September 18, 2009

United States Agency for International Development
Assistance Agreement
With the
Government of Guyana

USAID Assistance Agreement No. 504.011

ASSISTANCE AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND

GUYANA

FOR

GOVERNING JUSTLY AND DEMOCRATICALLY

Assistance Agreement
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ASSISTANCE AGREEMENT

Dated: May , 2009

Between

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

and

The Government of Guyana (hereinafter referred to as the "Grantee")

Article 1: Purpose.

The purpose of this Assistance Agreement (the "Agreement") is to set out the understanding of the parties named above (the "Parties") in connection with the Objective described below.

Article 2: Functional Objective and Program Areas

Section 2.1. Functional Objective, Program Areas. In order to further the foreign assistance objective of Governing Justly and Democratically (the "Functional Objective") articulated by the Government of the United States of America under the Strategic Framework for United States Foreign Assistance, the Parties hereto agree to work together by focusing on activities in the areas of: Rule of Law and Human Rights; Good Governance; Political Competition and Consensus Building; and Civil Society (collectively, the "Program Areas," and, together with the Functional Objective, the "Objective").

Section 2.2. Annex 1, Amplified Description. Annex 1, attached, amplifies the above Objective and describes the Program Areas in greater detail. It also delineates Program Elements that will be addressed under the Program Areas. Within the limits of the definition of the Functional Objective set forth in Section 2.1, Annex 1 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Article 3: Contributions of the Parties.

Section 3.1. USAID Contribution.

(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of the Agreement an amount not to exceed One Million Six Hundred Thousand U.S. Dollars ($1,600,000) (the "Grant").

(b) Total Estimated USAID Contribution. USAID's total estimated contribution to achievement of the Objective will be Nine Million Six Hundred Thousand U.S. Dollars ($9,600,000), which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed. The Parties agree that

each such incremental contribution provided, if any, shall cumulatively increase the total amount of the Grant set forth in Section 3.1 and consequently may increase the Grantee's contribution under Section 3.2.

Section 3.2. Grantee Contribution.

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

(b) The Grantee's contribution, based on USAID's contribution in Section 3.1(a), will not be less than the equivalent of Two Hundred Eighty Two Thousand, Three Hundred Fifty Three U.S. Dollars ($ 282,353) including in-kind contributions. If USAID increases the amount of the Grant in Section 3.1(a) incrementally, as contemplated herein, the Grantee's contribution shall increase with each increment accordingly, such that the Grantee's contribution will not be less than the equivalent of fifteen percent of that portion of the Grant that is used to support activities that either directly provides substantial benefit to the Government of Guyana or involves the direct and substantial involvement of the Government of Guyana in the administration, control or management of such assistance. The precise amount of Grantee contribution shall be indicated in USAID's written notice of each incremental contribution. The Grantee's total estimated planned contribution to the Objective will be subject to availability of funds to the Grantee for this purpose and to USAID providing the total estimated amount in Section 3.1(b). The Grantee will report at least annually in a format to be agreed upon with USAID on its cash and in-kind contributions.

Article 4: Completion Date.

(a) The Completion Date, which is September 30, 2013, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Objective will be completed.

(b) Except as USAID may otherwise agree to in writing, USAID will not issue or approve documentation that would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.

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

Article 5: Conditions Precedent to Disbursement.

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

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

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

Section 5.3. Notification. USAID will promptly notify the Grantee when USAID has determined that a condition precedent has been met.

Section 5.4. Terminal Dates for Conditions Precedent.

(a) The terminal date for meeting the conditions specified in Section 5.1 is 60 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.1 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

Article 6: Special Covenants.

(a) The Grantee, in conjunction with the appropriate Government of Guyana ministries and offices, hereby covenants and agrees to issue, renew and/or extend free of charge and in a timely manner all official permits, visas, exemptions and any other permissions (including all approvals as may be required from time to time to ensure full access to information, project sites and relevant offices) for the Applicable Persons (as defined below) carrying out activities financed by USAID under this Agreement (collectively, the "Required Documents"). For purposes of this provision, Applicable Persons is defined as: (1) employees and consultants of any contractors, grantees and other organizations carrying out activities financed by USAID under this Agreement and (b) members of such employees' and consultants' households. Any renewals or extensions of such Required Documents that are required, or become required, in order for such employees, consultants and dependent family members to legally reside in Guyana and undertake the activities contemplated by and financed under this Agreement shall also be issued free of charge.

Article 7: Miscellaneous.

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

To USAID:
United States Agency for International Development
Embassy of the United States
100 Young and Duke Streets
Kingston, Georgetown, Guyana

Alternate address for cables:
3170 Georgetown Place
Dulles, Virginia 20189-3170

Telefax: +592-225-7316

By electronic mail:
usaid-guyanageneral@usaid.gov

To the Grantee:
Ministry of Finance
Main and Urquhart Streets
Kingston, Georgetown, Guyana

Telefax: +592- 226-1284

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

Section 7.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of Minister of Finance, and USAID will be represented by the individual holding or acting in the Office of USAID/Guyana Mission Director, each of whom, by written notice, may designate additional representatives for all purposes or specific purposes and any conditions governing actions of additional representatives. The names and titles of the additional representatives of the Grantee will be provided pursuant to Section 5.1(b) to USAID, which may accept as duly authorized any instrument signed by such additional representatives (or any individuals subsequent holding or acting in the office of such representatives) in accordance with this Section 7.2, until receipt of written notice of revocation of their authority.

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

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

For the government of the
UNITED STATES OF AMERICA

By: Carol Horning

Name: Carol Horning 9/18/09

Title: USAID/Guyana Mission Director

For the government of
GUYANA

By: _____

Name: Ashni Singh

Title: Minister of Finance

17/9/09

504-AA-504-011
FUNDS AVAILABLE FOR
DATA ATTACHED
INITIAL 7/14/09
DATE

GUYANA
GOVERNING JUSTLY AND DEMOCRATICALLY
ACCOUNTING DATA
504-AA-504-011

PRGM AREA	PROGRAM ELEMENT	APPROPN.	BFY	SOC		PREV. AMOUNT	THIS AMEND.	NEW AMOUNT
A07	A031	729/01021	DV/2009/2010	4100100	504-AA-504-011		350,000.00	350,000.00
A08	A036	729/01021	DV/2009/2010	4100100	504-AA-504-011		175,000.00	175,000.00
A09	A040	729/01021	DV/2009/2010	4100100	504-AA-504-011		160,000.00	160,000.00
A09	A041	729/01021	DV/2009/2010	4100100	504-AA-504-011		180,000.00	180,000.00
A10	A044	729/01021	DV/2009/2010	4100100	504-AA-504-011		490,000.00	490,000.00
A27	A141	729/01021	DV/2009/2010	4100100	504-AA-504-011		245,000.00	245,000.00
								-
								-
				TOTAL US$		-	1,600,000.00	1,600,000.00

Annex 1
Amplified Description

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Annex 1 to Assistance Agreement
Amplified Description

I. Introduction.

This annex describes the activities to be undertaken and the progress and achievements to be made with the funds obligated under this Agreement. Nothing in this Annex 1 shall be construed as amending any of the definitions or terms of the Agreement.

II. Background.

A January 2008 assessment of the governance environment in Guyana indicated that ethno-political mobilization, will be slow to change, but must be addressed if Guyana is to realize its great potential. All of the other major democracy and governance (DG) problems (good governance, justice, etc.) are subsidiary to this underlying dynamic, so programs that fail to address, even in subtle ways, the root problem will likely be marginal and unsustainable in the long term. Given a DG environment marked by continuity (even intransigence) in many respects, but also by historic events bringing some hope…, there appear to be new opportunities to focus the USAID program to more effectively address core issues." That assessment mirrored the conclusion of a 2002 DG Assessment, which found that, because of the continued ethno-political cleavage, donor programs tended to "mask themselves behind the most innocuous titles and descriptions possible," and asserted that "a meaningful DG strategy must break this pattern and be less risk-averse." One historic event that brought hope for future progress was the free, fair and non-violent national election that occurred in 2006 – the first violence-free election in 14 years, which also resulted in a new party gaining seats in the National Assembly.

Given these assessments and potential future opportunities, USAID's follow-on DG program will focus on supporting fora and encouraging opportunities for discussion and consensus building among stakeholders: within and among the political parties, between them and key organizations within civil society and the private sector. Strengthening selected private sector associations and civil society organizations to participate in democratic and governance processes, and moving them toward sustainability in the face of diminishing international donor support will also be pursued. Efforts to ensure free, fair and violence-free local and national elections will be a special focus of the program, while strengthening newly-elected local government bodies and educating citizens in target communities about their civic rights and responsibilities will also be pursued. Efforts in the justice sub-sector will complement those of the Inter American Development Bank and will focus on mediation, expansion of the computerization of case data of the Court Registry and prosecution of TIPs cases.

III. Funding.

Financial Plan. The financial plan for the Program is set forth in the attached table in Annex 3. Changes may be made to the financial plan by representatives of the Parties without formal amendment to the Agreement, if such changes do not cause (1) USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement, or (2) the Grantee's contribution to be less than the amount specified in Section 3.2 of the Agreement.

IV. Program Areas, Elements and Indicators.

Under this Agreement, the Objective will be achieved by focusing on activities in the following Program Areas and Elements:
Program Area 1: Rule of Law and Human Rights
Program Element: Justice System

Program Area 2: Good Governance
Program Element: Local Government and Decentralization

Program Area 3: Political Competition and Consensus Building
Program Elements: Consensus Building Processes; Elections and Political Processes; Political Parties

Program Area 4: Civil Society
Program Element: Civic Participation

The following Results will be achieved in the pursuit of activities under the Program Areas and Elements mentioned above:

Result 1: Greater Consensus Reached Among Key Stakeholders on Issues of National Interest
Achievement of 3 intermediate Results will allow for the achievement of this Result. These intermediate Results being:
i) Political Parties' Engagement on Issues of National Importance Increased
ii) Enabling Environment Created for Interaction among Stakeholders
iii) Visibility of Civil Society Increased

Result 2: Local Governance Regulatory Framework and Operational Environment Improved
Achievement of 2 intermediate Results will allow for the achievement of this Result. These intermediate Results being:
i) Citizens' Participation in Local Governance Increased
ii) Capacity of Local Government Bodies Strengthened

Result 3: Systems and Processes for Rule of Law and Human Rights Strengthened
Achievement of 2 intermediate Results will allow for the achievement of this Result. These intermediate Results being:

i) Access to Justice Improved
ii) Prosecution of cases of Trafficking in Persons Increased

V. Illustrative Activities.

Result 1

Several Guyanese and non-Guyanese citizens presume that decision-making is influenced by party interest and indirectly, by ethnic considerations. In an effort to gain the social and economic benefits of racial harmony and societal stability, political actors themselves must demonstrate the will to resolve ethno-political differences and focus on substantive issues of concern to Guyanese citizens regardless of their ethnicity. The Program will support this process by increasing the awareness of leaders and members of political

parties in more constructive alternatives. Below are illustrative approaches the Program may utilize in achieving this result.

Illustrative Approaches

- Provide opportunities for dialogue and consensus building processes among parties.
- Facilitate seminars and public events on major global, regional and domestic issues that are likely to affect the socioeconomic development of Guyana over the next five years with the participation of political parties, the private sector, CSOs, academics and leading experts.
- Provide technical assistance and training to all political parties on issues such as the use of polling, platform development, internal organization and financing, candidate debates, constituency and public outreach.
- Support a "young leaders" program for youth to engage one another in meaningful, issue-based dialogue.
- Support high level diplomatic policy dialogue aimed at increasing tolerance and ethnic harmony. The involvement of the Guyanese Diaspora should also be considered.
- Provide training and technical assistance for national, regional and community based initiatives to promote tolerance and inter-ethnic cooperation (e.g. the Ethnic Relations Commission, Regional Democratic Councils, Neighborhood Democratic Councils, Private Sector Organizations, Community Based Organizations, etc.).
- Support local and national elections and electoral processes such as public and voter education activities, training of polling day staff.
- Disseminate information - studies, surveys and other materials – on issues of national importance and the rights and responsibilities of citizens through civic education programs in schools, local government bodies, CSOs and other institutions capable of sustaining such programs. Increasing citizens' access to the Internet, as a means of disseminating information may be considered.
- Provide training and institutional capacity building support to CSOs engaged in advocacy for their interests or the delivery of services in the areas of trafficking in persons (TIPs), democracy and governance and economic growth.
- Provide assistance to CSOs for the production and dissemination of information on their missions and activities.
- Support initiatives for 'issue advocacy' among CSOs and government authorities (e.g. line ministries, key government agencies and parliamentary committees).
- Provide opportunities for information-sharing and dialogue among journalists and CSOs.

<u>Result 2:</u>

Illustrative Approaches

- Develop and implement civic education activities on the role and functions of local government and the structure, mandate and operations of targeted local government bodies and other non-national levels of administration, as appropriate.
- Provide technical assistance and training for promoting citizens' engagement with their local government administration.

- Support the implementation of reforms in local government.
- Provide technical assistance and training for the capacity building for newly-elected councilors and staff to improve local government operations.
- Develop and implement activities to build trust among local government bodies and citizens.
- Support the formation of an association of local government bodies to represent local interests at the national level and achieve greater accountability to citizens.

Result 3

Illustrative Approaches

- Training for professionals in judicial administration to increase efficiencies in court registry and case management.
- Training for judicial service professionals – judges, attorneys – in focus areas.
- Technical assistance and training for capacity building of justice sector civil society organizations.
- Technical assistance, training and commodity support to targeted organizations to address TIP issues, including prosecutions, public education and victim support.

VI. Roles and Responsibilities of the Parties.

The USAID Democracy and Governance team will represent the USAID Director, as necessary, in the implementation of the activities described in this Annex. Technical aspects will be coordinated with the appropriate GOG public ministries.

USAID will enter into contracts and grants with U.S. and local organizations to provide technical assistance, training, commodities and institutional support to implement the activities to be undertaken in support of the program area, elements and sub-elements.

The GOG will provide counterpart contribution (cash and/or in-kind) and provide the key personnel within the appropriate ministries or agencies to assist in the coordination and implementation of the activities described above.

VII. Monitoring and Evaluation.

USAID and the GOG jointly agree to provide resources and information to ensure an adequate level of monitoring and evaluation needed to assess progress towards fulfillment of what is required under the program areas and elements.

A progress review will be conducted at least annually, based on a range of indicators used to measure progress in achieving results. The annual USAID-generated "Performance Report" represents the mechanism for reviewing progress and ensuring that activities are on track.

A Performance Management Plan (PMP) and related performance data will be developed and agreed upon in accordance with Article 2 and Section 4 of Annex 1 of the Assistance Agreement. Details on the indicators set forth in the PMP may be further agreed upon or revised in accordance with Article 2 and Section 4 of Annex 1 of this Assistance Agreement. For all purposes of the Agreement, including Article 2 and Section 4 of Annex 1, indicators may include baselines and targets for measuring or achieving performance

Financial and performance audits of various activities and assistance instruments will be conducted in accordance with relevant standard provisions contained in Annex 2 of this agreement.

As determined during the course of implementation of this Agreement, USAID and the GOG may from time to time jointly authorize an external evaluation of the progress and impact of the activities towards accomplishing requirements under the program areas and elements.

Each contracting/assistance instrument will include a performance-monitoring tool to permit USAID and the GOG to evaluate progress towards the goals and objectives of the respective contract instrument.

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Standard Provisions

Article A: Definitions and Implementation Letters.

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

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

Article B: General Covenants.

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

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

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

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

Section B.3. Utilization of Goods and Services.

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

Section B.4. Taxation.

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

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

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

(1) Exemption 1. Customs duties, tariffs, import taxes, or other levies on the importation, use and re-exportation of goods or the personal belongings and effects (including personally-owned automobiles) for the personal use of non-national individuals or their family members. Exemption 1 includes, but is not limited to, all charges based on the value of such imported goods, but does not include service charges directly related to services performed to transfer goods or cargo.

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

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

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

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

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

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

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

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

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

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

(d) Sub-recipient Audits. The Grantee, except as the Parties may otherwise agree in writing, shall submit to USAID, in form and substance satisfactory to USAID, a plan for the audit of the expenditures of "covered" sub-recipients, as defined below, that receive funds in connection with a direct contract or agreement entered into directly with the Grantee pursuant to the activities contemplated by this Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article C: Procurement Provisions.

Section C.1. Source and Origin.

C.1. Source and Origin.

(a) Except as noted herein, or in a sub-agreement issued by USAID, Grant funds will be used to finance the cost of goods and services having their source and origin, and with respect to suppliers of goods and services, the nationality, in countries included in Geographic Code 935 as in effect at the time orders are placed or contracts entered into for such goods or services. Exceptions to this requirement include local procurement transactions in accordance with USAID policy or procurements made after obtaining source, origin, and nationality waivers from USAID in writing.

Additionally:

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

(2) The country of the Grantee is an eligible source for foreign exchange cost for marine insurance, if otherwise eligible under Section C.7(a).

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

(b) Local Currency Costs. Disbursements for Local Currency Costs will be used exclusively to finance the costs of goods and services required for the Agreement which meet the requirements of USAID's local procurement policy which will be provided in an Implementation Letter.

(c) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

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

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

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

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

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

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

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

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

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

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

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

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

Section C.6. Transportation

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

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

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

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

Section C.7. Insurance.

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

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

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

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

If the Grantee (or government of the Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to USAID-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by USAID hereunder shall be insured against marine risks and such insurance shall be placed in the United States with a company or companies authorized to do marine insurance business in the United States.

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

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

Article D: Section D.1. Disbursement for Foreign Exchange Costs.

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

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

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

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

Section D.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, if any, the Grantee may obtain disbursements of funds under the Agreement for Local Currency Costs required for the Agreement in accordance with terms of this Agreement, by submitting to USAID, with necessary supporting documentation as prescribed in Implementation Letters, requests to finance such costs.

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

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

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

Article E: Termination; Remedies.

Section E.1. Suspension and Termination.

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

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

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

Section E.2. Refunds.

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

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

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

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

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

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

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

Article F: Miscellaneous.

* Section F.1. Investment Promotion.

(a) Except as specifically set forth in the Agreement or otherwise authorized by USAID in writing, no funds or other support provided hereunder may be used for any activity that involves investment promotion in a foreign country.

(b) In the event the Grantee is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether the activity would be consistent with the limitation set forth above, the Grantee must notify USAID and provide a detailed description of the proposed activity. The Grantee must not proceed with the activity until advised by USAID that it may do so.

(c) The Grantee must ensure that its employees and subcontractors and sub-recipients providing investment promotion services hereunder are made aware of the restrictions set forth in this clause and must include this clause in all subcontracts and other sub-agreements entered into hereunder.

* Section F.2. Voluntary Family Planning.

The Parties agree that all USAID funds provided under this Agreement shall be used in accordance with applicable United States policy and statutory requirements relating to voluntary family planning projects, and that none of the USAID funds provided under this Agreement, or goods or services financed by such funds, may be used for:

(a) the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions;

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

(c) any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a method family planning.

(d) The requirements of this Section are fully described below.

(1) Voluntary Participation and Family Planning Methods

(A) The Grantee shall take any steps necessary to ensure that USAID funds made available under this Agreement will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the Grantee shall conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

(B) Activities which provide family planning services or information to individuals, financed in whole or in part under this Agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.

(2) Requirements for Voluntary Family Planning Projects

(A) A family planning "project" must comply with the requirements of this paragraph.

(B) A "project" is a discrete activity through which a governmental or nongovernmental organization or public international organization provides family

planning services to people and for which funds obligated under this award, or goods or services financed with such funds, are provided under this Agreement, except funds solely for the participation of personnel in short-term, widely attended training conferences or programs.

(C) Service providers and referral agents in the project shall not implement or be subject to quotas or other numerical targets of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning. Quantitative estimates or indicators of the number of births, acceptors, and acceptors of a particular method that are used for the purpose of budgeting, planning, or reporting with respect to the project are not quotas or targets under this paragraph, unless service providers or referral agents in the project are required to achieve the estimates or indicators.

(D) The project shall not include the payment of incentives, bribes, gratuities or financial rewards to (I) any individual in exchange for becoming a family planning acceptor or (ii) any personnel performing functions under the project for achieving a numerical quota or target of total number of births, number of family planning acceptors, or acceptors of a particular method of contraception. This restriction applies to salaries or payments paid or made to personnel performing functions under the project if the amount of the salary or payment increases or decreases based on a predetermined number of births, number of family planning acceptors, or number of acceptors of a particular method of contraception that the personnel affect or achieve.

(E) No person shall be denied any right or benefit, including the right of access to participate in any program of general welfare or health care, based on the person's decision not to accept family planning services offered by the project.

(F) The project shall provide family planning acceptors comprehensible information about the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method. This requirement may be satisfied by providing information in accordance with the medical practices and standards and health conditions in the country where the project is conducted through counseling, brochures, posters, or package inserts.

(G) The project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits.

(H) With respect to projects for which USAID provides, or finances the contribution of, contraceptive commodities or technical services and for which there is no sub-agreement under paragraph (5), the organization implementing a project for which such assistance is provided shall agree that the project will comply with the requirements of this paragraph while using such commodities or receiving such services.

(I) (i) The Grantee shall notify USAID when it learns about an alleged violation in a project of the requirements of subparagraphs (C), (D), (E) or (F) of this paragraph; (ii) the Grantee shall investigate and take appropriate corrective action, if necessary, when it learns about an alleged violation in a project of subparagraph (F) of this paragraph and shall notify USAID about violations in a project affecting a number of people over a period of time that indicate there is a systemic problem in the project. (iii)

The Grantee shall provide USAID such additional information about violations as USAID may request.

(3) Additional Requirements for Voluntary Sterilization Programs

(A) None of the funds provided under this Agreement shall 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) The Grantee shall ensure that any surgical sterilization procedures supported in whole or in part by this Agreement are performed only after the individual has voluntarily appeared at the treatment facility and has given informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after being advised of the surgical procedures to be followed; the attendant discomforts and risks; the benefits to be expected; the availability of alternative methods of family planning; the purpose of the operation and its irreversibility; and the option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress, or other forms of coercion or misrepresentation.

(C) Further, the Grantee shall document the patient's informed consent by (i) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (ii) when a patient is unable to read adequately, a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient and that the patient thereafter consented to the performance of the operation. The receipt of this oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall speak the same language as the patient.

(D) The Grantee must retain copies of informed consent forms and certification documents for each voluntary sterilization procedure for a period of three years after performance of the sterilization procedure.

(4) Abortion restrictions

(A) None of the USAID funds provided under this Agreement shall 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 women 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, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options.

(B) None of the USAID funds provided under this Agreement shall 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.

(5) Requirement for Sub-agreements

The Grantee shall insert these requirements in all sub-agreements involving family planning or population activities which will be supported in whole or in part with USAID funds under the Agreement.

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

(a) USAID reserves the right to terminate this Agreement or take other appropriate measures if the Grantee or a key individual of the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

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

Section F.4. Workers' Rights.

(a) Except as specifically set forth in the Agreement or otherwise authorized by USAID in writing, no funds or other support provided hereunder may be used for any activity that involves workers' rights in a foreign country.

(b) In the event the Grantee is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether the activity would be consistent with the limitation set forth above, the Grantee must notify the USAID and provide a detailed description of the proposed activity. The Grantee must not proceed with the activity until advised by USAID that it may do so.

(c) The Grantee must ensure that all employees and subcontractors and sub-recipients providing employment-related services hereunder are made aware of the restrictions set forth in this clause and must include this clause in all subcontracts and other sub-agreements entered into hereunder.

Section F.5 Terrorist Financing. The Grantee is reminded that U.S. Executive Orders and U.S. law prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism and specially designated nationals and blocked persons identified by the U.S. Department of Treasury (Office of Foreign Assets Control). It is the legal responsibility of the Grantee under this Agreement to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts or subawards issued under this Agreement.

Section F.6 Prohibition on Funding Foreign Government Delegations to International Conferences. Except as USAID may otherwise agree in writing, funds obligated under this Agreement which are provided by USAID from the Foreign Operations, Export Financing, and Related Programs Appropriations Act for any U.S. Government fiscal year after fiscal year 1999 may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization. This restriction may be further described by USAID in Implementation Letters.

Section F.7. Penalty for Taxation on Assistance.

Commodities acquired, including by the United States, its recipients (and subcontractors or subgrantees) or by foreign governments, that were financed with United States assistance provided for in this Agreement, shall be exempt from taxation, including value-added taxes (VAT) and customs duties, imposed by the Government of Guyana. The Government of Guyana shall provide reimbursement within 4 months from the date of assessment to the Government of the United States or its agents (including recipients) for, at a minimum, VAT and customs duties that are imposed or else the Government of Guyana may be subject to a withholding penalty on future U.S. assistance. Commodities include any material, article, supply, goods, or equipment.

If taxes, including VAT or customs duties are imposed upon commodities purchased with U.S. assistance, and any such VAT and customs duties are not fully reimbursed to the Government of the United States, U.S. law requires withholding of 200 percent of the amount of such unreimbursed VAT and customs duties from future U.S. assistance allocated to the Government of Guyana.

ANNEX 3

USAID/Guyana Assistance Agreement
Governing Justly and Democratically
US$

Program Area***	Program Element***	Previous Bilateral Obligations	Bilateral Obligations under this Amendment	Bilateral Obligations to Date	Previous Field Support Obligations*	Field Support in this Amendment*	Total Estimated Obligations to Date	Total Planned Obligations for SOAG**
2.1 Rule of Law & Human Rights	2.1.3 Justice System	$0	$350,000	$350,000	$0	$0	$350,000	$1,728,000
2.2 Good Governance	2.2.3 Local Government & Decentralization	$0	$175,000	$175,000	$0	$0	$175,000	$1,160,000
2.3 Political Competition & Consensus BUilding	2.3.1 Consensus-Building Processes	$0	$160,000	$160,000	$0	$0	$160,000	$922,000
	2.3.2 Elections & Political Processes	$0	$180,000	$180,000	$0	$0	$180,000	$950,000
	2.3.3 Political Parties	$0	$0	$0	$0	$0	$0	$860,000
2.4 Civil Society	2.4.1 Civic Participation	$0	$490,000	$490,000	$0	$0	$490,000	$2,780,000
6.2 Administration & Oversight	6.2.1 Administration & Oversight	$0	$245,000	$245,000	$0	$0	$245,000	$1,200,000
	Total USAID Resources	$0	$1,600,000	$1,600,000	$0	$0	$1,600,000	$9,600,000
	GOG Counterpart Contributions	$0	$282,353	$282,353	$0	$0	$282,353	$1,694,118
	Total USAID/GOG Resources	$0	$1,882,353	$1,882,353	$0	$0	$1,882,353	$11,294,118

*Field Support is not obligated under this Agreement.
** Subject to availability of funds, per Agreement

Drafted by: CNoble Date: 06/08/2009

Cleared:
RLA: JFraser Date: 06/16/2009- provided by e-mail
Controller: DNoble Date: 07/14/2009