



Issuance Date: February 1, 2013
RFA Clarification Questions Due: February 15, 2013
Closing Date and Time for Application Submission: March 1, 2013, COB 17:00 (Quito-Time)

Subject: Request for Applications (RFA) Number RFA-518-13-000002
Conservation of Key Ecosystems for Improved Watershed Management.

The United States Agency for International Development (USAID) Mission in Ecuador (USAID/Ecuador) is seeking concept papers from legally registered local entities in Ecuador who are working on the conservation of Key Ecosystems for improved watershed Management.

The authority of this RFA is found in the Foreign Assistance Act of 1961, as amended. Awards shall be made and administered in accordance with Standard Provisions for Non-US Non-Governmental Organizations (ADS 303).

Subject to availability of funds, the United States Government intends to fund approximately 3-5 grants (in total) lasting from 1 to 2 years under this RFA. USAID however, reserves the right to enter into more, or not to enter into any awards. The award(s) will be made in accordance with evaluation procedures provided in Section 2.4. USAID intends to provide approximately \$550,000 (between \$100,000 to \$200,000 per award). Should additional funds become available; an amendment to this RFA will be issued.

For the purposes of this program, this RFA is being issued and consists of this cover letter and the following:

- a. Section I – Funding Opportunity Description
- b. Section II – Award Information
- c. Section III – Eligibility Information
- d. Section IV – Application and Submission Information
- e. Section V – Application Review Information
- f. Section VI – Standard Provisions
- g. Section VII – Agency Contacts

Concept papers under this RFA must be received by the closing date and time indicated at the top of this cover letter. All concept papers must be submitted electronically to:

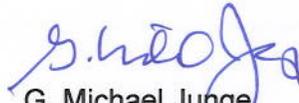
Office of Acquisition and Assistance (OAA)
USAID/Ecuador
Attention: Mr. Esteban Proaño
ecuadorsolicitations@usaid.gov

Issuance of this RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of a concept paper or application.

This RFA and any future amendments can be downloaded from www.usaid.ecuador.gov and www.grants.gov. All interested parties are highly encouraged to register on www.grants.gov to receive automatic notification of amendments to this RFA. It is the responsibility of the Recipient of the application document to ensure that they have received the complete application (49 pages). USAID takes no responsibility for data errors resulting from transmission or conversion processes. If you have difficulty accessing the RFA, please contact Esteban Proaño at jproano@usaid.gov

Interested organizations in this initiative may submit questions (both technical and cost) related to this procurement process not later than 17h00 on February 15, 2013. Please be aware that all questions and answers will be shared through the above listed websites.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Michael Junge".

G. Michael Junge
Regional Agreement Officer

Attachment: a/s

Contents

| | |
|---|----|
| SECTION I – FUNDING OPPORTUNITY DESCRIPTION..... | 4 |
| SECTION II – AWARD INFORMATION | 13 |
| SECTION III – ELIGIBILITY INFORMATION | 14 |
| SECTION IV – APPLICATION AND SUBMISSION INFORMATION | 15 |
| SECTION V – APPLICATION REVIEW INFORMATION | 16 |
| SECTION VI – STANDARD PROVISIONS..... | 21 |
| SECTION VII – AGENCY CONTACTS | 50 |

SECTION I - FUNDING OPPORTUNITY DESCRIPTION

1. PURPOSE

This RFA is part of Development Objective 1: *Priority Landscapes Equitably Managed through Support to Public and Private Initiatives*.

As outlined in the background section, the purpose of this RFA is to address threats to critical biodiversity conservation. An integrated watershed management approach would help guarantee the conservation of Ecuador's highly biodiverse ecosystems and assure the protection of the services they provide, especially water sources.

Improved management of water resources in the face of changing land use and changing climate is a priority in Ecuador and around the world. Institutionally, water management in Ecuador involves multiple government entities with differing points of view and general lack of integrated control. Despite numerous past efforts to protect watersheds or provide drinking water, very few programs have addressed protected areas and critical biodiversity habitats, which are often the source of municipal water. Investment in the conservation of water sources is minimal compared to the value of guaranteed, long-term access to water.

USAID seeks to strengthen institutional capacity to identify and develop key policies, and practices to support integrated watershed management linked to high biodiversity areas. As part of this approach, efforts should increase participation and capacity of local water users in or near high biodiverse areas and introduce sustainable alternative livelihoods that are compatible with conservation and that will contribute to maintaining water services in the long-run.

This funding opportunity also intends to support capacity development of grantees selected to implement these conservation efforts by establishing a direct partnership with USAID. The objective of this RFA is two-fold: for Ecuadorian organizations to implement conservation actions on the ground, and for institutional capacity building in planning, financial management, staff development, and other areas.

This RFA seeks financially and technically, sustainable concepts from local organizations to contribute to effective watershed management and governance. Successful projects will contribute to USAID/Ecuador's biodiversity indicators, "Number of hectares of biological significance under improved management", and "Number of beneficiaries living in-and-around protected areas benefiting from project conservation activities".

2. OBJECTIVES

1) Building sustainable local financial and technical capacity to support integrated watershed management and protect critical biodiversity

The concept of integrated water resource management (IWRM) as incorporated in the National policy is a process whereby users and water authorities establish guidelines to ensure coordinated administration of the resource, considering natural, social, cultural and economic well-being. The challenge is how to integrate these considerations into an effective IWRM approach leading to sustainable and equitable resource management without compromising

vital ecosystems. Focusing on watersheds with high biodiversity as part of an effort to implement IWRM will help make this connection.

Ecuador contains one of the largest water reserves in the region, however, lack of adequate management and unequal distribution has caused serious social, economic and environmental conflicts. There is little recognition in water planning processes of the water needs and overall integrity of the natural systems that form the watersheds. As climate change reduces freshwater supplies in glaciers and polar ice caps, depleted water stocks and unequal access to drinking water will cause intense competition for this most essential resource.

Since local governments play a key role in integrated watershed management, USAID/Ecuador seeks opportunities to support provincial governments, municipalities, civil society, and other stakeholders in pioneering efforts to build bottom-up consensus on the need for better conservation and management of watersheds.

To achieve integrated management of watersheds, it is essential to establish an adequate water governance system that includes participation of diverse stakeholders in decision making. An effective governance system must ensure maximum stakeholder participation. It is also critical that stakeholders have the appropriate information and tools to implement better management practices and conservation. Financial sustainability is crucial for durable improved management.

USAID/Ecuador intends to award grants to two to four local organizations to link water users to conservation of high biodiverse areas. The goal is to create participatory management of water resources, identify sustainable financial mechanisms, and introduce improved watershed practices. Indicators to measure results are number of hectares with improved management and number of users with economic benefits.

Concepts should be in line with the GOE's priorities, and collaborate with local actors to:

1. Establish or strengthen financial mechanisms for the protection and management of key watersheds, contributing to financial sustainability of protected areas.
2. Enhance local governments in selected sites to incorporate integrated watershed management in territorial planning, building sustainable approaches for the conservation of biodiverse ecosystems.
3. Support private partnerships to improve management of biodiversity and water resources.
4. Support activities such as environmentally sound productive activities, park-guard surveillance, communication, and outreach programs, among others.

2) Capacity of local organizations for conservation and management of watershed strengthened.

A key purpose of this program is to strengthen local, Ecuadorian NGO's capacity to support sustainable development while conserving watersheds. Recipient organizations will undergo a capacity development process to improve their organizational and financial management, service delivery, program quality and growth. The Mission seeks applicants that recognize and articulate areas for improvement within their institution's management or administrative systems. Each recipient will play a key role in assessing its own capacity to fulfill its mandate,

identifying strengths and weaknesses, formulating a capacity development plan, and carrying out that plan. A portion of the award will be allocated to the recipients' capacity development.

3. BACKGROUND

Biodiversity Context in Ecuador

Ecuador is internationally recognized as one of 17 megabiodiverse countries with the world's highest density of biodiversity (M. Stern and B. Kernan, 2011). Ecuador occupies 0.2% of the Earth's land surface, yet contains 10% of known plant species and ranks third worldwide in the number of amphibian species, fourth in birds and reptiles, fifth in monkeys, and sixth in mammals (J. Mecham, 2011). The country's highly endemic and threatened biodiversity is distributed within the 66 ecosystems in continental Ecuador, with 21 in the Coastal Region, 27 in the Highlands, and 18 in the Amazon.

The **Coastal** forests of Ecuador range from wet in the north to dry in the south. The wet forest is the southernmost extension of the internationally recognized and includes Tumbes-Chocó-Magdalena hotspot (CI, 2010). Ecuador's critical coastal biodiversity habitats are home to a great variety of fish, crustaceans, mollusks, algae as well as microorganisms. These areas support Ecuador's seafood trade, artisanal fisheries, and other industries, including hydroelectric power generation and tourism, which are key for the coastal economy. (M. Stern and B. Kernan, 2011).

The marine region associated with the continent is located at the convergence of the Humboldt Current ecosystem and that of Pacific Central America, an interface that is regularly affected by the El Niño Southern Oscillation. These dynamic environmental conditions create a high degree of coastal and marine biodiversity as well as fisheries production.

This Coastal region is threatened by high rates of deforestation that have removed over 70% of native vegetation in the last few decades. Livelihoods of coastal people and the integrity of these coastal habitats is endangered. The highly fragmented forests have also made the area more vulnerable to disasters and climate change impact.

Highlands vegetation includes the wet to xeric inter-Andean valleys between the Eastern (oriental) and Western (occidental) ranges, montane forest vegetation on the Andean slopes, the high altitude humid grassland vegetation above tree-line of the Northern Andes known as *paramo*, and the sparsely vegetated high mountain slopes known as *superparamo*. Close to the equator, the tree line ends at approximately 3600 m elevation and snowline is around 5000 m elevation. The extreme changes in altitude and diverse rainfall and temperature regimes that are found in this region create many microclimates so that the highest level of biodiversity in the Ecuador is found between 900 m and 3000 m.

The paramo's unique grasslands ecosystem serves as the water catchment for most of the country. The spongy soil system slowly releases this water supply over the year. The paramo grasslands are threatened by expansion of grazing and agricultural practices that destroy their fragile, carbon-rich soils and lead to downstream flooding and an unpredictable water supply throughout the year. The steep watersheds are also prone to landslides, especially during rainy periods. Weak regulation of water upstream and poor land-use management are making these areas more vulnerable at a time when climate change predictions indicate increasingly frequent and heavy rainfall in Ecuador's mountains.

The variety of climate regimes (associated with mountainous rain shadow), soil substrates and water types in **Amazonian** Ecuador create a complex mosaic of habitat types over the landscape that supports highly diverse flora and fauna. Amazonian ecosystems include wet closed-canopy evergreen and semi-deciduous tropical forests, riparian forests along abundant rivers and streams, and flooded forests with specialized vegetation such as the extensive palm swamps dominated by *Mauritia flexuosa* (morete) and associated with tannin-rich black water (M.Stern and BKernan, 2011). More than half of the rainforest in the Amazon is under the control of indigenous people. Outside of those areas, people have relatively small plots of land that are being converted to agriculture. This land conversion is currently the principle driver of deforestation; however, exploitation of the Amazons rich deposits of oil and minerals poses the greatest threat to biodiversity in the future. Development of these resources and the associated infrastructure that is being built is one of the highest threats to the Amazon in the future.

In 2008, Ecuador adopted a new Constitution that recognized the rights of nature and the country's development plan promotes a healthy environment through the sustainable management of its natural heritage and incorporation of an environmental approach in all social, economic, and cultural policies (*USAID Ecuador Country Development Cooperation Strategy Draft*, May 2012). Ecuador's "*Plan del Buen Vivir*", especially Objective 4, defines specific priority lines of action and goals to support this right.

USAID's Biodiversity Approach in Ecuador

The tremendous wealth of biodiversity makes Ecuador a priority in the U.S. government's global strategy supporting conservation and sustainable natural resource use. Biodiversity conservation and sustainable management of natural resources cannot be done in isolation of the countries development and all programs must consider ecological, social and environmental factors. This link of biodiversity conservation to development is especially crucial in Ecuador because biodiversity is not limited to only one part of the country; most of Ecuador's people are directly or indirectly dependent on the presence and stability of these resources for their livelihoods. Both land-based and marine biodiversity are recognized by the Government of Ecuador as strategic sectors. The long term stability of the country depends on finding ways to use its resources, while sustaining forests, fisheries and wildlife (*USAID Ecuador Country Development Cooperation Strategy Draft*, May 2012).

USAID has more than 20 years of experience in developing and implementing conservation projects in Ecuador and this will continue as a key goal under USAID/Ecuador's new country strategy. Projects implemented to support biodiversity conservation have ranged from multi-year, integrated conservation management with communities to punctual consultations to help solve a specific technical hurdle. This experience has shown that to be successful and sustainable, it is important for conservation programs to ensure that communities have a voice in the decisions that impact their land, that the projects are based on an understanding of how local economies and practices either support or degrade local resources, that there is some sustained source of funding developed as part of the project, and that there are local institutions with the capacity to implement conservation actions and/or regulations that support successful natural resource management.

USAID Forward Reform

USAID recognizes that to sustainably develop while conserving the country's biodiversity base, Ecuador needs strong institutions at the local, regional and national level. In the past, USAID has worked through large contractors and NGOs to provide local institutional strengthening. USAID is currently undergoing an agency-wide reform, known as "USAID forward", a package of reforms which emphasize a greater role for local organizations in procurement and implementation. One of the principal objectives under this initiative is developing mechanisms and approaches to support working directly with local organizations and institutions to strengthen local civil society and private sector capacity as a means to improve aid effectiveness and sustainability.

USAID/Ecuador plans to strengthen local organizations capacity to support the country's biodiversity conservation efforts called for by this Annual Program Statement (RFA).

Ecuadorian NGOs that are awarded grants through this RFA will undergo a capacity development process during the implementation period of the award. Capacity development for NGOs is defined as the improvement of organizational and financial stability, service delivery, program quality and growth. All applicant organizations are required to make a self-assessment of their capabilities by undergoing USAID's Organizational Capacity Assessment (OCA) which identifies where support in administrative or managerial areas is required. Once a diagnosis has been done, a local service provider (separately contracted by USAID) will provide training and technical assistance in identified areas to award recipients.

In addition to such assistance, at least 25% - 30% of total funds awarded may be used throughout program implementation to address identified technical weaknesses each organization may have.

4. PROBLEM STATEMENT

Ecuador has a total forested area of over 9.5 million hectares that is divided between the coastal, Andean and Amazon regions of the country; many of Ecuador's forest systems are highly diverse and also highly threatened. It is estimated that 71% of the coastal forests and 44% of highland vegetation have been lost. Only 9% of forests in the Amazon have been converted, however the rate of deforestation is increasing most rapidly there.

Ecuador's rich biodiversity faces increasingly serious threats including deforestation, climate change, over-exploitation of fisheries, expansion of areas dedicated to livestock and agriculture, exploitation of hydrocarbons and other resources, and the presence of contaminants. These threats arise from a lack of environmental policies, weak enforcement of existing laws and regulations, incomplete land tenure systems, limited management capacity, and few alternative economic opportunities.

In 2009, the Ministry of the Environment launched the National Environmental Policy- PAN for its acronym in Spanish- (*Ministerial Accord No. 86 published in Official Register No. 64, dated November 11, 2009*), which provides the regulatory framework for all activities related to the environment. The National Environmental Policy covers three main areas: institutional management of environmental issues, consideration of physical limits of ecosystems, and social participation.

Building on the national policy, many important actions are needed in order to conserve the country's biodiversity while advancing its economic development. Building local schemes for

conservation, involving local people, and identifying local actions and tools will ensure that critical biodiversity is conserved and managed, as laid out in Ecuador's PAN.

5. GEOGRAPHIC FOCUS

The biodiverse areas that have been selected for the program are located in tropical montane forests and tropical montane grasslands known as paramo. The protected areas are located in one of the most important ecoregions in terms of biodiversity in the world: the Northern and Central Andean Páramo, and the Eastern "Cordillera Real Oriental" Montane forests. In addition, the Coastal Western Slope or "Cordillera Costera" that represents the last remnants of dry forests in Ecuador and its diversity in plants, mammals, and birds of high level of endemism have also been selected as target areas. Some of the selected areas include:

- Protected areas that are located in the head waters of El Angel, Chambo, Paute, Ambato, and Ayampe rivers.
- Areas critical for hydrological control of the Amazon basin.
- Protected areas that form a natural corridor across the Ecuadorian Andes.
- Areas critical for biodiversity conservation because of their endemism and threats to their conservation.

6. ILLUSTRATIVE ACTIVITIES

1. **Establish and/or strengthen sustainable financial mechanisms** for watershed conservation such as water funds, payment for environmental services, conservation agreements, etc.
2. **Build public and private sector capacity** for effective watershed governance through participatory territorial planning, zoning, etc.
3. **Implement key conservation activities in protected areas and buffer zones, such as** zoning, surveillance, monitoring, delimitation, water conflict resolution, among others.
4. **Develop productive activities and conservation projects** in buffer zones of protected areas to promote long term conservation of watersheds, natural resources and improve social and economic coordination of local communities. Examples of community projects include: water source protection, small animal husbandry, medicinal plants, and family farms.

Develop communications and outreach to inform communities about conservation of ecosystems and protection of watersheds. Provide school-based environmental education.

7. BIODIVERSITY CODE

Implementers will need to comply with USAID's Biodiversity Code and the four criteria which biodiversity programs must meet:

- The program must have an explicit biodiversity objective, it is not enough to have biodiversity conservation result as a positive externality from another program

- Activities must be identified based on an analysis of threats to biodiversity.
- The program must monitor associated indicators for biodiversity conservation.
- Site-based programs must positively impact biologically significant areas.

8. ILLUSTRATIVE RESULTS

The program should propose a clear plan to increase the number of hectares with improved management, the number of people with economic benefits from natural resource management, and the contribution (in USD) of public and private actors for watershed conservation.

Illustrative expected results are as follows:

- a) One financial mechanism for watershed conservation effectively functioning by FY 2014.
- b) Twenty thousand hectares under improved management by the end of FY2014.
- c) Four thousand people with increased economic benefits from conservation by the end of FY2014.
- d) Financial resources for conservation activities leveraged.

9. COLLABORATION WITH THE GOVERNMENT OF ECUADOR

Close coordination with the Ministry of Environment and other government entities is needed to identify priorities. Work plans should be developed with the government, or at a minimum should have government concurrence.

10. COORDINATION WITH OTHER DONORS

USAID expects that activities to be implemented are complementary and not duplicative of the efforts by other donors (e.g. German Society for International Cooperation GIZ, United Nations Development Program UNDP, International Development Bank IDB, Corporacion Andina de Fomento CAF, Agencia Española de Cooperacion Internacional AECI).

11. GENDER AND OTHER CONSIDERATIONS

Gender

USAID requires interventions be on a gender analysis that identifies obstacles to gender equality and addresses those obstacles in order to diminish gender inequities. Applicants shall indicate how they will analyze and address gender issues, in the planning and implementation of the program.

Describe specific approaches and methodologies that will be used in a substantive and integrated manner to address gender constraints and how the Applicant will capitalize on opportunities provided by the program to have a positive impact on gender integration. The application should consider the proposed activities' impact on men and women. Applicants should provide a rationale if gender is not an issue for the proposed program. For more guidance on gender analysis and integration, please see the following references:

- ADS 201.3.9.3 "Gender Considerations" (<http://www.usaid.gov/policy/ads/200/201.pdf>)

- ADS 201.3.11.6 “Project/Activity Planning Step 2: Conduct Project-level Analysis as Needed” (<http://www.usaid.gov/policy/ads/200/201.pdf>).

Persons with Disabilities

The Projects shall not discriminate against people with disabilities and shall comply with the objectives of USAID Disability Policy in executing the program. The proposal should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities. The text of the USAID Disability Policy can be found at the following Web site: pdf.usaid.gov/pdf_docs/PDABQ631.pdf.

Environmental Compliance and Reviews

Compliance to USAID Environmental Procedures (22 CFR 216), including appropriate mitigation and monitoring measures, should be considered an integral part of all activity development.

12. RELATIONSHIP TO OTHER USAID/ECUADOR AND USAID REGIONAL PROGRAMS

The proposed project should be closely coordinated with other USG activities focused on biodiversity conservation, environmental governance and economic development.

The **current and recent bilateral environment programs** are:

- ***Sustainable Forests and Coasts*** (or Costas y Bosques Sostenibles, CyB). CyB works to strengthen forest management and improve forest policy to support conservation and mitigation efforts.
- ***Protecting Water Sources to Conserve Biodiversity*** (FONAG), which ends in September 2013, has developed a highly successful incentive program that is reducing vulnerability to water shortages and flooding, conserving biodiversity, and providing a model for equitable and sustainable incentive mechanisms for other environmental services.

The USAID/Ecuador Mission is currently developing a **new Country Development Cooperation Strategy (CDCS)** to lay out a new integrated concept for biodiversity conservation as well as GCC and link them to the other sectors of democracy and governance economic growth.

USAID’s South America Regional Mission in Peru has several programs focused on forestry, biodiversity and climate change that are relevant to this activity:

Initiative for the Conservation in the Andean Amazon (ICAA) works to conserve forests in the Amazon Basin. The second five-year phase being implemented this fiscal year focuses on climate change, including REDD+, especially under ICAA’s Institutional Support Unit contract. In addition, two agreements are being implemented in Ecuador, one through The Nature Conservancy (TNC) and the other through Rainforest Alliance (RA).

12. AUTHORIZING LEGISLATION

This program is authorized in accordance with the Foreign Assistance Act of 1961, as amended.

13. AWARD ADMINISTRATION

USAID will determine the appropriate form of an award, in consultation with the applicant organization, based upon the nature and amount of the funded application and the type of relationship to be established. Where feasible, USAID will use simplified format or fixed obligation type grant agreements. Otherwise, most awards will use the Standard Provisions for Non-U.S. Non-Governmental Organizations and may be either a grant or a cooperative agreement. If a cooperative agreement is selected, it will include a statement of involvement by USAID in the administration of the award.

SECTION II - AWARD INFORMATION

1. ESTIMATED FUNDS AVAILABLE

The maximum estimated funding amount for this RFA is \$550,000, subject to the availability of funds, for a total of approximately three to five grants under this RFA.

USAID will not consider funding any program of less than \$100,000 or above \$200,000 for the life of the project, although the total funding may be increased if funds become available, and if exceptionally worthy applications are submitted.

The majority of the funds will be used to enhance the organization's technical capacities, and approximately 20-25% of resources allocated will be used for institutional strengthening purposes. Should additional funds become available USAID will modify the request for applications for this RFA.

2. PERIOD OF PERFORMANCE

Awards funded under this RFA will support projects lasting from 1 to 2 years.

3. RIGHT TO FUND

USAID reserves the right to fund any or none of the applications submitted.

SECTION III - ELIGIBILITY INFORMATION

1. ELIGIBILITY REQUIREMENTS

Because this program is also intended to strengthen the capacity of local organizations, in order to be considered for award, in addition to the technical area described above, an applicant must:

- a) if a for-profit organization,
 - be organized under the laws of Ecuador,
 - have its principal place of business in Ecuador, and
 - be majority beneficially owned by individuals who are citizens or lawful permanent residents of Ecuador, or
- b) if a not-for-profit organization,
 - be organized under the laws of Ecuador,
 - have its principal place of business in Ecuador, and
 - be managed by a governing body, the majority of whom are citizens or lawful permanent residents of Ecuador.
- c) Have been in operation as a local Ecuadorian organization for no less than three years immediately preceding the date of application.

2. COST SHARING ELEMENT

This program will require a cost share contribution of at least 10%. Cost share refers to the resources a recipient contributes to the total cost of an agreement. Cost share becomes a condition of an award when it is part of the approved award budget. The cost share must be verifiable from the recipient's records; and can be audited.

Should USAID/Ecuador decide to issue a Fixed Obligation Grant (FOG), cost share will not be a requirement.

SECTION IV - APPLICATION AND SUBMISSION INFORMATION

1. CONTACT INFORMATION

Additional information concerning the program may be obtained via email to Ecuadorsolicitations@usaid.gov with attention to Mr. Esteban Proaño, Assistance Specialist.

2. REQUIRED FORMS

All Applicants must submit the application using the SF-424 series, which includes the:

- **SF-424, Application for Federal Assistance**
- **SF-424A, Budget Information - Non-construction Programs, and**
- **SF-424B, Assurances - Non-construction Programs**

These forms must be included if a full application is requested.

3. PRE-AWARD CERTIFICATIONS, ASSURANCES AND OTHER STATEMENTS OF THE RECIPIENT

In addition to the certifications mentioned in the section above, organizations must provide the following certifications, assurances and other statements. Complete copies of these Certifications, Assurances, and Other Statements shall be included if a full application is requested, and will be provided by USAID if an invitation to submit a full application is made by USAID.

- a. Certification Regarding Lobbying
- b. Prohibition on Assistance to Drug Traffickers for covered assistance in covered countries;
- c. Certification Regarding Terrorist Financing Implementing Executive Order 13224;
- d. Key Individual Certification Narcotics Offenses and Drug Trafficking;
- e. Survey on Ensuring Equal Opportunity for Applicants; and
- f. All applicants must provide a Data Universal Numbering System (DUNS) Number.

4. APPLICATION FORMAT

No specific form or format is required for submission of concept papers. Concept Papers can be submitted in Spanish. For applicants that are invited to submit a full application, the application must be in English and the required forms and certifications will be provided at the time the invitation is made. All concept papers must be submitted electronically to:

Office of Acquisition and Assistance (OAA)
USAID/Ecuador
Attention: Mr. Esteban Proaño
ecuadorsolicitations@usaid.gov

SECTION V - APPLICATION REVIEW INFORMATION

This program will use a two-stage application process. First applicants will prepare and submit a concept paper and budget, not to exceed five pages. The objective of the concept paper is to give USAID a clear understanding of the project that is being proposed. It is not intended to provide budget detail, staffing plans, organizational background, or similar detailed information. It should include the purpose of the project, the location(s) where it will be implemented, the number and description of the people or organizations that will benefit, and a general statement of the approach and expected results. The concept paper will be reviewed by a panel, which will determine whether the concept has sufficient merit to warrant preparation of a full application.

For applicants that are invited to submit a full application, the application must be in English and the required forms and certifications will be provided at the time the invitation is made.

1. APPLICATION PROCESS

Concept papers will be received by the due date indicated at the beginning of this notice. Applications may be submitted in Spanish.

a) Concept Paper Content:

USAID encourages creative partnerships and innovative approaches. We strongly encourage applicants to be realistic in stating what can be reasonably achieved given the proposed activities, budget and timeline.

b) Concept Paper Format:

All concept papers must be:

- A maximum of five (5) pages;
- Typed, single space on letter size paper;
- 12 font size; charts, tables and spreadsheets may be not less than 10 font;
- Written in Spanish or English
- Submitted electronically in MS Word / Excel (version 2000 or later) and Adobe PDF.

The five-page maximum does not include the cover page or attachments. The attachments must be concise and not be a continuation of the requested five page limit.

Concept papers must include the following three (3) components and address all sub-components. Please organize the concept paper according to the outline below.

i. Cover Page (does not count towards 5 page limit)

- Name and address of organization;
- Contact person (lead contact name; telephone number, fax and e-mail Information);
- Name(s) and title(s) of the principal author(s) of this concept paper;
- Title of proposed program
- Total dollar amount of funds requested
- Project period;

- List of a maximum of 5 prior references for similar type work (Contact name/contact information).
- Signature, name and title of the authorized representative of the applicant.

ii. **Technical Description (5 pages maximum)**

- **Situation analysis:** A brief background on the specific development challenge/opportunity to be addressed by the concept paper; include a description of the target population and how and where this project concept originated (for example: findings from/ the continuation of a different project; through an assessment of country/district level data, etc.); and justification for why the applicant is the appropriate entity for addressing the identified development challenge effectively and in the long-term, and/or generating catalytic change leading to scalable development impact.
- **Proposed approach:** The proposed approach to this development challenge/opportunity; include goals, objectives, methods (activities), and anticipated results which are logically connected and effectively address the challenge. Describe how the program will measure success and why the Applicant's organization is well suited to achieve the proposed objectives. Include innovative or scalable methods or approaches, if any, including associated risks and benefits. Discuss how the proposed project impacts men and women differently and how the project design incorporates gender concerns; and describe plan for outreach and capacity building; and outline expected impact.
- **Connection to USAID goals and priorities:** How will achieving these objectives contribute to the accomplishment of USAID/Ecuador's strategic goals and contribute to Agency priorities?
- **Budget:** Proposed budget and timeline including type of budget support requested from USAID disaggregated by direct and indirect program costs. Direct costs include but are not limited to costs of salaries, workshops, travel, communications, report preparation, passport issuance, visas, medical exams and inoculations, insurance (other than insurance included in the applicant's fringe benefits), equipment, office rent, etc. Indirect costs include those that are incurred by an organization overall but that cannot be attributed directly to a specific project.
- **Sustainability:** A discussion of sustainability: How will the activities be sustained beyond the life of the award?
- **Capacity development:** A description of how the Applicant will utilize capacity development funds to strengthen their organization. For this component, applicants must submit a description of their plan for assessing their organizational capacity to meet USAID requirements and to implement effective and sustainable programming; and the capacity development objectives and activities they would undertake.

It may be helpful to review the USAID *Organizational Capacity Assessment* (OCA) tool attached to consider what types of activities the applicant might undertake to improve their organization and its effectiveness.

- **Partnerships:** Role of proposed partners, why each was selected and how the Applicant will work with these partners, if applicable.
- **Cost Share:** Amount and source of cost share contribution in cash or in kind, by Applicant; submit information indicating the financial and/or in-kind resources to be leveraged. A cost-share or match from non-government sources of 10% or more is expected. Submit a written commitment by other organizations, partners, donors or individuals to share costs.
- **Gender Approach:** A description of how the project will recognize the different roles of men and women in the management of watershed sources and its implication on project implementation and results completion.

iii. Attachments (No page limit; but please be concise)

- Concise description of the Applicant's development experience including project descriptions, results and evaluations;
- A brief statement of the history of the organization; its primary development focus, capabilities and challenges;
- An organizational chart of the Applicant organization;
- Proposed staff roles and responsibilities; and
- Period of performance (i.e. life of project) work plan

c) CONCEPT PAPER EVALUATION CRITERIA

Applicants should note that these criteria (a) serve as the standard against which all Concept Papers will be evaluated, and (b) serve to identify the significant matters that should be addressed in all Concept Papers. To facilitate review of concept papers, applicants should organize the narrative sections in the same order as the selection criteria.

Concept papers will be reviewed using the following Evaluation Criteria in descending order of relevance and the sub criteria being of equal importance:

a) Technical Merit

1. Usefulness and likelihood that proposed program will contribute to strengthen water funds in the areas of intervention and strengthen the capacities of local organizations, with well-defined, achievable, and measurable results and meaningful milestones for biodiversity conservation.
2. Degree to which goal(s), objectives, methods and anticipated results are logically connected and represent a reasonable approach to the development challenge/opportunity;
3. Explanation of the sustainability of proposed activities or outcomes beyond award period;

4. Extend to which Applicant build gender considerations into project programming and implementation.

b) **Project Management** – The extent to which the applicant’s organizational capacity, staffing and partnership arrangements demonstrate institutional expertise and commitment towards achieving the project's objectives, developing sustainable local capabilities, and integration with other USAID projects.

c) **Past Performance** – Demonstration of successful completion of similar type work.

2. APPLICATION PROCESS – FULL PROPOSAL STAGE

USAID will notify concept paper applicants whether their concept paper has been selected for further consideration. Those applicants that move to the full application process step will be provided an additional time to develop the full application. USAID will provide technical assistance to applicants during the full application process, to the maximum extent feasible. Organizations that are invited to submit a full application will be advised of the availability of such technical assistance.

Because this program is intended to help build institutional capacity, at the full application stage, applicants will also be asked to complete an organizational self-assessment (Organization Capacity Assessment Tool), which will be included in the application package. The results of the self-assessment will be included in any award that is made, including separate funding to assist the recipient organization acquire capacity development assistance needed to address organizational development needs. The applicant will be asked to identify the capacity development needs that it would like to address during project performance, along with proposed source(s) of capacity development assistance, and to provide a separate budget of up to 25% - 30% of the total project amount for that purpose.

SECTION VI – STANDARD PROVISIONS

MANDATORY STANDARD PROVISIONS FOR NON-U.S. NONGOVERNMENTAL ORGANIZATIONS

1. ALLOWABLE COSTS (JUNE 2012)

- a. The recipient will be reimbursed for costs incurred in carrying out the purposes of this award in accordance with the terms of this award and the applicable cost principles in effect on the date of this award. The recipient may obtain a copy of the applicable cost principles from the Agreement Officer (AO):

2 CFR 230 – **Cost Principles for Non-Profit Organizations (OMB Circular A-122)**

2 CFR 220 – **Cost Principles for Educational Institutions (OMB Circular A-21)**

48 CFR 31.2 Federal Acquisition Regulations (FAR) and 48 CFR 731.2 USAID Acquisition Regulations (AIDAR) - **Cost Principles for Commercial Organizations**

- b. It is the recipient's responsibility to ensure that costs incurred are in accordance with the applicable cost principles, meaning the costs are (1) reasonable: costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business; (2) allocable: incurred specifically for this award; and (3) allowable: conform to any limitations in this award. The recipient must obtain any prior written approvals from the AO that are required by the applicable cost principals. The recipient may obtain the AO's written determination on whether specific costs not clearly addressed in the applicable cost principles are allowable or allocable. The AO reserves the right to make a final determination on the allowability of costs.
- c. USAID will not pay any profit or fee to the recipient or subrecipients of a grant or cooperative agreement. This restriction does not apply to procurements under this award made in accordance with Standard Provision, "Procurement Policies."
- d. The recipient must retain documentation to support charges to this award for a period of three years from the date of submission of the final expenditure report in accordance with the Standard Provision, "Accounting, Audit, and Records."
- e. This provision must be incorporated into all subagreements, including subawards and contracts, which are paid on a cost reimbursement basis.

[END OF PROVISION]

2. ACCOUNTING, AUDIT, AND RECORDS (JUNE 2012)

- a. Records and Accounting. The recipient must maintain financial records, supporting

documents, statistical records and all other records, to support performance of, and charges to, this award. Such records must comply with accounting principles generally accepted in the U.S., the cooperating country, or by the International Accounting Standards Board (a subsidiary of the International Financial Reporting Standards Foundation). Accounting records and supporting documentation must, at a minimum, be adequate to show all costs incurred under this award; receipt and use of goods and services acquired under this award; the costs of the program supplied from other sources; and the overall progress of the program. Unless otherwise notified by USAID, the recipient records and subrecipient records that pertain to this award must be retained for a period of three years from the date of submission of the final expenditure report.

b. Audits.

- (1) The recipient must have an annual audit conducted in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the USAID Inspector General, for any recipient fiscal year in which the recipient expends a combined total of \$300,000 or more in all USAID awards, either directly or through another USAID contractor or recipient, excluding fixed price contracts and fixed obligation grants.
 - (i) The audit report must be submitted to USAID within 30 days after receipt of the auditor's report, but no later than nine months after the end of the period audited.
 - (ii) The USAID Inspector General will review this report to determine whether it complies with the audit requirements of this award. USAID will only pay for the cost of audits conducted in accordance with the terms of this award.
 - (iii) In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this provision, USAID will consider appropriate sanctions which may include suspension of all, or a percentage of, disbursements until the audit is satisfactorily completed.
- (2) The recipient is not required to have an annual audit for any recipient fiscal year in which the recipient expends a combined total of less than \$300,000 in all USAID awards, either directly or through a prime contractor or recipient, excluding fixed price contracts and fixed obligation grants. However, the recipient must make records pertaining to this award for that fiscal year available for review by USAID officials or their designees upon request.
- (3) USAID retains the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending USAID funds, regardless of the audit requirement.

c. Subawards and Contracts.

- (1) If the recipient provides USAID resources to other organizations to carry out the USAID-financed program and activities, the recipient is responsible for

monitoring such subrecipients or contractors. The costs for subrecipient audits for organizations that meet the threshold in paragraph b. are allowable. The costs for subrecipient audits for organizations that do not meet the threshold in paragraph b. are allowable only for the following types of compliance audits: activities allowed or unallowed; allowable costs/cost principles; eligibility; cost share; level of effort; earmarking; and reporting.

- (2) This provision must be incorporated in its entirety into all subawards and contracts with non-U.S. organizations that are for more than \$10,000. Subawards of grants and cooperative agreements made to U.S. organizations must state that the U.S. organization is subject to the audit requirements contained in OMB Circular A-133.

[END OF PROVISION]

3. AMENDMENT OF AWARD AND REVISION OF BUDGET (JUNE 2012)

- a. This award may only be amended in writing, by formal amendment or letter, signed by the Agreement Officer (AO), and in the case of a bilateral amendment, by the AO and an authorized official of the recipient.
- b. In addition to other approvals required in this award, the recipient must receive prior written approval from the AO to:
 - (1) Change the scope or the objectives of the program, and/or revise the total award amount or the period of the award (amendment required);
 - (2) Receive an additional obligation of USAID funds in excess of the amount currently obligated (amendment required);
 - (3) Change key personnel, if specified in the award;
 - (4) Permit the absence of more than three months from, or a 25 percent reduction in time devoted to, the award by the principal project leader approved for the award;
 - (5) Transfer funds from the indirect cost line item to absorb increases in direct costs, or vice versa;
 - (6) Obtain reimbursement for costs that require prior approval in accordance with the Standard Provision, "Allowable Costs";
 - (7) Transfer funds allotted for training allowances (direct payment to trainees) to other cost categories;
 - (8) Subaward or contract any work under this award, if such subawards or contracts were not described in this award and funded in the approved budget. This does not apply to the purchase of supplies, material, equipment, or general support services; or

- (9) If specified in this award, transfer funds among direct cost categories, or programs, functions, and activities listed in the award budget, when the cumulative amount of such transfers exceeds or is expected to exceed 10% of the total award amount, as last approved by the AO.
- c. Failure by the recipient to obtain the approvals required above, or elsewhere in this award, may result in the AO disallowing such costs. USAID is under no obligation to reimburse the recipient for costs incurred in excess of the total amount obligated under this award. If the total obligated amount under this award has been increased, the AO will notify the recipient of the increase and specify the new total obligated amount by written amendment to the award.

[END OF PROVISION]

4. NOTICES (JUNE 2012)

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

- (1) To the USAID Agreement Officer, at the address specified in this award; or
- (2) To the recipient, at the recipient's address shown in this award, or to such other address specified in this award.

[END OF PROVISION]

5. PROCUREMENT POLICIES (JUNE 2012)

The recipient must use its own procurement policies and procedures for the procurement of commodities and services necessary for this award, provided they conform to the requirements listed below and the Standard Provision, "USAID Eligibility Rules for Procurement of Commodities and Services." A procurement is not a subaward, which is an award of financial assistance to carry out the purposes of the program in the form of money, or property in lieu of money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. If subawards are authorized under this award, then the recipient must comply with the Standard Provision "Subawards."

- a. Procurement Policies and Procedures. The recipient must maintain and conduct all of its procurements according to written policies and procedures for the award and administration of contracts, and ensure that the price is fair and reasonable for all procurements. The recipient may designate a reasonable micro-purchase threshold (e.g., \$2,500) under which more simplified acquisition procedures may apply. The recipient's procurement procedures must provide, at a minimum:
- (1) Procurements above the recipient's micro-purchase threshold must be conducted in a manner to provide fair and unbiased competition, including the following:
 - (i) All responsible sources are permitted to compete in an equal manner.

- (ii) Purchase requests must clearly establish all requirements that the bidder or offeror must fulfill in order to be evaluated by the recipient.
 - (iii) Contracts must be made to the offeror whose offer is responsive to the purchase request and has the most advantageous price, quality, and other factors.
 - (iv) The recipient is encouraged to use U.S. small businesses whenever practicable.
- (2) Where appropriate, the recipient must determine the most economical and practical means by which to accomplish program objectives, including the necessity of the commodities or services, lease or purchase options, and reasonableness of costs.
- (3) The recipient must maintain a system for contract administration to ensure that goods and services are provided in accordance with the terms, conditions, and specifications of the contract, including full and timely delivery and performance.
- (4) Conflicts of Interest. The recipient must avoid conflicts of interest, including bias and unfair competitive advantage. The recipient's standards of conduct must provide for disciplinary actions for violations of such standards by officers, employees, or agents of the recipient.
- (i) Bias. The recipient must ensure that competitions are not biased in favor of one offeror over another. For instance, the recipient, an employee, officer or agent of the recipient, or any member of an employee's immediate family must not receive an award, or have a financial or other interest in the individual or firm selected for an award. The officers, employees, and agents of the recipient must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subagreements. In addition, a contractor that develops or drafts specifications, requirements, statements of work, invitations for bids, and/or requests for proposals must be excluded from competing for such procurements.
 - (ii) Unfair Competitive Advantage. The recipient must ensure that no potential contractor has unequal access to information that may provide that contractor an unfair competitive advantage. For instance, a potential contractor who has received procurement sensitive information, such as others' offered prices that are not available to all competitors must be excluded from the competition.
- (4) The recipient must retain all procurement records related to this award in accordance with the Standard Provision, "Accounting, Audit and Records," and make such records available to USAID upon request. In addition, for awards above the recipient's micro-purchase threshold, the recipient must also retain the following written documentation:
- (i) Basis for contractor selection;
 - (ii) Justification for lack of competition when competitive bids or offers are not obtained; and
 - (iii) Basis for award cost or price.

- (5) The type of procurement instruments used (for example, fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts) must be appropriate for the particular procurement and for promoting the best interest of the program or project. The recipient must not use a "cost-plus-a-percentage-of-cost," "percentage of construction cost," or any other method that provides for a fee payable as a percentage of costs incurred, because such arrangements encourage the contractor to increase costs to increase its fee.
- b. For contracts under this award, the recipient must include all provisions required by this award to be included in contracts, any other provisions necessary to define a sound and complete contract, and the following provisions:
- (1) Contracts in excess of the recipient's micro-purchase threshold must contain provisions that allow for administrative, contractual, or legal remedies if a contractor violates the contract terms; and
 - (2) In all contracts for construction or facility improvement awarded for more than \$100,000, the recipient must observe generally accepted bonding requirements.

[END OF PROVISION]

6. USAID ELIGIBILITY RULES FOR PROCUREMENT OF COMMODITIES AND SERVICES (JUNE 2012)

- a. This provision is not applicable to commodities or services that the recipient provides with private funds as part of a cost-sharing requirement, or with Program Income generated under this award.
- b. Ineligible and Restricted Commodities and Services:
- (1) Ineligible Commodities and Services. The recipient must not, under any circumstances, procure any of the following under this award:
 - (i) Military equipment,
 - (ii) Surveillance equipment,
 - (iii) Commodities and services for support of police or other law enforcement activities,
 - (iv) Abortion equipment and services,
 - (v) Luxury goods and gambling equipment, or
 - (vi) Weather modification equipment.
 - (2) Ineligible Suppliers. Any firms or individuals that do not comply with the requirements in Standard Provision "Debarment and Suspension" and Standard Provision "Preventing Terrorist Financing" must not be used to provide any commodities or services funded under this award.
 - (3) Restricted Commodities. The recipient must obtain prior written approval of the Agreement Officer (AO) or comply with required procedures under an applicable waiver, as provided by the AO when procuring any of the following commodities:

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

c. Source and Nationality:

Except as may be specifically approved in advance by the AO, all commodities and services that will be reimbursed by USAID under this award must be from the authorized geographic code specified in this award and must meet the source and nationality requirements set forth in 22 CFR 228. If the geographic code is not specified, the authorized geographic code is 937. When the total value of procurement for commodities and services during the life of this award is valued at \$250,000 or less, the authorized geographic code for procurement of all goods and services to be reimbursed under this award is code 935. For a current list of countries within each geographic code, see: <http://inside.usaid.gov/ADS/300/310.pdf>.

- d. Guidance on the eligibility of specific commodities and services may be obtained from the AO. If USAID determines that the recipient has procured any commodities or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the AO may require the recipient to refund the entire amount of the purchase.
- e. This provision must be included in all subagreements, including subawards and contracts, which include procurement of commodities or services.

[END OF PROVISION]

7. TITLE TO AND USE OF PROPERTY (JUNE 2012)

- a. Title to all Property financed under this award vests in the recipient upon acquisition unless otherwise specified in this award.
- b. Property means equipment, supplies, real property, and intangible property, each defined individually below, financed under this award or furnished by USAID:
- (1) Equipment means tangible nonexpendable personal property having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit. However, consistent with the recipient's policy, lower limits may be established.
 - (2) Supplies means tangible personal property excluding equipment.
 - (3) Real Property means land, including land improvements, structures and appurtenances, including permanent fixtures.

- (4) Intangible Property includes, but is not limited to, intellectual property, such as trademarks, copyrights, patents and patent applications, and debt instruments, such as bonds, mortgages, leases or other agreements between a lender and a borrower.
- c. The recipient agrees to use and maintain all Property for the purpose of this award in accordance with the following procedures:
- (1) The recipient must use the Property for the program for which it was acquired during the period of this award, and must not provide any third party a legal or financial interest in the property (e.g., through a mortgage, lien, or lease) without approval of USAID.
 - (2) When the Property is no longer needed for the program for which it was acquired during the period of this award, the recipient must use the Property in connection with its other activities, in the following order of priority:
 - (i) Activities funded by USAID, then
 - (ii) Activities funded by other United States Government (USG) agencies, then
 - (iii) As directed by the Agreement Officer (AO).
- d. The recipient must maintain the Property in good condition, have management procedures to protect the Property, and maintain an accurate inventory of all Property. Maintenance procedures must include the following:
- (1) Accurate description of the Property, including serial number, model number, or other identifying number, acquisition date and cost, location and condition, and data on the disposition of any Property (date of disposition, sales price, method used to determine current fair market value, etc.), as applicable.
 - (2) A physical inventory of Property that must be taken, and the results reconciled with the equipment records, at least once every two years during the period of this award.
 - (3) A control system must be in effect to maintain the Property and ensure adequate safeguards to prevent loss, damage, or theft of the Property. The recipient must maintain appropriate insurance equivalent to insurance the recipient maintains for its own property. Any loss, damage, or theft must be investigated and fully documented, and the recipient must promptly notify the AO. The recipient may be liable where insurance is not sufficient to cover losses or damage.
- e. Upon completion of this award, the recipient must submit to the AO a property disposition report of the following types of Property, along with a proposed disposition of such Property.
- (1) All equipment that has a per unit current fair market value at the end of this award of \$5,000 or more.
 - (2) New/unused supplies with an aggregate current fair market value at the end of

this award of \$5,000 or more.

- (3) Real or intangible property, of any value.
- f. The recipient must dispose of Property at the end of this award in accordance with the recipient's property disposition report, unless the AO directs the recipient in writing within 60 days of the AO's receipt of the recipient's property disposition report to dispose of the Property in a different manner. Disposition may include the following:
- (1) The recipient may retain title with no further obligation to USAID.
 - (2) The recipient may retain title, but must compensate USAID for the USAID share, based on the current fair market value of the Property.
 - (3) The recipient may be directed to transfer title to USAID or a third party, including another implementing partner or the host country government. In such case, the recipient will be compensated for its proportional share of the Property that the recipient financed with its own funds, if any, based on the current fair market value of the Property.
- g. The AO may direct, at any time during this award, that title to the Property vests in the USG or a third party, such as the cooperating country. In such cases, the recipient must maintain custody and control of the Property, until directed otherwise, and must allow reasonable access to the Property to the title holder. While in its custody and control, the recipient must follow the provisions above for protection and maintenance of the Property, and provide the AO with an annual inventory of such Property and follow any additional instructions on protection and maintenance as may be provided by the AO.
- h. This provision must be included in all subagreements, including subawards and contracts.

[END OF PROVISION]

8. SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND DATA RIGHTS (JUNE 2012)

- a. Submissions to the Development Experience Clearinghouse (DEC).
- 1) The recipient must provide the Agreement Officer's Representative one copy of any Intellectual Work that is published, and a list of any Intellectual Work that is not published.
 - 2) In addition, the recipient must submit Intellectual Work, whether published or not, to the DEC, either on-line (preferred) or by mail. The recipient must review the DEC Web site for submission instructions, including document formatting and the types of documents to submit. Submission instructions can be found at:

<http://dec.usaid.gov>

- 3) For purposes of submissions to the DEC, Intellectual Work includes all works that document the implementation, evaluation, and results of international development assistance activities developed or acquired under this award, which may include program and communications materials, evaluations and assessments, information products, research and technical reports, progress and performance reports required under this award (excluding administrative financial information), and other reports, articles and papers prepared by the recipient under the award, whether published or not. The term does not include the recipient's information that is incidental to award administration, such as financial, administrative, cost or pricing, or management information.
- 4) Each document submitted should contain essential bibliographic information, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) development objective; and 6) date of publication.
- 5) The recipient must not submit to the DEC any financially sensitive information or personally identifiable information, such as social security numbers, home addresses and dates of birth. Such information must be removed prior to submission. The recipient must not submit classified documents to the DEC.

b. Rights in Data

- 1) Data means recorded information, regardless of the form or the media on which it may be recorded, including technical data and computer software, and includes Intellectual Work, defined in a. above.
- 2) Unless otherwise provided in this provision, the recipient may retain the rights, title and interest to Data that is first acquired or produced under this award. USAID reserves a royalty-free, worldwide, nonexclusive, and irrevocable right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

c. Copyright. The recipient may copyright any books, publications or other copyrightable materials first acquired or produced under this award. USAID reserves a royalty-free, worldwide, nonexclusive, and irrevocable right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

d. The recipient will provide the U.S. Government, on request or as otherwise provided in this award, a copy of any Data or copyrighted material to which the U.S. Government has rights under paragraphs b. and c. of this provision. The U.S. Government makes no representations or warranties as to title, right to use or license, or other legal rights or obligations regarding any Data or copyrighted materials.

[END OF PROVISION]

9. MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE (JUNE 2012)

- a. The USAID Identity is the official marking for USAID, comprised of the USAID logo and brandmark with the tagline “from the American people.” The USAID Identity is on the USAID Web site at transition.usaid.gov/branding. Recipients must use the USAID Identity, of a size and prominence equivalent to or greater than any other identity or logo displayed, to mark the following:
 - (1) Programs, projects, activities, public communications, and commodities partially or fully funded by USAID;
 - (2) Program, project, or activity sites funded by USAID, including visible infrastructure projects or other physical sites;
 - (3) Technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities, promotional, informational, media, or communications products funded by USAID;
 - (4) Commodities, equipment, supplies, and other materials funded by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs; and
 - (5) Events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities. If the USAID Identity cannot be displayed, the recipient is encouraged to otherwise acknowledge USAID and the support of the American people.
- b. When this award contains an approved Marking Plan, the recipient must implement the requirements of this provision following the approved Marking Plan.
- c. If a "Marking Plan" is not included in this award, the recipient must propose and submit a plan for approval within the time specified by the Agreement Officer (AO).
- d. The AO may require a preproduction review of program materials and “public communications” (documents and messages intended for external distribution, including but not limited to correspondence; publications; studies; reports; audio visual productions; applications; forms; press; and promotional materials) used in connection with USAID-funded programs, projects or activities, for compliance with an approved Marking Plan.
- e. The recipient is encouraged to give public notice of the receipt of this award and announce progress and accomplishments. The recipient must provide copies of notices or announcements to the Agreement Officer’s Representative (AOR) and to USAID’s Office of Legislative and Public Affairs in advance of release, as practicable. Press releases or other public notices must include a statement substantially as follows:

"The U.S. Agency for International Development administers the U.S. foreign assistance program providing economic and humanitarian assistance in more than 80 countries worldwide."

- f. Any "public communication" in which the content has not been approved by USAID must contain the following disclaimer:

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

- g. The recipient must provide the USAID AOR, with two copies of all program and communications materials produced under this award.
- h. The recipient may request an exception from USAID marking requirements when USAID marking requirements would:
- (1) Compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials;
 - (2) Diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent;
 - (3) Undercut host-country government "ownership" of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications;
 - (4) Impair the functionality of an item;
 - (5) Incur substantial costs or be impractical;
 - (6) Offend local cultural or social norms, or be considered inappropriate; or
 - (7) Conflict with international law.
- i. The recipient may submit a waiver request of the marking requirements of this provision or the Marking Plan, through the AOR, when USAID-required marking would pose compelling political, safety, or security concerns, or have an adverse impact in the cooperating country.
- (1) Approved waivers "flow down" to subagreements, including subawards and contracts, unless specified otherwise. The waiver may also include the removal of USAID markings already affixed, if circumstances warrant.
 - (2) USAID determinations regarding waiver requests are subject to appeal by the recipient, by submitting a written request to reconsider the determination to the cognizant Assistant Administrator.

- j. The recipient must include the following marking provision in any subagreements entered into under this award:

“As a condition of receipt of this subaward, marking with the USAID Identity of a size and prominence equivalent to or greater than the recipient’s, subrecipient’s, other donor’s, or third party’s is required. In the event the recipient chooses not to require marking with its own identity or logo by the subrecipient, USAID may, at its discretion, require marking by the subrecipient with the USAID Identity.”

[END OF PROVISION]

10. AWARD TERMINATION AND SUSPENSION (JUNE 2012)

- a. The recipient or Agreement Officer (AO) may terminate this award at any time, in whole or in part, upon written notice to the other party in accordance with the Standard Provision, “Notices.” The termination notice must contain the reason(s) for the termination; the effective date; and, in the case of a partial termination, the portion to be terminated.
- b. USAID may suspend this award, in whole or in part, at any time, following notice to the recipient, and prohibit the recipient from incurring additional obligations chargeable to this award other than those costs specified in the notice of suspension during the period of suspension.
- c. In the event the recipient or any of its employees, subrecipients, or contractors are found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR 140, USAID reserves the right to terminate this award, in whole or in part, or take any other appropriate measures including, without limitation, refund or recall of any award amount. Additionally, the recipient must make a good-faith effort to maintain a drug-free workplace and USAID reserves the right to terminate or suspend this award if the recipient materially fails to do so.
- d. Termination and Suspension Procedures. Upon receipt of, and in accordance with, a termination or suspension notice from USAID as specified above, the recipient must take immediate action to minimize all expenditures and, in the event of termination, cancel all obligations financed by this award to the greatest extent possible. Except as provided in this provision or as approved in writing by the AO, the recipient is not entitled to costs incurred after the effective date of termination.
- e. Within 30 calendar days after the effective date of such termination, the recipient must repay to the U.S. Government all unexpended USAID funds as of the effective date of termination, which are not otherwise obligated by a non-cancelable legally binding transaction applicable to this award.
- f. Should the funds paid by USAID to the recipient prior to the effective date of the termination of this award be insufficient to cover legally binding obligations to third parties by the recipient, the recipient may submit to USAID within 90 calendar days after

the effective date of a termination a written claim covering such recipient obligations. The AO must determine the amount(s) to be paid by USAID to the recipient under such claim in accordance with this provision and the Standard Provision, "Allowable Costs."

- g. The recipient must, to the greatest extent possible, include a provision in all subagreements, including subawards and contracts, affording the recipient the right to terminate the subagreement in the event USAID terminates this award, including the refund requirement in paragraph c.

[END OF PROVISION]

11. RECIPIENT AND EMPLOYEE CONDUCT (JUNE 2012)

- a. The recipient, its employees, and consultants are prohibited from using U.S. Government information technology systems (such as Phoenix, GLAAS, etc.), must be escorted to use U.S. Government facilities (such as office space or equipment), and may not rely on assistance from any U.S. Government clerical or technical personnel in the performance of this award, except as otherwise provided in this award.
- b. The recipient, its employees, and consultants are private individuals, are not employees of the U.S. Government, and must not represent themselves as such.
- c. The following requirements in this provision apply to the recipient's employees who are not citizens of the cooperating country.
 - (1) If the recipient's employees enjoy exemptions from import limitations, customs duties or taxes on personal property in connection with performance of this award, the sale of such personal property is governed by the rules contained in 22 CFR 136, including a prohibition from profiting from such sale, except as this may conflict with host government regulations.
 - (2) Any outside business dealings of the recipient's employees must be legal and not conflict in any manner with this award. Outside business dealings include, but are not limited to, any investments, loans, employment, or business ownership by the recipient's employees, other than work to be performed under this award.
- d. In the event the conduct of any recipient employee is not in accordance with this provision or this award, the recipient must coordinate with the USAID Mission to resolve the situation with regard to such employee including, if necessary, termination of the employee. In the case of termination of a non-host country national, the recipient must use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.
- e. The parties recognize the rights of the U.S. Chief of Mission to direct the removal from a country of any U.S. citizen, or direct the discharge from this award of any individual when, at the discretion of the U.S. Chief of Mission, it is in the best interest of the United States.

- f. This provision must be included in all subagreements, including subawards and contracts.

[END OF PROVISION]

12. DEBARMENT AND SUSPENSION (JUNE 2012)

- a. The recipient must not transact or conduct business under this award with any individual or entity listed on the Excluded Parties List System (www.epls.gov/) unless prior approval is received from the Agreement Officer. The list contains those individuals and entities that the U.S. Government has suspended or debarred based on misconduct or a determination by the U.S. Government that the person or entity cannot be trusted to safeguard U.S. Government funds. Suspended or debarred entities or individuals are excluded from receiving any new work or any additional U.S. Government funding for the duration of the exclusion period. If the recipient has any questions about listings in the system, these must be directed to the Agreement Officer.
- b. The recipient must comply with Subpart C of 2 CFR Section 180, as supplemented by 2 CFR 780. USAID may disallow costs, annul or terminate the transaction, debar or suspend the recipient, or take other remedies as appropriate, if the recipient violates this provision. Although doing so is not automatic, USAID may terminate this award if a recipient or any of its principals meet any of the conditions listed in paragraph c. below. If such a situation arises, USAID will consider the totality of circumstances—including the recipient's response to the situation and any additional information submitted—when USAID determines its response.
- c. The recipient must notify the Agreement Officer immediately upon learning that it or any of its principals, at any time prior to or during the duration of this award:
 - (1) Are presently excluded or disqualified from doing business with any U.S. Government entity;
 - (2) Have been convicted or found liable within the preceding three years for committing any offense indicating a lack of business integrity or business honesty such as fraud, embezzlement, theft, forgery, bribery or lying;
 - (3) Are presently indicted for or otherwise criminally or civilly charged by any governmental entity for any of the offenses enumerated in paragraph c.(2); or
 - (4) Have had one or more U.S.-funded agreements terminated for cause or default within the preceding three years.
- d. Principal means—
 - (1) An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
 - (2) A consultant or other person, whether or not employed by the participant or paid with Federal funds, who—

- (i) Is in a position to handle Federal funds;
- (ii) Is in a position to influence or control the use of those funds; or,
- (iii) Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.

e. The recipient must include this provision in its entirety except for paragraphs c.(2)-(4) in any subagreements, including subawards or contracts, entered into under this award.

[END OF PROVISION]

13. DISPUTES AND APPEALS (JUNE 2012)

- a. Any dispute under this award will be decided by the Agreement Officer (AO). The AO must furnish the recipient a written copy of the decision.
- b. Decisions of the AO are final unless the recipient appeals the decision to USAID's Assistance Executive. Any appeal made under this provision must be in writing, postmarked within 30 calendar days of receipt of the AO's decision; include all relevant and material evidence; and be addressed to the Assistance Executive, U.S. Agency for International Development, Management Bureau, Office of Acquisition and Assistance, 1300 Pennsylvania Ave, NW, Washington, D.C. 20523. A copy of the appeal must be concurrently furnished to the AO. No hearing will be provided.
- c. A decision under this provision by the Assistance Executive is final.
- d. Notwithstanding any other term of this award, subawardees and contractors have no right to submit claims directly to USAID and USAID assumes no liability for any third party claims against the recipient.

[END OF PROVISION]

14. PREVENTING TERRORIST FINANCING (JUNE 2012)

- a. The recipient must not engage in transactions with, or provide resources or support to, individuals and organizations associated with terrorism. In addition, the recipient must verify that no support or resources are provided to individuals or entities that appear on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Treasury (online at: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>) or the United Nations Security designation list (online at: http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
- b. This provision must be included in all subagreements, including contracts and subawards, issued under this award.

[END OF PROVISION]

15. TRAFFICKING IN PERSONS (JUNE 2012)

- a. USAID is authorized to terminate this award, without penalty, if the recipient or its employees, or any subrecipient or its employees, engage in any of the following conduct:
 - (1) Trafficking in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime) during the period of this award;
 - (2) Procurement of a commercial sex act during the period of this award; or
 - (3) Use of forced labor in the performance of this award.
- b. For purposes of this provision, "employee" means an individual who is engaged in the performance of this award as a direct employee, consultant, or volunteer of the recipient or any subrecipient.
- c. The recipient must include in all subagreements, including subawards and contracts, a provision prohibiting the conduct described in a(1)-(3) by the subrecipient, contractor or any of their employees.

[END OF PROVISION]

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

- a. **Requirements for Voluntary Sterilization Programs**
 - (1) Funds made available under this award must not be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any individual to practice sterilization.
- b. **Prohibition on Abortion-Related Activities:**
 - (1) No funds made available under this award will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to any person to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for or against abortion. The term "motivate," as it relates to family planning assistance, must not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options.
 - (2) No funds made available under this award will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning.

Epidemiologic or descriptive research to assess the incidence, extent, or consequences of abortions is not precluded.

[END OF PROVISION]

16. EQUAL PARTICIPATION BY FAITH-BASED ORGANIZATIONS (JUNE 2012)

a. Faith-Based Organizations Encouraged.

Faith-based organizations are eligible to compete on an equal basis as any other organization to participate in USAID programs. Neither USAID nor entities that make and administer subawards of USAID funds will discriminate for or against an organization on the basis of the organization's religious character or affiliation. A faith-based organization may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, within the limits contained in this provision. More information can be found at the USAID Faith-Based and Community Initiatives Web site: http://transition.usaid.gov/our_work/global_partnerships/fbci/ and 22 CFR 205.1.

b. Inherently Religious Activities Prohibited.

- (1) Inherently religious activities include, among other things, worship, religious instruction, prayer, or proselytization.
- (2) The recipient must not engage in inherently religious activities as part of the programs or services directly funded with financial assistance from USAID. If the recipient engages in inherently religious activities, it must offer those services at a different time or location from any programs or services directly funded by this award, and participation by beneficiaries in any such inherently religious activities must be voluntary.
- (3) These restrictions apply equally to religious and secular organizations. All organizations that participate in USAID programs, including religious ones, must carry out eligible activities in accordance with all program requirements and other applicable requirements governing USAID-funded activities.
- (4) These restrictions do not apply to USAID-funded programs where chaplains work with inmates in prisons, detention facilities, or community correction centers, or where USAID funds are provided to religious or other organizations for programs in prisons, detention facilities, or community correction centers, in which such organizations assist chaplains in carrying out their duties.
- (5) Notwithstanding the restrictions of b.(1) and (2), a religious organization that participates in USAID-funded programs or services
 - (i) Retains its independence and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct financial assistance from USAID to support any inherently religious activities,

- (ii) May use space in its facilities, without removing religious art, icons, scriptures, or other religious symbols, and
 - (iii) Retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- c. Construction of Structures Used for Inherently Religious Activities Prohibited. The recipient must not use USAID funds for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities, such as sanctuaries, chapels, or other rooms that the recipient uses as its principal place of worship. Except for a structure used as its principal place of worship, where a structure is used for both eligible and inherently religious activities, USAID funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities.
- d. Discrimination Based on Religion Prohibited. The recipient must not discriminate against any beneficiary or potential beneficiary on the basis of religion or religious belief as part of the programs or services directly funded with financial assistance from USAID.
- e. A religious organization's exemption from the Federal prohibition on employment discrimination on the basis of religion, set forth in Sec. 702(a) of the Civil Rights Act of 1964, 42 U.S.C. 2000e-1 is not forfeited when the organization receives financial assistance from USAID.
- f. The Secretary of State may waive the requirements of this section in whole or in part, on a case-by-case basis, where the Secretary determines that such waiver is necessary to further the national security or foreign policy interests of the United States.

[END OF PROVISION]

17. NONDISCRIMINATION (JUNE 2012)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination on the basis of race, color, national origin, age, disability, or sex under any program or activity funded by this award when work under the grant is performed in the U.S. or when employees are recruited from the U.S.

Additionally, USAID is committed to achieving and maintaining a diverse and representative workforce and a workplace free of discrimination. Based on law, Executive Order, and Agency policy, USAID prohibits discrimination, including harassment, in its own workplace on the basis of race, color, religion, sex (including pregnancy and gender identity), national origin, disability, age, veteran's status, sexual orientation, genetic information, marital status, parental status, political affiliation, and any other conduct that does not adversely affect the performance of the employee.

In addition, the Agency strongly encourages its recipients and their subrecipients and vendors (at all tiers), performing both in the U.S. and overseas, to develop and enforce comprehensive

nondiscrimination policies for their workplaces that include protection for all their employees on these expanded bases, subject to applicable law.

[END OF PROVISION]

18. USAID DISABILITY POLICY - ASSISTANCE (JUNE 2012)

The recipient must not discriminate against people with disabilities in the implementation of USAID funded programs and should demonstrate a comprehensive and consistent approach for including men, women, and children with disabilities. The text of the USAID Disability Policy can be found at the following Web site: pdf.usaid.gov/pdf_docs/PDABQ631.pdf.

[END OF PROVISION]

[END OF MANDATORY PROVISIONS]

REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR NON-U.S. NONGOVERNMENTAL ORGANIZATIONS

1. ADVANCE PAYMENT AND REFUNDS (JUNE 2012)

- a. The recipient is not required to maintain separate bank accounts for USAID funds, unless otherwise required. However, when advances are authorized by this award, the recipient must deposit such funds in a reputable bank and be able to account for the receipt and expenditure of funds and interest earned on the advances provided by the U.S. Government (USG).
- b. The recipient must maintain advances of USAID funds in interest-bearing accounts, unless:
 - (1) The recipient receives less than \$120,000 in USG awards per year;
 - (2) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$250 in a twelve month period on USG cash balances; or
 - (3) The bank would require an average or minimum balance so high that it would not be practical to maintain the advance in an interest-bearing account.
- c. The recipient may retain up to \$250 of interest earned in a twelve-month period on USG cash balances for administrative expenses. Any additional interest earned on advances must be remitted to the USAID payment office specified in this award, or such other location as the payment office advises.

- d. The recipient must request advance payments for anticipated expenditures at time intervals as close as is administratively feasible to the actual disbursements by the recipient, and for the minimum amounts necessary.
- e. To request an advance payment, the recipient must submit (preferably electronically) to the payment office the *Standard Form 1034 (SF-1034) "Public Voucher for Purchases and Services Other Than Personal"* ([http://contacts.gsa.gov/webforms.nsf/0/57675C8BB6CE880B85256A3F004125BD/\\$file/SF1034.pdf](http://contacts.gsa.gov/webforms.nsf/0/57675C8BB6CE880B85256A3F004125BD/$file/SF1034.pdf)). The recipient must print the statement "Request for Advance" at the top of the form.
- f. In order to obtain the initial advance, the recipient must request an advance for the initial thirty-day period of projected cash disbursement needs immediately upon signing this award. Additional advance payment requests must be submitted at least three weeks prior to the period for which funds are needed, in order to maintain a consistent cash flow. The recipient may submit requests for advances to the paying office specified in this award as often as may be necessary to meet projected expenses. An advance may not exceed 30 days of the organization's projected expenses. Subject to Chief Financial Officer (CFO) or Mission Controller approval (as appropriate), requests may be submitted:
 - (1) Every 30 days covering a 30-day period;
 - (2) Three requests may be submitted covering 30-day sub-periods of a 90-day period to be paid automatically every 30 days; or
 - (3) One request for 90 days may be submitted to be automatically disbursed in 30-day equal increments.

Requests must state the estimated disbursements to be made during the period covered by the request, the estimated balance of cash on hand from prior advance requests, and the advance amount being requested.

- g. The recipient must submit an SF 1034 (*with the words "Liquidation of Advances" printed at the top of the form*), quarterly, no later than 30 days after the end of the quarter, to the paying office specified in this award in order to liquidate outstanding advances. Failure to provide these quarterly reports may result in the suspension, disruption, or termination of additional payments.

Within 90 days following the expiration of this award, the recipient must submit the final financial report using the SF-1034 showing total disbursements, total advances received, and any cash remaining on hand, which the recipient must refund to USAID.

- h. When this award expires, the recipient must immediately return all unexpended funds that USAID has advanced to the recipient, unless such advanced funds have already been spent or committed in a legally binding transaction during the period of this award, or are required for approved close-out costs. USAID reserves the right, at any time, to 1) withhold or offset payments to or 2) require refund by, the recipient of any amount that the recipient did not spend according to the terms and conditions of this award or are

otherwise determined by the Agreement Officer to be unallowable. USAID retains the right to a refund of all amounts paid under this award until all outstanding audit findings and settlement claims have been resolved between USAID and the recipient.

- i. Cash advances made by the recipient to subrecipients or the recipient's field organizations must conform substantially to paragraphs a., b., c., d. and h. of this provision. In the case of paragraph c., any interest over \$250 per account, per year must be remitted through the prime recipient.

[END OF PROVISION]

2. CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER (OCTOBER 2010)

- a. **Requirement for Central Contractor Registration (CCR).** Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently, if required by changes in your information or another award term.
- b. **Requirement for Data Universal Numbering System (DUNS) numbers.** If you are authorized to make subawards under this award, you:
 - (1) Must notify potential subrecipients that no entity (see definition in paragraph c. of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
 - (2) May not make a subaward to an entity unless the entity has provided its DUNS number to you.
- c. **Definitions.** For purposes of this award term:
 - (1) Central Contractor Registration (CCR) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at www.ccr.gov/).
 - (2) Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at fedgov.dnb.com/webform).
 - (3) Entity, as it is used in this award term, means all of the following, as defined at 2 CFR 25, subpart C:
 - (i) A governmental organization, which is a State, local government, or Indian tribe;
 - (ii) A foreign public entity;
 - (iii) A domestic or foreign nonprofit organization;
 - (iv) A domestic or foreign for-profit organization; and
 - (v) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
 - (4) Subaward:
 - (i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you, as the recipient, award to an

- eligible subrecipient.
- (ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
- (iii) A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
- (5) Subrecipient means an entity that:
 - (i) Receives a subaward from you under this award; and
 - (ii) Is accountable to you for the use of the Federal funds provided by the subaward.

***ADDENDUM (JUNE 2012):**

- d. **Exceptions.** The requirements of this provision to obtain a Data Universal Numbering System (DUNS) number and maintain a current registration in the Central Contractor Registration (CCR) do not apply, at the prime award or subaward level, to:
 - (1) Awards to individuals
 - (2) Awards less than \$25,000 to foreign recipients to be performed outside the United States (based on a USAID determination)
 - (3) Awards where the Agreement Officer determines, in writing, that these requirements would cause personal safety concerns.
- e. This provision does not need to be included in subawards.

[END OF PROVISION]

3. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (OCTOBER 2010)

a. Reporting of First-Tier Subawards.

- (1) **Applicability.** Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
- (2) **Where and when to report.**
 - (i) You must report each obligating action described in paragraph a.(1) of this award term to www.fsrs.gov.
 - (ii) For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
- (3) **What to report.** You must report the information about each obligating action that

the submission instructions posted at www.fsrs.gov specify.

b. Reporting Total Compensation of Recipient Executives.

- (1) Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if –
 - (i) The total Federal funding authorized to date under this award is \$25,000 or more;
 - (ii) In the preceding fiscal year, you received—
 - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (iii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)
- (2) Where and when to report. You must report executive total compensation described in paragraph b.(1) of this award term:
 - (i) As part of your registration profile at www.ccr.gov/.
 - (ii) By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

- (1) Applicability and what to report. Unless you are exempt, as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you must report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if –
 - (i) In the subrecipient's preceding fiscal year, the subrecipient received—
 - (A) 80 percent or more of its annual gross revenues from Federal

procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

- (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
 - (ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)
- (2) Where and when to report. You must report subrecipient executive total compensation described in paragraph c.(1) of this award term:
- (i) To the recipient.
 - (ii) By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (for example, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions.

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

- (1) Subawards, and
- (2) The total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions.

For purposes of this award term:

- (1) Entity means all of the following, as defined in 2 CFR 25:
 - (i) A governmental organization, which is a State, local government, or Indian tribe;
 - (ii) A foreign public entity;
 - (iii) A domestic or foreign nonprofit organization;

- (iv) A domestic or foreign for-profit organization;
 - (v) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
- (2) Executive means officers, managing partners, or any other employees in management positions.
- (3) Subaward:
- (i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - (ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __.210 of the attachment to OMB Circular A- 133, "Audits of States, Local Governments, and Non-Profit Organizations").
 - (iii) A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- (4) Subrecipient means an entity that:
- (i) Receives a subaward from you (the recipient) under this award; and
 - (ii) Is accountable to you for the use of the Federal funds provided by the subaward.
- (5) Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
- (i) Salary and bonus.
 - (ii) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - (iii) Earnings for services under nonequity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - (iv) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

- (v) Above-market earnings on deferred compensation which is not tax-qualified.
- (vi) Other compensation, if the aggregate value of all such other compensation (for example, severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

[END OF PROVISION]

4. REPORTING HOST GOVERNMENT TAXES (JUNE 2012)

- a. By April 16 of each year, the recipient must submit a report containing:
 - (i) Contractor/recipient name.
 - (ii) Contact name with phone, fax and e-mail.
 - (iii) Agreement number(s).
 - (iv) The total amount of value-added taxes and customs duties (but not sales taxes) assessed by the host government (or any entity thereof) on purchases in excess of \$500 per transaction of supplies, materials, goods or equipment, during the 12 months ending on the preceding September 30, using funds provided under this contract/agreement.
 - (v) Any reimbursements received by April 1 of the current year on value-added taxes and customs duties reported in (iv).
 - (vi) Reports are required even if the recipient did not pay any taxes or receive any reimbursements during the reporting period.
 - (vii) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.
- b. Submit the reports to: [insert address and point of contact at the Embassy, Mission, or CFO/CMP as appropriate, may include an optional "with a copy to"].
- c. Host government taxes are not allowable where the Agreement Officer provides the necessary means to the recipient to obtain an exemption or refund of such taxes, and the recipient fails to take reasonable steps to obtain such exemption or refund. Otherwise, taxes are allowable in accordance with the Standard Provision, "Allowable Costs," and must be reported as required in this provision.
- d. The recipient must include this reporting requirement in all applicable subagreements, including subawards and contracts.

[END OF PROVISION]

5. COST SHARE (JUNE 2012)

- a. During the period of this award, the recipient agrees to spend an amount of funds from non-U.S. Government sources specified as Cost Share, as provided in the award budget. Any Cost Share restrictions contained in this award take precedence over the terms of this provision.
- b. The recipient's Cost Share under this award may include project costs incurred by the recipient from its own funds, or project costs financed with cash, services, or property contributed or donated to the recipient from other non-U.S. Government sources, including subrecipients. Not all Cost Share requires cash outlays by the recipient; examples are depreciation and use charges for buildings and equipment.
- c. The recipient's Cost Share contributions, both cash and in-kind, must meet all of the following criteria:
 - (1) Are verifiable from the recipient's records;
 - (2) Are not included as cost share contributions for any other U.S. Government (USG) -assisted program;
 - (3) Are necessary and reasonable for proper and efficient accomplishment of this award's objectives;
 - (4) Are allowable under the Standard Provision, "Allowable Costs";
 - (5) Are not paid by the USG under another grant or agreement (unless the grant or agreement is authorized to be used for Cost Share); and
 - (6) Are included in the approved budget.
- d. The source, nationality, and restricted goods requirements in the Standard Provision "USAID Eligibility Rules for Procurement of Commodities and Services" do not apply to cost share expenditures.
- e. The value of non-U.S. Government in-kind contributions applied to Cost Share is established by the following procedures:
 - (1) Volunteer services must be an integral and necessary part of an approved program. Rates for volunteers must be consistent with those paid for similar work in the recipient's organization, or consistent with those paid for similar work in the labor market in which the recipient competes. Volunteer services furnished by others must be valued at the employee's regular rate of pay, exclusive of overhead costs, provided these services are of the same skill for which the employee is normally paid. In any case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.
 - (2) The assessed value of donated supplies and equipment must be reasonable and must not exceed the fair market value of the property at the time of the donation.
 - (3) The value of donated property must be determined in accordance with the usual accounting policies of the recipient with the following qualifications:

- (i) If the purpose of this award is to assist the recipient in the acquisition of equipment, buildings, or land, the total value of the donated property may be claimed as Cost Share.
 - (ii) If the purpose of this award is to support activities that require the use of equipment, buildings, or land, normally only depreciation or use charges for equipment and buildings may be made. However, the Agreement Officer (AO) may approve the charge of the full value of equipment or other capital assets and fair rental charges for land.
 - (iii) The value of donated land and buildings must not exceed its fair market value at the time of donation to the recipient as established by an independent appraiser.
 - (iv) The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.
 - (v) The value of donated space must not exceed the fair rental value of comparable space and facilities in a privately owned building in the same locality, as determined by adequate market research.
 - (vi) The value of loaned equipment must not exceed its fair rental value.
- f. The recipient must provide supporting records for in-kind contributions from third parties.
 - (1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the recipient for its employees.
 - (2) The basis for determining the valuation for personal services, material, equipment, buildings, and land must be documented.
- g. If the recipient expends less than the agreed upon Cost Share as specified in this award, the AO may apply the difference to reduce the amount of USAID funding for the following funding period, require the recipient to refund the difference to USAID when this award expires or is terminated, or reduce the amount of cost share required under the award.
- h. In the event of any disallowance of expenditures from USAID award funds, the recipient may substitute expenditures made with funds provided from non-U.S. Government sources, provided they are eligible in accordance with all the Standard Provisions of this award.

[END OF PROVISION]

SECTION VII – AGENCY CONTACTS

The Agreement Officer for this Award is:

Mr. G. Michael Junge
Regional Agreement Officer
Regional Acquisition and Assistance Office (ROAA)
USAID/Peru
Av. La Encalada s/n, cdra. 17
Monterrico, Lima 33
Peru
gjunge@usaid.gov

The A&A Specialist for this Award is:

Mr. Esteban Proaño
A&A Specialist
Acquisition and Assistance Office (ROAA)
USAID/Ecuador
Av. Avigiras E12-17 y Eloy Alfaro
Quito - Ecuador
jproano@usaid.gov

Agreement Officer Representatives (AORs) for these Awards are:

AORs for these awards will be determined later.