



USAID
FROM THE AMERICAN PEOPLE

July 6, 2015

Mr. Sultan Hajiye
Deputy Country Director
United Nations Development Programme
22/217 Diwan (UN Compound), Green Zone
Karada Maryam District, Baghdad, Iraq

Subject: Grant No.: AID-267-IO-15-00001
Stabilization Program

Dear Mr. Hajiye:

Under the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (herein after referred to as USAID) hereby grants to the United Nations Development Programme (hereinafter referred to as "Grantee" or "UNDP"), the sum of \$8,300,000 (Eight Million Three Hundred Thousand dollars) to provide support to undertake the activities under the "Stabilization Program" as more fully described in Attachment 2, entitled "Activity Description".

This Grant is effective as of July 6, 2015 and obligation is made as of the date of this letter and will apply to expenditures made by the Grantee in furtherance of program objectives during the period beginning July 6, 2015 and ending January 5, 2017. This is USAID's total contribution to this program and USAID will not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

This award is made to the Grantee on condition that the funds are administered in accordance with the terms and conditions as set forth in Attachment 1 (the Schedule), Attachment 2 (the Activity Description), and Attachment 3 (the Standard Provisions).

Please sign one copy of this letter to acknowledge your receipt of the Grant, and return the original to the undersigned.

Sincerely,

Anne Sattgast
Agreement Officer

Attachments:

1. Schedule
2. Activity Description
3. Standard Provisions

ACKNOWLEDGED by: 

Sultan Hajjo

Date: July 8, 2015

FISCAL DATA

A. GENERAL

1. Total Estimated USAID Amount:	US\$8,300,000
2. Total Obligated USAID Amount:	US\$8,300,000
3. Cost-Sharing Amount (Non-Federal):	N/A
4. Activity Title:	Stabilization Program
5. USAID Technical Office:	USAID/Iraq/Governance and Economic Opportunity
6. Tax ID Number:	N/A
7. DUNS No.:	793511262
8. LOC Number:	HHS-17A8

B. SPECIFIC

Account ID:
TREASURY SYMBOL: 7215/161037
APPROPRIATION TITLE: Economic Support Funds
ALLOWANCE AMOUNT: \$8,300,000.00
BBFY: 2015
EBFY: 2016
FUND CODE: ES-OCO/2015/2016
OPERATING UNIT: IRAQ
PROGRAM AREA: A06
DISTRIBUTION CODE: 267-M
PROGRAM ELEMENT: A025
TEAM/DIVISION: M/MPBP
BENEFITING GEO CODE: 267
PHOENIX DISTRIBUTION NO: 267-M
SUB-OBLIGATION CODE (SOC) (EOCC): 4100202
ACCOUNTING TEMPLATE: 267-IRAQ-PROGRAM-GLAAS

C. PAYMENT OFFICE

USAID/M/FM/CMP, Letter of Credit (LOC) Unit
1300 Pennsylvania Avenue, NW
RRB Room 7.07-110
Washington, D.C. 20523-7700

D. ADMINISTRATIVE OFFICE

Mailing Address:

USAID Iraq Agreement Officer
U.S. Consulate General Frankfurt
7900 Frankfurt Place
Washington, DC 20521-7900

Express Mail Address:

USAID Iraq Agreement Officer
MERP – Frankfurt Support Center (USAID)
U.S. Consulate General Frankfurt
Giessener Strasse 30
60435 Frankfurt am Main, Germany

E. TECHNICAL OFFICE

USAID/Iraq
Governance and Economic Opportunity Office
U.S. Embassy Compound, International Zone
Baghdad, Iraq

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Attachment 1 – SCHEDULE

A. PURPOSE OF GRANT

The purpose of this grant is to provide support to the United Nations Development Program (hereinafter referred to as “UNDP” or “Grantee”) for the Stabilization Program as more specifically described in Attachment 2 (Activity Description) of this grant.

B. PERIOD OF GRANT

The effective date of this grant is July 6, 2015. The expiration date of this grant is January 5, 2017.

C. AMOUNT OF GRANT AND PAYMENT

1. USAID hereby obligates the amount of \$8,300,000 for purposes of this grant.
2. Payment will be made to the Grantee in accordance with Payment - Letter of Credit in accordance with procedures set forth in Standard Provision entitled “Payment (Letter of Credit) (April 2011).”

D. GRANT BUDGET

The following is the Grant Budget. Revisions to the USAID Contribution portion of this Budget may be made only in accordance with the Standard Provision of this grant entitled “Award Budget Limitations and Revisions (April 2011).” Broad programmatic support for the activity will be borne by the Grantee.

Stabilization Project Activities	\$7,636,000
8% Admin Rate	<u>\$ 664,000</u>
Total USAID Estimate Amount	\$8,300,000

E. REPORTING AND EVALUATION

1. Financial Reporting and Program Reporting must be in accordance with this provision and the Standard Provision of this grant, titled "Audit and Records (UN) (April 2011)" as found in Attachment 3, Standard Provisions.
2. UNDP reporting must include the following standard indicator from the U.S. Government’s Foreign Assistance framework: “Number of new groups or initiatives created through USG funding dedicated to resolving the conflict or the drivers of conflict.”
3. Formal narrative and financial reporting must be provided to the Agreement Officer (AO) and the Agreement Officer’s Representative (AOR) on a quarterly basis. The level of detail of the reporting must be sufficient to quantify quarterly and cumulative results. USAID

reserves the right to request more frequent detailed reporting on an ad hoc basis to ensure that it can accurately respond to official inquiries.

4. The Grantee must prepare and submit a copy of the final report required by this grant to the Agreement Officer's Representative and to the Development Experience Clearinghouse (DEC). Instructions for submissions to the DEC can be found at dec.usaid.gov.

Online preferred: <http://dec.usaid.gov>

Mailing address: Development Experience Clearinghouse
M/CIO/KM
RRB M.01
U.S. Agency for International Development
Washington DC 20523
Contact Information
Telephone (202) 712-0579
E-mail: docsubmit@usaid.gov

5. The title page of all reports forwarded to USAID must include a descriptive title, the author's name, grant number, the project number and title, the grantee's name, the name of the USAID office, and the publication or issuance date of the report.

F. SPECIAL PROVISIONS

1. PROGRAM PROCUREMENT OF GOODS AND SERVICES

The Grantee is authorized to use grant funds to procure goods and services for purposes of the activity described in Attachment 2 from countries included in USAID Geographic Code 935, except for restricted commodities under ADS 312. A waiver must be obtained from USAID in accordance with ADS 312 prior to the purchase of restricted commodities. ADS 312 can be accessed at:

<http://www.usaid.gov/ads/policy/300/312>

Geographic Code 935 allows USAID-provided funds to be used to purchase goods and services from any country in the world, except for Prohibited Source Countries. No country is currently on the List of Prohibited Source Countries, however this could change. The current List of Prohibited Source Countries can be found here:

<http://www.usaid.gov/ads/policy/300/310mac>

2. AGREEMENT OFFICER'S REPRESENTATIVE (AOR)

The USAID Agreement Officer's Representative (AOR) for this program will be designated in a separate Memorandum. Notices and reports provided for this grant should be sent to the attention of the Agreement Officer and the AOR at the following address:

Mr. James Whitaker
USAID/Iraq
U.S. Embassy Compound, International Zone
Baghdad, Iraq

Email: jwhitaker@usaid.gov

3. ENVIRONMENTAL COMPLIANCE

USAID relies on the Grantee's internal environmental policies and procedures to be used in regards to the implementation of the project. These policies and procedures can be found at <http://www.undp.org/content/dam/undp/library/corporate/Social-and-Environmental-Policies-and-Procedures/UNDPs-Social-and-Environmental-Standards-ENGLISH.pdf>

4. BRANDING STRATEGY AND MARKING PLAN

UNDP will take all practicable means to ensure that any equipment, supplies, and other assistance items provided under this grant will be branded in accordance with official USAID branding guidelines for Assistance Awards, including tagged "From the American People." USAID will be consulted as to the branding and marking of all assistance items provided. USAID's branding guidelines can be found at: <http://www.usaid.gov/branding>

[END OF ATTACHMENT 1 – SCHEDULE]

Attachment 2 – ACTIVITY DESCRIPTION

Background

The Islamic State of Iraq and the Levant (ISIL) was formed in 2006 as an offshoot of Al Qaeda in Iraq. In 2013, it was disavowed by Al Qaeda after in-fighting between ISIL and the Al Nusra Front. In June 2014, ISIL began a lightning advance across Iraq, seizing control of Iraq's second largest city, Mosul, as well as Tikrit, four other Iraqi towns, and the Baiji oil refinery. By May 2015, ISIL had also taken control of Ramadi, controlling two large lines of territory to the north and the west in two lines advancing toward Baghdad. However, the Iraqi Security Forces, Shi'a militias, Sunni tribal volunteers and Coalition support have allowed the government of Iraq (GoI) to retake control of some territory, notably Tikrit, and all along the northern edge of ISIL-controlled territory.

In order to hold and consolidate gains against ISIL, and limit the humanitarian crisis of displacement, GoI state authority must be reestablished in the liberated areas through provision of public security, infrastructure and basic services as soon as possible. For any military gains to be sustainable, the GoI must also take full advantage of the opportunity to restore the confidence of disaffected communities in their ability to fairly participate in governance, and in a fair and impartial justice system. Until the majority of IDPs conclude that the conditions for the safe and sustainable return of civilians are created, such returns will not happen. However, the capacity of the GoI to respond in the short term is limited by the country's revenue crisis caused by the downturn in global oil prices at a time when it is waging a complex armed conflict and assisting a massive number of displaced persons, currently numbering three million people.

Funding Facility for Immediate Stabilization

Both the GoI and the International Coalition partners in Iraq recognize the critical importance of stabilization efforts to winning the ongoing conflict with ISIL. The GoI has taken a whole of government approach to stabilization. In February 2015, the International Coalition established a Stabilization Working Group, which, together with its Baghdad-level representation—the Stabilization Task Force--serves as a coordination, advisory, and support body to assist the GoI in planning, conducting, and monitoring recovery and stabilization measures in the immediate aftermath of the liberation of areas from ISIL. Members include: Germany (co-lead), UAE (co-lead), Czech Republic, Denmark, European Union, France, Greece, Iceland, Iraq, Italy, Morocco, Netherlands, Norway, Poland, Romania, Somalia, Sweden, United Kingdom, and the United States.

Given the need for rapid response when areas are liberated from ISIL control, the Stabilization Working Group, the UN and the GoI agreed that an immediate response mechanism to support the GoI's nascent response capacity is needed. Rather than stand up and operationalize an entirely new mechanism with stand-alone mechanics, the parties agreed that the preexisting UNDP Local Area Development Project (LADP) should be modified to create a Funding Facility for Immediate Stabilization (FFIS), or "stabilization fund." This funding mechanism will focus exclusively on immediate stabilization and early recovery needs in liberated areas; long-term reconstruction activities will be funded through other channels. The LADP already has staff on

the ground and mechanisms at the provincial and local levels to launch locally-vetted projects in accordance with provincial strategies. These staff will be supplemented with additional long and short-term technical assistance. The decentralized nature of the LADP strengthens the FFIS' ability to respond to circumstances as they are on the ground, which will vary widely according to the composition of the population, the amount of time the location had been occupied by ISIL, the presence and capacity of local authorities, and the state of returns by displaced persons.

Program Description

Purpose

The Immediate Stabilization Program, through USAID funding and that of other donors through the FFIS is intended to implement stabilization activities exclusively as opposed to larger-scale and longer-term reconstruction activities.

Stabilization, including the bridging with humanitarian assistance through an early recovery approach, is distinct from reconstruction in that the stabilization phase is intended to be quite short—ideally, the first 60 to 90 days post-liberation. The stabilizing effect of any programming are typically lost if state authority is not effectively established and essential basic services restored within a short period—populations simply will not return--and the area remains vulnerable to extremist infiltration unless the grievances underlying the conflict are addressed at the level of the community.

Program Components

Accordingly, USAID's funding for stabilization in Iraq will be put into the multi-donor supported FFIS, the programming under which will be implemented by UNDP as a new component of the LADP. The anticipated life of the award is 18 months; however, the speed of implementation is contingent on the status of the liberation effort, and the state of returns to those areas. Thus, the award may be extended if warranted. UNDP has given the fund itself a 24-month duration.

While stabilization programming in a particular liberated area is expected to be of a much shorter duration, this time frame allows for the liberation of more territory over time, and for more returns to those areas in what is still a very unpredictable conflict. While assessment activities have begun in some liberated areas, the funding in the FFIS will be used for high visibility, high-impact stabilization efforts.

Immediate Stabilization programming will be conducted in four areas, corresponding to the FFIS' four funding windows, into which donors can earmark their financing. The four windows include:

Window One--Public Works and Light Infrastructure Rehabilitation: This window will be used to finance light repairs of key public infrastructure including clinics, water facilities, power grids, government buildings and access roads. It will also be used to finance rubble removal and waste

collection. The intention is to provide short-term employment through public work schemes including cash for work.

Window Two—Livelihoods: This window will be used to finance activities aimed at jump-starting the local economy and generating income for local households, particularly families returning to their homes. The intention is to provide grants for the provision of micro-credit to small businesses with high community impact including bakeries, electrical shops, agriculture, food kiosks and micro-stores. Where possible, support will also be given to women and vulnerable households. Ensuring the removal of explosive remnants of war has also been included in this window.

Window Three--Capacity Support: This window will be used to finance technical support for local governments, boosting their capacity to cope with the challenges arising during stabilization. The intention is to recruit and deploy technical experts to support planning, budgeting, implementation, and monitoring functions. Professionals with expertise in property restitution, rule of law and policing can also be deployed. The expectation is that these deployments will be short-term, until government funding comes on line to absorb these staff or transition them. To the extent practicable, deployments shall utilize methodologies that transfer skills to local government officials, or be calibrated to reinforce decentralization under Law 21 and other decentralization authorities. Work plans and activity scope will be de-conflicted with donor-funded capacity development programs with local government, including USAID's Taqadum project.

Window Four--Community Reconciliation: This window will be used to finance projects that help local leaders and community groups promote social cohesion and dialogue. The intention is to provide grants to community organizations to support reconciliation activities.

General Exceptions to the Use of USAID funding

USAID funding is intended to be applied across all four windows, with a small number of exceptions. USAID funding cannot be used for any activity or assistance related to policing—illustratively, then USAID funds cannot be used to build or repair police stations under window one, or the deployment of policing professionals under window three. USAID funding also must not be used to provide any assistance or benefit to the Iraqi military or paramilitaries.

USAID funding must not be provided directly to the GoI through the FFIS or projects funded by FFIS. In order for USAID to use host government systems in this way, a rigorous assessment and certification process must be completed. UNDP cannot take over this fiduciary responsibility, and Iraq is not eligible for this funding modality at this time. However, the provision of in-kind goods and/or services consistent with the usage of the FFIS is permitted.

Finally, USAID funding must not be applied to de-mining activities.

Fund Operational Structure and Management

The information below is meant to elaborate the basic principles of fund management agreed to by USAID and UNDP, and does not reflect separate terms and conditions that may apply to other donors' contributions to the Fund.

Staffing

UNDP has appointed a coordinator who is experienced in stabilization to manage the FFIS. Operational staff will come from the Local Area Development Project. UNDP intends to supplement them with additional long-and short-term staff. Administrative support staff is expected to be based in Basrah at a Stabilization Service Center. Technical staff, both from UNDP's offices in Baghdad and short-term consultants will be on site in liberated areas to the extent that that is feasible.

Activity Proposals

UNDP will leverage its existing working relationships with provincial Governors, District Commissioners, Mayors, line Ministry representatives, provincial and local council representatives, local communities and their leadership, and civil society organizations to assist in the development of project proposals that are aligned with the results of post-liberation assessment results and locally-identified priorities. Assessments have been completed or are ongoing in four communities to-date.

FFIS must not be used as financial pass-through to provide USAID funding for GoI implemented activities. However, the provision of in-kind materiel or equipment to the GoI would be allowed. Further, UN agencies will be allowed to serve as project implementers, with the proviso that project proposals are subject to the same approval criteria and processes as any other proposal.

Micro-credit schemes under window two and other activities proposed to be administered and/or implemented by local and international NGOs will be considered only for those NGOs that have been vetted and qualified under existing UNDP policies and procedures for assessing and approving funding based on adequate capacity. If possible, it is preferred for USAID funds to be applied to livelihood activities that lead to sustainable livelihoods, such as the re-launch of small businesses through micro-credit. Immediate cash-for-work schemes are not excluded from consideration, but should be designed and implemented with care to avoid their becoming engines of conflict. Cash-for-work schemes can cause or exacerbate conflict when, for example, participation replaces humanitarian assistance entirely, or too early, but is insufficient to allow participants to support themselves, or when participant selection is perceived as sectarian.

Community reconciliation activity proposals will be developed through a community-based participatory process. The intent is to hold fora led by local NGOs and facilitated by the UN in each liberated area, to engage not only NGOs, but also community-level traditional leaders, elders and influencers, rank-and-file community members, and individuals representing marginalized populations, such as youth, women and minorities.

Approval of Activities to be Funded with USAID Resources

UNDP has agreed that donors may earmark their funds at any level. USAID will exercise that option through direct negotiation of any proposed application of USAID funding with UNDP only, with decisions documented in writing. The steering committee, discussed below, has no authority to amend activities receiving USAID funding.

Steering Committee

Additional engagement with USAID will be through participation in the FFIS Steering Committee, which will be jointly chaired by the Deputy Special Representative of the Secretary General and senior GoI officials as determined by the GoI. The Steering Committee will provide strategic direction, determine the main areas of support, ensure coordination and synergy with Government plans and carry out regular reviews of the overall implementation of activities. Core criteria for stabilization activities in Iraq include: 1) any support funded by the project must adhere to the general principles of international human rights and humanitarian law (especially non-discrimination and impartiality), and promote reconciliation and social cohesion; 2) activities shall employ accountability and transparency mechanisms that, to the greatest extent possible, reinforce existing good governance practices and systems for local development; 3) areas receiving support must have established mechanisms for the safe and voluntary return of IDPs; 4) legitimate security arrangements fully under Governorate control should be re-established; and, 5) gender dimensions and minority rights should receive particular attention.

Monitoring and Evaluation and Reporting

UNDP will conduct regular field monitoring, and include monitoring results, including corrective actions required and taken in quarterly reporting. Results will be disaggregated where appropriate by gender. Monitoring must include not only the status of project implementation, but also the quantity of goods supplied and their quality in compliance with prevailing international standards. The project will comply with international standard competitive procurement practices. As appropriate, capital investment projects will be entered into the GoI's project monitoring system at the Ministry of Planning. Further, monitoring shall ensure that implementation itself is nondiscriminatory, fair and impartial, and assess the rate of returns. UNDP will assess the status of human rights for returnees and report on human rights abuses or violations. Should such violations occur, USAID reserves the right to suspend projects or activities related to that area or implementer as it sees fit. USAID may conduct joint or independent monitoring of projects.

Please see Attachment I – Schedule, Section E. Reporting and Evaluation for additional requirements.

Environmental Compliance

UNDP and USAID agree that for activities that are not exempt or categorically excluded from environmental analysis under 22 CFR 216, USAID will rely upon UNDP's application of its environmental policies and procedures as per

<http://www.undp.org/content/dam/undp/library/corporate/Social-and-Environmental-Policies-and-Procedures/UNDPs-Social-and-Environmental-Standards-ENGLISH.pdf>

[END OF ATTACHMENT 2 – ACTIVITY DESCRIPTION]

**Attachment 3 – STANDARD PROVISIONS
FOR GRANTS TO PUBLIC INTERNATIONAL ORGANIZATIONS**

1. Allowable Costs (April 2011)

a. The grantee must use funds provided under the award for costs incurred in carrying out the purposes of the award which are reasonable, allocable, and allowable.

(1) “Reasonable” means the costs do not exceed those that would ordinarily be incurred by a prudent person in the conduct of normal business.

(2) “Allocable” means the costs are necessary to the award.

(3) “Allowable” means the costs are reasonable and allocable, and conform to any limitations set forth in the award.

b. The grantee is encouraged to obtain the Agreement Officer’s written determination in advance whenever the grantee is uncertain as to whether a cost will be allowable.

[END OF PROVISION]

2. Amendment (April 2011)

The parties may amend the award by mutual agreement, by formal modifications to the basic award document, or by means of an exchange of letters between the Agreement Officer and the grantee.

[END OF PROVISION]

3. Non-liability (April 2011)

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

[END OF PROVISION]

4. Notices (April 2011)

Any notice given by USAID or the grantee will be sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax. Notices to USAID should be sent to the Agreement Officer at the address specified in the award and to any designee specified in the award. Notices to the grantee should be sent to the grantee’s address shown in the award or to such other address designated in the award.

Notices will be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

[END OF PROVISION]

5. Payment (Letter of Credit) (April 2011)

- a. Payment under the award is completed through a Letter of Credit (LOC), in accordance with the terms and conditions of the LOC and any instructions issued by the USAID Bureau for Management, Office of the Chief Financial Officer, Cash Management and Payment Division (M/CFO/CMP).
- b. As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/CFO/CMP constitute the payment conditions of the award over any other payment clause of the award.
- c. The grantee should have written procedures that minimize the time elapsing between the transfer of funds and disbursement by the grantee. The grantee must exercise prudent management of Federal funds by drawing only those funds that are required for current use. The timing and the amount of the drawdown must be as close as is administratively possible to the actual disbursements by the grantee for direct program or activity costs and the proportionate share of any allowable indirect costs.
- d. Revocation of the LOC, in accordance with its terms and conditions, is at the discretion of M/CFO/CMP, after consultation with the Agreement Officer. Notification of revocation must be in writing and must specify the reasons for such action. If the LOC is revoked, payments may be made on a cost-reimbursement basis. For reimbursement, the grantee must submit to the USAID Controller an original and three copies of **SF-1034, Public Voucher for Purchases and Services Other Than Personal** (<http://www.gsa.gov/portal/forms/download/115462>) and **SF-1035, Continuation of SF- 1034** (<http://www.gsa.gov/portal/forms/download/115466#>), normally once a month, but in any event no less than quarterly. Each voucher must be identified by the award number and must state the total costs for which reimbursement is being requested.

[END OF PROVISION]

6. Audit and Records (UN) (April 2011)

- a. The grantee agrees to furnish the U.S. Government (USG) with a final report on activities carried out under the award, including accounting for award funds in sufficient detail to enable USAID to liquidate the award. The report must be submitted to the address specified in the award.
- b. It is understood that financial records, including documentation to support entries on accounting records and to substantiate charges against the award, will be maintained in accordance with the grantee's usual accounting procedures, which must follow generally accepted accounting practices. The grantee must maintain such financial records for at least three years after the grantee's final disbursement of funds under the award
- c. The grantee confirms that the award will be audited applying established procedures under appropriate provisions of the financial regulations and rules of UNDP. The grantee agrees to make available these audit reports to the USG in accordance with the UNDP Oversight Policy

and relevant decisions of the UNDP Executive Board. The grantee also agrees to provide additional clarifications as may be reasonably requested by the USG with respect to questions arising from the audit report. In the event that USAID becomes aware of factors that would indicate a need for closer scrutiny of USAID-funded activities, these factors will be promptly brought to the attention of UNDP Office of Audit and Investigations to determine the need for a special purpose audit. The costs of such an audit shall be borne by the said activities.

[END OF PROVISION]

7. Refunds (April 2011)

a. If the grantee earns interest on Federal advances before expending the funds for program purposes, the grantee must remit the interest annually to USAID. Interest amounts up to \$250 per year may be retained by the grantee for administrative expenses.

b. Funds obligated by USAID, but not disbursed to the grantee before the award expires or is terminated will revert to USAID, except for funds committed by the grantee to a legally binding transaction applicable to the award. Any funds advanced to, but not disbursed by, the grantee before the award's expiration or termination must be refunded to USAID, except for funds committed by the grantee to a legally binding transaction applicable to the award.

c. If, at any time during the life of the award, or as a result of an audit, the Agreement Officer determines that USAID funds provided under the award have been expended for purposes not in accordance with the terms of the award, the grantee must refund the amount to USAID.

[END OF PROVISION]

8. Award Budget Limitations and Revisions (April 2011)

a. The approved award budget is the financial expression of the grantee's program as approved during the award process. USAID is not obligated to reimburse the grantee for any costs incurred in excess of the total amount obligated under the award.

b. The grantee must immediately request approval from the Agreement Officer when there is reason to believe that, within the next 30 calendar days, a revision of the approved award budget will be necessary for any of the following reasons:

1. To change the scope or the objectives of the program or to add any new activity.
2. To revise the funding allocated among program objectives by more than ten percent (10%) of the total budget amount unless the award states otherwise.
3. Additional funding needed.
4. The grantee expects the amount of USAID authorized funds to exceed its needs by more than \$20,000 or ten percent (10%) of the USAID award, whichever is greater.

c. The grantee will not be obligated to continue performance under the award (including actions under the “Termination Procedures” provision) or otherwise to incur costs in excess of the amount obligated under the award, unless and until the Agreement Officer notifies the grantee in writing that the obligated amount has been increased and specifies the new award total amount.

[END OF PROVISION]

9. Termination Procedures (April 2011)

The award may be terminated by either party, in whole or in part, at any time with 30 days written notice of termination. After receiving a termination notice from the Agreement Officer, the grantee must take immediate action to cease all expenditures financed by the award and to cancel all non-liquidated obligations if possible. The grantee may not enter into any additional obligations under the award after receiving the notice of termination, other than those reasonably necessary to affect the close out of the award. Except as provided below, no further reimbursement will be made after the effective date of termination. As soon as possible, but in any event no later than 120 days after the effective date of termination, the grantee must repay to USAID all unexpended USAID funds that are not otherwise obligated by a legally binding transaction applicable to the award. If the funds paid by USAID to the grantee before the effective date of termination are not sufficient to cover the grantee’s obligations under a legally binding transaction, then the grantee may submit a written claim for such amount to USAID within 120 days after the effective date of termination. The Agreement Officer will determine the amount(s) to be paid by USAID to the grantee under the claim in accordance with the “Allowable Costs” provision of the award.

[END OF PROVISION]

10. Financial Management, Procurement, and Evaluation (April 2011)

To the extent not inconsistent with other provisions of the award, USAID and the grantee understand that funds made available to the grantee must be administered in accordance with the grantee’s own financial rules and regulations, and that the grantee will follow its own procurement and evaluation policies and procedures.

[END OF PROVISION]

11. Dispute Resolution (April 2011)

USAID and the grantee will use their best efforts to amicably settle any dispute, or claim that results from, or relates to, the award.

[END OF PROVISION]

12. Title to and Disposition of Property (April 2011)

Ownership of equipment, supplies, and other property purchased with funds under the award will vest in the grantee during the life of the award. Disposition of excess property financed under the award will be made in consultation with USAID and, where applicable, the host government of the country in which the activities financed under the award take place or other grantee organizations.

[END OF PROVISION]

13. USAID Disability Policy and UN Convention on the Rights of Persons with Disabilities Assistance (April 2011)

a. The principles of the present UN Convention on the Rights of Persons with Disabilities include promoting: (1) respect for inherent dignity, individual autonomy including the freedom to make one's own choices, and independence of persons; (2) nondiscrimination; (3) full and effective participation and inclusion in society; (4) respect for difference and acceptance of persons with disabilities as part of human diversity and humanity; (5) equality of opportunity; (6) accessibility; (7) equality between men and women; and (8) respect for the evolving capacities of children with disabilities. The full text of the Convention can be found at the following Web site: <http://www.un.org/disabilities/documents/convention/convoptprot-e.pdf>.

b. USAID requires that the grantee not discriminate against persons with disabilities in the implementation of USAID-funded programs and make every effort to respect the principles of the Convention on the Rights of Persons with Disabilities in performing the program under the award. One of the objectives of the USAID's Disability Policy is to engage other U.S. Government agencies, host country counterparts, governments, implementing organizations, and other donors in fostering a climate of nondiscrimination against people with disabilities. To that end, and to the extent it can accomplish this goal within the scope of the program objectives, the grantee should demonstrate a comprehensive and consistent approach for including men, women, and children with disabilities.

[END OF PROVISION]

14. Terrorist Financing Clause (UN) (April 2011)

Consistent with numerous United Nations Security Council resolutions, including S/RES/1269 (1999) (<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N99/303/92/PDF/N9930392.pdf>), S/RES/1368 (2001) (<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N01/533/82/PDF/N0153382.pdf>), and S/RES/1373 (2001) (<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N01/557/43/PDF/N0155743.pdf>), both USAID and the grantee are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of USAID to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, the grantee undertakes to use reasonable efforts to ensure that none of the USAID funds provided under the award are used to provide support to individuals or entities associated with terrorism.

[END OF PROVISION]

15. Prohibition on Police Assistance (April 2011)

No funds or other support provided under the award may be used for support to any police, prison authority, or other security or law enforcement forces.

[END OF PROVISION]

16. Prohibition on Assistance to Military or Paramilitary (April 2011)

No funds or other support provided under the award may be used for support to any military or paramilitary force or activity.

[END OF PROVISION]

17. Reporting of Foreign Taxes (UN) (April 2011)

The grantee is not subject to taxation of activities implemented under the award based on its privileges and immunities as a public international organization (PIO). However, should it be obligated to pay value-added taxes or customs duties related to the award, the grantee must notify the USAID Agreement Officer's Technical Representative (AOTR).

[END OF PROVISION]

18. Condoms (ASSISTANCE) (September 2014)

Information provided about the use of condoms, as part of projects or activities that are funded under this award shall be medically accurate and shall include the public health benefits and failure rates of such use and shall be consistent with USAID's fact sheet entitled "USAID HIV/STI Prevention and Condoms".

This fact sheet may be accessed at:

<http://www.usaid.gov/sites/default/files/documents/1864/condomfactsheet.pdf>.

The prime grantee must flow this provision down in all subawards, procurement contracts, or subcontracts for HIV/AIDS activities.

[END OF PROVISION]

19. Prohibition on the Promotion or Advocacy of the Legalization or Practice of Prostitution or Sex Trafficking (ASSISTANCE) (ALT I - the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Health Organization, and any United Nations Agency) (September 2014)

(a) The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under the award may be used to promote or advocate the legalization or practice of prostitution or sex trafficking. Nothing in the preceding sentence shall be construed to preclude the provision to individuals of palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.

(b) The following definitions apply for purposes of this provision: “Commercial sex act” means any sex act on account of which anything of value is given to or received by any person. “Prostitution” means procuring or providing any commercial sex act and the “practice of prostitution” has the same meaning. “Sex trafficking” means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act (22 U.S.C. 7102(9)).

(c) The grantee must insert this provision, which is a standard provision, in all subawards for HIV/AIDS activities.

(d) This provision includes express terms and conditions of the award and any violation of it is grounds for unilateral termination of the award by USAID prior to the end of its term.

[END OF PROVISION]

20. Voluntary Population Planning Activities – Mandatory Requirements (April 2011)

a. Requirements for Voluntary Sterilization Programs. None of the funds made available under the award may 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.

b. Prohibition on Abortion-Related Activities

(1) No funds made available under the 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 the 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]

21. Standards for Accessibility for Persons with Disabilities in USAID Assistance Awards Involving Construction (Standard) (April 2011)

The grantee must ensure that in all construction or substantial renovation activities appropriate measures are taken, including compliance with, inter alia, host country standards for accessibility, the International Building Code (IBC) and Article 9 and other requisite articles under the UN Convention on the Rights of Persons with Disabilities (<http://www.un.org/disabilities/documents/convention/convoptprot-e.pdf>), to ensure to persons with disabilities access, on an equal basis with others, to the physical environment, to transportation, to information and communications, including information and communications technologies and systems, and to other facilities and services open or provided to the public, both in urban and in rural areas.

[END OF PROVISION]

22. Investment Promotion (April 2011)

a. Except as specifically set forth in the award or otherwise authorized by USAID in writing, the grantee may not use funds or other support that the award provides for any activity that involves investment promotion in a foreign country.

b. If the grantee is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether an activity would be consistent with the limitation set forth above, then the grantee must notify the Agreement Officer and provide a detailed description of the proposed activity. The grantee must not proceed with the activity until USAID advises that it may do so.

c. The grantee must ensure that its employees and any subgrantees or contractors providing investment promotion services under the award are made aware of the restrictions set forth in this clause and must include this clause in all contracts and other subagreements.

[END OF PROVISION]

23. Publications and Media Releases (April 2011)

a. If the grantee intends to identify USAID's contribution to any publication, video, or other information/media product resulting from the award, the product must state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements must identify the sponsoring USAID Bureau/Independent Office or Mission and the U.S. Agency for International Development substantially as follows.

“This [publication, video, or other information/media product (specify)] was made possible through support provided by the Office of _____, Bureau for _____, U.S. Agency for International Development, under the terms of Award No. _____. The opinions expressed in this [publication, video, or other information/media product] are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development.”

b. The grantee must provide USAID with one copy of all published works developed under the award and with lists of other written works produced under the award.

c. Except as otherwise provided in the terms and conditions of the award, the author or the grantee is free to copyright any books, publications, or other copyrightable materials developed in the course of or under the award, but USAID reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for U.S. Government purposes.

[END OF PROVISION]

**[END OF ATTACHMENT 3 – STANDARD PROVISIONS FOR
GRANTS TO PUBLIC INTERNATIONAL ORGANIZATIONS]**