

Series 300 – Acquisition and Assistance
ADS 308 – Grants and Cooperative Agreements With Public International Organizations

*Please note that this document has been substantially modified. The series of standard provisions which used to be in this chapter is now in an internal mandatory reference, Mandatory Standard Provisions for Grants to Public International Organizations.

Table of Contents

<u>308.1</u>	<u>OVERVIEW</u>	<u>3</u>
<u>*308.2</u>	<u>PRIMARY RESPONSIBILITIES</u>	<u>3</u>
<u>308.3</u>	<u>POLICY DIRECTIVES AND REQUIRED PROCEDURES</u>	<u>4</u>
<u>*308.3.1</u>	<u>Public International Organizations (PIOs)</u>	<u>4</u>
<u>*308.3.2</u>	<u>Grant Agreements With PIOs</u>	<u>4</u>
<u>308.3.3</u>	<u>Competition</u>	<u>5</u>
<u>308.3.4</u>	<u>Administration</u>	<u>5</u>
<u>308.3.5</u>	<u>USAID In-Kind Contributions</u>	<u>5</u>
<u>308.3.6</u>	<u>Legal and Administrative Constraints</u>	<u>5</u>
<u>*308.3.6.1</u>	<u>Trust Funds and GAO Audit Rights</u>	<u>6</u>
<u>*308.3.6.2</u>	<u>Application of USAID's Procurement Policies to a PIO</u>	<u>6</u>
<u>*308.3.7</u>	<u>Ineligible Countries</u>	<u>7</u>
<u>308.3.8</u>	<u>Payment</u>	<u>7</u>
<u>308.3.9</u>	<u>Administrative Cost Recovery</u>	<u>7</u>
<u>*308.3.10</u>	<u>Processing the Agreement</u>	<u>8</u>
<u>*308.3.11</u>	<u>Signature Authority</u>	<u>9</u>
<u>*308.3.12</u>	<u>Deviations</u>	<u>8</u>
<u>308.3.13</u>	<u>Clearances</u>	<u>9</u>
<u>*308.3.14</u>	<u>Numbering and Records Control</u>	<u>9</u>

<u>*308.3.15</u>	<u>Grant Format</u>	<u>10</u>
<u>*308.4</u>	<u>MANDATORY REFERENCES</u>	<u>11</u>
<u>*308.4.1</u>	<u>External Mandatory References</u>	<u>11</u>
<u>*308.4.2</u>	<u>Internal Mandatory References</u>	<u>11</u>
<u>*308.5</u>	<u>ADDITIONAL HELP</u>	<u>12</u>
<u>308.6</u>	<u>DEFINITIONS</u>	<u>12</u>

* An asterisk indicates that the adjacent information is new or substantively revised.

ADS 308 – Grants and Cooperative Agreements With Public International Organizations

308.1 OVERVIEW

Effective Date: 02/03/1997

This chapter sets forth USAID policy on the award of grants and cooperative agreements to Public International Organizations (PIOs). Because PIOs normally receive grants, not cooperative agreements, the term "grant" is used in the rest of this chapter and is considered to include both grants and cooperative agreements.

This chapter is applicable to grant agreements with PIOs as defined in [308.6](#), Definitions.

308.2 PRIMARY RESPONSIBILITIES

Effective Date: 10/10/2003

*a. The Assistant Administrator for Program and Policy Coordination (AA/PPC) has been delegated authority to negotiate, execute, amend, and implement grants to public international organizations under ADS [103.3.5](#)

b. Assistant Administrators (AAs) have been sub-delegated by AA/PPC the responsibility for signing grants to Public International Organizations (PIOs) for programs within the area of responsibility granted under [103.3.8.2](#).

c. The Director, Bureau for Management, Office of Procurement (M/OP) is responsible for signing grants to PIOs under the authority of [103.3.10.7](#).

*d. Deputy Assistant Administrators and Office Directors in USAID/W who have been delegated the authority to sign grants to PIOs by [ADS 103](#) are responsible for grants they sign under that authority.

e. Agreement Officers are responsible for signing grants to PIOs under individual warrants.

f. The Bureau for Management, Office of Procurement, Procurement Support Division, Contract Information Management System Staff (M/OP/PS/CIMS) is responsible for collecting data and preparing reports for USAID, other agencies, and Congress.

*g. Mission Directors, to the extent that the authority has been delegated to them by Assistant Administrators in ADS 103, are responsible for programs within their area of responsibility (see [ADS 103.3.11.1](#), [103.3.12.1](#), [103.3.13.1](#), and [103.3.14.2](#)).

*h. The Assistant Administrator (AA), Bureau for Economic Growth, Agriculture and Trade (EGAT), is responsible for designating qualifying International Agricultural Research Centers (IARCs) as PIOs.

* An asterisk indicates that the adjacent information is new or substantively revised.

308.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES

308.3.1 Public International Organizations (PIOs)

Effective Date: 10/10/2003

*The Office of Personnel Management maintains a list of international organizations under the Federal Employees International Organizations Service Act to which U.S. Government employees may be assigned. It is USAID's policy to use this list for the purpose of designating PIOs that may receive assistance agreements under the terms of this chapter (see mandatory reference, [List of International Organizations within the Meaning of the Federal Employees International Organizations Service Act](#)).

While most International Agricultural Research Centers (IARCs) are not designated as PIOs, it is USAID's policy to provide core support grants to these organizations in accordance with the provisions of this chapter. The AA for EGAT designates organizations qualifying for support as IARCs.

*For a listing of IARCs that have been designated to receive assistance agreements under the terms of this chapter, see the mandatory reference, [List of International Agricultural Research Centers](#).

You may award a grant under this chapter only to an organization listed as a PIO or IARC, unless the Assistant General Counsel for the cognizant Bureau determines that the organization is a PIO based on evidence that the organization is a public international organization (i.e., is composed principally of governments) in which the U.S. participates.

*[removed former section 308.5.2 FAA Section 301 Contributions]

308.3.2 Grant Agreements With PIOs

Effective Date: 10/10/2003

Grant agreements with PIOs are appropriate when the Agreement Officer makes a pre-award determination that all of the following conditions are met:

- a. Support for a PIO's program or activity (either an expansion of its current program or the initiation of a new program or activity) is considered to be an effective and efficient way to achieve a particular development assistance or disaster relief objective;
- b. The program and objectives of the PIO are compatible with those of USAID;
- c. There is no reason to consider the PIO not responsible; and

* An asterisk indicates that the adjacent information is new or substantively revised.

*d. Grants are made for specific programs of interest to USAID. Under the “augmentation” rule, a USAID grant may not fund the general operating budget of a PIO if that general operating budget is being funded by voluntary contributions from the Department of State under its “international organizations” budget or U.S. assessed contributions or dues. This does not prohibit funding of administrative fees applicable to the USAID activity (see [308.3.9](#)).

The requesting office must include a memo addressing the points in this section in any implementation request to the Agreement Officer to award a grant to a PIO.

308.3.3 Competition

Effective Date: 02/03/1997

Competition is not required for grants with PIOs.

308.3.4 Administration

Effective Date: 02/03/1997

Member states of a PIO must respect the independence of the PIO, and the integrity of its operations within the framework of its charter. It is a general policy principle that PIOs, composed of many member nations, are not expected to subject their books and records to inspection by officials of each country participating in the organization. Accordingly, USAID generally relies on the international organization's management and its internal auditing and procurement policies and procedures (see [308.3.7](#) for legal and administrative constraints when USAID is the sole contributor). Grants to international organizations are subject to the requirements of the Case-Zablocki Act (see mandatory reference, [1 U.S.C. 112b](#)) as set forth in [ADS 349.3.3](#).

308.3.5 USAID In-Kind Contributions

Effective Date: 02/03/1997

It is permissible for USAID to arrange to provide part or all of its support in kind. If USAID chooses to procure the goods and services directly, it must follow USAID's procurement policies.

308.3.6 Legal and Administrative Constraints

Effective Date: 02/03/1997

The legal and administrative constraints in 308.3.6.1 and 308.3.6.2 apply to USAID grants to PIOs.

* An asterisk indicates that the adjacent information is new or substantively revised.

*[removed former section 308.5.7a, When USAID is the Sole Contributor]

*[removed former section E308.5.7a, When USAID is the Sole Contributor – N/A]

*[removed former section 308.5.7b, When USAID is Not the Sole Contributor]

*[removed former section E308.5.7b, When USAID is Not the Sole Contributor – N/A]

*[removed former section 308.5.7c, When USAID is a Major Contributor]

*[removed former section E308.5.7c, When USAID is a Major Contributor – N/A]

***308.3.6.1 Trust Funds and GAO Audit Rights**

Effective Date: 10/10/2003

*Whenever a PIO establishes a fund consisting entirely of the USAID contribution and the USAID contribution is a “trust”, Section 301(d) of the FAA requires that the General Accounting Office (GAO) have audit rights under the agreement. A “trust”, “trust-fund” or “fund in trust” is different from a grant. In a trust, the PIO serves as a trustee, and title in the funds remain in USAID. A grant is a contribution in which title to the funds pass to the PIO as grantee. If a PIO elects not to allow the GAO access to its records, USAID cannot issue the trust agreement. The United Nations and its specialized agencies (e.g., Food and Agriculture Organization (FAO), World Health Organization (WHO), United Nations Development Program (UNDP)) do not permit access to their books; therefore, USAID may not make a grant to the United Nations or its specialized agencies when they establish a trust fund to which USAID will be the sole contributor.

*When an international organization establishes a multi-donor fund, and will receive donations from other sources besides USAID, or will provide funds from its own resources, USAID is not the sole contributor and will generally rely on the international organization's audit policies and procedures.

***308.3.6.2 Application of USAID’s Procurement Policies to a PIO**

Effective Date: 10/10/2003

*If USAID is the sole contributor, USAID procurement policies and procedures will apply to purchases of goods and services by the grantee to the same extent as in grants to non-U.S. non-governmental organizations (see [ADS 303.5.15](#)), unless they are specifically waived.

*If USAID is not the sole contributor but is still the largest contributor, USAID, with the concurrence of the Department of State, Office of International Organizations (IO), may elect to negotiate the application of selected procurement and audit policies with the PIO to protect U.S. interests.

*If USAID is a minor contributor to a program, USAID will rely on the international organization's procurement policies and procedures.

308.3.7 Ineligible Countries

Effective Date: 10/10/2003

*If a proposed grant is for a program that may include, either as a beneficiary or co-sponsor, a country that USAID is prohibited from providing assistance to by the Foreign Assistance Act of 1961, as amended (FAA), the applicable appropriation act, or regulations of the Office of Foreign Assets Control of the U.S. Department of Treasury (see [313.5.1](#)), you must consult the Assistant General Counsel or Regional Legal Advisor about the assistance, and when the agreement is being developed, about appropriate language for the grant document.

308.3.8 Payment

Effective Date: 02/03/1997

The Standard Provisions (see [308.3.15](#)) cover periodic advances, reimbursement, and advance payment by letter of credit. For agreements funded by the Bureau for Democracy, Conflict and Humanitarian Assistance, Office of Foreign Disaster Assistance (DCHA/OFDA) it is permissible to provide the entire amount of the grant, by check or funds transfer, at the time the grant is issued, if the grant is in response to requests for contributions to relief programs (see [636.5.3a](#)). If the methods used to compensate a PIO substantially deviate from the procedures set forth in the payment provisions, the paying office must clear the deviation request required in [308.3.12](#) before the grant is issued.

308.3.9 Administrative Cost Recovery

Effective Date: 02/03/1997

PIOs may incur administrative expenses that, while necessary for program execution, are not directly chargeable to the grant. USAID may compensate the PIO for some of these expenses, if requested, provided that the additional compensation does not augment an appropriation of U.S. funds for general expenses (see [308.3.2](#)). If USAID does agree to pay some administrative costs, payment is subject to the following conditions:

- a. The Agreement Officer is responsible for negotiating a fair and reasonable amount and for determining that the costs which serve as the basis for the administrative payment have not been recovered under another component of the agreement;
- b. The administrative payment appears as a fixed dollar amount. While the amount may be based on a percentage of a reasonable estimate of actual costs, it may not be written as a percentage of the costs or of the agreement total; and

- c. The relevant strategic objective or results package team confirms that the negotiated amount is program-specific and will be applied only for the immediate management of the agreement.

***308.3.10 Processing the Agreement**

Effective Date: 10/10/2003

***a. New Management System (NMS)**

All PIO grants issued in USAID/Washington must be entered by the Activity Manager into the NMS as an acquisition and assistance request. For more detailed instructions, access the "User Manuals" from the USAID intranet NMS Support Center home page. The award must be prepared using PRODOC, the Agency's contract writing system.

When the Agreement Officer signs the grant to obligate funds, he or she must concurrently record the obligation in NMS.

***b. Obligation of Funds**

To the maximum extent practicable, the AO should provide a draft of the grant or cooperative agreement to the recipient to ensure its agreement with the terms and conditions. If the Agreement Officer makes any substantive change to the program description or the budget, or adds terms to the agreement that were not addressed during negotiations, he or she must obtain the PIO's agreement to the changes or additional terms prior to obligating funds.

The signature of the Agreement Officer obligates the funds allocated to the agreement. A copy of the agreement or a modification obligating additional funds must be submitted immediately to the paying office, in no case more than 10 business days after the AO's signature.

308.3.11 Signature Authority

Effective Date: 10/10/2003

The following individuals are authorized to sign grants to PIOs:

- a. Assistant Administrators and Mission Directors for programs within their area of responsibility under [103.3.8.2](#);
- b. The Director, M/OP, under [103.3.10.7](#), and Agreement Officers under individual warrants; and
- *c. Deputy Assistant Administrators and Bureau Office Directors if they have been delegated the authority under [ADS 103](#).

308.3.12 Deviations

Effective Date: 10/10/2003

Deviations from the policies in this chapter or the standard provisions may be authorized only when essential to effect necessary performance under the agreement, or when special circumstances make such deviations clearly in the best interests of the government.

*The Director of M/OP may authorize a deviation for any agreement with a PIO. The cognizant Assistant Administrator may authorize a deviation for an agreement that he has authority to sign. A Mission Director may authorize a deviation for an agreement issued overseas.

Prepare and submit a request for approval to deviate in accordance with the essential procedures in [ADS 303, section 303.5.5](#), including the requirement for comments and the specified content.

308.3.13 Clearances

Effective Date: 02/03/1997

The proposed PIO grant must be submitted to the appropriate GC office in USAID/W or Regional Legal Advisor to determine applicable authority under the Foreign Assistance Act, appropriate clauses, notification requirements, etc. before it is submitted to the USAID Agreement Officer for signature.

308.3.14 Numbering and Records Control

Effective Date: 10/10/2003

For grants issued in USAID/Washington, the New Management System (NMS) accomplishes numbering and records control.

*For grants issued in a USAID Mission, the Agreement Officer assigns an agreement number in accordance with Agency policy as follows:

XXX	- X	- XX	- XX	- XXXXX	- XX
1	2	3	4	5	6

- 1 = The cognizant Agreement Officer's three-digit country code.
- 2 = Procurement instrument type (Grants must be coded "G" and Cooperative Agreements "A").
- 3 = The two-digit Delivery Order Number (this will always be "00" for PIO grants and modifications).
- 4 = The two-digit fiscal year (e.g., 02, 04).
- 5 = The five-digit sequential award number (00001, 00002, etc.).
- 6 = The two-digit modification number (this applies only to modifications).

*(See mandatory reference, [Contract Information Bulletin \(CIB\) 95-24, Uniform Numbering System for USAID-Direct Procurement Documents](#))

***308.3.15 Grant Format**
Effective Date: 10/10/2003

*A Grant to a PIO consists of the following:

- Cover letter;
- Schedule (see additional help document, [Sample Cover Letter and Schedule for Grants to Public International Organizations](#));
- Program description; and
- Appropriate Standard Provisions (see mandatory reference [Standard Provisions for Grants to Public International Organizations](#)).

These elements are included in the grant whether or not USAID is the sole contributor, unless otherwise noted in a Standard Provision applicability statement.

If additional provisions are needed, either because the United States is the sole contributor or because of the nature of the program, you must use the appropriate provisions found in the mandatory reference, [Standard Provisions for Non-U.S., Nongovernmental Recipients](#) (USAID Eligibility Rules for Goods and Services, Local Cost Financing, Title to and Use of Property, etc.). If it is necessary to negotiate with the PIO on the actual language to be included, it is not considered a deviation as long as the intent of the clause is unchanged.

*Please note that the following sections have been removed from this chapter and are now included in the mandatory internal reference, Mandatory Standard Provisions for Grants to Public International Organizations.

*[removed former section 308.5.15a, Allowable Costs]

*[removed former section E308.5.15a, Allowable Costs – N/A]

*[removed former section 308.5.15b, Refunds]

*[removed former section E308.5.15b, Refunds – N/A]

*[removed former section 308.5.15c, Revision of Grant Budget]

*[removed former section E308.5.15c, Revision of Grant Budget – N/A]

*[removed former section 308.5.15d, Termination Procedures]

*[removed former section E308.5.15d, Termination Procedures – N/A]

*[removed former section 308.5.15e, Investment Promotion]

*[removed former section E308.5.15e, Investment Promotion – N/A]

*[removed former section 308.5.15f, Nonliability]

*[removed former section E308.5.15f, Nonliability – N/A]

*[removed former section 308.5.15g, Amendment]

*[removed former section E308.5.15g, Amendment – N/A]

*[removed former section 308.5.15h, Notices]

*[removed former section E308.5.15h, Notices – N/A]

*[removed former section 308.5.15i, Publications and Media Releases]

*[removed former section E308.5.15i, Publications and Media Releases – N/A]

*[removed former section 308.5.15j, Audit and Record Provisions]

*[removed former section E308.5.15j, Audit and Record Provisions – N/A]

*[removed former section 308.5.15k, Payment]

*[removed former section E308.5.15k, Payment – N/A]

308.4 MANDATORY REFERENCES

308.4.1 External Mandatory References

a. [The Foreign Assistance Act of 1961, as amended, \(FAA\), Sections 103-107; 209; 301; 491; 621; 635](#) (This is an authority for the chapter.)

*b. [List of International Organizations within the Meaning of the Federal Employees International Organization Service Act](#) [The hyperlink for this is <http://www.opm.gov/employ/internat/list.asp>]

c. [1 U.S.C. 112b, United States International Agreements; Transmission to Congress](#)

308.4.2 Internal Mandatory References

*a. [ADS 103, Delegations of Authority](#)

- *b. [ADS 206, Prohibition of Assistance to Drug Traffickers](#)
- *c. [ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations](#)
- *d. [ADS 313, Eligibility of Suppliers and Contractors](#)
- *e. [ADS 349, International Agreements](#)
- f. [ADS 350, Grants to Foreign Governments](#)
- *g. [ADS 636, Program Funded Advances](#)
- *h. [CIB, 95-24, Uniform Numbering System for USAID-Direct Procurement Documents](#)
- i. [Guidance on Funding Foreign Government Delegations to International Conferences](#)
- *j. [List of International Agricultural Research Centers](#)
- k. [Series 300 Interim Update 02-05, Updated Guidance for Modified Acquisition & Assistance Request Document \(MAARD\) Usage](#)
- *l. [Standard Provisions for Grants to Public International Organizations](#)
- m. [Standard Provisions for Non-U.S., Nongovernmental Recipients](#)

308.5 ADDITIONAL HELP

- *a. [Sample Cover Letter and Schedule for Grants to Public International Organizations](#)

308.6 DEFINITIONS

Effective Date: 02/03/1997

Public International Organization (PIO)

An organization composed principally of governments, in which the U.S. participates.
(Chapters 308, 636)

308_020504_w122704_cd35