

USAID Assistance Agreement No. 669-MCC-10

MILLENNIUM CHALLENGE ACCOUNT THRESHOLD PROGRAM

ASSISTANCE AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND

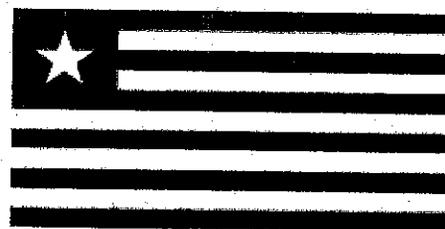
THE REPUBLIC OF LIBERIA

TO

STRENGTHEN LAND RIGHTS AND ACCESS,
IMPROVE GIRLS' ACCESS TO PRIMARY EDUCATION,

AND

IMPROVE TRADE FREEDOM



USAID
FROM THE AMERICAN PEOPLE

Millennium Challenge Account Threshold Program
Assistance Agreement

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MILLENNIUM CHALLENGE ACCOUNT THRESHOLD PROGRAM
ASSISTANCE AGREEMENT

Dated:

Between

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

and

The Republic of Liberia (hereinafter referred to as the "Grantee" or "Government of Liberia")

Article 1: Purpose.

The purpose of this agreement (the "Agreement") is to set out the understanding of the parties named above (the "Parties") in connection with the program to strengthen land rights and access, improve girls' access to primary education, and improve trade freedom in Liberia (the "Program") as described below.

Article 2: Program Objective and Results.

Section 2.1. Program Objective. The objective of the Program (the "Objective") is to support the Government of Liberia's efforts to strengthen land rights and access, increase girls' primary education enrollment and retention, and improve Liberia's trade policy and practices.

This Section 2.1 may not be changed except by formal written amendment to this Agreement by the Authorized Representatives, as defined in Section 7.2.

Section 2.2. Program Results. In order to achieve the Objective, the Parties agree to work together to achieve the following results (each a "Result" and collectively, the "Results"):

- (a) Strengthen land rights and access by increasing understanding of property rights issues, rebuilding land administration, and improving the efficiency of deed registry.
- (b) Improve girls' primary education enrollment and retention by creating a girls' scholarship program, promoting social interventions and media campaigns, and establishing a community-based grant program in targeted schools.
- (c) Improve trade freedom through tariff harmonization and implementation, modernizing Liberia's customs practices, engagement with regional and global trade bodies, and strengthening Liberia's regulatory environment.

This Section 2.2 may not be changed except by formal written amendment to this Agreement by the Authorized Representatives.

Section 2.3. Annex 1, Amplified Description. Annex 1, attached hereto, forms part of this Agreement and amplifies the above Objective and Results. Within the limits of the definitions of the Objective in Section 2.1 and the Results in Section 2.2, Annex 1 may be changed by written agreement of the Authorized Representatives of the Parties without formal amendment of this Agreement.

Article 3: Contributions of the Parties.

Section 3.1. USAID Contribution; the Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, and the Millennium Challenge Act of 2003, as amended, hereby grants to the Grantee under the terms of this Agreement an amount not to exceed fifteen million seventy-three thousand fifty United States ("U.S.") Dollars (\$15,073,050) (the "Grant").

Section 3.2. Grantee Contribution. The Grantee agrees to provide or cause to be provided all funds, in addition to those provided by USAID and any other donor identified in Annex 1, and all other resources required to complete, on or before the Completion Date, all activities necessary to achieve the Objective.

Article 4: Completion Date.

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

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

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

Article 5: Conditions Precedent to Disbursement.

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

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

(b) A signed statement in the name of the person holding or acting in the office of the Grantee specified in Section 7.2, which designates by name and title any Additional Representatives, as defined in Section 7.2.

Section 5.2. Disbursement for Equipment for the Department of Lands, Surveys and Cartography. Prior to any disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made for the procurement of equipment for the Department of Lands, Surveys and Cartography ("DLSC") under Component 1 (Strengthen Land Rights and Access) of the Program as described in Annex 1, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID, evidence

(a) that the Grantee has provided, or will provide, a facility for the DLSC that is adequate for the DLSC to carry out its functions;

(b) that the facility will be adequate for the installation and use of the equipment financed under the Program for the DLSC; and

(c) that the facility has been, or will be, completed and made available with sufficient time remaining before the Completion Date to permit full implementation of the associated Program activities in support of the DLSC.

Section 5.3. Disbursement to Support the Survey Board. Prior to any disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made to support the Survey Board under Component 1 (Strengthen Land Rights and Access) of the Program as described in Annex 1, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID, evidence that the Grantee has appointed professionally qualified individuals to fill vacancies on the Survey Board.

Section 5.4: Disbursement for Community-Based Grants. Prior to any disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made for a community-based grant to finance school renovation or the purchase of school equipment for a particular community under Component 2 (Improve Girls' Access to Primary

Education) of the Program as described in Annex 1, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID, evidence that the community has developed a strategy by which the schools that will be renovated under the community-based grant will be maintained for a period of at least five years after the Completion Date.

Section 5.5. Notification. USAID will promptly notify the Grantee when USAID has determined that a condition precedent has been met.

Section 5.6. Terminal Dates for Conditions Precedent.

(a) The terminal date for meeting the conditions specified in Section 5.1 is 30 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.1 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

(b) The terminal date for meeting the conditions specified in Section 5.2 is 180 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.2 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

(c) The terminal date for meeting the conditions specified in Section 5.3 is 270 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.3 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

(d) The terminal date for meeting the conditions specified in Section 5.4 is two years from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.4 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

Article 6: Special Covenants.

(a) To support the Program, the Grantee will, unless USAID agrees otherwise in writing,

(1) provide ongoing support for a facility for the Department of Lands, Surveys and Cartography;

(2) promptly appoint professionally qualified individuals to fill vacancies on the Survey Board; and

(3) ensure that schools renovated under the Program are maintained for at least five years after the Completion Date.

(b) The Grantee will (as applicable) issue, renew or extend free of charge and in a timely manner all official permits, visas, exemptions and any other permissions (including all approvals as may be required from time to time to ensure full access to information. Program activity sites and relevant offices) for the Applicable Persons (as defined below) carrying out activities financed by USAID under this Agreement (collectively, the "Required Documents"). For purposes of this provision, "Applicable Persons" is defined as (1) employees and consultants of any contractors, grantees and other organizations carrying out activities financed by USAID under this Agreement and (2) members of such employees' and consultants' households. Any renewals or extensions of such Required Documents that are required, or become required, in order for such employees, consultants and dependent family members to legally reside in the Republic of Liberia and undertake the activities contemplated by and financed under this Agreement shall also be issued free of charge.

Article 7: Miscellaneous.

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

To USAID:

Mail Address:

U.S. Agency for International Development/Liberia
c/o U.S. Embassy
111 Mamba Point
Monrovia, Liberia

Telefax: +231-77010370

E-mail: pwhite@usaid.gov

To the Grantee:

Mail Address:

Ministry of Planning & Economic Affairs
Republic of Liberia

Telephone: +231 661-1777

E-mail: akonneh@mopea.gov.lr

www.mopea.gov.lr

All such communications will be in English. Other addresses may be substituted for the above upon the giving of notice.

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

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

Section 7.4 Amendments. Unless otherwise specified herein, the Parties may amend this Agreement only by a formal written amendment signed by the Authorized Representatives.

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

UNITED STATES OF AMERICA

/ s /

By: _____

Pamela A White

USAID Liberia Mission Director

REPUBLIC OF LIBERIA

/ s /

By: _____

Amara Konneh

Minister of Planning and Economic Affairs

WITNESSED

/ s /

Cassandra Butts

Senior Advisor

Millennium Challenge Corporation

ANNEX 1

AMPLIFIED PROGRAM DESCRIPTION

I. Introduction

This Annex describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement. Nothing in this Annex will be construed as amending any of the definitions or terms of the Agreement.

II. Background

In December 2009, the Millennium Challenge Corporation ("MCC") selected Liberia as eligible for assistance to help it to become eligible for compact assistance under the Millennium Challenge Act of 2003, as amended. In May 2010, MCC's Board of Directors approved such assistance for a program designed to improve Liberia's performance in the policy areas measured by the MCC indicators for *Land Rights and Access*, *Girls Primary Education Completion* and *Trade Policy*.

III. Program Components and Proposed Activities:

The Program consists of the following components, which are further described below:

- Component 1: Strengthen Land Rights and Access
- Component 2: Improve Girls' Access to Primary Education
- Component 3: Improve Trade Freedom.

A. Component 1: Strengthen Land Rights and Access.

The aim of this component is create a knowledge foundation for reforms in the land sector that will promote equitable access to land and increased land security through improved understanding of property rights issues, the rebuilding of land administration and surveying capacity, and increased efficiency in land registrations and transfers.

1. Increase Understanding of Property Rights Issues

Objective: Increase clarity and public understanding of property rights issues in order to allow the National Land Commission to develop a comprehensive reform strategy for land policy and law.

Proposed activities include:

- Conduct ten action-research studies on land use and decision making patterns in several rural communities to better understand the rules and institutions of customary land tenure, emerging patterns of land use, changes in allocation of land, the role of traditional hierarchies, and interactions between communities and local governments.

- Pilot methodologies for conducting community land planning exercises and identifying community land rights for possible future use in the formal legal framework.
- Conduct research into women's access to land in customary settings and within the statutory land tenure regime to ensure that gender issues receive adequate attention during policy and law reform discussions.
- Assess the formal legal framework for land issues and develop strategies and recommendations for the National Land Commission, including recognition of and the harmonization with customary land tenure systems.
- Organize exchanges with key land officials to countries with successful land reform models and bring key land reform experts from those countries to Liberia to increase knowledge sharing and national dialogues on these issues.
- Support the National Land Commission in designing and implementing short-term research initiatives, disseminating information, and in convening national seminars and workshops to further promote their role as the lead agency in land issues.

2. **Rebuild Land Administration**

Objective: Rebuild and restore public confidence in the system of land administration through reforms of management, improved procedures, and rebuilding of public and private surveying capacity.

Proposed activities include:

- Work with the Ministry of Lands, Mines, and Energy to improve management, develop operating procedures for programs involving land surveying and land management, and formulate recommendations to improve the current fragmented organization of Liberia's land administration functions.
- In conjunction with the development of new facilities for the Department of Lands, Surveys, and Cartography (DLSC), rebuild the surveying capacity and efficiency of the DLSC through revamped office policies and procedures, informed reorganization of staff and functions, trainings, and equipment purchases.
- Explore the feasibility of establishing a modern land information system that would integrate information with the mineral cadastre and other land databases including the deed and map registries to increase the availability and consistency of land data.
- Acquire satellite imagery and equipment, where needed, of Liberia in order to update and expand current base maps and town plans and distribute this information to relevant counties and ministries.
- Support the Surveyors' Licensing and Registration Board to improve the quality of local surveyors through annual qualifying examinations, a code of ethics, and training opportunities.
- Support university level training including masters' level training outside of Liberia and support the development of a land surveying and appraisal component in a university level civil engineering degree.

- Establish a professional surveyors' association and provide retraining programs to both state and private sector surveyors to increase the professionalism and quality of surveyors.

3. Improve Efficiency of Deed Registry

Objective: Improve management of land records and increase efficiency in registration of land transfers and land market operations by the Center for National Documents, Records and Archives, restoring confidence in the deed registry system.

Proposed activities include:

- Improve operations and procedures within the deed registry to strengthen records management practices, increase efficiency and quality in land transactions, and improve the public's access to this information.
- Strengthen deed registry offices in four counties through data inventories, reorganization of records, training, and increased access to technical assistance.
- Launch a multi-media outreach program to inform the public on the importance of registering deeds.
- Support the compilation, digitization, and copying of land deed records held at the central and county level to improve records management.
- Develop and pilot cadastral mapping and registry reforms that can ultimately be adopted at county level.

B. Component 2: Improve Girls' Access to Primary Education.

The aim of this component is to increase girls' primary education enrollment and retention by creating a scholarship program for girls, providing grants to communities to improve the school environment, and coupling these efforts with other social interventions, including mentoring programs and awareness campaigns. In addition, Implementing Partners will be asked to collaborate with private-sector entities to help ensure the sustainability of activities implemented under this component.

1. Girls' Scholarship Program

Objective: Create an incentive program that will increase girls' enrollment and attendance in school.

Proposed activities include:

- Provide scholarships to 2,350 girls each year in three counties – Bong, Grand Bassa, and Lofa – with the largest number of out-of-school girls. Each scholarship will cover the basic costs of education including uniforms, books, cost of transportation, and other similar items.

2. Social Interventions and Media Campaign

Objective: Create an environment conducive to and supportive of girls' education so as to increase retention.

Proposed activities include:

- Provide counseling and mentoring programs for scholarship recipients that will focus on issues that have proven detrimental to girls' primary school completion, including health issues such as HIV/AIDS, teen pregnancy, and malaria, and other issues such as self-confidence and academic performance.
- Through the counseling and mentoring programs, provide inexpensive health interventions and basic information on identification of illnesses and disease prevention.
- Launch a sensitization campaign targeted at teachers, school administrators, parents, and the community to communicate expected standards to increase the demand for, and reduce opposition to, girls' schooling.
- Launch a media campaign at the county and district levels to increase the demands for and reduce opposition to girls schooling.

3. Community-Based Grant Program

Objective: Improve the school environment to nurture and retain girls in school.

Proposed activities include:

- Provide performance-based grants to 30 targeted schools over three years to improve the school environment, including renovations of roofs/classrooms, construction of latrines, water pumps, provision of classroom furnishings, and other items identified through a needs assessment and community consultations. Grant funds awarded in the second and third years of the Program's implementation will be conditioned on the school's performance in girls' enrollment and retention in the proceeding year to create community accountability and a results-focused approach.

C. Component 3: Improving Trade Freedom.

The aim of this component is to improve Liberia's trade policy and practices, specifically in tariff harmonization, engagement with regional and global bodies including, Economic Community of West African States (ECOWAS) and the World Trade Organization, and strengthening its regulatory environment.

1. Tariff Harmonization and Implementation

Objective: Raise awareness of tariff harmonization to ensure greater impact of Government of Liberia's trade reforms.

Proposed activities include:

- Provide training to customs officials on ECOWAS tariff structure and the World Customs Organization's Harmonized Schedule to increase awareness of tariff harmonization and its implementation.
- Launch a multi-media campaign to raise awareness among businesses and consumers of the simplified tariff structures to increase public demand and accountability. Develop methods, such as train-the trainer programs, to continue and sustain these education efforts after the Program.

2. Trade Policy Development

Objective: Strengthen Liberia's trade policy by increasing conformity to international standards.

Proposed activities include:

- Provide technical expertise to assist in the development and revision of key trade policies, including assistance in Government of Liberia's efforts towards accession to the World Trade Organization, review of current policies to streamline inspections and raise health and safety standards to internationally accepted levels, and to respond to gaps identified in the Government of Liberia's implementation of ECOWAS protocols.
- Support legal research and drafting of legislation to conform to ECOWAS protocols and World Trade Organization agreements, as necessary.

3. Modernizing Customs Practices

Objective: Modernize Liberia's customs practices to increase transparency and quality and improve compliance with existing legislation.

Proposed activities include:

- Provide legal advice and assistance in adapting or creating legislation to adhere to the standards and guidelines of the new customs code.
- Provide comprehensive training to customs officials, brokers, and other key stakeholders on new customs valuation processes and other customs modernization practices.
- Launch a multi-media campaign to raise the awareness among businesses and the public of new customs practices and reforms to increase acceptance and demand for these reforms. Methods to increase the sustainability of these reforms will also be developed, including a train-the-trainer program and promotional materials.

4. Protecting Intellectual Property Rights

Objective: Strengthen efforts to protect intellectual property rights.

Proposed activities include:

- Implement key recommendations from the recent World Intellectual Property Organization's assessment, including legislative drafting.
- Launch a robust training program to customs officials, judges, small businesses, relevant government ministries, and the public on intellectual property rights protection to improve the enforcement of intellectual property rights laws and increase the identification of counterfeit items.

IV. Roles and Responsibilities

The Government of Liberia and the Government of the United States will collaborate to implement the Program. All implementation planning, supervision, and monitoring and evaluation activities will be mutually agreed upon by USAID and Government of Liberia.

A. The Government of Liberia

In connection with the implementation of activities under this Agreement, the Government of Liberia will use its best efforts to ensure that the Results and the Objective are achieved, as contemplated in this Agreement.

In furtherance of the foregoing, the Government of Liberia will (a) pay the annual salaries and organizational costs of the Government of Liberia staff assigned to oversee and implement the Program and related activities; (b) provide office space for staff of selected Implementing Partners (as defined below); (c) provide Program monitoring; and (d) ensure budget support and replication of lessons learned to sustain Program activities after the Completion Date and to expand them to other areas.

B. USAID

USAID will be the lead United States government agency administering the Program. Other United States government agencies will assist USAID, as required. USAID will work closely with the Government of Liberia to help it successfully implement the Program and achieve the Objective and the Results set forth by this Agreement.

USAID will enter into one or more agreements with one or more third-party implementing partners (each an "Implementing Partner") to implement the Program. Such agreements may include, but not be limited to, grants, cooperative agreements, contracts and interagency agreements. The Implementing Partners may be from Liberia, the United States, or a third country, and may also be private-sector, governmental, international public, or nongovernmental organizations or persons. In consultation with the Government of Liberia, USAID will develop the procurement specifications and terms of reference and select Implementing Partners. USAID will ensure that all procurement and grants awards made are in accordance with USAID regulations and policies. For the purposes of this Agreement, "Implementing Partner" will

include any legal entity (whether or not a resident of Liberia) that has legal responsibility for implementing the Program in whole or in part on the basis of a written agreement with USAID.

USAID, in consultation with the Government of Liberia, will monitor performance under such agreements and will oversee the performance of the Implementing Partners and progress toward achievement of the Results.

C. Implementing Partners

USAID will select the Implementing Partners in consultation with the Government of Liberia, and will ensure that the Implementing Partners carry out the implementation of the Program in conformance with this Agreement. The Implementing Partners will report directly to USAID. Each agreement between USAID and an Implementing Partner will be consistent with this Agreement and will include a monitoring and evaluation plan with indicators, targets, and outputs.

D. Millennium Challenge Corporation

The Millennium Challenge Corporation has charged USAID with responsibility for administering and overseeing the implementation of this Agreement under principles of country ownership, accountability and emphasis on results. The Millennium Challenge Corporation is not a party to this Agreement.

V. Financial Plan

The financial plan (the "Financial Plan") for the Program is set forth below. Changes may be made to the Financial Plan in writing by the Authorized Representatives without formal amendment to the Agreement, if such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement.

Component 1: Strengthen Land Rights and Access	\$7,123,200
Component 2: Improve Girls' Access to Primary Education	\$3,698,000
Component 3: Improve Trade Freedom	\$3,601,850
Monitor and Evaluate the Program	\$650,000
USAID Contribution in U.S. Dollars	\$15,073,050

VI. Monitoring and Evaluation

The monitoring and evaluation plan for the Program will provide the Government of Liberia and USAID with access to timely information in the form of qualitative and quantitative data. In addition, capacity building for key Government of Liberia counterparts (including the Ministry of Planning & Economic Affairs Coordination Unit) will be conducted. Achievement of the Results will be measured by the performance indicators and targets listed below in section VIII (as well as other performance measures agreed upon by USAID and the Government of Liberia).

Implementing Partners will collect baseline data to assess the status of the indicators at the start of the Program, including the data identified below in section VII as "TBD" (*i.e.*, to be determined). In cases where *Doing Business* data are included as baselines, the Implementing Partners will confirm the accuracy of those baselines with survey or administrative data from the Government of Liberia or the Program. The Government of Liberia will provide USAID with the administrative data required to track performance indicators from any Government of Liberia counterparts receiving assistance under the Program. Where necessary, any information regarding individuals will be furnished anonymously to ensure confidentiality of the information.

VII. Expected Outputs and Outcomes

As of the date of this Agreement, the following output and outcome indicators have been identified for the Program. These indicators (including baselines and targets) are subject to revision as more reliable data become available. Also, USAID or the Government of Liberia may propose additional indicators during the implementation of the Program. USAID and the Government of Liberia may revise the indicators identified below by agreement in writing. Such revision may include modifying or specifying baselines and targets for items that are identified below as "TBD."

Component 1: Strengthen Land Rights and Access

Output Indicators

- Studies on customary land tenure and women's access to land completed, including 10 communities with land use plans and demarcated areas.
- 40 workshops completed to inform public of new land administration reforms.
- Department of Lands, Surveys and Cartography (DLSC) business processes reengineered and organization streamlined.
- Satellite imagery for 96,320 square kilometers of Liberia acquired.
- 70 DLSC staff trained.
- 6 university graduates trained at masters level in land related fields.
- Curriculum for surveying qualification developed and adopted.
- 70 public land surveyors trained.
- Annual examinations for the Surveyors Licensing and Registration Board established.
- 150 Center for National Documents, Records and Archives (CNDRA) staff trained.
- Registration processes and procedures improved for CNDRA.
- 750,000 land deed records scanned, digitized, indexed and available at CNDRA.

Outcome Indicators

- Strategy and roadmap for land policy and law reform adopted.
- 50 percent increase in the number of land deed surveys completed by the DLSC annually. *Baseline: TBD; Target: TBD (Data Source: DLSC)*
- 50 percent increase in the number of land deeds registered annually. *Baseline: 537; Target: 806 (Data Source: CNDRA)*

- 50 percent increase in the number of deed inquiries and searches conducted by the CNDRA annually. *Baseline: 556; Target: 834 (Data Source: CNDRA)*
- Reduce days/costs associated with registering property. *Baseline: 50/13.2 percent; Target: TBD (Data Source: Doing Business Report for baseline; Program survey will track perception and experiences of importers and agents who work with customs officials)*

Component 2: Improve Girls' Access to Primary Education

Output Indicators

- 2,350 scholarships per year are awarded to girls in 30 targeted school communities.
- 2,350 scholarship recipients participate in counseling and mentoring programs.
- 30 beneficiary schools receive information on girls' education.
- 150 scholarship recipients will receive supplemental service.
- 30 schools and their communities are awarded school improvement grants for first year of implementation.
- 30 targeted school communities receive information on girls' education and the performance grant program.

Outcome Indicators

- Sustain or increase enrollment in targeted counties. *Baseline: 21,866 or 23 percent of national total; Target: 28,916 or 72 percent increase in girls' enrollment (Data Source: Ministry of Education National School Census Report)*

Component 3: Improve Trade Freedom

Output Indicators

- Officials successfully participate in 5 ECOWAS discussions and a World Trade Organization ("WTO") working party.
- Amending legislation, consistent with new Customs Code, is drafted and submitted to the legislature.
- 8 pieces of ECOWAS or WTO-consistent legislation drafted.
- 2 ECOWAS protocols adopted.
- The Memorandum of Foreign Trade Regime submitted to WTO.
- 15 trainings conducted for 450 customs agents, officials, and brokers, and traders.
- Materials for media campaign have been produced and published.

Outcome Indicators

- Tariffs, duties, and taxes related to trade have been simplified and in most cases reduced. *Baseline: 15.3 percent Average Tariff Rate; Target: 9 to 10 percent Average Tariff Rate (Data Source: Administrative Data)*

- Government of Liberia participated in at least one WTO Working Party and offers begun to be prepared. *Baseline: A minimum number (TBD) of ECOWAS Protocols Implemented and WTO-consistent legislation passed; Target: 8 ECOWAS protocols implemented and WTO-consistent legislation passed (Data Source: Administrative Data)*
 - Customs officials apply the proper duty and businesses and brokers pay the proper fee. *Baseline: 17 days to export; 15 days to import. Target: A number TBD of days needed to export; a number TBD of days needed to import (Data Source: World Bank Doing Business Report; Program survey will track the perceptions and experiences of importers and agents who work with customs officials for before and after Program measures)*
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Standard Provisions

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Standard Provisions

Article A: Definitions and Implementation Letters.

Section A.1. Definitions. As used in this Annex, the "Agreement" refers to the Assistance Agreement, including Annex 1 thereto, to which this Annex is attached and of which this Annex forms a part. Capitalized terms used and not otherwise defined in this Annex have the same meaning or reference as in the Agreement.

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

Article B: General Covenants.

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

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

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

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

Section B.3. Utilization of Goods and Services.

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

of the Agreement) will be used to further the Objective of the Agreement and as USAID may direct in Implementation Letters.

(b) Goods or services financed under this Agreement, except as USAID may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in USAID Geographic Code 935 as in effect at the time of such use.

Section B.4. Taxation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) A "covered" sub-recipient is one who expends \$300,000 or more in its fiscal year in "USAID awards" (i.e., as recipients of USAID cost reimbursable contracts, grants or cooperative agreements and as sub-recipients under USAID assistance agreements and other grant agreements with foreign governments).

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

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

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

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

(f) Other Covered Sub-recipients. For "covered" sub-recipients who receive funds under the Agreement pursuant to direct contracts or agreements with USAID, USAID

will include appropriate audit requirements in such contracts or agreements and will, on behalf of the Grantee, conduct the follow-up activities with regard to the audit reports furnished pursuant to such requirements.

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

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

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

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

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

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

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

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

Section B.8. Information and Marking. The Grantee will give appropriate publicity to the Agreement as a program to which the United States has contributed,

identify Agreement activity sites, and mark goods financed by USAID, as described in Implementation Letters.

Article C: Procurement Provisions.

Section C.1. Source and Origin.

(a) Disbursements under this Agreement will be used exclusively to finance the costs of goods and services required for the Agreement having, with respect to goods, their source and origin and, with respect to the suppliers of goods and services, their nationality, in countries included in Geographic Code 935 as in effect at the time orders are placed or contracts entered into for such goods or services, except as USAID may otherwise agree in writing and as follows:

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

(2) The country of the Grantee is an eligible source for marine insurance.

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

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

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

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

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

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

(1) Any plans, specifications, procurement or construction schedules, contracts, or other documentation between the Grantee and third parties, relating to goods or services to be financed under the Agreement, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals.

Material modifications in such documentation will likewise be furnished USAID on preparation; and

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

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

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

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

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

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

Section C.6. Shipping/Transportation

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

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

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

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

Section C.7. Insurance.

(a) Marine insurance on goods financed by USAID which are to be transported to the territory of the Grantee may be financed under this Agreement provided (1) such insurance is placed at the most advantageous competitive rate; (2) such insurance is placed in a country which is authorized under Section C.1(a); and (3) claims thereunder are payable in U.S. dollars or any freely convertible currency unless USAID agrees otherwise in writing.

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

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

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

Article D. Disbursements; Rate of Exchange.

Section D.1. Disbursements. No disbursements to the Grantee are contemplated under this Agreement. Should disbursements to the Grantee be required, disbursements will be made through such means as the Parties agree to in writing or as set forth in Annex 1.

Section D.2. Rate of Exchange. If funds provided under the Agreement are introduced into the territory of the Grantee by USAID or any public or private agency for purposes of carrying out the obligations of USAID hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into local currency at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the country of the Grantee to any person for any purpose.

Article E. Termination; Remedies

Section E.1. Suspension and Termination

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

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

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

Section E.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in

accordance with this Agreement, USAID, notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. dollars to USAID within sixty (60) days after receipt of a request therefor.

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

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

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

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

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

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

Article F: Miscellaneous

Section F.1. Investment Promotion.

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

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

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

Section F.2. Voluntary Family Planning. The Parties agree that all USAID funds provided under this Agreement shall be used in accordance with applicable United States policy and statutory requirements relating to voluntary family planning projects, and that none of the USAID funds provided under this Agreement, or goods or services financed by such funds, may be used for

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

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

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

USAID will issue implementation letters that more fully describe the requirements of this section.

Section F.3. Prohibition on Assistance to Drug Traffickers. USAID reserves the right to terminate this Agreement or take other appropriate measures if the Grantee or a key individual of the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 Code of Federal Regulations (CFR) Part 140.

Section F.4. Workers' Rights.

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

(b) In the event the Grantee is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether the activity would be consistent with the limitation set forth above, the Grantee must notify USAID and

provide a detailed description of the proposed activity. The Grantee must not proceed with the activity until advised by USAID that it may do so.

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