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PAPA
Schedule, Annex A, Annex B, and Annex C

Schedule

A. PURPOSE OF AGREEMENT

1. This Agreement between the [**Participating Agency**] (the Participating Agency) and the United States Agency for International Development (USAID) is entered into under the authority of Section 632(b) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. Sec. 2392(b). The Agreement defines the procedures under which USAID will reimburse the Participating Agency to implement the program for [the _____ region][*List specific country/countries or describe the group*].

2. For purposes of this Agreement, the term "Cooperating Country" means the country receiving assistance under this Agreement and includes [the countries listed or described above (*if listed or described above*)][*list here if not listed above*], and such other countries as USAID and the Participating Agency may agree to in writing.

B. PURPOSE OF PROGRAM

The Program, as further described in Annex A, consists of assistance for [*Describe activity, strategic objectives and intermediate results supported, country participation, etc.*].

C. FISCAL TERMS

1. Execution of this Agreement constitutes an obligation by USAID of the funds specified in block 9B of the face sheet of this Agreement.

2. USAID funding for the Program is limited to the total obligated funding (block 9C of the face sheet of this Agreement). Unless USAID agrees otherwise in writing, funds obligated under this Agreement are available for Program expenditures from the date of this Agreement through the Program Completion Date specified in block 8 on the face sheet of this Agreement. [*If USAID will obligate its funds incrementally, include the following:*] [USAID plans to obligate its contribution to the Program in tranches, up to the total amount of the USAID contribution stated in Annex B. USAID may obligate contributions in excess of its initial obligation by one or more amendments to this Agreement, subject to the availability of funds and mutual agreement of USAID and the Participating Agency to proceed at the time of any such amendments.] If the Participating Agency chooses to continue Program activities after USAID funding has been exhausted, the Participating Agency agrees to use its own funds for that

purpose.

3. The financial plan in Annex B sets forth the budget for implementation of the Program. Within the total budget amount for the Program, the Participating Agency may adjust individual line items, provided that (1) any adjusted line item does not change by more than 25 percent of the amount shown for that line item in the financial plan and (2) the Participating Agency gives USAID written notice of the adjustments. Adjustments to the budget that exceed 25 percent for any one line item require prior written approval of USAID.

[Use the following clause if both SEED Act funds and FREEDOM Support Act funds are provided under this Agreement:]

[4. The Participating Agency will ensure that funds appropriated under the Support for East European Democracy (SEED) Act of 1989, as amended, and made available to the Participating Agency under this Agreement are expended for activities related to the Cooperating Countries of Central and Eastern Europe and that funds appropriated under the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (FREEDOM Support Act), as amended, and made available to the Participating Agency under this Agreement are expended for activities related to the Cooperating Countries of the New Independent States.]

D. BILLING; FINANCIAL, AND OTHER REPORTS

1. The Participating Agency must bill USAID through the Intra-governmental Payment and Collection system.

The USAID financial contact person is the Office Chief, M/FM/CMP/IBU, at 202-712-0519 (telephone) and 202-216-3543 (fax). The USAID Agency Location Code (ALC) for billings is 72-000001.

2. Any other Financial Reports must be addressed to

United States Agency for International Development
M/FM/CMP/IBU
Inter-Agency Billing Unit
1300 Pennsylvania Avenue, N.W.
Room 7.07-064
Washington, D.C. 20523-0208

3. The Participating Agency must furnish the original of the periodic financial reports required under Section B.2 of the Standard Provisions (Annex C) of this Agreement to USAID at the above-stated address.

4. The Participating Agency must prepare the financial reports required under this Agreement on a [quarterly] basis.

[If advance payments are provided to the Participating Agency, include the following paragraph 4 instead.]

4. If the Participating Agency is authorized to receive advance funding, the Servicing Agency must provide the CTO and USAID paying office quarterly financial statements showing the status of amounts advanced and amounts expended during the quarter in a format comparable to the budget elements outlined in this agreement within 45 day after the close of the quarter.

[Use paragraphs a and b below if periodic progress reports will be required. Modify the paragraphs as necessary to meet the specific needs of the Program.]

[5. a. Periodic Progress Reports: The Participating Agency must provide to USAID, in form and substance satisfactory to USAID, [quarterly] reports on progress toward achieving Program objectives, keyed to approved planning documents, if any. The reports must include, but not be limited to, the following information: status of achieving goals, objectives and benchmarks; progress or completion of components, elements or activities against planned targets; description of overall Program status; other accomplishments and major highlights of Program implementation; identification and explanation of significant problems or delays related to achievement of objectives or activities; and a brief summary of significant corrective actions and major activities planned for the subsequent reporting period. The reports must include separate sections that describe country-specific activities, as appropriate.

b. Final Progress Report: Not later than 60 days following the Completion Date of the Program, the Participating Agency must prepare and submit to USAID, in form and substance satisfactory to USAID, a final report of activities financed under this Agreement. The final report must provide a chronological summary of the information required generally for the periodic progress reports from the beginning of the Program to its completion; and an assessment by the Participating Agency, to the extent feasible, of the impacts of the Program.]

[Use the following paragraph instead of paragraphs a and b above if only a single final report is planned for the Program.]

[5. Final Progress Report. Not later than 60 days following the Completion Date of the Program, the Participating Agency must prepare and submit to USAID, in form and substance satisfactory to USAID, a final report of activities financed under this Agreement. The report must describe the Participating Agency's progress toward achieving Program objectives, keyed to approved planning documents, if any. The report must include, but not be limited to, the following information: status of achieving goals, objectives, and benchmarks; progress or completion of components, elements or activities against planned targets; description of overall Program status; other accomplishments and major highlights of Program implementation; identification and explanation of significant problems or delays related to achievement of objectives or activities; a brief summary of significant corrective actions taken; and an assessment by the Participating Agency, to the extent feasible, of the impacts of the Program. The report must include separate sections that describe country-specific activities, as appropriate.]

6. The Participating Agency must furnish to the Additional Representative of USAID noted in block 12B of the face sheet of this Agreement two copies of all financial and other

reports required under this Agreement, along with one diskette of each report (other than financial reports) formatted in Microsoft Word 97, or such other data processing format as USAID may agree to in writing.

E. PROGRAM PLANNING AND COORDINATION

[For a multi-year Program, include a description of the implementation planning process, if any.]

1. Program Planning
2. Consultation

The Participating Agency and USAID will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Participating Agency and USAID, at the request of either, will exchange views on the progress of the Program, the performance of obligations under this Agreement, and the performance of any consultants, contractors, or suppliers engaged in the Program, and other matters relating to the Program.

3. Coordination

The Participating Agency must make best efforts to coordinate its activities with those of other U.S. Government financed programs and other donors providing assistance substantially similar to that of the Participating Agency in the Cooperating Country(ies).

4. Compliance with USAID Policy Guidance.

The USAID [] [office] is responsible for coordinating the implementation of USAID-funded activities of the Participating Agency under this Agreement. From time to time, the Assistant Administrator for [] Bureau, his or her Deputy, or the [technical office] Office Director, may provide additional policy or operational guidance in writing to the Participating Agency or its representatives in carrying out foreign assistance programs and activities in the [] Region, including this Program. The Participating Agency agrees to comply with such guidance so long as it is consistent with this Agreement and with laws governing operation of the Participating Agency.

5. Communication

Any notice, request, document, report, or other communication submitted by either the Participating Agency or USAID, unless this Agreement expressly provides otherwise or the parties otherwise agree in writing, will be sent to the other party's Authorized Representative or Additional Representative noted in block 13 or 12 of the face sheet of this Agreement.

6. Notification

The Participating Agency must notify USAID promptly in writing of any audits of activities financed by this Agreement initiated by or at the request of the Participating Agency, its Inspector General, the Office of Management and Budget, or the General Accounting Office.

[7. Program Evaluation

At the option of either USAID or the Participating Agency, the Participating Agency will undertake or cause to be undertaken, within the total budget specified in the Financial Plan and Budget in Annex B of this Agreement, an external evaluation of the Program. The Participating Agency and USAID must agree on the terms of reference for the evaluation and an appropriate schedule for conducting it. Evaluations may include

- a. Evaluation of progress toward attainment of Program objectives;
- b. Identification and evaluation of problem areas or constraints that may inhibit attainment of Program objectives;
- c. Assessment of how such information may be used to help overcome such problems; and
- d. Evaluation of the overall impact of the Program on Program objectives.]

[8. Information Requirements for Training Activities

- a. The quarterly reports discussed above and in Standard Provisions, Clause F, will include a country-by-country analysis, by gender and ethnicity, of the individuals trained to date under the Program.
- b. In addition, the Participating Agency will provide reports to USAID through USAID's required participant training database, "TraiNet," in accordance with USAID Automated Directives System Chapter 253. The Participating Agency must enter in the database data for each person trained under the Program. The data will include biographical, programmatic, administrative, and logistical information that will facilitate USAID's reporting to Congress.]

F. SPECIAL PROVISIONS

1. Country Eligibility

[If desired for Africa programs, include limitations on country eligibility.]

[a. Funds provided under this Agreement may not be used for activities that constitute "furnishing assistance" to a country or countries which USAID informs the Participating Agency are ineligible for assistance, except as USAID may advise otherwise. Examples of activities that constitute "furnishing assistance" to a country include assistance

directly to a country's public or private sector, assistance to a USAID Mission to implement a strategic or special objective, or assistance to another donor or nongovernmental organization to assist it in assisting the country. Examples of activities that are not considered to be assistance to a country include assisting USAID to develop a strategic plan for its own future planning or conducting an evaluation of past activities, where the information developed is not transmitted to the country or to another donor to use in assisting the country.]

[If appropriate, include the following paragraphs and modify or amplify as necessary.]

[b. Regardless of any provision in this Agreement to the contrary, the Participating Agency may not provide any assistance to the [Government of Azerbaijan] [Government of Cuba][Government of ___], except as USAID may otherwise agree in writing.]

[c. As of the date of this Agreement, the following sub-Saharan countries are ineligible for assistance under this Agreement: _____. USAID will notify the Participating Agency of changes in country eligibility for assistance under this Agreement.]

[d. USAID has designated the following countries for close-out of USAID assistance:

(List countries and close-out dates, if applicable.)

Except as USAID may otherwise agree in writing, the Participating Agency may not expend funds for a cooperating country beyond that country's close-out date stated above.]

[Choose the appropriate version of paragraph 2. In most instances – where USAID has granted a categorical exclusion, the first version is appropriate. If the Program does not qualify for a categorical exclusion for whatever reason, the second version may be appropriate and can be modified as necessary.]

[2. Environmental Regulations. The Participating Agency must comply with USAID environmental regulations (Code of Federal Regulations (CFR), Title 22, Part 216, "Regulation 16") in carrying out the Program. USAID has granted a categorical exclusion for the Program under the terms of Regulation 16, and upon request, will furnish a copy of the categorical exclusion to the Participating Agency. USAID expects that no further action under Regulation 16 is required for the Program unless the Participating Agency undertakes activities under this Agreement other than those described in the categorical exclusion. However, if further action becomes necessary, USAID will, upon request, provide further guidance to help the Participating Agency comply with Regulation 16.]

[2. Environmental Regulations. The Participating Agency must comply with USAID environmental regulations (Code of Federal Regulations (CFR), Title 22, Part 216, "Regulation 16"), with respect to the activities to be undertaken under this Agreement. At the request of the Participating Agency, USAID will provide further guidance to help the Participating Agency comply with Regulation 16.]

3. Source and Origin of Commodities; Nationality of Suppliers of Commodities and Services. The following provisions apply to this Agreement except as USAID may otherwise agree in writing.

a. Except as this Agreement provides otherwise, the Participating Agency must comply with 22 CFR Part 228 and USAID Automated Directives System (ADS) Chapters 310 and 311. The terms "source," "origin," "nationality," ["foreign policy-restricted countries"] and "Geographic Code," as used in this Agreement, have the definitions set forth in 22 CFR 228.

b. The USAID Authorized Geographic Code for the source and origin of commodities financed under this Agreement and for the nationality of the suppliers of commodities and services financed under this Agreement will be ["000," the United States][["110," New Independent States][["941," the United States and less-developed countries, excluding foreign policy-restricted countries][["935," any area or country including the Cooperating Country(ies) but excluding foreign policy-restricted countries].

[Use the following paragraph if the Agreement is financed with funds from sources other than the Development Fund for Africa:]

[c. Commodities financed under this Agreement must have their source and origin in a country or area included in the USAID Authorized Geographic Code applicable to this Agreement or in the cooperating country. Suppliers of commodities or services will have a country or area included in the USAID Authorized Geographic Code or the cooperating country as their place of nationality.]

[The following subparagraph applies only if the Agreement is financed under the Development Fund for Africa:]

[c. Commodities and services financed under the Program with funds under the Development Fund for Africa will be governed by the following:

(1) To the maximum extent possible, commodities financed under this Agreement must have the United States as their source and origin, and suppliers of commodities and services must have the United States as their country of nationality;

(2) Agricultural commodities financed under this Agreement must have the United States as their source and origin when the domestic price of such commodities is less than parity [**define**], unless USAID concurs that the commodity cannot reasonably be procured in the United States to fulfill the objectives of the Program;

(3) Where adequate competition among qualified United States firms exists for construction activities in excess of \$5,000,000 or for engineering services procurement, the supplier of such construction services must have the United States as its country of nationality;

(4) Suppliers of pharmaceuticals financed under this Agreement must have United States as their country of nationality;

(5) Only USAID-approved pesticides may be procured;

(6) Fertilizers financed under this Agreement must have the United States as their source and origin, unless USAID determines that there are significant price differentials between United States and foreign sources or that there would be an adverse impact on price or domestic availability in the United States;

(7) While participant training may be financed in USAID Geographic Code 899 countries, all long-term training must take place in the United States or the cooperating country;

(8) The Cargo Preference Act of 1954, 46 U.S.C., Sec. 1242(b)(1) applies to ocean shipping under this Agreement;

(9) Air travel and transportation to and from the United States must be procured from United States-flag carriers; and

(10) The non-United States portion of any procurement transaction under the Agreement must not exceed \$5,000,000.]

[d. The Participating Agency may authorize the source, origin, and nationality of a procurement in a country other than as specified in this Agreement, only if

(1) The procurement is of commodities or services of a type that is not produced in and available for purchase in any country authorized under this Agreement; or

(2) The Authorized Representative of the Participating Agency determines in writing on a case-by-case basis that procurement in such other country is necessary (a) to meet unforeseen circumstances, such as emergency situations, or (b) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

The authorization for procurement under this paragraph must be in writing and must set forth the basis for the authorization. The Participating Agency must provide USAID a copy of the authorization.]

[Use the following clause if the Program is financed under the Development Fund for Africa.]

[e. Unless USAID advises the Participating Agency otherwise in writing, the funds transferred to the Participating Agency under this Agreement are under the Development Fund for Africa. If, in addition, funds from other sources are transferred to the Participating Agency under this Agreement, USAID will give the Participating Agency additional written advice regarding the source, origin, and nationality rules applicable to such other funds.]

[The following subparagraph applies only if the Agreement is financed under the FREEDOM Support Act and the cooperating country as specified in ____ does not include the entire former Soviet Union:]

[e. For purposes only of determining the authorized source and origin of commodities and the nationality of suppliers of commodities and services, the term “cooperating country” includes the independent states of the former Soviet Union.]

4. Participating Agency personnel will not work primarily in USAID offices or on USAID activity sites.

5. Section 487

Under Section 487 of the Foreign Assistance Act of 1961 (FAA) (Section 487), as amended, no assistance may be provided under this Agreement to or through any individual or entity where the United States Government has reason to believe that the individual, the entity or a "key individual" of the entity is or has been involved in "drug trafficking activities" (including "money laundering") (all quoted terms in this clause having the meanings given them in Section 487 and USAID Automated Directives System (ADS) Chapter 206). If assistance under this Agreement is to be provided by the Participating Agency to an individual or entity in or from a "covered country," or if the Participating Agency knows or has a reasonable suspicion that the proposed individual, entity, or "key individual" of the entity is or has been involved in "drug trafficking activities," then the Participating Agency is responsible for ensuring that the assistance is provided in a manner consistent with the provisions of Section 487 and ADS 206, including, as applicable

- (i) Submitting the names of each "key individual" and "covered participant" to the Country Narcotics Coordinator at the relevant United States Embassy for clearance;
- (ii) Obtaining certifications in the forms of the “Key Individual Certification – Narcotics Offenses and Drug Trafficking” and the “Participant Certification - Narcotics Offenses and Drug Trafficking,” as set forth ADS 206, from each "key individual" and "covered participant"; and
- (iii) Including in any agreement that the Participating Agency may enter into with a "first-tier recipient" or "covered participant" the appropriate clause(s) substantially in the form(s) attached as Attachment 1 of this Schedule.

[Consider whether special provisions should apply to the Agreement instead of Standard Provisions N, “Communications Products,” and O, “Training of Cooperating Country Personnel.” If so, state those other provisions here.]

6. Support To Terrorism

The Participating Agency is reminded that U.S. Executive Orders and U.S. laws prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Participating Agency to ensure that all subagreements, contracts, and grants issued under this Agreement comply with these Executive Orders and laws.

[7. . . .]

G. ORDER OF PRECEDENCE

Conflicts between any parts of this Agreement will be resolved by applying the following descending order of precedence:

- Face Sheet
- Schedule
- Annex C, Standard Provisions
- Annex B, Financial Plan and Budget
- Annex A, Program Description

Clauses for USAID-Financed Agreements

The following clauses (or substantive alternatives) are to be included in Covered Agreements.

a) For AGREEMENTS WITH FOREIGN GOVERNMENTS:

[Participating Agency] reserves the right to terminate this Agreement or take other appropriate measures if _____ or a key individual of _____ is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

b) For AGREEMENTS WITH PUBLIC INTERNATIONAL ORGANIZATIONS:

The Grantee must make such reasonable efforts as are necessary to ensure that no funds or other support under this agreement is diverted in support of drug trafficking.

c) For AGREEMENTS WITH NONGOVERNMENTAL ORGANIZATIONS:

[Participating Agency] reserves the right to terminate this [Agreement/Contract], to demand a refund or take other appropriate measures if the [Grantee/Contractor] is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

d) If there are COVERED PARTICIPANTS:

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

e) If there are LOANS OVER \$1000.

(x) For any loan over \$1000 made under this [Agreement/Contract], the [Grantee/Contractor] must insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall, or refund by the [Grantee/ Contractor] if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

(xx) Upon notice by [Participating Agency] of a determination under section (x) and at [Participating Agency's] option, the [Grantee/ Contractor] agrees to immediately cancel, accelerate, or recall the loan, including refund in full of the

outstanding balance. [Participating Agency] reserves the right to have the loan refund returned to [Participating Agency].

f) If there is a DESIGNATED SUBRECIPIENT [modify the clause to fit the category of subrecipient, e.g., if the designated subrecipient is a U.S. NGO, review is not required and subparagraph (1) can be deleted]:

(x) The [Grantee/Contractor] agrees not to disburse, or sign documents committing the [Grantee/Contractor] to disburse, funds to a subrecipient designated by [Participating Agency] ("Designated Subrecipient") until advised by [Participating Agency] that (1) any United States Government review of the Designated Subrecipient and its key individuals has been completed; (2) any related certifications have been obtained; and (3) the assistance to the Designated Subrecipient has been approved.

(xx) The [Grantee/Contractor] must insert the following clause, or its substance, in its agreement with the Designated Subrecipient:

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

Annex A
Program Description

**Annex B
Financial Plan and Budget**

[Optional Format – May also arrange by Strategic Objective (SO)/Intermediate Results (IRs) or other format as appropriate. The budget categories used here will also be used in the periodic financial reports prepared by the Participating Agency.]

Technical Assistance:

3 Economic Advisors	\$_____.
Travel and per diem	\$_____.
Subtotal	\$_____.

Commodities/equipment:

10 Item 1	\$_____.
15 Item 2	\$_____.
Subtotal	\$_____.

Participant Training:

30 participants @ \$____	\$_____.
Travel and per diem	\$_____.
Subtotal	\$_____.

Other \$_____.

TOTAL \$_____.

[Budget by Cooperating Countries

<u>Country</u>	<u>Amount</u>
Country X	\$_____.
Country Y	\$_____.
Country Z	\$_____.]

Annex C Standard Provisions

A. GENERAL

1. The Participating Agency will use the funds made available to it under this Agreement to cover costs incurred in carrying out the Program under the terms and conditions of this Agreement. The Participating Agency will be accountable for all funds made available to it under this Agreement. Funds not expended by the Participating Agency by the Completion Date of the Program (as defined below) and funds expended for purposes or activities not authorized by this Agreement will be promptly refunded to USAID.

2. The Completion Date for the Program will be the date stated in block 8 of the face sheet of this Agreement, or such other date as the parties may agree to by amendment of this Agreement. "Completion Date" for this purpose means the estimated date by which all USAID-financed services will have been performed and all USAID-financed goods will have been furnished for the Program as contemplated in this Agreement. Except as USAID may otherwise agree in writing, funds transferred under this Agreement may not be used to finance services performed after the Completion Date or goods furnished after the Completion Date.

3. USAID will begin to formally close out the Program after the physical completion of the Program or the Completion Date, whichever occurs first. The Participating Agency will cooperate with USAID to expeditiously and properly document the close-out of the Program. Except as USAID may otherwise agree in writing, the Participating Agency must, not later than nine months following the Completion Date, submit to USAID requests for reimbursement or liquidation of outstanding advances under the Program. Funds which have not been disbursed and for which reimbursement requests, with supporting documentation, have not been received by USAID as of nine months following the Completion Date of the Program may be unilaterally deobligated by USAID.

4. The Participating Agency must ensure that all statutory or other restrictions on expenditures of the funds transferred by this agreement are fully complied with.

B. BILLING AND FINANCIAL REPORTS

1. The Participating Agency must bill USAID as provided in the Schedule. The amount billed will be determined by the Participating Agency and will be billed for an expenditure transfer into an account administered by the Participating Agency and for which the Participating Agency provides fiscal reports to OMB and/or the Department of Treasury. This amount will be treated by USAID as an advance and will be expended based on the periodic financial reports, described below, detailing the implementation of the Program.

2. The financial reports submitted for liquidation of advances or requests for reimbursement must, as provided in the Schedule, contain current period and cumulative amounts as follows:

Budget Line Item	Budget Amount	Current Period Disbursements	Cumulative Disbursements	Remaining Budget Balance
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3. The Participating Agency must use the categories of obligations and expenditures set forth in Annex B of this Agreement. The Participating Agency must provide this information both in summary form for the entire Program and separately by Cooperating Country, if appropriate.

4. The financial reports will be used to liquidate the advance authorized by this Agreement. The Participating Agency must submit its periodic financial report within 30 days after the end of the applicable reporting period. The report must be signed in the original by an authorized official of the Participating Agency billing office.

C. **ELIGIBLE COUNTRIES.** Except as USAID may otherwise agree in writing, funds provided under this Agreement will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

D. **PROCUREMENT.** The Participating Agency will administer the funds (including procurement and monitoring actions) in accordance with its own procedures, except as provided in this Agreement or as USAID may otherwise agree in writing.

E. **BOOKS AND RECORDS.** The Participating Agency must keep full and complete records and accounts with respect to the funds made available to it under this Agreement in accordance with generally accepted U.S. Government accounting principles. The Participating Agency must require that all contractors or grantees financed under this Agreement maintain books and records related to the Program in accordance with generally accepted accounting principles as formally prescribed by the United States, the Cooperating Country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants). The Participating Agency must ensure that all such books and records of all contractors and grantees financed under this Agreement may be audited by the Participating Agency, USAID, or other authorized U.S. Government official for a period of three (3) years from the expiration of the contract or grant.

F. **IMPLEMENTATION AND MONITORING**

1. The Participating Agency is responsible for overall supervision of the Program.

2. If the Schedule of this Agreement specifies that the Participating Agency will prepare and submit periodic progress reports to USAID, the Participating Agency must submit each such report within 30 days after the end of the interval covered by the report. The report must identify any grants funded under this Agreement to non-U.S., nongovernmental organizations in the amount of \$300,000 or more per year. The Participating Agency must provide an audit schedule for all such grants. The schedule must conform with the requirements set forth in Section G of the Standard Provisions of this Agreement.

3. The Participating Agency must submit to USAID such other information as USAID may reasonably request regarding the implementation, impact, or success of the Program of the Program and the expenditure of funds under this Agreement.

4. The Participating Agency hereby agrees to provide USAID with copies of all evaluation or other reports generated by federal or outside sources.

G. AUDIT AND INSPECTION RIGHTS

1. Audit and inspection requirements as set forth in the Inspector General Act of 1978, as amended, (the "Act") apply with respect to the funds transferred hereby, and to the books and records of any contractor or grantee financed with such funds. The Office of the Inspector General for USAID must ensure full compliance with all applicable provisions of the Act in coordination with the Office of the Inspector General for the Participating Agency, or other appropriate office, which will provide all appropriate assistance or other support.

2. The Participating Agency must ensure that grants with non-U.S., nongovernmental organizations include an audit clause that requires that if a grantee receives \$300,000 or more per year in grant awards, the grantee agrees that it will have an independent financial audit of the funds provided under such grants. The financial audit of the funds disbursed to the grantee will determine whether the receipt and expenditure of the funds provided under the grant are in accordance with generally accepted accounting principles and whether the grantee has complied with the terms of the agreement. An audit must be conducted for each fiscal year of the grantee. The audits must usually be performed annually, but not less frequently than every two years. The audits must be performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Non-U.S., nongovernmental organizations receiving less than \$300,000 per year are exempt from the financial audit requirements, but are subject to the requirement to make records available upon request for review by authorized U.S. Government officials.

3. The Participating Agency must ensure that contracts with non-U.S. contractors include the appropriate audit and examination of records clauses as specified in the Federal Acquisition Regulation.

4. The Participating Agency must ensure, by appropriate written arrangements with recipients of USAID-financed assistance under this Agreement, that such assistance will be subject to audit and inspection by authorized U.S. Government officials.

H. OTHER AGREEMENTS

1. In each Cooperating Country in which a framework economic assistance bilateral agreement governing privileges, immunities, and tax exemptions of USAID-financed personnel, entities, and commodities is not in effect, the Participating Agency, with the assistance of USAID and, if necessary, the United States Embassy in the Cooperating Country, will seek to obtain for its

personnel, contractors, and grantees as well as for any commodities financed under this agreement, exemptions from taxes, duties, and fees that may be imposed by the Cooperating Country with respect to activities or transactions financed under this Agreement.

2. The Participating Agency must ensure, with the assistance of USAID, and if necessary, the United States Embassy in the Cooperating Country, through written arrangements which the Participating Agency and/or grantees or contractors financed under this Agreement must enter into with recipients of USAID-financed assistance that (1) such assistance must only be used for the purposes stated therein and, (2) that if such assistance is no longer needed for such purposes, that such assistance may be used for other purposes as may be agreed upon by the Participating Agency in consultation with USAID.

I. AMENDMENTS AND MODIFICATIONS

1. Implementation letters may be used to record mutually agreed upon adjustments to Annex A (Program Description) or to Annex B (Financial Plan and Budget) without formal amendment of this Agreement. In addition, USAID, from time to time may issue implementation letters to furnish additional information about matters addressed in this Agreement. Implementation letters must not be used, however, to modify the Completion Date, the Schedule, or Annex C (Standard Provisions) of this Agreement or to increase the total amount of USAID funds obligated under this Agreement (block 9C of the Face Sheet). Such changes must only be accomplished through formal amendment of this Agreement.

2. This Agreement may be amended, modified or canceled upon the mutual, written agreement of both parties.

J. **AUTHORIZED REPRESENTATIVES.** For all purposes relevant to this Agreement, the Participating Agency and USAID will be represented by the individuals identified in block 13A and block 13B, respectively, of the face sheet of this Agreement. Each party may, by written notice to the other party, designate additional representatives, who will serve as representatives for all purposes specified in such notice. The Participating Agency and USAID hereby designate as Additional Representatives the persons named in blocks 12A and 12B, respectively, who may exercise all powers under this Agreement other than amending, modifying or canceling this Agreement. A person holding or acting in the same office as an individual named in this Agreement must have the authority to exercise all powers of such individual under this Agreement, unless the party concerned advises the other party in writing to the contrary. USAID may accept as duly authorized any instrument signed by representatives of the Participating Agency until receipt of written notice of revocation of their authority.

K. **INTERNATIONAL TRAVEL.** Except as USAID may otherwise agree in writing, all travel financed under this Agreement is subject to the Federal Travel Regulation.

Except as USAID may otherwise agree in writing, travel financed under this Agreement to all international destinations will be subject to United States Embassy or USAID Mission clearance in accordance with guidance issued from time to time by USAID. The Participating Agency is hereby advised that in some instances, several weeks' advance notice may be required in order to

obtain the necessary approvals for certain international destinations. Accordingly, the Participating Agency will advise USAID in Washington of proposed international travel at least three weeks in advance, if possible.

L. INVESTMENT PROMOTION

1. No funds or other support provided under this agreement may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States.

2. No funds or other support provided under this agreement may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID.

3. No funds or other support provided under this agreement may be used in an activity that contributes to the violation of internationally recognized rights of workers in the cooperating country, including those in any designated zone or area in that country.

M. COMMERCE AND TRADE

1. No funds or other support provided under this agreement may be used for any testing or breeding feasibility study, variety improvement or introduction, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: provided that this shall not prohibit (a) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or (b) research activities intended primarily to benefit United States producers.

2. No funds or other support provided under this agreement may be used to

(a) Procure directly feasibility studies or prefeasibility studies for, or project profiles of potential investment in, the manufacture, for export to the United States or to third country markets in direct competition with United States exports, of import-sensitive articles as defined by 19 U.S.C. 2463 (b) (1) (A) and (E)); or

(b) Assist directly in the establishment of facilities specifically designed for the manufacture, for export to the United States or to third-country markets in direct competition with United States exports, of import-sensitive articles as defined by 19 U.S.C. 2463 (b) (1) (A) and (E)).

N. COMMUNICATIONS PRODUCTS

Unless the Schedule of this Agreement specifically provides otherwise or USAID approves otherwise in writing, the following requirements apply to any printed material (other than noncolor photocopy material), photographic services or video production services (“Communications Products”) prepared under this Agreement:

1. The Participating Agency must follow USAID-established standards for Communications Products financed by USAID. A copy of the USAID standards may be obtained from the USAID Authorized Representative on request.
2. The following Communications Products are eligible for USAID financing under this Agreement only if they are approved in writing by the USAID Bureau for Legislative and Public Affairs (LPA):
 - a. Any Communications Products costing over \$25,000, including the costs of both preparation and execution. (For example, in the case of a publication, the costs will include research, writing, and other editorial services (including any associated overhead), design, layout, and production costs.)
 - b. Any Communications Products that will be sent directly to, or are likely to be seen by, a Member of Congress or Congressional staffer.
 - c. Any Communications Products of which more than 50 percent of the copies will be distributed in the United States (excluding copies provided to USAID/PPC/CDIE and other USAID/Washington offices for internal use).

O. TRAINING OF COOPERATING COUNTRY PERSONNEL

Except as USAID may otherwise agree in writing, the planning and implementation of all training of personnel of cooperating countries financed under the Program must comply with USAID Automated Directives System Chapter 253.

P. NATIONAL SECURITY

1. In accordance with National Security Decision Directive 38 of June 2, 1982,

[A]ll agencies with staffs operating under the authority of Chiefs of Mission will ensure that, in coordination with the Department of State, the Chiefs of Missions' approval is sought on any proposed changes in the size, composition, or mandate of such staff elements. Departments and agencies wishing to initiate changes should transmit their proposals to Chiefs of Missions in consultation with the Department of State.

Accordingly, the Participating Agency is responsible for complying with all requirements of National Security Decision Directive 38, as instructed by the Department of State and the chiefs of mission in each cooperating country.

2. The Participating Agency must ensure that all of its employees assigned or hired overseas and all of its personnel (both employees and contractors) traveling overseas on temporary duty have the requisite security clearance and otherwise comply with the requirements of 12 Foreign Affairs Manual (FAM) 443.

Q. USE OF GOODS AND SERVICES

Except as USAID may otherwise agree in writing, all good and services financed under this Agreement will be used for the purposes of the Program until the completion or termination of this Agreement, and thereafter will be used as USAID may direct in implementation letters.

R. MARKING

Unless USAID agrees otherwise,

1. All USAID-financed equipment and materials must be marked with the USAID red, white, and blue emblem, and their shipping containers must be marked with the emblem and the USAID financing document number.

2. All construction sites and other locations receiving USAID financing must display signs marked with the USAID red, white, and blue emblem and indicating participation by the United States of America. These signs should be erected at an early date in the construction or implementation phase and be replaced by permanent signs, plates or plaques, marked with the USAID red, white, and blue emblem, at the end of this phase.