



# USAID | AFGHANISTAN

FROM THE AMERICAN PEOPLE

Mr. Yama Torabi  
Executive Director  
Integrity Watch Afghanistan  
+93 799 27 16 24  
[yama.torabi@iwaweb.org](mailto:yama.torabi@iwaweb.org)  
[www.iwaweb.org](http://www.iwaweb.org)

JUN - 7 2012

Subject: Fixed Obligation Grant (FOG) Award No. AID-306-F-12-00003, under APS 306-10-0020 with Integrity Watch Afghanistan (IWA).

Dear Mr. Torabi,

Pursuant to the authority contained in the U.S. Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development ("USAID"), hereby awards to Integrity Watch Afghanistan ("IWA"), the sum of \$999,990.00 payable in U.S. according to the Milestone Budget shown in the Schedule, Attachment 1, to support the subject award, as more fully described in the Program Description, Attachment 2.

The Grant Period is as provided in the Schedule. USAID is not liable for reimbursing the Recipient for any amount in excess of the obligated amount.

This FOG is subject to the terms and conditions as set forth in the attachments listed following the signature below, which together constitutes the entire Grant Agreement and have been agreed to by your organization.

By signing this Grant Agreement, Recipient agrees to:

1. Maintain records of transactions related to the Grant Agreement for at least three years after payment of the final milestone. After the end of the agreement, USAID retains the right, at its discretion, to examine all or a sample of the recipient's records or related to the Grant Agreement where concerns of implementation irregularities arise.
2. Unless otherwise provided in the Schedule, title to any equipment or personal property purchased to accomplish any milestones under this Agreement vests in the recipient upon acquisition, with the condition that the recipient must use the equipment or property for the grant as long as it is needed for such.
3. The USAID Grant Officer must provide prior written approval for any changes to: 1) the activities being supported by this grant; 2) the fixed amount of this grant; 3) the milestones; or 4) change in the Grant Agreement completion date.
4. USAID will conduct monitoring of the grant program, including site visits as appropriate.
5. On submission of the voucher for payment for the final milestone, the Recipient must certify that the grant is completed and the Recipient will make no further claim against the grantor after final payment.

Please sign the original and each copy of this letter to acknowledge receipt and confirm acceptance of the Grant Agreement, and return the original and all but one copy to the Grant Officer.

Sincerely,

Michael Ashkouri  
Grant Officer

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**Attachments:**

1. Schedule
2. Program Description
3. Branding Strategy and Marketing Plan
4. Voucher Format
5. Mandatory Standard Provisions
6. Required, As applicable Standard Provisions

**ACKNOWLEDGED by Recipient's duly authorized representative:**

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**ACCOUNTING DATA:**

Requisition Number:	REQ-306-12-000165 Item#0001
Funding Type:	Bilateral
Account ID:	1
Accounting Line:	47
Bilateral Obligation Record Number:	306-SOAG-306-05-0006.00—3
Bilateral Obligation Record Type:	CO
Currency:	USD
Accounting Template:	306-KABUL-SOAG-FY2010
BBFY:	2010
EBFY:	2011
Fund:	ES
OP:	AFGHANISTA
Prog Area:	A08
Dist Code:	306-M
Prog Elem:	A035
Team/Div:	AFG/DGO
BGA:	306
SOC:	4100200
Fully funded obligation Amount:	\$110,000.00
Funds type:	Appropriated
Treasury Account Symbol:	72-1037

## 1. Schedule

### 1. PURPOSE OF GRANT:

The purpose of this grant is to provide support for the program described in Program Description.

### 2. GRANT PERIOD:

The effective date of this grant is date of the award letter. The completion date of the grant is 24 months after the award date.

### 3. AMOUNT OF AWARD AND PAYMENT:

1. USAID hereby awards the amount of \$999,990.00 and obligates \$110,000 from which \$10,000.00 will be for the successful kick-off meeting and the rest of the obligations will be provided based on the successful completion of each set-up milestones under the Fixed Obligation Grant.

See complete detailed Budget attached within the Program Description.

2. Payment will be made to the Grantee upon presentation to the USAID Controller at USAID/Afghanistan an original and two copies of a properly prepared invoice, with a certification that the Milestone being billed has been completed and providing any other documentation required by USAID specified with each milestone. A voucher format may be provided upon award of the Grant Agreement (Attachment 5). Each voucher will be identified by the award number, specify the Milestone that is being billed, and the fixed amount associated with that Milestone. Payment shall be within 30 days after receipt of a proper invoice. The Recipient is encouraged to submit the above referenced payment documentation as e-mail attachments to the e-mail address provided for the Payment Office. Payment documentation may also be submitted in hard copy paper form to the Payment Office.

### 4. SPECIAL PROVISIONS:

USAID initial obligation of \$110,000 from which \$10,000.00 will be obligated for the successful kick-off meeting after the FOG is signed. Future obligations will be based on IWA's successfully completing the milestone plan and upon the determination of the Grant Officer.

1. Following is the Schedule of Milestones associated with the program which has been agreed upon between the USAID and the Recipient, for funding under this Grant Agreement.

2. The accomplishment of each Milestone will be based on the successful submittal or completion of the tasks or deliverables delineated for that Milestone.

3. International Travel at lowest economy class is permitted only. Business Class /1<sup>st</sup> class travel is not allowed under this award. Lodging and per diem rates must comply with U.S. Department of State regulations provided under the following link.

[http://aoprals.state.gov/web920/per\\_diem.asp](http://aoprals.state.gov/web920/per_diem.asp)

SR. No.	Milestone	Milestone Timeframe	Priority of Milestone	Approved Budget
<b>1</b>	<b>Control Environment</b>	<b>Within 3 months from effective date of the FOG</b>		
1.1	Successful Kick-off Meeting		High	\$ 10,000
1.2	Policies and procedures should cover all the processes of the entity for core activities.		High	\$ 10,000
1.3	Specific policy should be adopted indentified for BoD's proceedings.		Medium	\$ -
1.4	Strengthening the (M&E) operating function to cover all responsibilities		Medium	\$ 5,000
1.5	Establishing the internal audit function.		Low	\$ 10,000
1.6	Adopting special guidance material for the preparation of budgets.		High	\$ 2,000
1.7	Segregation of responsibilities between IWA personnel.		High	\$ -
1.8	Appropriate overall documentation record should be in place.		Low	\$ 2,000
1.9	General Assembly meetings should be held as required by Statutes of IWA.		High	\$ 10,000
<b>2</b>	<b>Financial/Accounting System and Record Keeping</b>	<b>Within 30 days from effective date of the FOG</b>		
2.1	The accounting and finance section lacks segregation of duties, bank reconciliation preparation and cash and bank transactions handling and entry into accounting system.		Immediate	\$ 5,000
2.2	All finance & Accounting Manual should be established and appropriately filed with PAID stamped		High	\$ 5,000
2.3	Establishing the policies and procedures regarding the timing, method and other essentials of taking back-ups exist.		Medium	\$ 5,000
2.4	Quick Books training should be provided in order to control and track all payments.		High	\$ 5,000
<b>4</b>	<b>Procurement Function</b>	<b>Within 30 days from effective date of the FOG</b>		
4.1	Procurement Policies and procedures should be appropriately in placed.		Immediate	\$ 5,000
4.2	Limiting Logistic officer access form transaction, segregation of duties.		Medium	\$ -

4.3	Travelling policies and should be documented for audit purposes.		Medium	\$ -
<b>5</b>	<b>Property Management Standards and Systems</b>			
5.1	Fixed assets, financial statements, property usage and disposal report should be clear to understand and tagged accordingly.	<b>Within 3 months from effective date of the FOG</b>	Medium	\$ 5,000
<b>6</b>	<b>Management structure, personnel policies and procedures</b>			
6.1	Creating Human Resources function, planning, evaluating, files should be up to date, Interview/hiring documentation records.	<b>Within 3 months from effective date of the FOG</b>	High	\$ 20,000
6.2	Attendance and recording the time sheets for employees.		Medium	\$ -
6.3	Segregation of duties in payroll preparation and disbursement.		High	\$ 1,000
<b>7</b>	<b>Compliance with agreement terms, applicable laws/regulations</b>			
7.1	Properly documenting the policies for award/contract administration and ensuring that contracts are duly complied with USAID regulations.	<b>Within 30 days from effective date of the FOG</b>	Immediate	\$ 10,000
7.2	Launching new bank account for USAID funding		Immediate	\$ -
<b>8</b>	<b>12 months Project workplan for deliverables</b>		Immediate	\$ -
<b>Total Obligation</b>				<b>\$ 110,000</b>

## 2. Program Description

### **Background:**

Since 2001, unprecedented amounts of foreign aid have been spent in Afghanistan in order to bring development and build a state, both of which are supposed to reinforce each other. But, aid delivery has lacked oversight and monitoring while the spending imperatives have more often resulted in a focus on output rather than process, which in turn has reduced the sense of ownership among the beneficiary communities. Rather than being based on the governance impact, the performance of aid has been measured by the burning rate and the quantity of projects implemented. Most often, local needs and expectations are not taken into account in the design phase while aid providers have been hardly accountable to end beneficiaries. On the other hand, the state that is being built not only has lacked capacity to deliver most of the public services that are currently provided by aid providers but has also failed to be responsive and accountable to its citizens. Historically, the Afghan state has been highly centralized and at times authoritarian, with little space for citizens to participate. Current state-building efforts recognize citizen participation, but have remained narrowly focused on building the capacity without caring much about state-society relationship. As a result, they have not paid sufficient attention in developing the capacity of communities and citizens to hold accountable government institutions and aid providers that either perform governmental functions or deliver public services. Thus, the state-building process has been less inclusive, often empowering a selected number of actors, marginalizing women and other vulnerable and minority groups in the process.

On a positive note, citizen participation has been progressively acknowledged (role of representative bodies in the Afghan constitution and the recently Sub-national Governance policy) and the international community has given more and more attention (since 2007) to the sub-national governance that account of the majority of state-society interactions. In order to address past challenges and also take advantage of the recent opportunities in improving sub-national governance, an in-depth collaboration with communities, who will be monitoring the project touching them, would be necessary.

The community based monitoring program, pioneered by IWA has allowed communities in Parwan, Nangarhar, Herat and Balkh to monitor over 70 construction projects in 2010. These include roads, schools, faculties, hospitals, clinics, irrigation canals and/or dams, electricity dams, police stations etc. Based on the data available to IWA the total cost of the projects monitored reach around US\$ 42,629,196, in other word the work conducted by IWA has allowed local communities to take a greater ownership of the US\$ 42,629,196 directed towards the development of their communities. The community based monitoring program has also allowed for improved interaction between the communities, implementing partners and the GIROA through IWA Provincial Monitoring Boards, thus enhancing the relationship between citizen and state.

The reason why we focus on infrastructure projects is because they constitute two third of the aid spending in Afghanistan and are located in provinces – often in remote areas – where they remain outside of the reach of oversight capacity of donors. Further, because the infrastructure projects are physically accessible and visible, they are the easiest to be monitored by communities that have a sound judgment of what building is good for them.

### **The objectives:**

IWA's main objectives under this project is to improve service delivery at sub-national level through a representative and participatory process whereby institutions delivering essential infrastructure services become responsive and local communities are empowered to hold them accountable.

*The specific objectives are the following:*

- Empowering 400 communities and their social institutions at village, municipal and district levels through a representative, participatory, visible and transparent process to monitor 400 infrastructure projects, report on the performance and hold to account state, military and development agencies;
- Improve citizens' and donors' access to information regarding infrastructure projects allowing for improved quality and responsive service delivery;
- Increasing Partnership with sub-national government through Provincial Monitoring Board (PMB) and mutual information sharing mechanisms to prevent corruption and abuse of authority by aid implementers

and increase trust between citizens, elected bodies and local government;

- Promoting dialogue on the effectiveness and the usefulness of the bottom-up accountability and transparency mechanisms including spill-over effects and positive externalities through research and studies and a robust communication and advocacy strategy.

### **The approach:**

IWA will be implementing on the basis of a collaborative problem-solving approach amongst multiple stakeholders (donors, implementers, sub-national government and beneficiary communities) with the aim of bringing back the citizens into the equation. Traditional top-down approaches to improving service delivery and fighting corruption focus on rule-based, administrative reform or capacity-building of institutions including oversight and management capacity. They tend to see lack of accountability and transparency as an administrative deficiency. They therefore underestimate the power of the people in addressing the complexity of such problems (corruption is also relationship and involve groups other than state) and citizens' direct experiences (deficits in service delivery is often a denial of rights, entitlements and access for citizens, i.e. more than an administrative problem). As a result, top-down approaches do not consider citizens as drivers of change.

IWA approach will be a combination of many interrelated tasks that allow for putting people at the centre of improved service delivery. These tasks will include:

- i) Participation and representation allowing the communities to undertake a legitimate social audit of infrastructure projects and therefore becoming stakeholders in the reconstruction of their country;
- ii) Increasing the access to information of both donors and communities ensured by elected local monitors that will also make them actors;
- iii) Increasing awareness and involvement of civil servants in line ministries that will progressively become supporters of communities' efforts in overseeing projects; and
- iv) Building advocacy for changes in public policies including transparency of contracts and access to information. These efforts will jointly contribute toward enhancing citizens' capacity, legitimacy and confidence in successfully monitoring aid infrastructure projects. The approach will use local inputs in order ensure a success that is meaningful to Afghans. First, the monitoring work conducted by elected local monitors is on a voluntary basis, which will allow them to fully rely on their popular mandate. Paying local monitors a salary would make them run the risk of appearing as agent of the entity that pays them. This voluntary contribution will also ensure that local monitors have a high stake in the interest of their communities. Second, with IWA in-depth knowledge of the Afghan society, we will mobilize local millenary institutions such as public hearings, search for transparency and truth, sense of public good (*Bait-ul-mal*) that make sense to people. This will enable communities to build narratives that allow claiming ownership over foreign aid and enhance their moral ability to ask for accountability.

In addition, IWA will try to integrate whenever possible sub-national structures. Where they are functional, Community Development Councils (CDCs) will be approached to play a central role in mobilizing the community, electing the local monitors and selecting the projects. Provincial Council members will be regularly solicited to advocate on behalf of the communities in pressuring uncooperative implementers. They will also be part of the PMB that is composed of line ministries, governor's office, community representatives, elected local officials and donors. Finally, members of District Development Assemblies and District Councils where available will be trained in social accountability efforts and used as an additional leverage.

The collaborative approach is built through frequent interactions with the implementers at the grassroots level. Local monitors will not only build a relationship of trust with the implementers as an institution but will also develop personal relationships with workers and managers of infrastructure projects in order to get a better insight into implementation problems and effectively convey the message and expectations of their communities. Efforts will also be made to inform the other levels of the sub-contracting chain. Finally, a sustained relationship with local authorities at provincial and district levels will allow local monitors to seek their mediation and arbitration whenever a conflict arise with the implementer. Problems are first solved at the most grassroots level. When this is not bearing any result, communities try to use the cooperation of local authorities. When a problem cannot be solved at the sub-national level, communities use IWA's facilitation role to get in touch with donors and address their problems.

Finally, if donors remain unresponsive, media or stronger civic actions such as sitting on the site of the project can be envisaged.

With all of the above factors, IWA will ensure that efforts are made at a larger level for significant impact. During the upcoming two years, the program will expand to 200 projects monitored per year in four provinces. This requires a consolidation of the program that is ongoing and which allows the development of identification, management, training, follow-up, monitoring and evaluation tools. IWA will also develop an Integrity Box that will include all necessary material to understand the methodology and replicate the model. In addition, NGOs will be trained and encouraged to replicate the model in provinces where IWA is not present during the first year.

#### **The activities:**

IWA has core monitoring activity which has five consecutive steps: i) community mobilization, selection of projects to be monitored and election of at least two local monitors for each project; ii) capacity-building of local monitors and local elected or government officials; iii) documenting and disseminating societal expectations and concerns, getting access to project design and implementation documents and regular field visits throughout the cycle of infrastructure project implementation; iv) collaborative problem solving with aid implementers and reporting back the results of the monitoring to the community for greater support; v) sharing results with government officials through the PMB, undertaking civic action if the collaborative approach was not sufficient to ensure that detected problems are solved. In addition, the following activities will ensure sustainability, visibility, credibility and replicability of IWA efforts: vi) disseminate the lessons learned and share the methodology through an Integrity Box with other civil society organization; vii) produce video materials that can be used for community training purposes either by IWA or other civil society organizations; viii) train other civil society members to learn how to implement the model; ix) produce documentaries for greater public to show the effectiveness and usefulness of the program; x) conduct baseline surveys, evaluations and case studies to critically view and highlight the success of the model and measure the governance impact; xi) advocate for change in donor policies at the national level. The activities are detailed as follows:

- **Reporting and structure set-up:**

Prior to any activities with the communities, IWA will set-up the necessary structures to manage the information and data coming from the field, but also to follow the activities, manage operations and assess impact. This structure will essentially be composed of filing systems, procedures to register information, criteria to identify and select new districts, follow-up sheet of projects to be monitored and database as well as a website to store and publish the data from the field. The training material including checklists and community mobilization and election process documentation are established. National or donors standards on infrastructure whenever they are available will be simplified and made available to local monitors. A detailed work plan of the program is drafted. Evaluation and monitoring indicators and mechanisms are developed. Most of these are however now in place as IWA has been consolidating its program in order to be able to easily expand it. The focal points (FP) will also be recruited. According to IWA previous experience, IWA will realize that focal points are able to cover well 15 communities. The presence of focal points in the districts will help us with the communities' selection process. The focal points will be trained on how to behave with the communities and on the channels they should use to report or ask for information about projects. The FPs' training will also teach them some trouble shooting approaches in order to make them more independent in managing the communities.

- **Community mobilization & election process:**

The focal points helped by a senior program officer will organize individual meetings with at least 20 communities per district. Each of these 20 communities will be evaluated using two criteria: the existence of ongoing or upcoming construction projects and the community's maturity and interest in the monitoring program. Among the 20 groups, 10 to 15 will be shortlisted in order to go through an election process for selecting two local monitors per community and also to select the projects want to be monitored. In total, 400 communities will hold election during two year. The elections process will be photographed or recorded to serve as a quality check. The election will not be limited to the Community Development Council members. An effort will be made to gather as many people as possible during the election. Local monitors are elected on the basis of the following criteria: capacity to read and write reputation of integrity and honesty, capable of dedicating the required time for monitoring on a voluntary basis, capacity to communicate and develop trust.

- **Training of local monitors, focal points, elected and government officials:**

Once the local monitors are elected and the projects selected, IWA will conduct provincial training of local monitors and their district focal points. Ideally, these trainings will not have more than 30 participants. Over two years, IWA will train at least 800 local monitors and 16 focal points. The training will highlight the rights of people to monitor reconstruction projects, explain the mechanism of aid and accountability, the subcontracting process and other relevant practice to understand the way infrastructure projects are implemented including basic training on civil engineering technicalities. The principle on how to access information will be explained and shown. Details will be provided on the three phases of the monitoring activity (survey, access to public documents related to the monitored project and regular visits of the work filed). Easy to understand checklists and video will be presented to the local monitors to understand what they should look at when they monitor specific types of projects. IWA former focal points will share their experiences with the new focal points. Methodology and experiences of social auditing from other post-conflict countries will also be introduced. The monitors will also be trained on how to report to IWA and to the PMB and how to collect key and relevant information including photography and filming. Finally, the monitors will be introduced to a code of conduct that they will have to sign before starting their monitoring activities.

While the training of local monitors and focal points provide an in-depth understanding of IWA work over three days, the training of elected and government officials will be conducted during one day and will cover a brief introduction on social auditing, the process of local monitoring, the possible solutions and the impacts of the project. Those government and elected officials who are setting on the PMB will be targeted initially, but the training will also cover members of the Provincial Council (PC), the District Development Assemblies (DDA) and the District Councils (DC). In total, at least 200 government and elected officials will be trained over two years. The trainings will highlight the role that could be played by PC, DDA and DC members in supporting IWA local monitors, in making official request to the governor's office or in forwarding cases to other authorities in the capital.

- **Monitoring activities:**

The local monitor activities are divided in three major steps: the survey of their communities' household, the public documents collection and the field visits. The survey is composed of 35-40 questions and is used to understand the relationship of the communities to the project: their level of knowledge, access to information, participation and satisfaction. The objective for the local monitors is to survey at least 10% of their communities' households in order to reach a representative number of respondents (at least 120 individuals) that will allow a legitimate use of the data and to communicate accurate data to the donors on the perception of beneficiaries about the project. The survey results will be shared with the community and will be made available on IWA's project database (online).

The collecting of public documents provides the necessary base for the local monitors to hold implementers accountable on the work to be conducted during the project, the standards to follow and the scope of the project but also the objective of the project. In many cases, only partial information will be gathered but there is a need to accumulate formal demands of documentation to donors, the Afghan government, the PRTs or to any other actors and measure their reactivity and their level of transparency.

The field visits will allow the local monitors to liaise with the implementing company and to collect as regularly as possible (2 or 3 times a week) the essential data showing the progress and the quality of the work conducted and identify short coming, signal them and monitor the reactions of the concerned actors. All the data collected in the field are regularly channeled to IWA through the focal points, processed and published on the website of the program in English, Dari and Pashtu.

- **Reporting and collaborative problem-solving:**

To support local monitors' integrity, they will report their findings to the community on a regular manner. The data collected and processed constitute a monitoring report that is regularly updated and available in Dari and Pashto. These are easy to present during a community meeting with the presence of the focal points to ensure the proper organization of the meeting. In case the data are not well presented or are heavily questioned by the community members, IWA's engineer will conduct an independent visit of the monitored project to check if the local monitor is reflecting the reality of the project quality in his/her reporting. Further, reports of specific problems are also presented by the focal point to the PMB. The local monitors are supposed to identify problems that are either detected by them or their communities and address them in a collaborative manner with implementers. They will try to suggest improvements at the earliest time possible in order to reduce the burden on the implementers.

- **Provincial monitoring board consolidation:**

The PMB's are organized on a monthly basis. The board provides a forum to share responsibilities about projects dysfunction and address them. Every month the members are accounting for their actions to solve a precise issue reported by the local monitors. In IWA past pilot project, IWA will observe that there is a social pressure for the members of the board to participate and to take action on the issues brought up during the board meetings. The PMB is an institution that needs to be consolidated. Specific training will be provided to its members. Linkages with other central authorities will also be explored to ensure the full support and collaboration of central ministries and donor agencies to the provincial board initiatives.

- **Field data collection, data management system & the website:**

The data coming from the field are essentially composed of pictures, documents, petitions, and official letters demanding a specific action. The flow of information is arriving to IWA's office on a daily basis. Most of this information must be centralized, processed and up-loaded on the website. The focal points are IWA's principal intermediary to gather regularly the data. Special forms are prepared in the purpose of tracking the information received and prioritize the necessary follow-ups. The data will be classified according to its nature (project info, pictures, video, follow-up needed, agenda, technical support required...). One program assistant officer in Kabul will be in charge of channeling all this information to the right place.

- **Integrity Box and training of other civil society:**

IWA's capacity will not allow having a national coverage for the project. An Integrity Box will be developed during the first year in order to maximize the extension of the project in area not covered by IWA. The Integrity Box will contain all the tools necessary for a community or for other NGOs' to reproduce or adapt the local monitoring approach. It will detail with videos and a manual all the steps to set-up a local monitoring group and start the monitoring. The use of the Integrity Box coupled with advocacy on the donors and on the Government to systematically publish information related to their reconstruction projects should allow an easy rollout of monitoring activities. IWA is looking forward to work with media and NGO networks to disseminate the content of its monitoring approach. The Integrity Box would work a bit like "an-open source monitoring platform" to be used by different actors in Afghanistan. IWA will provide two two-day workshops to civil society organizations including 50 NGO workers who will be trained in social audit facilitation techniques during the second year of the program.

- **Advocacy and communications:**

The advocacy activities will target national and international policy makers and reconstruction actors to influence their approach to reconstruction, accountability, transparency and communities' empowerment. By promoting aid efficiency, IWA aims to reduce unproductive aid distribution, increase adequacy of reconstruction projects to local needs and increase civil participation in the reconstruction process. These aims will be reached by using grass-root participatory approach and capacity building to decrease the gap between aid providers, local government and citizens. IWA will advocate for the establishment of a pro-integrity environment where communities can monitor projects independently.

***Two Accountability Campaigns*** will be delivered in the provinces via Community Dramas and Discussions. These dramas (20 per year), assisted by university volunteer students, will be about civil participation and how to build constructive relationships with the government in order to address aid effectiveness and anti-corruption at grassroots level. The dramas will be followed by community discussions facilitated by mullahs and elders about the relationships between reconstruction, government, citizens and aid in order to encourage community mobilization. The dramas will also be presented to government authorities.

***8 policy briefs, 2 case studies and 1 research background paper*** will be generated to provide concrete and actual impact on how aid ineffectiveness impacts the life of ordinary Afghans and how community mobilization works. These studies will be used to influence policy makers; both Afghan and foreigners, on how to deliver better aid and assist fellow civil society actors on how to mobilize people in promoting integrity and fighting corruption at the grassroots level. They will aim to critically review the way IWA conduct the program, to see whether this approach can be effectively used in other sectors and to identify the elements that can be used. The findings from studies will further be used for training purposes and will be integrated into the Integrity Box. Case studies may look at different

similar initiative on going in Afghanistan and improve IWA methods of bottom-up approaches to promote integrity. *Dozens of round-tables with donors, sub national actors and media* will be organized with the aim of highlighting challenges and opportunities of bottom-up approaches to promoting integrity in aid. Issues of citizen empowerment, gaps between donors and citizens and aid effectiveness and ownership will be discussed during these meetings. Emphasis will be made on specific measure that each type of actors (donors, media and sub national stakeholders) can take and commit on. Findings of these round-tables will be made public to assure that commitments are followed. IWA will intensify its demand for a centralized database of contracts and reports from donors and GoA. In addition, meetings with government and donors will be held in Kabul in order to make sure that the results of the round-tables are reflected in the policies and can provide input for the Kabul process.

Finally, two video clips will be produced in order to sensitize the greater public. These will be also part of the Integrity Box and used for training purposes. IWA will try to get dozens of media groups producing documentaries and reports on the program. In addition, IWA will make at least 10 presentations to policy makers on the program and share its experience internationally with donors and other civil society organizations.

#### **Timeline and geographic coverage:**

The project will run over two years during which 400 projects will be fully monitored in 16 to 20 districts in four provinces and will be expanded to two other provinces if on-going infrastructure projects are not available in the initially targeted provinces. The duration for one infrastructure project varies depending on the nature of the project (a road is usually longer than a school), but on average a proper monitoring (from establishing contact with communities to writing the final monitoring report) last twelve months. Most of advocacy, communication and training happen on a regular basis. Evaluations will be made both during first and second year. The integrity box will be developed at the end of first year and the dissemination and training of other civil society organizations will happened during the second year.

#### **Expected impact:**

The impacts are three fold: improved service delivery, responsive government officials and empowered communities. IWA past experience shows that out of the 70% of infrastructure projects where serious problems have been detected, communities have been able to bring improvements in close to half of them, i.e. 30% of projects monitored. This is measured through regular monitoring reports registered in a program database. Even though in a portion of projects monitored, communities are not able to bring changes according to their expectations, their ownership of the infrastructure projects grow as a result of these efforts and will result in a sustainable use of them. Communities are also empowered by enhanced access to information either directly related to their efforts or IWA advocacy efforts. IWA past experience shows that when communities have access to details of the contract, they can easily make the case to claim their rights. The level of information of the communities can be measure through community surveys conducted by local monitors.

There is also a multiplier effect as a result of improved governance, a dividend of good governance, that will allow improving service delivery and which will be measure through baseline surveys. IWA have seen a change of attitude and behavior of elected and government officials in targeted areas in the past. IWA expect that such changes will have some spill-over effects on the way government officials interact with citizens in general in targeted districts and provinces.

Finally, through this project IWA's capacity and legitimacy as an Afghan civil society to articulate and advocate for citizens' rights and concerns will be enhanced. Engaging in such concrete grassroots monitoring actions will confer IWA greater legitimacy and an aura of credibility to engage in larger nation-wide campaigns such as IWA advocacy campaign for an access to information law.

#### **Cost effectiveness and sustainability:**

The biggest advantage of IWA approach to improve governance at the sub-national level is its cost-effectiveness and the economic benefits it brings. On average, an infrastructure project monitored by communities over an average period of eight months cost less than \$4,000. This is less expensive than any other type of evaluation that is conducted by donors or implementing agencies on aid projects and represent 0.6% of the actual cost of the projects monitored (the average actual cost of projects in the past is \$609,000). The main reason behind the cost-effectiveness of the project that also ensures its financial sustainability is that the elected local monitors are not paid

a salary. This helps increase their legitimacy as they are fully mandated by their communities and establish a strong accountability relationship toward the beneficiary community. The sustainability of the program will further increase as IWA are able to reduce the current dependence of communities on IWA when it comes to facilitated access to donors. An improved access to information of the communities and an increased transparency of donors for which IWA will be advocating will enable communities to directly obtain the necessary information. As a result, given that a significant portion of the contributions are made by the communities and the local monitors, such community-based monitoring efforts will probably last after IWA's departure from the targeted areas. Further, the social monitoring ensures a sustainable use of the infrastructure built by making them user-friendly whenever necessary. In many cases when the implementer has not had the ability to meet the expectations and needs, the communities have raised the necessary resources to finish the desired project, increasing projects' ownership. Finally, IWA has been discussing with different donors over the last couple of months to establish a trust fund that can provide resources for other civil society organizations to engage in grassroots community efforts.

#### **Gender:**

IWA will ensure that women are involved in the selection of the projects and the election of the local monitors. Particular attention will be paid to select the projects such as schools, faculties, special gardens and markets for women that directly impact women and their participation in public life. Women appointed and elected officials will also be systematically targeted for training and capacity empowerment. Finally, IWA will encourage and train specialized civil society organization working on gender issues to adopt the approach.

#### **Strategic fit with GAPS objectives:**

IWA believe the program perfectly fits within the U.S. Governance Strategy goal as it improves service delivery and prevents corruption while strengthening sub-national governance structures in four provinces. The program is mainly based at the village level using CDCs and traditional structures such as *maliks* and shura leaders. However, it also mobilizes district and provincial level structures such as PCs, DDA, DCs, provincial line ministries and governors' offices. It is results-based, innovative, with rapid and visible impact and sustainable. More specifically, the program directly responds to sub-goals 3, 4, 5, 6, 7 and 8 identified in USAID-GAPS. It partners with line ministries and governor's office through Provincial monitoring board and also on more ad hoc basis with district governors to prevent abuse in building infrastructure projects (sub-goal 3). It strengthens line ministries' capacity to deliver improved infrastructure as many of them are commissioning projects that will be monitored (sub-goal 4). It supports a visible, responsive and accountable sub-national governance as most of the efforts are public, transparent, physically accessible and with immediate results (sub-goal 5). It increases the capacity of the civil service and the elected bodies at the provincial and district levels through training and engaging them in supporting community monitoring efforts (sub-goal 6 & 7). Finally, it strengthens not only the capacity of IWA but also other civil society organizations to engage in grassroots monitoring, advocate for citizens' rights and concerns and provide better access to information (sub-goal 8).

#### **MANAGEMENT AND OPERATIONAL APPROACH AND CAPABILITY:**

- **Organizational structure, technical and human capacity:**

IWA has been established and worked in Afghanistan since May 2006 to promote integrity, transparency and accountability. Over the years, it has gathered tremendous expertise and has built a reputation of excellence and professionalism in its area of work. IWA has currently a staff of 32 full time employees and has worked in 2010 with a network of more than 140 local monitors in four provinces. IWA is directed by Yama Torabi, a political scientist with over six years of work and research experience in governance, corruption, accountability and transparency (for detailed biographies of key personnel, see Annex F). IWA is currently benefiting from a funding support from DFID, the Norwegian government, the World Bank and the Open Society Institute. It has had a total of annual expenditure close to half a million US dollars in 2009 and 2010.

In 2009, IWA's Board of directors approved an expansion program that required significant scaling up of administrative and organizational capacity. For that purpose, IWA consolidated and further developed its administrative, financial management and organizational capacities (including streamlining of programs, advocacy and communications strategies) in order to be able to respond effectively to the expansion. IWA is currently establishing an independent monitoring and evaluation unit. IWA has also worked over the last four months to

consolidate its program of community monitoring of infrastructure, a process that will be finalized in two months. The consolidation phase has already established many management and monitoring tools necessary for the expansion of the program.

A robust and highly competent team of professionals will manage the program (for IWA's organization chart, see Annex F). The head of the programs will have responsibility over all operations. The program manager will manage the program on a daily basis. Three senior program officers will ensure the training, the mobilization of communities and the follow-up of activities. They will frequently travel to provinces to support the district focal points. A maximum of 15 communities will be followed by one focal point in order to ensure that communities get adequate support. Program assistants will support the program managers and officers in data processing and follow-up of activities. A team of civil engineer will provide technical assistance and trainings. The head of advocacy and communications with its team will ensure IWA advocacy efforts support operations. The head of monitoring and evaluation that reports to IWA's director will track progress and share results with the program staff. The program will be supported by IWA logistics and admin section under the leadership of an office manager.

- **Evaluation and monitoring of the program:**

IWA will establish an independent monitoring and evaluation (M&E) unit in the coming weeks. M&E activities have been so far conducted within the program unit. Monitoring indicators are currently being established and will look at: 1) activity/performance deliverables and 2) impact/change outputs. The baseline study will help measure IWA governance impact in targeted areas. In total, the M&E will track no less than 50 indicators on this program on monthly basis. Monitoring reports will be shared with all concerned IWA donors on a quarterly basis and can be discussed during IWA's donor Steering Committee that meet in Kabul on a quarterly basis as well. In addition, IWA will commission two independent evaluation of the program, one mid-term at the end of the first year and another final at the end of the second year. The result of the reports will be shared with donors and published online. Finally, donors and independent research institutions will be encouraged to look at the program. In the past, Tiri that has been a historical funder and partner of the program through its Pro-Poor Integrity project has commissioned an independent assessment of the program, the results of which will be shortly available.

- **Partnerships:**

Tiri, London-based organization supporting 27 grassroots pro-integrity efforts in 7 post-conflict countries, has been a partner and a founder of the program since its origins. IWA is currently in the process of establishing a long-term (5 to 10 years) strategic partnership with Tiri including a 3-year funding support. The partnership with Tiri brings the following three elements: 1) experience sharing across the globe especially with post-war countries undergoing similar challenges; 2) high-quality training and capacity-building of IWA on integrity issues; and 3) enhanced advocacy capacity with donors' countries including civil society and legislative bodies to increase transparency efforts at international level. This partnership however does not bring additional cost to this program. IWA will also try to identify during the first year other Afghan civil society organization willing to engage in such efforts and partner with IWA. In addition, IWA will offer to train their staff members. Obviously, most of the advocacy efforts will be carried out in joint collaboration with other civil society organizations. Finally, the website of the program is currently being designed in a way that it can be used by other NGOs.

- **Past performance:**

The community-based monitoring that is proposed here is the flagship program of IWA and has been designed following the research program "Corruption Dimensions of Post War Reconstruction" led by Tiri in eight post-war countries in 2005-06. A very pilot program was established in 2008 (12 projects monitored) and has been consolidated and expanded to 70 communities between December 2009 and December 2010.

In 2011 the program targeted more than 200 communities in 7 provinces (Herat, Nangarhar, Parwan, Panjshir, Balkh, and Badakhshan), where 344 local monitors received training on both social and technical aspects of monitoring, and 239 projects has been monitored with the financial support of World Bank, Tiri and DEFID.

Currently IWA has 316 community monitors working with and monitoring more than 250 reconstruction projects funded by the Government of Afghanistan, UN agencies international and local NGOs and Provincial Reconstruction Teams. The program now is based on a sound and proven methodology. IWA is also part of the Network for Integrity in Reconstruction (NIR), a network of CSOs in seven post-war countries, that addresses these

needs by building the competencies of local communities, fostering south-south exchanges, instituting genuine accountability through transparency and public participation, and tackling the corruption and mismanagement that undermine development and state-building gains, and contribute to poverty and marginalization. It therefore benefit from the experiences of other organizations and countries.

**5. KEY PERSONNEL:**

The following positions have been designated as key to the successful completion of the objectives of this award. The Recipient should notify USAID at least 30 days in advance of the diversion of any personnel filling such positions identified below. Further, the Recipient agrees to notify USAID as soon as possible of the removal of any personnel filling such positions identified below.

- Yama Torabi, Director
- Fifi Sabang, Head of Programs
- Samandar Mahmodi, Head of Monitoring and Evaluation
- Sayed Ikram Afzali, Head of Advocacy and Communication
- Mohammad Ibrahim Faiz, Head of Administration

**6. TITLE TO PROPERTY:**

Once property is no longer used by the program and/or at the close of the program, whichever comes first, Property title will be vested with the recipient.

**7. OPERATION AND TRAVELS:**

In accordance with ADS 312.3.3.2 (b) "Motor Vehicles", USAID/ Grant Officer duly approves the rent of the vehicle for 180 days. However, IWA must notify the GOR and request for a waiver for the extension beyond the completion of 180 days.

**8. GENDER INTERGRATION REQUIREMENTS (DECEMBER 2010):**

USAID programs must address the needs and protect the rights of women and girls in Afghanistan. Therefore, USAID requires recipients to undertake efforts to prevent discrimination and violence against women and girls, provide economic and leadership opportunities, increase participation of women in the political process, improve security for women and girls, promote education, health and well-being, and other efforts designed to directly benefit women and girls. The Recipient shall integrate assistance to women into all aspects of development, planning, programming and implementation, as a part of this assistance program. Such integration shall contribute to 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, and Human Rights; and 3) Economic and Social Development. The Recipient shall establish the necessary implementation, management and reporting systems to separately track and report to USAID data on female beneficiaries and measurable impacts of activities intended to address the needs of women and girls. It is expected that the relevant indicators on female beneficiaries and impacts of activities on the needs of women and girls will vary by project. However, relevant indicators may include items such as:

1. The total number of women and girls supported through the agreement on a quarterly basis through Afghan Info;
2. Number of women accessing 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;
5. Number of interventions resulting in increased participation of women in government and civil society;
6. Number of activities supporting legal rights and public access for women; and,

Outcomes for women who have benefited from the agreement. The Recipient shall refer to USAID/Afghanistan's comprehensive Performance Management Plan (PMP) for complete list of gender indicators. To the extent possible, indicators applicable to the agreement will be disaggregated by gender

## **9. TERMINATION AND SUSPENSION - OCT 1998**

a. The Grant Officer may terminate this award at any time, in whole or in part, upon written notice to the recipient, whenever it is determined that the recipient has materially failed to comply with the terms and conditions of the award.

b. This award may be terminated at any time, in whole or in part, by the Grant Officer with the consent of the recipient. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion of the award to be terminated. The Grant to terminate shall be set forth in a letter from the Grant Officer to the recipient.

c. This award may be terminated at any time in whole or in part by the recipient upon sending written notification to the Grant Officer with the following information: the reasons for the termination, the effective date, and, in the case

of a partial termination, the portion to be terminated. However, if USAID determines in the case of partial termination that the reduced or modified portion of the award will not accomplish the purposes for which the award was made, USAID may terminate the award in its entirety in accordance with paragraphs (a) or (b) above.

d. If at any time USAID determines that continuation of all or part of the funding for a program should be suspended or terminated because such assistance would not be in the national interest of the United States or would be in violation of an applicable law, then USAID may, following notice to the recipient, suspend or terminate this award in whole or in part and prohibit the recipient from incurring additional obligations chargeable to this award other than those costs specified in the notice of suspension during the period of suspension. If the situation causing the suspension continues for 60 days or more, then USAID may terminate this award on written notice to the recipient and cancel that portion of this award which has not been disbursed or irrevocably committed to third parties.

e. Termination and Suspension Procedures. Upon receipt of and in accordance with a termination notice as specified above, the recipient shall take immediate action to minimize all expenditures and obligations financed by this award and shall cancel such un-liquidated obligations whenever possible. Except as provided below, the recipient shall not incur costs after the effective date of termination.

The recipient shall within 30 calendar days after the effective date of such termination repay to the U.S. Government all unexpended USAID funds which are not otherwise obligated by a legally binding transaction applicable to this award. Should the funds paid by USAID to the recipient prior to the effective date of the termination of this award be insufficient to cover the recipient's obligations in the legally binding transaction, the recipient may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The Grant Officer shall determine the amount(s) to be paid by USAID to the recipient under such claim in accordance with the applicable Cost Principles.

This provision must be included in all sub-agreements.

## **10. CLOSEOUT PLAN:**

30 days prior to the completion date of the Grant, the Recipient shall submit a Closeout Plan to the Grant Officer and GOR. The closeout plan shall include, at a minimum, an illustrative Property Disposition plan; a delivery schedule for all reports or other deliverables required under the FOG; and a time line for completing all required actions in the Closeout Plan, including the submission date of the final Property Disposition plan to the Grant

Officer's Representative. The closeout plan shall be approved in writing by the Grant Officer.

## **11. VETTING:**

### **I. 4-14.001 (the Contracting Officer shall modify as appropriate for assistance awards) Information for Non-US contractors, subcontractors, and key individuals.**

- (a) The contractor must complete and submit the "USAID Information Form" in appendix B. for:
  - (i) Itself, if it is a non-U. S. entity;
  - (ii) Each subcontractor or subcontractor of a subcontractor, regardless of the tier, 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.

"Key individuals" means (i) an individual or entity owning 10% or more equity stake in the organization, whether publically- 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.

**(End of Provision)**

## **II. 4-14.002 [Assistance Awards shall use the ATC as set forth in Appendix D)**

### **Certification Regarding Provision of Support to Persons Engaged in Terrorism**

- (a) By entering into this contract, the contractor certifies, to the best of its know ledge 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.trcas.gov/offices/eotffc/ofac/sdn/tl\\_lsdn.pdf](http://www.trcas.gov/offices/eotffc/ofac/sdn/tl_lsdn.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/1267/1267ListHng.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.
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.iaai.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.

**(End of provision)**

### **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](http://www.treas.gov/offices/enforcement/ofac/sdn). More information about these restrictions, as well as updates, is 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](http://www.treas.gov/offices/enforcement/ofac).

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

**[In addition to the clauses set forth above, the following clause shall be included in any contract, grant or cooperative agreement awarded by USAID (i.e. USAID prime awards only)]**

(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)

(Use additional continuation sheets as necessary)

<b>Part I: Information About Proposed Activities</b> (all parts mandatory)		
1. Name of the proposed awardee of USAID contract or assistance (Firms must include a copy of applicable licenses to do business in Afghanistan)		
2. Type of proposed award or other assistance (check one): <input type="checkbox"/> Contract or Subcontract <input type="checkbox"/> Grant or Sub-grant <input type="checkbox"/> Training <input type="checkbox"/> Equipment <input type="checkbox"/> Other		
3. US\$ amount and estimated start/end date of proposed award or assistance: Dollar amount: \$      Start:      End:		
4. Purpose of proposed award or assistance:		
5. Organization proposed to receive award or other assistance:		
a. Name:		b. JCCS Registration #
c. Address:		
d. Telephone:	e. Fax:	f. Email:
g. Tribal affiliation or clan		
6. Information on Key Individuals associated with the organization named in 5 above, or, if no organization is listed, information on each individual to receive cash or in-kind assistance (including technical assistance). Use continuation sheets as necessary. ** = mandatory information.		
A. Name (As in passport or other government-issued photo ID):**		Government-issued photo ID number, type of ID and country of issuance:**
Place of birth:**	Date of birth:** (mm/dd/yyyy)	Rank or title in organization listed in #5 (if "key individual"):**
Other names used (may include nicknames, pseudonyms not listed under "Name"):**		Gender:**
Current employer and job title:		Occupation:
Address of residence:**		Citizenship(s):** (Afghans: Tribal affiliations and Father's Name)
Email:		
<b>Part II: Contractor/Grantee/Recipient Certification:</b>		
Potential Awardee certifies in submitting this form that it has taken reasonable steps (in accordance with sound business practices) to verify the information contained in this form. Contractor/Grantee/Recipient understands that the U.S. Government may rely on the accuracy of such information in processing this vetting request.		
Name:		Signature:
Title/Organization:		Date:
<b>Part III: Submission details (to be completed by USG vetting official)</b>		
Vetting request number		
Staff member who initiated request		
Project name		
Date submitted for screening		

<b>B. Name (As in passport or other government-issued photo ID):**</b>		Government-issued photo ID number, type of ID and country of issuance:**
Place of birth:**	Date of birth:** (mm/dd/yyyy)	Rank or title in organization listed in #5 (if "key individual"):**
Other names used (may include nicknames, pseudonyms not listed under "Name"):**		Gender:**
Current employer and job title:**		Occupation:
Address of residence:**		Citizenship(s):** (Afghans: Tribal affiliations and Father's Name)
Email:		
<b>C. Name (As in passport or other government-issued photo ID):**</b>		Government-issued photo ID number, type of ID and country of issuance:**
Place of birth:**	Date of birth:** (mm/dd/yyyy)	Rank or title in organization listed in #5 (if "key individual"):**
Other names used (may include nicknames, pseudonyms not listed under "Name"):**		Gender:**
Current employer and job title:**		Occupation:
Address of residence:**		Citizenship(s):** (Afghans: Tribal affiliations and Father's Name)
Email:		
<b>D. Name (As in passport or other government-issued photo ID):**</b>		Government-issued photo ID number, type of ID and country of issuance:**
Place of birth:**	Date of birth:** (mm/dd/yyyy)	Rank or title in organization listed in #5 (if "key individual"):**
Other names used (may include nicknames, pseudonyms not listed under "Name"):**		Gender:**
Current employer and job title:		Occupation:
Address of residence:**		Citizenship(s):** (Afghans: Tribal affiliations and Father's Name)
Email:		
<b>E. Name (As in passport or other government-issued photo ID):**</b>		Government-issued photo ID number, type of ID and country of issuance:**
Place of birth:**	Date of birth:** (mm/dd/yyyy)	Rank or title in organization listed in #5 (if "key individual"):**
Other names used (may include nicknames, pseudonyms not listed under "Name"):**		Gender:**
Current employer and job title:		Occupation:
Address of residence:**		Citizenship(s):** (Afghans: Tribal affiliations and Father's Name)
Email:		

### **3. Branding Strategy and Marking Plan**

**“Marking Under USAID-Funded Assistance Instruments,” the Recipient’s Branding Strategy and Marking Plan will be approved after award.**

#### 4. Voucher Format:

All requests for payment must correspond to a milestone specified in the FOG. Vouchers must list milestones, not costs, as the product, task, deliverable or objective for which reimbursement is being made. Only the GOR or the AO may give administrative approval of recipient vouchers.

Invoices must be submitted using the SF-1034. The preferred method of transmission of invoices is through electronic medium at the following address: [KabulAIDvouchers@usaid.gov](mailto:KabulAIDvouchers@usaid.gov). Subject line shall read AID-306-F-12-00002. The SF-1034 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.

Once invoice has been properly submitted, the average time to payment is approximately three weeks.

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

## **5. MANDATORY STANDARD PROVISIONS FOR FIXED OBLIGATION GRANTS TO NONGOVERNMENTAL RECIPIENTS**

### **1. TERMINATION AND SUSPENSION (FEBRUARY 2012)**

- a. This award may be terminated at any time, in whole or in part, by either party upon receipt of written notification by the other party.
- e. Termination and Suspension Procedures. Upon receipt of, and in accordance with a termination notice as specified above, the recipient must take immediate action to minimize all expenditures and obligations financed by this award and must cancel such un-liquidated obligations whenever possible. Except as provided below, the recipient is not entitled to any costs incurred after the effective date of termination. The recipient must within 30 calendar days after the effective date of such termination repay to the U.S. Government all un-liquidated funds not otherwise obligated by a legally binding transaction applicable to this award that cannot be cancelled without penalty by the recipient. Should the funds paid by USAID to the recipient prior to the effective date of the termination of this award be insufficient to cover the recipient's obligations in a legally binding transaction applicable to this award, the recipient may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The Agreement Officer must determine the amount(s) to be paid by USAID to the recipient under such claim in accordance with the applicable Cost Principles. This provision must be included in all sub agreements.

[END OF PROVISION]

### **2. DISPUTES (FEBRUARY 2012)**

- a. Any dispute under this award must be decided by the USAID Agreement Officer. The Agreement Officer must furnish the recipient a written copy of the decision.

[END OF PROVISION]

### **3. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (JANUARY 2004)**

- a. The recipient agrees to notify the Agreement Officer immediately upon learning that it or any of its principals:
- (1) Are presently excluded or disqualified from covered transactions by any Federal department or agency;
  - (2) Have been convicted within the preceding three-year period preceding this proposal; been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects your present responsibility;
  - (3) Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph a.(2); and
  - (4) Have had one or more public transactions (Federal, State, or local) terminated for cause or default

within the preceding three years.

b. The recipient agrees that, unless authorized by the Agreement Officer, it will not knowingly enter into any sub-agreements or contracts under this grant with a person or entity that is included on the Excluded Parties List System ([www.epls.gov/](http://www.epls.gov/)). The recipient further agrees to include the following provision in any sub-agreements or contracts entered into under this award: 05/04/2012 Partial Revision

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

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

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

[END OF PROVISION]

**4. DRUG-FREE WORKPLACE (FEBRUARY 2012)**

a. You as the recipient must comply with drug-free workplace requirements in subpart B (or subpart C, if the recipient is an individual) of 782, which adopts the Government-wide implementation (2 CFR part 182) of sec. 5152–5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100–690, Title V, Subtitle D; 41 U.S.C. 701–707).

[END OF PROVISION]

**5. NONLIABILITY (NOVEMBER 1985)**

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

[END OF PROVISION]

**6. AMENDMENT (OCTOBER 1998)**

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

[END OF PROVISION]

**7. NOTICES (OCTOBER 1998)**

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

(1) To the USAID Agreement Officer and Grant Officer's Representative (GOR), at the addresses specified in the award; and

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

[END OF PROVISION]

#### **8. METRIC SYSTEM OF MEASUREMENT (AUGUST 1992)**

Wherever measurements are required or authorized, they must be made, computed, and recorded in metric system units of measurement, unless otherwise authorized by the Agreement Officer 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.

[END OF PROVISION]

#### **9. EQUAL PROTECTION OF THE LAWS FOR FAITH-BASED AND COMMUNITY ORGANIZATIONS (December 2009)**

a. All the requirements of 22 CFR 205, Participation By Religious Organizations In USAID Programs, are applicable to the recipient and to sub-recipients which meet the definition of "Recipient" in 22 CFR 226. The requirements of 22 CFR 205 applies to both religious and secular organizations.

b. If the recipient makes subawards under this agreement, faith-based organizations must be eligible to participate on the same basis as other organizations, and must not be discriminated for or against on the basis of their religious character or affiliation.

c. The recipient must not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services directly funded with financial assistance from USAID. If the recipient engages in inherently religious activities, such as worship, religious instruction, and proselytization, it must offer those services at a different time or location from any programs or services directly funded by this award, and participation by beneficiaries in any such inherently religious activities must be voluntary. These restrictions do not apply to programs where USAID funds are provided to chaplains to work with inmates in prisons, detention facilities, or community correction centers, or where USAID funds are provided to religious or other organizations for programs in prisons, detention facilities, or community correction centers, in which such organizations assist chaplains in carrying out their duties.

d. The recipient must not use USAID funds for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Where a structure is used for both eligible and inherently religious activities, USAID funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with applicable cost accounting principles. Sanctuaries, chapels, or other rooms that the recipient uses as its principal place of worship are ineligible for acquisition, construction, rehabilitation, or improvements using USAID funds.

e. The recipient may not discriminate against any beneficiary or potential beneficiary under this award on the basis of religion or religious belief. Accordingly, in providing services supported, in whole or in part, by this agreement or in its outreach activities related to such services, the recipient may not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to actively participate in a religious practice.

f. When the recipient is a religious organization, the recipient

(1) Retains its independence and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct financial assistance from USAID to support any inherently religious activities, such as worship, religious instruction, or proselytization.

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

(3) Retains its exemption from the Federal prohibition on employment discrimination on the basis of religion, set forth in Sec. 702(a) of the Civil Rights Act of 1964, 42 U.S.C. 2000e-1.

(4) May use space in its facilities, without removing religious art, icons, scriptures, or other religious symbols.

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

[END OF PROVISION]

#### **10. IMPLEMENTATION OF E.O. 13224 -- EXECUTIVE ORDER ON TERRORIST FINANCING (MARCH 2002)**

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

[END OF PROVISION]

#### **11. MARKING UNDER USAID-FUNDED ASSISTANCE INSTRUMENTS (DECEMBER 2005)**

a. Definitions:

**Commodities** mean any material, article, supply, goods or equipment, excluding recipient offices, vehicles, and non-deliverable items for recipient's internal use, in administration of the USAID-funded grant, cooperative agreement, or other agreement or sub-agreement.

**Principal Officer** means the most senior officer in a USAID Operating Unit in the field, for example, USAID Mission Director or USAID Representative. For global programs managed from Washington but executed across many countries, such as disaster relief and assistance to internally displaced persons, humanitarian emergencies or immediate post conflict and political crisis response, the cognizant Principal Officer may be an Office Director, for example, the Directors of USAID/W/Office of U.S. Foreign Disaster Assistance and Office of Transition Initiatives. For non-presence countries, the cognizant Principal Officer is the Senior USAID officer in a regional USAID Operating Unit responsible for the non-presence country, or in the absence of such a responsible Operating Unit, the Principal U.S Diplomatic Officer in the non-presence country exercising delegated authority from USAID.

**Programs** mean an organized set of activities and allocation of resources directed toward a common purpose, objective, or goal undertaken or proposed by an organization to carry out the responsibilities assigned to it.

**Projects** include all the marginal costs of inputs (including the proposed investment) technically required to produce a discrete marketable output or a desired result (for example, services from a fully functional water/sewage treatment facility).

**Public communications** are documents and messages intended for distribution to audiences external to the recipient's organization. They include, but are not limited to, correspondence, publications, studies, reports, audio visual productions, and other informational products; applications, forms, press and promotional materials used in connection with USAID-funded programs, projects or activities, including signage and plaques; Web sites/Internet activities; and events such as training courses, conferences, seminars, press conferences, and so forth.

**Sub-recipient** means any person or government (including cooperating country government) department, agency, establishment, or for profit or nonprofit organization that receives a USAID sub-award, as defined in 22 CFR 226.2.

Technical Assistance means the provision of funds, goods, services, or other foreign assistance, such as loan guarantees or food for work, to developing countries and other USAID recipients, and through such recipients to sub-recipients, in direct support of a Development Objective – as opposed to the internal management of the foreign assistance program.

**USAID Identity (Identity)** means the official marking for the United States Agency for International Development (USAID), comprised of the USAID logo or seal and new brand mark, with the tagline that clearly communicates that our assistance is “from the American

people.” The USAID Identity is available on the USAID Web site at [www.usaid.gov/branding](http://www.usaid.gov/branding) and USAID provides it without royalty, license, or other fee to recipients of USAID-funded grants, or cooperative agreements, or other assistance awards.

## b. Marking of Program Deliverables

(1) All recipients must mark appropriately all overseas programs, projects, activities, public communications, and commodities partially or fully funded by a USAID grant or cooperative agreement or other assistance award or sub-award with the USAID Identity, of a size and prominence equivalent to or greater than the recipient's, other donor's, or any other third party's identity or logo.

(2) The recipient will mark all program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) with the USAID Identity. The recipient should erect temporary signs or plaques early in the construction or implementation phase. When construction or implementation is complete, the recipient must install a permanent, durable sign, plaque or other marking.

(3) The recipient will mark technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities and other promotional, informational, media, or communications products funded by USAID with the USAID Identity.

(4) The recipient will appropriately mark events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities, with the USAID

Identity. Unless directly prohibited and as appropriate to the surroundings, recipients should display additional materials, such as signs and banners, with the USAID Identity. In circumstances in which the USAID Identity cannot be displayed visually, the recipient is encouraged otherwise to acknowledge USAID and the American people's support.

(5) The recipient will mark all commodities financed by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies, and other materials funded by USAID, and their export packaging with the USAID Identity.

(6) The Agreement Officer may require the USAID Identity to be larger and more prominent if it is the majority donor, or to require that a cooperating country government's identity be larger and more prominent if circumstances warrant, and as appropriate depending on the audience, program goals, and materials produced.

(7) The Agreement Officer may require marking with the USAID Identity in the event that the recipient does not choose to mark with its own identity or logo.

(8) The Agreement Officer may require a preproduction review of USAID-funded public communications and program materials for compliance with the approved Marking Plan.

(9) Sub-recipients. To ensure that the marking requirements "flow down" to sub-recipients of subawards, recipients of USAID-funded grants and cooperative agreements or other assistance awards will include the USAID-approved marking provision in any USAID-funded sub-award, as follows:

*"As a condition of receipt of this sub-award, marking with the USAID Identity of a size and prominence equivalent to or greater than the recipient's, sub-recipient, other donor's, or third party's is required. In the event the recipient chooses not to require marking with its own identity or logo by the sub-recipient, USAID may, at its discretion, require marking by the sub-recipient with the USAID Identity."*

(10) Any 'public communications', as defined in 22 CFR 226.2, funded by USAID, in which the content has not been approved by USAID, must contain the following disclaimer:

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

(11) The recipient will provide the Agreement Officer's Technical Representative (AOTR) or other USAID personnel designated in the grant or cooperative agreement with two copies of all program and communications materials produced under the award. In addition, the recipient will submit one electronic or one hard copy of all final documents to USAID's Development Experience Clearinghouse.

### C. Implementation of Marking Requirements

(1) When the grant or cooperative agreement contains an approved Marking Plan, the recipient will implement the requirements of this provision following the approved Marking Plan.

(2) When the grant or cooperative agreement does not contain an approved Marking Plan, the recipient will propose and submit a plan for implementing the requirements of this provision within [Agreement Officer fill-in] days after the effective date of this provision. The plan will include:

(i) A description of the program deliverables specified in paragraph (b) of this provision that the recipient will produce as a part of the grant or cooperative agreement, and which will visibly bear the USAID Identity.

(ii) The type of marking and what materials the applicant uses to mark the program deliverables with the USAID Identity,

(iii) When in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking.

(3) The recipient may request program deliverables not be marked with the USAID Identity by identifying the program deliverables and providing a rationale for not marking these program deliverables. Program deliverables may be exempted from USAID marking requirements when:

(i) USAID marking requirements would compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials;

(ii) USAID marking requirements would diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent;

(iii) USAID marking requirements would undercut host-country government “ownership” of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications better positioned as “by” or “from” a cooperating country ministry or government official;

(iv) USAID marking requirements would impair the functionality of an item;

(v) USAID marking requirements would incur substantial costs or be impractical;

(vi) USAID marking requirements would offend local cultural or social norms, or be considered inappropriate;

(vii) USAID marking requirements would conflict with international law.

(4) The proposed plan for implementing the requirements of this provision, including any proposed exemptions, will be negotiated within the time specified by the Agreement Officer after receipt of the proposed plan. Failure to negotiate an approved plan with the time specified by the Agreement Officer may be considered as noncompliance with the requirements of this provision.

#### d. Waivers

(1) The recipient may request a waiver of the Marking Plan or of the marking requirements of this provision, in whole or in part, for each program, project, activity, public communication or commodity, or, in exceptional circumstances, for a region or country, when USAID required marking would pose compelling political, safety, or security concerns, or when marking would have an adverse impact in the cooperating country. The recipient will submit the request through the Agreement Officer’s Technical Representative (AOTR). The Principal Officer is responsible for approvals or disapprovals of waiver requests.

(2) The request will describe the compelling political, safety, security concerns, or adverse impact that require a waiver, detail the circumstances and rationale for the waiver, detail the specific requirements to be waived, the specific portion of the Marking Plan to be waived, or specific marking to be waived, and include a description of how program materials will be marked (if at all) if the USAID Identity is removed. The request should also provide a rationale for any use of recipient’s own identity/logo or that of a third party on materials that will be subject to the waiver.

(3) Approved waivers are not limited in duration but are subject to Principal Officer review at any time, due to changed circumstances.

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

(5) Determinations regarding waiver requests are subject to appeal to the Principal Officer's cognizant Assistant Administrator (AA). The recipient may appeal by submitting a written request to reconsider the Principal Officer's waiver determination to the cognizant AA.

e. Non-retroactivity

The requirements of this provision do not apply to any materials, events, or commodities produced prior to January 2, 2006. The requirements of this provision do not apply to program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) where the construction and implementation of these are complete prior to January 2, 2006 and the period of the grant does not extend past January 2, 2006.

[END OF PROVISION]

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

**Requirements for Voluntary Sterilization Programs**

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

**Prohibition on Abortion-Related Activities:**

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

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

[END OF PROVISION]

**13. CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER (OCTOBER 2010)**

**a. Requirement for Central Contractor Registration (CCR).** Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration and more frequently, if required by changes in your information or another award term.

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

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

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

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

(1) Central Contractor Registration (CCR) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at [www.ccr.gov/](http://www.ccr.gov/)).

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

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

(i) A governmental organization, which is a State, local government, or Indian tribe;

(ii) A foreign public entity;

(iii) A domestic or foreign nonprofit organization;

(iv) A domestic or foreign for-profit organization; and

(v) A Federal agency, but only as a sub-recipient under an award or sub-award to a non-Federal entity.

(4) Sub-award:

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

(ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. --.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").

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

(5) Sub-recipient means an entity that:

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

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

**\*ADDENDUM #1 (FEBRUARY 2012)**

Effective February 13, 2012, and pursuant to a USAID impracticality determination under 2 CFR 25.110(d)(2)(ii), this provision does not apply to grants and cooperative agreements with a total value of less than \$25,000 awarded to foreign entities performing work outside the United States. In addition, subparagraph b. of this provision, requiring DUNS numbers for subawards, does not apply to subawards of less than \$25,000 made to foreign sub-recipients performing work outside the United States.

[END OF PROVISION]

## **14. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (OCTOBER 2010)**

### **a. Reporting of First-Tier Subawards.**

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

(2) **Where and when to report.**

(i) You must report each obligating action described in paragraph a.(1) of this award term to [www.fsrc.gov](http://www.fsrc.gov).

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

(3) **What to report.** You must report the information about each obligating action that the submission instructions posted at [www.fsrc.gov](http://www.fsrc.gov) specify.

### **b. Reporting Total Compensation of Recipient Executives.**

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

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

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

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

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

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

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

(i) As part of your registration profile at [www.ccr.gov/](http://www.ccr.gov/).

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

### **c. Reporting of Total Compensation of Sub-recipient Executives.**

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

(i) In the sub-recipient's preceding fiscal year, the sub-recipient received—

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

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

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

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

(i) To the recipient.

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

**d. Exemptions.**

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

(1) Subawards, and

(2) The total compensation of the five most highly compensated executives of any sub-recipient.

**e. Definitions.**

For purposes of this award term:

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

(i) A governmental organization, which is a State, local government, or Indian tribe;

(ii) A foreign public entity;

(iii) A domestic or foreign nonprofit organization;

(iv) A domestic or foreign for-profit organization;

(v) A Federal agency, but only as a sub-recipient under an award or sub-award to a non-Federal entity.

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

(3) Sub-award:

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

(ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. --.210 of the attachment to OMB Circular A- 133, “Audits of States, Local Governments, and Non-Profit Organizations”).

(iii) A sub-award may be provided through any legal agreement, including an agreement that you or a sub-recipient considers a contract.

(4) Sub-recipient means an entity that:

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

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

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

(i) Salary and bonus.

(ii) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

(iii) Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

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

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

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

[END OF PROVISION]

## **15. TRAFFICKING IN PERSONS (OCTOBER 2010)**

### **a. Provisions applicable to a recipient that is a private entity.**

(1) You, as the recipient, your employees, sub-recipients under this award, and sub-recipients’ employees may not—

(i) Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

(ii) Procure a commercial sex act during the period of time that the award is in effect; or

(iii) Use forced labor in the performance of the award or subawards under the award.

(2) We, as the Federal awarding Agency, may unilaterally terminate this award, without penalty, if you or a sub-recipient that is a private entity —

(i) Is determined to have violated a prohibition in paragraph a. (1) of this award term; or

(ii) Has an employee who is determined by the Agency official authorized to terminate the award to have violated a prohibition in paragraph a. (1) of this award term through conduct that is either—

(A) Associated with performance under this award; or

(B) Imputed to you or the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR 180, “OMB Guidelines to Agencies on Government wide Debarment and Suspension (Non-procurement),” as implemented by our agency at 22 CFR 208 or its superseding Part in 2 CFR.

**b. Provisions applicable to a recipient other than a private entity.**

(1) We, as the Federal awarding agency may unilaterally terminate this award, without penalty, if a sub-recipient that is a private entity—

(i) Is determined to have violated an applicable prohibition in paragraph a. (1) of this award term; or

(ii) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a. (1) of this award term through conduct that is either—

(A) Associated with performance under this award; or

(B) Imputed to the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR 180, “OMB Guidelines to Agencies on Government wide Debarment and Suspension (Non-procurement),” as implemented by our agency at 22 CFR 208 or its superseding Part in 2 CFR.

**c. Provisions applicable to any recipient.**

(1) You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a. (1) of this award term.

(2) Our right to terminate unilaterally that is described in paragraph a. (2) or b. of this section:

(i) Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and

(ii) Is in addition to all other remedies for noncompliance that are available to us under this award.

(3) You must include the requirements of paragraph a. (1) of this award term in any sub-award you make to a private entity.

**d. Definitions.** For purposes of this provision:

(1) “Employee” means either:

(i) An individual employed by you or a sub-recipient who is engaged in the performance of the project or program under this award; or

(ii) Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

(2) “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring,

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

(3) “Private entity”:

(i) Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25(b).

(ii) Includes:

(A) A non-profit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

(B) A for-profit organization.

(4) “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

[END OF PROVISION]

## **6. REQUIRED, AS APPLICABLE, STANDARD PROVISIONS FOR FIXED OBLIGATION GRANTS TO NONGOVERNMENTAL RECIPIENTS**

### **1. PAYMENT – REIMBURSEMENT (MAY 1986)**

a. The recipient must submit to the USAID Controller, noted in the Schedule of the award, an original and two copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, on a monthly basis and in no event no later than on a quarterly basis. Each voucher must be identified by the award number and must state the total costs for which reimbursement is being requested.

b. Copies of SF 1034 and 1034A may be obtained from the Controller.

[END OF PROVISION]

### **2. INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (FEBRUARY 2012)**

**APPLICABILITY:** The Fly America portion of this provision is applicable only when flights are listed as or in milestones.

### **3. INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (FEBRUARY 2012)**

#### **a. NOTIFICATION**

(1) As long as prior budget approval has been met in accordance with paragraph a. above, a separate Notification will not be necessary unless:

(i) The primary purpose of the trip is to work with USAID Mission personnel, or  
(ii) The recipient expects significant administrative or substantive programmatic support from the Mission. Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

(2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:

(i) Send a written notice to the USAID Grant Officer's Representative (GOR) in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W GOR to forward the notice to the field.

(ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.

(iii) The notification must contain the following information: the award number, the GOR, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the GOR in the Mission to contact the recipient within five working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a sub-recipient is required to issue a Notification, as per this section, the sub-recipient may contact the GOR directly, or the prime recipient may contact USAID on the sub-recipient's behalf.

**b. SECURITY ISSUES:**

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

**c. USE OF U.S.-OWNED LOCAL CURRENCY:**

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

**d. THE FLY AMERICA ACT:**

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

**e. SUBAWARDS**

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

[END OF PROVISION]

**3. PROCUREMENT OF GOODS AND SERVICES (OCTOBER 1998)**

**APPLICABILITY:** This provision is applicable when the procurement element of an award is over \$10,000.

The recipient may use its own procurement policies and practices for the procurement of goods and services under this award, provided they conform to all of USAID's requirements listed below and the standard provision entitled "USAID Eligibility Rules For Goods and Services," if applicable.

**a. General Requirements:**

(1) The recipient must maintain a written code or standards of conduct that will govern the performance of its employees engaged in the awarding and administration of contracts. An employee, officer, or agent must not participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such conflict would arise when the employee, officer or agent, or any member of the employee's immediate family, the employee's partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub-agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

(2) All procurement transactions must be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient must be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals must be excluded from competing for such procurements. Contracts must be made to the offeror whose offer is responsive to the solicitation and is most advantageous to the recipient, price, quality, and other factors considered. Solicitations must clearly establish all requirements that the bidder or offeror must fulfill in order to be evaluated by the recipient. Any and all offers may be rejected when it is in the recipient's interest to do so.

(3) All recipients must establish written procurement procedures. These procedures must provide, at a minimum, that:

(i) Recipients avoid purchasing unnecessary items,

(ii) Where appropriate, an analysis is made of lease and purchase alternatives to

determine which would be the most economical and practical procurement, and

(iii) Solicitations for goods and services provide for all of the following:

(A) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description must not contain features which unduly restrict competition.

(B) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.

(C) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

(D) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

(E) The acceptance, to the extent practicable and economically Feasible, of products and services dimensioned in the metric system of measurement.

(F) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(iv) Positive efforts must be made by the recipients to utilize U.S. small business, minority-owned firms, and women's business enterprises, whenever possible. Recipients of USAID awards must take all of the following steps to further this goal:

(A) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises. To permit USAID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under the award, the recipient must to the maximum extent possible provide the following information to the Office of Small and Disadvantaged Business Utilization (OSDBU/MRC), USAID, Washington, DC 20523, at least 45 days prior to placing any order or contract in excess of \$100,000:

(a) Brief general description and quantity of goods or services;

(b) Closing date for receiving quotations, proposals, or bids; and

(c) Address where solicitations or specifications can be obtained.

(B) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's

business enterprises.

(C) Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises when a contract is too large for one of these firms to handle individually.

(D) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms, and women's business enterprises.

(v) The type of procurement instruments used (for example, fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts), must be determined by the recipient but, must be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting must not be used.

(vi) Contracts must be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration must be given to such matters as contractor integrity, record of past performance, financial and technical resources, or accessibility to other necessary resources. Contracts must not be made with firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Non-procurement Programs." USAID will provide the grantee with copy of this list upon request.

(vii) Recipients must, on request, make available for USAID, pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:

(A) A recipient's procurement procedures or operation fails to comply with the procurement standards in this part, and

(B) The procurement is expected to exceed \$10,000.

(viii) The recipient must document some form of price or cost analysis in its procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.

(ix) Procurement records and files for purchases in excess of the recipient's own small purchase threshold must include the following at a minimum:

(A) Basis for contractor selection;

(B) Justification for lack of competition when competitive bids or offers are not obtained, and;

(C) Basis for award cost or price.

(x) A system for contract administration must be maintained to ensure contractor conformance with terms, conditions, and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients must evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions, and specifications of the contract.

b. The recipient must include, in addition to provisions to define a sound and complete contract, the following provisions in all contracts. The following provisions must also be applied to subcontracts.

(1) Contracts in excess of \$10,000 must contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of \$10,000 must contain suitable provisions for termination by the recipient, including the manner by which termination will be effected and the basis for settlement. In addition, such contracts must describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) All negotiated contracts (except those for less than the recipient's small purchase threshold) awarded by the recipient must include a provision to the effect that the recipient, USAID, the Comptroller General of the United States, or any of their duly authorized representatives, must have access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts, and transcriptions.

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

(5) Contracts, the principal purpose of which is to create, develop, or improve products, processes, or methods; or for exploration into fields that directly concern public health, safety, or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by the U.S. Government (USG), must contain a notice to the effect that matters regarding rights to inventions, intellectual property, and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor must be advised as to the source of additional information regarding these matters.

[END OF PROVISION]

#### **4. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (FEBRUARY 2012)**

Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source and nationality are contained in 22 CFR Part 228, Rules on Procurement of Commodities and Services Financed by USAID Federal Program Funds, which is incorporated into this Award in its entirety. 22

CFR 228 is supplemented by the policies and procedures in ADS Chapters 310 and 312.

##### **a. Ineligible and Restricted Goods and Services:**

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

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

(2) Ineligible Suppliers. Funds provided under this award must not be used to procure any goods or services furnished by any firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Non-procurement Programs"

(See <https://www.epls.gov/>). USAID will provide the recipient with a copy of these lists upon request.

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

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

b. Source and Nationality:

The eligibility rules for goods and services based on source and nationality are divided into two categories: One applies when the total procurement element during the life of the award is \$250,000 or less, and the other applies when the total procurement element during the life of the award is over \$250,000. The total procurement element includes procurement of all goods (for example, equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer.

1) When the total procurement element during the life of this award is valued at \$250,000 or less, the authorized source for procurement of all goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free

World." Such goods and services must meet the source and nationality requirements set forth in 22 CFR 228.

2) When the total procurement element exceeds \$250,000, the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars which will be reimbursed under this award must meet the source and nationality requirements set forth in 22 CFR 228 for the authorized geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 937.

c. If USAID determines that the recipient has procured any of these goods or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

This provision must be included in all sub-agreements which include procurement of goods or services.

[END OF PROVISION]

##### **5. SUBAGREEMENTS (OCTOBER 1998)**

a. Subawards must be made only with responsible recipients who possess the potential ability to perform successfully under the terms and conditions of a proposed agreement. Consideration must be given to such matters as integrity, record of past performance, financial and technical resources, or accessibility to other necessary resources. Awards must not be made to firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Non-procurement Programs." USAID will provide the grantee with a copy of this list upon request.

b. All sub-agreements must at a minimum contain provisions to define a sound and complete agreement in addition to those that are specifically required by any other provisions in this award. Whenever a provision within this award is required to be inserted in a sub-agreement, the recipient must insert a statement in the sub-agreement that in all instances where USAID is mentioned, the recipient's name will be substituted. If sub-agreements are being made to U.S. organizations, a suggested sub-award format incorporating 22 CFR 226 and standard provisions will be provided.

[END OF PROVISION]

**6. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE) (OCTOBER 1998)**

Agreement between USAID and the host country, or when the award provides for property titled in the name of the host country or such public or private agency as the host country government may designate to be furnished to or acquired by the recipient.

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

b. The recipient must prepare and establish a program, for the receipt, use, maintenance, protection, custody, and care of equipment, materials, and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The recipient must be guided by the requirements of 22 CFR 226.30 through 226.36.

c. Within 90 days after completion of this award, or at such other date as may be fixed by the Agreement Officer, the recipient must submit an inventory schedule covering all items of equipment, materials, and supplies under the recipient's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this award. The recipient must also indicate what disposition has been made of such property.

[END OF PROVISION]

**7. PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (JUNE 1999)**

a. USAID reserves the right to terminate assistance to, or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR 140.

b. For any loan over \$1,000 made under this agreement, the recipient must insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall or refund by the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR 140.

c. Upon notice by USAID of a determination under section (1) and at USAID's option, the recipient agrees to immediately cancel, accelerate, or recall the loan, including refund in full of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.

d. The recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a sub-recipient designated by USAID ("Designated Sub-recipient") until advised by USAID that: (i) any USG review of the Designated Sub-recipient and its key individuals has been completed; (ii) any related certifications have been obtained; and (iii) the assistance to the Designated Sub-recipient has been approved. Designation means that the sub-recipient has been unilaterally selected by USAID as the sub-recipient. USAID approval of a Sub-recipient, selected by another party, or joint selection by USAID and another party is not designation.

e. The recipient must insert the following clause, or its substance, in its agreement with the Designated Sub-recipient:

“The recipient reserves the right to terminate this [Agreement/Contract] or take other appropriate measures if the [Sub-recipient] or a key individual of the [Sub-recipient] is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR 140.”

[END OF PROVISION]

## **8. REPORTING OF FOREIGN TAXES (MARCH 2006)**

**APPLICABILITY:** This provision is only applicable only if the tax is charged on items specifically listed as or in milestones. This provision does not apply to agreements funded with Operating Expense, Pub. L. 480 funds, or trust funds, or agreements where there will be no commodity transactions in a foreign country over the amount of \$500.

- a. The recipient must annually submit a report by April 16 of the next year.
- b. Contents of Report. The report must contain:
  - (i) Contractor/recipient name.
  - (ii) Contact name with phone, fax and e-mail.
  - (iii) Agreement number(s).
  - (iv) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year.
  - (v) Only foreign taxes assessed by the foreign government, in the country receiving U.S. assistance, is to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance program for Lesotho involves the purchase of commodities in South Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa).
  - (vi) Any reimbursements received by the recipient during the period in (iv) regardless of when the foreign tax was assessed and any reimbursements on the taxes reported in (iv) received through March 31.
  - (vii) Reports are required even if the recipient did not pay any taxes during the report period.
  - (viii) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.
- c. Definitions. For purposes of this clause:
  - (i) “Agreement” includes USAID direct and country contracts, grants, cooperative agreements, and interagency agreements.
  - (ii) “Commodity” means any material, article, supply, goods, or equipment.
  - (iii) “Foreign government” includes any foreign governmental entity.
  - (iv) “Foreign taxes” means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.
- d. Where. Submit the reports to: [insert address and point of contact at the Embassy, Mission, or FM/CMP as appropriate (see b. above) [may include an “optional with a copy to”].
- e. Sub-agreements. The recipient must include this reporting requirement in all applicable subcontracts, sub-grants, and other sub-agreements.
- f. For further information see [www.usaid.gov/policy/ads/300/302mac.pdf](http://www.usaid.gov/policy/ads/300/302mac.pdf).

[END OF PROVISION]