



ADS Chapter 308

Agreements with Public International Organizations

Partial Revision Date: 01/13/2020
Responsible Office: GC/A&A
File Name: 308_011320

Series 300 – Acquisition and Assistance**ADS 308 – Agreements with Public International Organizations**

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ADS 308 – Agreements with Public International Organizations

308.1 OVERVIEW

Effective Date: 08/24/2018

This ADS chapter sets forth USAID’s mandatory policies and required procedures with respect to the designation of, and agreements with, Public International Organizations (PIOs), which are defined in section **308.6**. Although USAID provides funding to PIOs under various types of arrangements, the single term "agreement" as used in this ADS chapter is considered to include cost-type agreements, project contributions, general contributions, Regional Development Objective Agreements (RDOAGs), fixed amount agreements, simplified agreements, and other types of implementing mechanisms through which funding is provided to PIOs. Within this ADS chapter and its supplements, the reference to awards will be construed to mean a type of agreement.

[Section 635\(b\) of the Foreign Assistance Act of 1961, as amended \(FAA\)](#), provides as follows: “the President [or USAID Administrator as designee] may make loans, advances and grants to, make and perform agreements and contracts with, or enter into other transactions with...international organizations...in furtherance of the purposes and within the limitations of this Act.” Because both PIOs and USAID must adhere to legal and policy requirements informed by their respective sovereignty and/or established intergovernmental procedures, agreements with PIOs will generally be executed applying FAA Section 635(b) “other transaction” authority. In some instances, agreements may rely on other statutes, e.g., agreements made by the Bureau for Democracy, Conflict and Humanitarian Assistance, Office of Food for Peace (DCHA/FFP) pursuant to the Food for Peace Act. This ADS chapter incorporates legal and regulatory requirements for all agreements with PIOs regardless of statutory authority.

This ADS chapter operationalizes the Agency’s commitment to donor coordination and multilateralism, consistent with and in furtherance of the spirit of the [Paris Declaration on Aid Effectiveness](#), the [Accra Agenda for Action](#), the [Busan Partnership for Effective Development Cooperation](#), the [Nairobi Outcome Document](#), and the [Department of State-USAID FY 2018-2022 Joint Strategic Plan](#). It promotes the practice of pursuing development strategies in close harmony with PIOs and in alignment with partner country and regional priorities. An agreement with a PIO should be the exception, not the rule, for our programming, and agreements with PIOs must provide a greater benefit to the U.S. Government and the people we serve than any other available transaction, as determined by USAID’s Senior Obligation Alignment Review (SOAR) for an agreement (see [ADS 300.3.4](#)).

[ADS Chapter 220, Use of Reliable Partner Country Systems for Direct Management and Implementation of Assistance](#) covers the use of reliable partner country systems for direct management and implementation of Government-to-Government (G2G) assistance; [ADS Chapter 350, Grants to Foreign Governments](#) covers grants to host country governments; and [ADS Chapter 351, Agreements with Bilateral Donors](#) covers agreements with bilateral donors.

308.2 PRIMARY RESPONSIBILITIES

Effective Date: 08/15/2019

a. Agreement Officers (AOs) have legal responsibility for the agreement. Therefore, only the AO can take action on behalf of USAID to enter into, amend, or terminate an agreement.

- 1) Except as otherwise noted in this ADS chapter, for all ADS 308 agreement types besides RDOAGs (including Cost-Type Agreements, Project Contributions, General Contributions, Fixed Amount Agreements, and Simplified Agreements), the following persons are designated as **AOs** for the purpose of signing agreements with PIOs:
 - **Assistant Administrators (AAs)** for programs within their respective areas of responsibility under [ADS 103, Delegations of Authority](#), section 103.3.5.1(c)(1)(a); and
 - **Deputy Assistant Administrators (DAAs)** and **Office Directors in USAID/W, Mission Directors**, and **other principal officers** who have been delegated 103.3.5.1(c)(1)(a) authority.
- 2) The **Director, Bureau for Management, Office of Acquisition and Assistance (M/OAA)** and warranted **GS-1102/BS-93 Agreement Officers (M/OAA Backstops)** have been delegated agreement officer authority for the following types of PIO agreements: Cost-Type Agreements, Fixed Amount Agreements, and Simplified Agreements commensurate with their Assistance warrant thresholds. They have not been delegated agreement officer authority and are not authorized to sign agreements for General Contributions, Project Contributions, or RDOAGs.

Only Regional Bureau Assistant Administrators and Regional Mission Directors, and other principal officers who have been specifically delegated 103.3.5.1(c)(1)(a) authority for RDOAGs are authorized to serve as AOs for RDOAGs. Any AO may execute sub-obligating documents under an RDOAG as authorized in **308.2** according to PIO agreement type. For other, non-ADS 308 sub-obligating instruments, e.g., contracts, grants, and cooperative agreements, the approving authority will be the AO/CO who has delegated authority pursuant to the relevant ADS chapter requirements.

b. The Agreement Officer's Representative (AOR), as designated in writing by the AO, provides programmatic and administrative oversight of the agreement after it has been executed. The AOR ensures that USAID exercises prudent management over the agreement and monitors or oversees the recipient PIO's compliance with the requirements of the agreement. This authority is not re-delegable. An AOR must be designated for all Cost-Type Agreements, Fixed Amount Agreements, and Simplified

Agreements. An AOR is not required, but as appropriate, may be designated for Project Contributions, General Contributions, and RDOAGs.

Within their delegated authorities (see [ADS 103](#)), Bureaus/Independent Offices (B/IOs) and other Operating Units (collectively referred to as “Operating Units”) support the AO in preparing, negotiating, finalizing, and administering PIO agreements.

c. The **Bureau of Policy, Planning and Learning (PPL)** is responsible, subject to all required clearance and approval procedures, for establishing high-level Agency policy for donor coordination. PPL also oversees Agency engagement on multilateral policy, including coordinating Agency review and input on relevant multilateral documents. **PPL’s Office of Development Cooperation (PPL/DC)** maintains the Agency’s corporate relationships with bilateral donors and multilateral organizations and provides guidance and support to Operating Units for working with bilateral and multilateral development partners. PPL/DC is responsible for conducting and maintaining Organizational Capacity Reviews (OCRs) and other information regarding the Agency’s collaborations with certain bilateral and multilateral development partners. **PPL’s Office of Strategic and Program Planning (PPL/SPP)** leads the Agency efforts to revitalize country and regional strategic planning and project design, and enhance institutional capacity in development programs.

d. The **Office of the General Counsel (GC)** and **Resident Legal Officers (RLOs)** are responsible for developing, interpreting, and providing guidance on the legal and policy effects of agreement provisions on behalf of USAID. GC and RLOs assist Operating Units in drafting, negotiating, interpreting, and implementing agreements with PIOs and must review and clear all such agreements. The **Assistant General Counsel for Acquisition and Assistance (AGC/A&A)** serves as the approving official for all proposed deviations from the guidance, procedures, and standard provisions set forth under this ADS chapter, besides payment methods and excess advance periods as per **308.2.f**. GC is responsible for designating organizations other than International Agricultural Research Centers (IARCs) as PIOs. GC is also responsible for clearing Bureau for Food Security’s determination that an IARC is a PIO.

e. The **Bureau for Food Security (BFS)** is responsible for designating any qualifying International Agricultural Research Center as a PIO (see **308.3.1.1**).

f. The **Bureau for Management, Office of the Chief Financial Officer (M/CFO)** is responsible for determining whether a PIO’s audit function and practices are sufficient for purposes of the audit provisions under [ADS 308mab, Standard Provisions for Cost-Type Agreements with Public International Organizations](#). M/CFO also provides Agency guidance on appropriate payment methods. The Deputy CFO (M/CFO (Washington)) serves as an approving official for all proposed excess advance payment periods and the Controller (overseas) or Director of M/CFO’s Cash Management and Payments Division (CMP) (Washington) serves as an approving official for all proposed payment method deviations.

308.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES

308.3.1 Public International Organizations (PIOs)

Effective Date: 08/15/2019

A PIO is typically an organization composed of multiple member states (i.e., sovereign countries). After GC or BFS (as appropriate) determines whether an organization is a PIO for the purposes of this ADS chapter, PPL/DC will include the organization in [ADS 308maa, List of Public International Organizations](#), and assign the PIO as belonging to one of three categories as described in section **308.3.1.2**.

As a result of their intergovernmental composition, PIOs are not generally subject to U.S. laws or business standards. Therefore, the due diligence described in this ADS chapter is vitally important, as are the terms and conditions of any agreement with a PIO.

308.3.1.1 Designating an Organization as a PIO

Effective Date: 08/15/2019

If an Operating Unit wishes to provide assistance to an international organization that is not in [ADS 308maa, List of Public International Organizations](#), it must prepare a PIO Designation Memorandum stating the basis for the organization to be designated as a PIO. The Operating Unit must submit the PIO Designation Memorandum to GC (for all organizations other than IARCs) or the AA for BFS (for IARCs), for PIO designation approval. The Operating Unit must make submissions to GC through its GC/W backstop attorney or RLO, as applicable, and the cognizant Assistant General Counsel (AGC) will determine whether to grant approval in his or her discretion. If the designation of the organization is approved, the cognizant AGC or AA/BFS will notify PPL/DC, which will add the organization to [ADS 308maa, List of Public International Organizations](#). PIOs added to the List of Public International Organizations in accordance with the procedures above will be designated by default as Category 2 PIOs except as otherwise determined by PPL/DC.

The cognizant AGC or AA/BFS determination that an organization qualifies as a PIO does not constitute an Organizational Capacity Review (see **308.3.1.2** and **308.3.2.1**).

The PIO Designation Memorandum must address the below criteria, each of which, if answered affirmatively, is an indication that an organization may facilitate multilateral cooperation in a way that warrants eligibility as a PIO. The organization does not have to satisfy all factors to be designated as a PIO. The determination must be based on holistic and reasonable analysis. The following are prioritized by the relative strength of each factor indicating that the organization is a PIO:

- a. Is the organization composed primarily of countries or PIOs and is free from dependence on, or the control of, any country, PIO, or other entity?
- b. Does the organization perform functions of a genuinely international character?

- c. Was the organization formed pursuant to a multilateral treaty or other instrument and, if so, does it derive its powers and personality from that treaty or instrument (as opposed to domestic law)?
- d. Does the organization enjoy privileges and immunities provided by Executive Order and/or the International Organizations Immunities Act ([22 USC 288](#))?
- e. Is the United States a member of, or does it otherwise participate in, the organization, including on its governing body?
- f. Does the organization operate under a formal constitutive document?
- g. Is the organization accorded the status of an international organization within the United Nations, by the country in which it is headquartered, and/or by the country in which it maintains its assets?
- h. Is the organization an economic union?

For IARCs, the PIO Designation Memo does not need to address criteria a, d, or h, and the order of the criteria do not necessarily indicate the relative strength of each factor. Also, BFS will consider whether the IARC serves as an international or regional agricultural research center, whose research activities focus on producing international or regional public goods. Agricultural research is defined according to [7 USC Sec. 3103\(2\) and 3103\(9\)](#).

Operating Units must consult with their GC/W backstop attorney or RLO as needed when preparing the PIO designation memorandum.

308.3.1.2 Categories of PIOs

Effective Date: 08/15/2019

Designation, as described in **308.3.1.1**, conveys only that an organization may be treated as a PIO for the purposes of this ADS chapter. Upon notification that a designation of an organization as a PIO has been approved, PPL/DC will assign the PIO to one of three categories: Category 1, 2, or 3. This category assignment is based on the Agency's experience with the organization, any collected information that the Agency has reviewed regarding the organization, and, with respect to Category 3, a determination of the organization's level of organizational capacity to receive funding. PPL/DC may change PIO category designations when appropriate.

The three PIO categories are as follows:

Category 1 – PIOs for which PPL/DC, and not the AO, is required to conduct an Organizational Capacity Review on which the AO may rely for individual agreements ("Category 1 PIOs");

Category 2 – PIOs for which an AO must conduct an Organizational Capacity Review in accordance with **308.3.2.1** (“Category 2 PIOs”); and

Category 3 – PIOs subject to special restrictions or not currently eligible for USAID assistance, as determined by PPL/DC (“Category 3 PIOs”).

Category 1 and Category 2 PIOs are not differentiated by their level of organizational capacity. The decision to include a PIO in Category 1 is based on an assessment of whether the volume of funding and frequency of engagement warrants centralized OCRs rather than OCRs performed by individual AOs. The default category for any PIO newly determined by GC or BFS prior to PPL/DC action is Category 2. A Category 3 assignment is, however, based on concerns identified during an assessment that reflects upon that PIO’s level of organizational capacity.

A PIO’s category designation does not preclude additional inquiry or action as facts and circumstances merit. The AO in consultation with GC/RLO may add special provisions to agreements with any category of PIOs in order to safeguard USAID or its resources.

Category 1 PIOs are major IARCS, global PIOs, and certain regional PIOs with which USAID works closely and frequently. The decision to include a PIO in Category 1 is determined at PPL/DC’s discretion.

PPL/DC will conduct ongoing Organizational Capacity Reviews for Category 1 PIOs, and may consult with relevant B/IOs providing programmatic oversight and assessing past performance, the Government Accountability Office (GAO), USAID’s Office of the Inspector General (OIG), and the Department of State’s Bureau of International Organization Affairs (State/IO) to determine whether any outstanding adverse audit findings or any other reasons exist to assign a PIO to Category 3. OCRs must be updated at least every three years.

Category 2 PIOs are all organizations that GC or BFS has determined are PIOs, but for which the volume of funding or frequency of engagement does not warrant centralized OCRs. Organizations in Category 2 are generally smaller, regional PIOs, and other international organizations that do not receive USAID non-earmarked funding with the same frequency and magnitude as Category 1 PIOs.

PPL/DC is not responsible for regularly reviewing audit and financial information for Category 2 PIOs. The AO must provide a copy of the OCR on a Category 2 PIO to PPL/DC, which will maintain those records. PPL/DC will provide that information for AOs to reference in the event they are considering entering into an agreement with that particular Category 2 PIO.

PPL/DC may move a PIO from Category 1 to Category 2, and *vice-versa*, in consideration of the volume and frequency of USAID assistance to such organization or for other reasons as it considers appropriate.

Category 3 PIOs are those PIOs which PPL/DC has determined are subject to special restrictions or are not currently eligible for USAID funding based on their financial or management performance or for any other reason PPL/DC deems appropriate.

At its discretion, the Administrator or PPL/DC may:

- Prohibit USAID assistance to a given Category 3 PIO;
- Require the inclusion of special audit, financial, geographical, or other provisions in an agreement with such PIO; or
- Require review and approval by the Administrator or PPL/DC of any agreement with such PIO.

[ADS 308maa, List of Public International Organizations](#) indicates the types of restrictions for particular Category 3 PIOs, when required for an agreement. The Administrator or PPL/DC will determine, upon written request submitted in an Action Memorandum from an Operating Unit or Agency Bureau/Independent Office, whether to include or remove a PIO from Category 3. PPL/DC will consult with the appropriate agency (e.g., State or Treasury) or other U.S. Government officials, as necessary, prior to making a recommendation on a Category 3 determination.

308.3.2 Pre-Agreement Requirements

Effective Date: 08/15/2019

All programs, projects, or activities that an Operating Unit wishes to implement through an agreement with a PIO are subject to all of the applicable planning and approval requirements of [ADS 201, Program Cycle Operational Policy](#), including any pre-obligation requirements, except such requirements that may need to be modified as necessary in accordance with the provisions of this ADS chapter. Cost-type PIO agreements and project contributions are also subject to the Senior Obligation Alignment Review (SOAR) as outlined in [ADS 300](#).

- 1) Agreement File Documentation:** Prior to USAID entering an agreement (not including General Contributions and RDOAGs) with a PIO, the Operating Unit must include the following information in the agreement file, either as part of the relevant project or activity approval documentation, or within any supplements as applicable, as defined in [ADS 201](#) (see [ADS 201](#) for further guidance on Mission review procedures):
 - a. A detailed description of the proposed project's or program's activities, components, funding and disbursement mechanisms, and monitoring, evaluation, and reporting procedures;
 - b. An explanation of the purpose(s) of the assistance and how the purpose is justified under the authorizing statute, including why support to the PIO provides a greater benefit than any other available transaction;

- c. An explanation for the selection of the PIO agreement type; and
- d. Documentation confirming that based on the OCR (see **308.3.2.1**) and the context of the specific activity proposed, there is no credible reason to believe that the contemplated PIO is not organizationally capable of adequately safeguarding USAID resources, and for cost-type agreements, whether any special provisions need to be included in the agreement to mitigate identified risks (see **308.3.2.2**). Organizational capacity does not include technical capabilities to perform, but ability to manage and oversee expenditure of federal funds. If an Operating Unit or AO becomes aware of information regarding a PIO's organizational capacity that might adversely affect USAID resources or objectives, that information must also be shared with PPL/DC, so that it can be considered in the relevant OCR.
- e. A list of the special conditions (see **308.3.2.2**) added to the PIO agreement, if applicable.

2) Partner Government Assistance Under PIO Agreements: If activities under the agreement, or any part of the agreement, will be implemented by a partner government via a pass-through funding arrangement using that government's own public financial-management system (including procurement), USAID should not rely solely upon the PIO's assessment, oversight, and management of the partner-country government (see [ADS 220.3.3.2.b](#)). In all cases, USAID must still ensure and document an appropriate level of diligence, which should include review of, or participation in, a PIO's assessment of the partner-country government's public financial management system, technical capabilities, and monitoring and evaluation capacity.

308.3.2.1 Organizational Capacity Reviews Effective Date: 01/13/2020

An Organizational Capacity Review (OCR) is a “desk review” of a PIO's policy and organizational framework and operational and managerial capacity. The purpose of an OCR is to conduct a high-level assessment of whether or not a PIO is sufficiently capable of managing donor funds. Because OCRs inform USAID funding decisions, each OCR must be supported by substantive due diligence.

Prior to entering into an agreement with a PIO, the PIO must have an OCR approved by either PPL/DC (Category 1) or the AO (Category 2 or 3). The AO must ensure that an appropriate OCR has been executed. When conducting an OCR, PPL/DC (Category 1) or Operating Unit (Category 2 or 3) should consider and evaluate the following:

- The quality of the PIO's past performance with respect to USG and other donor-funded projects, including compliance with the terms and conditions of the funding agreements, efficiency and effectiveness of implementation, and extent of results achieved;

- Internal and external audits, reviews, evaluations, and assessments of a PIO's USG-funded programs, including but not limited to those performed by the PIO itself, independent auditors, U.S. Government Agency Inspector General, the GAO, and the Departments of State and Treasury;
- PIO assessments by non-USG organizations, including the Multilateral Organization Performance Assessment Network (MOPAN), bilateral development partner reviews (e.g., the United Kingdom's Multilateral Aid Review), and the Common Performance Assessment System for multilateral development banks (COMPAS);
- Copies of the PIO's most recent externally independent audited financial statements as prepared in accordance with the PIO's charter or governance structure and the independent auditor's opinion on those financial statements;
- Reports and audits by the PIO's Inspector General or equivalent institution, if applicable;
- Copies of applicable PIO policies and procedures regarding financial management, internal control, procurement, property-management, audits, human resources, environmental and social safeguards, and other relevant and/or required policies (see **308.3.10**);
- Copies of PIO policies and procedures regarding business integrity, ethics, conflicts of interest, and anti-corruption;
- Projected budget, cash flow, and organization charts, as relevant;
- Information as to the type of generally accepted accounting, internal control, cost allowability principles, and auditing standards adopted and in use;
- Information on the PIO's accounting standards in use, their consistency with internationally-accepted accounting standards, and evidence showing whether the PIO's records and accounts are kept in sufficient detail to accurately and fairly reflect transactions;
- Other information that may be necessary to fully assess whether the organization has the necessary management competence to plan and carry out the intended activity; and
- Any other significant and substantive adverse findings, and the adequacy of the PIO's actions to remediate them.

If an RDOAG is awarded to a Regional PIO then the Organizational Capacity Reviews are only required at the sub-obligation level when the RDOAG recipient actually receives direct funding through an implementation letter.

Category 1 PIOs. Once PPL/DC certifies an OCR for a Category 1 PIO, Operating Units (OUs) may rely on that OCR, subject to any updates to that OCR as approved by PPL/DC, to inform project design and pre-agreement due diligence.

When the OU intends to provide funding to a local or regional sub-unit of a Category 1 PIO as the recipient and implementer of an agreement, the OU should supplement the Category 1 PIO's Organizational Capacity Review to include any relevant information that focuses specifically on the level of responsibility of that local or regional sub-unit's country office.

Category 2 PIOs. The AO should request from PPL/DC any previous OCRs for the proposed PIO. In cases where USAID has recently conducted an OCR of a Category 2 PIO, the AO may consider the prior review, supplementing it with more recent information. However, if there are changes in circumstances that may affect the results of the OCR, the AO must designate an individual or individuals in the OU to draft the OCR. Once written, the AO will review and approve the OCR. The AO must submit the approved OCR to PPL/DC.

For activities conducted by a local or regional sub-unit of a Category 2 PIO, the OCR must include any relevant discussion related to the capacity of the sub-unit primarily engaged in the proposed activity.

If, during the Agreement Officer's pre-agreement due diligence, credible reason emerges to question the PIO's capacity, responsibility, or suitability for the specific program, it is the AO's responsibility to ensure that risks to USAID or its resources have been appropriately managed, including not proceeding to a final agreement or through the inclusion in agreements of special conditions (see **308.3.2.2**).

For informational purposes, an Operating Unit must provide PPL/DC with a final, signed copy of its OCR for a Category 2.

Category 3 PIOs. Since Category 3 PIOs are PIOs that PPL/DC has determined are subject to special restrictions or are currently not eligible for USAID funding, based on their financial or management performance or for any other reason deemed appropriate, Operating Units wishing to pursue an agreement with a Category 3 PIO must communicate with PPL/DC and the Office of the Administrator to determine what restrictions or special conditions may apply. The AO must address all OCR requirements applicable to Category 2 PIOs, as well as the special conditions associated with the Category 3 PIO.

Operating Units may request the most recent version of an OCR from PPL/DC via email at pioperformance@usaid.gov.

308.3.2.2 Special Agreement Conditions

Effective Date: 08/15/2019

The applicable Standard Provisions and PPL/DC-administered due diligence functions are designed to identify and mitigate most risks involved in funding activities implemented by PIOs. However, as with any agreement, special or additional conditions may be considered. This is true for any category of PIO, and must be based on the OCR and project design documentation. Special conditions for cost-type agreements might include the following:

- More-detailed or more-frequent reporting, including, but not limited to, financial reporting and supporting documentation, including related to subrecipient transactions upon request;
- Periodic reviews or validations of the recipient's records, including, but not limited to, financial records; and third-party monitoring arrangements;
- USAID access to information and access for site visits by USAID and/or USAID's agents that will further allow USAID to monitor and evaluate activities the Agency has funded wholly or in part, upon agreement with the PIO on the scope and conduct of such review or evaluation;
- OIG access to reports on all transactions with USAID funds for which fraud has been discovered or alleged, and to all related financial reports and supporting documentation related to subrecipients of the discovered or alleged fraud;
- Verification that the PIO will track fraud allegations pursuant to its established procedures and notify USAID and the OIG promptly of all fraud or corruption allegations; and
- Submission of information on the sustainability of capital projects.

As with any agreement, the AO may negotiate the terms in the schedule (such as the program budget or the timing of incremental funding milestones) to mitigate identified risks. The AO may also add special conditions where s/he deems it necessary to do so in light of other factors, e.g., presence of sanctioned groups.

308.3.3 Competition

Effective Date: 08/24/2018

Competition is not required for agreements with PIOs as designated under this ADS chapter, but the Agency encourages Operating Units to promote competition among implementing partners, including PIOs. Operating Units must not use PIO agreements as a means to avoid or circumvent competition.

PIOs may submit applications, proposals, or concept papers in response to USAID solicitations, and enter into agreements in accordance with the requirements and procedures established in such solicitations and based upon their eligibility to be considered as stated in the solicitation. In such an event, the resultant agreement with a PIO must follow policies and procedures as laid out in this ADS chapter versus those in [ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations](#).

308.3.4 [RESERVED]

308.3.5 USAID In-Kind Contributions

Effective Date: 08/24/2018

USAID may provide part or all of its support to a PIO in-kind (goods, commodities, or services rather than money). Operating Units that are planning an in-kind contribution to a PIO must consult in advance with GC or the cognizant RLO for guidance on the appropriate agreement format (for a sample in-kind contribution format, see [ADS 308sab, Template for In-Kind Contribution](#)). GC/RLO clearance is required for in-kind contributions to PIOs.

308.3.6 Trust Funds and GAO/OIG Audit Rights

Effective Date: 08/24/2018

If a PIO establishes a fund consisting entirely of the USAID contribution (that is, for which USAID is the sole contributor) and where the USAID contribution is to a “trust” (see [308.6](#)), [Section 301\(d\) of the FAA](#) requires that the GAO have audit rights under the “trust”. As a matter of policy, the Agency also requires that the OIG have audit rights under such a “trust”.

The provision of funding to a “trust” (trust fund or fund in trust) is different from a typical agreement with a PIO. In a circumstance where USAID is the sole contributor to a “trust”, the PIO serves as a trustee and title in the funds remains with USAID. For other circumstances, in a typical agreement with a PIO, title to the funds passes to the PIO as the recipient. Accordingly, USAID cannot enter into an agreement for a “trust”, a “trust fund”, or a “fund in trust” as defined above where USAID is the sole contributor unless the PIO agrees and allows the GAO and OIG access to its records. A PIO’s use of the term “trust,” whether multi-donor or single-donor, does not mean that the mechanism established is a trust for purposes of this section unless it fits the above definition.

Where USAID is not the sole contributor to a “trust”, USAID will generally not require GAO access to PIO audit records, and OIG rights will be governed by the terms of the agreement. Establishing whether a contribution is a “trust” or “agreement” is determined by the intent of USAID. Operating Units should consult with GC or the cognizant RLO for guidance on whether the requirements in this section apply.

308.3.7 Administrative Fees and Indirect Costs

Effective Date: 08/15/2019

308.3.7.1 Administrative Cost Recovery

Effective Date: 08/24/2018

PIOs may incur administrative expenses that, while necessary for program execution, do not constitute direct costs under the agreement. USAID agreements may provide funding to cover these administrative or indirect costs, if requested, as long as the additional compensation does not augment an appropriation of U.S. funds provided to a PIO as a general contribution pursuant to an express authority (see **308.3.9.3**) and are reasonable and allocable to the activities funded by USAID. If USAID agrees to pay some administrative costs, payment is subject to the following conditions:

- a. As a general rule, Category 1 PIO standard cost recovery rates are acceptable if they are consistent with past USAID practice and experience with the PIO; are documented in the PIO's formal policy, typically approved by its Board of Directors (or other governing body), and the PIO's formal policy is made available to the Operating Unit.
- b. With respect to most Category 1 PIOs that do not apply a standard administrative cost rate or fee or do not have rates approved by their Board of Directors (or other governing body), the AO must review the proposed administrative cost rate and determine whether it is a reasonable rate. The reasonableness of the administrative cost rate or fees should be evaluated in accordance with:
 - 1) How these fees compare to similar fees charged by PIOs for comparable work (i.e., are such fees "standard"); and
 - 2) How these fees reasonably relate to the expenses they are intended to cover.

The AO may consult with the cognizant RLO, Mission Controller, M/CFO, M/OAA/CAS, or other relevant USG agencies to resolve any issues relating to PIO administrative cost policies.

- c. With respect to Category 2 and Category 3 PIOs, standard administrative cost rates that are consistent with past USAID practice and experience with the PIO, and documented in formal PIO policy, typically approved by their Board of Directors (or other governing body), will be found acceptable if the rate is reasonable.
- d. With respect to Category 2 and Category 3 PIOs that do not possess established and Board-approved cost-recovery rates, the AO must not include administrative recovery costs in the agreement unless, with consultation from the Mission Controller, M/CFO, the cognizant RLO, or other relevant Agency and USG officials, the AO is able to negotiate a reasonable amount for such costs.

- e. The AO must determine that the costs that serve as the basis for the administrative rates have not been recovered under another component of the agreement, and that such cost recovery is not duplicated by other donors. In multi-donor arrangements, all administrative rates or fees should be charged to donors uniformly and/or pro rata unless specific circumstances warrant a different arrangement as approved by the AO.
- f. Generally, administrative cost-recovery would not apply to general contributions or to RDOAGs.

308.3.7.2 United Nations Coordination Levy

Effective Date: 08/15/2019

- a. Effective 07/01/2019, Agreement Budgets for certain agreements between USAID and UN recipients that are members of the [UN Sustainable Development Group](#) (UNSDG) must allocate one percent of total obligated funds to a coordination levy, which will be used by the UN to support its Resident Coordinator System. The levy does not apply to amendments and incremental funding modifications to existing agreements entered into before 07/01/2019. See United Nations [General Assembly Resolution 72/279](#) and [ADS 308sag, Operational Guidance for Implementing the Coordination Levy](#) for more information on the relevant purpose and policy. UNSDG members are marked with an asterisk (*) in [ADS 308maa: List of Public International Organizations](#).
- b. At the proposal stage for a new agreement, the recipient will confirm the application of the levy consistent with [ADS 308sag, Coordination Levy Operational Guidance](#). The levy will generally apply to all new agreements with UNSDG member UN recipients except the following:
 - RDOAGs or General Contributions;
 - Agreements with total estimated amounts to be obligated under \$100,000;
 - Contributions to an arrangement that the United Nations recipient has classified as multi-donor pooled funding, a United Nations inter-agency pooled fund/joint programme, or an agency specific thematic fund;
 - Activities that the United Nations recipient has classified as UN Humanitarian Assistance, Peace Operations, or to counter illicit narcotics and crime, or Global Agenda and Specialized Assistance; and
 - In-kind agreements.

- c. A levy of one percent of the total estimate amount of the agreement must be included as a line item in the Agreement Budget. For agreements that are incrementally funded, each obligation must proportionally fund the one percent levy. If the amount of funds available and the overall Agreement Budget changes, the levy line item should also be adjusted in the agreement to reflect one percent of each planned obligation. The levy is payable to the recipient at the time of obligation. It is the recipient's responsibility to separate the funds received and transfer the levy amount to the United Nations Secretariat.
- d. Due to the transaction costs involved, refunds of the levy based on early termination, program de-scoping, etc. should only be sought if a refund is deemed appropriate given the scale of the resources concerned or reputational risk involved (such as 20 percent or more of the total obligated amount of a high value agreement being refunded).

308.3.8 Designation of the Agreement Officer's Representative (AOR)

Effective Date: 08/15/2019

The AO is required to designate an AOR for Cost-Type Agreements, Fixed Amount Agreement, and Simplified Agreements. The AO may, as appropriate, but is not required to, designate an AOR for general contributions, project contributions, RDOAG, and other types of agreements that are not Cost-Type, Fixed Amount, or Simplified. The role of Activity Manager is required when the agreement is a General Contribution, Project Contribution, or RDOAG. The AOR designation is specific to a particular individual for the specified agreement. This authority is independent of any other roles, responsibilities, and duties the designee may fulfill in his or her technical capacity. The AOR may, as applicable:

- Maintain contact, including through site visits and liaison, with the recipient;
- Review and analyze reports and monitor reporting requirements (see [ADS 540, USAID Development Experience Information](#));
- Verify timely performance;
- Ensure compliance with the terms and conditions of the agreement;
- Carry out all responsibilities in the schedule of the agreement as delegated by the AO;
- Monitor the recipient's financial and programmatic reports to ensure that the recipient makes progress toward the objectives of the agreement;
- Notify the AO promptly of any developments that could have a significant impact on the recipient's performance;
- Prepare internal documents to support amendments to the agreement;

- Ensure all mitigative environmental measures and conditions in the agreement are implemented throughout the life of the agreement and that timely amendments are undertaken as needed with the relevant Bureau's environmental officer's approval in writing (see [ADS 204, Environmental Procedures](#));
- Evaluate the recipient's program effectiveness at the end of the program, and produce a final report on the agreement for the AO and the Activity Manager;
- Provide the final report and any other relevant performance information, including program evaluations, to PPL/DC in coordination with the Activity Manager (and submit any reports to the Development Experience Clearinghouse (DEC) as required under [ADS 540](#)); and
- Perform other duties, as requested or delegated by the AO, to ensure prudent management of assistance funds.

The AO designates an AOR (and alternate, if applicable) for each agreement as required above as early in the agreement process as practical. If the AO determines that designation of an AOR is required or appropriate, the AO must sign the AOR designation letter in accordance with [ADS 308mae, Procedures and Model Letters for Designating the Agreement Officer's Representative \(AOR\) for Certain PIO Agreements](#) and receive the signed acknowledgement from the AOR.

At the time of execution of the agreement, the AO must identify the AOR by name in the Schedule of the agreement and enter the AOR's name in the Program Manager field on the agreement document in the Global Acquisition and Assistance System (GLAAS). When the agreement is executed, the AO must distribute the signed designation letter to the recipient, the paying office, the AOR and alternate, and other relevant parties. The AO must maintain the signed designation letter in the agreement file.

In the event the AOR changes during the period of the agreement, the AO must re-issue the designation letter to the new AOR and receive the new AOR's acknowledgement. The AO must prepare a unilateral amendment in GLAAS to update the AOR designation, provide a copy of the signed designation letter along with the amendment to the recipient, the paying office, and other relevant parties, and maintain a signed copy in the agreement file.

Before the AO designates the AOR and alternate, the selected individuals must provide:

- Proof of a current certification in the [Federal Acquisition Institute Training Application System \(FAITAS\)](#);
- Proof of completion of the Agency specific training; and, if applicable,
- Proof of completion of the required 40 hours of continuous learning.

1) Eligibility and Appointment

In order to be eligible for designation as an AOR or an alternate AOR, the appointee must:

- Have the ability to perform inherently governmental functions on behalf of the U.S. Government. AOR eligibility is not based on the program which brought the individual into the Agency (e.g. Fellows or Participating Agency Service Agreements (PASA)), but on the individual's employment status. The appointee must work for USAID as a(n):
 - a. Direct-Hire employee;
 - b. Employee of another U.S. Government agency through an interagency agreement or on detail; or
 - c. Personal Services Contractor (U.S. citizen or national, Cooperating Country National, or Third Country National).
- Be AOR-certified through the Agency's mandatory training and certification program specified in subparagraph (3) of this section.
- Possess experience commensurate with the responsibilities to be delegated.

2) Approvals for Designating an Uncertified AOR

An uncertified AOR is an individual who has never been certified or an AOR whose certification has expired as a result of not having completed the mandatory continuous learning requirements discussed in **303.3.15**. In exceptional circumstances, the AO may designate an uncertified AOR with a written recommendation from:

- The cognizant technical office director, in the event that the Mission Director (MD) is the AO for Mission-executed agreements, or
- The cognizant office director or his/her equivalent, in the event that the Bureau's Assistant Administrator (AA) or Deputy Assistant Administrator (DAA) is the AO for USAID/W-executed agreements.

The MD, AA, or DAA may recommend the designation of an uncertified individual as an AOR for a period of up to six months. The recommendation must be in writing and in accordance with the [USAID Federal Acquisition Professional Accreditation & Re-Certification Program Standard Operating Procedure \(SOP\)](#).

The recommendation must include:

- A description of the compelling circumstances requiring the exception,
- Affirmation that the individual has completed the Phoenix Accruals online course, and
- Confirmation from the individual and the individual's supervisor that the individual will complete the AOR certification and Agency training requirements within six months.

The Director of M/OAA is the only person who can approve recommendations for extensions of the designation of an uncertified AOR beyond six months. This extension may be for an additional six months not to exceed a cumulative period of one year. The AO may designate an uncertified AOR only upon receipt of the appropriate written approvals.

3) Certification and Training Requirements

The Office of Human Capital and Talent Management, Center for Professional Development (HCTM/CPD), in coordination with M/OAA, established a Contracting Officer's Representative (COR)/Agreement Officer's Representative (AOR) certification program. Specific certification requirements are outlined in [ADS 458, Training and Career/Professional Development](#) and [ADS 303.3.15](#).

Exceptions

The following individuals may be designated as AORs without completion of the COR/AOR certification program:

- Warranted Contracting/Agreement Officers,
- Procurement Management Certification Program (PMCP) certified individuals, and
- Federal Acquisition Certification in Contracting (FAC-C) certified individuals.

However, the individuals must still complete the Web-based Phoenix Accruals online course, and be certified in FAITAS, before the AO can designate the individuals as AORs.

4) Issuing the AOR Designation Letter

To appoint an AOR, AOs must use the Standardized Designation Letter, provided in [ADS 308mae, Model Letters and Procedures for Designating the Agreement Officer's Representative \(AOR\) for Agreements](#). AOs may tailor the letter in accordance with guidance provided in [ADS 308mae](#).

The AO may also designate an alternate AOR to perform AOR duties during the absence of the AOR. The alternate must meet the AOR certification requirements and be appointed by designation letter, preferably the same letter as the AOR.

5) Limitations on AOR Authorities

AOR authority does not include the ability to commit to changes that affect the program, cost, period of performance, or other terms and conditions of the agreement. Only an AO has the authority to take such actions. The specific limitations of the AOR designation are stated in the Standardized Designation Letter found in [ADS 308mae](#).

AORs may enlist the assistance of others to:

- Conduct fact-finding;
- Provide analyses or interpretations; and
- Make recommendations, among other assistance that may be sought.

However, the AOR remains accountable for the delegated responsibilities and is the only person authorized to carry out the functions described in the AOR designation letter.

The AOR is not authorized to further delegate this authority. If neither the AOR nor the alternate is available to perform their duties, the AOR must direct the recipient to the AO for guidance. No other individuals are authorized to approve recipient payment requests or perform other AOR functions.

6) Revocation of an AOR Designation

The AOR designation is effective for the duration of the agreement unless otherwise specified; is subsequently revoked by the AO; or the AOR's certification expires for failure to complete the required continuous learning points. AOs have the authority to revoke a designation letter, in writing, at any time if an individual's performance as an AOR is unsatisfactory. AOs must revoke a designation letter and appoint a new AOR if the AOR:

- Is assigned to a new Post or position unrelated to the agreement,

- Fails to maintain the AOR certification by completing the required continuous learning points every two years after the initial AOR certification, or
- Has not completed the certification program within the time specified for AORs who are designated under the exceptional circumstances listed in **308.3.8**.

In the event that the AOR's certification expires, the AOR must inform the AO of the expiration. The AOR must not continue to perform AOR duties, even if the AO has not formally revoked the AOR's designation, as it may result in unauthorized commitments as the AOR will be acting without authority. The AOR will be held accountable and must accept responsibility for any unauthorized action and must assist the AO in processing all documentation required to formalize the commitment.

308.3.9 Types of PIO Agreements

Effective Date: 08/24/2018

Below are the six main types of agreements that USAID may enter into with a PIO. Operating Units may consult with GC or the cognizant RLO to help the AO determine the appropriateness of a particular type of agreement (see **308.3.2.1**). The cover page of any PIO agreement must cite the authority used to enter into the agreement (other transaction authority unless noted otherwise).

308.3.9.1 Cost-Type Agreement

Effective Date: 08/15/2019

(a) Use. Under a cost-type PIO agreement, payment is made by reimbursement or advance of funds for specific, or categories, of costs of goods and services to achieve the agreement purpose.

(b) Refunds. Refunds are required under certain circumstances as specified in [ADS 308mab, Standard Provisions for Cost-Type Agreements with Public International Organizations](#).

(c) Format. A cost-type agreement with a PIO must have the following format: Cover Letter; Schedule (see [ADS 308saa, Sample Cover Letter and Schedule for Agreements with Public International Organizations](#)); Program Description; and Standard Provisions (see [ADS 308mab, Standard Provisions for Cost-Type Agreements with Public International Organizations](#)). For a cost-type agreement template with the World Bank (either the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA)) (referred to by the World Bank as a Single-Donor Trust Fund (SDTF) agreement), please see [ADS 308mam, Template for USAID-World Bank Cost-Type Agreements](#). For modifications to World Bank cost-type/SDTF agreements, see [ADS 308man, Guidance and Templates for Modifications to World Bank Trust Funds](#).

(d) Standard Provisions. Standard provisions for cost-type agreements are contained in [ADS 308mab, Standard Provisions for Cost-Type Agreements with Public International Organizations](#). For World Bank cost-type/SDTF agreements, mandatory standard provisions are found in [ADS 308mam, Template for USAID-World Bank Cost-Type Agreements](#), Attachment 3. If additional Required As Applicable standard provisions from [ADS 308mab](#) appear applicable to activities under a World Bank trust fund, the AO should consult GC/RLO to determine appropriate measures.

The AO must:

- 1) Include in the agreement the most appropriate version of each mandatory standard provision, as appropriate;
- 2) Determine which “Required As Applicable” standard provisions must be included in the agreement using the guidance found in the relevant “applicability statements” section; and
- 3) Determine if additional special agreement conditions are needed (see **308.3.2.2**).

As PIOs possess their own cost principles and accounting standards in accordance with their own legal, policy, and procedural frameworks, the cost principles in [2 CFR 200](#) do not directly apply to PIOs. The Standard Provisions for PIO agreements have been drafted and negotiated to ensure that the terms of individual agreements are consistent with the U.S. Government’s principles and standards.

(e) Payment Methods. The Standard Provisions for Cost-Type Agreements with Public International Organizations for payment cover periodic advances, reimbursement, and advance payment by letter of credit. In certain situations, multiple payment methods may be used if appropriate and clearly documented in the agreement. For example, where the cash advance mechanism is initially used, cost reimbursements may be authorized. However, the Letter of Credit mechanism should not be combined with direct payments.

- i. The Periodic Advance Payment provision is appropriate when:
 - The recipient maintains procedures to minimize the time elapsing between the transfer of funds and the disbursement of funds, and
 - The recipient’s financial management system meets generally accepted accounting standards for funds control and accountability.

Additionally, periodic advances must be limited to the minimum amounts needed to meet the recipient’s current cash disbursement needs and must be scheduled so that the funds are available to the recipient as close as is administratively possible to the actual cash disbursements by the recipient for program costs and

in accordance with the recipient's cash transfer procedures. When selecting the periodic advance provision, AOs must consider the following:

- a. Periodic advance requests may be established with Category 1 PIOs to meet the recipient's cash requirements for periods not to exceed 90 days. The recipient must submit [SF-425 Federal Financial Report](#) 30 days after the end of the period covered by the advance and include the authorized certifying official's signature for the accuracy and completeness of the required financial information on SF-425. The agreement must include the M.5-Alt. I Payment (Periodic Advance - Alternate I) standard provision.
 - b. Periodic advance requests may be established with Category 2 PIOs and Category 3 PIOs to meet the recipient's cash requirements for periods up to 30 days. Such advances may use the procedures allowing for three month rolling advances described in [ADS 636saa, Managing Program Advances for Non-US and Nongovernmental Recipients](#). In general, this procedure describes a series of three, 30-day advances disbursed in monthly intervals. Liquidation occurs based on financial reports that must be submitted by the recipient within 30 days after the end of the period covered by the advance series. The agreement must include the M.5-Payment (Periodic Advance-Standard) standard provisions.
 - c. The recipient may submit requests for advances to the paying office specified in the agreement as often as may be necessary to meet ongoing disbursement needs; subject to the category classification of the PIO as described above. The recipient must use an [SF-270 Request for Advance or Reimbursement](#) for each request for an advance, which is subject to Chief Financial Officer (M/CFO) or Mission Controller approval (as appropriate) before actual disbursement. Requests must state the estimated cash disbursements to be made during the period covered by the request (i.e., amount of federal funds paid out), the estimated balance of cash on hand from prior advance requests, and the advance amount being requested. Cash advances made by the recipient to sub-recipients or the recipient's field organizations must conform substantially to the same standards of timing and amount that apply to cash advances by USAID to the recipient.
 - d. Advance periods in excess of those authorized above require prior approval from the USAID/W Deputy Chief Financial Officer (Deputy CFO) before being authorized through a deviation request from standard provision procedures.
- ii. The Letter of Credit (LOC) Payment Provision is used when the recipient requests and M/CFO approves the use of a Letter of Credit method of payment in

accordance with LOC criteria provided in [ADS 636, Program Funded Advances](#).

- iii. The Cost Reimbursement Payment Provision is used when the recipient does not meet the standards for a Letter of Credit or for Periodic Advance payment methods.

If the method being considered to pay a PIO deviates from the procedures in this ADS section, either the Controller (overseas) or the Director of M/CFO/CMP (Washington) must decide whether to approve the proposed payment method deviations as required in section **308.3.11** before the agreement is issued.

308.3.9.2 Project Contribution

Effective Date: 08/24/2018

(a) Use. A project contribution is a contribution to a PIO's program, project, or activity. Project contributions often arise in the context of a multi-donor pooled funding arrangement. The contribution does not finance specific goods or services. Project contributions allow USAID to participate more readily in certain arrangements without the typical requirements that apply under cost-type PIO agreements, as the lump sum disbursements under the agreement themselves accomplish a significant purpose of the agreement.

1. The determination of whether the disbursement of USAID funds accomplishes a significant purpose of an agreement is fact-based and situation-specific and must be documented and cleared by the cognizant RLO/GC who must consult with their cognizant Assistant General Counsel. For each incremental funding modification, the AO should clarify whether the previous purpose as identified still applies or whether the incremental funding accomplishes a different purpose. The different purpose must also be documented in accordance with this section.
2. Project contributions may not be used where the program office or the AO understands that the funds provided through the contribution will be used for purposes, activities, or costs that could not be funded through a cost-type agreement, e.g., activities that would violate U.S. laws or regulations.
3. For project contributions, USAID does not make payments based on a line-item cost budget. USAID and the PIO may use cost information, such as a line-item budget, in negotiating the amount of USAID's contribution. Generally, if the agreement has a line-item budget that is intended as binding on the PIO, a cost-type agreement under section **308.3.9.1** would be more appropriate.
4. Monitoring and Evaluation (M&E) for project contributions should primarily relate to the stated significant purpose(s) of the agreement. The frequency and substance of performance reports should be outlined and included in the terms of the project contribution agreement (see [ADS 308maf, Template for Project Contributions](#)).

(b) Refunds. Unless otherwise agreed and pursuant to the cited significant or primary purpose within the project design documentation, the Agency cannot reclaim obligated funds.

(c) Format. The format of project contributions can vary. For instance, USAID may wish to participate in a pooled funding arrangement managed by a lead PIO as an administrator or trustee (of a fund other than a “trust”, a “trust fund”, or a “fund-in-trust” as defined in **308.6**). Because of the particular rules prescribed by the pooled fund partners, USAID as a donor may be expected to abide by the same rules that govern other donors to the pool and may use the agreement format provided by the recipient. Deviations are not required for project contributions that use an alternative format; however, GC or the RLO must ensure that Agency and program interests are adequately addressed in the agreement, especially including requirements related to audit and records and financial and results reporting. For a project contribution whereby the recipient does not have its own agreement format, the AO may refer to [ADS 308maf, Template for Project Contribution](#) as a drafting model for the agreement. For project contributions with the World Bank (referred to by the World Bank as a Multi-Donor Trust Fund (MDTF)) Administration Agreement, see [ADS 308mal, Administration Agreement Template for USAID Contributions to World Bank Multi-Donor Trust Funds](#). For modifications to World Bank project contribution/MDTF agreements, see [ADS 308man, Guidance and Templates for Modifications to World Bank Trust Funds](#).

(d) Standard Provisions. [ADS 308maf, Template for Project Contribution](#) may be referred to as a drafting model for a project contribution with PIOs.

(e) Payment Methods. USAID may provide lump-sum disbursements by check or funds transfer upon initial execution of the agreement or incrementally in accordance with applicable fiscal law.

308.3.9.3 General Contribution

Effective Date: 08/24/2018

(a) Use. A general contribution is a mechanism based only on an express statutory authority through which USAID provides contributions to a PIO for its overall operation and support (for example, annual appropriations for USAID/W contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Food Program, etc.). The purpose is not to finance specific goods, services, or activities. Nevertheless, USAID may document in the general contribution document or elsewhere its understanding that the PIO has decided to use the funds for a particular purpose.

(b) Refunds. Unless otherwise agreed, the Agency cannot reclaim obligated funds.

(c) Format. There is no required format for a general contribution. For a sample format, see [ADS 308sad, Template for General Contribution](#).

(d) Standard Provisions. [ADS 308maf, Template for Project Contributions](#) may be referred to as a drafting model for the agreement.

(e) Payment Methods. USAID does not make payments based on a line-item cost budget. USAID disburses funds upon obligation of the agreement. USAID and the PIO may use cost information, such as a line-item budget, in negotiating the amount of USAID's contribution. If the agreement has a line-item budget that is intended as binding on the PIO, a cost-type agreement under section **308.3.9.1** would be more appropriate.

308.3.9.4 Regional Development Objective Agreement (RDOAG)

Effective Date: 08/15/2019

(a) Use. A RDOAG may be used when a Regional Bureau or Regional Mission Operating Unit wishes to provide a broad range of assistance, including assistance disbursed to third parties, to a regional PIO over a sustained period of time. The RDOAG enables the Operating Unit to coordinate with the PIO to achieve one or more development objectives, as opposed to a specific activity or direct operational support. Similar to development objectives in bilateral relationships (see [ADS 200, Development Policy](#)), a development objective in an RDOAG should achieve a targeted, priority development outcome, not merely a broad aspirational goal. Because of this, RDOAGs should be used only to address a regional development issue and further the Agency's regional strategy. The AO must obtain GC or RLO clearance prior to entering into an agreement with the regional PIO to ensure that the RDOAG meets any applicable pre-obligation requirements as noted in the [ADS 200 series](#), in addition to [FAA Section 611\(a\)](#), and must include an explanation within the project design documents detailing why the RDOAG is the most appropriate modality for the type of activity envisioned. Sub-obligating agreements made under the RDOAG to regional PIOs (even those with the RDOAG recipient) require an OCR assessment before the regional PIO can become the recipient of direct funding at the sub-obligation level. Additionally, once a sub-obligating agreement type has been selected, the requirements and standard provisions of that sub-obligating agreement type governs the sub-obligation. For more information on RDOAGs, see [ADS 308mac, Guidance for the Use of Regional Development Objective Agreements to Public International Organizations](#).

Sub-obligations to the RDOAG recipient must be accomplished by Implementation Letter (IL) and signed by the Agreement Officer. Such ILs must incorporate by reference the standard provisions from the RDOAG as well as any other applicable PIO standard provisions from [ADS 308mab, Standard Provision for Cost-Type Agreements with Public International Organizations](#) not already included in the RDOAG. Sub-obligations to entities other than the RDOAG signatory/recipient are permissible, but must not be through an IL. However, USAID may submit a non-subobligating IL to furnish the RDOAG recipient with any additional information relating to the RDOAG or to notify the RDOAG recipient that USAID intends to sub-obligate funds under the RDOAG to a recipient other than the RDOAG recipient.

RDOAGs generally do not extend beyond a period of five years. The cognizant AO, in consultation with the RLO, may authorize extensions as long as the extension is consistent with the Operating Unit's strategy or is necessary to provide a transition period to a new strategy.

(b) Authorized Agreement Officers. Only Regional Bureau Assistant Administrators and Regional Mission Directors, and other principal officers who have been specifically delegated 103.5.1(c)(1)(a) authority for RDOAGs are authorized to serve as AOs for RDOAGs. Any AO may execute sub-obligating documents under an RDOAG as authorized in **308.2** according to PIO agreement type. For other, non-ADS 308 sub-obligating instruments, e.g., contracts, grants, and cooperative agreements, the approving authority will be the AO/CO who has delegated authority pursuant to the relevant ADS chapter requirements.

(c) Refunds. In the case of any direct disbursement to the recipient, that is not supported by valid documentation in accordance with the standard provisions found in [ADS 308mah, Regional Development Objective Agreement for Public International Organizations](#), or which is not made or used in accordance with the [ADS 308mah, Standard Provisions for Cost-Type Agreements with Public International Organizations](#), or which was for goods or services not in accordance with the Agreement, USAID, notwithstanding the availability or exercise of any other remedies may require the recipient to refund the amount of such disbursement in U.S. dollars to USAID within 60 calendar days after receipt of a request. Additional, applicable refund provisions can be found in the standard provisions in [ADS 308mah, Regional Development Objective Agreement for Public International Organizations](#).

(d) Format. For a sample format, see [ADS 308mah, Regional Development Objective Agreement for Public International Organizations](#).

(e) Standard Provisions. See [ADS 308mah, Regional Development Objective Agreement for Public International Organizations](#) for the applicable standard provisions.

(f) Payment Methods. USAID may contribute funds to the RDOAG either as a lump-sum or incrementally. If provided incrementally, subsequent increments will be subject to the availability of funds to USAID for the intended development objective purpose. If the contribution provided by USAID exceeds the amount that reasonably can be committed for achieving the objectives or results or activities during the current or next U.S. fiscal year, USAID may withdraw the excess amount, thereby reducing the amount of the agreement.

308.3.9.5 Fixed Amount Agreements

Effective Date: 08/24/2018

(a) Use. A fixed amount agreement is a type of agreement where USAID provides a specific level of support and where payment is not based upon the actual costs incurred by the recipient. This type of agreement reduces some of the administrative burden and

record-keeping requirements for both the PIO and USAID. Accountability is based primarily on performance and results. A fixed amount agreement is appropriate for supporting projects with very specific and defined elements, when the AO is confident that a reasonable estimate of the actual cost of the overall effort can be established, and USAID can define accomplishment of the purpose of the agreement through defined milestones.

It is essential that: 1) the program scope is specific; and 2) adequate cost, historical, or pricing data is available to establish a fixed amount agreement with assurance that the recipient will realize no increment above the actual cost. Because payments under fixed amount agreements are based on the achievement of milestones, the structure of the payments is very important. USAID pays the recipient a set amount when it accomplishes a milestone. The fixed amount agreement may be paid in several partial payments, the amount of each payment to be agreed upon in advance, as well as, agreeing upon in advance the milestone event which triggers the payment. The agreement amount is negotiated using cost principles (or other pricing information). The AO must follow the guidance in [ADS 308mad, Fixed Amount Agreements to Public International Organizations](#) for structuring the agreement milestones to provide the recipient with the necessary financial liquidity for the performance of the activity. USAID may also authorize advance payments when recipients meet the conditions for advance payments in “Payment (Periodic Advance- Standard)” found in [ADS 308mab, Standard Provisions for Cost-Type Agreements with Public International Organizations](#) if providing liquidity through an initial financing milestone is not sufficient to meet implementation requirements.

The procedures in this ADS section and [ADS 308mad, Fixed Amount Awards to Public International Organizations](#) provide additional risk-assessment aspects specific to fixed amount agreements that supplement an Organizational Capacity Review as required in **308.3.2.1**. Agreement closeout is accomplished by the AOR's acceptance of the final milestone and approval of payment.

- 1) Factors for Determining the Use of a Fixed Amount Agreement.** In order for an AO to use a fixed amount agreement, the following conditions must apply:
 - a. The prospective recipient, technical office, and AO must be able to identify and quantify programmatic accomplishments or results in establishing agreement milestones. For further guidance, see [ADS 308mad, Fixed Amount Agreements to Public International Organizations](#).
 - b. The AO, with the advice of the technical office and M/CFO (Washington) or the Controller (overseas), must assess the risk factors that could prevent the proposed recipient from completing the activity or require a substantial change in the milestones. The Operating Unit must not use the fixed amount agreement mechanism if there is an unacceptably high risk of failure or substantial changes in the milestones are expected as

the recipient implements its program. The AO and technical office must document the risk-assessment and may use the guidance in [ADS 308mad, Fixed Amount Agreements to Public International Organizations](#).

- c. Adequate cost information must be available to allow the AO to determine and negotiate the fixed amount of the agreement and payment structure. The fixed amount should include all reasonable costs, as determined by the AO. For further guidance concerning the cost information required and payment structuring, see [ADS 308mad, Fixed Amount Agreements to Public International Organizations](#).
- d. The AO must document the rationale for selecting the fixed amount agreement mechanism in the agreement file.
- e. The duration of the fixed amount agreement must not exceed three years.
- f. The fixed amount agreement must not include the purchase of any real property.

2) Required Provisions for Fixed Amount Agreements.

- a. The AO must ensure that the fixed amount agreement includes all of the Mandatory Provisions from [ADS 308mai, Fixed Amount Agreement Template](#). In addition, the AO must ensure the fixed amount agreement includes only the “Required as Applicable” provisions from [ADS 308mai, Fixed Amount Agreement Template](#), as appropriate.
- b. The AO must use the [ADS 308mai, Fixed Amount Agreement Template](#) as a template.

3) Amending Milestones.

The AO may amend milestones during the period of the agreement, if the original milestones are no longer feasible or appropriate due to circumstances beyond the control of the recipient, and if the amended milestones are compatible with and satisfy the original purpose of the agreement. The AO may terminate the agreement if the AO concludes that multiple or substantial amendments indicate that continuing the agreement is no longer in the best interests of the Agency. For additional guidance, see [ADS 308mad, Fixed Amount Agreements to Public International Organizations](#).

4) Disposition of Equipment or Property.

Recipients must not procure real property under a fixed amount agreement. Real property means land, including land improvements, structures, and

appurtenances, but excludes movable machinery and equipment. Personal property is any tangible or intangible property other than real property. Depending on the activities funded and milestones established by the fixed amount agreement, a recipient may procure equipment or personal property in order to accomplish a milestone. The distinction between whether purchase of the equipment or personal property is a milestone or is one possible means by which the recipient may accomplish a milestone is important for certain aspects of the agreement. Unless a milestone is itself the purchase of the equipment or personal property, milestones must not list equipment or personal property a recipient may potentially purchase to accomplish the milestone, but the costs of such equipment or personal property may be included in the budget from which milestone payment amounts are estimated and negotiated. Regardless of whether the equipment or personal property is listed in or as a milestone, the fixed amount agreement must state that title to the equipment or personal property vests in the recipient upon acquisition with the condition that the recipient must use the equipment or personal property for the agreement as long as it is needed for such. If a milestone under a fixed amount agreement requires the recipient to procure equipment or personal property, and the requirement is specifically provided in the milestone, then the agreement must include disposition instructions for the equipment or property. For additional guidance, see [ADS 308mad, Fixed Amount Agreements to Public International Organizations](#).

(b) Refunds. Funds obligated by USAID, but not disbursed to the recipient before the Agreement Completion Date or before the agreement is terminated, will revert to USAID, except for funds committed by the recipient to a legally binding transaction applicable to the project. Any funds advanced to, but not disbursed by, the recipient before the Agreement Completion Date or the termination of the agreement must be refunded to USAID, except for funds committed by the recipient to a legally binding transaction applicable to the project. Any funds provided by USAID that are expended by the recipient, or any of its contractors, recipients, or employees, not in accordance with the terms of the agreement must be refunded to USAID.

(c) Format. The AO should use [ADS 308mai, Fixed Amount Agreement Template](#), as a template. For World Bank agreements of \$2 million or less, AOs must use [ADS 308mak, Standard Externally Financed Output \(EFO\) Template \(World Bank\)](#).

(d) Standard Provisions. See [ADS 308mai, Fixed Amount Agreement Template](#) for the applicable standard provisions.

(e) Payment Methods. If advances are authorized, payment will be made pursuant to the Advance Payment and Refunds provision of [ADS 308mai, Fixed Amount Agreement Template](#). If advances are not authorized, then the recipient must present to the USAID Controller at USAID/ [Insert W or Mission] an original and two copies of a properly prepared voucher using the [SF-1034](#), with certification that the milestone

being billed has been completed and providing any other documentation required by USAID specified with each milestone.

When the recipient submits an electronic submission to the paying office, additional copies of [SF-1034](#) are not required. Payment must be within 30 days after receipt of a proper voucher or after USAID has verified that the milestone has been completed for which payment is requested, whichever is later. USAID reserves the right to withhold payment subject to milestone completion verification.

308.3.9.6 Simplified Agreement

Effective Date: 08/15/2019

(a) Use. Simplified agreements are instruments that allow for relatively small agreements (as described below) to recipients to fund quick or simple activities in a streamlined fashion. An AO may execute a simplified agreement if the agreement meets all of the following conditions:

- 1) The total agreement amount does not exceed the simplified acquisition threshold.
- 2) The agreement requires the recipient to retain its records for up to three years pursuant to the applicable Audit and Records mandatory provision found in [ADS 308mab, Standard Provisions for Cost-Type Agreements with Public International Organizations](#).
- 3) Performance of the agreement must be executed within one year of the disbursement of funds.

USAID may authorize advance payments if the conditions for advance payments apply (see the mandatory provision on Advance Payments in [ADS 308mab, Standard Provisions for Cost-Type Agreements with Public International Organizations](#)).

(b) Refunds. When advance payments have been authorized and after the end date of the agreement, the recipient must refund USAID for any funds it receives for any costs that did not meet the terms and conditions of the agreement.

(c) Format. For a sample format, see [ADS 308maj, Simplified Agreement Format Template](#).

(d) Standard Provisions. The AO must consult with GC or the cognizant RLO to determine which additional provisions found in [ADS 308mab, Standard Provisions for Cost-Type Agreements with Public International Organizations](#) should apply and be included in [ADS 308maj, Simplified Agreement Format Template](#), depending on the PIO and nature of planned activities. The Standard Coordination Levy for Agreements with UN Recipients applies to simplified agreements to certain UN recipients above \$100,000, see **308.3.7.2**.

(e) Payment Methods. Funds are disbursed after the recipient submits a request for reimbursement to the Controller which itemizes the actual incurred costs made by the PIO required to complete the program.

308.3.10 Application of USG and USAID Laws, Policies, Procedures, and Regulations

Effective Date: 08/15/2019

(a) General Rule: Barring a policy or legal determination otherwise, USAID operational policies and procedures are applicable to funds that USAID extends to PIO recipients on a cost-reimbursement basis. However, while USAID OUs are expected to monitor the recipient PIO's progress in achieving the objectives of any agreement, project and general contributions are not required to follow [ADS 201](#) monitoring, evaluation, and learning policies and procedures. After ensuring the sufficiency of a PIO's Monitoring, Evaluation, and Learning capabilities through the OCR process, USAID OUs are expected to work with the recipient to use its procedures and systems for monitoring and evaluating progress in achieving the objectives of the contribution agreement.

(b) Ineligible Countries and Persons: In some cases, the FAA, the applicable Appropriations Act, regulations of the Office of Foreign Assets Control of the U.S. Department of Treasury (see [ADS 313, Eligibility of Suppliers, Contractors, and Recipients](#)), or other applicable law or regulation restricts USAID from providing assistance to or in a country, or to particular persons or entities. If a proposed agreement is for a program that may include assistance in or to such a country, or to such a person or entity, or involve such a country, person, or entity as a co-sponsor/funder, GC or the cognizant RLO must be consulted about the assistance and any proposed language to be included in the agreement.

(c) Application of USAID Environmental Regulations: Pursuant to [22 CFR 216](#), analyses of environmental impact are required with respect to all new projects, programs, or activities authorized or approved by USAID (see [ADS 204, Environmental Procedures](#) and [22 CFR 216](#)). For the reasons outlined in **308.3.9.3**, however, general contributions and RDOAGs will normally be categorically excluded from environmental analysis under [22 CFR 216.2\(c\)\(2\)\(vi\)](#). For the reasons outlined in **308.3.9.2(1)**, project contributions are normally categorically excluded except, prior to execution of the project contribution, the discrete activities of the agreement which have already been identified which may warrant environmental analysis.

In executing cost-type agreements, fixed amount agreements, and simplified agreement to a PIO for activities that are not exempt or categorically excluded from environmental analysis under [22 CFR 216.2](#), USAID should strive to rely upon the PIO's application of its own environmental policies for the proposed activity.

To conclude that there are adequate environmental safeguards in place, the drafter of the Organizational Capacity Review, in consultation with the Mission Environmental Officer (MEO) or Regional Environmental Advisors (REA) for Mission executed agreements or the Agency Environmental Coordinator or the Bureau Environmental

Officer (BEO) for USAID/W executed agreements, must review the PIO's environmental policies and procedures as part of the Organizational Capacity Review.

If the review raises concerns regarding the adequacy of environmental safeguards, the AO must include special provisions in the agreement that would address or mitigate any concerns relating to the PIO's environmental policies and procedures.

(d) Source and Nationality and Restricted Commodities: Source and nationality and restricted commodity requirements (see [ADS 310, Source and Nationality Requirements for Procurement of Commodities and Services Financed by USAID](#) and [ADS 312, Eligibility of Commodities](#)) are applicable to funds that USAID extends to PIO recipients on a cost-reimbursement basis to the same extent as funds extended in grants to non-U.S. non-governmental organizations (see [ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations](#)). Approval must be obtained in accordance with [ADS 312](#) and [ADS 310](#) prior to the purchase of restricted commodities.

308.3.11 Deviations

Effective Date: 08/24/2018

When it is necessary to achieve program objectives under an agreement or when special circumstances make it in the best interest of the USG, USAID may grant a deviation from the policy directives and required procedures of this ADS chapter, or [ADS 308mab, Standard Provisions for Cost-Type Agreements for Public International Organizations](#), [ADS 308mai, Fixed Amount Agreement Template](#), [ADS 308mah, Regional Development Objective Agreement for Public International Organizations](#).

- a. Approving Officials:** AGC/A&A is the Approving Official for all deviations besides those related to payment methods and advances (**308.3.11.b(4)**). The Deputy CFO (M/CFO/W) is the Approving Official for all proposed excess advance payment periods and the Controller (overseas) or Director of M/CFO/CMP (Washington) serves as an approving official for all proposed payment method deviations. Approving Officials may consult with RLOs, other GC lawyers, M/OAA, M/CFO, or other B/IOs, as appropriate.

b. Procedure

- 1)** If a deviation is necessary, the AO must submit the request in an action memorandum to the Approving Official noted in section **308.3.11.a** via the mailbox **ADS308@usaid.gov**. The AO may also include this request as part of the pre-agreement memorandum submitted by the Operating Unit to the AO seeking authorization for the proposed agreement, in which case, such pre-agreement memorandum may also be submitted to the Approving Official solely for the purpose of approving a deviation request. Multiple deviation requests can be made in the same memorandum.

- 2) Any official consulted regarding a deviation request should be included as a clearing official on the attendant action memorandum for purposes of clearing the deviation request. The AO must include a copy of all comments received as part of the clearance process as an attachment to the primary action memorandum or pre-agreement memorandum.
 - 3) In respect to deviation requests involving Category 2 PIOs and their cost principles and administrative cost recovery rates, an AO should consult with M/OAA's Contract Audit and Support Division (M/OAA/CAS) and Overhead/Special Costs and Closeout Branch, respectively, as appropriate, prior to submitting the deviation request to the Approving Official. If sent a request for consultation, M/OAA/CAS has 10 working days to respond. If more time is needed, M/OAA/CAS must alert the AO and provide an estimate of when comments will be provided. If the AO does not receive comments within 10 workings days or within the requested extension period, the AO may treat the non-response as a concurrence.
 - 4) In respect to deviation requests involving payment methods, if the method being considered to pay a PIO deviates from the procedures in this ADS chapter, the Controller (overseas) or Director of M/CFO/CMP (Washington) must decide whether to approve the proposed payment method deviation request within 30 days before the agreement is issued.
 - 5) The AO must include any actual proposed deviation language as part of the deviation request action memorandum, if appropriate (i.e., where a Standard Provision is being revised rather than deleted in its entirety). If a revised provision is a necessary component of a deviation request, and such language is not included for consideration in the deviation request memorandum, then approval for the deviation may only be given preliminarily.
 - 6) Approval for such a deviation may only be granted after the Approving Official has reviewed the actual revised provision proposed unless the Approving Official delegates the final approval of such language to the cognizant AGC.
 - 7) If the Approving Official denies the deviation request, the Approving Official must provide a written explanation for the non-approval to the AO. The AO may resubmit the request to address the Approving Official's objections. If the deviation request is denied a second time, the Approving Official's denial can be appealed to the Deputy General Counsel (DGC).
 - 8) The AO must retain the approved deviation in the agreement file.
- c. Content of a Deviation Request:** Each deviation request must:
- 1) List the type of agreement instrument, dollar value, and the recipient's name;

- 2) Identify the provision, policy, or procedure from which a deviation is necessary;
 - 3) Provide a full description of the deviation, including proposed deviation language, if any and as applicable, and the circumstances under which the deviation provision will apply;
 - 4) Detail the intended effect of the deviation and the reasons supporting the request, including any relevant background information; and
 - 5) State whether a previous deviation from the same requirement had been requested and, if so, the circumstances of the request and whether the Approving Official approved or disapproved the request.
- d. **No Deviation Request Required:** No deviation is necessary for omitting “Required as Applicable” standard provisions that are not required by the prescription or alternate versions of the mandatory provisions that are not applicable to a particular agreement. However, any omissions of or changes to mandatory or obligatory “Required as Applicable” standard provisions do require a deviation. No deviation is necessary to negotiate schedule terms or include special provisions in the agreement if they do not substantially alter existing requirements.

See [ADS 308mag, Sample Action Memorandum Template for a Deviation Request.](#)

308.3.12 Clearances

Effective Date: 08/24/2018

GC or the cognizant RLO must clear any proposed PIO agreement prior to execution. At a minimum, the legal review must address the following:

- Applicable authority under the FAA,
- The AO’s determination that the type of agreement selected is the most appropriate,
- Inclusion of appropriate provisions,
- Compliance with notification requirements,
- Activity approval documentation, and
- Confirmation that due diligence has been completed through the OCR, project design and SOAR approval processes.

308.3.13 Use of Agency Applications

Effective Date: 08/24/2018

Global Acquisition and Assistance System (GLAAS): For all cost-type agreements, fixed amount agreements, and simplified agreements, the AO must ensure that the entire agreement or amendment package is processed and generated in GLAAS. The AO must be identified along with the designation of the AOR, available only internally at <https://pages.usaid.gov/M/OAA/forms/services> of the AOR in the negotiation memorandum. When the agreement is signed by all relevant parties, the AO or negotiator must upload a scanned copy of the fully executed agreement into GLAAS. Project and general contributions, as well as RDOAGs, are agreement types that are not processed in GLAAS and must be recorded as a non-GLAAS obligation in Phoenix.

When processing PIO agreements in GLAAS, the AO or negotiator must select the procurement instrument identifier appropriate to their agreement.

Agency Secure Image and Storage Tracking (ASIST): ASIST is the Agency's official electronic repository for all Acquisition & Assistance (A&A) agreement documentation. The AO must file all documentation relating to the agreement, from pre-solicitation through close-out, in ASIST. AORs must also maintain their agreement administration files in ASIST. The requirements and procedures for filing agreement documents in ASIST, as well as standards for file documentation by agreement type are available internally at <https://pages.usaid.gov/M/OAA/assistance-resources>. The ASIST guidelines also contain guidance for maintaining older PIO agreements in the paper-based format.

Phoenix: Phoenix is the Agency's accounting system. Agency staff preparing a PIO Agreement must adhere to the requirements of [ADS 621, Obligations](#). Prior to obligation or sub-obligation, the Operating Unit must issue commitments or sub-commitments in Phoenix to ensure availability of funds. Upon completion of an obligation, the obligating official (the AO for the PIO agreement) must ensure that the obligation is immediately recorded in Phoenix. When a PIO agreement is generated in GLAAS, the system interface will transmit the obligation from GLAAS to Phoenix. When the PIO agreement is a type that is not processed in GLAAS, such as project and general contributions and RDOAGs, the AO must work with the Controller to record the agreement as a non-GLAAS obligation in Phoenix.

308.4 MANDATORY REFERENCES**308.4.1 External Mandatory References**

Effective Date: 08/24/2018

- a. [1 USC 112b, United States International Agreements; Transmission to Congress](#)
- b. [22 CFR 216](#)

- c. [22 USC 288, International Organizations Immunities Act](#)
- d. [FAA Sections 103-107; 209; 301; 491; 621; 635](#)

308.4.2 Internal Mandatory References

Effective Date: 08/24/2018

- a. [ADS 103, Delegations of Authority](#)
- b. [ADS 200, Development Policy](#)
- c. [ADS 201, Program Cycle Operational Policy](#)
- d. [ADS 204, Environmental Procedures](#)
- e. [ADS 206, Prohibition of Assistance to Drug Traffickers](#)
- f. [ADS 220, Use of Reliable Partner Country Systems for Direct Management and Implementation of Assistance](#)
- g. [ADS 300, Agency Acquisition and Assistance \(A&A\) Planning](#)
- h. [ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations](#)
- i. [ADS 308maa, List of Public International Organizations](#)
- j. [ADS 308mab, Standard Provisions for Cost-Type Agreements with Public International Organizations](#)
- k. [ADS 308mac, Guidance for the Use of Regional Development Objective Agreements to Public International Organizations](#)
- l. [ADS 308mad, Fixed Amount Agreements to Public International Organizations](#)
- m. [ADS 308mae, Procedures and Model Letters for Designating the Agreement Officer's Representative \(AOR\) for Certain Public International Organization Agreements](#)
- n. [ADS 308maf, Template for Project Contribution](#)
- o. [ADS 308mag, Sample Action Memorandum Template for Deviation](#)
- p. [ADS 308mah, Regional Development Objective Agreement for Public International Organizations](#)

- q. [ADS 308mai, Fixed Amount Agreement Template](#)
- r. [ADS 308maj, Simplified Agreement Format Template](#)
- s. [ADS 308mak, Standard Externally Financed Output \(EFO\) Template \(World Bank\)](#)
- t. [ADS 308mal, Administration Agreement Template for USAID Contributions to World Bank Multi-Donor Trust Funds](#)
- u. [ADS 308mam, Template for USAID-World Bank \(IBRD/IDA\) Cost-Type Agreements \(Single-Donor Trust Fund Contributions\)](#)
- v. [ADS 308man, Guidance and Templates for Modifications to World Bank Trust Funds \(Single and Multi-Donor\)](#)
- w. [ADS 310, Source and Nationality Requirements for Procurement of Commodities and Services Financed by USAID](#)
- x. [ADS 312, Eligibility of Commodities](#)
- y. [ADS 313, Eligibility of Suppliers, Contractors, and Recipients](#)
- z. [ADS 349, International Agreements](#)
- aa. [ADS 350, Grants to Foreign Governments](#)
- ab. [ADS 350maa, Guidance on Funding Foreign Government Delegations to International Conferences](#)
- ac. [ADS 351maa, USAID Policy Guidance on Delegated Cooperation and Responsibility Determinations Regarding Development Partners: Requirements and Resources](#)
- ad. [ADS 636, Program Funded Advances](#)
- ae. [CIB 95-24, Uniform Numbering System for USAID-Direct Procurement Documents](#)

308.5 ADDITIONAL HELP
Effective Date: 08/15/2019

- a. [ADS 308saa, Sample Cover Letter and Schedule for Agreements with Public International Organizations](#)
- b. [ADS 308sab, Template for In-Kind Contribution](#)

- c. [ADS 308sad, Template for General Contribution](#)
- d. [ADS 308sag, Operational Guidance for Implementing the Coordination Levy](#)

308.6 DEFINITIONS

Effective Date: 08/24/2018

See the [ADS Glossary](#) for all ADS terms and definitions.

Financial Intermediary Fund (FIF)

Multilateral financing arrangements where USAID is one of multiple donors contributing to the trust and for which an entity (Public International Organization or other donor) serves as a trustee and commits and transfers contributions within the fund to project implementers in support of international initiatives. (**Chapter 308**)

Multi-Donor Trust Fund (MDTF)

Pooled funding arrangement where USAID is one of multiple donors contributing to a “trust” (or “trust fund”, or “fund in trust”) in which an entity (Public International Organization or other donor) serves as a trustee, and title in the funds passes to a PIO or other donor as a recipient. (**Chapter 220** and **308**)

Public International Organization (PIO)

An international organization that appears on the List of Public International Organizations or has otherwise been designated in accordance with the terms of ADS Chapter 308. (**Chapter 308**)

Regional PIO

An entity composed principally of countries within a designated geographic region whose primary goals and objectives are focused on benefiting the member states in said geographic region, or any other PIO that GC designates as a regional PIO. (**Chapter 308**)

trust

A “trust” (or “trust fund”, or “fund in trust”) is a financing arrangement set up with contributions from one or more donors and for which an entity (Public International Organization or other donor) serves and administers the trust as the trustee, but title to the contribution remains with USAID. (**Chapter 308**)

308_011320



Standard Provisions for Cost-Type Agreements with Public International Organizations (PIOs)

A Mandatory Reference for ADS Chapter 308

Partial Revision Date: 11/21/2019
Responsible Office: GC/A&A
File Name: 308mab_112119

Standard Provisions for Cost-Type Agreements with PIOs

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I. MANDATORY STANDARD PROVISIONS FOR COST-TYPE AGREEMENTS WITH PUBLIC INTERNATIONAL ORGANIZATIONS (PIOs)

The following standard provisions must be used in all agreements. In addition, certain standard provisions have alternates, each applicable only to a specific agreement type or to a specific PIO or category of PIOs.

“Applicability statements” are contained in the parenthetical statement preceding certain standard provisions. In instances where a mandatory provision includes alternates, the Agreement Officer (AO) must include the applicable provision unless a deviation is approved in accordance with [ADS 308.3.12](#). AOs must remove the applicability statements from the text of an agreement.

M.1 Allowable Costs (April 2011)

a. The recipient must use funds provided under this agreement for costs incurred in carrying out the purposes of the agreement that are reasonable, allocable, and allowable.

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

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

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

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

M.2 Amendment (April 2011)

The parties may amend the agreement, in writing, by mutual agreement, either by formal amendment to the agreement, or by an exchange of letters between the USAID Agreement Officer and the recipient.

M.3 Nonliability (April 2011)

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

M.4 Notices (April 2011)

Any notice given by USAID or the recipient must be in writing and delivered in person, mailed, or transmitted electronically by email or fax. Notices to USAID must be sent to

the USAID Agreement Officer at the address specified in the agreement and to any designee specified in the agreement. Notices to the recipient will be sent to the recipient's address specified in the agreement and to any designee specified in the agreement.

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

M.5 Payment (Periodic Advance – Standard) (August 2018)

(For use with Category 2 and Category 3 PIOs. Please refer to [ADS 308.3.10.1\(e\)](#), Payment methods, for guidance on the applicability of the Periodic Advance provision.)

a. Periodic advances must be limited to the minimum amounts needed to meet the recipient's current cash disbursement needs and must be scheduled so that the funds are available to the recipient as close as is administratively possible to the actual cash disbursements by the recipient for program costs. Periodic advance requests may be established to meet the recipient's cash requirements for periods up to thirty (30) days.

b. The recipient may submit requests for advances in one of the following ways: (1) every 30 days covering a thirty-day period; (2) three requests may be submitted covering thirty-day sub-periods of a ninety-day period to be paid automatically every thirty (30) days; or (3) one request for ninety (90) days may be submitted to be automatically disbursed in thirty-day increments. Each request for an advance must be made using a **SF-270 Request for Advance or Reimbursement** ([https://www.usaid.gov/sites/default/files/documents/1868/SF-270 %28Request for Advance or Reimbursement%29.pdf](https://www.usaid.gov/sites/default/files/documents/1868/SF-270%28Request%20for%20Advance%20or%20Reimbursement%29.pdf)) and is subject to Chief Financial Officer (M/CFO) or Mission Controller approval (as appropriate) before actual disbursement. Requests must state the estimated cash disbursements to be made during the period covered by the request (*i.e.*, amount of federal funds paid out), the estimated balance of cash on hand from prior advance requests, and the advance amount being requested. Cash advances made by the recipient to subrecipients or the recipient's field organizations must conform substantially to the same standards of timing and amount that apply to cash advances by USAID to the recipient (*i.e.*, up to thirty (30) days to satisfy cash disbursement needs).

c. The recipient must submit an **SF-425, Federal Financial Report** ([https://www.usaid.gov/sites/default/files/documents/1868/SF-425 %28Federal Financial Report%29 %28Replaces SF-269%29.pdf](https://www.usaid.gov/sites/default/files/documents/1868/SF-425%28Federal%20Financial%20Report%29%28Replaces%20SF-269%29.pdf)), no later than thirty (30) days after the end of the period covered by the advance to the paying office specified in the agreement in order to liquidate outstanding advances. The report must show cash disbursements, advances received, and any cash remaining on hand for the period covered by the report. In cases of multiple Operating Units funding a single agreement, the recipient is required to submit a breakdown of their financial reporting by funding Operating Unit. The report must include the authorized certifying official's signature for the accuracy and completeness of the required financial information on SF-425. Failure to provide these reports may result in the suspension, disruption, or termination of additional payments.

d. If, at any time, the M/CFO or Mission Controller determines that the recipient has demonstrated an unwillingness or inability to:

- (1) Establish procedures that will minimize the time elapsing between cash advances and the disbursement of funds;
- (2) Report cash disbursements and balances in a timely manner as required by the terms of the agreement; or
- (3) Impose the same standards of timing of advances and reporting on any subrecipient or any of the recipient's overseas field organizations, then the M/CFO or Mission Controller will advise the USAID Agreement Officer, who may suspend or revoke the advance payment procedure.

e. Except as otherwise agreed to, within 90 days following the expiration of the agreement, the recipient must submit an interim final financial report using **SF-425** ([https://www.usaid.gov/sites/default/files/documents/1868/SF-425 %28Federal Financial Report%29 %28Replaces SF-269%29.pdf](https://www.usaid.gov/sites/default/files/documents/1868/SF-425%28Federal Financial Report%29%28Replaces SF-269%29.pdf)) showing total cash disbursements, total advances received, and any cash remaining on hand, which the recipient must refund to USAID. The recipient must then submit a final financial report using the same **SF-425** form within six months of the end of the fiscal year in which the agreement expired. Each report must include the authorized certifying official's signature for the accuracy and completeness of the required financial information on SF-425. Funds can be withdrawn after the end date of the agreement, but only if the funds will be used to pay for goods and services received up to the agreement end date.

M.5-Alt I. Payment (Periodic Advance – Cat. 1) (August 2018)

(For use with Category 1 PIOs. Please refer to [ADS 308.3.9.1\(e\)](#), Payment methods, for guidance on the applicability of the Periodic Advance provision)

a. Periodic advances must be limited to the minimum amounts needed to meet the recipient's current cash disbursement needs and must be scheduled so that the funds are available to the recipient as close as is administratively possible to the actual cash disbursements by the recipient for program costs and in accordance with the recipient's cash transfer procedures. Periodic advance requests may be established to meet the recipient's cash requirements for periods not to exceed ninety (90) days.

b. Each request for an advance must be made using an **SF-270 Request for Advance or Reimbursement** ([https://www.usaid.gov/sites/default/files/documents/1868/SF-270 %28Request for Advance or Reimbursement%29.pdf](https://www.usaid.gov/sites/default/files/documents/1868/SF-270%28Request for Advance or Reimbursement%29.pdf)) and is subject to Chief Financial Officer (M/CFO) or Mission Controller approval (as appropriate before actual disbursement). Requests must state the estimated cash disbursements to be made during the period covered by the request (*i.e.*, the amount of federal funds paid out), the estimated balance of cash on hand from prior advance requests, and the advance

amount being requested. Cash advances made by the recipient to subrecipients or the recipient's field organizations must conform substantially to the same standards of timing and amount that apply to cash advances by USAID to the recipient (*i.e.*, not to exceed ninety (90) days to satisfy cash disbursement needs).

c. The recipient must submit an SF-425, Federal Financial Report

(<https://www.usaid.gov/sites/default/files/documents/1868/SF-425 %28Federal Financial Report%29 %28Replaces SF-269%29.pdf>), no later than 30 days after the end of the period covered by the advance, to the paying office specified in the agreement in order to liquidate advances outstanding. The report must show cash disbursements, advances received, and any cash remaining on hand for the period covered by the report. In cases of multiple Operating Units funding a single agreement, the recipient is required to submit a breakdown of their financial reporting by funding Operating Unit. The report must include the authorized certifying official's signature for the accuracy and completeness of the required financial information on SF-425. Failure to provide these reports may result in the suspension, disruption, or termination of additional payments.

d. If, at any time, the M/CFO or Mission Controller determines that the recipient has demonstrated an unwillingness or inability to:

- (1) Establish procedures that will minimize the time elapsing between cash advances and the disbursement of funds;
- (2) Report cash disbursements and balances in a timely manner as required by the terms of the agreement; or
- (3) Impose the same standards of timing of advances and reporting on any subrecipient or any of the recipient's overseas field organizations, then the M/CFO or Mission Controller will advise the USAID Agreement Officer, who may suspend or revoke the advance payment procedure.

e. Except as otherwise agreed to, within 90 days following the expiration of the agreement, the recipient must submit an interim final financial report using **SF-425** (<https://www.usaid.gov/sites/default/files/documents/1868/SF-425 %28Federal Financial Report%29 %28Replaces SF-269%29.pdf>) showing total cash disbursements, total advances received, and any cash remaining on hand, which the recipient must refund to USAID. Except as otherwise agreed to, the recipient must then submit a final financial report using the same **SF-425** form within six months of the end of the recipient's fiscal year in which the agreement expired. Each report must include the authorized certifying official's signature for the accuracy and completeness of the required financial information on SF-425. Funds can be withdrawn after the end date of the agreement, but only if the funds will be used to pay for goods and services received up to the agreement end date.

M.5-Alt II. Payment (Letter of Credit) (August 2018)

(This provision is applicable when use of a Letter of Credit is requested by the recipient and approved by USAID's Bureau for Management, Office of the Chief Financial Officer. General criteria for using the LOCs are:

- a. The amount of funding equals or exceeds \$120,000 per year,*
- b. There is a continuing relationship with the organization for at least one year, and*
- c. The organization's financial management system meets Federal standards for fund control and accountability.)*

a. Payment under the agreement is made through a Letter of Credit (LOC), in accordance with the terms and conditions of the LOC and any instructions issued by the USAID Bureau for Management, Office of the Chief Financial Officer, Cash Management and Payment Division (M/CFO/CMP).

b. As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/CFO/CMP constitute the payment conditions of the agreement over any other payment clause of the agreement.

c. The recipient must have written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient. The recipient must exercise prudent management of federal funds by drawing only those funds that are required for current use. The amount and timing of the drawdown should be limited to the minimum amount needed for immediate disbursing needs. Immediate disbursing needs are seven days or less and must be as close as is administratively possible to the actual disbursements by the recipient for direct program or activity costs and the proportionate share of any allowable indirect costs.

d. The recipient must submit an **SF-425, Federal Financial Report** ([https://www.usaid.gov/sites/default/files/documents/1868/SF-425 %28Federal Financial Report%29 %28Replaces SF-269%29.pdf](https://www.usaid.gov/sites/default/files/documents/1868/SF-425%28Federal%20Financial%20Report%29%28Replaces%20SF-269%29.pdf)), no later than thirty (30) days after the end of the period, to the paying office specified in the agreement in order to liquidate advances outstanding. The report must show cash disbursements, advances received, and any cash remaining on hand for the period covered by the report. In cases of multiple Operating Units funding a single agreement, the recipient is required to submit a breakdown of their financial reporting by funding Operating Unit. The report must include the authorized certifying official's signature for the accuracy and completeness of the required financial information on SF-425. Failure to provide these reports may result in the suspension, disruption, or termination of additional payments.

e. Except as otherwise agreed to, within ninety (90) days following the expiration of the agreement, the recipient must submit an interim final financial report using **SF-425** ([https://www.usaid.gov/sites/default/files/documents/1868/SF-425 %28Federal Financial Report%29 %28Replaces SF-269%29.pdf](https://www.usaid.gov/sites/default/files/documents/1868/SF-425%28Federal%20Financial%20Report%29%28Replaces%20SF-269%29.pdf)) showing total disbursements, total advances received, and any cash remaining on hand, which the recipient must refund to USAID.

The recipient must then submit a final financial report using the same **SF-425** form within six months of the end of the recipient's fiscal year in which the agreement expired. Each report must include the authorized certifying official's signature for the accuracy and completeness of the required financial information on SF-425. Funds can be withdrawn after the end date of the agreement, but only if the funds will be used to pay for goods and services received up to the agreement end date.

f. Revocation of the LOC, in accordance with its terms and conditions, is at the discretion of M/CFO/CMP, after consultation with the Agreement Officer. Notification of revocation must be in writing and must specify the reasons for such action. If the LOC is revoked, payments may be made on a cost-reimbursement basis. For reimbursement, the recipient must submit to the USAID Controller an original and three copies of **SF-1034, Public Voucher for Purchases and Services Other Than Personal** (available at <http://www.gsa.gov/portal/forms/download/115462>), and **SF-1035, Continuation of SF-1034** (available at <http://www.gsa.gov/portal/forms/download/115466>), normally once a month, but in any event no less than quarterly. Where the recipient submits to the paying office an electronic submission, additional copies of **SF-1034** and **SF-1035** are not required. Each voucher must be identified by the agreement number and must state the total costs for which reimbursement is being requested.

M.5-Alt III Payment (Cost-Reimbursement) (August 2018)

The recipient must submit to the paying office indicated in the agreement an original and three copies of **SF-1034** (available at <http://www.gsa.gov/portal/forms/download/115462>) and **SF-1035** (available at <http://www.gsa.gov/portal/forms/download/115466>), normally once a month, but in any event no less than quarterly. Where the recipient submits to the paying office an electronic submission, additional copies of **SF-1034** and **SF-1035** are not required. Each voucher must be identified by the agreement number and must state the total costs for which reimbursement is being requested.

M. 6 Audit and Records (November 2019)

a. The recipient is required to maintain books, records, documents, and other evidence (together, the "account records") that, in reasonable detail, accurately and fairly reflect the transactions of the agreement. The recipient confirms that its financial statements prepared from the account records comply with the financial regulations, rules, policies, and procedures of the recipient and internationally accepted accounting standards. The recipient must maintain the account records after the final disbursement of funds under the agreement in accordance with the recipient's records retention policy, or for at least three years, whichever is longer.

b. The recipient confirms that its financial statements relating to the agreement will be subject to audit in accordance with the applicable financial regulations, rules, policies, and procedures of the recipient. The recipient will notify USAID when reports are

available from the recipient's external and internal oversight bodies. Upon USAID's reasonable request, the recipient will provide further available relevant information from the applicable external and internal oversight bodies on report findings and recommendations related to USAID-funded activities, including implementing partners' activities, unless disclosure of such information would be inconsistent with the recipient's rules and procedures concerning disclosure of information.

c. In the event that USAID becomes aware of factors that would indicate a need for closer scrutiny of USAID-funded activities, USAID will bring these to the attention of the recipient. If the recipient's internal oversight body determines the need for a special independent audit, it will determine the scope and plan for any such audit in consultation with the recipient and USAID as appropriate. The costs of such an audit will constitute allowable costs under the agreement.

d. USAID may undertake spot checks related to activities funded by USAID. It is agreed that USAID may request and the recipient will provide, in a timely fashion, access to financial information required for such spot checks in accordance with procedures that will be mutually agreed by the parties. It is understood that representatives of USAID will be given access to the site of the project and/or the headquarters of the recipient. The recipient will provide all relevant financial information and clarifications to USAID representatives and will explain, with appropriate concrete examples, how the accounts are managed and the procedures used to ensure transparency and accuracy in the accounts. Access to relevant financial information will be planned and coordinated by USAID and the recipient in advance. It is understood that such spot checks will not constitute financial, compliance or other audits of USAID-funded activities, and are undertaken in a manner consistent with the UN's Single Audit Principle. The costs of such spot checks will be borne by USAID.

M.7 Refunds (Standard) (2019)

a. If the recipient earns interest on U.S. Government advances before expending the funds for program purposes, the recipient must remit the interest annually to USAID in the same manner as funds were disbursed. Interest amounts up to \$500 per year may be retained by the recipient for administrative expenses.

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

c. If the USAID Agreement Officer determines, in consultation with the recipient, that USAID funds provided under the agreement have been expended for purposes not in accordance with the terms of the agreement, the recipient must refund that amount to USAID.

M.8 Agreement Budget Limitations and Revisions (August 2018)

- a.** The approved agreement budget is the financial expression of the recipient's program as approved during the agreement process. USAID is not obligated to reimburse the recipient for any costs incurred in excess of the total amount obligated under the agreement.
- b.** The recipient must immediately request approval from the USAID Agreement Officer when there is reason to believe that, within the next 30 calendar days, a revision of the approved agreement budget will be necessary for any of the following reasons:
- (1)** To change the scope or the objectives of the program;
 - (2)** To revise the funding allocated among program objectives by more than 10 percent of the total budget amount unless the agreement states otherwise;
 - (3)** To request additional funding for the program; or
 - (4)** The recipient expects the amount of USAID authorized funds to exceed its needs by more than \$20,000 or ten percent (10%) of the USAID agreement, whichever is greater.
- c.** The recipient will not be obligated to continue performance under the agreement (including actions under the "Termination Procedures" provision) or otherwise to incur costs in excess of the total amount obligated under the agreement, unless and until the USAID Agreement Officer notifies the recipient in writing that the obligated amount has been increased and specifies the new agreement total amount.

M.9 Termination Procedures (Standard) (April 2011)

The agreement may be terminated by either party, in whole or in part, at any time with ninety (90) days written notice of termination. After receiving a termination notice from the USAID Agreement Officer, the recipient must take immediate action to cease all expenditures financed by the agreement and to cancel all unliquidated obligations if possible. The recipient may not enter into any additional obligations under the agreement after receiving the notice of termination, other than those reasonably necessary to close out the agreement. Except as provided below, no further reimbursement will be made after the effective date of termination. As soon as possible, but in any event no later than 120 days after the effective date of termination, the recipient must repay to USAID all unexpended USAID funds that are not obligated by a legally binding transaction applicable to the agreement. If the funds paid by USAID to the recipient before the effective date of termination are not sufficient to cover the recipient's obligations under a legally binding transaction, then the recipient may submit a written claim for such amount to USAID no later than 120 days after the effective date

of termination. The USAID Agreement Officer must determine the amount(s) to be paid by USAID to the recipient under the claim in accordance with the “Allowable Costs” provision of the agreement.

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

To the extent not inconsistent with other provisions of the agreement, USAID and the recipient understand that funds made available to the recipient must be administered in accordance with the recipient’s own policies and procedures, including its financial, procurement, evaluation, and anti-fraud and corruption policies and procedures.

M.11 Dispute Resolution (April 2011)

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

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

(This provision is required for all agreements other than those with UN organizations.)

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

M.12 Alt I Title to and Disposition of Property (UN agreements) (August 2018)

(This provision is required for all agreements with the UN, except UNFPA, UNOCHA, UNOHCHR, UNISDR, UNWHO, UNAIDS, and UNICEF. GC or RLO must review any cited organization policies prior to their inclusion in this provision to ensure that the proposed dispositions are in accordance with USAID’s expectations.)

Ownership of equipment, supplies, and other property purchased with funds under the award will vest in the recipient during the life of the award. Disposition of property financed under the award will be made in accordance with **[state specific policies]**. [GC or RLO should review any cited organization policies prior to their inclusion in this provision to ensure that the proposed disposition outcomes are in accordance with USAID’s expectations.]

M.12 Alt II Title to and Disposition of Property (UNICEF) (2019)

(This provision is required for all agreements with UNICEF.)

Ownership of equipment, supplies, and other property purchased with funds under the award will vest in accordance with UNICEF regulations and rules. Disposition of property financed under the award will be made in accordance with the same.

M.12 Alt III Title to and Disposition of Property (UNOCHA, UNISDR, and UNOHCHR) (August 2018)

(This provision is required for all agreements with UNOCHA, UNISDR, and UNOHCHR.)

Ownership of equipment, supplies, and other property purchased with funds under the award will vest in the recipient during the life of the award. Disposition of property financed under the award will be made in accordance with the financial Regulations and Rules of the UN Secretariat or, in the case of a CERF grant, the financial rules and regulations of the Eligible Organization.

M.12 Alt IV Title to and Disposition of Property (UNWHO) (August 2018)

(This provision is required for all agreements with UNWHO and UNAIDS.)

Ownership of equipment, supplies, and other property purchased with funds under the award will vest in accordance with WHO Regulations and Rules. Disposition of property financed under the award will be made in accordance with the same.

M.13 USAID Disability Policy (Standard) (August 2018)

USAID requires that the recipient not discriminate against persons with disabilities in the implementation of USAID-funded programs. One of the objectives of USAID's Disability Policy is to engage other U.S. Government agencies, host country counterparts, governments, implementing organizations, and other donors in fostering a climate of nondiscrimination against people with disabilities. To that end, and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women, and children with disabilities as appropriate.

M.14 Terrorist Financing Clause (Standard) (April 2011)

(This provision is applicable to agreements with all public international organizations (PIOs) other than United Nations organizations or the International Committee of the Red Cross (ICRC).)

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. It is the responsibility of the recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all contracts or sub-agreements issued under the agreement.

M.14-Alt I Terrorist Financing Clause (UN) (April 2011)

(This provision is applicable to agreements with United Nations organizations.)

Consistent with numerous United Nations Security Council resolutions, including **S/RES/1269 (1999)** ([http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Terrorism S RES 1269.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Terrorism%20S%20RES%201269.pdf))), **S/RES/1368 (2001)** ([http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1368 %282001%29](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1368%20%282001%29))), and **S/RES/1373 (2001)** (https://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1373%20%282001%29)), both USAID and the recipient are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of USAID to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, the recipient undertakes to use reasonable efforts to ensure that none of the USAID funds provided under the agreement are used to provide support to individuals or entities associated with terrorism.

M.14-Alt II Terrorist Financing Clause (Alternate III - ICRC) (April 2011)

(This provision is applicable to agreements with the International Committee of the Red Cross (ICRC).)

a. Consistent with numerous United Nations Security Council resolutions, including **S/RES/1269 (1999)** ([http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Terrorism S RES 1269.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Terrorism%20S%20RES%201269.pdf))), **S/RES/1368 (2001)** ([http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1368 %282001%29](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1368%20%282001%29))), **S/RES/1373 (2001)** (https://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1373%20%282001%29)), relevant United States statutes and Executive Orders, as well as with applicable sections of the Geneva Conventions, the United States does not provide support to individuals and groups that engage in, or support acts of, terrorism. The recipient understands that USAID has carefully reviewed, consistent with the aforementioned

resolutions, statutes, Executive Orders, and Conventions, the description of the activities to be funded under the agreement. Accordingly, the activities described in the agreement have not been designed to assist parties to a conflict, governments, armed groups, or any other authority, including individuals and groups that engage in, or support acts of violence, the primary purpose of which is to spread terror among the civilian population.

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

c. The recipient must ensure that its employees are made aware of the restrictions set forth in the agreement. It is not usual for the recipient to transfer USAID-provided funds to subrecipients, nor to use them to hire contractors or to enter into sub-agreements. Nonetheless, the recipient guarantees that, if it does, it must only do so if it is satisfied that the subrecipients will perform their duties consistently with the aforementioned conditions and the agreement.

M.15 Trafficking in Persons (August 2018)

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) represents a significant human-rights concern to the United States and the international community. The recipient agrees not to engage in trafficking in persons during the performance of this agreement.

M.16 Prohibition on Federal Contracting With and Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements (August 2018)

The Recipient must not require employees, subrecipients, or contractors to sign internal confidentiality agreements or statements prohibiting or otherwise restricting such employees, subrecipients, or contractors from lawfully reporting such waste, fraud, or abuse to the Recipient's investigatory body. If USAID determines that Recipient is not in compliance with this requirement, USAID may seek remedies under this Agreement, including disallowing otherwise allowable costs.

M. 17 Fraud, Corruption, and Other Prohibited Conduct (November 2019)

a. The parties have a zero tolerance approach toward fraud, corruption, and other prohibited conduct, as defined below, which applies to all staff members, consultants, and other individual independent contractors, institutional contractors, and implementing partners receiving funding provided under this agreement.

b. For purposes of this provision, prohibited conduct is defined according to the recipient's applicable regulations and policy on fraud and corruption, provided the following practices are included therein:

- (1)** "Corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of a public official;
- (2)** "Fraudulent practice" means any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation;
- (3)** "Collusive practices" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
- (4)** "Coercive practices" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; and
- (5)** "Obstructive practices" means deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a recipient investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or acts intended to materially impede the exercise of recipient's contractual rights of audit or access to information.

c. Prevention of prohibited conduct. The parties are firmly committed to take all necessary precautions to avoid and address prohibited conduct. The recipient will maintain appropriate standards that govern the conduct of its personnel related to prohibited conduct as set forth in the recipient's applicable staff regulations and rules, financial regulations and rules, and policies and procedures.

d. Action regarding knowledge of prohibited conduct. With respect to knowledge of any actual, suspected, or alleged prohibited conduct, the recipient agrees that it has in place a suitable mechanism for a complete and comprehensive reporting of such conduct. When prohibited conduct is reported, the recipient's internal oversight body will take timely action as determined to be appropriate. When the recipient's internal oversight body determines an investigation is appropriate, the investigation will be conducted in accordance with the recipient's regulations, rules, policies, and procedures.

e. Cooperation with regard to information concerning prohibited conduct. The recipient and USAID agree to promptly bring knowledge of prohibited conduct in relation

to the agreement, of which the recipient or USAID has been informed or has otherwise become aware, to the attention of the recipient's internal oversight body. When the recipient becomes aware of credible allegations of prohibited conduct, the recipient will promptly inform the USAID Office of the Inspector General (OIG), and upon reasonable request, the recipient agrees to provide further available relevant information, unless disclosure of such information would be inconsistent with the recipient's rules and procedures concerning disclosure of information.

f. Any information or documentation provided in accordance with subparagraph e. above will be treated by USAID OIG with utmost discretion in order to ensure, *inter alia*, the probity of any investigation, protect sensitive information, maximize the prospect of recovery of funds, ensure the safety and security of persons or assets, and respect the due process rights of all involved. OIG will presume information/documentation to be confidential, deliberative, and investigatory and will ensure that information/documentation provided to USAID personnel will be available solely to those who strictly require access to such information/documentation. Any disclosure of such information/documentation beyond such personnel will require notification and consultation with the recipient. USAID and OIG will obtain the express written authorization of the recipient before disclosing any such information/documentation in a judicial proceeding or to the public, unless disclosure is otherwise required by law and is not subject to the recipient's privileges and immunities under international and/or federal law (such as information/documentation constituting UN archives).

g. Where an investigation has concluded that prohibited conduct has occurred, the recipient will give proper consideration to referring the matter to the appropriate member state authorities.

h. In the event that the recipient determines that any USAID funds have been lost due to prohibited conduct, such loss will be dealt with in accordance with the applicable financial rules, regulations, policies, and procedures of the recipient and the M.7 Refunds provision.

i. In the event that USAID reasonably believes that timely and appropriate action has not been taken, it has a right to direct consultations to be established at a senior level between USAID and the recipient in order to obtain assurance that the recipient's oversight and accountability mechanisms have been or are being fully applied in connection with such allegations.

M. 18 Monitoring, Review, and Evaluation (November 2019)

a. USAID and the recipient will promptly inform each other about any condition/event/situation which interferes or threatens to interfere with the successful implementation of any activity financed in full or in part by USAID.

b. The recipient will be responsible for the monitoring and regular review of activities carried out under this agreement. For activities under this agreement, the cost of monitoring and review will constitute an allowable cost.

c. The evaluation of programs hereunder will be subject to the provisions of the recipient's evaluation policy and procedures as from time to time approved or amended by the recipient's Executive Board/Head or governing body, if applicable. The costs of any program-level evaluations will be included in the program budget and will constitute an allowable cost.

(1) Unless otherwise decided by the recipient's Executive Board/Head or other governing body, final evaluation reports and management responses, as applicable, are publicly disclosed by the recipient in accordance with the recipient's rules and procedures governing public disclosure of evaluations. The recipient will forward without delay to USAID any review or evaluation report pertaining to the activities funded under this agreement, or it will inform USAID that such report is available at the recipient's website.

(2) The recipient will each year, pursuant to the recipient's regulations, rules, policies, and procedures, inform USAID about the schedule for reviews and evaluations planned for the following twelve (12) months, insofar as they concern activities funded under the agreement.

d. The foregoing provisions regarding evaluation of projects funded under this agreement will not preclude that USAID may, separately or jointly with other financing partners and with prior written notice to the recipient, take the initiative to evaluate or review its cooperation with the recipient under this agreement, with a view to determining whether results are being or have been achieved and resources have been used for their intended purposes. In furtherance of such a review, the recipient agrees to allow access for site visits by USAID and/or its agents as necessary. It is understood that such evaluation or review will not constitute a financial, compliance, or other audit of any programs, projects, or activities funded under this agreement. Costs of such evaluations or reviews will be borne by USAID, unless otherwise agreed.

II. REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR COST-TYPE AGREEMENTS WITH PUBLIC INTERNATIONAL ORGANIZATIONS

The following standard provisions must be used when applicable. In addition, certain standard provisions have alternates, each applicable only to a specific type of activity or project or to a specific PIO or category of PIOs.

Applicability statements precede the standard provisions (and in some cases, portions of the provisions) as italicized text. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation is approved in accordance with [ADS](#)

308.3.12. Do not include a “required as applicable” provision in the agreement if the applicability statement does not require it.

RAA.1 Investment Promotion (August 2018)

*(This provision is required when the agreement funds “gray-area activities” as defined in **ADS 225, Program Principles for Trade and Investment Activities and the "Impact on U.S. Jobs" and "Workers' Rights,"** (<http://www.usaid.gov/ads/policy/200/225>), or where specific activities are not identified at the time of obligation, but could be for investment-related activities.)*

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

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

c. The recipient must ensure that its employees and any subrecipients or contractors providing investment promotion services under the agreement are made aware of the restrictions set forth in this clause and must reflect this in all contracts and other sub-agreements.

d. For purposes of this clause, the term “investment promotion” means activities that carry a high risk of being directly linked to the potential relocation of U.S. jobs, including the following activities:

- (1)** Financial incentives to relocate U.S. jobs, firms, or operations;
- (2)** Investment promotion missions to the U.S. where the intent is to induce U.S. firms or operations to relocate U.S. jobs;
- (3)** Feasibility studies, research services, studies, travel to the host country, insurance and technical and management assistance where the intent is to induce U.S. operations or firms to relocate U.S. jobs;
- (4)** Media advertising in the U.S. aimed at encouraging relocation of U.S.-based operations or firms to the host country;
- (5)** Training of overseas workers for U.S.-based operations or firms that intend to relocate;

- (6) Support for a U.S. office of an organization where the mission involves offering incentives to relocate; and
- (7) General budget support for an organization, such as an investment authority or a chamber of commerce, if it engages in any of the foregoing activities.

RAA.2 Prohibition on Assistance to Drug Traffickers (2019) (Standard)

(This provision is applicable when the agreement includes at least \$100,000 in covered assistance to a covered country, as described in [ADS 206, Prohibition of Assistance to Drug Traffickers](#), but the recipient will not make loans under the agreement and USAID will not designate participants in any activities or subrecipients of any funding under the agreement.)

- a. The recipient must make such reasonable efforts, as are necessary, to ensure that no funds or other support under the agreement are diverted in support of drug trafficking.

Drug trafficking means “any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance or transport, or to assist, abet, conspire, or collude with others in illicit activities, including money laundering, relating to narcotic or psychotropic drugs, precursor chemicals, or other controlled substances.”

RAA. 2 Alt. I – Prohibition on Assistance to Drug Traffickers (2019)

(This provision is applicable when the agreement includes at least \$100,000 in covered assistance to a covered country, as described in [ADS 206, Prohibition of Assistance to Drug Traffickers](#), and either the recipient will enter into loans under the agreement, the agreement will include assistance to covered recipients according to ADS 206, or USAID will designate any participants in any activities or subrecipients of any funding under the agreement.)

- a. The recipient must make such reasonable efforts, as are necessary, to ensure that no funds or other support under the agreement are diverted in support of drug trafficking.

Drug trafficking means “any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance or transport, or to assist, abet, conspire, or collude with others in illicit activities, including money laundering, relating to narcotic or psychotropic drugs, precursor chemicals, or other controlled substances.”

- b. For any loan over \$1,000 made under the agreement by the recipient, the recipient must insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall, or refund to the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking.

c. Upon notice by USAID of a determination under section (b) and at USAID's discretion, the recipient agrees to immediately cancel, accelerate, or recall the loan, including a full refund of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.

d. For any USAID-financed participants (including in-country) receiving a scholarship, fellowship, or other structured training of more than six hours who are specifically designated by USAID, USAID reserves the right to terminate assistance to, or take other appropriate measures with respect to, any participant specifically designated by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking.

e. Where USAID has designated a subrecipient, the recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a subrecipient designated by USAID ("designated subrecipient") until advised by USAID that (1) any United States Government review of the designated subrecipient and its key individuals has been completed; (2) any related certifications have been obtained; and (3) the assistance to the designated subrecipient has been approved. Where the designated subrecipient is a U.S. non-governmental organization (NGO), the United States Government review found in subparagraph (1) will not apply, but the other two subparagraphs will be required.

f. The recipient must insert the following clause, or its substance, in its agreement with the designated subrecipient:

"(Name of recipient) reserves the right to terminate this agreement or take other appropriate measures if (the subrecipient) or a key individual of (the subrecipient) is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking. Drug trafficking is defined as any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance or transport, or to assist, abet, conspire, or collude with others in illicit activities, including money laundering, relating to narcotic or psychotropic drugs, precursor chemicals, or other controlled substances."

RAA.3 Prohibition on Police Assistance (April 2011)

(This provision is required when the agreement will support part of a larger activity which includes police assistance or where specific activities are not identified at the time of obligation but could include police assistance, and where there is no applicable exception that would allow USAID to provide this assistance. Note that some PIOs have internal guidelines prohibiting police assistance. As such, consult with the Office of the General Counsel (GC) or the cognizant Resident Legal Officer (RLO) before incorporating this provision into the agreement.

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

RAA.4 Prohibition on Assistance to Military or Paramilitary (August 2018)

(This provision is required when the agreement will support part of a larger activity which includes assistance to the military or paramilitary or where specific activities are not identified at the time of obligation but could include military assistance. Note that some PIOs have internal guidelines prohibiting military assistance. As such, consult with the Office of the General Counsel (GC) or the cognizant Resident Legal Officer (RLO) before incorporating this provision into the agreement.)

Absent prior written approval from the Agreement Officer, no funds or other support provided under the agreement may be used for assistance for any military purpose or to any military or paramilitary force or activity.

RAA.5 Publications and Media Releases (April 2011)

(This provision is applicable when publications, media releases and other copyrightable materials are financed under the agreement. Insert the required information under section (a) of this provision.)

a. If the recipient intends to identify USAID's grant to any publication, video, or other information/media product resulting from the agreement, the recipient must obtain the approval of the USAID Bureau of Legislative and Public Affairs, in advance, in writing. The product must state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements must identify the sponsoring USAID Bureau/Independent Office or Mission and the U.S. Agency for International Development substantially as follows.

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

b. The recipient must provide USAID with one copy of all published works developed under the agreement and with lists of other written works produced under the agreement or a link to the relevant website.

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

RAA.6 Foreign Government Delegations to International Conferences (August 2018)

(Include this provision in agreements funded from the following accounts:

- *Development Assistance, including assistance for sub-Saharan Africa,*
- *Global Health Programs (GHP), and*
- *Micro and Small Enterprise Development Program Account*

where funding will be provided for international conferences or where specific activities are not identified at the time of obligation but could relate to international conferences.

For further guidance, consult [Guidance on Funding Foreign Government Delegations to International Conferences](#) and the Office of the General Counsel (GC) or the cognizant Resident Legal Officer (RLO).)

Funds provided under the agreement must 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. The recipient may consult the USAID Agreement Officer for further information on what constitutes a foreign delegate to an international conference.

RAA.7 Condoms (2019)

(This provision must be included in any new Request for Applications (RFA) or Annual Program Statement (APS), and any new assistance award or amendment to an existing award obligating or intending to obligate (in the case of solicitations) FY04 or later funds made available for HIV/AIDS activities, regardless of the program account.

If a PIO objects to the reference to the USAID fact sheet in the provision below, please consult with GC/GH.)

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

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

The prime recipient must include this provision in all subawards, procurement contracts, or subcontracts for HIV/AIDS activities.

RAA.8 Prohibition on the Promotion or Advocacy of the Legalization or Practice of Prostitution or Sex Trafficking (Standard) (September 2014)

(This provision is applicable to awards with public international organizations other than the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Health Organization, and any United Nations agency. This provision must be included in any new Request for Applications (RFA) or Annual Program Statement (APS), and any new

assistance award, or amendment to an existing award obligating or intending to obligate (in the case of solicitations) FY04 or later funds made available for HIV/AIDS activities, regardless of the program account with the exception of the International Disaster Assistance (IDA) account.)

- a. The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this award may be used to promote or advocate the legalization or practice of prostitution or sex trafficking. (The preceding sentence does not prohibit the provision to individuals of HIV palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides).
- b. (1) Except as provided in (b)(2), by accepting this award or any subaward, a non-governmental organization or public international organization awardee/subawardee agrees that it is opposed to the practices of prostitution and sex trafficking.

(2) The following organizations are exempt from (b)(1):

- i. The Global Fund to Fight AIDS, Tuberculosis and Malaria; the World Health Organization; the International AIDS Vaccine Initiative; and any United Nations agency.
- ii. U.S. non-governmental organization recipients/subrecipients and contractors/subcontractors.
- iii. Non-U.S. contractors and subcontractors if the contract or subcontract is for commercial items and services, such as pharmaceuticals, medical supplies, logistics support, data management, and freight forwarding.

(3) Notwithstanding section (b)(2)(iii), not exempt from (b)(1) are non-U.S. recipients, subrecipients, contractors, and subcontractors that implement HIV/AIDS programs under this assistance award, any subaward, or procurement contract or subcontract by:

- i. Providing supplies or services directly to the final populations receiving such supplies or services in host countries;
- ii. Providing technical assistance and training directly to host country individuals or entities on the provision of supplies or services to the final populations receiving such supplies and services; or

- iii. Providing the types of advisory and assistance services that involve giving advice about substantive policies of a recipient, giving advice regarding the activities referenced in (i) and (ii), giving advice regarding developments in industry, university, or foundation research, obtaining the opinions, special knowledge, or skills of noted experts, or making decisions or functioning in a recipient's chain of command (e.g., providing managerial or supervisory services approving financial transactions, personnel actions).
- c. The following definitions apply for purposes of this provision:

“Commercial sex act” means any sex act on account of which anything of value is given to or received by any person.

“Prostitution” means procuring or providing any commercial sex act and the “practice of prostitution” has the same meaning.

“Sex trafficking” means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.
- d. The recipient must insert this provision, which is a standard provision, in all subawards, procurement contracts or subcontracts.
- e. This provision includes express terms and conditions of the award and any violation of it will be grounds for unilateral termination of the award by USAID prior to the end of its term.

RAA.8- Alt I Prohibition on the Promotion or Advocacy of the Legalization or Practice of Prostitution or Sex Trafficking (Alt I - the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Health Organization, and any United Nations Agency) (September 2014)

(This provision is applicable to awards to the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Health Organization, and any United Nations agency. This provision must be included in any new Request for Applications (RFA) or Annual Program Statement (APS), and any new assistance award, or amendment to an existing award obligating or intending to obligate (in the case of solicitations) FY04 or later funds made available for HIV/AIDS activities, regardless of the program account with the exception of the International Disaster Assistance (IDA) account.)

- a. The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this award may be used to promote or advocate the legalization or practice of prostitution or sex

trafficking. The preceding sentence does not prohibit the provision to individuals of palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.

- b.** The following definitions apply for purposes of this provision:

“Commercial sex act” means any sex act on account of which anything of value is given to or received by any person.

“Prostitution” means procuring or providing any commercial sex act and the “practice of prostitution” has the same meaning.

“Sex trafficking” means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

- c.** The recipient must insert this provision, which is a standard provision, in all subawards for HIV/AIDS activities.
- d.** This provision includes express terms and conditions of the award and any violation of it is grounds for unilateral termination of the award by USAID prior to the end of its term.

RAA.9 Abortion and Involuntary Sterilization Restrictions (August 2018)

(The following should be included in all awards that fund health activities or democracy and governance activities that support constitutional or any health-related legislative reform, unless it is determined after consultation with the Office of General Counsel for Global Health (GC/GH), or with the Office of General Counsel for Democracy, Conflict and Humanitarian Assistance (GC/DCHA) with respect to International Disaster Assistance (IDA) funds, that the clause is not applicable.)

- a.** No funds made available under the award may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any individual to practice sterilization.
- b.** No funds made available under the award will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment or 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.

- c.** No funds made available under the award will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent, or consequences of abortions is not precluded.
- d.** The recipient must insert this provision in all subsequent subawards and contracts.

RAA.10 Voluntary Family Planning Activities (August 2018)

(The following should be included in all awards that fund family planning activities or where specific activities are not identified at the time of obligation, but could include family planning activities.)

a. Voluntary Participation and Family Planning Methods

(1) The recipient agrees to take any steps necessary to ensure that funds made available under this award 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 recipient agrees to conduct its activities in a manner which safeguards the rights, health, and welfare of all individuals who take part in the program.

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

b. Requirements for Voluntary Family Planning Projects

(1) A family planning project must comply with the requirements of this paragraph **b**.

(2) A project is a discrete activity through which a governmental, nongovernmental, 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 award, except funds solely for the participation of personnel in short-term, widely attended training conferences or programs.

(3) Service providers and referral agents in the project must 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.

(4) The project must not include the payment of incentives, bribes, gratuities or financial rewards to (A) any individual in exchange for becoming a family planning acceptor or (B) 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.

(5) A person must not 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.

(6) The project must 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,

(7) The project must 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.

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

(9) The recipient must notify USAID when it learns about an alleged violation in a project of the requirements of subparagraphs **(3)**, **(4)**, **(5)**, or **(7)** of this paragraph. The recipient must investigate and take appropriate corrective action, if necessary, when it learns about an alleged violation in a project of

subparagraph **(6)** of this paragraph and must 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. The recipient must provide USAID such additional information about violations as USAID may request.

c. Additional 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.

(2) The recipient must ensure that any surgical sterilization procedures supported, in whole or in part, by funds from this award 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 any time 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.

(3) Further, the recipient must document the patient's informed consent by:

- a.** 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,
- b.** 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 must be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who speaks the same language as the patient.

(4) The recipient 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.

d. Abortion Restrictions.

(1) No funds made available under this award will be used to finance, support, or be attributed to the following activities:

- a. Procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning;
- b. Special fees or incentives to any person to coerce or motivate them to have abortions;
- c. Payments to persons to perform abortions or to solicit persons to undergo abortions;
- d. Information, education, training, or communication programs that seek to promote abortion as a method of family planning; or
- e. 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.

e. The recipient must insert this provision in all subsequent subawards and contracts involving family planning or population activities that will be supported, in whole or in part, from funds under this award.

**RAA.11 Standards for Accessibility for Persons with Disabilities in
USAID Assistance Awards Involving Construction (Standard)
(April 2011)**

*(The following provision should be included in awards where construction is anticipated other than in assistance awards and modifications funded with International Disaster Assistance (IDA) funds pursuant to **Section 491 of the Foreign Assistance Act** (<http://www.usaid.gov/ads/policy/faa>) when construction activities funded under the award constitute emergency construction under subsection (f) thereof.)*

The recipient must ensure that in all construction or substantial renovation activities appropriate measures are taken, including compliance with, inter alia, host country standards for accessibility, the International Building Code (IBC) to ensure to persons with disabilities access, on an equal basis with others, to the physical environment, to transportation, to information and communications, including information and

communications technologies and systems, and to other facilities and services open or provided to the public, both in urban and in rural areas.

RAA.11-Alt I. Standards for Accessibility for Persons with Disabilities in USAID Assistance Awards Involving Construction (Disaster Assistance) (April 2011)

(The following provision should be included in assistance awards and modifications funded with IDA funds pursuant to [Section 491 of the Foreign Assistance Act](#) when construction activities funded under the award constitute emergency construction under subsection (f) thereof.)

Any construction activities authorized under the award must be limited to emergency construction (provision of plastic sheeting or tents, minor repair and upgrading of existing structures, rebuilding of part of existing structures or provision of temporary structures) intended to be temporary in nature.

RAA.12 Reporting of Foreign Taxes (Standard) (August 2018)

(This provision is applicable to USAID agreements with all PIOs, except for U.N. organizations and IFRC, that obligate or subobligate Fiscal Year 2003 or later funds except for awards funded with Operating Expense, [Food for Peace Act](#) funds, trust funds, or awards where there will be no commodity transactions in a foreign country over the amount of \$500. The alternative clause on Reporting of Foreign Taxes must be used in the circumstances described below.)

a. By April 16 of each year, the recipient must submit a report containing:

- (1) Recipient name.
- (2) Contact name with phone, fax, and email.
- (3) Award number(s).
- (4) The total amount of value-added taxes and customs duties (but not sales taxes) assessed by a foreign government [each foreign government must be listed separately] 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 agreement.
- (5) Any reimbursements received by April 1 of the current year on value-added taxes and customs duties reported in (iv).
- (6) Reports are required even if the recipient did not pay any taxes or receive any reimbursements during the reporting period.

- (7) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.
 - (8) Reports are required even if the recipient did not pay any taxes during the report period.
 - (9) 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 M/CFO/CMP as appropriate, may include an optional “with a copy to”].
- c.** Foreign taxes are not allowable where the AO 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, **M.1. Allowable Costs** and must be reported as required in this provision.
- d.** Subagreements. The recipient must include this reporting requirement in all applicable subcontracts, subawards, and other subagreements.

RAA.12-Alt I Reporting of Foreign Taxes (Alternate I - UN and Other Tax-Exempt PIOs) (April 2011)

(This provision is applicable to USAID agreements with United Nations organizations except those using Food for Peace Act funds. This provision may also be used with non-United Nations organizations that have indicated that they are exempt from taxation in the country/ies in which agreement activities will be implemented.)

The recipient is not subject to taxation of activities implemented under the agreement based on its privileges and immunities as a public international organization (PIO). However, should it be obligated to pay taxes or duties related to the agreement, that the recipient does not anticipate being reimbursed, the recipient must notify the USAID Agreement Officer’s Representative (AOR).

RAA.13 Trust Fund Established By United States Contributions (August 2018)

*(This provision is required when a PIO establishes a fund consisting entirely of the USAID contribution (that is, for which USAID is the sole contributor) and where the Public International Organization serves and administers the fund as the trustee, but title to the contribution remains with USAID. This provision is not required when another entity, including the recipient PIO, also contributes. Please refer to **ADS 308.3.6** and consult with the Office of the General Counsel or the Resident Legal Officer with any questions).*

The recipient agrees to make available to USAID or the Comptroller General of the United States the records and documents necessary to assure that the fund is administered in accordance with the parties' agreement.

RAA.14 Standard Coordination Levy for Agreements with UN Recipients

*(This provision is required for all agreements with UN organizations over \$100,000 that are members of UNSDG (see [ADS 308maa](#) for the list of members) unless the agreement is excepted under **ADS 308.3.7.2.b.**)*

Pursuant to paragraph 10(a) of United Nations General Assembly Resolution 72/279 of 31 May 2018, USAID agrees that an amount corresponding to one percent of the total obligated amount to the recipient must be paid to fund the United Nations Resident Coordinator System. This amount, hereinafter referred to as the "coordination levy" will be held in trust by the recipient until transfer to the United Nations Secretariat for deposit into the United Nations Special Purpose Trust Fund for the reinvigorated Resident Coordinator system, which has been established to fund the UN Resident Coordinator System and is managed by the United Nations Secretariat.

USAID acknowledges that once the coordination levy has been transferred by the recipient to the United Nations Secretariat, the recipient is not responsible for the use of the coordination levy and does not assume any liability. The fiduciary responsibility lies with the United Nations Secretariat as the manager of the Resident Coordinator system.

The coordination levy does not form part of the recipient's cost recovery and is additional to the costs of the recipient to implement the activity or activities covered by the agreement. Accordingly, there is no normal obligation for the recipient to refund the levy, in part or in full, even where the activities covered by the agreement are not carried out in full by the recipient. As deemed necessary by USAID and especially where the scale of the resources concerned, or reputational risk justify the refund transaction costs – USAID may submit a request for a refund according to its **M.7 Refunds** procedures. The responsibility to refund the levy lies with the United Nations Secretariat and not with the concerned entity of the United Nations.

The coordination levy for this agreement and schedule for payment is reflected in the Agreement Budget.