consent but not listed here.

H.20 GRANTS UNDER CONTRACT

The grant program under the GUCs authority must meet the following conditions:

- (1) The total value of an individual grant to a U.S. organization must not exceed \$100,000. (This limitation does not apply to grant awards to non-U.S. organizations.)

²⁷ http://www.usaid.gov/our_work/environment/compliance/index.html

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- (2) It is not feasible to accomplish USAID objectives through normal USAID contract and grant awards because either
- (a) Executing a number of small grant activities is particularly difficult for the responsible USAID Mission or office, or
 - (b) The grant program is incidental and relatively small in comparison to the other technical assistance activities of the contractor.
- (3) USAID must be significantly involved in establishing the selection criteria and must approve the offerors. USAID may be less significantly involved when grants are quite small and are incidental to the contractor's technical activities.
- (4) USAID must ensure that the requirements that apply to USAID-executed grants will also apply to grants that a USAID contractor executes.
- (5) USAID must retain within the contract the ability to terminate the grant activities unilaterally in extraordinary circumstances.

USAID does not authorize the contractor to execute or administer cooperative agreements on its behalf. Nor does USAID require HCA approval when a contractor will only be managing or administering grants already awarded by USAID.

H.21 SUPPLEMENTAL TO H.20

Within thirty days after the award of the AWDP contract is made, the Contractor shall submit their Grants Manual for review. The Contractor shall request Grants under Contract (GUC) component, to provide grants to district entities. Inclusion of the grants program is considered essential to the activities of the Contractor in achieving the overall strategy and expected results of the program. The Contractor shall submit a Grants Manual and an accompanying easy to use activity flow chart in order to specify how they will administer the Grants under Contract GUC to achieve results.

USAID must be significantly involved in establishing selection criteria and must approve the actual selection of grant recipients. USAID may be less significantly involved when grants are quite small and are incidental to the contractor's technical activities;

USAID must ensure that the requirements that apply to USAID-executed grants will also apply to grants that a USAID contractor executes; and USAID must retain, in the contracting arrangement, the ability to terminate the grant activities unilaterally in extraordinary circumstances.

H.22 SUBCONTRACTING REQUIREMENTS

- (a) Definitions: As used in this clause, "Principals" means the owner/president and all other individuals with a financial interest in the subcontractor, the program manager, project manager, and site foreman.
- (b) It is USAID's objective under this contract to promote competitive, transparent and appropriate local subcontracting with legitimate, competent and fully vetted subcontractors.

Contractor shall assure that all subcontractors and lower-tier subcontractors are actively engaged in the performance of subcontracted work. Contractor shall assure that subcontract "brokering" does not occur under this contract and that all subcontractor and lower-tier subcontractors self perform appropriate portions of the subcontracted work. To promote the foregoing objectives, USAID may limit the number of "tiers" that Contractor may subcontract.

- (c) Therefore, in addition to the requirements of FAR 52.244-2 and prior to awarding any subcontract, the Contractor shall notify the Contracting Officer in writing if Contractor's intent to subcontract and obtain Contracting Officer's approval to award said subcontract(s).
- (d) Contractor's notification and request for approval to subcontract shall include the following information:

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- i. Subcontract number and title (or a general description of the subcontract work);
 - ii. Names, addresses, telephone numbers and e-mail addresses of the subcontractor and all lower-tier subcontractors (regardless of dollar amount or percentage of work to be performed);
 - iii. The total value of the work and total value of the work to be self-performed by the subcontractor;
 - iv. A copy of Afghan business license (Afghan firms only);
 - v. Subcontractor and lower-tier subcontractor banking information to include, bank name, routing identifier, account number and name(s) on account(s);
 - vi. Identification information for the subcontractor and lower-tier subcontractor Principals to include, full name, address, nationality, identity card/passport number, date of birth; and Contract No
 - vii. A table depicting the work to be performed and the total value of the work to be performed by the subcontractor and each lower-tier subcontractor.
- (e) The Contractor shall perform with its own organization, at least 15 percent of the work required under the contract. The Government intends to limit the number of tiers of subcontracts. Performance by the Contractor, subcontractors or lower-tier subcontractors of work which is only administrative in nature shall not meet the requirements of this clause.
- (f) The contractor and all its subcontractors and lower-tier subcontractors shall maintain payrolls and basic personnel records for all personnel working under the contract. Said records shall be made available to the government during contract performance and for 3 years after contract completion. The records shall contain the name of each employee, labor classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid.
- (g) Subcontracts. The contractor shall include this clause in all subcontracts, and shall require subcontractors to include this clause in all lower-tier subcontracts. The contractor shall be responsible for compliance with this clause by all subcontractors and lower-tier subcontractors.
- (h) The contracting officer's approval to subcontract, to include approval of lower tier subcontracts, does not constitute a determination -
- i. Of the acceptability of any subcontract terms or conditions;
 - ii. To relieve the Contractor of their responsibility as the prime contractor for all performance under this contract.
 - iii. The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum extent practical.
- (i) Submission of false information required by this clause or non-compliance with the requirements of the clause shall be considered a material breach of the contract.

H.23 VETTING

I. 4-14.001

Information for Non-US contractors, subcontractors, and key individuals.

- (a) The contractor must complete and submit the "USAID Information Form" in appendix B of this contract for:
- i) Itself, if it is a non-U.S. entity;
 - ii) Each subcontractor or subcontractor of a subcontractor, regardless of the tier, valued at \$150,000 or more, that is a non-U.S. entity; or
 - (iii) Each key individual that is a non-U.S. entity.
- (b) For purposes of this clause, the following definitions apply:

"Non-U.S. entity" means (1) any non-US citizen or non-permanent legal resident of the United States; or (2) any entity that is not formed in the United States or for which 50% or more of the equity is owned or controlled by persons who are not U.S. citizens or permanent legal residents of the United States.

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"Key individuals" means (i) an individual or entity owning 10% or more equity stake in the organization, whether publicly- or privately-held; (ii) principal officers of the organization's governing body (e.g., chairman, vice chairman, treasurer or secretary of the board of directors or board of trustees); (iii) the principal officer and deputy principal officer of the organization (e.g., executive director, deputy director; president, vice president); (iv) the program manager or chief of party for the USA ID-financed program; and (v) any other person with significant responsibilities for administration of USAID financed activities or resources.

(c) The requirements of paragraph (a) of this clause must be completed at prior to the Government's acceptance of the contract and following that, at the earlier of:

- i) Once a year; or
- ii) When there is a change or addition to any entity or person identified in paragraph (a).

(d) USAID reserves the right to rescind approval for a sub-award in the event that USAID subsequently becomes aware of information indicating that the sub-award is contrary to U.S. law or policy prohibiting support for terrorism, or facilitating criminal activity. In such cases, USAID's Contracting Officer will provide written instructions to the recipient to terminate the sub-award.

II. 4-14.002

Certification Regarding Provision of Support to Persons Engaged in Terrorism

(a) By entering into this contract, the contractor certifies, to the best of its knowledge and belief that:

1. The Contractor, to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts, as that term is defined in paragraph 3.

2. The following steps may enable the Contractor to comply with its obligations under paragraph 1:

(a) Before providing any material support or resources to an individual or entity, the Contractor will verify that the individual or entity does not (i) appear on the master list of Specially Designated Nationals and Blocked Persons, which list is maintained by the U.S. Treasury's Office of Foreign Assets Control (OFAC) and is available online at OFAC's website : <http://www.treas.gov/ofac/sdn/tltdn.pdf>, or (ii) is not included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID to the Contractor.

(b) Before providing any material support or resources to an individual or entity, the Contractor also will verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the "1267 Committee") [individuals and entities linked to the Taliban, Osama Bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, the Contractor should refer to the consolidated list available online at the Committee's website: <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

(c) Before providing any material support or resources to an individual or entity, the Contractor will consider all information about that individual or entity of which it is aware and all public information that is reasonably available to it or of which it should be aware.

(d) The Contractor also will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

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3. For purposes of this Certification:

(a) "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."

(b) "Terrorist act" means-

- i) An act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: <http://untreaty.iaj.org/English/Terrorism.asp>); or
- ii) An act of premeditated, politically motivated violence perpetrated against noncombatant targets by sub-national groups or clandestine agents; or
- iii) Any other act intended to cause death or serious bodily injury) to a civilian, or to any other person not

taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

(c) "Entity" means a partnership, association, corporation, or other organization, group or subgroup.

(d) References in this Certification to the provision of material support and resources shall not be deemed to include the furnishing of USAID funds or USAID-financed commodities to the ultimate beneficiaries of USAID assistance, such as recipients of food, medical care, micro-enterprise loans, shelter, etc., unless the Contractor has reason to believe that one or more of these beneficiaries commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

(e) The Contractor's obligations under paragraph 1 are not applicable to the procurement of goods and/or services by the Contractor that are acquired in the ordinary course of business through contract or purchase, e.g., utilities, rents, office supplies, gasoline, etc., unless the Contractor has reason to believe that a vendor or supplier of such goods and services commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

(b) By entering into this contract, the Offeror acknowledges that it has a continuing obligation and shall notify the Contracting Officer within 72 hours in writing if it has intentionally or unintentionally taken any actions that have the result and effect of being inconsistent with the certification in subsection (a) of this clause.

(c) The certification in paragraph (a) of this provision and the requirement to update the contracting officer as to a change in status as set forth in paragraph (b) are material representations upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, or did not notify the contracting officer in writing of a change in such certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

III. Restrictions on certain foreign purchases (June 2008)

(a) Except as authorized by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury, the Contractor shall not acquire, for use in the performance of this contract, any supplies or services if any proclamation, Executive order, or statute administered by OFAC, or if OFACs implementing regulations at 31 CFR Chapter V, would prohibit such a transaction by a person subject to the jurisdiction of the United States.

(b) Except as authorized by OFAC, most transactions involving Cuba, Iran, and Sudan are prohibited, as are most imports from Burma or North Korea, into the United States or its outlying areas. Lists of entities and individuals subject to economic sanctions are included in OFAC's List of Specially Designated Nationals and Blocked Persons at <http://www.treas.gov/offices/enforcement/ofac/sdn>. More information about these restrictions, as well as updates, is

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available in the OFAC's regulations at 31 CFR Chapter V and/or on OFAC's website at <http://www.treas.gov/offices/enforcement/ofac>.

(c) The Contractor shall insert this clause, including this paragraph (c), in all sub-contracts.

(d) Before awarding any grant or similar instrument, the Contractor/Recipient shall obtain from the proposed sub-awardee the certification required under USAID's Acquisition and Assistance Policy Determination 04-14 (AAPD 04-14), "Certification Regarding Terrorist Financing Implementation E.O. 13224 (Revision 2)

H.24 USE OF SYNCHRONIZED PRE-DEPLOYMENT AND OPERATIONAL TRACKER (SPOT) FOR CONTRACTORS SUPPORTING A DIPLOMATIC OR CONSULAR MISSION OUTSIDE THE UNITED STATES (SUPPLEMENT TO FAR 52.225-19)

- U.i

In accordance with paragraph (g) *Personnel Data*, of FAR clause 52.225-19 "Contractor Personnel in a Designated Operational Area of Supporting a Diplomatic or Consular Mission Outside the United States (MAR 2008)" the Contracting Officer hereby identifies DoD's Synchronized Pre-deployment and Operational Tracker (SPOT) as the required system to use for this contract in Afghanistan.

In accordance with Section 861 of the FY08 National Defense Authorization Act (FY08 NDAA), P.L. 110-181, USAID, and the Departments of Defense (DOD) and State (DOS) have entered into a Memorandum of Understanding (MOU) under which USAID has agreed to establish a common database including information on contractors and contractor personnel performing work in Afghanistan. The MOU identifies SPOT as the common database to serve as the repository for this information. Information with regard to Afghan nationals will be entered under procedures provided separately by the Contracting Officer.

All contractor personnel must be accounted for in SPOT. Those requiring SPOT-generated Letters of Authorization (LOAs) must be entered into SPOT before being deployed to Afghanistan. If individuals requiring LOAs are already in Afghanistan at the time the contractor engages them or at the time of contract award, the contractor must immediately enter into SPOT each individual upon his or her becoming an employee or consultant under the contract. Contract performance may require the use of armed private security contractor personnel (PSCs). PSCs will be individually registered in SPOT. Personnel that do not require LOAs will still be required to be entered into SPOT for reporting purposes, either individually or using an aggregate tally methodology. Procedures for using SPOT are available at <http://www.dod.mil/bta/products/spot.html>. Further guidance may be obtained from the Contracting Officer's Technical Representative or the Contracting Officer. It is emphasized that SPOT applies to sub-awards and that this provision must be included in all sub-awards at any tier.

H.25 FACILITIES USED FOR RELIGIOUS ACTIVITIES:

"Unless otherwise authorized in writing by the Contracting Officer, Contractor shall not use Contract funds for any work related to facilities of any type where the intended use of such a facility is for inherently religious activities. In cases where work addressed by this provision is authorized by the Contracting Officer, such authorization will be limited and explicit."

H.26 GENDER REQUIREMENTS:

Congress has mandated that USAID programs address the needs and protect the rights of Afghan women and girls, ... including efforts undertaken to prevent discrimination and violence against women and girls; provide economic and leadership opportunities; increase participation of women in the political process at the national, provincial and sub-provincial levels; improve security for women and girls; and any other programs designed to directly benefit women and girls. As required by USAID policies, the Contractor shall integrate assistance to women into all stages of development, planning, programming and implementation as a part of this contract or assistance program. Such integration shall focus on Afghan-led programs directly contributing to any or all the three pillars of development outlined in the ten-year National Action Plan for the Women of Afghanistan (NAPWA): 1) Security; 2) Government, Rule of Law-

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Human Rights; and 3) Economic and Social Development. The contractor shall establish the necessary accounting and management systems to separately track and report to USAID fiscal year expenditures under the contract/agreement supporting women and girls during each fiscal year of the contract/agreement. To adequately capture the efforts being made in the area for USAID's report to Congress, the quarterly implementation reports shall provide information on the following: 1) The total number of women and girls supported through the contract/agreement on a quarterly basis through the Mission's Afghan Info database; 2) Number of women in each district of implementation empowered through increased access to basic services, including education and health; 3) Number of interventions leading to increased employment and economic opportunities for women, as well of number of beneficiaries; 4) Number of interventions resulting in increased participation of women in district level planning, project design and implementation; 5) Number of activities supporting legal rights and public access for women; and, 6) Outcomes for women who have participated in the contract/agreement. The Contractor shall also refer to USAID-Afghanistan comprehensive Performance Management Plan (PMP) for the complete list of gender indicators in health, decision-making, security, human rights and legal protection, education and the economy. The Contactor is reminded that gender indicators are also included for the quarterly inputs to Mission Afghan Info database.

H.27 SPECIAL PROVISIONS FOR ACQUISITIONS:

REPORTING ON TAXATION OF U.S. FOREIGN ASSISTANCE

The contractor must annually submit a report by April 16 of the next year.

Contents of Report. The report must contain:

Contractor name.

Contact name with phone, fax and email.

Contract number(s).

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.

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 a contractor performing in Lesotho using foreign assistance funds should purchase commodities in South Africa, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa).

Any reimbursements received by the contractor during the period in (4) regardless of when the foreign tax was assessed and any reimbursements on the taxes reported in (4) received through March 31.

Report is required even if the contractor did not pay any taxes during the report period.

Cumulative reports may be provided if the contractor is implementing more than one program in a foreign country.

Definitions. For purposes of this clause:

"Agreement" includes USAID direct and country contracts, grants, cooperative agreements and interagency agreements.

"Commodity" means any material, article, supply, goods, or equipment.

"Foreign government" includes any foreign governmental entity.

"Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.

Where. Submit the reports to: Office of Financial Management

USAID/Afghanistan

U.S. Embassy East Compound

Great Massoud Road

Kabul, Afghanistan (e) Sub-agreements. The contractor must include this reporting requirement in all applicable subcontracts and other sub-agreements.

(f) For further information see <http://www.state.gov/m/rm/c10443.htm>

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H.28 SUB-AWARD REQUIREMENTS (MARCH 2012)

(a) Applicability: This section limits the number of tiers of sub-awards to two tiers below the awardee for all Contracts and Cooperative Agreements. The awardee must not allow lower-tier sub-awards without the express written approval of the Contracting/Agreement Officer.

(b) Definitions: The term "award" in this clause refers to either the direct contract between USAID and the prime contractor or a direct Cooperative Agreement between USAID and the recipient. A "first-tier sub-award" is a direct award between the awardee and a sub-awardee (the "first-tier sub-awardee"). A "second-tier sub-award" is a direct award between the first-tier sub-awardee and its sub-awardee (the "second-tier sub-awardee").

(c) USAID's objective is to promote, to the extent practicable, competitive, transparent and appropriate local sub-awards with legitimate and competent sub-awardees. Awardee will ensure that all sub-awardees at any tier are actively engaged in the performance of sub-awarded work. Awardee will ensure that sub-awardees do not engage in "brokering" or "flipping" their sub-awards under this award and that all sub-awardees at any tier self perform appropriate portions of the work. "Brokering" or "flipping" is the practice of a sub-awardee receiving a sub-award and either selling such sub-award or not performing a significant percentage of the work with the sub-awardee's own organization.

(d) Should exceptional circumstances warrant sub-awards below two tiers, the Awardee will promptly request approval in writing from the Contracting/Agreement Officer, which for contracts may be done in conjunction with a request under FAR 44, provided that the additional information set forth in paragraph (e) below is also provided.

(e) Awardee's written request for approval to allow sub-awardees below the second tier will include the following information:

- (i) Sub-award number and title (or a general description of the sub-award work) of the existing sub-award;
- (ii) Detailed explanation regarding why the work to be performed by the lower-tier sub-awardee cannot be performed by the prime or the two levels of sub-awardees.
- (iii) The total value of the work and total value of the work to be self-performed by the existing sub-awardee;

(f) Provisions for specific contract types:

- (i) [To be included by CO for use with construction contracts: As required by section XXI .18 of this contract, the Contractor will perform with its own organization, at least _ percent of the work required under the contract.]

(g) For purposes of calculating tiers, the following will not be considered a tier:

- (i) subsidiaries of the awardee;
- (ii) members of a joint-venture, provided the joint venture is either the awardee or otherwise a "tier" hereunder;
- (iii) employment awards for a single individual, provided that such individual issues no further sub-awards;
- (iv) suppliers/service providers for component parts for a sub-award issued for finished commodities purchased on the market. Only the sub-awardee supplying the finished commodity shall be considered a "tier" for purposes of this clause/provision;
- (v) suppliers of administrative or professional services incidental to the completion of the award nor their sub-awardees, such as legal or financial services, provided such suppliers or their sub-awardees do not perform substantive work related to the scope of work hereunder.

(h) With exception provided in paragraph D above for sub-awards. The awardee will include this clause in all sub-awards, and will require sub-awardees to include this clause in all lower-tier sub-awards. The awardee will be responsible for compliance with this clause/provision by all sub-awardees and lower-tier sub-awardees.

(End of Clause/Provision)

H.29. FRAUD REPORTING

The awardee is required to report on indications of fraud in host-country institutions or other matters that could reasonably be expected to be of foreign policy interest to the U.S. Government's development and stabilization efforts. Corruption, real or perceived, may critically impact USAID programming objectives as might other knowledge the awardee acquires in its normal course of business. This [clause/provision] must not be construed to require the awardee to conduct investigation for such information outside of its normal business practices or to report on matters not directly or indirectly related to USAID

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programming or the proper use of U.S. Government funds. In the event awardee has special non-disclosure requirements or confidentiality requirements (such as are prevalent in the legal and banking industries), or awardee determines such reporting would conflict with applicable laws, awardee must include a proposal to obtain any necessary waivers from the applicable host-country institution allowing such reporting to the maximum extent possible. Reports under this requirement must be submitted as a deliverable under the award.

END OF SECTION H]