

Development Objective Grant Agreement (DOAG)

DOAG Principal Text.

USAID Grant Agreement No. 532-DOAG-2013-JM

DEVELOPMENT OBJECTIVE GRANT AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND

JAMAICA

FOR

Threats to the Environment and Citizen Vulnerability Reduced

Dated:

January 10, 2014

Development Objective Grant Agreement

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DEVELOPMENT OBJECTIVE GRANT AGREEMENT

Dated:

Between

The United States of America, acting through the United States Agency for International Development ("USAID")

and

Jamaica, acting through the Ministry of Finance and Planning (hereinafter referred to as the "Grantee")

Article 1: Purpose.

The purpose of this Development Objective Grant Agreement ("Agreement") is to set out the understanding of the parties named above (the "Parties") about the Development Objective described below.

Article 2: Development Objective and Results.

Section 2.1. Development Objective. The Development Objective ("DO" or "Objective") is "Threats to the Environment and Citizen Vulnerability Reduced."

Section 2.2. Results. In order to achieve that Objective, the Parties agree to work together to achieve the following Results:

- (a) Resilience and Sustainability of Targeted Livelihoods and Ecosystems Increased
- (b) Violence in Country Renewal Program (CRP) Communities Reduced
- (c) Prevalence of HIV/AIDS in Key Populations Reduced

Within the limits of the definition of the Objective in Section 2.1, this Section 2.2 may be changed by written agreement of the authorized representatives of the Parties without formal amendment to the Agreement.

Section 2.3. Annex 1, Amplified Description. Annex 1, attached, amplifies the above Objectives and Results. Within the limits of the above definition of the Objective in Section 2.1, Annex 1 may be changed by written agreement of the Authorized Representatives of the Parties without formal amendment of this Agreement.

Article 3: Contributions of the Parties.

Section 3.1. USAID Contribution.

- (a) The Grant. To help achieve the Objective set forth in this Agreement, USAID,

pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of the Agreement not to exceed Sixteen Million Four Hundred Fifty-Six Thousand Four Hundred and Nine United States ("U.S.") Dollars (U.S. \$16,456,409) (the "Grant").

(b) Total Estimated USAID Contribution. USAID's total estimated contribution to achievement of the Objective will be U.S. \$124,956,000, which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed. The Parties agree that each such incremental contribution provided, if any, shall cumulatively increase the total amount of the Grant set forth in Section 3.1 and consequently may increase the Grantee's contribution under Section 3.2.

(c) If at any time USAID determines that its contribution under Section 3.1(a) exceeds the amount which reasonably can be committed for achieving the Objective or Results or activities during the current or next U.S. fiscal year, USAID may, upon written notice to the Grantee, withdraw the excess amount, thereby reducing the amount of the Grant as set forth in Section 3.1(a). Actions taken pursuant to this subsection will not revise USAID's total estimated contribution set forth in 3.1(b).

Section 3.2. Grantee Contribution.

(a) The Grantee agrees to provide or cause to be provided all funds, in addition to those provided by USAID and any other donor identified in Annex 1, and all other resources required to complete, on or before the Completion Date, all activities necessary to achieve the Results.

(b) The Grantee's contribution, based on USAID's contribution in Section 3.1(a), will not be less than the equivalent of one-third of the portion of the Grant that is used to support activities that directly benefit the Grantee or involves the direct and substantial involvement of the Government of Jamaica in the administration, provided that such amount may be reduced with the written consent of USAID. The Grantee's contribution may include either cash or in-kind contributions or both. The dollar equivalent amount of the Grantee's contribution shall be set forth in an Implementation Letter and shall be subsequently included in the Illustrative Financial Plan included in Annex 1 of this Agreement. The amount of the Grantee's contribution shall be adjusted upon any increase in the amount of the Grant set forth in Section 3.1(a), in accordance with the formula described in the first sentence of this paragraph, and the precise amount of such adjustment shall be indicated in an Implementation Letter. The Grantee will report at least annually in a format to be agreed upon with USAID on its cash and "in-kind" contributions.

Article 4: Completion Date.

(a) The Completion Date, which is September 30, 2018, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Objectives and Results will be completed.

(b) Except as USAID may otherwise agree to in writing, USAID will not issue or approve

documentation that would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, are to be received by USAID no later than nine (9) months following the Completion Date, or such other period as USAID agrees to in writing before or after such period. After such period USAID, at any time or times, may give notice in writing to the Grantee and reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, were not received before the expiration of such period.

Article 5: Conditions Precedent to Disbursement.

Section 5.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID:

(a) An opinion of counsel acceptable to USAID that (i) this Agreement has been duly authorized or ratified by, and executed on behalf of the Grantee, and (ii) constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms, and (iii) all internal actions and approvals necessary to give effect to this Agreement have been obtained by or on behalf of the Grantee; and

(b) A signed statement in the name of the person holding or acting in the office of the Grantee specified in Section 7.2, which designates by name and title of any additional representatives, each of whom may act pursuant to Section 7.2.

Section 5.2. Notification. USAID will promptly notify the Grantee when USAID has determined that a condition precedent has been met.

Section 5.3. Terminal Dates for Conditions Precedent. The terminal date for meeting the conditions specified in Section 5.1 is 45 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.1 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

Article 6: Special Covenants.

(a) The Grantee, in conjunction with the appropriate Jamaican ministries and offices and in accordance with Jamaican laws, hereby covenants and agrees to issue, renew and/or extend free of charge and in a timely manner all official permits, visas, exemptions and any other permissions (including all approvals as may be required from time to time to ensure full access to information, project sites and relevant offices) for the Applicable Persons (as defined below) carrying out activities financed by USAID under this Agreement (collectively, the "Required Documents"). For purposes of this provision, Applicable Persons is defined as: (1) employees and consultants of any contractors, grantees and other organizations carrying out activities financed by USAID under this

Agreement and (b) members of such employees' and consultants' households. Any renewals or extensions of such Required Documents that are required, or become required, in order for such employees, consultants and dependent family members to legally reside in Jamaica and undertake the activities contemplated by and financed under this Agreement shall, subject to Jamaican laws, also be issued free of charge.

- (b) **Taxation:** As set forth in greater detail in the Standard Provisions Annex (Annex 2), the Grantee agrees to ensure that assistance provided under this Agreement will not be subject to taxation.
- (c) **Procurement and Disbursement of Funds:** The Grantee agrees that with respect to implementation of activities set forth in Annex 1, other than those activities specified to be implemented by the Grantee directly, funds under the Grant may be contracted or otherwise committed and disbursed directly by USAID to third parties in accordance with USAID's normal regulations and procedures. The Grantee and USAID agree that USAID will provide periodic reports to the Grantee as to the status of USAID direct contracts and grants to third parties made with funds under the Grant.
- (d) **Crisis Modifier:** USAID and the Grantee recognize that crises may arise from time to time in Jamaica and its surrounding region. The Parties recognize that, in order to allow for greater flexibility after the occurrence of a crisis, the activities described in this Agreement may need to be refocused or reprogrammed to account for changed circumstances that could not have been anticipated prior to the crisis event. Within the terms and conditions of the Agreement, the Grantee agrees that, if USAID approaches the Grantee subsequent to such a crisis event and requests modifications to this Agreement related to the effects of the crisis, the Grantee shall work with USAID to expeditiously approve such modifications. The Grantee understands that all funds under the Grant must continue to be used for purposes for which they were appropriated by the United States Congress, and that approval for certain modifications to this Agreement related to the crisis event may require further approval from USAID/Washington and notification to the United States Congress prior to implementation.

Article 7: Miscellaneous.

Section 7.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram telefax cable or electronic mail ("e-mail"), and will be deemed duly given or sent when delivered to such Party at the following address:

To USAID:

Mail Address:

United States Agency for International Development
142 Old Hope Road
Kingston 6
Jamaica

Alternate address for cables:

Telefax: (876) 702-6385

E-mail:

To the Grantee:

Mail Address:

Ministry of Finance and Planning
30 National Heroes Circle
Kingston 4
Jamaica

Alternate address for cables:

Telefax: (876) 924-9291

E-mail: finsec@mof.gov.jm

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

Section 7.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of the Minister of Finance and Planning and USAID will be represented by the individual holding or acting in the Office of Mission Director for USAID in Jamaica, each of whom, by written notice, may designate additional representatives for all purposes or specific purposes and any conditions governing actions of additional representatives, e.g. other than signing formal amendments to the Agreement or exercising the power under Sections 2.2 or 2.3 to revise the Results or Annex 1. The names and titles of the additional representatives of the Grantee will be provided pursuant to Section 5.1(b) to USAID, which may accept as duly authorized any instrument signed by such additional representatives (or any individuals subsequent holding or acting in the office of such representatives) in accordance with this Section 7.2, until receipt of written notice of revocation of their authority.

Section 7.3. Standard Provisions Annex. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

Section 7.4. Language of Agreement. This Agreement is prepared in English
IN WITNESS WHEREOF, the United States of America and the Grantee, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

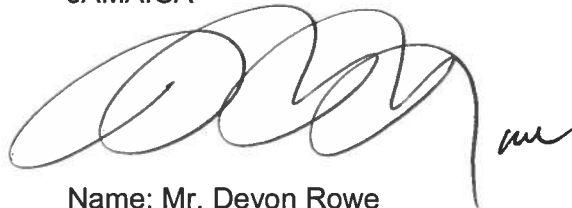
JAMAICA



Denise Herbol

Name: Ms. ~~Jeanette Vaik~~

Title: ~~Acting~~ Mission Director, USAID/Jamaica



Name: Mr. Devon Rowe

Title: Financial Secretary

DOAG Annex 1 Amplified Description

I. Introduction.

This annex describes the activities to be undertaken and the results to be achieved with the funds obligated under this Development Objective Agreement for Threats to the Environment and Citizen Vulnerability Reduced. Nothing in this Annex 1 shall be construed as amending any of the definitions or terms of the Agreement.

II. Background.

USAID's Mission in Jamaica has developed a Country Development Cooperation Strategy (CDCS) for the five-year period FY 2014-2018, which it will implement in collaboration with the Government of Jamaica (GOJ). The Mission has identified three areas where it has a comparative advantage and will have a strong developmental impact:

- I. Improving resilience and sustainability of targeted livelihoods and ecosystems. .
- II. Reducing violence in target communities.
- III. Reducing the prevalence of HIV in target populations.

These areas are aligned with the Government of Jamaica's strategic plan, Vision 2030, and focus on Jamaica's Community Renewal Plan (CRP) communities. These are unique neighborhoods with little or no economic stimulus that are also prone to impacts from climate change, exhibit the highest rates of crime, and where some of the most vulnerable populations reside. Key ministries and other stakeholder groups were included in discussions throughout the development of this strategy.

III. Results to be Achieved/Results Framework

The goal for USAID/Jamaica's Country Development Cooperation Strategy (CDCS) is: *Resiliency and Social Cohesion of Targeted Jamaican Communities Improved*. This Agreement seeks to achieve this goal through a single development objective, *Threats to the Environment and Citizen Vulnerability Reduced*, which will be done through the achievement of three intermediate results.

Intermediate Results (IR) 1: Resilience and Sustainability of Targeted Livelihoods and Ecosystems Increased

Jamaica is highly vulnerable to climate variability and change, which is projected to be through increased temperatures, rising sea levels, storm surges, and increased rainfall variability with higher intensity storms and longer dry spells. Under this IR, USAID will focus on building the capacity of targeted populations to adapt to and mitigate climate change. Support will emphasize the development of national-level policies and planning processes, as part of both a Low Emission Development Strategy (LEDS) and a National Action Plan (NAP), as well as specific activities with the Government of Jamaica (GOJ), such as relevant line Ministries and Agencies (Office of Disaster Preparedness and Emergency Management and the Jamaica Met Services),, to build resilience in target communities. In partnership with the GOJ and other stakeholder, USAID/Jamaica will seek to increase the adaptive capacity of targeted populations,

including rural farmers, persons living in coastal areas, and at-risk urban communities.

Intermediate Result 2: Violence in CRP Communities Reduced

USAID will seek to build positive relationships and improve communication between communities, law enforcement officials and civic, religious and educational organizations. USAID will provide assistance to develop norms and standards for social services, strategies for community mobilization, and help to Civil Society Organizations (CSOs) in building their internal organizational structures. In all its work under this IR, USAID will seek to have an impact on the nation's capacity and ability to effectively control instances of and attitudes towards corruption.

Under this IR, USAID will undertake prevention activities targeting: youth living in disadvantaged situations who are at risk of dropping out of school; youth who are unemployed but have not yet engaged in gang or other negative behavior; youth who engage in negative behavior but have not yet come into the criminal justice system; and youth who have been engaged in criminal activities and are the focus of law enforcement. To that end, a three-pronged approach will be used to reach the full gamut of at-risk-youth: prevention, rehabilitation and sustainable livelihoods. Prevention approaches focus on youth before they become part of the criminal justice system; rehabilitation targets the already *hardened* youth; and sustainable livelihood reaches both categories providing access to legitimate income sources. This should lead to a more stable and higher level of well-being.

Intermediate Result 3: Prevalence of HIV/AIDS in Key Populations Reduced

USAID will continue to utilize President's Emergency Plan for AIDS Relief ("PEPFAR") funding to target key populations most affected by HIV and work closely with the other five USG agencies working on PEPFAR in Jamaica as well as the other 11 Caribbean countries participating in the PEPFAR Caribbean regional program. The Ministry of Health has merged the National Family Planning Board with its HIV/AIDS and STI National Program to create one unit on Sexual and Reproductive Health. USAID will continue to support the new unit in strategic planning, and marking and branding of the new authority.

Within this focused context, USAID will capitalize on the outreach of regional health authorities, NGOs, CBOs, and faith-based organizations to address the needs of Commercial Sex Workers (CSWs) and Men who have Sex with Men (MSM) while also increasing awareness and strengthening national policy and advocacy support to reduce gender-based violence by changing harmful gender norms and reducing the spread of HIV.

IV. Indicators

The Mission will track progress towards the CDCS objectives through the following high-level indicators:

Goal: Resiliency and Social Cohesion of Targeted Jamaican Communities Improved.

Indicators

For measurement of social cohesion within the communities where USAID will work, the portfolio-wide evaluation question becomes “Did interventions developed and implemented by USAID positively impact social cohesion of targeted Jamaican communities?”

USAID will use a series of data collection points to answer these questions, including: voter turnout, pro-social versus anti-social behavior (including corruption), level of trust, confidence in social institutions and social tolerance, and the amount of time it takes a community to recover from a natural disaster. Data sources may include the GOJ, international organizations (UNDP, Transparency International, and Human Rights Watch), and LAPOP.

In addition, USAID will use the following sector-specific questions and indicators:

DO: Threats to the environment and citizen vulnerability reduced

Custom Indicator: Change in the crime and violence reporting from the Jamaican Constabulary Force (JCF) for communities in which USAID supported activities.

Standard Indicator: Improvements (or deterioration) in the security situation as ascertained through UN Department of Safety & Security (UN DSS) reports.

Standard Indicator: Number of hectares of biological significance and/or natural resources showing improved biophysical conditions as a result of USG assistance.

Standard Indicator: Number of the targeted population reached with individual and/or small group level HIV prevention interventions that are based on evidence and/or meet the minimum standards required.

IR 1: Resilience and Sustainability of Targeted Livelihoods and Ecosystems Increased

Standard Indicator 4.8.2-26 (Adaptive Capacity): Number of individuals with increased capacity to adapt to the impacts of climate change as a result of USG assistance

Standard Indicator 4.8.1-1: Number of hectares of biological significance and/or natural resources showing improved biophysical conditions as a result of USG assistance

Standard Indicator 4.8-7 (Emissions): Greenhouse gas emissions, estimated in metric tons of CO2 equivalent, reduced, sequestered, and/or avoided as a result of USG assistance

Sub-IR 1.1: Adaptive capacity of target populations to respond to negative impacts of GCC improved

Custom Indicator: % change in losses from weather and climate related disasters as a result of USG assistance

Standard Indicator 4.8.2-6 (Training): Number of people receiving training in global climate change as a result of USG assistance (disaggregate by sex, stakeholder type)

Standard Indicator 4.8.2-27 (Technical Assistance): Number of days of USG funded technical assistance in climate change provided to counterparts or stakeholders

Sub-IR 1.2 Institutional Capacity to Mitigate and Manage GCC Impacts Through Policy and Planning Increased

Standard Indicator 4.8.2-28 (Legal/Policy Environment): Number of laws, policies, strategies, plans, agreements, or regulations addressing climate change and/or biodiversity conservation officially proposed or adopted as a result of USG assistance

Standard Indicator 4.8.2-14 (Institutional Capacity): Number of institutions with improved capacity to address climate change issues as a result of USG assistance

IR 2: Violence in CRP Communities Reduced

Custom Indicator: Percent reduction in violent crime in targeted CRP communities

Sub-IR 2.1: Cooperation between communities and law enforcement increased

Standard Indicator: Number of communities in USG-assisted areas using community policing methods

Standard Indicator: Number of law enforcement officers trained with USG assistance (gender disaggregated)

Sub-IR 2.2: Security of CRP Communities and At-Risk –Youth Improved

Custom Indicator: Citizen Perception of security increased in CRP communities receiving USG assistance.

Standard Indicator: Number of Civil Society Organizations using USG Assistance to Promote Political Participation

Sub-IR 2.3: Institutional Capacity of CBOs, CSOs, NGOs, and MDAs Improved

Standard Indicator: Number of government officials receiving USG-supported anti-corruption training (gender disaggregated)

Standard Indicator: Number of civil society organizations receiving USG assistance in security sector oversight and advocacy

Standard Indicator: Number of government officials undergoing USG assisted security sector governance training

IR 3: Prevalence of HIV/AIDS in key populations reduced

Custom Indicator: Prevalence of HIV among Sex Workers, age 15-49.

Custom Indicator: Prevalence of HIV among MSM, age 15-49.

Sub-IR 3.1: Awareness of risk factors associated with HIV/AIDS increased

Standard PEPFAR Indicator: Number of MARPs reached with individual and/or small group level HIV preventive interventions that are based on evidence and/or meet the minimum standards required (Includes MSM, SW, and At-Risk Youth)

Standard PEPFAR Indicator: Number of individuals who received T&C services for HIV and received their test results during the past 12 months (disaggregated by gender and age)

Sub-IR 3.2: Condom use among sex workers among sex workers and men who have sex with men increased

Custom Indicator: Condom use at last sex (MOH Indicator)

Custom Indicator: Sex Workers - Condom Use with Most Recent New Client and Regular Client (MOH Indicator)

Sub-IR 3.3: Institutional capacity to address HIV/AIDS increased

Standard Indicator: Number of government officials receiving USG-supported HIV training (gender disaggregated)

V. Activities/Activity Selection

Under each Intermediate Result, the Mission will design a number of interventions which will include myriad activities and implementing mechanisms, including Government to Government (G2G) direct assistance, as well as use of implementing partners (local and international). The following activities are planned under the Grant for each IR. Unless specifically noted for implementation by the Grantee through G2G direct assistance, activities will be implemented by third parties under awards issued directly by USAID:

Under IR1, illustrative activities include promoting the Farmer Field School (trainers and curriculum), best practices in agroforestry and watershed management (e.g. ridge-to-reef principles), as well as more efficient water storage and irrigation systems (e.g. water tanks, drip irrigation, upgrade of local reservoirs). Activities in coastal and marine zones, such as mangrove restoration and reforestation, will be explored. USAID may also support the Ministry of Water Land Environment and Climate Change (MWLECC) and the Ministry of Science, Technology, Energy and Mining (MSTEM) to enhance and improve its capacity to provide climate information to decision makers and special groups, and develop a financing model to ensure continued and consistent funding levels for the GOJ Meteorological Office.

In addition, USAID will support the development of a national climate change policy framework and provide technical assistance to the new GOJ Climate Change Division to promote (intergovernmental and external) coordination and communication of GCC activities, training for senior public sector officers on climate change science and policy fundamentals, and the establishment of climate change focal points in key line ministries. Additional illustrative activities include developing and implementing renewable energy and energy efficiency action plans, collaboration on revision of GOJ GHG inventory, and joint implementation of carbon sequestration initiatives with protected area management units, local public authorities and key NGOs

Under IR2, illustrative activities include small grants to provide support for community-based organizations and community-based projects such as community football; and micro-credit and micro-enterprise training, along with mentoring and partnership with private sector to place at-risk youth in apprenticeships and jobs. Other activities that USAID may implement include engaging civic leaders, civil society organizations, and police to promote a culture of lawfulness by example and funding mass media campaigns to foster that culture. USAID will also continue its support for the Jamaica Constabulary Force Community Based Policing program.

In addition to addressing at-risk youth, USAID recognizes the relationship between illiteracy and crime. Those who are illiterate are twice as likely to have been in fights, belonged to a gang or carried a weapon to school while children who leave school without sufficient education are more likely to be drawn into illicit activities. USAID/Jamaica will continue working on Grades 1-3 literacy in the early years of this agreement.

Under IR3, illustrative activities include outreach interventions with HIV counseling and testing; referrals to HIV care and treatment services; empowerment and skills building sessions with MSM and CSWs; and, the development and dissemination of new Information, Education and

Communication materials and tools for key populations. Additionally, USAID, in partnerships with NGOs and the MOH, will support increasing condom use among men who have sex with men and sex workers through the use of proven methods, such as the provision of male condoms and lubricants and the introduction of a minimum package of services for MSM and CSW which includes risk reduction counseling and referral and treatment of STIs. Moreover, as external funding declines, USAID/Jamaica will seek to build the capacity of civil society partners and the Ministry of Health to support their HIV prevention work with key populations, including: CSWs, MSM, people living with HIV (PLWHIV), and at-risk youth. Activities will include strengthening the Ministry of Health's capacity to address HIV; improving the policy environment to support gender equality and access to HIV services; addressing male norms and behavior among at-risk youth; reducing the high levels of stigma and discrimination against PLHIV, CSWs, and the Lesbian, Gay, Bisexual and Transgender (LGBT) community which discourage many of these individuals from accessing HIV preventative measures, treatment, and care services. Support will also continue to be provided to the MOH in developing its new Sexual and Reproductive Health Unit, ensuring continuity of services to beneficiaries as well as improved and increased prevention outreach to target populations.

VI. Roles and Responsibilities of the Parties

This section outlines in general terms the roles and responsibilities of USAID and the GOJ. Details of the following may be further clarified in Implementation Letters as needed.

The Grantee

The Ministry of Finance and Planning (MOFP), representing the GOJ, will serve as USAID's primary counterpart to the Grant and administer and manage the Agreement in partnership with USAID to achieve the agreed upon results. In this capacity, the MOFP will continue to serve as an active member of the core team relating to the Program, which consists of all activities carried out under the DOAG. USAID and MOFP will convene the core team to oversee Program design, management, and evaluation. All technical assistance and support under this Program will continue to be jointly programmed by USAID and the MOFP. Relevant line Ministries will be active participants in planning and implementation, where applicable, to ensure that activities support the Program's goals. Current GOJ partnerships include: Education; National Security; Water Land Environment and Climate Change; Health; Agriculture and Fisheries; and, Science, Technology, Energy, and Mining. This list may be expanded, should the need arise.

Technical assistance may include direct funding to the GOJ to support GOJ activities, such as preparation of workplans and budgets and financial management and accounting.

Technical assistance and funding provided for other activities under this Program that are provided through other USAID mechanisms such as grants or contracts to non-governmental organizations will not be directly administered by the MOFP. The MOFP will have no financial administration responsibility for USAID direct grants, contracts and cooperative agreements. The MOFP will be responsible for jointly programming and monitoring these activities with USAID as a member of the core Program team to ensure that these activities under the Program support the achievement of results of the Program.

The MOFP's role in achieving the results will also include helping leverage resources to further the goals of this Program, coordinating efforts among donor-stakeholder partnerships, assisting in Program information transfer and reducing duplication of effort, and encouraging a beneficial flow and dissemination of information in all areas related to achievement of the objectives of this Program. USAID, the MOFP and other partners will incorporate new elements into this Program as appropriate.

USAID

USAID will continue to serve as the primary grantor to the Program and administer and manage the agreement in partnership with MOFP to achieve the agreed upon results. In this capacity, USAID will serve as the primary funding agency and lead the Program's Team, which USAID and MOFP will convene jointly to oversee Program design, management and evaluation.

USAID will formally convene the Program's expanded team, which includes a USAID Team Leader, an official MOFP representative, USAID program administration officials (Financial, Program, and Contract), and USAID and line Ministry technical specialists. The team will strategically guide progress toward achievement of the Program results. The team will ensure that activities are achieving planned results and will make tactical adjustments based on performance and the roles of other donors to achieve such results. USAID, the MOFP and the relevant line Ministries will continue to hold regular meetings to review and assess progress in achieving results under this Program before USAID finalizes activity work plans and budgets for the following year. Because of the complex functions of the Program and the need to foster consensus, the team will also invite and encourage other partners to participate on an ad hoc basis in Program planning and evaluation, including representatives from local or regional NGOs, private sector groups, and other regional organizations and interest groups.

Where applicable, USAID will issue Implementation Letters detailing the actual budget available for project implementation under G2G arrangements. In these cases, USAID will review and approve line Ministry/GOJ Agency work plans, budgets and financial reports for the funding provided to Ministries/GOJ Agencies to support activities to be directly implemented by them.

Technical assistance provided under the Program, but outside this Agreement through other USAID mechanisms will continue to be directly administered by USAID, which includes financial administration responsibility for USAID direct grants, contracts and cooperative agreements. USAID will be responsible for programming and monitoring these activities with the MOFP and other line Ministries' assistance to ensure that these activities under the Program support the achievement of results of the Program's goals.

USAID's role in achieving the results also includes helping leverage resources to further enhance the achievement of the Program's goals, assisting the GOJ in coordinating efforts among donor-stakeholder partnerships, assisting in Program information transfer and reducing duplication of effort, and encouraging a beneficial flow and dissemination of information in all areas related to achievement of the objectives of this Program. USAID and the MOFP will incorporate new elements into this Program as appropriate. USAID will take the lead in disseminating results of all USAID proceedings as appropriate.

VII. Environment.

USAID will advise the MOFP, and line Ministries where applicable, in writing, through Implementation Letters, of the environmental reporting requirements where such requirements

are applicable to the GOJ. All activities under this Program must undergo appropriate environmental review according to Title 22 of the Code of Federal Regulations (22 CFR 216) and outlined in the USAID Automated Directives System Chapter 204 (ADS 204). All existing projects are currently meeting the environmental compliance requirements, and USAID will work with the GOJ or its implementing partners to ensure this standard is maintained with new agreements. All grantees and/or implementing partners (IP) are required to fill out an Environmental Mitigation Plan and Report (EMPR) for each thematic area (e.g. rehabilitation of small scale building, water systems, roads, bridges, etc.). The EMPR includes:

- Coversheet;
- Narrative with project specific information;
- Annexes:
 - Environmental Screening Form;
 - Identification of Mitigation Plan;
 - Environmental Monitoring and Tracking Table;
- Photos, Maps and Level of Effort.

The EMPR will capture potential environmental impacts and also dictate whether an amended or supplemental Initial Environmental Examination (IEE) or a Pesticide Evaluation Report and Safer Use Action Plan or "PERSUAP" is required.

VIII. Monitoring and Evaluation.

USAID and the MOF, and relevant Ministries, will jointly monitor the program indicators set forth in the Development Objective Grant Agreement. Project evaluations will be jointly carried out by USAID and its partners in accordance with USAID requirements.

- IX. Financial Plan.** The financial plan for the Program is set forth in the attached table. "Changes may be made to the financial plan by representatives of the Parties without formal amendment to the Agreement, if such changes do not cause (1) USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement, or (2) the Grantee's contribution to be less than the amount specified in Section 3.2 of the Agreement." USAID will inform the MOF of any such changes through an Implementation Letter.

ILLUSTRATIVE FINANCIAL PLAN - DOAG NO. 532-DOAG-2013-JM
THREATS TO THE ENVIRONMENT AND CITIZEN VULNERABILITY REDUCED

Intermediate Results (IR)	This Obligation under DOAG		Total Obligations to Date		Planned Subsequent Obligations		Total Planned Obligations	
	USAID	HC*	USAID	HC	USAID**	HC	USAID	HC
IR.1 Resilience and Sustainability of Targeted Livelihoods and Ecosystems Increased	4,392,164	1,464,055	4,392,164	1,464,055	30,872,836	10,290,945	35,265,000	11,755,000
IR.2 Violence in CRP Communities Reduced	7,350,000	533,333	7,350,000	533,333	49,522,000	228,667	56,872,000	762,000
IR.3 Prevalence of HIV/AIDS in Key Populations Reduced	3,290,379	871,733	3,290,379	871,733	23,179,621	8,823,333	26,470,000	8,823,333
Audit and Evaluation	20,000	-	20,000	-	580,000	-	600,000	-
Support Costs	1,403,866	-	1,403,866	-	4,345,134	-	5,749,000	-
TOTAL	16,456,409	2,869,121	16,456,409	1,997,388	108,499,591	19,342,945	124,956,000	21,340,333

* The Host Country Contribution may change as the Mission finalises the activities that will be implemented under the DOAG

** Subject to the Availability of Funds

Annex 2

Standard Provisions

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Standard Provisions

Article A: Definitions and Implementation Letters.

Section A.1. Definitions. As used in this Annex, the "Agreement" refers to the Development Objective Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Section A.2. Implementation Letters. To assist the Grantee in the implementation of the Agreement, USAID, from time to time, will issue Implementation Letters that will furnish additional information about matters stated in this Agreement. The Parties may also issue jointly agreed-upon Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Implementation Letters can also be issued to record revisions or exceptions that are permitted by the Agreement.

Article B: General Covenants.

Section B.1. Consultation. The Parties will cooperate to assure that the Objective and Results of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on progress towards the Objective and Results, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged under the Agreement, and other matters relating to the Agreement.

Section B.2. Execution of Agreement. The Grantee will:

(a) Carry out the Agreement and the activities required to be undertaken directly (or caused to be undertaken) by the Grantee, or cause the Agreement and such activities to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules, or other arrangements, and with any modifications therein, approved by USAID pursuant to this Agreement; and

(b) Provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of activities financed under the Agreement, and, as applicable for continuing activities, cause those activities to be operated and maintained in such manner as to assure the continuing and successful achievement of the Objective and Results of the Agreement.

Section B.3. Utilization of Goods and Services.

(a) Any goods and services financed under this Agreement, unless otherwise agreed in writing by USAID, will be devoted to the Agreement until the completion or termination of the Agreement, and thereafter (as well as during any period of suspension of the Agreement) will be used to further the Objective of the Agreement and as USAID may direct in Implementation Letters.

Section B.4. Taxation.

(a) General Exemption. The Agreement and the assistance thereunder are free from any taxes imposed under laws in effect in the territory of the Grantee.

(b) Except as provided otherwise in this provision, the General Exemption in subsection (a) applies to, but is not limited to (1) any activity, contract, grant or other implementing agreement financed by USAID under this Agreement; (2) any transaction or supplies, equipment, materials, property or other goods (hereinafter collectively "goods") under (1) above; (3) any contractor, grantee, or other organization carrying out activities financed by USAID under this Agreement; (4) any employee of such organizations; and (5) any individual contractor or grantee carrying out activities financed by USAID under this Agreement.

(c) Except as provided otherwise in this provision, the General Exemption in subsection (a) applies to, but is not limited to, the following taxes:

(1) Exemption 1. Customs duties, tariffs, import taxes, or other levies on the importation, use and re-exportation of goods or the personal belongings and effects (including personally-owned automobiles) for the personal use of non-national individuals or their family members.

Exemption 1 includes, but is not limited to, all charges based on the value of such imported goods, but does not include service charges directly related to services performed to transfer goods or cargo.

(2) Exemption 2. Taxes on the income, profits or property of all (i) non-national organizations of any type, (ii) non-national employees of national and non-national organizations, or (iii) non-national individual contractors and grantees. Exemption 2 includes income and social security taxes of all types and all taxes on the property, personal or real, owned by such non-national organizations or persons. The term "national" refers to organizations established under the laws of the Grantee and citizens of the Grantee, other than permanent resident aliens in the United States.

(3) Exemption 3. Taxes levied on the last transaction for the purchase of goods or services financed by USAID under this Agreement, including sales taxes, value-added taxes (VAT), or taxes on purchases or rentals of real or personal property. The term "last transaction" refers to the last transaction by which the goods or services were purchased for use in the activities financed by USAID under this Agreement.

(d) If a tax has been levied and paid contrary to the provisions of an exemption, USAID may, in its discretion, (1) require the Grantee to refund to USAID or to others as USAID may direct the amount of such tax with funds other than those provided under the Agreement, or (2) offset the amount of such tax from amounts to be disbursed under this or any other agreement between the Parties.

(e) In the event of a disagreement about the application of an exemption, the Parties agree to promptly meet and resolve such matters, guided by the principle that the assistance furnished by USAID is free from direct taxation, so that all of the assistance furnished by USAID will contribute directly to the economic development of the country of the Grantee.

Section B.5. Reports and Information, Agreement Books and Records, Audits, and Inspections.

(a) Reports and Information. The Grantee shall furnish USAID accounting records and such other information and reports relating to the Agreement as USAID may reasonably request.

(b) Grantee Agreement Books and Records. The Grantee shall maintain accounting books, records, documents and other evidence relating to the Agreement, adequate to show, without limitation, all costs incurred by the Grantee under the Agreement, the receipt and use of goods and services acquired under the Agreement by the Grantee, agreed-upon cost sharing requirements, the nature and extent of solicitations of prospective suppliers of goods and services acquired by the Grantee, the basis of award of Grantee contracts and orders, and the overall progress of the Agreement toward completion ("Agreement books and records"). The Grantee shall maintain Agreement books and records in accordance with generally accepted accounting principles prevailing in the United States, or at the Grantee's option, with approval by USAID, other accounting principles, such as those (1) prescribed by the International Accounting Standards Board (a subsidiary of the International Financial Reporting Standards Foundation) or (2) prevailing in the country of the Grantee. Agreement books and records shall be maintained for at least three years after the date of last disbursement by USAID or for such longer period, if any, required to resolve any litigation, claims or audit findings. For the avoidance of doubt, this Section B.5(b) applies solely to Grant funds expended directly by the Grantee.

(c) Grantee Audit. If U.S. \$300,000 or more of USAID funds are expended directly by the Grantee in its fiscal year under the Agreement, the Grantee shall have financial audits made of the expenditures in accordance with the following terms, except as the Parties may otherwise agree in writing:

(1) With USAID approval, the Grantee shall use its Supreme Audit Institution or select an independent auditor in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the USAID Inspector General ("Guidelines"), and the audits shall be performed in accordance with the "Guidelines"; and

(2) The audit shall determine whether the receipt and expenditure of the funds provided under the Agreement are presented in accordance with generally accepted accounting principles agreed to in sub-section (b) above and whether the Grantee has complied with the terms of the Agreement. Each audit shall be completed no later than nine months after the close of the Grantee's year under audit.

(d) Sub-recipient Audits. The Grantee, except as the Parties may otherwise agree in writing, must ensure that "covered" sub-recipients, as defined below, are audited, and submit to USAID, no later than the end of the Grantee's year under audit, in form and substance satisfactory to USAID, a plan for the audit of the expenditures of "covered" sub-recipients, as defined below, that receive funds in connection with a direct contract or agreement entered into directly with the Grantee pursuant to the activities contemplated by this Agreement.

(1) A "covered" sub-recipient is one who expends U.S. \$300,000 or more in its fiscal year in "USAID awards" (i.e., as contractors or sub-recipients under USAID-financed development objective agreements and other grant agreements with foreign governments).

(2) The plan shall describe the methodology to be used by the Grantee to satisfy its audit responsibilities for covered sub-recipients. The Grantee may satisfy such audit responsibilities by relying on independent audits of the sub-recipients; expanding the scope of the independent financial audit of the Grantee to encompass testing of sub-recipients' accounts; or a combination of these procedures.

(3) The plan shall identify the funds made available to covered sub-recipients that will be covered by audits conducted in accordance with other audit provisions that would satisfy the Grantee's audit responsibilities. (A nonprofit organization organized in the United States is required to arrange for its own audits. A for-profit contractor organized in the United States that has a direct contract with USAID is audited by the cognizant U.S. Government Agency. A private voluntary organization organized outside the United States with a direct grant from USAID is required to arrange for its own audits. A Grantee contractor should be audited by the Grantee's auditing agency.)

(4) The Grantee shall ensure that covered sub-recipients under direct contracts or agreements with the Grantee take appropriate and timely corrective actions; consider whether sub-recipients' audits necessitate adjustment of its own records; and require each such sub-recipient to permit independent auditors to have access to records and financial statements as necessary.

(e) Audit Reports. The Grantee shall furnish or cause to be furnished to USAID an audit report for each audit arranged for by the Grantee in accordance with this Section within 30 days after completion of the audit and no later than nine months after the end of the period under audit.

(f) Other Covered Sub-recipients. For "covered" sub-recipients who receive funds under the Agreement pursuant to direct contracts or agreements with USAID, USAID will include appropriate audit requirements in such contracts or agreements and will, on behalf of the Grantee, conduct the follow-up activities with regard to the audit reports furnished pursuant to such requirements.

(g) Cost of Audits. Subject to USAID approval in writing, allowable, allocable and reasonable costs of audits performed in accordance with the terms of this Section may be charged to the Agreement.

(h) Audit by USAID. USAID retains the right to perform the audits required under this Agreement on behalf of the Grantee by utilizing funds under the Agreement or other resources available to USAID for this purpose, conduct a financial review, or otherwise ensure accountability of organizations expending USAID funds regardless of the audit requirement.

(i) Opportunity to Audit or Inspect. The Grantee shall afford authorized representatives of USAID the opportunity at all reasonable times to audit or inspect activities financed under the Agreement, the utilization of goods and services financed by USAID, and

books, records and other documents relating to the Agreement.

(j) Sub-recipient Books and Records. The Grantee will incorporate paragraphs (a), (b), (d), (e), (g), (h) and (i) of this provision into all sub-agreements with non-U.S. organizations which meet the U.S. \$300,000 threshold of paragraph (c) of this provision. Sub-agreements with non-U.S. organizations, which do not meet the U.S. \$300,000 threshold, shall, at a minimum, incorporate paragraphs (h) and (i) of this provision. Sub-agreements with U.S. organizations shall state that the U.S. organization is subject to the audit requirements contained in OMB Circular A-133.

Section B.6. Completeness of Information. The Grantee confirms:

(a) that the facts and circumstances of which it has informed USAID, or caused USAID to be informed, in the course of reaching agreement with USAID on the Agreement, are accurate and complete, and include all facts and circumstances that might materially affect the Agreement and the discharge of responsibilities under this Agreement; and

(b) that it will inform USAID in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Agreement or the discharge of responsibilities under this Agreement.

Section B.7. Other Payments. Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Agreement, except fees, taxes, or similar payments legally established in the country of the Grantee.

Section B.8. Information and Marking. The Grantee will give appropriate publicity to the Agreement as a program to which the United States has contributed, identify Agreement activity sites, and mark goods financed by USAID, as described in Implementation Letters.

Article C: Procurement Provisions.

Section C.1. Source and Nationality.

(a) All goods financed under the Agreement shall have their source, and the suppliers of all goods and services financed under the Agreement shall have their nationality, in countries included in Geographic Code 937, except as USAID may otherwise agree in writing and as follows:

(1) Ocean transportation costs shall be financed under the Agreement only on vessels under flag registry of countries included in Code 935. Also see Section C.6 on use of U.S. flag vessels.

(2) Any motor vehicles financed under the Agreement will be of United States manufacture, except as USAID may otherwise agree in writing.

(b) The nationality of ocean and air shipping will be deemed to be the ocean vessel's

or aircraft's country of registry at the time of shipment.

(c) Provisions concerning restricted and ineligible goods and services may be provided in an Implementation Letter.

(d) Transportation by air of property or persons financed under this Agreement will be on carriers holding United States certification, to the extent service by such carriers is available under the Fly America Act. This requirement may be further described by USAID in Implementation Letters.

Section C.2. Eligibility Date. No goods or services may be financed under the Agreement which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

Section C.3. Plans, Specifications and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to USAID upon preparation:

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation between the Grantee and third parties, relating to goods or services to be financed under the Agreement, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished to USAID on preparation; and

(2) such documentation will also be furnished to USAID, upon preparation, relating to any goods or services, which, though not financed under the Agreement, are deemed by USAID to be of major importance to the Agreement. Aspects of the Agreement involving matters under this subsection (a)(2) will be identified in Implementation Letters.

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Agreement will be approved by USAID in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Agreement for engineering and other professional services, for construction services, and for such other services, equipment, or materials as may be specified in Implementation Letters, will be approved by USAID in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by USAID prior to execution; and

(d) Consulting firms used by the Grantee for the Agreement but not financed under the Agreement, the scope of their services and such of their personnel assigned to activities financed under the Agreement as USAID may specify, and construction contractors used by the Grantee for the Agreement but not financed under the Agreement, shall be acceptable to USAID.

Section C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Agreement. Such items will be procured on a fair and, to the maximum extent practicable, competitive basis.

Section C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Agreement, the Grantee will furnish USAID such information with regard thereto, and at such times, as USAID may request in Implementation Letters.

Section C.6. Transportation

(a) In addition to the requirements in Section C.1(a), costs of ocean or air transportation and related delivery services may not be financed under the Grant, if the costs are for transportation under an ocean vessel or air charter which has not received prior USAID approval.

(b) Unless USAID determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, or otherwise agrees in writing:

(1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by USAID which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels; and

(2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by USAID and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

Section C.7. Insurance.

(a) Marine insurance on goods financed by USAID which are to be transported to the territory of the Grantee may be financed as a Foreign Exchange Cost under this Agreement provided

(1) such insurance is placed at the most advantageous competitive rate;

(2) such insurance is placed in a country which is authorized under Section C.1(a); and

(3) claims thereunder are payable in U.S. dollars or any freely convertible currency unless USAID agrees otherwise in writing.

If the Grantee (or government of the Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to USAID-financed procurement

against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by USAID hereunder shall be insured against marine risks and such insurance shall be placed in the United States with a company or companies authorized to do marine insurance business in the United States.

(b) Except as USAID may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Agreement imported for the Agreement against risks incident to their transit to the point of their use under the Agreement; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacement will be of source and nationality of countries listed in USAID Geographic Code 935 as in effect at the time of replacement and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

Section C.8. U.S. Government-Owned Excess Property. The Grantee agrees that wherever practicable United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Agreement may be used to finance the costs of obtaining such property.

Article D: Disbursements.

Section D.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, if any, the Grantee may obtain disbursements of funds under the Agreement for the Foreign Exchange Costs of goods or services required for the Agreement in accordance with its terms, by such of the following methods as may be mutually agreed upon:

(1) by submitting to USAID, with necessary supporting documentation as prescribed in Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for USAID to procure commodities or services in Grantee's behalf for the Agreement; or,

(2) by requesting USAID to issue Letters of Commitment for specified amounts directly to one or more contractors or suppliers, committing USAID to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by the Grantee in connection with Letters of Commitment will be financed under the Agreement unless the Grantee instructs USAID to the contrary. Such other charges as the Parties may agree to may also be financed under the Agreement.

Section D.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, if any, the Grantee may obtain disbursements of funds under the Agreement for Local Currency Costs required for the

Agreement in accordance with terms of this Agreement, by submitting to USAID, with necessary supporting documentation as prescribed in Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be purchased by USAID with U.S. Dollars. The U.S. Dollar equivalent of the local currency made available hereunder will be the amount of U.S. Dollars required by USAID to obtain the local currency.

Section D.3. Other Forms of Disbursement. Disbursements may also be made through such other means as the Parties may agree to in writing.

Section D.4. Rate of Exchange. If funds provided under the Agreement are introduced into the Partner Country by USAID or any public or private agency for purposes of carrying out obligations of USAID hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into local currency at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the country of the Grantee to any person for any purpose.

Article E: Termination; Remedies.

Section E.1. Suspension and Termination.

(a) Either Party may terminate this Agreement in its entirety by giving the other Party thirty (30) days written notice. USAID also may terminate this Agreement in part by giving the Grantee thirty (30) days written notice, and suspend this Agreement in whole or in part upon giving the Grantee written notice. In addition, USAID may terminate this Agreement in whole or in part, upon giving the Grantee written notice, if (i) the Grantee fails to comply with any provision of this Agreement, (ii) an event occurs that USAID determines makes it improbable that the Objective or Results of the Agreement or the assistance program will be attained or that the Grantee will be able to perform its obligations under this Agreement, or (iii) any disbursement or use of funds in the manner herein contemplated would be in violation of the legislation governing USAID, whether now or hereafter in effect.

(b) Except for payment which the Parties are committed to make pursuant to non-cancellable commitments entered into with third parties prior to such suspension or termination, suspension or termination of this entire Agreement or part thereof will suspend (for the period of the suspension) or terminate, as applicable, any obligation of the Parties to provide financial or other resources to the Agreement, or to the suspended or terminated portion of the Agreement, as applicable. Any portion of this Agreement which is not suspended or terminated shall remain in full force and effect.

(c) In addition, upon such full or partial suspension or termination, USAID may, at USAID's expense, direct that title to goods financed under the Agreement, or under the applicable portion of the Agreement, be transferred to USAID if the goods are in a deliverable state.

Section E.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, USAID, notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to USAID within sixty (60) days after receipt of a request therefor.

(b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed or supported under the Agreement are not used effectively in accordance with this Agreement, USAID may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for or in connection with such goods or services in U.S. Dollars to USAID within sixty (60) days after receipt of a request therefor.

(c) The right under subsections (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refunds under subsections (a) or (b), or (2) any refund to USAID from a contractor, supplier, bank or other third party with respect to goods or services financed under the Agreement, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the Agreement, to the extent justified, and (B) the remainder, if any, will be subtracted from the amount of the Grant.

(e) Any interest or other earnings on funds disbursed by USAID to the Grantee under this Agreement prior to the authorized use of such funds for the Agreement will be returned to USAID in U.S. Dollars by the Grantee, unless USAID otherwise agrees in writing.

Section E.3. Non-waiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

Section E.4. Assignment. The Grantee agrees, upon request, to execute an assignment to USAID of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a Party to a direct U.S. Dollar contract which USAID financed in whole or in part out of funds granted by USAID under this Agreement.

Article F: Miscellaneous.

Section F.1. Investment Promotion.

Except as specifically set forth in the Grant or otherwise authorized by USAID in writing, no funds or other support provided hereunder may be used to provide a financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in

the United States because United States production is being replaced by such enterprise outside the United States.

Section F.2. Voluntary Family Planning.

No Grant funds or goods or services financed by the Grant may be used for:

(a) the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations;

(b) (1) (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. or

(2) any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a method family planning. Epidemiologic or descriptive research to assess the incidence, extent, or consequences of abortions is not precluded.

(c) USAID may issue implementation letters that more fully describe the requirements of this section.

Section F.3. Prohibition on Assistance to Drug Traffickers.

(a) USAID may terminate the Agreement or take other appropriate measures if the Grantee or a key individual of the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking.

(b) USAID may terminate assistance to, or take or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking.

Section F.4. Workers' Rights.

Except as specifically set forth in the Grant or otherwise authorized by USAID in writing, no funds or other support provided hereunder may be used for any activity that contributes to the violation of internationally recognized workers' rights in the Partner country.

Section F.5 Terrorist Financing.

Consistent with numerous United Nations Security Council resolutions, both USAID and the Partner 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 Partner agrees to use reasonable efforts to ensure that none of the USAID funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism. USAID may issue Implementation Letters that more fully describe the requirements of this section.

Section F.6. Prohibition on Funding Foreign Government Delegations to International Conferences.

Except as USAID may otherwise agree in writing, funds obligated under this Agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference under the auspices of a multilateral or international organization.