June 17, 2019

The Honorable Charles E. Grassley
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Chairman Grassley:

I write in response to your March 5, 2019 letter inquiring about a payment made during the previous administration by a grantee of the U.S. Agency for International Development (USAID) to the Islamic Relief Agency (ISRA), in connection with the provision of humanitarian assistance to the people of the Republic of the Sudan. In May 2015, following receipt of foreign policy guidance from the U.S. Department of State, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) granted a specific license authorizing a wind-down payment from a USAID grantee to ISRA. I welcome this opportunity to clarify Treasury’s limited role in this transaction.

OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against threats to the national security, foreign policy, or economic interests of the United States. OFAC has authority to issue licenses permitting transactions that would otherwise be prohibited by sanctions statutes and regulations. As you note in your letter, many of OFAC’s licensing determinations are guided by U.S. foreign policy and national security concerns in coordination with the State Department—and in some cases, other federal agencies. Following State Department guidance, on May 5, 2015, OFAC granted a specific license to World Vision, Inc. (WV), a USAID grantee, authorizing a wind-down payment to ISRA for humanitarian activities that had already been undertaken under the WV sub-award. As far as we have been able to determine, this 2015 license is the only license that has been issued to allow ISRA to receive a payment.

The Islamic African Relief Agency (a/k/a IARA, Islamic Relief Agency, ISRA) was designated in 2004 pursuant to Executive Order 13224 based on a determination that it assists, sponsors or provides financial, material, or technological support for, or financial or other services to or in support of, or is otherwise associated with, persons listed as subject to E.O. 13224.1 The press

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release announcing the designation specifies that ISRA is "headquartered in Khartoum, Sudan and maintains over 40 offices throughout the world, including in the United States." ISRA remains designated and continues to appear on the Specially Designated Nationals (SDN) and Blocked Persons List on Treasury’s website. U.S. persons generally are prohibited from engaging in any transactions with SDNs such as ISRA and must block any property in their possession or under their control in which an SDN has an interest.

The provision of specific licenses to allow transactions with entities designated under terrorism sanctions is rare. OFAC does not generally issue a license to an individual or company permitting the transmission of money to an entity subject to the Global Terrorism Sanctions Regulations under 31 C.F.R. part 594. In certain extraordinary circumstances, when determined to be in the benefit of the U.S. government, and subject to the facts and circumstances of each case, OFAC issues licenses that allow for disaster relief, humanitarian aid, and other goodwill activities. In this instance, the prior administration granted the specific license as a result of exceptional circumstances, as explained in the appendix to this letter.

A timeline of key events, as far as we have been able to determine, is set forth in the aforementioned appendix. In addition, we are providing responsive documents, which we believe address the questions in your letter. As always, we are committed to work to answer any other questions you may have.

Please note that this letter, appendix, and enclosed materials contain sensitive commercial and personal information that is protected by the Trade Secrets Act and other regulations governing OFAC’s licensing authorities and is not appropriate for public release. We respectfully request that the Committee treat these materials as confidential under Senate Rule 29.5. We also request that the Committee not publish any part of these materials without first consulting with Treasury.

Thank you again for your interest in this matter. We apologize for the delay in responding to your letter. If you have further questions, please direct your staff to contact the Office of Legislative Affairs.

Sincerely,

[Redacted]
Frederick W. Vaughan
Deputy Assistant Secretary
Office of Legislative Affairs

Enclosures

2 Id. The press release specifies that the mailing address for ISRA headquarters is P.O. Box 3372, Khartoum, Sudan.
Appendix - B
ATTACHMENT 2 - PROGRAM DESCRIPTION

WORLD VISION, INC.

Program Title: Blue Nile State Recovery Program

Submission Date: January 21, 2014
Proposed Start Date: February 1, 2014
Proposed Program Duration: 12 Months

Dollar Amount Requested from OFDA: $723,405
Dollar Amount from Other Sources: $32,285
Dollar Value of In-Kind Contributions: $0
Total Dollar Amount of Program: $755,690

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Program Management Officer
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Fax: [redacted]
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Field Contact
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P.O. Box 15143
Khartoum, Sudan.
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Legal Contact
Grace Murphy
Associate General Counsel
Washington, DC 20002
(b)(4); (b)(6)

World Vision Sudan
P.O. Box 15143
Khartoum, Sudan
(b)(4); (b)(6)

TIN: (b)(4) DUNS: 07-190-3322 LOC: (b)(4)

World Vision, Inc. is a non-profit, tax-exempt corporation, classified under section 501(c)(3) of the Internal Revenue Code. It is organized under the laws of the State of California, with headquarters located in Federal Way, Washington. World Vision has over twenty years of experience in accessing and implementing US Government, State, and local public sector financial assistance awards. The United States Agency for International Development is the cognizant Federal agency for World Vision, Inc. in regard to the required annual A133 audit and the US Government Negotiated Indirect Cost Rate Agreement (NICRA). World Vision has been a registered PVO with USAID since September 30, 1977.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BN</td>
<td>Blue Nile State</td>
</tr>
<tr>
<td>CBO</td>
<td>Community Based Organization</td>
</tr>
<tr>
<td>CLTS</td>
<td>Community-Led Total Sanitation</td>
</tr>
<tr>
<td>DME</td>
<td>Design, Monitoring, and Evaluation</td>
</tr>
<tr>
<td>DNH</td>
<td>Do No Harm</td>
</tr>
<tr>
<td>ESPA</td>
<td>Eastern Sudan Peace Agreement</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
</tr>
<tr>
<td>GNU</td>
<td>Government of National Unity</td>
</tr>
<tr>
<td>GoS</td>
<td>Government of Sudan</td>
</tr>
<tr>
<td>GoSS</td>
<td>Government of South Sudan</td>
</tr>
<tr>
<td>HAC</td>
<td>Humanitarian Aid Commission</td>
</tr>
<tr>
<td>HH</td>
<td>Household</td>
</tr>
<tr>
<td>IDP</td>
<td>Internally Displaced Person</td>
</tr>
<tr>
<td>IEC</td>
<td>Information, Education and Communication</td>
</tr>
<tr>
<td>IGA</td>
<td>Income Generation Activities</td>
</tr>
<tr>
<td>INGO</td>
<td>International Non-Governmental Organization</td>
</tr>
<tr>
<td>LCP</td>
<td>Local Capacities for Peace</td>
</tr>
<tr>
<td>LEAP</td>
<td>Learning through Evaluation with Accountability and Planning</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>ODF</td>
<td>Open Defecation Free</td>
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<td>OFDA</td>
<td>Office of Foreign Disaster Assistance</td>
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<tr>
<td>OLS</td>
<td>Operation Lifeline Sudan</td>
</tr>
<tr>
<td>OHS</td>
<td>Oral Rehydration Salts</td>
</tr>
<tr>
<td>PHAST</td>
<td>Participatory Hygiene and Sanitation Transformation</td>
</tr>
<tr>
<td>SBN</td>
<td>Southern Blue Nile</td>
</tr>
<tr>
<td>SBSC</td>
<td>Seed Beneficiary and Selection Committee</td>
</tr>
<tr>
<td>SPLM/A</td>
<td>Sudanese People's Liberation Movement/Army</td>
</tr>
<tr>
<td>VLF</td>
<td>Volunteer Leader Farmer</td>
</tr>
<tr>
<td>WES</td>
<td>Water, Environment and Sanitation</td>
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<tr>
<td>WASH</td>
<td>Water, Sanitation and Hygiene</td>
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<tr>
<td>WHO</td>
<td>World Health Organization</td>
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<td>WFP</td>
<td>World Food Programme</td>
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<td>WSC</td>
<td>Water and Sanitation Committee</td>
</tr>
<tr>
<td>WV</td>
<td>World Vision International</td>
</tr>
</tbody>
</table>
PROPOSAL SUMMARY

Request to USAID/OFDA for a New Award

Country/Region of Country: Sudan, Blue Nile State
Submission/Revision Date: January 21, 2014
Program Title: Blue Nile Recovery Program
Proposed Start Date: February 1, 2014
Proposed Program Duration: 12 Months

The proposal includes the following categories of restricted goods.

<table>
<thead>
<tr>
<th>Restricted Goods</th>
<th>Applicable?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural commodities</td>
<td>Y</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>N</td>
</tr>
<tr>
<td>Pesticides and Pesticide-containing materials, including LLINs</td>
<td>N</td>
</tr>
<tr>
<td>Pharmaceuticals and Medical Commodities—human and veterinary (including drugs,</td>
<td>N</td>
</tr>
<tr>
<td>ORS, medical field diagnostic kits, contraceptives)</td>
<td></td>
</tr>
<tr>
<td>Motor vehicles not manufactured in the US (purchased or leased for at least 180</td>
<td>N</td>
</tr>
<tr>
<td>days)</td>
<td></td>
</tr>
<tr>
<td>Used equipment</td>
<td>N</td>
</tr>
</tbody>
</table>

Dollar Amount Requested from OFDA: $723,405
Dollar Amount from Other Sources: $32,285
Dollar Value of In-Kind Contributions: $0
Total Dollar Amount of Program: $755,690

Program Goal: Improved food security and health through WASH and AFS services to conflict-affected households in Blue Nile state

Total Number of People Affected in the Target Area: 78,268
Total Number of People Targeted (Individuals): 56,944
Total Number of IDP Beneficiaries Targeted (Individuals) as subset of above: 30,081

Note: the "target area population" above does not include nomads that pass through the target area seasonally and who will benefit from certain program activities, and who are included in the total number of people targeted.
Executive Summary:
World Vision, Inc. (WV) seeks a new award from the Office of Foreign Disaster Assistance (OFDA) for a twelve-month project to improve water, sanitation and hygiene and to increase food security in Sudan’s Blue Nile state.

The project targets the localities affected by renewed conflict since 2011, which has resulted in widespread disruption and destruction to the lives and livelihoods of an already vulnerable population. According to UNOCHA, a total of 160,000 people have been newly displaced across the state. The project will be primarily targeted at Baw and Geissan villages, where selected villages have seen their populations double due to the arrival of IDPs since 2011.

Since 2011, humanitarian access has been heavily restricted due to security concerns, but also due to new and significant operational restrictions by the government. WV maintained a presence in Blue Nile state throughout the conflict. Since April 2013, it has been able to recommence operations, following the partial lifting of restrictions by government. The targeted areas are accessible both from a security perspective and in terms of government permission, although a condition placed on all INGOs is that all humanitarian operations in Blue Nile must be carried out via local partners. Restrictions also remain on data collection within the state.

The project aims to improve the well-being of vulnerable households by reducing the incidence of waterborne and sanitation-related diseases in target communities and by increasing the food security and livelihood sectors for populations displaced in the latest conflict in Blue Nile State.

Implementation will be in partnership with a local NGO (Islamic Relief Agency), with which WV has prior working experience and has conducted thorough capacity assessments. Partner implementation will be supported and monitored directly by WV field-based staff.
### Sector Table:

<table>
<thead>
<tr>
<th>Sector Name:</th>
<th>Water, Sanitation and Hygiene (WASH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective:</td>
<td>Improved access to safe water, sanitation and hygiene in Blue Nile state</td>
</tr>
<tr>
<td>Dollar Amount Requested:</td>
<td>$343,467</td>
</tr>
<tr>
<td>Number of Beneficiaries Targeted:</td>
<td>45,043</td>
</tr>
<tr>
<td>Number of IDP Beneficiaries Targeted:</td>
<td>23,847</td>
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<tr>
<td>Geographic Area(s):</td>
<td>Blue Nile State, Sudan</td>
</tr>
<tr>
<td>Keyword(s):</td>
<td>N/A</td>
</tr>
<tr>
<td>Sub-Sector Name:</td>
<td>Water Supply Infrastructure</td>
</tr>
<tr>
<td>Indicators:</td>
<td>See Attachment 9</td>
</tr>
<tr>
<td>Sub-Sector Name:</td>
<td>Sanitation Infrastructure</td>
</tr>
<tr>
<td>Indicators:</td>
<td>See Attachment 9</td>
</tr>
<tr>
<td>Sub-Sector Name:</td>
<td>Hygiene Promotion</td>
</tr>
<tr>
<td>Indicators:</td>
<td>See Attachment 9</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Sector Name:</th>
<th>Agriculture and Food Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective:</td>
<td>Improved food security among vulnerable IDP and host communities</td>
</tr>
<tr>
<td>Dollar Amount Requested:</td>
<td>$379,938</td>
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<tr>
<td>Number of Beneficiaries Targeted:</td>
<td>52,440</td>
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<tr>
<td>Number of IDP Beneficiaries Targeted:</td>
<td>27,793</td>
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<tr>
<td>Geographic Area(s):</td>
<td>Blue Nile State, Sudan</td>
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<tr>
<td>Keyword(s):</td>
<td>Cash and vouchers, livelihoods, livestock, pastoralists</td>
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<tr>
<td>Sub-Sector Name:</td>
<td>Improving Agricultural Production/Food Security</td>
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<tr>
<td>Indicator 1:</td>
<td>Projected increase in number of months of food self-sufficiency due to distributed seed systems/agricultural input for beneficiary households</td>
</tr>
<tr>
<td>Indicator 2:</td>
<td>Number of people benefiting from seed systems/agricultural input activities, by sex</td>
</tr>
<tr>
<td>Sub-Sector Name:</td>
<td>Livestock</td>
</tr>
<tr>
<td>Indicator 1:</td>
<td>Number of animals benefiting from or affected by livestock activities</td>
</tr>
<tr>
<td>Indicator 2:</td>
<td>Number of people benefiting from livestock activities, by sex</td>
</tr>
<tr>
<td>Indicator 3:</td>
<td>Number of veterinary interventions</td>
</tr>
<tr>
<td>Indicator 4:</td>
<td>Number of animals treated</td>
</tr>
<tr>
<td>Sub-Sector Name:</td>
<td>Veterinary Medicines or Vaccines</td>
</tr>
<tr>
<td>Indicator 1:</td>
<td>Number of veterinary interventions</td>
</tr>
<tr>
<td>Indicator 2:</td>
<td>Number of animals treated or vaccinated</td>
</tr>
</tbody>
</table>
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A) Justification

1. Problem Statement

The renewal of conflict in Blue Nile since September 2011 has resulted in widespread disruption and destruction to the lives and livelihoods of an already vulnerable population in this southeastern state of Sudan. Displacement is significant. According to UNOCHA, a total of 160,000 people were newly displaced across the state.¹ Further, humanitarian access has been heavily restricted due to security concerns, but also because of significant new operational restrictions imposed by the government.

World Vision (WV) was able to reopen its local offices in November 2011, shortly after the onset of fighting, and maintained a skeletal staff in the interim. But permission to implement humanitarian activities was not received until early 2013, and the revised direction of the authorities was to work only through local partners. The situation is similar for other INGOs, meaning that vulnerable populations were largely without humanitarian assistance for around 18 months. During this period, a heavy rainy season together with the newly completed deepening of the Roseires Dam led to serious flooding along the banks of the Blue Nile River. This further complicated the situation for IDPs and host communities residing close to the Blue Nile River around Damazin town. Further displacement resulted. IDPs were often required to live in the open, exposed to the elements.

In February 2013, an assessment by the government's Humanitarian Affairs Commission (HAC) was undertaken with the assistance of some national NGOs. By then the security situation was more stable with the frequency of skirmishes and fighting reduced, levels of movement and displacement abating, and with some IDPs returning closer to their communities of origin. World Vision applied for and received authorization to work during the 2013 calendar year and specific activities performed via a local NGO commenced.

In April 2013, following discussions in Addis Ababa, the new Governor for Blue Nile and HAC Commissioner permitted local staff from UN agencies and INGOs to access areas previously under military control. Security is much improved, but some risk remains. Key local assets such as the Kurmuk hafir (reservoir) are still under the supervision of the Sudanese Armed Forces and access is not permitted. Also in April 2013, World Vision staff joined several UN agencies and INGOs in a verification visit to Blue Nile. The purpose of the visit was to verify the findings from the February HAC assessment and identify basic services that are needed to fill key gaps and ensure that IDP populations receive assistance from the UN, INGOs, local NGOs, and line ministries. (IDPs are called "war affected populations" in the Blue Nile.) The official report is still pending finalization by the assessment leads. Useful general information is also available in a WFP assessment done in March 2013.

Within Geissan locality, fighting in the south of the locality caused northward displacement to local villages. Within Baw, fighting in the west of the locality caused displacement to eastern villages. IDPs were highly restricted in their movements by the government, which prevented them heading to larger centers (such as Damazin) or establishing IDP camps. Thus, the IDPs have formed numerous small settlements within existing villages and small towns, placing considerable pressure on host communities, where the arrival of IDPs has roughly doubled the local population. IDPs would be likely to return if the security situation became stable (which it is not, see for example latest OCHA Humanitarian Bulletin,

¹ UNOCHA Humanitarian Update, October 2012.


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which noted fighting and displacement 34km south of Baw in November 2013). Thus, the situation is actually more comparable to a camp context than a typical rural context.

Significant humanitarian needs have been identified, including for food assistance (where WFP has identified approx. 36,000 people in need in Baw and Geissan localities) and the sectors of WASH and Agriculture and Food Security, as further described below. Fortunately, both areas are now considered sufficiently secure for successful program implementation.

2. Needs Assessment Summary and Justification for Intervention

The program targets Blue Nile state. Immediate focal areas are the Bakory area of Geissan, which contains over 8,000 IDPs among a host population of less than 7,000; and the east of Baw locality, where there are 30,000 IDPs amongst a host population of 33,000. Opportunities will also be sought to reach areas that are currently difficult to access. Exact demographic breakdown is not known, but WFP has observed that households of directly affected populations “were mostly women, children and elders”.

Needs assessment information is quite limited in this operational context. Due to insecurity and government restrictions, no comprehensive data collection process for Blue Nile has been possible, nor is likely in the immediate future. However, in October 2013, World Vision was successful in conducting a household survey in Blue Nile several localities, including Baw. Using this data together with information from a variety of sources, World Vision is able to paint a compelling (albeit incomplete) picture of urgent humanitarian needs in the WASH and agriculture and food security sectors.

Working with the joint verification visit by the UN, HAC, NGOs and other stakeholders in April 2013, World Vision obtained as much data as possible on populations of aggregated conflict affected people in Baw and Geissan localities. Little remains of the villages inhabited by local residents due to the levels of destruction experienced during clashes between the SPLM-N and SAF. Specifically, the west of Baw locality and the south of Geissan locality remain uninhabited.

Many of the displaced fled to neighboring Ethiopia or South Sudan, but the majority within these two localities found shelter in villages elsewhere within the same locality (because IDP movements to larger centers, such as Damazin, were not permitted by the Government).

Instead, pockets of aggregated populations live in very basic shelters consisting of tree-branch frames covered in plastic sheets and/or dry grass. Plastic sheets have been provided by the Government of Sudan, UN Agencies, INGOs and National NGOs, with the other materials sourced locally by community members themselves. World Vision, with support for distribution provided by the Sudanese Red Crescent Society, recently provided over 10,000 plastic sheets to IDPs in Baw and Kurmuk and in the areas around Damazin. Similarly, other non-food items ranging from kitchen utensils and cooking pots to basic household sanitary items have been provided.

WASH Sector Assessment Data and Justification

Access to quality drinking water was poor even before the recent conflict. According to UNICEF in 2009, 59% of the state’s population was without access to improved drinking water sources.

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3 HAC assessment, February 2013.
4 WFP, Rapid Emergency Food Needs Assessment, March 2013
5 This is the most recent data from prior to the 2011 conflict.
The availability of safe water sources has worsened in the conflict due to the damage of some hand-pumps, but the most significant shock has been the influx of IDPs, which has more than doubled the population in the target areas.

Locality specific data has been obtained for Baw locality through a recent World Vision survey\(^5\). Data is also provided from a wider Blue Nile survey.

<table>
<thead>
<tr>
<th>Data</th>
<th>Baw Locality</th>
<th>Blue Nile (3 localities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population at &gt;500m from nearest water source</td>
<td>35.4%</td>
<td>27.1%</td>
</tr>
<tr>
<td>Average queuing time at water source &gt;30min</td>
<td>43.8%</td>
<td>35.4%</td>
</tr>
<tr>
<td>Main water source is non-improved (dry season)(^6)</td>
<td>20.8%</td>
<td>22.9%</td>
</tr>
</tbody>
</table>

The survey also found that within Baw locality:
- 62% of people surveyed do not use an improved source as their main source of drinking water.
- 44% of people use less than 15l/p/d

Access was not granted to conduct a survey in Geissan. WES has indicated willingness to gather this information for World Vision, but they have yet to provide this. WES has, however, advised that within Bakory in the Geissan locality, there are currently 24 functioning hand-pumps serving a population of 15,066 (ratio of 1:628). An additional 24 hand-pumps are not working and repairs are urgently required.

WFP's March 2013 assessment report also noted access to safe potable water as a primary need for displaced and host communities in Blue Nile (including Baw and Geissan localities).

According to WES there are approximately 1,000 non-functioning hand-pumps across the state, including many in the targeted areas. The hand-pumps are broken as a result of both neglect and deliberate damage during the conflict. In the case of the neglected hand-pumps, it is the responsibility of local water authorities to maintain and repair these, but they lack resources and local IDP and host communities have been unable to cover the gap. Recent conflict has further reduced local technical and financial capacity.

This program proposes to repair 15 hand-pumps within the target area. At least six of these will be targeted to Bakory, increasing the ratio of people per hand pump to at most 1:500. The remainder will be implemented in Geissan locality in villages with low access to hand-pumps (see WASH sector activity 1.1.1 below for further details). The repair of these hand-pumps is not intended to compensate for the failings of local authorities to maintain them, but is simply the most efficient way to respond to emergency-level water needs. In order to enhance long-term sustainability, capacity building activities will also be proposed alongside the physical hand-pump repairs.

The sanitation situation is also of concern. Prior to the recent conflict, 30.1% of the state population practiced open defecation and no more than 11% use improved sanitation facilities\(^7\). Data obtained for Baw locality by World Vision's recent survey shows that the situation in Baw locality is worse than the pre-conflict situation:

\(^5\) Data is from a survey of 48 households in Baw locality and is compared with survey data of 144 households from Baw, Damazin and El Rosaries localities (World Vision, October 2013).

\(^6\) There was a negligible difference in survey results between dry and wet season.

\(^7\) Defecation data is from Sudan Household Health Survey 2010. The same survey claims 5.3% of population use improved sanitation facilities, whereas a Unicef 2009 survey shows a figure of 11%.
<table>
<thead>
<tr>
<th>Data</th>
<th>Baw Locality</th>
<th>Blue Nile (3 localities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latrine usage</td>
<td>58.7%</td>
<td>69.5%</td>
</tr>
<tr>
<td>Latrine usage (&lt;5s)</td>
<td>20.4%</td>
<td>51.2%</td>
</tr>
<tr>
<td>HH latrine access</td>
<td>54.2%</td>
<td>68.4%</td>
</tr>
<tr>
<td>Diarrhea prevalence (&lt;5s/HH last two weeks)</td>
<td>50%</td>
<td>45.8%</td>
</tr>
</tbody>
</table>

The survey also shows mixed responses on hygiene awareness with 93.8% of respondents reporting washing hands prior to eating and 77.1% after defecation. But, only 45.8% washing hands after wiping babies, 29.2% before food preparation and 2.1% before infant feeding.

Updated data for Geissan is not available, but the situation has clearly worsened since the arrival of IDPs, elevating health risks.

Within the target area, there are 25 schools, of which 20 do not have latrines. World Vision, therefore, proposes a hygiene promotion campaign combined with the construction of latrines at villages and schools, so as to minimize the risk of sanitation-related diseases.

Both Baw and Geissan localities have been placed in the highest category of need “Saving Lives” by the WASH sector for the 2014 Humanitarian Work Plan.

**Agriculture & Food Security Sector Assessment Data and Justification**

Farmers in the target areas are typically smallholders (5-30 feddans\(^8\)) who grow a cereal (mainly sorghum, sometimes millet) as their main crop supplemented by sesame, groundnut or various legumes. A minority grow vegetables along the wadis (seasonal rivers), but the vast majority of agriculture is exclusively rain-fed and practiced using manual tools and traditional farming methods. Farm productivity has steadily declined over recent decades due mainly to increasingly erratic rainfall patterns and declining soil quality.

Food insecurity is a serious problem in Blue Nile state. According to World Vision’s pre-conflict assessment survey (2010), 12% of the population is classified as being severely food insecure and 18% moderately food insecure. Low agricultural production is the main cause of food insecurity. From this already vulnerable starting point, those directly affected by conflict and displacement have been further burdened through loss of access to their land, seed and tools.

Both Baw and Geissan localities have been placed in the highest category of need “Saving Lives” by the Food Security & Livelihoods sector for the 2014 Humanitarian Work Plan.

Insecurity and government restrictions have prevented World Vision from comprehensively updating its 2010 assessment. But, a survey conducted in Baw locality in October 2013 found that:

- 93.8% of the population of Baw had agricultural production in the last harvest that was below normal levels. This was attributable to three main factors: shortage of land, excessive rainfall and shortage of seed.
- 83.3% of the population of Baw has experienced food shortages in the last twelve months.

Further evidence points clearly to the situation having worsened as a result of renewed conflict. Notably, WFP’s survey concludes that the conflict has negatively impacted on food security, specifically

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\(^8\)A feddan is the standard unit of land measurement in Sudan. It is roughly equivalent to one acre.

citing loss of assets and lack of cultivation in 2012 as major factors. WFP claims that the resultant reduced 2012 harvest has led to a 26-32% increase in cereal prices.

Importantly, many IDPs have access to small plots that have been allocated by leaders of host communities. Some have begun farming in 2013, but it is predicted that significant gaps in seed and tool access will still exist in the 2014 agricultural season. This is supported by the WFP finding that directly affected populations “will require a longer period of time to regain self-sufficiency”. Their report specifically recommends provision of seeds and tools for those who have access to land.

Under normal circumstances, seed is either saved from a household’s previous harvest or purchased using the proceeds of production surplus. Displacement leads to harvest loss, meaning that many households have neither saved seed nor generated surplus income with which to purchase it. Also, where farmers have been able to commence farming in their displaced setting, they generally produce less because of limited access to land resulting in below-subsistence levels of production as is evidenced by World Vision’s 2013 survey data which shows that 47.6% of households in Baw locality\(^9\) experienced at least one “hungry month” in the past year due to food scarcity. Since household food consumption essentially comes from the same supply as seed for planting (i.e. stored seed/saved income), food scarcity at household level is a strong indicator of whether or not that household will have sufficient seed for planting. Farmers who purchase seed have normally done so using local vendors. Displacement since 2011 appears to have disrupted local markets, especially in more remote areas, which may create an additional barrier to seed access.

Livestock rearing is the second biggest economic activity in Blue Nile. Approximately 12% of the state’s population are nomadic cattle and camel herders, whilst around 70% of the population own small animals, mainly sheep, goats or chickens, as a supplementary livelihood source. Livestock are predominantly pasture fed and, as pasture yields have suffered due to over-grazing and erratic rainfall, the competition for pasture access has increased. This is intensified due to increased numbers of animal migrations from other states, which also places pressure on water resources (such as boreholes, hafirs and seasonal streams).

The livestock situation is also a critical contributor towards food insecurity with many animals having been lost in the 2011 conflict and further losses incurred due to ongoing displacement thereafter. Livestock deaths have also resulted from setbacks to animal health services, which were poorly available even before 2011 and have worsened since. The poor agricultural situation also makes it difficult for families to sustain their herds creating a hunger gap of three months (July-September).

A further cause of livestock problems is water supply, which is restricted both in terms of availability of suitable water points and in terms of being able to safely access water supplies whilst avoiding perennial conflicts between farmers and (agro-)pastoralists.

**Summary**

This program targets communities affected by the recent conflict in Blue Nile. This includes IDPs and their host communities. The target areas have been selected due to a high presence of IDPs, observed humanitarian needs as described above and operational accessibility. Opportunities will be sought,

\(^9\) No survey was permitted in Geissan locality.

though, to reach areas that are currently difficult to access. World Vision will notify OFDA if this necessitates changes to target locations.

Most displacement occurred in late 2011, but the situation remains unsafe for IDPs to return. Sporadic conflict still leads to new displacements. Moreover, humanitarian access was restricted until very recently, meaning that IDPs were without external support for most of the post-conflict period. Needs remain high and World Vision (through its local partners) now has sufficient access to initiate this intervention. The proposed intervention is necessary to meet emergency WASH-needs and to provide livelihood support, particularly support for IDPs who have lost their livelihood sources due to displacement.

World Vision is well placed to implement this project, having remained in the state throughout the recent conflict, and holding strong relationships with local authorities and local implementing partners, which have been selected following a thorough capacity assessment. Direct implementation by international NGOs is not permitted in Blue Nile state. But World Vision has the technical expertise and monitoring capacity to successfully support and ensure accountability from its local partner, with considerable global experience in this operational model from other countries, such as in south-central Somalia.

The proposed program fits well with OFDA’s mandate to save lives and alleviate human suffering. In an area that is dramatically underserved by humanitarian actors, OFDA’s contribution will meet emergency WASH and AFS needs while building the framework for a sustainable recovery for conflict-affected persons in Blue Nile.

**Gender, Elderly, and Disabled Analysis for Target Area**

Gender relations in the target area remain highly traditional and have changed little in recent decades. Women are highly active, shouldering the bulk of the burden, not only for housework and child rearing, but also in farm work and supplementary income generation. Women are also generally active in market participation. Men, though, are the primary decision-makers in household matters and especially in community-level decision-making.

Agricultural work (including work with livestock) is very much considered a whole-of-household activity, particularly during peak periods of the season. Both women and men are actively involved in farming work and possess the necessary skills. Female-headed households are at a disadvantage because they generally have to carry the entire farming burden alone on top of their other household responsibilities. Thus, productivity is likely to suffer. Children are often involved in farm work as well during peak times, particularly in families where the supply of adult labor is low (e.g. in female-headed households or where adults are elderly or disabled). For these reasons, female-headed households and those households with other labor-related disadvantages (including elderly and disabled) will be prioritized amongst beneficiaries of agricultural activities, notably seed voucher distribution. Within male-headed households, seed vouchers will be distributed to men in alignment with cultural norms and expectations, but WV has no evidence to suggest that this does not lead to a whole-of-household benefit. **Where disabled or elderly are heads of households, additional support will be provided at seed fairs and other activities to ensure they are full able to participate.**

Women (and girls) also carry the bulk of the burden of water collection. Thus, increased accessibility of drinking water will be of particular benefit to women and girls. Greater accessibility of clean drinking water and improved hygiene practice will benefit the whole household, notably infants who are most vulnerable to water-borne diseases. Mothers will be targeted for specific activities, notably training in
use of ORS. **Disabled and elderly persons will also benefit from greater accessibility to water points, which will be designed to ensure ease of access.**

The provision of girl-friendly school latrines will have particular benefits for pubescent girl students, there being widespread anecdotal evidence that the lack of privacy for sanitation-related activities is a factor behind lower enrolment and missed school days for girls in higher grade levels. **Barriers are also understood to exist for disabled children to attend school and latrines will also be designed in order to facilitate disabled access.**

Water service committees are very much a male domain. Through the program, World Vision will ensure female representation on such committees to ensure that the needs of women are taken care of in the long-term.

**B) PROGRAM DESCRIPTION**

1. **Program Overview**

   *a. Goal*

   **Improved food security and health through WASH and AFS services to conflict-affected households in Blue Nile state**

   *b. Beneficiary Numbers*

<table>
<thead>
<tr>
<th>Total Number of Beneficiaries Targeted</th>
<th>56,944</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of IDP Beneficiaries Targeted</td>
<td>30,081</td>
</tr>
</tbody>
</table>

   *c. Critical Assumptions*

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Risk Indicators</th>
<th>Consequence (Fatal, Serious, Manageable)</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favorable security conditions will enable staff to reach full target populations in Blue Nile</td>
<td>Planned trips to target locations are suspended due to insecurity; cars hijacked on the way to the field; staff harmed in the course of their duties</td>
<td>Serious/Fatal</td>
<td>World Vision will continue to work with the UN office and local authorities to obtain updated security alerts. Security protocols will be followed; dialogue with community leaders and government will continue.</td>
</tr>
<tr>
<td>Access to vulnerable target populations by expatriate staff is permitted by Sudanese authorities</td>
<td>Travel permits not approved</td>
<td>Manageable</td>
<td>World Vision staff in Damazin have been trained and report to the Operations Director and Program Development and Quality Director in Khartoum. Rigorous M&amp;E systems require weekly reporting to ensure that project move according to the implementation plans along with the sufficient documentation.</td>
</tr>
<tr>
<td>Assumption</td>
<td>Risk Indicators</td>
<td>Consequence (Fatal, Serious, Manageable)</td>
<td>Mitigation</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Local communities and authorities are supportive, active and cooperative in implementation of project activities; WV is able to convince community leaders to allow women to participate in activities</td>
<td>Communities do not provide inputs; water systems, farms and latrines destroyed or neglected; women do not participate equally in all activities</td>
<td>Serious</td>
<td>Maintain good relations with local authorities and communities in both states as well as area based organizations; required community inputs clearly stipulated in MoUs; ongoing discussion with local authorities and community leaders on program objectives in both states</td>
</tr>
<tr>
<td>Sound coordination mechanisms are maintained and promoted</td>
<td>Duplication of activities</td>
<td>Manageable</td>
<td>World Vision will continue to attend all field and Khartoum level meetings for general issues and project coordination.</td>
</tr>
<tr>
<td>Flooding and heavy rains do not exceed normal levels</td>
<td>Access to project areas impeded and cause communities to return to immediate emergency aid</td>
<td>Serious</td>
<td>World Vision is in the process of acquiring pre-positioned NFIs to ensure that it is able to respond immediately to flooding and other natural disasters</td>
</tr>
<tr>
<td>No major disease outbreaks among the target populations</td>
<td>Increased incidence of water-borne diseases up to epidemic proportions</td>
<td>Serious</td>
<td>World Vision will support dissemination of information on early warning systems that will help the communities and the government to detect disease outbreaks early and as part of its hygiene promotion campaigns</td>
</tr>
<tr>
<td>HAC and State authorities permit access to implement project</td>
<td>Refusal of NGO local staff access to beneficiary sites and monitoring</td>
<td>Manageable</td>
<td>World Vision is working with communities, local organizations and HAC to ensure that a strong accountability, monitoring and evaluation systems are in place so that reporting and supporting documentation permits access to beneficiaries.</td>
</tr>
<tr>
<td>Project activities contribute to peace-building among diverse groups</td>
<td>Disputes and violence over various issues, such as access to land and resources, including those related to the project</td>
<td>Serious</td>
<td>Activities designed with a Do No Harm lens to support integration and mitigate conflict; simultaneous local capacity for peace initiatives will support timely conflict identification and resolution. Beneficiaries will be selected from the IDPs communities but also include vulnerable members of the host community where relevant</td>
</tr>
</tbody>
</table>

**d. Program Strategy**

Throughout the conflict World Vision has maintained staff and offices in Damazin to smooth the return to programming once access was permitted. This has also helped World Vision to maintain relationships with communities, government authorities and other local stakeholders. World Vision also has a strong relationship with a number of locally based NGOs, through which implementation of its Blue Nile program now takes place, in accordance with government regulations.

For this program, World Vision has selected the Sudanese NGO Islamic Relief Agency (ISRA) to implement the program as a sub-grantee. ISRA was formed in 1981 and has been operational in Blue Nile since 1991.
Nile since 1989. It has its headquarters in Khartoum and is currently operational in seven of Sudan’s states, working in a range of sectors including Health, Food Security/Livelihoods and WASH. It is registered as a national NGO at both federal and state levels. ISRA also works internationally and has established regional offices in East Africa and South Asia. A full description of ISRA’s organizational profile is attached as Attachment 8.

Earlier in 2013, ISRA underwent a capacity assessment process with World Vision. Additionally, ISRA has completed a pre-award screening process in accordance with World Vision requirements. On the basis of both these processes World Vision is satisfied that they have the necessary capacity to implement this program. Some additional capacity support and oversight will be required to ensure full regulatory compliance. A copy of World Vision’s capacity assessment checklist is included in Attachment 8.

To further boost their capacity and ensure strict oversight of the project, World Vision will conduct training sessions and supervise the community distributions and activities. All procurement remains through World Vision and its standard stringent procurement processes. Contracting and construction of waterpoints and other activities will be supervised by World Vision technical staff. World Vision has also resumed its longstanding partnerships with Water & Environmental Sanitation (WES) and the Ministry of Animal Resources to ensure that sufficient technical staff are available and that deliberate linkages are made between the communities, IDPs and relevant line ministries for purposes of record keeping and sustainability.

World Vision is committed to adhering to recognized humanitarian principles and standards in the implementation of its projects. World Vision is a signatory to the Code of Conduct for the International Red Cross and Red Crescent Movement (ICRC) and NGOs in Disaster Relief, and has consultative status with the UN Economic and Social Council (Category II), UNICEF, UNHCR, WHO and the WFP. In the implementation of this project, WV will strive to adhere to the ICRC Code of Conduct and the Sphere Humanitarian Charter and Minimum Standards. Further, World Vision implements all programs through community-based participatory approaches, and views each activity as a means to further enhance community capacities and to build resilience. World Vision is committed to promoting equal development opportunities for both women and men and will ensure that gender-specific needs are well addressed in the design and implementation of this project. This approach helps World Vision build a strong foundation with the community that will promote collaboration over the long term whilst meeting their most urgent needs. Finally, World Vision will carry out the necessary analysis to ensure that humanitarian activities will not create or exacerbate tensions among ethnic groups and community members. The project will apply the DNFH framework to provide a systematic analysis of the connectors and dividers within the target communities and the impact that the distribution and use of resources, programming decisions, and assistance may have on these factors.

The program targets Blue Nile state. Immediate focal areas are the Bakory area of Geissan and the east of Baw locality. Opportunities will be sought, though, to reach additional areas that are currently difficult to access. World Vision will notify OFDA if this necessitates changes to target locations.

e. Sectors

**Water, Sanitation and Hygiene Sector**

<table>
<thead>
<tr>
<th></th>
<th>Sector Name:</th>
<th>Water, Sanitation and Hygiene (WASH)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sector Objective:</td>
<td>Improved access to safe water, sanitation and</td>
</tr>
<tr>
<td>(2)</td>
<td>Dollar Amount</td>
<td>$343,467</td>
</tr>
<tr>
<td>-----</td>
<td>---------------</td>
<td>-----------</td>
</tr>
<tr>
<td>(3)</td>
<td>Beneficiary Numbers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of Beneficiaries Targeted</td>
<td>45,043</td>
</tr>
<tr>
<td></td>
<td>Number of IDP Beneficiaries Targeted</td>
<td>23,794</td>
</tr>
<tr>
<td>(4)</td>
<td>Geographic Areas</td>
<td>Blue Nile state</td>
</tr>
</tbody>
</table>

(5) Sector-Level Coordination:

In its WASH activities in Blue Nile state, World Vision works closely with WES, the Directorate of Groundwater and Wadis, and the National Water Corporation. The localities targeted by this project were selected in agreement with the government authorities. Sector meetings are held monthly to discuss implementation, and share challenges and best practices to promote the standardization of implementation approaches and to improve overall effectiveness of program impact. Security-related information is also shared at these meetings. Additionally, World Vision attends monthly meetings at the GoS head office in Khartoum. World Vision’s WASH sector plans are presented to local authorities, who are extensively involved in determining the locations of operations. Additionally, ad hoc meetings are held with other NGOs as needed.

(6) Sub-sectors

(a) Sub-Sector Name | Water Supply Infrastructure
(b) Technical Design

Activity 1.1.1 Hand Pump Rehabilitation

15 hand-pumps will be rehabilitated in Baw and Geissan localities. Of these, 10 have been tentatively identified based on WES assessment, including:

<table>
<thead>
<tr>
<th>Locality</th>
<th>Village</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baw</td>
<td>Khormagnza, Dering, Mosfa, Bagees</td>
</tr>
<tr>
<td>Geissan</td>
<td>Bakory, Elias, Yara, Aburondo, Adasi, DaimSaad</td>
</tr>
</tbody>
</table>

World Vision considers it critical to undertake fuller assessment before final selection of these 10 hand-pumps and selection of the five additional hand-pumps. Such assessment has not been possible to date due to government access restrictions. Permission for fuller assessment is expected, however, to be granted once World Vision can commit to undertaking the necessary work (i.e. once funding is committed). World Vision plans to conduct the full assessments within 90 days of the commencement of the program.

Hand-pumps for rehabilitation will be selected on the basis of highest needs in terms of access (i.e. quantity of water available) and availability (i.e. distance to water sources). The overall need for additional hand-pumps has arisen due to the significant influx of IDPs in the area creating excessive demand on existing, functional water sources.

Community responsibilities for supplying labor will be carefully defined in discussions with residents. Corresponding MoUs will be drafted and signed. If required, Indian Mark II hand pumps will be used as
per government standards. Parts will be sourced through WES, but must be purchased through the project because WES has no funding source to purchase parts.

During hand pump installation WSCs will be invited to observe the process. A post-installation pump test will determine if the yield is adequate and a water sample will be taken to verify that chemical and bacteria levels are acceptable. Each newly repaired hand pump will be disinfected with chlorine. After testing, the water point will be formally handed over to the community.

Importantly, no new hand-pumps will be installed, thus the supply will not be increased beyond what the host population already had. Relationships between host and IDP populations are generally observed to be good and any potential disputes over resources are likely to be eased by this action.

All rehabilitation work will ensure that access for elderly or disabled people remains the same or, where reasonably possible, is improved. Hand pumps selected will be in visible, populated locations in order to ensure they are safely accessible, especially for women.

Expected Output: 15 boreholes/broken hand pumps rehabilitated.

Activity 1.1.2: Formation and Capacity Building of Water & Sanitation Committees (WSC)
To ensure sustainable maintenance and management of rehabilitated water sources, water & sanitation committees will be established/revived (where necessary) and given training on water source management. Committees will be appointed through local mechanisms, but World Vision will ensure appropriate levels of representation for women and other vulnerable community members (e.g., minority tribal groups, IDPs).

To promote sustainability beyond the life of the project, particular attention in the training will be given to ensuring that WSCs are capable of raising and managing the funds needed to repair and maintain the water points under their responsibility. Each WSC will be encouraged to collect and save user fees in order to finance any needed future repairs. Consultation to WSCs for fee establishment, collection, and management will be provided as necessary. Complementary livelihoods projects funded by other donors will boost the household incomes needed to sustain such fees.

WSCs should ideally be village level bodies, meaning that in larger villages one committee will be responsible for multiple hand pumps. It is anticipated that 8-10 WSCs will be required with the exact number depending on the exact geographical distribution of hand-pumps. Naturally, the training required will be of benefit in sustaining existing functional hand-pumps in addition to the 15 that will be rehabilitated under this project. In addition, these WSCs will also have responsibilities for community hygiene and sanitation issues, as discussed in sections below.

Expected Output: 8-10 WSCs supported and trained.

Activity 1.1.3: Maintenance of Water Points
All refurbished hand pumps will require regular maintenance to avoid expensive repairs. For each hand pump, the WSC will select four members for more intensive training as hand pump caretakers. If the community have functional WSC will work with the previously trained hand pump caretakers for refresher training. Hand pump caretakers will receive training on the names and functions of all of the hand pump spare parts, the method for assembling the cylinder, the stroke mechanism of the pump, and care of the concrete platform. World Vision hand pump technicians will lead the caretaker-training
sessions. Hand pump caretakers in target communities will be equipped with a maintenance kit of basic spare parts and will be linked with WES for necessary procurements.

Spare parts required for the repair and maintenance of broken hand pumps are available at the state level in the WES office. Procuring parts from WES guarantees that the parts are genuine and of the right specification for the recommended hand pump for the state. The price is also affordable since WES is not a profit-making entity. WES is in the process of establishing offices in the localities with the intent of bringing its services closer to local communities.

World Vision has ongoing relationships with relevant government line ministries and will hand over the completed projects to the communities in the presence of WES. Direct ongoing technical support will be from the government line ministries themselves.

**Expected Output:** 40 (4 per committee) hand pump caretakers selected and trained in basic hand pump repairs and maintenance.

(c) **Indicators**

<table>
<thead>
<tr>
<th>USAID/OFDA Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 1: Number of people directly benefitting from the water supply infrastructure program</td>
</tr>
</tbody>
</table>

See Attachment 9 for additional WASH indicators.

(a) **Sub-Sector Name:** Sanitation Infrastructure

(b) **Technical Design**

**Activity 1.2.1: Community Led Total Sanitation**

Sanitation interventions to be implemented under this project will target the communities and also the primary schools in the proposed localities. In doing this, World Vision will adopt community led total sanitation (CLTS) approach which is an integrated approach towards achieving and sustaining open defecation status in villages through a process of social awakening that ignites change in the sanitation behavior rather than focusing in constructing latrines. The implementation of CLTS involves three general steps:

- Pre-triggering- which involves community visits, selecting communities, introduction and building rapport;
- Triggering – involves participatory sanitation profile analysis and the ignition moment
- Post-triggering- Action planning by the community and follow up.

This approach will lead to a situation whereby community members appreciate the need to change their sanitation behaviour, and will therefore use their own initiative to construct latrines; and promotes greater ownership, affordability and sustainability. Furthermore, World Vision will provide demonstrations on the use of latrine slabs. World Vision will also support the training of community artisans who will be involved in fabrication of latrine slabs therefore making them affordable and locally available for communities.
World Vision recognizes that achieving open free defecation status often takes more than 12 months, especially over a wide geographical area. For this reason, WV will target only a limited number of villages.

School WASH is a critical component in ensuring success of sanitation in communities because of the key role played by children in hygiene and sanitation promotion. As noted, there is high number of schools without sanitation facilities in the proposed two localities. Linked to the support to the communities, these schools will be supported to construct permanent latrines. The design of the schools will be according to the design prepared by the Ministry of Education. Proper use and management of the school latrines to be constructed will be strengthened through formation of school health clubs as explained in section 1.3.1 below. Latrines will be maintained by school Parent Teacher Associations (PTAs) who will receive basic training in effective latrine cleaning and maintenance.

<table>
<thead>
<tr>
<th>Locality</th>
<th>Village</th>
<th>School Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geissan</td>
<td>Abu Gumaie</td>
<td>Abu Gumaie Basic School</td>
</tr>
<tr>
<td></td>
<td>Alias</td>
<td>Alias Basic School</td>
</tr>
<tr>
<td></td>
<td>Bakory</td>
<td>Alimam Maliek Basic School</td>
</tr>
<tr>
<td>Baw</td>
<td>Alabanosa</td>
<td>Alabanosa Basic School</td>
</tr>
<tr>
<td></td>
<td>Albangadid</td>
<td>Albangadid Basic School</td>
</tr>
<tr>
<td></td>
<td>Alagageer</td>
<td>Alagageer Basic School</td>
</tr>
</tbody>
</table>

World Vision partners will make fortnightly follow-up visits to targeted villages and schools to monitor and further promote latrine cleanliness.

Expected outputs include
- At least 5 villages achieve open defecation free status
- 50 community members are trained as artisans in slab fabrication and construction of household latrines
- 6 schools supported with the construction of VIP latrines.
- 6 school PTAs receive basic training in latrine maintenance

(c) Indicators

USAID/OFDA Indicators

| Indicator 1: Number of people directly benefitting from the sanitation infrastructure program | Target: 6,000 |

(a) Sub-Sector Name: Hygiene Promotion

(b) Technical Design

Integrating the water supply with sanitation and hygiene promotion is crucial element in the reduction of under-five mortality and morbidity, particularly in areas affected by conflict. The links between sanitation, water supply, and health are directly affected by appropriate hygiene behaviour. Simply providing access to improved water and sanitation does not guarantee system use or maximal health benefit. The promotion of fundamental behaviour change is crucial to integrating the appropriate use of services into routine daily activity.
**Activity 1.3.1: Hygiene Promotion**

Awareness of key hygiene and sanitation practices will be raised through hygiene promotion and mobilization campaigns that will include hygiene lessons, community discussions, household visits, posting of information education and communication (IEC) materials in public places, and the distribution of hygiene kits to households. Household visits will ensure that promotion messages reach elderly and disabled people.

Hygiene promotion activities will be undertaken by community hygiene promoters (CHPs) with the direct support of program staff. 20 community hygiene promoters will be selected and trained. They will be selected by WSCs based on ability to read and write, existing understanding of hygiene issues, and willingness to serve as a volunteer.

The specific hygiene promotion activities will include:

- 1,000 household visits conducted by program staff/CHPs, household water storage methods will be observed and water samples taken. Households will be advised on improved practices, and the PHAST approach will be applied. Given the timeframe of a 12-month project, an abbreviated PHAST approach will be applied.
- Distribution of IEC materials to assist them in raising community awareness on the importance of hygiene in disease prevention. All IEC materials distributed will be based on existing UNICEF/WES (PHAST-based) materials and will be produced in the local language. Focus will be on the 5Fs of disease transfer (Food, Fluids, Fingers, Flies and Faeces) and on key behaviour change issues of: safe disposal of faeces, hand washing and safe drinking water storage/handling.
- 1000 hygiene kits will be distributed to poor and vulnerable households (particularly IDPs) that do not have basic water storage materials. Hygiene kits will include jerry cans for water collection, washing jugs for facilitating the hand-washing campaign, and buckets with lids for water storage.
- Program staff will also train an estimated 1000 women of childbearing age (particularly those with children under 5) on the use of ORS to reduce the risk of dehydration caused by diarrhoea. WV’s training will explicitly align with the WHO recommendations on the use and timing of homemade ORS. WV agrees that pre-made ORS sachets should be used wherever and whenever they are available. WV will make pre-made ORS sachets available at the WV-supported health clinic in Geissan, and will also link the provision of sachets via community health workers via a UNICEF-funded project that will commence shortly in Geissan locality. Community health workers in the UNICEF-funded project will be provided ORS sachets. The training provided under the OFDA project will be a comprehensive ORS training, and will touch on proper techniques for homemade ORS only as a secondary and emergency alternative. The training will clearly communicate the importance and prioritization of pre-made ORS, and will provide explicit details on the best opportunities for local access of pre-made ORS. Training on homemade ORS will be provided, but with a consistent emphasis that the measure is intended to be temporary and only advised when ORS is fully unavailable or inaccessible. Limited, basic instruction on this topic is important to ensure that beneficiaries who may already make their own ORS can avoid doing harm with improper mixtures. World Vision has well-trained community based hygiene promotion staff who will, in collaboration with our local partner NGO, take lead in providing ORS training, in partnership with the state Ministry of Health. Administering of ORS is one of the messages disseminated to communities during household visits and other
community hygiene promotion sessions. During such sessions, community members are constantly reminded on the purpose and administration of ORS. During household visits, trained household members are asked to demonstrate how to they accessed or prepared ORS when it was needed.

Schools will also be targeted with hygiene promotion activities to complement the construction of school latrines. In order for any school WASH program to proceed, the school leadership must buy first buy the idea. WV will support the training of Parent Teachers Association (PTA) from each of the 15 schools on the importance of hygiene and sanitation. Once the PTAs have been trained, they will in turn facilitate the formation of health clubs in their schools. The program will support the formation and training of 15 school health clubs. One health club will have about 40 pupils covering mid to upper primary levels, and will be led by health club patron.

These clubs will be involved in behavior change activities through school drama, painting and drawing sessions, and hygiene promotion sessions within their communities. The clubs will also be charged with the school cleanliness which includes ensuring latrines are regularly cleaned. Schools have only recently re-opened and this will help engage students further in their daily tasks following almost a 2 year gap. Additionally, 15 hand washing and drinking water facilities will be provided to schools to promote hand washing and safe water storage for pupils.

**Expected Outputs:**
- Training of 20 community hygiene promoters
- 1,000 household visited and sensitized with appropriate hygiene promotion messages.
- Distribution of 1,000 household hygiene kits
- Training of 1,000 women on ORS
- Training of 15 school Parent Teacher Associations
- Formation and support to 15 school health clubs
- Provision of hand-washing and drinking water facilities to 15 schools

| Indicator 1: | Number of people receiving direct hygiene promotion | Target: 6,000 |

**Agriculture & Food Security Sector**

<table>
<thead>
<tr>
<th>(1)</th>
<th>Sector Name: Agriculture and Food Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2)</td>
<td>Sector Objective: To improve food security among vulnerables and host communities</td>
</tr>
<tr>
<td>(3)</td>
<td>Dollar Amount Requested: $379,938</td>
</tr>
<tr>
<td>(4)</td>
<td>Beneficiary Numbers</td>
</tr>
<tr>
<td>(5)</td>
<td>Number of Beneficiaries Targeted: 52,440</td>
</tr>
<tr>
<td>(6)</td>
<td>Number of IDP Beneficiaries: 27,793</td>
</tr>
<tr>
<td>(7)</td>
<td>Geographic Area(s): Blue Nile state</td>
</tr>
</tbody>
</table>

(5) Sector Level Coordination

Having implemented agriculture and food security projects in Blue Nile state since 2007, World Vision is an active participant in the food security and livelihoods sector at the State level and participates in...
sector coordination meetings in Damazin and Khartoum, including FAO's Food Security and Livelihoods Forum. World Vision has signed technical agreements for cooperation on program implementation and service provision under this project with the GoS Ministry of Agriculture, the Ministry of Animal Resources and Fishery; it is now part of a special private public food security committee that is being created by the European Union.

**World Vision collaborates strongly with state line ministries on all issues relating to the implementation of all its agriculture and food security-related activities.** World Vision and the Ministry of Animal Resources have agreed on target villages to avoid duplication of interventions. The Ministries for Agriculture and Animal Resource and the Agricultural Research Center (ARC) are key collaborators with World Vision at the federal, state and local levels. Major project trainings are coordinated with these bodies and joint training is conducted for staff and beneficiaries in the field. In addition, new agriculture, livestock and forestry initiatives are researched and piloted together. Some of the major areas of coordination (for this program and World Vision's wider activities within the state) include: (1) training activities organized in conjunction with technical staff from the local and state ministries, covering crop production, irrigation and water management, Integrated Pest Management (IPM), livestock health care, land preparation, and soil fertility; (2) technical activities coordinated and supported by the ministries, including animal vaccination, seed quality control for seed voucher and fairs, and tree planting campaigns; and (3) collaboration with ARC for key agricultural initiatives, such as the testing and multiplication of crop varieties.

World Vision also coordinates with national (e.g. Mubaridoon) and international NGOs working the state, including Islamic Relief and ADRA.

(b) Technical Design

**Activity 2.1.1: Seed Fairs for Vulnerable Households**

World Vision will assist 4,000 of the most vulnerable households with seed inputs for the rain-fed crop production. Seed fairs are considered the best method of support as they enhance farmer choice and reinforce local seed markets. World Vision has experience of seed fairs in Blue Nile state (Kurmuk, Baw and Geissan localities) having provided seed to 4,400 households through seed vouchers in 2011 (funded by European Commission and Common Humanitarian Fund).

The project will supply only a portion of each beneficiary farmer’s planting needs—roughly one third. Currently, farmers’ purchasing power is very low due to lack of income, but some willingness and ability to purchase seeds remains, and this will be encouraged. For the remainder of needed seed input, vouchers at the seed fairs will fill the gap and preserve farmer choice. Each beneficiary will receive $29 worth of voucher value, with an additional $1 going to implementation and monitoring costs, including the printing of vouchers. All

<table>
<thead>
<tr>
<th>CROP</th>
<th>LOCAL VARIETIES &amp; CULTIVARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millet</td>
<td>Bitalahaw, Kanow, Baioda</td>
</tr>
<tr>
<td>Groundnut</td>
<td>Sodari, Barbirton, Tajarob</td>
</tr>
<tr>
<td>Sorghum</td>
<td>Gadamatlamam, Banatsamheen, Najad, Aboudign, Wadahamad, B9</td>
</tr>
<tr>
<td>Okra</td>
<td>Reagan, Kuri, Dagarais</td>
</tr>
<tr>
<td>Watermelon</td>
<td>Congo (Sugar), Charleston, Crimson</td>
</tr>
<tr>
<td>Tomato</td>
<td>Strain B, Super Strain B, Riogrand, Bito 85</td>
</tr>
<tr>
<td>Cowpea</td>
<td>Local (Buff)</td>
</tr>
<tr>
<td>Hibiscus</td>
<td>Dark red</td>
</tr>
<tr>
<td>Cucumber</td>
<td>Baladi</td>
</tr>
<tr>
<td>Pepper</td>
<td>Hot</td>
</tr>
</tbody>
</table>
other inputs needed for organizing the fair sites and facilities are provided voluntarily by the community. Typically, farmers use their vouchers to buy a mix of different seeds depending on their cropping mix (often sorghum and millet, while some farmers purchase a mix of seed for both food and cash crops). Among the varieties likely to be available at the fair are those depicted in the table above.

Seed vouchers will be primarily targeted at IDPs as they are most vulnerable due to having lost their productive capacity during displacement. Vulnerable host communities will also be considered, notably those that may have been affected by floods. Specific selection criteria will be agreed with community appointed Seed and Beneficiary Selection Committees (SBSCs). Criteria will include giving priority to female-headed and other households with reduced productive capacity (such as those with elderly or disabled members). The inclusion of around 750 female-headed households is expected.

The SBSCs will also identify and prepare a suitable location and date for the seed fair; register the households; confirm the registration list in public; help in voucher distribution; ensure support for quality control measures for the seeds offered; help in the security arrangement; and monitor the fair. World Vision will conduct quality control of the seeds in coordination with the Ministry of Agriculture and FAO agronomists. Seed quality control is done in accordance with Ministry seed quality officials. Seed quality assurance practices are also described in Attachment 2 under A.3: Restricted Goods.

A seed market assessment will be carried out prior to implementation. Preference is for seed fair vendors to be based within or near to target areas, but where this is not possible, vendors from further afield will be invited. In 2011, World Vision found that most seed could be supplied by local vendors, with some additional vendors invited from Damazin. Given the change in context since 2011, it is possible that fewer local vendors will be available, but there are still many suppliers available in Damazin. For areas where ongoing seed availability assessments show that farmers face difficulties accessing seed because either seeds are not readily available in local markets or available varieties are not suitable for local conditions, World Vision will access its list of vendors with quality seeds that are certified by the Ministry of Agriculture and have high adaptability to local conditions. (These may include areas where communities have faced recurrent droughts and crop failures, and seed stocks have been consumed.)

Between 8 and 12 seed fairs will be held (the exact number being determined by final geographical distribution of beneficiaries). This number will ensure that each seed fair is kept to manageable number of recipients (300-400) and, thus, allow the fair to be completed within a single day and allow people to return home before dark.

Participation of elderly or disabled people at seed fairs is generally low because they are normally represented by other household members. Where necessary, though, SBSCs will provide support for those who need it on seed fair days. Female heads of household are not expected to face any barriers to participation at seed fairs. In male-headed households, the man is most likely to attend the seed fair (although women doing this is not unknown), but there is not known to be any gender bias in seed choice.

Seeds will all be sourced from local traders, thus supporting local market supply (noting that there is sufficient seed available from large-scale farms elsewhere in the state, much of which is exported to other states).

Expected outputs:
- Provision of seed to 4,000 vulnerable households through 8-12 seed fairs.


| Indicator 1: | Projected increase in number of months of food self-sufficiency due to distributions/agricultural input for beneficiary households | 6 |
| Indicator 2: | Number of people benefiting from seed systems/agricultural input activities, by sex | 24,000 |

(b) Technical Design

**Activity 2.2.1: Community Animal Health Workers (CAHWs) Training**

CAHWs have become a valuable resource to Blue Nile communities in recent years. The uptake of veterinary services in villages where a CAHW is available is improved, and more livestock have been vaccinated. Focus group discussions with goat owners revealed that they were forced to walk for eight hours to the nearest veterinarian; where there are village CAHWs this is unnecessary, and the savings in time and effort mitigates the fees that the CAHW charges. Focus group participants stated that their animals are healthier as a result of the work of the CAHWs.

However, the number of CAHWs is insufficient to meet local demand and some limitations of previous CAHW involvement must be addressed through training and other support. Many failed to provide regular reports to the State Ministry of Agriculture (MoA) or inform them or the local community when disease outbreaks occurred. In part this was due to high levels of illiteracy among CAHWs, which also led to poor recordkeeping. Some CAHWs stated that their effectiveness was reduced because livestock owners reported their problems too late.

The potential sustainability of the CAHWs is higher wherever appropriate individuals are selected by communities and training is well-planned. CAHWs are able to perform basic diagnosis and treatment with confidence. They can charge a small fee for their services and thereby restock their medicine kits.

World Vision will build the capacity of CAHWs with further trainings and strengthened links with the MoA and local communities. World Vision will also establish improved communication and record keeping systems, providing access to literacy training where feasible. New and existing CAHWs will receive basic and extended veterinary training; a system of training will be put in place using local vets and/or MoA officials to ensure the sustainability of CAHW skills.

Newly trained CAHWs will be provided with kits to support their community in the livestock health care. World Vision will provide the standard kits approved by the animal resource department for CAHWs after training, plus bicycles as means of transport. At the end of the training the CAHWs will be responsible for the vaccination of livestock herds in their areas of operation and for providing reports to the ministry as necessary (see following sub-sector). The kits include surgical instruments, tailor scissors, an automatic vaccinator syringe, a castrator, and a teat dilator. FAO-provided veterinary pharmaceuticals will be included in the kits, as detailed in the Veterinary Medicines or Vaccines sub-sector below.

CAHWs typically charge fees (set by community agreement) and thus are able to sustain their services. Refresher training will only be provided to those CAHWs who are demonstrating sustainable practice.

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(for example, have shown capacity to replenish their medical kits and are filing regular reports with the state ministry).

**Expected outputs:**
- Training and equipping of 25 new CAHWs
- Refresher training to 25 existing CAHWs

<table>
<thead>
<tr>
<th>(a)</th>
<th>Sub-Sector Name:</th>
<th>Veterinary Medicines or Vaccines</th>
</tr>
</thead>
</table>

(b) Technical Design

**Activity 2.3.1: Animal Vaccination Campaign**

Note that all veterinary medicines or vaccines will be purchased with WV’s matching funds.

The project will support the vaccination of a large number of livestock twice in January and June. Beneficiaries will be selected from vulnerable, displaced populations in coordination with the Ministry for Animal Resources. The vaccination campaign will be organized in cluster villages in coordination with the village leadership and Animal Resources extension staff in the field. The Ministry will provide professional vaccinators while World Vision will mobilize the village leadership to support the vaccination activities. Vaccines will be paid for with World Vision funds. World Vision has surveyed local markets and can confirm that vaccines are available.

Further, the CAHW kits described in Activity 2.2.1 will include the following animal pharmaceuticals, which have been coordinated with FAO and will be purchased with WV’s matching funds.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Items Specification</th>
<th>Packing size</th>
<th>QTY per each kit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ox tetracycline 20% (Limoxin 20%)</td>
<td>100 ml vial</td>
<td>7 bottles</td>
</tr>
<tr>
<td>2</td>
<td>Tylosin (Macrolan)</td>
<td>100 ml vial</td>
<td>7 bottles</td>
</tr>
<tr>
<td>3</td>
<td>Wound Spray (Alamicin)</td>
<td>200 ml</td>
<td>1 bottle</td>
</tr>
<tr>
<td>4</td>
<td>Deworming</td>
<td>1 kg water soluble</td>
<td>2 containers</td>
</tr>
<tr>
<td>5</td>
<td>Tetramizole 10% (Tetra 10%)</td>
<td>1 kg water soluble</td>
<td>2 containers</td>
</tr>
<tr>
<td>6</td>
<td>Albendazole 2.5% (abeneole)</td>
<td>1 liter oral suspension</td>
<td>2 containers</td>
</tr>
<tr>
<td>7</td>
<td>Ivermectin Injection (Intermectin)</td>
<td>50 ml vial</td>
<td>4 bottles</td>
</tr>
<tr>
<td>8</td>
<td>Enrofloxacin Injection (Inter Floxin)</td>
<td>100 ml Vial</td>
<td>4 bottles</td>
</tr>
<tr>
<td>9</td>
<td>Multi vitamins (Amino acid)</td>
<td>1 kg water soluble</td>
<td>1 packet</td>
</tr>
</tbody>
</table>

Technical guidance on pharmaceutical procurement will be provided by the Ministry of Agriculture and Animal Resources. Procurement will be thoroughly documented according to standard WV processes.

**Expected output:** Vaccination of 100,000 livestock

| Indicator 1: Number veterinary interventions | 1 |
| Indicator 2: Number of animals treated or vaccinated | 100,000 |

C) TRANSITION OR EXIT STRATEGY

World Vision’s Design, Monitoring and Evaluation (DME) guidelines mandate an exit and transition strategy for all programs and projects. The key to program impact and sustainability is strengthening the capacity of community members to manage their own development. The project will work to strengthen CBOs serving Baw and Geissan localities in Blue Nile by involving them in the implementation of the project. All CBOs working in the target area together with the WSCs will be trained and empowered to take over the management of the facilities in the communities at the end of the project. To ensure sustainability of the wells, water and sanitation management committees will be trained and encouraged to collect water user fees for repair and maintenance purposes.

An important aspect of the development continuum strategy for World Vision is capacity building. There is an intentional effort to transfer skills and knowledge to World Vision’s national staff as they assume greater responsibilities. Local participation in project planning and implementation will be given importance in order to strengthen local leadership and mobilization skills. Further, World Vision collaborates with relevant government Ministries for agriculture and WASH. This collaboration allows for joint planning and supervision of activities. It also helps to increase the capacity of local government and community-based organizations to plan and implement activities, serve beneficiaries, and mitigate the effects of disaster and conflict.

After the project, water and sanitation committees will continue to support their communities. In addition, by transferring knowledge and information on the importance of good hygiene practices and by creating conditions for daily hygiene behaviors, the project will lead to a sustainable reduction in morbidity and mortality rates in the target communities.

IDPs are expected to return to their homes and they have incentive to do so in order to access their land. Returns will not, however, be possible until the security situation improves. In the meantime, World Vision believes it is important to avoid over-provision to IDPs in order that returning home remains a preferred option. It is expected, though, that support for IDPs will be needed in order to facilitate returns. World Vision expects to be in a position to shift its programming focus to support this, once the security situation allows this.

D) MONITORING AND EVALUATION

1. Monitoring Plans

Program monitoring will be ongoing throughout the project. World Vision’s Monitoring and Evaluation (M&E) Advisor will work with project staff to design monitoring tools that will help the field staff track activities and outputs in accordance with the established work plan. A project baseline will be undertaken and will be reviewed at the end of project via an external project evaluation. The M&E Advisor will ensure that field systems are in place to accurately track information related to the planned outputs. Output data collected by the project staff will be used by the M&E Coordinator and the Program Coordinator to compile periodic progress reports as required by OFDA and World Vision’s internal reporting requirements. Reports for OFDA will be reviewed and finalized by World Vision for timely submission. If unexpected issues arise, such as the project implementation falling behind schedule or planned output targets are not being achieved, the Project Manager and Technical Specialists will review obstacles encountered and address the pace of implementation with field staff. World Vision’s Senior Sector Specialist will be responsible for monitoring the quality of the work performed. The
project staff will also conduct financial monitoring and pipeline analysis. Monthly finance reports are generated by the Grant Finance Manager in Khartoum. These reports help project staff align spending with the budget and projected cash flow. The Program Development and Quality Assurance Director, Program Officer, Operations Director and Finance Staff in Khartoum will provide overall quality assurance. Required procurement registers will be maintained and reports generated.

With specific regard to WASH monitoring, prior to implementation a survey will be conducted to generate a baseline for all WASH indicators (see Attachment 9). Endline data will be monitored at the conclusion of the project (or another suitable moment).

2. Evaluation Plans

A close-out evaluation of the project will be conducted by World Vision staff in order to measure progress towards defined outcomes/results in accordance with pre-determined objectively verifiable indicators. During the project, the M&E Coordinator and the Programs Coordinator will develop an evaluation framework, which will include the objectives of the close-out evaluation. Based on these objectives, specific evaluation tools will be developed and field-tested. The evaluation will be designed to assess changes in overall food security, improvements in the community’s understanding of hygiene promotion, gains in access to clean water, and improvements in access to latrines. The M&E Coordinator will train World Vision staff based in Blue Nile on data collection and will help design a sampling strategy for the study. Information collected will be analyzed and summarized in a report. Data collected at the end of the project will be compared with baseline data against the same indicators. The results will be used to inform the strategy for the continuation of World Vision’s relevant activities in target communities in Blue Nile.

E) List of Attachments

Attachment 1: Detailed Budget
Attachment 2: Cost Proposal, Narrative, Branding Strategy and Marking Plan, NICRA
Attachment 3: Signed SF-424
Attachment 4: Signed Certifications
Attachment 5: Past Performance
Attachment 6: Safety and Security Plan
Attachment 7: Code of Conduct
Attachment 8: Local NGO Profile & Assessment
Attachment 9: Additional WASH indicators table
Appendix - C
World Vision, Inc.
300 I Street, NE
Washington, DC 20002

Attention: Debebe Dawit, Program Management Officer

Tel: 
Email: 

Subject: Agreement No. AID-OPDA-G-14-00023

Dear Mr. Dawit:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (hereinafter referred to as "USAID" or "Grantor") hereby provides to World Vision, Inc. (hereinafter referred to as "MV," "Grantee," or "Recipient") the sum set forth in Section 1.3 of this Agreement to provide support for a program entitled Blue Nile State Recovery Program, as described in Attachment 2 of this Agreement entitled "Program Description."

This Agreement is effective as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives for the period described in Section 1.2 of this Agreement. USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This Agreement is awarded to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in the attachments listed under my signature below, which together constitute the entire award document, and to which your organization has agreed.

Please sign the second page of this cover letter to acknowledge your receipt of this award, and forward a scanned copy of only the signed page to OPDA.Gov.

Sincerely,

[Signature]

Michael A. Clark
Agreement Officer
Office of Acquisition and Assistance
M/OAA/DCHA

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
www.usaid.gov
ACCOUNTING AND APPROPRIATION DATA

A. GENERAL

A.1. Total Estimated USAID Amount : $723,405.00
A.2. Total Obligated USAID Amount : $723,405.00
A.3. Cost-Sharing Amount (Non-Federal) : $0
A.4. Agreement Officer’s Representative (AOR) : See Section 1.12
A.5. Tax I.D. Number : 07-190-3322
A.6. DUNS Number : 98.001

B. SPECIFIC

B.1.(a) Award Number : AID-OFDA-C-14-00023
B.1.(b) REQ Number : REQ-OFDA-14-000134
B.1.(c) Organization ID : 12504
B.1.(d) Control Number : FJ20141285
B.1.(e) Fund Account : FD-X14
B.1.(f) Program Element : A089
B.1.(g) Operating Unit : DCHA/OFDA
B.1.(h) Program Area : A22
B.1.(i) Distribution : 667-W
B.1.(j) BGA : 667
B.1.(k) SOC : 4100201
B.1.(l) Amount : $723,405.00
ATTACHMENT 1 - SCHEDULE

1.1 PURPOSE OF AGREEMENT

The purpose of this Agreement is to provide support for the program described in Attachment 2 of this Agreement entitled "Program Description."

1.2 PERIOD OF AGREEMENT

(a) The period of performance of this Agreement is February 01, 2014 to January 30, 2015. Subject to the terms and conditions of this Agreement, allowable costs incurred by the Recipient shall be reimbursable during the period of performance.

(b) The place of performance is Sudan.

(c) Pursuant to 22 CFR 226.25(e)(2), the requirement for the Agreement Officer’s prior approval of extensions to the estimated completion date (i.e., through formal modification of this Agreement) is hereby waived, subject to all of the following conditions:

   (1) Written notice, with the supporting reasons and the revised completion date, is provided by the Recipient to the Agreement Officer’s Representative (AOR) identified in Section 1.12 below at least 10 working days prior to the estimated completion date specified above.

   (2) The Recipient may not exercise this option for the sole purpose of using unobligated balances. For the purpose of this provision, "unobligated balance" means the portion of the funds authorized by USAID (see Section 1.3(b) below) that has not been obligated by the Recipient and is determined by deducting the cumulative obligations of the Recipient from the cumulative funds authorized by USAID. "Obligations" of the Recipient means the amounts of orders placed, (sub)contracts and subagreements awarded, services received and similar transactions during a given period that require payment by the Recipient during the same or a future period.

   (3) The extension does not require additional federal funds. Note: This means that there are sufficient funds that have been obligated by USAID but not expended or obligated by the Recipient to cover all allowable costs incurred by the Recipient during the extension period. A subsequent request or proposal by the Recipient for additional USAID funds to cover all or part of the extension period means that the extension did, in fact require additional federal funds. This, in turn, means that the condition in this paragraph (c)(3) is not satisfied, thereby nullifying the Agreement Officer’s waiver in paragraph (c) above and requiring a formal modification of this Agreement to extend the estimated completion date.

   (4) The extension does not involve any changes in the approved objectives or the scope of the project (i.e., the extension is for the purpose of completing the work described in Attachment 2 [Program Description] of this Agreement, and not for the purpose of undertaking additional activities).

   (5) The estimated completion date may be extended one time for up to twelve months, subject to the following:
(A) For extensions of the estimated completion date of this Agreement for three months or less, the Recipient must receive written acknowledgment of such extension from the AOR.

(B) For extensions of the estimated completion date of this Agreement for more than three months but less than twelve months, the Recipient must receive written approval for such extension from the AOR, who may also approve extensions for shorter periods than requested.

(d) All other extensions must be approved by the Agreement Officer. If extended by a formal Modification to this Agreement, paragraph (c) will apply to such formally-extended estimated completion date.

(e) In order to preclude payment problems, the Recipient is encouraged (but is not required) to attach a copy of the AOR’s acknowledgment or approval under paragraph (c)(5) above to all financial reports (see Section 1.5[a] below) which include costs incurred after the estimated completion date set forth in paragraph (a) above (as may be formally amended from time-to-time) but within the period of such unfunded extension. If the Recipient chooses not to attach a copy of the AOR’s acknowledgement or approval, USAID assumes no liability or responsibility for delays in payment. All payment problems related to the unfunded extension period shall be directed by the Recipient to the payment office set forth in Section 1.12 below for resolution.

1.3 AMOUNT OF AGREEMENT AND PAYMENT

(a) The total estimated amount of this Agreement for its full period, as set forth in Section 1.2(a) above, is $723,405.00.

(b) The amount of $723,405.00 is obligated for the purposes of this Agreement. USAID is not required to reimburse the Recipient for any costs in excess of this amount, nor is the Recipient required to continue performance or incur costs in excess of this amount (including actions/costs under the termination and suspension provisions of 22 CFR 226.60-62). If, pursuant to 22 CFR 226.25(c)(4), the Recipient requests additional USAID funding and USAID determines not to provide such additional funding, the Agreement Officer will, upon written request of the Recipient, terminate this Agreement pursuant to 22 CFR 226.61(a)(2).

(c) Advance payments shall be made to the Recipient via Letter of Credit in accordance with the regulations set forth in Section 22 CFR 226.22 and the procedures of the Payment Management System (PMS) administered by the U.S. Department of Health and Human Services (HHS). Such advance payments will be liquidated via the financial reporting requirements described in Section 1.5(a) below.

1.4 AGREEMENT BUDGET

(a) Summary Budget

(1) The following is the Agreement Budget for the total estimated amount of this Agreement (see Section 1.3 above) for its full period (see Section 1.2 above). The Recipient may not exceed the total estimated amount or the obligated amount of this Agreement, whichever is less (see Section 1.3 above).
## THE BUDGET

<table>
<thead>
<tr>
<th>Objective</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural and Food Security</td>
<td>$379,938.00</td>
</tr>
<tr>
<td>Water, Sanitation and Hygiene</td>
<td>$343,467.00</td>
</tr>
<tr>
<td><strong>TOTAL ESTIMATED AMOUNT:</strong></td>
<td>$723,405.00</td>
</tr>
</tbody>
</table>

### (b) Budget Revisions

1. **Reporting of Deviations from Budget Plan**

   The summary budget set forth in paragraph (a) above is based on the detailed budget that the Recipient submitted with its application for this Agreement. The Recipient's detailed budget (as may be adjusted by USAID to correct any mathematical errors) constitutes the approved budget plan for this Agreement. The Recipient shall report deviations from the approved budget plan in accordance with 22 CFR 226.25(b).

2. **Prior Approval of Certain Revisions to Budget Plan**

   In accordance with 22 CFR 226.25(b), the Recipient shall request prior approval from the USAID Agreement Officer for the specific budget revisions described in 22 CFR 226.25(c)(1) through (c)(8). Although the Agreement Officer will, except as may be otherwise indicated or delegated by the Agreement Officer to the AOR, provide any required approvals (or disapprovals), requests for such approvals should be submitted to the AOR in lieu of the Agreement Officer. The AOR will facilitate Agreement Officer approval. The following approvals are hereby provided based on the Recipient's detailed budget plan:

   (A) **Transfer of Funds Budgeted for Indirect Costs**

   Pursuant to 22 CFR 226.25(c)(5), the Agreement Officer must approve transfer of amounts budgeted for indirect costs to absorb increases in direct costs. To this end, the Agreement Officer hereby provides pre-approval to shift funds from indirect costs to direct costs with AOR concurrence, but Recipients must comply with the requirement set forth in paragraph 22 CFR 226.25(b) to report the deviation in the budget plan. This approval does not authorize the Recipient to incur additional direct costs or undertake additional activities simply because of a reduction in indirect costs (e.g., where final indirect cost rates are lower than provisional rates used for budgeting purposes). If the Recipient transfers amounts budgeted for indirect costs to absorb increases in direct costs, the Recipient thereby waives any claim for additional funds to cover any subsequent inability by the Recipient to fully recover its actual allowable indirect costs. The transfer of amounts budgeted for direct costs to absorb increases in indirect costs must be approved by the Agreement Officer.

   (B) **Costs Requiring Prior Approval under U.S. Government Cost Principles**
Pursuant to 22 CFR 226.25(c)(6), prior approval is required for costs that require approval under the applicable U.S. Government Cost Principles (see 22 CFR 226.27). However, for nonprofit organizations, 2 CFR 230.25(b) (formerly paragraph 4b of OMB Circular A-122), in defining "prior approval," states that where an item of cost requiring prior approval is specified in the budget of an award, approval of the budget constitutes approval of that cost. For educational institutions, 2 CFR 220 (formerly OMB Circular A-21) does not include similar language, but USAID nevertheless hereby extends the same concept of "prior approval" to educational institutions. To this end, and consistent therewith:

(i) Insurance

Pursuant to paragraph 25 of Appendix J to 2 CFR 220 (formerly OMB Circular A-21) for educational institutions, or paragraph 22 of Appendix B to 2 CFR 230 (formerly OMB Circular A-122) for nonprofit organizations other than educational institutions, the insurances normally carried by the Recipient and those insurances identified in the Recipient’s proposal are reimbursable under this Agreement provided that they are otherwise allowable, reasonable, necessary, and allocable and comply with the terms and conditions of this Agreement.

(ii) Equipment and Other Capital Expenditures

Equipment is defined as an article of tangible nonexpendable personal property having an estimated useful life of one year or more and an acquisition cost of $5,000 or more per unit. The following direct equipment and other capital expenditures are included in the Recipient’s detailed budget plan and incorporated into the summary budget set forth in paragraph (a) above, and are, hence, deemed to be approved. All other equipment and other capital expenditures must have the prior approval of the Agreement Officer. If motor vehicles are approved below, they must be manufactured in the U.S. unless otherwise indicated in Section 1.6(d) below.

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(iii) International Travel

International travel is travel between two different countries. In accordance with the Standard Provision set forth in Attachment 3 of this Agreement entitled “Travel and International Air Transportation,” the following direct international travel has been identified in the Recipient’s detailed budget plan and incorporated into the summary budget set forth in paragraph (a) above, and is, hence, deemed to be approved.

<table>
<thead>
<tr>
<th>No. of Trips</th>
<th>No. of Travelers/Trip</th>
<th>Itinerary</th>
<th>Purpose(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>USA/Sudan/USA</td>
<td>Program Monitoring</td>
</tr>
</tbody>
</table>

In accordance with said Standard Provision (as well as 22 CFR 226.25(c)(6) and, in accordance with 22 CFR 226.27, OMB Circular A-21 or OMB Circular A-122 [now 2 CFR 220 and 2 CFR 230, respectively]), all other official international travel must have the prior written approval of the Agreement Officer. To this end, the Agreement Officer hereby provides such prior written approval for other international travel, provided that the Recipient
provides the above information and obtains the prior written concurrence of the AOR. This approval is subject to the availability of funds and should not be construed as an authorization to either increase the total estimated amount or exceed the total obligated amount of this Agreement. The Recipient shall retain a copy of each travel concurrence provided by the AOR for audit purposes.

(C) Sub-Award, Transfer, or Contracting-Out of any Work
(Other Than the Purchase of Supplies, Material, Equipment, or General Support Services)

Pursuant to 22 CFR 226.25(c)(8), prior approval is required for the subaward, transfer, or contracting-out of any work hereunder (other than the purchase of supplies, material, equipment, or general support services), unless it was described in the Recipient’s application (see Attachment 2 of this Agreement) and funded in the approved budget of the award. To this end, the following sub-awards, transfers, and contracts are included in the Recipient’s detailed budget plan and incorporated into the summary budget set forth in paragraph (a) above, and are, hence, deemed to be approved:

<table>
<thead>
<tr>
<th>Sub-Awardee</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISRA</td>
<td>US$200,000</td>
</tr>
</tbody>
</table>

Activities:

In the WASH sector, activities will cover sanitation infrastructure, hygiene promotion, and water supply infrastructure. Within the agriculture and food security sector, ISRA will support activities in the improving agricultural production/food security, livestock, and veterinary medicines or vaccines sub-sectors.

All other sub-awards, transfers, and contracts, if any, must have the prior approval of the Agreement Officer.

Recipients are reminded that it is their responsibility to ensure all sub-awardees have a DUNS number per Standard Provision entitled “Central Contractor Registration and Universal Identifier (Oct 2010).” Also, per Standard Provision set forth in Attachment 3 of this Agreement “entitled Preventing Terrorist Financing -- Implementation Of E.O. 13224 (August 2013)”, it is the responsibility of Recipients to ensure all recipients of USAID funds under this Award are checked against the Excluded Parties List at www.sam.gov, the U.S. Treasury “Specially Designated Nationals and Blocked Persons” at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx and United Nations Security designation list (online at: http://www.un.org/sc/committees/1267/ag sanctions list.shtml).

(3) Prior Approval Not Required for Transferring Funds Among Direct Cost Categories by More Than 10% of Total Estimated Amount

22 CFR 226.25(f) enables USAID to restrict the transfer of funds among direct cost categories or programs, functions, and activities by requiring the prior approval of the Agreement Officer for budget transfers which exceed 10% of the total budget. However, such approval is not required under this Agreement. Approvals are only required for the budget revisions described in 22 CFR 226.25(c)(1) through (c)(8).
1.5 REPORTING, MONITORING, AND EVALUATION

The Recipient is required to submit all financial, programmatic and other reports set forth in this award electronically to the AOR through the Award Results Tracking (ART) website (https://abacusxp.ofda.gov). To request a login for ART or if electronic submission is not possible, the Recipient should contact the ART team at ART@ofda.gov. Detailed instructions regarding ART can be found on the ART website.

(a) Financial Reporting

(1) Reporting of Accrued Expenditures

(A) Financial reporting requirements shall be in accordance with 22 CFR 226.52. Except as may be otherwise indicated below, electronic copies (scanned PDF document) should be submitted and are strongly preferred.

(B) In accordance with 22 CFR 226.52, Standard Form 425 (SF-425) and SF-425A (available at http://www.whitehouse.gov/omb/grants_forms/) are used to report accrued expenditures. Quarterly reports are due not later than 30 days after the end of each calendar quarter:

- January 1 – March 31
- April 1 – June 30
- July 1 – September 30
- October 1 – December 31

Submission of a SF-425 is required for each quarter regardless of the performance start date or the estimated completion date of the Agreement’s period of performance (see section 1.2). The final financial report is due not later than 90 days after the estimated completion date of this Agreement (see Section 1.2(a) above). The Recipient must submit this form in the following manner:

(i) Submission to USAID/DCHA/OFDA

One copy of the financial reports must be submitted to the AOR through ART at https://abacusxp.ofda.gov. The Recipient may omit Lines 10a-c of the SF-425 for the submission to USAID/DCHA/OFDA.

(ii) Submission to USAID/M/CFO/CMP

One copy of the final financial report must be submitted to the USAID/Washington M/CFO/CMP-LOC Unit. The submission address is loc@usaid.gov. The Recipient may omit Lines 10a-c of the SF-425 for the submission to the LOC Unit.

(iii) Submission to U.S. Department of Health and Human Services (HHS)

The SF-425 and SF-425A must be submitted via electronic format to the HHS (http://www.dpm.psc.gov). The Recipient may omit Lines 10d-o of the SF-425 for the electronic submission to HHS.

(2) Reporting Host Government Taxes
The Recipient must comply with the Standard Provision set forth in Attachment 3 of this Agreement entitled “Reporting Host Government Taxes.”

(b) Programmatic Reporting

(1) General Requirements

(A) The Recipient must comply with the Standard Provisions set forth in Attachment 3 of this Agreement entitled “Submissions to the Development Experience Clearinghouse and Publications” and “Marking and Public Communications Under USAID-Funded Assistance.” All reports must be in English.

(B) The Recipient shall also submit one copy, either online (preferred) or by mail, of each performance report required under this Agreement, but not financial reports) to the Development Experience Clearinghouse (DEC). The Recipient must review the DEC website for submission instructions, including document formatting and the types of documents to submit. Submission instructions can be found at: http://dec.usaid.gov.

(C) All reporting and data must be delineated by the objectives described in the budget set forth in Section 1.4 above.

(D) All reporting/data will include detail as to whether the same beneficiary population is being served in each sector objective, e.g., number of beneficiaries targeted and reached in one objective may be 5,000, and in another objective 5,000, but the cumulative total of beneficiaries reached is 5,000 -- not 10,000 -- because it is the same population targeted and reached in each objective.

(E) As used herein, “beneficiaries” means individuals and not families. Therefore, if the Recipient is working with families, the report may include data related to both families and the corresponding number of individuals. If data on individual beneficiaries are not available, or if it is impractical (due to the nature of the program) to collect and report beneficiary data, the report should indicate that beneficiary data are not available or are impractical to collect and report, and include a strong justification. Best estimates may be provided.

(F) Beneficiary data must specify the number of Internally Displaced Persons (IDPs) within the population as applicable.

(G) Mandatory indicator data must be reported based on the USAID/DCHA/OFDA defined disaggregated types, e.g. gender, age. Custom indicators should be reported as applicable.

(H) If this Agreement supports a nutrition or health program, representative data on wasting and crude mortality rates (age- and gender-disaggregated) must be included. In addition, when health (including mortality) and nutrition surveys are conducted using funds provided under this Agreement, the Recipient must submit electronically a copy of the data to the Complex Emergency Database (CR-DAT) (contact@cedat.be) and/or a copy to Nutrition Information in Crisis Situations (NICS) (prudhonc@who.int or scn@who.int).
(I) Data must be disaggregated as described above, and the Recipient's Monitoring and Evaluation (M&E) Plan must be capable of accomplishing this. If disaggregated data are not feasible, the M&E plan (including performance indicators) must assess impact on disaggregated populations indirectly.

(2) Program Updates

On a regular basis, the Recipient must provide to the AOR via email (and to the OFDA overseas field representative, if there is one) brief, timely, informal updates that provide information such as progress toward accomplishing each objective and achieving expected results, constraints, changes in the situation, and any aspects of the program that show demonstrable progress or achievement, expected or otherwise ("success stories").

(3) Performance Monitoring Reports

(A) Notifications

The Recipient must submit, in writing via email, one (1) copy to the AOR, one (1) copy to the OFDA overseas field representative, if there is one, and one (1) copy to the Agreement Officer of notifications, as follows:

(i) Developments which have a significant impact on the activities supported by this Agreement; and

(ii) Problems, delays, or adverse conditions which materially impair the ability to meet the objectives of this Agreement. This notification must include a statement of the action taken or contemplated, and any assistance needed to resolve the problem.

(B) Performance Baseline Data

(i) Unless performance baseline data are already included in the Program Description set forth in Attachment 2 of this Agreement, the Recipient must submit such data to the AOR through ART at https://abacusxp.ofda.gov.

(ii) The baseline data must be submitted no later than 90 days from the performance start date (See Section 1.2(a) of this Agreement, or no later than 30 days from the performance start date (see Section 1.2(a)) if this Agreement is for less than six months. Submissions must include quantitative baseline data, approved indicators, and numerical performance targets by indicator, through which the impact and performance of the program can be measured. Performance baseline data shall provide a brief narrative description of the prevailing conditions of a beneficiary population and/or the situation at the onset of the disaster or program and the magnitude of the problem and/or the needs that the Recipient's program will address. If performance indicators are revised from those included in Attachment 2 of this Agreement, appropriate justification for the revisions must be provided.

(C) Quarterly Program Performance Reports
(i) The Recipient must submit one copy of a concise and brief (not to exceed 5 pages in 10 point font or above) quarterly program performance report to the AOR through ART at https://abacusxp.ofda.gov.

(ii) The due date for these program performance reports is not later than 30 days after the end of each reporting period. Reporting periods are calendar quarters (quarters are as follows: January 1 - March 31; April 1 - June 30; July 1 - September 30; October 1 - December 31), beginning from the performance start date of this Agreement indicated in Section 1.2(a) above. However, no submission is required if the performance start date set forth in Section 1.2(a) above is 30 days or less before the end of a reporting period. In addition, no submission is required if the start of the reporting period is 30 days or less before the estimated completion date set forth in Section 1.2(a) above and this Agreement is not being extended. All other reporting requirements, including financial reporting, shall apply.

(iii) These reports shall include the following data for each sector objective:

A comparison of actual accomplishments, both for the reporting period and cumulatively, with the established goals and objectives, and expected results; the findings of the investigator; or both. Data (both qualitative and quantitative) must be presented using established baseline data and indicators, and be supported by a brief narrative. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs. The reports shall include the following beneficiary data:

- Number of beneficiaries targeted, by objective.
- Number of beneficiaries reached, by objective.
- Cumulative number of beneficiaries targeted.
- Cumulative number of beneficiaries reached.

In addition, the reports must address:

- Reasons why established goals were not met (if applicable), the impact on the program objective(s), and how the impact has been/will be addressed.
- Other pertinent information including, when appropriate, success stories (if available) which illustrate the direct positive effects of the program; how unforeseen circumstances affected overall performance compared to original assumptions (if applicable), how activities were accordingly adjusted or re-targeted; and analysis and explanation of cost overruns or high unit costs.
- Number of vehicles purchased or leased.
- Number of non-U.S. vehicles purchased or leased.
- Source of each vehicle and the nationality of the supplier.
- An explanation of why geographic code 937 was not used with reference to the file documentation described in Section 1.6(b) below.
Annual Program Performance Reports

(i) The Recipient shall submit a concise program performance report to the AOR through ART at https://abacusxp.ofda.gov, which summarizes performance progress during the last year.

(ii) Reporting periods are yearly (12 months) from the performance start date of this Agreement indicated in Section 1.2(a) above. The due-date for these program performance reports is not later than 30 days after the end of each reporting period. The Recipient is not required to submit both an annual performance and a final results report for the same period in the final year of the award. All other reporting requirements shall, however, apply.

(iii) These reports shall include the following data for each sector objective:

A comparison of actual accomplishments, both for the reporting period and cumulatively, with the established goals and objectives, and expected results; the findings of the investigator; or both. Data (both qualitative and quantitative) must be presented using established baseline data and indicators, and be supported by a brief narrative. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs. The reports shall include the following beneficiary data:

- Number of beneficiaries targeted, by objective.
- Number of beneficiaries reached, by objective.
- Cumulative number of beneficiaries targeted.
- Cumulative number of beneficiaries reached.

In addition, the reports should address:

- Reasons why established goals were not met (if applicable), the impact on the program objective(s), and how the impact has been/will be addressed.
- Other pertinent information including, when appropriate, success stories (if available) which illustrate the direct positive effects of the program; how unforeseen circumstances affected overall performance compared to original assumptions (if applicable), how activities were accordingly adjusted or re-targeted; and analysis and explanation of cost overruns or high unit costs.
- Number of vehicles purchased or leased.
- Number of non-U.S. vehicles purchased or leased.
- Source of each vehicle and the nationality of the supplier.
With reference to the file documentation described in Section 1.6(b) below, an explanation of why geographic code 937 was not used.

(4) Final Program Results Report

(A) The Recipient shall submit one copy of the final Program Results report to the AOR through ART at https://abacusxp.ofda.gov. The Recipient shall submit the final report not later than 90 days after the estimated completion date indicated in Section 1.2(a) above. The final reports shall emphasize quantitative as well as qualitative data that reflect results, shall measure impact using the baseline data and indicators established for the program, and shall, at a minimum, include the following data for each sector objective:

(i) Number of beneficiaries targeted, by objective.
(ii) Number of beneficiaries reached, by objective.
(iii) Cumulative number of beneficiaries targeted.
(iv) Cumulative number of beneficiaries reached.
(v) Total numbers of beneficiaries targeted and reached.
(vi) A description of assessments and surveillance data used to measure results. The reports from any evaluations completed should also be entered into ART.
(vii) Success stories and an explanation of successes achieved, constraints encountered, and adjustments made for achieving each objective.
(viii) A discussion of the overall performance of the project, including details of any discrepancies between expected and actual results and any recommendations for improving the design of the program.
(ix) Overall cost effectiveness, with particular attention paid to cost savings and/or cost overruns, and other significant cost impacts such as major exchange rate fluctuations or other types of inflation shall be detailed.
(x) A comparison of actual accomplishments, with the established goals and objectives, and expected results; the findings of the investigator; or both. Data must be presented using established baseline data, targets, and indicators for each sector objective, and be supported by a brief narrative. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.
(xi) Reasons why established goals/targets were not met (if applicable), the impact on the program objective(s), and how the impact has been/will be addressed.
(xii) Other pertinent information including, when appropriate, success stories (if available) which illustrate the direct positive effects of the program; how unforeseen circumstances affected overall performance compared to original assumptions (if applicable), how activities were accordingly adjusted or re-targeted; and analysis and explanation of cost overruns or high unit costs.

(c) Property Reports

The following are the reporting and notification requirements related to property financed or provided hereunder:
(1) Tangible Property

(A) Loss, Damage, or Theft

As a condition for this award, the Recipient shall promptly notify the Agreement Officer and the AOR via email of the loss, damage, or theft to equipment funded by OFDA under this Award. Such losses shall be investigated and fully documented.

(B) Request for Disposition Instructions

In accordance with 22 CFR 226.32(c) and 22 CFR 226.34(g), the Recipient shall request disposition instructions from the Agreement Officer via an email to the AOR when the Recipient has no need for USAID-financed real property, or equipment with a current per-unit fair market value of $5,000 or more, on the program financed hereunder (regardless of whether USAID continues to fund the program) or on other USAID-funded or U.S. Government-funded programs, and does not wish to retain the equipment for other uses and compensate for its share.

(C) Final Equipment and Real Property Inventory Report

In accordance with 22 CFR 226.34(h)(2) and section 1.7 below, the Recipient shall submit one copy of a final inventory report to the AOR through ART, listing all real property and equipment acquired with USAID funds provided under this Agreement or received from USAID for use under this Agreement. This report shall be submitted not later than 90 days from the estimated completion date of this Agreement.

(2) Intangible (Intellectual) Property

(A) Published and Other Written Work

In accordance with paragraph (a)(1) of the Standard Provision set forth in Attachment 3 of this Agreement entitled “Submissions to the Development Experience Clearinghouse and Publications,” the Recipient shall provide the AOR through ART with a copy of any Intellectual Work that is published, and a list of any Intellectual Work that is not published. Any copyrighted work shall be so indicated as such. In addition, in accordance with paragraph (a)(2) of the aforesaid Standard Provision, the Recipient must submit Intellectual Work, whether published or not, to the Development Experience Clearinghouse, either on-line (preferred) or by mail.

(B) Patents

The Recipient shall comply with the various reporting/notification requirements set forth in 37 CFR 401.

1.6 PROCUREMENT AND CONTRACTING

(a) General

(1) Applicability

This Section applies to the procurement of goods and services by the Recipient using USAID funds provided hereunder. It does not apply to subgrants and sub-agreements in support of sub-recipients' programs, but does
apply to procurement of goods and services by sub-recipients. It also applies to long-term leases (see Section 1.6[a][8] below).

(2) Noncompliance

Failure of the Recipient to comply with the requirements set forth herein may result in disallowance of costs in accordance with 22 CFR 226.27.

(3) General Procurement Requirements

The Recipient shall comply with the general procurement requirements prescribed in 22 CFR 226.40-49, including Appendix A to 22 CFR 226.

(4) Ineligible Goods and Services

In accordance with paragraph b.(1) of the Standard Provision set forth in Attachment 3 of this Agreement entitled “USAD Eligibility Rules for Goods and Services,” military equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, and weather modification equipment may not be financed hereunder.

(5) Eligibility of Other Commodities

(A) Except for restricted commodities (for which special requirements apply, as described in paragraph [d] below), funds provided hereunder may only be used for commodities that are designated as “eligible” in the USAID Commodity Eligibility Listing (http://www.usaid.gov/policy/ads/300/31251m.pdf), or for which the Agreement Officer may specifically provide prior written approval. Commodity means any material, article, supply, goods, or equipment.

(B) To this end, commodities (other than ineligible goods which are discussed in paragraph [a][4] above, and restricted commodities which are subject to paragraph [d] below) that were included in the Recipient’s detailed budget (see Section 1.4 above) are authorized for financing hereunder unless otherwise stated. To the extent that the USAID Commodity Eligibility Listing includes any special requirements applicable to the commodities included in the Recipient’s detailed budget, the Recipient shall comply with such special requirements unless otherwise approved in advance and in writing by the Agreement Officer.

(C) Notwithstanding the foregoing, commodities shipped by a transportation medium owned, operated, or under the control of any country not included in Geographic Code 935 are ineligible for USAID financing.

(6) Ineligible Suppliers

(A) General

In purchasing all goods and services with funds provided under this Agreement, the Recipient shall comply with the supplier eligibility requirements set forth in: (1) paragraph b.(2) of the Standard Provision entitled “USAD Eligibility Rules for Goods and Services;” (2) 22 CFR 226.44(d); (3) the Standard Provision entitled “Debarment, Suspension, and
Other Responsibility Matters;” and (4) the Standard Provision entitled “Preventing Terrorist Financing -- Implementation of E.O. 13224.” USAID opposes restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person.

(B) Prohibited Sources

"Prohibited source" means countries to which assistance is prohibited by the annual appropriations acts of Congress or other statutes, or those subject to other executive branch restrictions, such as applicable sanctions administered by the U.S. Treasury Department’s Office of Foreign Assets Control. USAID maintains a list of prohibited sources available in USAID’s Automated Directives System, ADS 310 (http://transition.usaid.gov/policy/ads/300/310mac.pdf). In no event may funds provided under this Agreement be used for the procurement of commodities and services (including restricted commodities described in paragraph [d] below, and transportation, engineering, and construction services described in paragraph [c] below) from prohibited sources, unless the Agreement Officer provides specific written approval to the contrary.

(C) Foreign Government-Controlled Organizations

In addition, and in accordance with 22 CFR 228.13, foreign government-controlled organizations (i.e., firms operated as commercial companies or other organizations or enterprises, including nonprofit organizations, in which foreign governments or their agents or agencies have a controlling interest) are not eligible as suppliers of goods or services unless otherwise approved in advance by the Agreement Officer. Government ministries or agencies of the cooperating/recipient country, including those at the regional and local levels, and government educational institutions, health care providers, and other technical entities of the cooperating/recipient country not formed primarily for commercial or business purposes, are eligible as suppliers of commodities and services.

(7) Source of Commodities and Nationality of Suppliers of Goods and Services

In accordance with the Standard Provision entitled “USAID Eligibility Rules for Goods and Services,” USAID’s rules on the source of commodities, and the nationality of suppliers of commodities and services, are set forth in 22 CFR 228 (http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=260c5b7cc4cf7639856f204d96e3515f&rgn=div5&view=text&node=22:1.0.2.22.25&dno=22), and apply to goods and services financed with USAID funds provided under this Agreement.

(A) Source of Commodities

As indicated in 22 CFR 228.11, and except as may otherwise be approved in advance and in writing by the Agreement Officer, all commodities financed hereunder (other than restricted commodities, which are subject to paragraph [d] below) must have their source in the Authorized Geographic Code, which is set forth in paragraph (b) below. “Source” means the country from which a commodity is shipped to the cooperating/recipient country or the cooperating/recipient country itself if the commodity is located therein at
the time of the purchase, irrespective of the place of manufacture or production, unless it is a prohibited source country (see paragraph [C] below). Where, however, a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse. A free port or bonded warehouse is a special customs area with favorable customs regulations (or no customs duties and controls for transshipment).

(B) Nationality of Suppliers of Commodities and Services

Except as may otherwise be approved in advance and in writing by the Agreement Officer, suppliers of commodities and suppliers of services (other than transportation, engineering, and construction services, which are subject to paragraph [c] below) must be eligible under the nationality rules set forth in 22 CFR 228.12 and must have their nationality in a country included in the Authorized Geographic Code, which is set forth in paragraph (b) below. However, the nationality rules do not apply to: (i) the payment of commissions by suppliers; (ii) sureties, insurance companies, or banks who issue bonds or guarantees under USAID-financed contracts; (iii) firms providing liability insurance under construction contracts; and (iv) the employees of contractors, or individuals providing technical or professional services to recipients or contractors (however, such individuals must not be citizens or lawful permanent residents [or equivalent immigration status] of countries which are prohibited sources).

(C) Geographic Codes


(b) Long-Term Leases

Long-term lease means a single lease of more than 180 calendar days; or repetitious or intermittent leases under this Agreement within a one-year period, which cumulatively total more than 180 calendar days. A single lease may consist of lease of one or more of the same type of commodity within the same lease term. Long-term leases are subject to this Section 1.6.

(b) Authorized Geographic Code for Non-Restricted Commodities and Construction Services (Other than Transportation, Engineering, and Construction Services)

Pursuant to paragraph c. of the Standard Provision entitled "USaid Eligibility Rules for Goods and Services," the Authorized Geographic Code for the source of commodities (other than restricted commodities, which are subject to paragraph [d] below) and the nationality of suppliers of commodities and services (other than transportation, engineering, and construction services, which are subject to paragraph [c] below) is Geographic Code 935 (any area or country but excluding prohibited sources). The Recipient shall, in all cases, give first preference to Geographic Code 937 (United States, the cooperating/recipient country [even if it is an advanced developing country], and developing countries other than advanced developing countries, and excluding prohibited sources), and must document its files whenever Geographic Code 935 is used to demonstrate that:
(1) The project requires non-restricted commodities or services (other than transportation, construction, and engineering services) of a type that are not produced in and available for purchase in Geographic Code 937; or

(2) It is necessary to permit procurement from Geographic Code 935 to meet the emergency needs of the affected populations; or

(3) It is more efficient and/or necessary to achieve the project's objectives.

(c) Transportation, Engineering, and Construction Services

As indicated in Section 1.6(a)(5)(C) above, if commodities are shipped by a transportation medium owned, operated, or under the control of any country not included in Geographic Code 935, such commodities are ineligible for USAID financing.

(1) Transportation Services

(A) Air Travel and Transportation

(i) General

For both transportation of people and transportation of commodities, the Recipient shall comply with the Standard Provision set forth in Attachment 3 of this Agreement entitled "Travel and International Air Transportation."

(ii) The Fly America Act

With reference to paragraph c. of said Standard Provision, U.S.-flag air carriers must be used when they are available, except as may be permitted under air transport agreements between the U.S. and foreign governments, e.g., EU countries that have signed the US-EU "Open Skies" agreement (http://www.state.gov/e/eb/rls/othr/ata/i/ic/170684.htm) or an exception authorized under the Fly America Act. For every flight on a non-U.S.-flag air carrier, the Recipient must document its files to demonstrate and explain why U.S.-flag air carriers were not used.

(iii) Air Charters

All air charters covering full or part cargo must be approved in advance and in writing by M/OAA/T. This includes charter parties, booking notes, and booking agreements when those forms of freight contracts incorporate provisions which are in addition to, or which deviate from, the terms of the carrier's standard bill of lading and tariff. The cost of commodities will be ineligible for reimbursement under this Agreement if a) shipped under any air charter which has not received prior written approval from M/OAA/T, and b) the cost was not included in the recipient cost application.

(B) Ocean Shipments

(i) General

In accordance with the Standard Provision set forth in Attachment 3 of this Agreement entitled "Ocean Shipment of Goods," the Recipient must contact
USAID Office of Acquisition and Assistance’s Transportation Division (M/OAA/T) prior to contracting for ocean transportation to ship goods purchased or financed with USAID funds under this Agreement to determine the flag and class of vessel to be used for shipment.

(ii) Freight Differential

The Agreement Officer (after USAID-internal approval from M/OAA/T) must authorize, in advance and in writing, the payment of any freight differential costs between using U.S.-flag vessels and using non-U.S.-flag vessels.

(iii) Despatch

All despatch earned at the port of unloading on cost, insurance, and freight (CIF) and cost and freight (C&F) shipments, and despatch earned at either the port of loading or unloading for free on board (FOB) or free alongside (FAS) shipments (to the extent that despatch exceeds demurrage incurred on the same voyage) must be credited to this Agreement as Program Income (see Section 1.8 below) or refunded to USAID.

(iv) Demurrage and Detention

Demurrage and detention costs are otherwise ineligible for USAID financing.

(v) Dead Freight

Dead freight is not reimbursable hereunder.

(vi) Ocean Charters

All ocean charters covering full or part cargo must be approved in advance and in writing by the Agreement Officer (after USAID-internal approval from M/OAA/T). This includes charter parties, booking notes, and booking agreements when those forms of freight contracts incorporate provisions which are in addition to, or which deviate from, the terms of the carrier’s standard bill of lading and tariff. The cost of commodities will be ineligible for reimbursement under this Agreement if shipped under any ocean charter which has not received prior written approval of the Agreement Officer.

(C) Marine Insurance

(i) All goods financed under this Agreement must be insured in U.S. dollars, or any other freely convertible currency, during ocean transportation, unless USAID agrees otherwise in writing. USAID will finance the costs of the insurance premiums if: (a) the insurance is placed in a country included in the authorized geographic code (see paragraph [iv] below); (b) the insurance is placed in accordance with the terms of the commodity purchase contract; (c) the insurance covers, at a minimum, the period during which the commodities are in transit to the cooperating country; (d) the premiums do not exceed the limitations contained in 22 CFR 201.68; and (e) loss payment proceeds are to be paid in U.S. dollars or other freely convertible currency.

(ii) If the Recipient has, or becomes aware of, a complaint regarding the cooperating country’s discrimination against marine insurance companies authorized to do business in the U.S., the
Recipient must report it to the USAID Office of Acquisition and Assistance's Transportation Division (M/OAA/T).

(iii) M/OAA/T must approve the payment of general average on uninsured shipments where USAID finances the ocean transportation costs. (General average is a doctrine of marine law applicable to all ocean shipments whereby, when part of a marine cargo or part of the ship is deliberately sacrificed in the interest of saving the whole, owners of the sacrificed portion are entitled to contributions from the owners of the saved portion of the cargo and the ship. Liability for assessments associated with general average is a standard clause incorporated into all marine cargo insurance policies, but is not an issue with regard to most USAID-financed shipments because the insurer, not USAID, is liable for all general average assessments if the shipment is insured. If the shipment is uninsured, the consignee is liable for all general average assessments.)

(iv) Marine insurance is "placed" in a country if payment of the insurance premium is made to, and the insurance policy is issued by, an insurance company office located in that country. The authorized geographic code for where marine insurance may be placed is Geographic Code 935 (any area or country but excluding prohibited sources). The Recipient shall, in all cases, give first preference to Geographic Code 937 (United States, the cooperating/recipient country [even if it is an advanced developing country], and developing countries other than advanced developing countries, and excluding prohibited sources), and must document its files whenever Geographic Code 935 is used to demonstrate that:

a. The project requires marine insurance of a type that is not available for purchase in Geographic Code 937; or

b. It is necessary to permit procurement from Geographic Code 935 to meet the emergency needs of the affected populations; or

c. It is more efficient and/or necessary to achieve the project's objectives.

(v) If loss payments are not used to re-procure any commodities under this Agreement, the Recipient must refund these payments to USAID. USAID must also request a refund of loss payments that are not used in accordance with this Agreement, even if USAID does not finance the marine insurance.

(D) Other Delivery Services

The Authorized Geographic Code for other delivery services (such as export packing, loading, commodity inspection services, and services of a freight forwarder) is Geographic Code 935 (any area or country but excluding prohibited sources).

(E) Incidental Services

The Authorized Geographic Code for incidental services (such as installation or erection of USAID-financed equipment, or the training of personnel in the maintenance, operation, and use of such equipment) is Geographic Code 935 (any area or country but excluding prohibited sources).
(2) Engineering and Construction Services

(A) In accordance with 22 CFR 228.17, advanced developing countries, as defined in 22 CFR 228.01, which USAID has determined to have attained a competitive capability in international markets for construction services or engineering services are not eligible to furnish USAID-financed construction and engineering services unless approved in advance by the Agreement Officer.

(B) In accordance with 22 CFR 228.14, when the estimated cost of a contract for construction is $10 million or less and only local firms will be solicited, a local corporation or partnership which is a foreign-owned local firm (i.e., owned or controlling interest by individuals not citizens or permanent residents, or equivalent immigration status, of the United States or the cooperating/recipient country) are not eligible to furnish USAID-financed construction services unless approved in advance by the Agreement Officer.

(d) Restricted Commodities

In accordance with paragraph b.(3) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services," agricultural commodities, motor vehicles, pharmaceuticals, pesticides, used equipment, U.S. Government-owned excess property, and fertilizer are restricted commodities and may not be financed hereunder without the prior written approval of the Agreement Officer. For the purpose of this Agreement, condoms and contraceptives are also considered restricted commodities. To this end, the restricted commodities listed below are approved subject to the following:

N/A

(1) Motor Vehicles

(A) Definition

Motor vehicles are defined as self-propelled vehicles with passenger carriage capacity, such as highway trucks, passenger cars and buses, motorcycles, scooters, motorized bicycles and utility vehicles. Excluded from this definition are industrial vehicles for materials handling and earthmoving, such as lift trucks, tractors, graders, scrapers, off-the-highway trucks (such as off-road dump trucks) and other vehicles that are not designed for travel at normal road speeds (40 kilometers per hour and above). All-terrain vehicles (ATVs) are considered to be motor vehicles; ambulances, snowmobiles, and motorboats are not.

(B) Motor Vehicles as Equipment

Pursuant to 22 CFR 226.2, "equipment" is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. In accordance with 22 CFR 226.25(c)(6), the purchase of equipment requires the Agreement Officer's prior approval under the applicable U.S. Government Cost Principles (see 22
CFR 226.27) if the costs will be charged directly to this Agreement (see Section 1.4[b] above). However, the long-term lease of equipment does not require prior approval. Approval of equipment purchases is different than approval of motor vehicles as restricted commodities, which is discussed in paragraph (C) below.

(C) Motor Vehicles as Restricted Commodities

As a separate matter from motor vehicles as equipment (as discussed in paragraph [B] above), paragraph b. (3) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" requires the Agreement Officer's prior approval for the purchase or long-term lease of motor vehicles that are not manufactured in the U.S. Thus, for example, purchase of a small motorcycle might not require approval as "equipment" because the per-unit acquisition cost was less than $5,000, but USAID approval of the motorcycle as a restricted commodity would be required if it was not manufactured in the U.S. Similarly, long-term leases of motor vehicles do not require approval as "equipment," but would require USAID approval as a restricted commodity if the vehicle being leased was not manufactured in the U.S.

(D) Place of Manufacture for Motor Vehicles

To this end, and for the purpose of this Agreement, motor vehicles that are not manufactured in the U.S. are hereby authorized.

Left-hand drive 4-wheel motor vehicles that are not manufactured in the U.S. are hereby authorized.

(E) Authorized Geographic Code for Motor Vehicles

Irrespective of the place of manufacture, for the purpose of this Agreement, the Authorized Geographic Code for the source and supplier nationality of USAID-financed motor vehicles is Geographic Code 935.

(i) Motorcycles and Right-Hand Drive Vehicles

Irrespective of the place of manufacture, the Authorized Geographic Code for the source and supplier nationality of lightweight/medium-weight (less than 600 cc) 2- or 3-wheel motor vehicles and right-hand drive 4-wheel motor vehicles is Geographic Code 935 (any area or country but excluding prohibited sources).

(ii) Left-Hand Drive Vehicles

Irrespective of the place of manufacture, the Authorized Geographic Code for the source and supplier nationality of left-hand drive 4-wheel motor vehicles is Geographic Code 935 (any area or country but excluding prohibited sources).

(F) Special Requirements for Motor Vehicles as Restricted Commodities

The foregoing is subject to the Recipient’s compliance with the following:
(i) **Order of Preference**

When using USAID funds provided under this Agreement to purchase or execute a long-term lease for motor vehicles, the Recipient shall apply the following descending order of preference:


(ii) **Market Survey for Non-U.S.-Manufactured Motor Vehicles**

a. U.S.-manufactured motor vehicles must be used if they are adequate and suitable for specific demands of the project, and if there are adequate service facilities and supply of spare parts for U.S.-manufactured motor vehicles in the country or region within a country where the motor vehicle will be used.

b. Whenever the purchase or long-term lease of motor vehicles that are not manufactured in the U.S. is contemplated, the Recipient must conduct and document a market survey to ascertain whether U.S. manufacturers are able to provide a particular type of motor vehicle adequate for the specific demands of the project (such project demands must also be documented). If U.S. manufacturers are able to provide a particular type of motor vehicle adequate for the specific demands of the project, the market survey must ascertain whether there are presently and are projected to be adequate service facilities and supply of spare parts for U.S.-manufactured motor vehicles in the country or region within a country where the vehicle will be used. The Recipient must document its files to demonstrate the results of the market survey, and to justify the purchase or long-term lease of motor vehicles that are not manufactured in the U.S.

(iii) **Justification for Motor Vehicles of Geographic Code 935 Source and Supplier Nationality**

Whenever the purchase or long-term lease of motor vehicles of Geographic Code 935 source and supplier nationality is contemplated, the Recipient must document its files to demonstrate that:

a. The project requires motor vehicles of a type that are not produced in and available for purchase or long-term lease in Geographic Code 937; or

b. It is necessary to permit procurement or long-term lease from Geographic Code 935 to meet the emergency needs of the affected populations; or
c. It is more efficient and/or necessary to achieve the project's objectives.

(iv) Submission of Documentation

The Recipient must provide, within 90 days after each such procurement, an informational copy of all documentation required under this provision to the AOR to be included in the award file.

(G) Transportation or Driver Services from an Individual or Commercial Entity

The rules set forth above governing the purchase or long-term lease of motor vehicles do not apply to the financing of transportation or driver services from an individual or commercial entity (as opposed to directly financing the purchase or lease of a vehicle), which is subject to the supplier nationality requirements for non-restricted commodities and services (other than transportation, construction, and engineering services) set forth in Section 1.6(a)(7)(B) above. Financing transportation or driver services means that: (a) the vehicle is independently owned or leased by the hired driver or company; (b) the vehicle will be maintained by the individual or commercial entity and driven only by the hired driver(s); and (c) the vehicle is not directly leased, either as a separate line item in the contract separate from the cost of the driver's services, or under a separate contract.

(e) Agricultural Commodities

(A) Approval of Restricted Agricultural Commodities (including restricted seeds)

Pursuant to paragraph b.(3) of the Standard Provision set forth in Attachment 3 of this Agreement entitled "USAID Eligibility Rules for Procurement of Commodities and Services," the Recipient may purchase the type and quantity of restricted agricultural commodities or products thereof that are identified in its proposal, to the extent that the restricted agricultural commodities or products thereof are identified in the Program Description set forth in Attachment 2 of this Agreement and the costs for the same are included in the budget of this Agreement (see Section 1.4 above). All other agricultural commodities must have the advance written approval of the Agreement Officer.

(B) Authorized Geographic Code

The Authorized Geographic Code for the source and supplier nationality of the agricultural commodities approved in paragraph (A) above is Geographic Code 935 (any area or country but excluding prohibited sources), but preference must always be given to Geographic Code 937 (the U.S., the cooperating/recipient country [even if it is an advanced developing country], and developing countries other than advanced developing countries, but excluding prohibited sources). Whenever the purchase of agricultural commodities of Geographic Code 935 source and supplier nationality is contemplated, the Recipient must document its files to demonstrate that:

(i) The project requires agricultural commodities of a type that are not produced in and available for purchase in Geographic Code 937; or

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(ii) It is necessary to permit procurement from Geographic Code 935 to meet the emergency needs of the affected populations; or

(iii) It is more efficient and/or necessary to achieve the project's objectives.

(C) Commodity Safety and Quality Assurance

(i) Commodity safety and quality assurance inspections are required for procurement of agricultural commodities financed hereunder. For all bulk grains, legumes, and pulses, recipient country food safety guidance must be followed. If the recipient country does not have food safety guidelines for grains, legumes, and pulses, the Recipient must adhere to the Codex Alimentarius Recommended International Code of Practice: General Principles of Food Hygiene CAC/RCP 1-1969 Rev 4 - 2003 including Annex "Hazard Analysis and Critical Control Point (HACCP) System and Guidelines for its application." All processed foods, fortified blended foods, and enriched foods shall comply, in terms of raw materials, composition, or manufacture, except as may otherwise be approved by the Agreement Officer, with the Codex Alimentarius Recommended International Code of Practice: General Principles of Food Hygiene CAC/RCP 1-1969 Rev 4 - 2003 including Annex "Hazard Analysis and Critical Control Point (HACCP) System and Guidelines for its application." All cereals and cereal product commodities must be tested for aflatoxin and have moisture content certified. The maximum acceptable total aflatoxin level is 20 parts per billion (the U.S. Food and Drug Administration action level for aflatoxin in human foods). In addition to the local country requirements or Codex Alimentarius standards, as applicable, all commodities must meet the specifications, nutritional, quality, and labeling standards of the recipient country. The Recipient is required to contract established inspection services prior to shipment and distribution, and retain a copy of each certificate for its records. Expenses for commodity safety and quality assurance inspections are subsumed in the budget set forth in Section 1.4 above. It is expected that commodities purchased by beneficiaries with cash transfers and food vouchers will meet the commodity standards of the recipient country.


(iii) It is expected that commodities purchased by beneficiaries with cash transfers and food vouchers financed hereunder (if applicable) will meet the commodity standards of the recipient country.

(D) Quality Assurance (Seed Grower's Certificate)
(i) The Recipient shall obtain from the suppliers of all seeds procured under this Agreement a "Seed Grower’s Certificate," which attests to the following:

a. The seed was grown in (Name of Country).

b. The seed was sampled by an official of, and tested in, a laboratory of (Name of Country and City).

c. The seed was put up in packages of containers used by end-users, labeled with all of the following:

- Seed lot number;
- Kind, or kind and variety;
- Weed seeds;
- Inert matter;
- Germination and hard seed;
- Names and rates of noxious weed-seed occurrence (which must conform to the laws of the importing country);
- Month/year in which purity and germination tests were completed; and
- If seed was treated, chemicals with which treated and cautionary statement, if advisable.

d. Not more than twelve (12) calendar months have elapsed since the last day of the month when germination tests were completed (when seed is packaged in hermetically sealed containers).

e. Samples of the shipping lot will be retained for one (1) year by the (Grower), and a copy of the laboratory purity and germination test analysis will be retained by the laboratory for not less than three (3) years.

(ii) The laboratory report shall be prepared under the letterhead of the laboratory, dated, and signed by a person, such as a seed technologist, making the analysis, and shall be attached to the "SEED GROWER’S CERTIFICATE."

(iii) The "Seed Grower's Certificate" shall be issued under the letterhead of the Grower. It shall identify the Supplier's transaction by letter of credit number and bank, and identify the lot involved. The Certificate shall be dated and signed by an individual authorized to bind the Grower and shall be issued to the Supplier.

(iv) The documents provided under this provision shall be available in English for audit purposes. If the Recipient cannot obtain a Seed Grower’s Certificate, the Recipient shall document its files to indicate what quality assurance practices were followed in lieu of the certification. These quality assurance practices may include, but are not limited to: testing for germination, visual inspection for cracked or damaged seed, percentage weed seed, or inspection for insect infestation or foreign matter. Records of these tests must be maintained by the Recipient.
(E) Approval of Agricultural Commodities including seeds (Non-Restricted)

Pursuant to paragraph b.(3) of the Standard Provision set forth in Attachment 3 of this Agreement entitled “USAID Eligibility Rules for Procurement of Commodities and Services,” the Recipient may purchase the type and quantity of agricultural commodities that are identified in its proposal, to the extent that the agricultural commodities are identified in the Program Description set forth in Attachment 2 of this Agreement and the costs for the same are included in the budget of this Agreement (see Section 1.4 above). All other agricultural commodities must have the advance written approval of the Agreement Officer.

Authorized Geographic Code

The Authorized Geographic Code for the source and supplier nationality of the agricultural commodities approved in paragraph (A) above is Geographic Code 935 (any area or country but excluding prohibited sources), but preference must always be given to Geographic Code 937 (the U.S., the cooperating/recipient country [even if it is an advanced developing country], and developing countries other than advanced developing countries, but excluding prohibited sources). Whenever the purchase of agricultural commodities of Geographic Code 935 source and supplier nationality is contemplated, the Recipient must document its files to demonstrate that:

(i) The project requires agricultural commodities of a type that are not produced in and available for purchase in Geographic Code 937; or

(ii) It is necessary to permit procurement from Geographic Code 935 to meet the emergency needs of the affected populations; or

(iii) It is more efficient and/or necessary to achieve the project’s objectives.

1.7 TITLE TO AND USE OF PROPERTY

Title to property financed under this Agreement or provided by USAID shall vest in the Recipient, subject to the following requirements regarding the use, care, accountability, maintenance, and disposition thereof:

(a) Tangible Property

(1) Equipment

“Equipment” means an article of tangible nonexpendable personal property having a useful life of one year or more and a per-unit acquisition cost (purchase price) of $5,000 or more. Equipment is subject to the requirements set forth in 22 CFR 226.34.
(2) **Supplies and Other Expendable Equipment**

"Supplies and other expendable equipment" means items of tangible personal property that do not meet the definition of "equipment" in paragraph (a)(1) above. Supplies and other expendable equipment are subject to the requirements set forth in 22 CFR 226.35.

(3) **Real Property**

"Real property" means land, land improvements, structures, and appurtenances thereto. Real property is subject to the requirements set forth in 22 CFR 226.32.

(b) **Intangible (Intellectual) Property**

"Intangible property" means, but is not limited to, copyrights, inventions and patents, and data first produced under this Agreement. Intangible property is subject to the requirements set forth in 22 CFR 226.36.

1.8 **PROGRAM INCOME**

Any Program Income earned under this Agreement shall be additive to the USAID and other contributions provided hereunder. The Recipient shall account for Program Income in accordance with 22 CFR 226.24. Proceeds from the sale of property funded hereunder will be governed by 22 CFR 226.31 through 22 CFR 226.37, which set forth uniform standards governing management and or disposition of property furnished by the Federal Government or whose cost was changed to a project supported by a Federal award.

1.9 **COST-SHARING (MATCHING)**

No cost-sharing (matching) is required hereunder.

1.10 **INDIRECT COSTS**

Pursuant to the Standard Provision set forth in Attachment 3 of this Agreement entitled "Negotiated Indirect Cost Rates - Provisional (Nonprofit)" or "Negotiated Indirect Cost Rates - Provisional (Profit)," an indirect cost rate or rates shall be established for each of the Recipient's accounting periods which apply to this Agreement. Pending establishment of final or revised provisional indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional rate(s) and the appropriate base(s):

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1.11 RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Agreement shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Attachment 2 - Program Description
- Attachment 3 - Standard Provisions
- Attachment 4 - Branding Strategy and Marking Plan
- Attachment 5 - OFAC Notice (Case No. SU-2799) concerning General License under Section 538.531 of the Sudanese Sanctions Regulations (31 CFR 538)

1.12 POST-AWARD AGREEMENT ADMINISTRATION

(a) Agreement Officer’s Representative (AOR)

The AOR for this Agreement has been designated in a separate memorandum from the Agreement Officer to the AOR, a copy of which is being provided to the Recipient in addition to this Agreement. All correspondence to the AOR should be addressed to:

The Agreement Officer’s Representative (AOR) is:

Tracy O’Hier
DCHA/OPDA
U.S. Agency for International Development
1300 Pennsylvania Avenue, N.W.
Room 8.06
Washington, DC 20523-2052

(b) Agreement Officer

The USAID Agreement Officer is:

Mr. Michael Clark
M/OAA/DCHA, SA-44
U.S. Agency For International Development
301 4th Street, S.W.
Washington, DC 20547-0001

(c) Payment Office

M/CFO/CMP, SA-44
U.S. Agency For International Development
301 4th Street, S.W.
Washington, DC 20547-0001

Letter of Credit

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1.13 SPECIAL PROVISIONS

(a) Code of Conduct for the Protection of Beneficiaries of Assistance from Sexual Exploitation and Abuse in Humanitarian Relief Operations

As a condition for award of this Agreement, it is understood by USAID and affirmed by the Recipient that the Recipient has adopted a code of conduct for the protection of beneficiaries of assistance from sexual exploitation and abuse in humanitarian relief operations. Such code of conduct must be consistent with the UN Interagency Standing Committee on Protection from Sexual Exploitation and Abuse in Humanitarian Crises, which includes the following core principles:

(1) Sexual exploitation and abuse by humanitarian workers constitute acts of gross misconduct and are therefore grounds for termination of employment;

(2) Sexual activity with children (persons under the age of 18) is prohibited regardless of the age of majority or age of consent locally; mistaken belief in the age of a child is not a defense;

(3) Exchange of money, employment, goods, or services for sex, including sexual favors or other forms of humiliating, degrading, or exploitative behavior is prohibited; this includes exchange of assistance that is due to beneficiaries.

(4) Sexual relationships between humanitarian workers and beneficiaries are strongly discouraged since they are based on inherently unequal power dynamics. Such relationships undermine the credibility and integrity of humanitarian aid work.

(5) Where a humanitarian worker develops concerns or suspicions regarding sexual abuse or exploitation by a fellow worker, whether in the same humanitarian aid agency or not, s/he must report such concerns via established agency reporting mechanisms.

(6) Humanitarian workers are obliged to create and maintain an environment which prevents sexual exploitation and abuse and promotes the implementation of their code of conduct. Managers at all levels have particular responsibilities to support and develop systems which maintain this environment.

(b) Branding Strategy and Marking Plan

(1) In accordance with the Standard Provision set forth in Attachment 3 of this Agreement entitled "Marking and Public Communications Under USAID-Funded Assistance," the Recipient's Branding Strategy and Marking Plan are incorporated into this Agreement as Attachment 4 herof.
(2) With reference to paragraph (h) of the aforementioned Standard Provision, the requirements to mark and acknowledge program deliverables/communications is hereby waived because marking/acknowledgement requirements would pose compelling political, safety and security concerns.

(c) Non-Federal Audits

(1) In accordance with 22 CFR 226.26, the Recipient and its sub-recipients are subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and OMB Circular A-133. For non-US based recipients, an audit is required if the grantee expends $300,000 or more in USAID funds in one fiscal year. For US-based non-profits an audit is required if they expend $500,000 per fiscal year. The Recipient and its sub-recipients must use an independent, non-Federal auditor or audit organization which meets the general standards specified in generally accepted government auditing standards (GAGAS) to fulfill these requirements.

(d) U.S. Export Restrictions

Unless otherwise approved in advance by the Agreement Officer, funds provided hereunder may not be expended by the Recipient in violation of the U.S. Government’s Export Administration Regulations (EAR) found in 15 CFR 730, et seq.¹ The Recipient shall comply with any and all requirements and provisions of the EAR.

(e) U.S. Economic Sanctions

Unless otherwise approved in advance by the Agreement Officer, funds provided hereunder may not be expended by the Recipient in violation of any U.S. Government Economic Sanctions and/or any OFAC license related thereto. The Recipient shall comply with any and all requirements and provisions of the relevant sanctions regulations and/or OFAC license.


(Note: The following only applies if the Recipient, its employees, or a sub-recipient or its employees, require routine access to USAID-controlled facilities and/or access to USAID’s information systems.)

(1) In response to the general threat of unauthorized access to federal facilities and information systems, the President issued Homeland Security Presidential Directive-12. HSPD-12 requires all Federal agencies to use a common Personal Identity Verification (PIV) standard when identifying and issuing access rights to users of Federally-controlled facilities and/or Federal Information Systems. USAID is applying the requirements of HSPD-12 to applicable assistance awards. USAID will begin issuing HSPD-12 “smart card” IDs to applicable recipients (and recipient employees), using a phased approach. Effective October 27, 2006, USAID will begin issuing new “smart card” IDs to new recipients (and recipient employees) requiring routine access to USAID-controlled facilities and/or access to USAID’s information systems.

¹ Further information about export restrictions may be found on the internet at:
systems. USAID will begin issuance of the new smart card IDs to existing recipients (and existing recipient employees) on October 27, 2007. (Exceptions would include those situations where an existing recipient [or recipient employee] loses or damages his/her existing ID and would need a replacement ID prior to Oct 27, 2007. In those situations, the existing recipient [or recipient employee] would need to follow the PIV processes described below, and be issued one of the new smart cards.)

(2) Accordingly, before a recipient (including a recipient employee) may obtain a USAID ID (new or replacement) authorizing him/her routine access to USAID facilities, or logical access to USAID's information systems, the individual must provide two forms of identity source documents in original form and a passport size photo. One identity source document must be a valid Federal or state government-issued picture ID. (Overseas foreign nationals must comply with the requirements of the Regional Security Office.) USAID/W recipients (and recipient employee) must contact the USAID Security Office to obtain the list of acceptable forms of documentation, and recipients working in overseas Missions must obtain the acceptable documentation list from the Regional Security Officer. Submission of these documents, and related background checks, are mandatory in order for the recipient (or employee) to receive a building access ID, and before access will be granted to any of USAID's information systems. All recipients (or employees) must physically present these two source documents for identity proofing at their USAID/W or Mission Security Briefing. The recipient (or employee) must return any issued building access ID and remote authentication token to USAID custody upon termination of the individual's employment with the recipient or completion of the award, whichever occurs first.

(3) The recipient must comply with all applicable HSPD-12 and PIV procedures, as described above, as well as any subsequent USAID or government-wide HSPD-12 and PIV procedures/policies, including any subsequent applicable USAID General Notices, Office of Security Directives and/or Automated Directives System (ADS) policy directives and required procedures. This includes HSPD-12 procedures established in USAID/Washington and those procedures established by the overseas Regional Security Office. In the event of inconsistencies between this clause and later-issued Agency or government-wide HSPD-12 guidance, the most recent issued guidance should take precedence, unless otherwise instructed by the Agreement Officer.

(4) The recipient is required to include this clause in any subawards (including subcontracts) that require the subcontractor or subawardee employee to have routine physical access to USAID space or logical access to USAID's information systems.

(g) **OFAC Notice (Case No. SU-2799) Concerning General License under Section 538.531 of the Sudanese Sanctions Regulations (31 CFR 538)**

With reference to Section 1.13(e) above, the Recipient shall comply with the Sudanese Sanctions Regulations ("SSR") in 31 CFR 538 (http://www.access.gpo.gov/nara/cfr/waisidx_09/31cfr538_09.html). To this end, 31 CFR 538.531 provides a General License, which pertains to this Agreement and is incorporated herein by reference as a part hereof. With respect to such General License, OFAC has issued a Notice dated August 29, 2008, which is attached to this Agreement and is also incorporated herein as a part hereof. The Recipient shall comply with the General License and the attached Notice from OFAC (or the Recipient's own OFAC license, if
applicable), including any conditions and limitations set forth therein. The Recipient's attention is directed to the reporting and record-keeping requirements described in the license, which are in addition and/or an exception to other reporting and record-keeping requirements set forth elsewhere in this Agreement. The General License does not relieve the Recipient from compliance with other provisions of U.S. law, specifically the Export Administration Regulations (15 CFR parts 730, et seq.) administered by the U.S. Bureau of Industry and Security in the U.S. Department of Commerce ("BIS") (http://www.bis.doc.gov/) (see Section 1.13[d] above) and the International Traffic in Arms Regulations (22 CFR 120-130) administered by the U.S. Department of State (http://www.pmddtc.state.gov/). This means that exporting items on the Commerce Control List (e.g., computers, satellite phones, etc.) from the U.S. for import into Sudan may require a BIS license. The Recipient is responsible for obtaining such a BIS license.

(h) Use of Notwithstanding Authority

Notwithstanding the Standard Provision set forth in Attachment 3 of this Agreement entitled "Ineligible Countries," the Recipient is hereby authorized to conduct the program in the country described in Attachment 2 of this Agreement. USAID/OFDA has used its Notwithstanding Authority for this Award.

1.14 STANDARD PROVISIONS

The following Standard Provisions apply to this Agreement. The full text of these Standard Provisions is set forth in Attachment 3 of this Agreement.

(a) Mandatory Standard Provisions

2. Ineligible Countries (MAY 1986)
3. Nondiscrimination (JUN 2012)
4. Amendment Of Award (JUN 2012)
5. Notices (JUN 2012)
6. Subagreements (JUN 2012)
7. OMB Approval Under The Paperwork Reduction Act (DEC 2003)
8. USAID Eligibility Rules For Goods And Services (JUN 2012)
9. Debarment, Suspension, And Other Responsibility Matters (JUN 2012)
10. Drug-Free Workplace (JUN 2012)
11. Equal Participation By Faith-Based Organizations (JUN 2012)
12. Preventing Terrorist Financing -- Implementation Of E.O. 13224 (AUG 2013)
13. Marking And Public Communications Under Usaid-Funded Assistance (AUG 2013)
14. Regulations Governing Employees (AUG 1992)
15. Conversion Of United States Dollars To Local Currency (NOV 1985)
16. Use Of Pouch Facilities (AUG 1992)
17. Travel And International Air Transportation (AUG 2013)
18. Ocean Shipment Of Goods (JUN 2012)
20. Trafficking In Persons (JUN 2012)
21. [INTENTIONALLY LEFT BLANK]
22. Limiting Construction Activities (AUG 2013)

(b) Required-as-Applicable Standard Provisions

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23. Negotiated Indirect Cost Rates - Provisional (NONPROFIT) (APR 1998)
24. Prohibition Of Assistance To Drug Traffickers (JUN 1999)
25. Reporting Host Government Taxes (JUN 2012)
26. Central Contractor Registration and Universal Identifier (oct 2010)
27. Reporting subawards and executive compensation (october 2010)
Appendix - D
ISLAMIC RELIEF AGENCY (ISRA)

FOR THE PURPOSE OF

Water Sanitation and Hygiene

For Meeting urgent Health and WASH needs for conflict-
Affected communities in Blue Nile state

THIS AGREEMENT is entered into on this 1st day of February the year 2014

Between

World Vision International - Sudan of Al Amarat Street 35, (Juba Street), Block 10/k,
House #35, P.O. Box: 15143, Khartoum. Phone: +249 155779304, +249 155779305,
Fax: +249 183581682, (herein after referred to as “World Vision”) And

Islamic Relief Agency (ISRA) - Plot No: 388 – Block No: Mohammed Najeeb Avenue –
East of Jehazel Mughariibeen 37, Khartoum, Fax: 249912304047, Tel:249 – 183-
425159, Fax:249 – 183- 427255

For all purposes of this agreement, World Vision and ISRA shall hereinafter be jointly
referred to as “The Partner”.

This agreement includes, in their entirety, the attached project proposal, budget and work plan.

1.0. THE AGREEMENT

1.1 World Vision intends to continue complementing the Government’s Emergency,
Rehabilitation, Reconstruction and Development efforts in the Blue Nile State for
the foreseeable future;

1.2 World Vision intends to complement the above stated development efforts in the
sectors of Food Security and Livelihoods, Agriculture and Natural Resource
Management; Education, Child Care and Gender Development; Health and
Nutrition; Water, Sanitation and Hygiene; and humanitarian response;

1.3 World Vision has, in collaboration with the Blue Nile State Humanitarian Affairs
Commission (herein after referred to as HAC), identified the National
Organization) as being suitable and capable of implementing projects in
Humanitarian Response;

World Vision –
1.5 The Partner warrants its power and capacity to enter into this agreement and has obtained all the necessary approvals to do so;

1.6 The Partner do hereby agree to implement the project according to their relative competencies under the terms and conditions that are spelt out in detail below;

1.7 World Vision hereby undertakes to fund the project with an all-inclusive funding in Sudanese Pounds of an equivalent of United States Dollars 36,453 as described in the attached project scope and Project Budget, all documents which by inference and reference, form an integral part of this agreement; and.

1.8 World Vision shall not be liable for the payment of any expenses, fees, tolls, or any other financial cost not outlined by this agreement, unless World Vision has explicitly accepted such liability prior to the expenditure by ISRA.

1.9 FURTHER PROVISIONS

1.9.1 The Partner shall make joint inspections of the activities at any and all stages of the project implementation during which inspection World Vision, with the advice from the relevant government Ministry may make recommendations as to the quality of work done and which recommendations ISRA shall follow or provide sufficient explanation as to an alternative.

1.9.2 If World Vision is of the opinion that the work done so far does not meet World Vision Minimum standards of quality as described in Attachment D, the technical persons from both Partners shall discuss and document and ISRA shall present a written response and action plan for the documented issues within five working days. In case of failure, project implementation shall be suspended until a resolution is reached.

1.9.3 The implementation work shall commence on February 1st 2014, (hereinafter referred to as the Start Date) and be completed on or before the November 30th 2014 (hereinafter referred to as the Completion Date) as shall be agreed by the Partners.

1.9.4 In the event that ISRA is not able to complete the project before the aforementioned date and notwithstanding any other remedy or right that World Vision is or may become entitled to under this agreement, ISRA shall, twenty-one working days to the agreed date, notify World Vision in writing of the delays and propose the way forward for completion of the project activities. World Vision will in turn review the request and provide feedback within 14 working days of the notice.

2 OBLIGATION OF ISRA

2.1 Willful Agreement: The Organization agrees to implement the project activities
World Vision and HAC. In this regard, ISRA shall receive and warehouse project supplies; and report on a routine basis as described in 2.3 below, to the World Vision's appointed representative or his/her designee who shall be available to offer guidance as may be required. ISRA shall endeavor to involve the said World Vision representative or his/her designee in the course of the work and for updates.

**Reporting:**

2.3 ISRA shall respectively present monthly financial and narrative reports to the assigned World Vision representative with copy to HAC on or before the 5th day of the month succeeding the reporting period. Likewise, ISRA shall provide regular updates to World Vision with copy to the appointed Representative from HAC, whether on request or spontaneously. ISRA shall provide a final project narrative and financial report within two weeks of the project's end date. All reports shall follow pre-agreed reporting formats as provided in Attachment E.

2.4 **Conformity with Legislation:** ISRA shall ensure that all operations comply with both the Federal and State legislation governing such implementation and has the proper legal status to undertake the implementation in Blue Nile State and The Republic of the Sudan.

2.5 **Due Care and Diligence:** ISRA shall carry out the implementation with due care and diligence in accordance with the objectives and obligations specified in this Agreement and within the mutually agreed time frame.

2.6 **Suitable Employees:** ISRA shall dedicate their suitable employees for the project implementation. Such employees engaged by ISRA for the project implementation shall be under the sole employment terms of ISRA and shall have no legal employment relationship whatsoever with World Vision.

2.7 **Clear Management Structure:** ISRA shall appoint a specific project manager as a focal contact person dedicated to all projects implemented by the partners.

2.8 **Safety Procedure:** ISRA shall be responsible for safety procedures for personnel, equipment and materials used for the project implementation and shall hold World Vision harmless in all aspects related to the safety and security of the said personnel, equipment and materials.

2.9 **Responsibility for Delays:** ISRA shall accept responsibility and compensate World Vision for any actual pecuniary and fiduciary loss or damage occasioned by any delays resultant from the action and/or inaction by ISRA.

**Plan of Action:**

2.10 ISRA shall, in consultation with the community, community leaders, at large representatives and local authorities to which the Project relates, submit to World Vision for review and/or approval a Plan of Action for each phase of the Project. The said Plan of Action including but not limited to changes to location and or
received from World Vision for the exclusive purpose of the project and in accordance with the approved budget and generally agreed upon international and Sudanese Accounting Standards. Unless otherwise specified in writing, ISRA will:

2.11.1 ISRA will keep the accounting according to the Generally Accepted Accounting Principles (GAAP).

2.11.2 Have, upon request, the financial records relating to the project implementation open for inspection by World Vision and/or its auditors at any time.

2.11.3 Refund to World Vision any unspent funds at the time of submission of the final financial report. Additionally, any disallowed costs shall be reimbursed to World Vision in the currency of this agreement within 30 days of notification.

2.11.4 The original receipts/invoices shall remain with World Vision. ISRA shall submit the original receipts/invoices on monthly bases to World Vision and World Vision will return certified copies of receipts/invoices to ISRA. Original receipts/invoices shall be opened to ISRA for inspection/audit purposes at any time. WV Sudan shall keep the documents for at least seven years or the minimum required Sudanese legal period for the storage of such document whichever is higher.

2.12 Preparatory and Launch Activities: ISRA shall, in consultation with World Vision, organize and facilitate the initiation and launch activities for this project for its internal, external and community based stakeholders.

2.13 Systems and Procedures: ISRA shall comply with all applicable systems and procedures as discussed and agreed upon with World Vision during the life of the Project, including but not necessarily limited to accounting, Donor relations and project management. Provision is made however, that ISRA shall have the option to use its own systems subject to agreement by World Vision that such systems are substantially compliant with and comparable World Vision and or required donor processes.

2.14 ISRA Office and Project Visits: ISRA shall facilitate World Vision for monitoring visit to its offices and project sites upon receipt of three-day notices from World Vision, and shall satisfactorily follow up on and implement all findings and recommendations from such visits within a reasonable time.

3 OBLIGATION OF WORLD VISION

3.1 Financial Assistance: World Vision shall provide financial assistance to ISRA in accordance with agreed project scope (Annex 1) and budgets (Annex 2), subject to the terms of this Agreement and to the availability of funds to World Vision.

3.2 Payment: Payment shall be made to ISRA in the form of Quarterly Payments. WV shall release each Quarterly advance within 30 days of receipt and reconciliation of monthly Partner's current financial reports and requested program needs, in accordance with the approved Budget, less any unspent balance. All payments will be made in Sudanese pounds, and no account shall be taken of exchange gains or
3.3 Systems and Procedures: World Vision shall provide systems and procedures covering but not limited to accounting, donor relations and project management systems to be observed and followed by ISRA in implementing the Project. World Vision may update, amend and vary these systems and procedures and inform ISRA of all such changes.

3.4 Advice and Service: World Vision shall provide to the extent possible, relevant and timely advice and service to ISRA for increasing efficiency and effectiveness in the implementation of the Project. This shall include conducting feasibility surveys/studies on specific projects, regular project monitoring, evaluation and training. World Vision shall receive from ISRA, and maintain beneficiary lists, distribution schedules and reports.

3.5 Audit: World Vision shall conduct an audit and inspection of all records and matters relating to the Project at least quarterly, and reserves the right to undertake these audits more frequently. World Vision shall do a legal review of this audit report prior to it being signed off.

3.6 Monitoring and Evaluation: World Vision shall visit the project sites on a regular basis, and hold discussions with ISRA on issues of mutual interest and quality concerning the implementation. Through such regular visits, World Vision shall remain fully informed of the progress of the implementation. In addition to this, ISRA will be informed and trained on any specific donor requirements for Monitoring and Evaluation including but not limited to baseline assessments.

3.7 Effective Implementation: World Vision shall endeavor to facilitate ISRA to effectively implement the agreed project and shall take into account all relevant technical advice and inputs following professional assessment and supervision of the implementation as outlined in this agreement.

3.8 Pre-funding: Before the implementation commences, World Vision shall pre-fund ISRA an amount equivalent to 3 months' budget based on the cash flows so as to facilitate project implementation in accordance with the project description set out in the proposal, which proposal by reference, forms part of this agreement. Subsequent funding shall be on reimbursement basis on production of approved eligible expenditure by ISRA.

3.9 Fixed Funding Agreement: This is a fixed funding agreement and no additional funding shall be made to ISRA for the specified activities except when there is a variation of the agreement approved in advance by World Vision in writing.
4.2 The Partner have a proven record of implementing projects and have the necessary resources to guarantee successful project implementation.

4.3 The target group shall benefit from the humanitarian assistance irrespective of religion, race, ethnicity, political opinion/affiliation, age and gender.

5 BRANDING AND MARKING

5.1 All markings and branding materials for projects funded by World Vision under this agreement shall carry logos of ISRA, and World Vision as expressed by World Vision's donors for this project. The use and display of such logos shall always be subject to the instructions of World Vision and the local context. WV grants to ISRA, subject to the terms and conditions set forth herein, a revocable, non-exclusive, non-transferable and limited license to use the World Vision logo as provided by World Vision on materials related to the projects funded by World Vision. All rights not specifically granted to ISRA under this Agreement are reserved to World Vision.

5.2 In press releases and other publications, the Partners shall take due care and diligence to appropriately mention all parties involved in this project and seek some mutual consent before the release of material for publication from the other partner.

5.3 Neither Partner shall use or display the other's name or logo, without the other's consent, or otherwise hold itself out as being the other.

6 PERSONNEL AND GOVERNANCE

6.1 Employees of ISRA and not of World Vision:

6.1.1 ISRA shall employ its own personnel for the implementation of the Project. Such personnel may include only the staff as defined in the approved Agreement detailed implementation plan and budget for the project or as shall be from time to time agreed upon during the life of the Project. All staff shall be employed in compliance with the Labor laws of Sudan and under any other relevant HAC regulation on staff employment.

6.1.2 Such staff as shall be employed under this agreement shall remain the employees of ISRA and not of World Vision.

6.1.3 ISRA agrees to indemnify and hold harmless World Vision and any of its affiliates or subsidiaries, and all of the officers, agents and employees of World Vision and such entities, for and from any and all loss, claims, damages or liability arising from ISRA's performance of this Agreement.

World Vision
shall hold World Vision harmless.

6.2 Arms-length Relationships: Unless expressly authorized in writing by World Vision, the individual in charge of day-to-day management of the Project shall not be an executive of ISRA or an organization receiving benefits from the Project. Spouses and other close relatives of ISRA's personnel shall not be hired to work in the Project in line with the 60 HEA Standards Handbooks (2008).

6.3 Project Committee: A Project Committee shall be constituted for the Project. The Committee shall be representative of the communities served by the Project. Only persons of integrity and good character who are willing to commit their time to the Project shall be qualified to serve as members of the Project Committee. At least two members of the Committee shall be representatives of World Vision.

6.4 Government Requirements: ISRA shall comply with all requirements of the Government applicable to its type of organization and the Project.

6.5 Dissolution of Project: The Project shall be subject to a World Vision initiated audit before any closure/dissolution in order to identify all assets and liabilities relating to the Project.

7 CHILD PROTECTION

7.1 ISRA shall maintain and enforce child protection policies and procedures in accordance with the National Child Act of 2010 and World Vision Standards whichever provides the higher standard. ISRA's employees, volunteers, contractors and project visitors shall be required to adhere to these standards and shall sign commitment to that effect. The policies and procedures are aimed at reducing any risks of abuse of children, whether the children are directly or indirectly involved in the project.

7.2 ISRA shall submit its child protection policy and procedures to World Vision for review and discussion, or if none currently exist, shall develop such policy and procedures with the assistance of World Vision.

7.3 World Vision likewise shall maintain and enforce a child protection policy and procedures applicable to its employees, volunteers and project visitors, which policies and procedures shall seek to reduce the risk of abuse of children involved in project activities.

7.4 Upon request, World Vision shall provide a copy of its policy and procedures to ISRA.

8 ANTITERRORISM

The Partners to this agreement do hereby irrevocably certify that they shall neither singly nor severally provide any material or moral support and/or resources to, or otherwise engage in transactions with any individuals or entities including suppliers
9 USE OF AID

The Partners agree to abide by the IFRC Code of Conduct in its entirety and specifically on Principle Commitment 3. Aid will not be used to further a political or religious standpoint.

10 RIGHTS TO WORKS AND INVENTIONS

ISRA agrees that all materials, reports, information, documentation, inventions, discoveries, developments, innovations or other work product generated by ISRA in the course and scope of its performance of services under this Agreement are the property of World Vision, whether it be as individual items or as a combination of components, and ISRA hereby assigns all rights, title and interest in and to such items to World Vision. All of the foregoing will be deemed to be work made for hire and made in the course of services rendered and shall belong exclusively to World Vision, with World Vision having the sole right to obtain, hold and renew, in its own name and for its own benefit, patents, copyrights, registrations and other appropriate protection.

11 GOVERNING LAW AND LANGUAGE

11.1 This Agreement shall be governed by the laws of the Republic of Sudan in effect at the time of performance of this agreement.

11.2 For the purpose of this Agreement, both English and Arabic shall be considered the applicable languages. In case of dispute over the meaning of word and phrases between English and Arabic languages, English shall be the default language.

12 SETTLEMENT OF DISPUTES

12.1 Unless otherwise agreed by the Partners, any dispute, controversy or claim arising out of or relating to this agreement, shall attempt to be resolved initially by mutual negotiation and dialogue in good faith.

12.2 Unless otherwise agreed by the Partners, if any dispute, controversy or claim arising out of or relating to this agreement should remain unresolved after mutual negotiation and dialogue in good faith the dispute shall be settled by binding arbitration under the Arbitration Rules of the DIFC-LCIA Arbitration Centre in Dubai, presided over by one Arbitrator appointed in accordance with such Rules. The seat of arbitration shall be in Dubai, UAE, and the default language for arbitration shall be English. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

13 CODE OF CONDUCT
employees shall not, in any way, act, speak or present themselves in any way as to imply that they are representing the views or position of the other Partner.

14 SAFETY AND EVACUATION

14.1 During the performance of this agreement situations of safety and evacuation may arise within the area of implementation. In the event that this happens, ISRA shall assume all risks including but not limited to damage to its employees and property under its custody resulting from any such situations.

14.2 ISRA shall be solely responsible for the safety of his property and employees and for obtaining any desired insurance protection with respect to his work in such circumstances.

14.3 Under such circumstances as provided for hereinabove, ISRA shall coordinate with World Vision and HAC on safety issues and evacuation planning, assessing the adequacy of such plans and procedure to World Vision's satisfaction, and making alternative arrangements if judged necessary by World Vision.

15 CONFIDENTIALITY

15.1 The Partners agrees not to discuss the performance of implementation under this agreement with any third party without mutual written consent.

15.2 The Partners further agree to hold in confidence for the benefit of each other, any confidential information which may be disclosed to either Partner, or to which either Partner may have access, as a result of this agreement, including the results of the Partners' works herein described.

16 ASSIGNMENT OR SUB-AGREEMENTS

ISRA shall not assign his rights or obligations under this agreement in whole or in part, nor enter into any sub-agreement to perform any portion of this agreement, without the prior written consent of World Vision.

17 VARIATION ORDERS

17.1 There shall be meetings at the location of implementation attended by the representative of ISRA, the Government of Sudan's relevant department or Ministry and a representative of World Vision on a weekly basis to deliberate and monitor the progress of the implementation. Minutes of the meetings shall be approved and form basis of the progress of the implementation.

17.2 Any variations of the implementation plan or targets shall be discussed during the afore-referenced meetings, agreed upon and approved in writing by both Partners before commencement of implementation of the variations.

World Vision
18.2 Where the employee of either Partner to this Agreement is injured, disabled or dies or has any other claim in the course of his/her employment under this agreement, his/her respective employer shall be solely responsible for it according to the terms and conditions of employment they have with the said employee, whether such liability may arise from loss, damage or injury suffered willfully, through negligence, by accident or by act of God.

19 CLOSURE OF PROJECT

19.1 In the event that it becomes clear to any party that the Project is to be closed, World Vision and ISRA shall consult in order to arrange for an orderly closure and the appropriate disposition of Project assets, taking into consideration the purposes of the Project and the objectives of the Partners to help the poor and according to the HEA Standards Handbook (2008, 51).

19.2 In the event of project closure, this agreement shall be deemed fully performed and therefore unenforceable with effect from the date of project closure.

20 LEGAL RELATIONSHIP

20.1 This agreement is neither intended to create a 'Partnership' nor 'joint venture' in the sense of a separate legal entity. Consequently, under this agreement, neither World Vision nor ISRA has any authority whatsoever to act as an agent on behalf of the other. None of the Partners to this agreement is liable for the acts or omissions of the other, except as may be specifically documented in this agreements.

20.2 By inference and implications, and for the purpose of this Agreement, World Vision and ISRA shall mean the legal entities as registered under the applicable Law and shall include their respective owners, proprietor's promoters, successors, assigns and administrators.

21 TERMINATION

21.1 This Agreement shall be effective as of the date indicated above and shall also be terminated as of the date indicated above, unless sooner terminated hereunder, or in the event of closure of the Project for any other reason, or renewed by mutual agreement in writing.

21.2 World Vision may terminate this Agreement should the anticipated funding for the implementation be eliminated or for any other reason. In the event of such a termination, ISRA shall be funded the approved funding for project implemented in accordance with this agreement up to the date of such termination.
21.4 Either party, in the event of any intervening “force majeure” recognized under the governing law may terminate this agreement. In the event of such a termination, ISRA will be paid approved expenses for activities implemented in accordance with this agreement up to the date of termination.

Notwithstanding any other provision of this Agreement, if at any time there is clear evidence of misuse of Project resources, or negligence or mismanagement in relation to the Project, or other serious breach of responsibilities or improper conduct, World Vision may immediately terminate or suspend this agreement. It may also take charge of all cash in hand and in banks, and other assets relating to this Project, until the matter is resolved. In this regard, ISRA shall on request from World Vision execute all documents and take all other steps which may be necessary for achieving this.

22 ENTIRE AGREEMENT AND AMENDMENTS

22.1 The entire agreement shall mean this agreement; the approved Technical Agreement; the project proposal; the agreed upon work plan; approved budget; and all the attachments referred to in various provisions herein.

22.2 This agreement supersedes any and all other agreements and/or contracts, oral or written between World Vision and ISRA with respect to the subject matter hereof.

22.3 No agreement and/or sub-agreement, statement, or promise relating to the subject matter of this agreement other than which is contained herein shall be binding upon the agreement Partners.

22.4 This agreement may not be amended except by written agreement of the Partners as provided for hereinabove.
23.2 Signed and Sealed for and on Behalf of the (Organization)
Name: OMER AHMED Designation: Planning & Projects Director
Signature: [Signature] Date: 09/03/2014

Witness Name: ABBAS FADLALLA Designation: Project Coordinator
Signature: [Signature] Date: 10/03/2014

23.3 Signed and Sealed for and on Behalf of World Vision International - Sudan
Name: [Name] Designation: Country Program Director
Signature: [Signature] Date: [Sign Date]

Witness Name: [Name] Designation: [Designation]
Signature: [Signature] Date: [Sign Date]

23.4 NOTATED BY RELEVANT GOVERNMENT REPRESENTATIVE
Name: [Name] Designation: Operational Director
Signature: [Signature] Date: 12/13/2014

Witness Name: [Name] Designation: [Designation]
Signature: [Signature] Date: [Sign Date]
Appendix - E
March 19, 2019

The Honorable Charles E. Grassley
Chairman
Senate Committee on Finance
United States Senate
Washington DC 20510-6200

Dear Senator Grassley:

Thank you for your letter dated March 5, 2019, addressed to Andrew Morley, President of World Vision International (WVI), with a copy to Edgar Sandoval, President of World Vision, Inc. (WVUS).

We have been asked to respond on behalf of WVI and WVUS, and we welcome this opportunity to provide an accurate and complete account of this matter. Accompanying this letter are most of the documents that you requested, though as explained below, more documents may exist. After your staff have had a chance to review these documents and the answers in this letter, we would be glad to meet and provide further clarifications or information as may be helpful to your office.

Note that both WVI and WVUS are U.S. tax-exempt corporations, incorporated in California. WVI provides global oversight for the collection of entities known informally as the “World Vision Partnership,” and also is the field implementation entity in several countries, including Sudan. WVUS accesses resources from within the U.S. for the WV Partnership, including serving as the signatory for U.S. Government (USG) grants. WVUS and WVI, therefore, worked jointly to implement the Blue Nile State Recovery Program grant from the U.S. Agency for International Development (USAID) in Sudan at issue in this matter. The term “WV” will be used herein to describe those joint efforts, except where specific WVI or WVUS designations are useful.

On the specific questions you have asked:

1. When and how did World Vision first become aware of ISRA’s status as a blocked entity?

WV first learned that the USG believes the particular Islamic Relief Agency with which WV was partnering in Sudan “appears to be” a blocked party on January 23, 2015. The issue throughout this matter was whether that particular Islamic Relief Agency in Sudan is the same party as an entity that is listed as a blocked party on the Specially Designated Nationals (SDN) list, maintained by the U.S. Treasury Department’s Office of Foreign Assets Control (OFAC).
Currently there are, and over time there have been, several organizations around the world that include “Islamic Relief” in their name. Some of these have been on the SDN list for certain periods of time, at least one was on and then was removed, and several never have been (more details are in the response to Question 9 below). Current examples of Islamic Reliefs that are not on the SDN list include Islamic Relief USA, based in Virginia, and Islamic Relief Worldwide, based in the U.K.

In 2014-15, there were multiple entries on the SDN list for organizations that have “Islamic Relief” in their name. WV’s discussion with the USG at that time focused on an SDN list entry for an organization named “Islamic African Relief Agency,” with a number of “a/k/a” names, including Islamic American Relief Agency and Islamic Relief Agency. Although the SDN entry states “all offices worldwide,” it includes a specific location only in Missouri, USA, and the entry says nothing about Sudan. We respectfully suggest that the analysis of whether the Islamic Relief Agency in Sudan is the same entity as the blocked party seems to be rather difficult, as evidenced by the actions of multiple USG agencies in this matter, described in this response.

Routine blocked party screening of WV’s partner in Sudan named Islamic Relief Agency had been carried out by WV in 2013 and 2014 without any concerns being raised. (Further details about WV’s screening history and processes are provided below.) A specific concern with whether Islamic Relief Agency - Sudan could be a blocked party was first raised to the WVI Legal Department in late September 2014. At that time WV’s office in Sudan (WVS) said that another aid organization in Sudan had raised the potential concern with them, and WVS asked for further analysis. (Hereafter, “ISRA” will be used for “Islamic Relief Agency.”)

WV’s initial conclusion from this further analysis was that ISRA in Sudan could not be the same as the SDN entry with an “a/k/a” for ISRA in Missouri, primarily based on:
1. The actual SDN list entry contained no reference to Sudan.
2. In February 2014, USAID had issued a grant to WV for work in Sudan that explicitly approved ISRA-Sudan as a sub-grantee.
3. Perhaps most importantly, in May 2014 WV had submitted a routine request to OFAC to renew WV’s “NGO registration” for operating in Sudan, which was necessary under the comprehensive USG sanctions against Sudan then in place. (Attachment 1 to this letter.) The renewal application provided the information requested by OFAC, including naming any organizations funded by WV in Sudan. ISRA was named as such an organization. In August 2014, OFAC approved the renewal of WV’s Sudan registration, with no comment about ISRA. (Attachment 2.) If the agency that had placed ISRA-Missouri on the SDN list, and which was responsible for enforcing the SDN list, was informed in writing that WV was working with ISRA-Sudan and raised no objection, how could it be the same ISRA as on the SDN list?

Despite this initial conclusion, WV continued reviewing the matter, including further research and asking ISRA for additional information and assurances in Sudan. This further review included finding references to Sudan in public statements about ISRA-Missouri when OFAC had blocked it in 2004 (even though the SDN list entry itself contains no such Sudan references). By November 2014, we determined that we could not reach a definitive conclusion one way or another. But there were enough potential concerns that we decided we should suspend work with ISRA-Sudan (despite the risk of disrupting important humanitarian services for persons affected by conflict), and formally ask OFAC
for confirmation of the status of ISRA-Sudan. We did this with a written submission to OFAC dated November 19, 2014 (Attachment 3), with a notification to USAID also.

We would emphasize that WV suspended further work with ISRA-Sudan, and presented this issue to OFAC (and USAID), entirely of our own initiative. We had received no indications from the USG that working with ISRA-Sudan was a problem (in fact, quite the contrary, as evidenced by OFAC’s renewal of WVI’s Sudan registration and USAID’s approval of ISRA-Sudan as a subrecipient).

Following our November 19 submission, we engaged in a number of conversations with persons at OFAC, USAID, the State Department, and the White House, hoping that a determination would be rendered soon. Those discussions are documented in the materials that we are providing along with this letter. We were comforted by initial assurances from the State Department that ISRA-Sudan did not seem to be the same entity as the blocked party in Missouri, and that State believed this question could be resolved quickly. Unfortunately, what we thought was a simple clarifying request took over two months to resolve. Finally, on January 23, 2015, OFAC sent WV a letter stating that “based on the information [WV] provided,” ISRA-Sudan “appears to be the same entity” as the one on the SDN list.

2. After learning that ISRA was a blocked entity, what steps did World Vision take to ensure it was in compliance with federal grant requirements?

As described in detail in #1 above, when potential concerns about ISRA-Sudan’s status were raised with WV (before any confirmation by the USG of such status), WV voluntarily suspended further work with ISRA-Sudan and sought clarification from OFAC, while also notifying USAID. When OFAC determined that ISRA-Sudan appeared to be a blocked entity, WV made no further payments except as authorized by OFAC.¹

WV proactively informed USAID on November 20, 2014 that WV was seeking clarification from OFAC on the status of ISRA-Sudan. USAID appreciated the notice and, like WV, considered the seriousness of the matter and waited expectantly for OFAC to respond. At the same time, WV and USAID were committed to the success of the Blue Nile State Recovery Program, which sought to improve water, sanitation and hygiene, reduce the incidence of waterborne and sanitation-related diseases, and increase food security and advance livelihoods in Sudan’s Blue Nile state, targeting areas and vulnerable populations affected and displaced by conflict. WV and USAID worked collaboratively to discuss overall implications for this program, of which ISRA’s subgrant was a part.

Other grant compliance efforts, some of which preceded November 2014, included pre-subgrant evaluation and screening of ISRA-Sudan (described in greater detail below), review of financial reports, and monitoring of program accomplishments completed by ISRA-Sudan. ISRA-Sudan performed the humanitarian activities specified in the subgrant award, accomplishing the water, sanitation and hygiene, and food and livelihoods program goals shared by USAID and WV. We have

¹ After learning that OFAC determined that ISRA-Sudan appeared to be a blocked entity, WV ordinarily would have terminated the subgrant award with ISRA-Sudan. Since the subgrant under the USAID Blue Nile Recovery Program had expired on December 31, 2014, a termination letter was not issued to ISRA-Sudan.
no evidence to suggest that USAID’s funds were used by ISRA-Sudan for any purpose other than those specified in the ISRA-Sudan subgrant award agreement.

3. After learning that ISRA was a blocked entity, did World Vision seek clarification from OFAC or another federal agency about ISRA’s status?

As described in detail in #1 above, when WV was unable to conclude whether ISRA-Sudan was the same as the blocked Missouri entity, before any USG confirmation of such status, WV voluntarily suspended further work with ISRA-Sudan and sought clarification from OFAC, while also notifying USAID.

4. What factors does World Vision take into account when selecting a sub-grantee? How did ISRA satisfy those factors?

There are three broad categories that WV considers when looking at a potential sub-grantee: legal status, performance track record/reputation, and operations.

1. *Legal status:* Does the organization have the necessary legal status/registration to operate in the country/province/district where the proposed activities will take place? Further, does the organization pass all required eligibility standards (including being neither a blocked nor excluded party) that are required by the USG and the donor? WV must be assured that the organization is one that a) WV can work with legally, and b) can work legally in-country.

2. *Performance track record/reputation:* WV makes inquiries with respect to a prospective sub-grantee’s previous work with other organizations, considering their sector expertise, etc. WV seeks to understand if other organizations find the prospective sub-grantee a reliable and competent partner. WV also looks at the prospective sub-grantee’s previous work with WV, if applicable.

3. *Operations:* Can the prospective sub-grantee do the work required? How does the prospective sub-grantee’s proven capacity compare to other organizations? This looks at both operational capacity and organizational capacity. *Operationally,* does the organization know how to do the work to a high standard, does it have access to the geographical areas where the work needs to take place, does it have the right group of skilled/knowledgeable people, and, if not, is there a plan to obtain the skills and knowledge needed? Do they have a good monitoring and evaluation system in place? Do their activities fit the budget? *Operationally,* we are looking at governance issues, the management structure, and support functions such as finance, logistics, security, etc. What kind of policies and procedures do they have in place for document retention and storage? Can the organization manage the finances well? Does it have the proper internal controls in place? Can it report properly on its work? We look at human resources issues such as hiring policies, staff size, etc. We are also looking at the people, especially the leadership. Do they have a good reputation, inspire confidence, know their job, and have the right network of relationships to carry out humanitarian work? Are they people with whom we can work through problems?
WV evaluated ISRA-Sudan for the USAID subgrant per WV’s standard operating procedures. Attached is the capacity assessment for ISRA we used at the time. (Attachment 4.) ISRA fulfilled WV’s standards on the major issues, and one of the key factors contributing to ISRA’s selection was their track record. As reflected in the capacity assessment, ISRA received numerous grant awards and had worked with several well-respected organizations previously, including the World Food Programme, United Nations High Commissioner for Refugees, United Nations Development Programme, Food and Agriculture Organization, the World Health Organization, and The Global Fund to Fight AIDS, Tuberculosis and Malaria.

5. What steps does World Vision take to vet sub-grantees to ensure they do not violate the principles of the organization and are not otherwise blocked by U.S. laws? Were these steps followed with respect to ISRA?

In addition to the evaluation described in #4 above, WV conducts:

1) blocked party screening on sub-grantees to ensure that they are not blocked by the USG or other governments,
2) excluded party screening to ensure that the sub-grantees are not excluded from programs funded by the USG, and
3) financial, programmatic, and reputational due diligence to ensure that the sub-recipients have adequate internal controls and capacity to implement the project and do not violate the principles of WV.

Yes, these steps were followed with respect to ISRA-Sudan. Details on WV’s screening procedures, including the steps previously followed for ISRA-Sudan, are provided in #9 below.

6. Has World Vision instituted any changes to its screening process since discovering that it had transacted with ISRA? If so, please explain. If not, why not?

WV’s screening processes viz. ISRA are described in more detail in #9 below. In response to this matter, WV changed its routine screening procedures to:

- ensure that initial screens of organizations are run without specifying any country; and
- clarify escalation procedures for when a potential match is found in a routine screening.

7. Please list every time that World Vision has transacted with ISRA, the date that each transaction took place, and the amount of taxpayer funds transferred to ISRA.

Such information on transactions with ISRA is contained in the following table.² Amounts indicated as “USAID” were funds from the USG.

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² WVS is doublechecking its records to confirm the precise amounts of the May 2015 payments. It is possible those numbers could change slightly, but not in a material amount.
The Hon. Senator Charles E. Grassley  
March 19, 2019  
Page 6 of 10

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>USD Amount</th>
<th>Funding Source</th>
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<td>UNDP</td>
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</tr>
<tr>
<td>5/7/15</td>
<td>9,062.00</td>
<td>Irish Aid</td>
</tr>
</tbody>
</table>

8. The DUNS number for ISRA on World Vision’s grant application, 850549811, does not appear to correspond to any existing group. Who provided World Vision with that DUNS number?

Following WV’s typical process, we advised ISRA-Sudan to obtain a DUNS number prior to issuance of the subaward agreement. ISRA obtained a DUNS number and shared the number with WV in February 2014. It is 85-054-9811.

The article cited in your March 5, 2019 letter, “Lost in Sudan” by Smith and Westrop, is not accurate.\(^3\) ISRA had, and still currently has, a valid DUNS number.\(^4\) It is faulty speculation to claim that the number was fabricated at all, let alone by someone trying to circumvent the law.

The cited article further claims that WV failed to ensure that ISRA had a valid DUNS number because the referenced number “does not correspond to any organization in the Government’s System for Award Management (SAM) database.” The article suggests that WV either failed to check the government’s database of designated groups, or did so and chose to disregard it, because the “Islamic Relief Agency” listed in SAM states its SDN list designation. There are several incorrect assumptions underlying these highly inflammatory and mistaken allegations, based on apparent ignorance of how the relevant USG grant systems work.

First, the DUNS number 850549811 does not correspond to any organization in SAM because this DUNS number is for a subrecipient of USAID funds, and per SAM, subrecipients of USG funding are

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3 The article states that “since a designated charity cannot get a valid DUNS number, it is reasonable to assume that the number was created by someone trying to circumvent the law.”

4 On March 7, 2019, WV contacted Dun & Bradstreet directly and confirmed that Islamic Relief Agency with address of Street 37 11111 Khartoum, SD (ISRA’s address) is listed in DUNS with number 85-054-9811.
not ordinarily required to register in SAM. WV contacted SAM as recently as March 7, 2019 and confirmed that ISRA with the DUNS # 85-054-9811 is not, and never was, registered in SAM. The fact that ISRA was not registered in SAM is neither alarming nor indicative of WV’s due diligence of subrecipients’ DUNS numbers, including ISRA-Sudan.

A different federal reporting system can be used to confirm the veracity of a sub-grantee’s DUNS number. A report must be submitted for most first-tier subrecipients in the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS). Certain fields in the online FFATA reporting portal pre-populate based on the DUNS number, and the submitter cannot free type the pre-populated fields. Consistent with this requirement, WV submitted a FFATA report for ISRA. (Attachment 5). If ISRA’s DUNS number was invalid/false, WV would not have been able to submit the FFATA report. WV has run into situations where the DUNS number provided by a subrecipient was not correct, and in such situations, we received an error message on the FFATA portal that the subrecipient was not in the system or that the number is invalid. In such instances, WV will go back and work with the subrecipient to help sort out the issue. ISRA’s DUNS number was accepted in the FFATA system. Accordingly, we concluded that the DUNS number was valid, which remains true today.

Since the SAM database is not comprehensive, WV does not check the SAM database for whether a group is blocked or excluded. Instead, as described in #5 and #9, WV conducts screening against relevant blocked party lists and the USG’s excluded party list using software that draws from primary source listings from multiple jurisdictions for comprehensive and current analysis of the status of entities and individuals.

9. According to World Vision’s press release, it searched OFAC’s blocked parties list for “Islamic Relief” in “Sudan.” However, in its grant application to USAID, it referred to ISRA as “Islamic Relief Agency,” which returns a list of entities including ISRA when searched on OFACs database. Did World Vision search for “Islamic Relief Agency”? If not, why not?

The routine searches that WV ran at the time for ISRA-Sudan all used the term “Islamic Relief Agency.” When seeking to confirm ISRA-Sudan’s status, WV also ran some searches just with the term “Islamic Relief,” and the results were the same, as WV’s software will search for any similar-sounding names (as detailed below). Respectfully, whether or not the word “Agency” is used is not the issue. The issue is whether WV conducted reasonable and appropriate due diligence prior to transacting with ISRA-Sudan, and we respectfully submit that WV did so.

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5 There are inconsistent approaches across U.S. Government agencies – indeed, even within the USAID bureaus – on whether subrecipients are required to be registered in SAM. Where a USG donor has required subrecipient registration in SAM, WV seeks to comply.

6 The FFATA report is not required for: 1) 2nd tier subgrants; 2) subgrants under $25k that are funded by USAID; and 3) subgrants under $25k funded by non-USAID donors that have been given a waiver from the DUNS requirement.
WV’s global blocked parties screening processes, at the time of this matter and continuing to today, use commercial software named “WatchDog,” the current version of which is supplied by Computer Services, Inc. and is called WatchDog Elite. This product combines numerous lists of blocked parties and other potentially undesirable organizations and individuals that are published by the United Nations and various agencies of several governments (European Union, United Kingdom, Canada, Australia, etc.), including OFAC’s SDN list. From 2014 up to today, organizations using the name “Islamic Relief Agency” have been found only on OFAC’s SDN list, not on the blocked parties lists of the UN and other governments packaged into WatchDog.

Some of WV’s routine searches at the time for “Islamic Relief Agency” specified the country of Sudan. When running routine screening processes, particularly with common names, it sometimes is helpful to specify the relevant country to eliminate numerous false positives. As noted in #6 above, WV has now changed its standard process to ensure that when searching for organizations, no countries are specified as a limiter. In 2014 (and today), a search in WatchDog for “Islamic Relief Agency” and specifying the country of Sudan as a limiter does not produce the entry for the blocked Missouri entity. The searches did produce possible matches for “Islamic Group” with various aliases, none of which were Islamic Relief Agency. Our screeners determined (correctly, we believe) that the “Islamic Group” blocked party entry was not a match for ISRA-Sudan. It appears that WatchDog flagged “Islamic Group” in these searches because the entry provided no address or country location. In other words, when searching for an organization with a country specified as a limiter, the software would yield similar-sounding organizations for which the government lists did not specify any country. But the software would not yield a similar-sounding organization for which the government lists contained an address or location only in a country (USA) other than the country (Sudan) specified as a limiter by the searcher.

When seeking to confirm ISRA-Sudan’s status in September-November 2014, WV also used the SDN search engine on OFAC’s own website, searching for “Islamic Relief Agency” and specifying the country of Sudan. Such a search then, and even still today, produces a finding of “no results.”

Some of WV’s routine screening at the time of the USAID subgrant to ISRA-Sudan did search for “Islamic Relief Agency” with no country specified. Such a search in WatchDog produced the SDN listing for “Islamic African Relief Agency” in Missouri, a/k/a “Islamic Relief Agency,” “Islamic American Relief Agency,” and several other names. Such a search in 2014 also produced separate SDN listings for “International Islamic Relief Organization,” with a number of a/k/a names (including “International Islamic Relief Agency”), with offices in the Philippines and Indonesia. Since none of these entries referred to Sudan, WV’s search administrators at the time cleared the potential hits as “not matches” based on non-matching geographic locations, without escalating them for further review.

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7 The Islamic Relief entity with offices in the Philippines and Indonesia was removed from OFAC’s SDN list in August 2016. See Office of Foreign Assets Control - Specially Designated Nationals List Update, https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20160816.aspx. The fact that there are so many Islamic Reliefs, one of which apparently was added and then removed from the SDN list, adds to the challenge of determining whether an “Islamic Relief” is an SDN or not.
As noted in #6 above, our routine screening processes now clarify escalation thresholds for further review. But even when this potential match was in fact escalated and carefully studied in September-November 2014, we could not conclusively determine if it was a true match. Neither, apparently, could multiple agencies of the USG, which took over two months of review before OFAC could conclude there “appears to be” a match.

10. Please provide all communications between or among World Vision and ISRA related to this transaction.

Most such communications were from and to WV staff in Sudan. We are working with our current staff in Sudan to assess what records remain of such communications. In the meantime, we have included in the documents accompanying this letter copies of WV-ISRA communications that were in WV files in the U.S. Note that we have redacted the names and personal phone numbers of WV employees in Sudan, to protect their privacy and security.

Also, attached is the subgrant agreement for USAID funds between WV and ISRA. (Attachment 6).

11. Please provide all communications among or between Treasury, USAID, State Department, the White House, and World Vision related to the ISRA transaction.

Copies of most such communications are included in the documents accompanying this letter. We have included copies of all responsive emails that are in current WV employee email databases. Although 2014-2015 is beyond the ordinary retention period for emails of former employees of WV, where emails from former WV employees were in current WV employee email databases, these communications were captured and are being provided as well. The following have been redacted: 1) names of junior WV staff and their contact information; 2) personal contact information and data (cell phone numbers, birthdates); 3) bank account information. There are a few email communications the originals of which WV was unable to locate except in the context of nonresponsive emails. These documents have a note indicating whether a preceding or subsequent nonresponsive email was removed, leaving only the responsive portion.

Note that WV has attached a copy of the grant agreement between USAID and WV. (Attachment 7). We have not included the many routine communications between USAID and WV in preparing for and performing this grant, because they are unrelated to the ISRA transaction issue, including the original proposal, issues letter, revised proposal, program and financial reports, emails discussing the technical components of the award as it progressed, etc.

Thank you again for this opportunity to respond to your questions on this important matter. World Vision shares your commitment to adhering to U.S. law and to ensuring that no U.S. Government humanitarian assistance is diverted from their intended purposes. In this case, we are quite confident

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8 A specific review of former employee emails was not conducted.
that the U.S. Government funds for the USAID Blue Nile State Recovery Program were used in accordance with their objectives, providing to conflict-weary, vulnerable and displaced children and their families clean water, reducing the transmission of disease, and supporting agricultural programs for food and income.

If you have additional questions, please do not hesitate to contact us.

Sincerely,

Tim Burgett
General Counsel, World Vision International

Steven McFarland
Chief Legal Officer, World Vision, Inc. (U.S.)
July 16, 2019

Mr. Charles E. Grassley
Chairman, US Senate Committee on Finance
135 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Grassley,

I have the honor to refer to your letter of July 8, 2019 regarding potential transactions with the Islamic Relief Agency (ISRA), a US-sanctioned entity.

In acknowledgement of your letter, please see the responses below from the International Organization for Migration (IOM).

1. What is the standard operating procedure that IOM utilizes to screen applicants to ensure they are not a sanctioned entity?

   IOM conducts vetting of potential implementing partners (IPs) through the UN Sanctions List, pursuant to internal procurement and financial procedures. Additional sanctions lists including that of the Office of Foreign Assets Control (OFAC) and that of the System for Award Management (SAM) are utilized, depending on the region, the Member State, and/or the specific donor(s) requirements.

   IOM relies on guidance from those entities and Member States that maintain sanction/watch-lists during program implementation. Field offices work closely with donors, local partners, governments, security personnel, United States Government (USG) officials, and community members to ensure that aid is received by those it is directed to.

   Before any sub-grant is implemented, IOM and the grantee sign a grant agreement that includes an anti-terrorism financing clause as well as a clause specifying that the awardee agrees that it will not knowingly and voluntarily make payments or provide any other benefits to designated terrorist organizations (DTOs), to entities controlled by DTOs, or to individuals acting on behalf of or linked to DTOs.

2. Did IOM work with ISRA from 2012-2015? Has IOM ever worked with ISRA in the past? If so, please list all dates and the monetary amount of each transaction. Additionally, if U.S. taxpayer dollars were involved, please identify the size of each grant and the originating agency.

   IOM did not use US taxpayer dollars or grants originating from any USG agency to contract the Islamic Relief Agency (ISRA). During the implementation of a grant funded by the US Office of Foreign Disaster Assistance (OFDA), IOM duly followed internal and USG mandated vetting procedures to screen ISRA, as a potential sub-grantee. Upon seeing that ISRA was marked as a restricted/prohibited entity by OFAC, IOM contacted the OFAC Compliance Team to confirm that ISRA was indeed listed as such, which OFAC then confirmed. Following this confirmation, IOM decided to not use this entity, in compliance with donor and internal protocols.

   Prior to knowledge of ISRA’s inclusion on the watch-lists as a sanctioned entity, ISRA was contracted during the implementation of a project funded by another UN agency, wherein IOM made payments totaling USD 200,000 to ISRA for the implementation of livelihood activities implemented through this project in South Kordofan and Blue Nile State. Both service agreements with ISRA for these activities expired by November 2013.

IOM Washington
1752 N Street, N.W., Suite 600
Washington, D.C. 20036, USA
Tel: (202) 862-1826; Fax (202) 862-1879
Also prior to ISRA’s inclusion on the watch-lists as a sanctioned entity, IOM listed ISRA as a potential partner for livelihood activities in South/West Kordofan and Blue Nile State within a project proposal submitted to another government donor. The corresponding agreement for this project was signed with this donor in March 2014. IOM confirms that there are no records of service agreements with ISRA or of payments made under this project to ISRA.

3. When did IOM first alert World Vision to the possibility that ISRA was a sanctioned entity? Please provide any emails, notes, or other documentation related to this interaction.

IOM has not located correspondences in which World Vision (WV) was first alerted.

IOM received a query from World Vision Sudan in December 2014 in which WV indicated that they were notified by IOM that the Islamic Relief Agency (ISRA), an intended partner of WV, was on a sanction list. WV added that ISRA denied being sanctioned, so WV wanted to know about the status of the partnership with IOM. IOM responded that ISRA had been previously contracted in 2012-2013 and that there were no current or new contracts with ISRA.

4. According to information obtained by the Committee, in the summer of 2014, IOM sought clarification from Treasury regarding ISRA’s status. What prompted IOM to seek clarification from Treasury? What did IOM do in response to learning this information? Did IOM communicate the results of Treasury’s clarification to World Vision? If not, why not?

Please see the above responses to questions 2 and 3.

During the implementation of a grant funded by OFDA, IOM duly followed internal and USG mandated vetting procedures to screen ISRA, as a potential sub-grantee. Upon seeing that ISRA was marked as a restricted/prohibited entity by OFAC, IOM contacted the OFAC Compliance Team to confirm that ISRA’s status was indeed listed on the Sanctions List. Following the OFAC Compliance Team’s confirmation, IOM decided not to use ISRA as a sub-contractor, in compliance with donor and internal protocols.

5. When IOM rejected World Vision’s application as a subgrantee, did IOM communicate to World Vision that Treasury had informed them that ISRA was a sanctioned entity? If not, why not?

Please see the above response to question 3.

6. In addition to requesting information from the Treasury Department, what methods did IOM utilize in determining that ISRA is a sanctioned entity? Did IOM utilize an open source “google” search?

Please see the above response to question 1. Due to the fact that watch-lists are part of IOM’s due diligence processes, and also because the listing status of an entity can change (i.e. de-listing), it is unlikely that a “google” search was utilized.

The International Organization for Migration appreciates the opportunity to provide this information to the Senate Committee on Finance and remains available to address any further query as appropriate.

Sincerely

[Redacted]

Luca Dall’Oglio
Chief of Mission, Washington D.C.
International Organization for Migration

IOM Washington
1752 N Street, N.W., Suite 600
Washington, D.C. 20036, USA
Tel: (202) 862-1826; Fax (202) 862-1879
Appendix - G
November 19, 2014

Mr. Adam Szubin, Director
Office of Foreign Assets Control
U.S. Department of the Treasury, Treasury Annex
1500 Pennsylvania Avenue, NW
Washington, DC 20220

RE: Sudan – Urgent clarification needed of status of Islamic Relief Agency (ongoing partner in humanitarian operations); request for license if necessary; disclosure of certain transactions

Dear Mr. Szubin:


IRA was identified to OFAC as a subgrantee in World Vision’s May 7, 2014 renewal application for a Registration to operate in Sudan. OFAC granted such Registration to World Vision on August 5, 2014 (No. SH-2012-294713-2), without raising any concern about IRA. Neither was IRA flagged by World Vision’s own routine internal screening using commercial screening software. World Vision also has engaged IRA as a subgrantee under a grant from the US Agency for International Development (“USAID”), with the approval and encouragement of USAID, without any concerns being raised about IRA’s status.

However, we have been made aware of concerns that IRA is, or is related to, an SDGT, and therefore seek urgent confirmation of its status. If IRA is in fact deemed to be an SDGT, we seek confirmation that our recently-renewed Sudan Registration, and/or the general license for USAID grantees, authorizes World Vision to engage with IRA to conduct humanitarian operations in Sudan. If that is not the case, then we seek a further license authorizing such activity. To the extent necessary, this letter also constitutes a voluntary disclosure of certain transactions.
Transactions with IRA and concerns raised

Since 2013, WVI has engaged IRA as a subgrantee to implement programs funded by the United Nations, Irish Aid, and USAID. Payments to IRA under these programs totaled $323,928, of which $39,758 was funded by USAID.

In September 2014, WVI applied for a subgrant from the International Organization for Migration ("IOM") to implement a USAID emergency program in Sudan. IOM rejected the application, citing as a reason WVI’s engagement of IRA, a party allegedly “blacklisted” by the US Government. As a result, World Vision researched the matter and learned that an entity called Islamic Relief Agency, with an address in Columbia, Missouri, was designated as an SDGT in 2004 and added to OFAC’s Specially Designated Nationals (“SDN”) List.

The SDN list currently contains several entries for entities with some form of “Islamic Relief” in their name, but none of them indicate locations in Sudan. The entry for the Missouri entity does indicate “all offices worldwide,” but it is not clear whether the organization in Sudan is considered to be an “office” of the Missouri entity. Indeed, internet research indicates that various entities with “Islamic Relief” in their names are actively operating in various countries, including in the US.

World Vision staff in both Sudan and the US screened IRA at various times as part of our routine internal processes, using the Attus Technologies WatchDog Pro screening software, and the conclusion each time was that there were no positive results for an entity in Sudan. Indeed, in both WatchDog Pro and in OFAC’s own SDN search engine on the OFAC website, a search for “Islamic Relief Agency” with a location in Sudan yields “no results.”

After the concerns arose, we asked IRA officials in Sudan directly whether they are part of or affiliated with an organization with the same name with an office in Missouri. They have denied any such affiliation.

World Vision has now ceased all payments to IRA until this matter is clarified. As this is disrupting ongoing humanitarian operations, we request OFAC’s urgent attention.

OFAC NGO Registration and USAID Grant Applications Disclosed Work with IRA

On May 7, 2014 World Vision applied to OFAC to renew its NGO Registration in Sudan. Our application listed IRA as our sole local subgrantee in Sudan. On August 5, 2014, in response to World Vision’s application, OFAC issued renewed NGO Registration No. SH-2012-294713-2, authorizing World Vision “to conduct humanitarian and religious activities in Sudan, including the related transfer of goods, services, and funds, as described in the Application.” The Registration further provides that it was “granted upon the statements and representations made in the Application.” OFAC made no mention of the fact that IRA was listed as a subgrantee in the renewal application, which would be rather puzzling if in fact IRA is an SDGT.

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1 WVUS is a signatory to the USAID grant, but is not involved in the UN and Irish Aid programs.
In addition, WVUS identified IRA as its subgrantee in its USAID grant application, and IRA was explicitly approved as a subgrantee in the USAID award of February 2014. USAID raised no concerns about IRA, and in fact, during meetings to review potential Sudanese subgrantees, USAID noted that it preferred IRA as a subgrantee over other options being considered. Again, this would be quite puzzling if IRA were an SDGT.

Given the above engagement with OFAC and USAID, making clear that World Vision was engaging IRA as a subgrantee partner, and receiving no concerns from either agency, World Vision’s conclusion that IRA is not the same entity designated as an SDGT was reasonable.

**Request for authority to transact with IRA, if necessary**

Nevertheless, if OFAC were to confirm that in fact IRA-Khartoum is an SDGT, World Vision requests confirmation that our existing NGO Registration No. SH-2012-294713-2 authorizes past and future transactions with IRA. Alternatively, we request confirmation that the general license for USAID grantees in 31 CFR 538.531 authorizes transactions with IRA under a USAID grant.

Should OFAC indicate that the existing NGO Registration or general license does not provide such authority, World Vision hereby respectfully requests a license to continue to subgrant to IRA to implement humanitarian programs funded by USAID, the United Nations, Irish Aid, and future donors.

As this is an urgent matter disrupting pending humanitarian operations in Sudan, we respectfully request a phone conversation about our request for clarification and/or authority at OFAC’s earliest possible convenience, and are prepared to meet in person should OFAC so desire. We are ready to call whomever you designate at a time you establish, or are ready to receive your call or email at your soonest convenience, as follows: Tim Burgett at telephone [redacted], email [redacted]; Steven McFarland at [redacted], email [redacted].

Sincerely,

Tim Burgett
General Counsel, World Vision International

Steven McFarland
Chief Legal Officer, World Vision, Inc.

CC: Mr. Kyle W. Reavis, Licensing Officer, OFAC
Appendix - H
Dear Mr. Akgun,

It has been 2 months since we submitted a fairly straightforward question: is the Islamic Relief Agency in Sudan a party on the Specially Designated Nationals list? Since OFAC has been unable to give an answer within a reasonable time frame, it seems clear that OFAC does not in fact have information to confirm that IRA is the same entity which is named on the SDN list.

Accordingly, we intend to resume our partnership with IRA to meet urgent humanitarian needs for the people of Sudan. We will resume these transactions one week from today, unless we have received from OFAC a confirmation that IRA is an SDN.

Sincerely,

Tim Burgett
General Counsel, Chief Legal Officer
World Vision International
Monrovia, California, USA
Telephone: [redacted]
E-mail: [redacted]

--- Forwarded by Tim Burgett/Legal/WVIO/Worldvision on 01/20/2015 12:57 PM ---

Dear Mr. Akgun, further to below, is it possible to have an indication of when we might have your response?

Thank you very much, and best regards.

--- Forwarded by Tim Burgett/Legal/WVIO/Worldvision on 01/07/2015 03:49 PM ---

Dear Mr. Akgun, thank you very much for your email.

We do not have any new information, except that the delay in confirming the status of IRA is having significant impacts on our programming and relationships in Sudan. We therefore look forward to OFAC’s response as soon as possible.

Should you wish to discuss any aspects, you can reach me on my cell: [redacted].

Thank you, and best regards.
From: <Aydin.Akgun@treasury.gov>
To: [redacted]
Cc: <Andrew.Sens@treasury.gov>
Date: 12/29/2014 02:27 PM
Subject: RE: World Vision - urgent clarification needed re Sudanese partner

Dear Mr. Harvey:

My name is Aydin Akgun and I'm a chief within the Licensing Division of the Office of Foreign Assets Control (OFAC).

I am writing in response to OFAC Case No. SU-2014-314462-1, in which you inquired about the status of the Islamic Relief Agency (IRA) in Sudan and the scope of OFAC NGO Registration No. SH-2012-294713-2. I wanted to let you know that OFAC is working as expeditiously as possible to respond to your inquiry in light of the urgency of your request.

In the meantime, if you have any new information that might relate to your case, please feel free to send it to me directly.

Regards,

Aydin M. Akgun
Chief, Licensing Division
Office of Foreign Assets Control (OFAC)

From: [redacted]
Sent: Tuesday, November 25, 2014 6:42 PM
To: Sens, Andrew
Cc: [redacted]
Subject: World Vision - urgent clarification needed re Sudanese partner

Dear Mr. Sens -

Attached please find a letter from World Vision International and World Vision, Inc. that was hand delivered to OFAC last Wednesday. Previous emails to OFAC have been returned as undelivered. We would like to speak to you or one of your colleagues regarding this matter at your earliest convenience.

Best regards,

Matthew Harvey | Legal Counsel | World Vision International
Phone: [redacted] | E-mail: [redacted] | Web: www.wvi.org
Mailing: 800 W. Chester Ave, Monrovia, Calif. 91016 USA

World Vision is a Christian relief, development and advocacy organization dedicated to working with children, families and communities to overcome poverty and injustice. World Vision serves all people, regardless of religion, race, ethnicity or gender. Our vision for every child, life in all its fullness. Our prayer for every heart, the will to make it so.
Appendix - I
Dear Aydin, thank you for your response.

For all copied, we have today received a further formal demand letter from Islamic Relief’s lawyer (attached).

In discussions with this lawyer, our Sudan office was informed that if we do not pay within 5 days, the lawyer will pursue legal action in Sudan to seize our assets and will petition the Ministry of Foreign Affairs to have our office there closed.

We respectfully renew our plea for urgent action on our license request.

Sincerely,

--Tim

Tim Burgett
General Counsel, Chief Legal Officer
World Vision International
Monrovia, California, USA
Telephone:
E-mail:

Dear Tim:

Thank you for your e-mail.

Unfortunately, as of this morning, we have not yet received guidance from State on your case and are unable to proceed with a licensing determination until we do. We will continue work with our State colleagues and World Vision to resolve this matter.

Regards,

Aydin.
Appendix - J
ADM/Fin/WV/63/015
27 April 2015

TO: World Vision - Sudan
Att. [redacted]
Country Director

I am writing to you in connection to WV's delay and/or refusal to pay our blocked money. As you are aware ISRA, since September 2014 has been verbally following up with your office the status of payment of the money paid upon WV's request to cover implementation of activities funded by your office.

Regrettably, blocking of the money which was originally earmarked for implementation of other ISRA’s supported activities, has considerably resulted in jeopardize of our work plans and the relationship with the deprived communities we serve.

Now long time has elapsed since your frequent promises to effect payment of the blocked money. Consequently, we believe that WV is not intending to pay our money and that all our follow ups were in vain.

Your personal follow up with the legal affairs unit at your regional office is highly appreciated; despite it brought no action on their part.

I am copying this letter to the Commissioner of federal HAC and the Ministry of Foreign Affair, as these are the two government entities with whom ISRA is registered.

As you know, if WV will not immediately pay our money, ISRA would be obliged to sue your organization and raise the issue to the court, an action which we have been avoiding for long time.

Thank you for your understanding, I remain.

Sincerely,

[Signature]
Abbas Fadlalla
Director of projects and planning

Cc: Commissioner of Federal HAC
Cc: Undersecretary Ministry of Foreign Affairs
Appendix - K
Case No. SU-2014-314462-1

Tim Burgett
World Vision International
800 West Chestnut Avenue
Monrovia, CA 91016-3198

Dear Mr. Burgett:

This responds to your request dated November 19, 2014, on behalf of World Vision International (WVI), to the Office of Foreign Assets Control (OFAC) requesting interpretive guidance on the scope of NGO Registration No. SH-2012-294713-2 (the “License”) dated August 5, 2014. We understand from your request that you are seeking guidance as to whether the Islamic Relief Agency (IRA), a subgrantee in WVI’s operations in Sudan, is covered by the authorization of the License, and if it is not, you seek a license from OFAC to engage in activities with IRA.

Based on the information you provided, the subgrantee identified in your request, IRA, appears to be the same entity listed on OFAC’s Specially Designated Nationals and Blocked Persons List as a Specially Designated Global Terrorist. IRA, which is identified by several different aliases, was designated pursuant to Executive Order 13224 of September 24, 2001 (“E.O. 13224”) on October 13, 2004, and as a result of this action, all property and interests in property of IRA and all of its offices worldwide are blocked. The License authorizes transactions that would otherwise be prohibited pursuant to the Sudanese Sanctions Regulations. 31 C.F.R. Part 538. The License does not authorize any activities that are prohibited pursuant to E.O. 13224 including any transactions involving IRA or any other entity designated pursuant to this E.O. Additionally, authorizing activities with IRA would be inconsistent with OFAC policy. As such, your request for a license to engage in transactions with IRA is denied.

If you have any additional questions, you may refer to the OFAC website at www.treasury.gov/ofac or call our office at (202) 622-2480.

Sincerely,

[Signature]

January 23, 2015

Davina Blackborow
Assistant Director for Licensing
Office of Foreign Assets Control
Appendix - L
VIA OFAC ONLINE PORTAL
And via email to: <OFACLicensing@treasury.gov>

February 19, 2015

Davin J. Blackborow
Assistant Director for Licensing
Office of Foreign Assets Control
U.S. Department of the Treasury, Treasury Annex
1500 Pennsylvania Avenue, NW
Washington, DC 20220

RE: Sudan – Case No. SU-2014-314462-1: urgent request for license to pay amounts contractually owed under USAID grant; failure to pay may jeopardize World Vision’s ability to operate in Sudan

Dear Mr. Blackborow:

Thank you for your response letter dated January 23, 2015, stating that the Islamic Relief Agency (IRA) in Khartoum, Sudan, "appears to be the same entity" as is listed on OFAC's SDN list. We appreciated the opportunity to discuss this matter further with you in our telephone conversation of February 18, 2015.

As discussed in our conversation, although we are surprised by the conclusion in your January 23 letter (particularly given the US Government’s prior knowledge of our engagement with IRA), we understand our blocked party compliance obligations and take them seriously. We will refrain from further transactions with IRA, unless and until satisfactory information is obtained showing that they are not in fact the party on the SDN list.

However, we respectfully request an urgent license to pay IRA approximately US$125,000 in costs that IRA has already incurred, in having successfully performed a subgrant funded by the US Agency for International Development, and also another subgrant funded by Irish Aid. These are legitimate contractual debts owed by World Vision, and the failure to pay them could have severe repercussions for our extensive humanitarian program in Sudan, potentially up to expulsion from the country. We believe a license under these circumstances, as explained more fully below, is in the interests of the US Government in meeting urgent humanitarian needs in Sudan. A license also would be consistent with OFAC’s Guidance Related to the Provision of Humanitarian Assistance by Not-for-Profit Non-Governmental Organizations dated October 17, 2014.
Under the two subgrants at issue, IRA performed the humanitarian activities required, accomplishing the program goals shared by the ultimate donors (including USAID), and thereby incurred appropriate and legitimate allowable costs (staff salaries, materials, travel, etc.). Per the terms of the subgrant agreements signed between WV and IRA, WV is committed to reimbursing those costs. The amounts that WV owes IRA are approximately $115,000 under the USAID grant, and approximately $9,000 under the Irish Aid grant.

We have been in conversations with USAID about this matter since submitting our inquiry to OFAC. In those discussions USAID has essentially deferred to OFAC’s position. Following OFAC’s January 23 letter, USAID issued WV a letter dated February 5, stating that in light of OFAC’s determination, WV must confirm that it “will not engage in any further transactions with [IRA],” and further stating that “costs related to activities undertaken by [IRA] are unallowable and ... will not be reimbursed by USAID.” A license from OFAC to pay the contractual debt will allow us to seek reimbursement from USAID.

The amounts owed to IRA are debts which WV contractually is obligated to pay, and which are now overdue. Failure to pay these debts exposes WV to potential legal liability for breach of contract. Moreover, a failure to reimburse IRA jeopardizes WV’s ability to continue operating in Sudan. The Government of Sudan is taking a keen interest in this matter and has advised us that it is quite important that we reimburse IRA for their legitimate already-incurred expenses. Our operations recently have been subject to unusual bureaucratic harassment, which we believe is tied to our delays in reimbursing IRA. An inability to make these reimbursements soon is likely to escalate the matter, potentially up to expelling WV from Sudan. This would impact not only another $2.7 million USAID grant which WV currently is implementing in the Darfur region, but also the entirety of WV’s humanitarian operations in Sudan. Such operations have a current annual budget of $49 million, providing approximately 1.5 million internally displaced persons with much needed food, water, medical assistance, sanitation, and food security and livelihood assistance. WV’s expulsion from Sudan would harm not just WV, but also the people of Sudan, and the US Government’s interests in providing effective and accountable humanitarian assistance to such people.

We would respectfully point out that we have relied on the actions of two US Government agencies, OFAC and USAID, both of which previously were informed explicitly in writing that we were using IRA as an implementing partner in Sudan, and neither of which raised any concern about that information (as detailed in our November 19, 2014 letter). Acting on such reliance, we have engaged IRA to perform humanitarian activities that were, and presumably continue to be, in the interests of the US Government, and which were to be paid for by the US Government (for the USAID grant). While we can, with some difficulty, extract ourselves from any further activity with IRA, the repercussions for WV nor paying our contractual debts for already-performed humanitarian assistance could be severe. We respectfully suggest that both WV and the US Government share an interest in resolving this situation, and doing so in a manner which allows WV to sever our relationship with IRA without jeopardizing WV’s entire humanitarian program in Sudan.

We therefore urgently request a license to permit WV to meet our contractual obligations and to reimburse IRA for approximately $125,000 in grant performance costs already incurred.
We are available to answer any questions you may have, and to meet further by phone or in person should you feel that would be helpful.

Sincerely,

Tim Burgett  
General Counsel, World Vision International

CC: Steven McFarland  
Vice President & Chief Legal Officer, World Vision, Inc.

[Redacted]  
Chief, Licensing Division  
Office of Foreign Assets Control

[Redacted]  
Director  
Office of US Foreign Disaster Assistance, USAID

[Redacted]  
Senior Humanitarian Advisor  
Department of State
Appendix - M
APPENDIX

Timeline

- October 2004: OFAC designated ISRA pursuant to Executive Order 13224.

- March 2014: USAID awarded World Vision (WV) $743,405 with a grant to provide humanitarian assistance to the people of the Republic of the Sudan. As part of this agreement, WV provided a sub-award of $200,000 to ISRA to provide emergency food, water, sanitation, and hygiene services to displaced people affected by the ongoing conflict in Sudan. OFAC was not involved in either the USAID award or the sub-award by WV.

- May 2014: WV submitted to OFAC an application to renew its NGO Registration Number for its operation in Sudan ("Registration Number"). In its registration application to Treasury, WV included a reference to the "Islamic Relief Agency" as a subrecipient funded by WV for operations in Sudan. This information had not been included in WV’s prior Registration Number applications. The May 2014 renewal application made no mention of the fact that the "Islamic Relief Agency" was on Treasury’s SDN List, nor does it appear that WV asked OFAC for any guidance regarding this fact before submitting the 2014 application. Country-specific NGO registrations do not provide authorization to engage in transactions with blocked persons; the registration specifically cautions that OFAC’s reauthorization does not excuse the Registrant from “compliance with other laws or regulations to which they may be subject,” and that “[e]xcept as expressly authorized by the terms of this Registration, or otherwise authorized by the Office of Foreign Assets Control, this Registration does not authorize transactions prohibited by any Executive order or by any other laws and regulations administered by the Office of Foreign Assets Control.”

- July 2014: A USAID representative contacted OFAC counsel to ask whether an Islamic Relief Agency located in Khartoum, Sudan, was the same entity as the ISRA that appeared on the Specially Designated Nationals and Blocked Persons (SDN) list. OFAC counsel informed the USAID representative that it appeared they were the same entities. USAID made no reference to WV.

- August 2014: OFAC renewed WV’s Registration Number for a period of two years. The Registration Number was scheduled to expire on August 31, 2014; WV had submitted an application for this renewal to OFAC in May 2014. This was the fourth time WV had renewed its NGO Registration for Sudan, having submitted its initial application in 2006, and

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1 OFAC is reviewing the analysis that informs license application decision-making. Treasury’s Office of Strategic Planning and Performance Improvement (OSPPI) is providing a comprehensive assessment of OFAC’s licensing business processes as OFAC seeks to implement best practices and identify areas for improvement with respect to licensing. OSPPI sets departmental organizational performance policy and provides agency-wide internal management consulting services in operations strategy, implementation, and continuous process improvement.
having been granted renewals in 2008, 2010, 2012, and 2014. These registrations authorized WV to conduct humanitarian and religious activities in Sudan that would otherwise be prohibited under the Sudanese Sanctions Regulations, 31 C.F.R. Part 538, and the Darfur Sanctions Regulation, 31 C.F.R. Part 546, only. The registration did not authorize dealings with individuals or entities sanctioned under other OFAC programs, such as the Specially Designated Global Terrorist program.

- November 19, 2014: World Vision International (WVI), an affiliate of WV, requested that OFAC provide (i) guidance on whether the sub-awardee was the same ISRA that appeared on OFAC’s SDN List, and (ii) in the event OFAC were to confirm ISRA was a sanctioned entity, a license to continue to sub-grant to ISRA to implement programs funded by USAID, the United Nations, Irish Aid, and future donors. At this time, WVI disclosed to OFAC that WVI had engaged ISRA as a sub-grantee in Sudan since 2013.

- November 20, 2014: WV informed USAID that its sub-recipient ISRA might appear on OFAC’s SDN List. USAID directed WV to suspend all activities with ISRA.

- January 23, 2015: OFAC responded to WVI’s November 19, 2014 request, noting that based on the information WVI had provided, its sub-awardee did appear to be the same entity listed on OFAC’s SDN List as a Specially Designated Global Terrorist (sanctioned pursuant to E.O. 13224); explaining that WV’s license did not authorize any activities that are prohibited pursuant to E.O. 13224, including transactions with ISRA; and denying WVI’s request for authorization to continue engaging ISRA as a USAID sub-grantee going forward.

- February 19, 2015: WVI submitted a license application to OFAC for a one-time transaction to cover the $125,000 that WVI stated it owed ISRA for humanitarian assistance activities that ISRA had already performed under sub-awards from USAID and another entity called Irish Aid. Of this amount, $115,000 was for services performed under the USAID sub-award. As part of its review process, OFAC asked the State Department to provide an assessment of foreign policy and national security guidance regarding this request.

- May 4, 2015: The State Department provided OFAC with formal foreign policy guidance on the matter and recommended that OFAC approve and process WVI’s request.

- May 5, 2015: OFAC issued the specific license, authorizing the payment to ISRA of approximately $125,000 to cover the humanitarian assistance services already performed under sub-awards from USAID and Irish Aid.

- May 14, 2015: OFAC issued a Cautionary Letter to WVI as a result of the disclosures made in WVI’s November 19, 2014 request. OFAC explained that WVI appeared to have violated the Global Terrorism Sanctions Regulations, 31 C.F.R. part 594.
Appendix - N
GLOBAL TERRORISM SANCTIONS REGULATIONS
SUDANESE SANCTIONS REGULATIONS

LICENSE


To: World Vision International
800 West Chesnut Avenue
Monrovia, CA 91016-3198
Attn: Tim Burgett, General Counsel

1. Based upon the request dated February 19, 2015, and additional correspondence dated February 24, 2015 to the Office of Foreign Assets Control (OFAC), and information otherwise available to OFAC, the activities delineated herein are hereby authorized.

2. This License is granted upon the statements and representations made in the Application, or otherwise filed with or made to the Treasury Department as a supplement to the Application, and is subject to the condition, among others, that the Licensee(s) comply in all respects with the regulations, rulings, orders, and instructions issued by the Secretary of the Treasury under the authority of the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 et seq.), the National Emergencies Act (50 U.S.C. §§ 1601 et seq.), section 5 of the United Nations Participation Act of 1945 (22 U.S.C. § 287c), Executive Orders 13067, 13224, as amended, and 13412, and the terms of this License.

3. The Licensee(s) shall furnish and make available for inspection any relevant information, records, or reports requested by the Secretary of the Treasury or any other duly authorized officer or agency.

4. This License expires upon completion of the transaction or by August 31, 2015, whichever comes first, and is not transferable, and is subject to the authorities cited above, and any rulings issued pursuant thereto. This License may be revoked or modified at any time at the discretion of the Secretary of the Treasury. If this License was issued as a result of willful misrepresentation, it may, at the discretion of the Secretary of the Treasury, be declared void from the date of its issuance or from any other date.

5. This License does not excuse compliance with any law or regulation (including reporting requirements) administered by the Office of Foreign Assets Control or another agency applicable to the transactions herein licensed, nor does it release the Licensee(s) or third parties from civil or criminal liability for violation of any law or regulation.

Issued on behalf of the Secretary of the Treasury:

OFFICE OF FOREIGN ASSETS CONTROL

By
Davin A. Blackbow
Assistant Director for Licensing

May 5, 2015

Date


SFC_ISRA_00060
SECTION I – AUTHORIZATION: (a) Subject to the terms and conditions stated herein, and limited to the facts and circumstances as described in the Application and information available to the Office of Foreign Assets Control, World Vision International (the “Licensee”) is hereby authorized to engage in all transactions otherwise prohibited by the Global Terrorism Sanctions Regulations, 31 C.F.R. Part 594, and the Sudanese Sanctions Regulations, 31 C.F.R. Part 538, necessary to transfer approximately $125,000.00, representing the total debt incurred in connection with humanitarian work performed on U.S. Agency for International Development and Irish Aid funded sub-grants, to the Islamic Relief Agency located in Khartoum, Sudan.

(b) Any transfer of funds through the U.S. financial system pursuant to the authorization set forth above should reference the number of this license to avoid the blocking or rejection of the transfer.

SECTION II – WARNINGS: (a) Except as authorized by the terms of this License, or otherwise by the Office of Foreign Assets Control, this License does not authorize the transfer of any blocked property, the debiting of any blocked account, the entry of any judgment or order that affects a transfer of blocked property, or the execution of any judgment against property blocked pursuant to any Executive order or Chapter V of Title 31 of the C.F.R.

(b) Except as described above, nothing in this License authorizes transactions and activities that are prohibited by Executive Orders 13067, 13224, or 13412, or 31 C.F.R. Parts 538 or 594.

SECTION III – RECORDKEEPING AND REPORTING REQUIREMENTS: The Licensee is subject to the recordkeeping and reporting requirements of, inter alia, 31 C.F.R. §§ 501.601, 501.602, and 501.603, including the requirement to maintain full and accurate records concerning the transactions undertaken pursuant to this License for a period of five years from the date of each transaction.

SECTION IV – PRECEDENTIAL EFFECT: The authorization contained in this License is limited to the facts and circumstances specific to the Application.
Appendix - O
CAUTIONARY LETTER

ENF 42513

MAY 14, 2015

Tim Burgett, Esq.
General Counsel
World Vision International

Steven McFarland
Chief Legal Officer
World Vision, Inc.
300 I St., NE
Washington, DC 20002

Dear Messrs. Burgett and McFarland:

Thank you for your disclosure, dated November 19, 2014, on behalf of World Vision International and World Vision, Inc. (collectively, "World Vision"), affiliated nonprofit humanitarian organizations.

This letter serves as notice that the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has completed its review of World Vision's disclosure stating that it engaged in transactions with Islamic Relief Agency (IRA) by utilizing IRA as its subcontractor in Sudan.

On October 13, 2004, OFAC designated IRA as a Specially Designated Global Terrorist pursuant to Executive Order 13224 of September 24, 2001, which OFAC administers through the Global Terrorism Sanctions Regulations, 31 C.F.R. part 594 (the "Regulations"), issued under the authority of the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06. The Regulations generally prohibit all unauthorized transactions by U.S. persons or within the United States involving the property or interests in property of any individual or entity designated pursuant to this sanctions program. For more information, please see the Regulations and OFAC's List of Specially Designated Nationals and Blocked Persons, as well as other information specific to each sanctions program, on our Web site at www.treasury.gov/ofac.

Specifically, section 594.201 of the Regulations prohibits all unauthorized transactions by U.S. persons or within the United States involving the property or interests in property of any individual or entity designated pursuant to this sanctions program. World Vision is the registrant of OFAC Registration No. SH-2012-294713-2, dated August 5, 2014, which authorizes World Vision to engage in transactions that would otherwise be prohibited pursuant to the Sudanese Sanctions Regulations, 31 C.F.R. Part 538. OFAC Registration No. SH-2012-294713-2 does not, however, authorize World Vision to engage in any activities that are prohibited pursuant to
the Regulations. Accordingly, the transactions that World Vision engaged in with IRA and World Vision's dealings in the property or interests in property of IRA appear to have violated the Regulations.

OFAC has decided to address this matter by issuing this Cautionary Letter instead of pursuing a civil monetary penalty. This Cautionary Letter represents a final enforcement response to the apparent violations but does not constitute a final agency determination as to whether violations have occurred. This letter does not preclude OFAC from taking future enforcement action should new or additional information warrant renewed attention. Under applicable law, each violation of the Regulations is subject to a civil monetary penalty of up to the greater of $250,000 or twice the value of each underlying transaction.

OFAC considers compliance with its sanctions programs to be a critical part of the effectiveness of U.S. economic sanctions, and trusts that World Vision will act in accordance with all such regulations in the future. Please note that World Vision's compliance history with regard to economic sanctions administered by OFAC will be considered if other apparent sanctions program violations come to OFAC's attention, which may result in the imposition of civil monetary penalties.

For more information about U.S. economic sanctions administered and enforced by OFAC, please visit our Web site at www.treasury.gov/ofac. Should you have any questions, you may contact Paul Broderick, Senior Enforcement Officer, at (202) 622-3891.

Sincerely,

Jeremy Sausser
Enforcement Section Chief
Office of Foreign Assets Control
Appendix - P
VIA ELECTRONIC MAIL TO: 

August 20, 2019

[Name]
Investigative Counsel
Chairman Charles E. Grassley
Senate Committee on Finance
United States Senate
Washington, D.C. 20510-6200

Dear [Name]:

We greatly appreciated the opportunity to meet with you and your team on August 1, 2019 to further discuss the matter of Islamic Relief (ISRA) in Sudan, after your review of the documents World Vision submitted in March. This will provide the additional information requested during that meeting.

This letter is accompanied by a letter from Edgar Sandoval, President of World Vision, Inc. (WVUS), and Andrew Morley, President of World Vision International (WVI), addressed to Senator Grassley, underscoring the level of concern and attention that this matter has received in our organizations, and our collective commitment to faithful stewardship of the funds entrusted to us.

On the further issues requested in the August 1, 2019 meeting:

1. The timing of WV’s communications with the International Organization for Migration (IOM). The investigation team indicated that IOM was discussing the status of ISRA with OFAC and/or USAID in July 2014. We were asked to confirm whether IOM might have discussed ISRA’s status with World Vision as early as July, rather than first in September 2014.

The National Director of World Vision Sudan in 2014 is still with WV (in a different role). He distinctly recalls that the first information from IOM regarding ISRA’s status came in September 2014, in connection with a proposal that WV submitted to IOM to receive disaster funding to respond to flooding in the Blue Nile region. Attached is an email chain (Attachment 1) that corroborates and documents this recollection. The attachment starts with an email from WV to IOM dated September 4, 2014 submitting the proposal for funding, and it continues with exchanges about IOM declining to accept part of the proposal, leading to a September 15, 2014 internal WV email indicating that IOM “has issues with ISRA.”
The matter then was raised to the WV1 Legal Department in a September 25, 2014 email from the WV National Director to a WV1 attorney (a privileged attorney-client communication). The National Director stated that one of the agencies holding OFDA emergency funding (IOM was not named) had advised that ISRA was on the terrorist blacklist, that WV Sudan’s Blocked Party Screening (BPS) searches had not found ISRA on any blocked lists, and asked for a further review.

In the August 1, 2019 meeting, we had also noted that WV Sudan had further communications with IOM about ISRA’s status in December 2014 (while we were waiting for a response from OFAC to WV’s November 2014 request for clarification). As requested, that email chain is attached (Attachment 2).

2. The timing for when ISRA stopped working on WV-funded subgrants. As we indicated in the August 1, 2019 meeting, from the time this issue was first raised to WV in September 2014, no further payments were made to ISRA, until the payment that OFAC licensed in May 2015. The fact that payments to ISRA were ordinarily due but not paid is confirmed by emails from ISRA requesting payment from WV. These emails from ISRA are in the attachments to Question 10 in WV’s March 19, 2019 letter to Senator Grassley, one dated October 21, 2014 and one dated November 5, 2014.

As to when ISRA actually stopped working on the subgrants, as best can be reconstructed at this time, ISRA continued some subgrant project activities through November 2014 and into December 2014, despite knowing that their funds were on hold due to a question of their status with respect to the U.S. Government. We suspect that ISRA felt some obligation to wind down ongoing activities in an orderly manner, in response to WV’s communication that further funds were on hold. This timeframe is illustrated by other ISRA emails and letters in the attachments to Question 10 of WV’s March 19, 2019 letter, in particular, items dated November 24, 2014, January 29, 2015, and February 2, 2015.

3. Improvements in WV processes to avoid any similar future incidents. As indicated in WV’s letter of March 19, 2019 and in the August 1 meeting, the factors in WV’s internal processes that contributed most directly to this incident were addressed by WV in 2015. (There were also factors external to WV which contributed to this incident, as we have previously articulated.) In 2015, WV revised its global BPS processes to remove country designations and addresses from initial screens, and an instruction was sent to all WV-registered users of the BPS software regarding the change in screening protocol. As we explained previously, this was because both in the commercial BPS software and in OFAC’s online search engine, a search for “Islamic Relief” designating the country of Sudan yields “no results.” This was true in 2014 and remains true today. WV also in 2015 revised certain processes (particularly around screening subrecipients receiving U.S. Government funding) to remove the discretion of first level routine screeners to clear particular types of potential matches, requiring that such potential matches be escalated to an attorney for further analysis.

In addition to those changes in 2015 responding to the particular facts of the ISRA matter, WV has continued to examine and look for opportunities to improve the effectiveness of its BPS processes. This has included a current fresh review of all documentation for our global and U.S. domestic BPS processes (policies, procedures, training materials), and a “thematic review” of global BPS processes by WV’s Global Internal Audit department that is planned for the coming year. In addition, WV has periodically reviewed and added several new countries to our list of places where mandatory country-level screening is conducted. (WV’s BPS program uses a risk-based approach to implement screening
in various global processes, in subrecipient processes involving government funds, and also in country-level processes in countries identified as highest risk for potentially encountering Blocked Parties. Sudan has been such a country for many years.) Finally, as a matter of course, for all WV staff receiving U.S. Government grant management training, the training includes when and why BPS is required.

Once again, we greatly appreciate the opportunity to engage with your team to have a full and frank discussion of all aspects of this matter, beyond the misleading (and, in some instances, simply erroneous) accounts that have appeared in the media. World Vision takes seriously its obligations under U.S. law relating to Blocked Parties, and we have expended, and will continue to expend, considerable effort to meet those obligations.

We remain available for any further questions.

Sincerely,

Tim Burgett
General Counsel, World Vision International

Steven McFarland
Chief Legal Officer, World Vision, Inc. (U.S.)
Appendix - Q
The Honorable Charles E. Grassley  
Chairman  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for your letter, dated March 5, 2019, regarding the processes the U.S. Agency for International Development (USAID) uses to screen potential recipients of awards. The Agency shares your concern about ensuring the integrity of grant-making to preclude taxpayer funds from reaching terrorist organizations. We are committed to keeping Congress apprised of our efforts to maximize the efficiency and effectiveness of funds appropriated to USAID, with clear and transparent processes, both in Washington and in the field. Please see below our responses to your questions:

1. Did USAID verify the DUNS number listed for the Islamic Relief Agency (ISRA) in the grant application? If not, why not?

USAID’s grantees have the responsibility to ensure they do not use U.S. taxpayer funds to engage in transactions with entities subject to U.S. sanctions. In 2014, when USAID made the award to World Vision, Inc. (WV), mentioned in your letter, Section 3.9 of Chapter 303 (titled, “Pre-Award Risk-Assessment”) of the Agency’s Automated Directives System (ADS), which stipulates the policies and procedures that guide USAID’s programs and operations, required the Agency to check recipients of prime awards against public lists of sanctioned entities. However, at the time that guidance did not extend to sub-grantees.

USAID has updated trainings for our Agreement Officers (AOs) to improve the screening procedures for prime and sub-awardees. Additionally, in June 2018, USAID revised Section 3.3.21 of ADS Chapter 303, titled, “Subawards,” to clarify the specific steps USAID AOs must undertake to ensure prime recipients have conducted the required risk-assessments for any proposed sub-recipients. AOs now require each non-governmental entity applicant for an award to confirm that any proposed sub-recipients do not have active exclusions in the Federal System for Award-Management (SAM.gov), do not appear on the Specially Designated Nationals (SDN) and Blocked Persons Lists maintained by the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury, and are not listed on the United Nations Security Council ConsolidatedSanctions List. Additionally, outreach to, and training for, relevant Agency staff reflects the revised procedures.
2. Did USAID search the SAM.gov database for ISRA’s registration? If not, why?

When USAID made the award to WV, Section 3.9 of Chapter 303 (titled, “Pre-Award Risk-Assessment”) of the Agency’s ADS required that USAID check recipients of prime awards against public lists of sanctioned entities; however, that guidance did not extend to sub-grantees. USAID does not have documentation to confirm whether the Agency searched the SAM.gov database for the Islamic Relief Agency (ISRA).

USAID has updated our policies and training for AOs to improve the screening procedures for prime and sub-awardees. In June 2018, USAID revised Sections 3.21 and 3.9 of ADS Chapter 303, titled, “Subawards,” to clarify the specific steps USAID AOs must undertake to ensure prime recipients have conducted the required risk-assessments for any proposed sub-recipients. Each AO is now required to confirm that every prime applicant has checked the public lists of sanctioned entities for any proposed sub-award recipients. Additionally, outreach to, and training for, relevant Agency staff now reflects the revised procedures.

3. Did USAID search OFAC’s SDN and Blocked Persons Lists for ISRA? If not, why?

USAID grantees have the responsibility to ensure they do not use U.S. taxpayer funds to engage in transactions with entities subject to U.S. sanctions. Because at the time of the award to WV, our policy to check recipients of prime awards against public lists of sanctioned entities did not extend to sub-grantees, USAID does not have the documentation to confirm whether the Agency searched OFAC’s SDN and Blocked Persons Lists for ISRA. USAID has since updated our policy to clarify the specific steps an AO must undertake to ensure prime recipients have conducted the required risk-assessments for any proposed sub-recipients.

4. How did USAID first learn that ISRA was on the SDN and Blocked Persons Lists? If USAID did not discover it on its own, please identify the organization that initially alerted USAID of ISRA’s status.

USAID first learned that ISRA was on the SDN List in July 2014, when the International Organization for Migration requested clarification from OFAC about whether the “Islamic Relief Agency,” was on the List. OFAC subsequently confirmed ISRA’s inclusion on the SDN List to USAID. At that time, USAID systems did not capture that WV had made a sub-award to ISRA. In November 2014, WV informed USAID that its sub-recipient ISRA might be the same “Islamic Relief Agency” that appeared on the SDN List. USAID directed WV to suspend all activities with ISRA, and not to engage in further transactions with the organization. Our teams also notified USAID’s Office of Inspector General, the U.S. Department of State, and OFAC about the issue.

In May 2015, OFAC, in consultation with, and with guidance from, the Department of State, issued a license to World Vision International (WVI), an affiliate of WV that, together with its
own affiliates, carries out the majority of WV’s international programs. The license authorized WVI to complete a one-time transfer of approximately $125,000 to ISRA for amounts owed in connection with humanitarian-assistance activities already performed under sub-awards from USAID and Irish Aid. Of this amount, $115,000 was for services performed under the sub-award with USAID. Based on a review of available data, USAID confirms that we have no direct prime awards with ISRA, and we have not identified any further sub-awards to ISRA other than the one mentioned in this letter.

5. **In the past 10 years, how many grantees were awarded tax-payer funded grants while on the SDN and Blocked Persons Lists? How many sub-grantees?**

USAID ran a search for an exact-name match of all USAID prime contractors and assistance recipients against both the SAM Exclusion List and the SDN List to determine if any individuals or entities in our databases are excluded from working with the U.S. Government. That search resulted in eight matches, which meant that a name in our databases exactly matched a name on either the SAM or the SDN List. For each of those eight triggered matches, we then determined whether the individual or entity listed in our records was, in fact, the same individual or entity listed on the SAM or SDN List, or simply shared the same name. We confirmed, to the extent possible, that none of the entities or individuals listed in our records is the same as the individuals or entities listed in the SAM Exclusion List or the SDN List. Therefore, based upon our records, USAID can state that we have not made any prime awards to entities or individuals on the SAM Exclusion List or the SDN List since January 1, 2013, or prior. ¹ As far as we can tell, the only organization on the SDN List to which a holder of a prime award from USAID made a sub-award is the Sudan-based Islamic Relief Agency. The revised Sections 3.21 and 3.9 of ADS Chapter 303 require that USAID AOs ensure prime recipients have conducted the required risk-assessments for any proposed sub-recipients.

6. **Please provide all communications related to USAID’s approval and vetting process for the grant to World Vision that resulted in a sub-grant to ISRA.**

We have conducted an electronic search for the communications related to USAID’s review process for the grant to WV. Please find enclosed all relevant documents identified in this search in Appendix 1. Additional documents provided in response to a Freedom of Information Act request submitted to USAID in 2017 and pertaining to this transaction are attached as Appendix 2.

¹Please note that since April 2011 our systems conduct regular automated reviews of past and present prime contractors and assistance recipients against the SAM Exclusion List and the SDN List. In the event of a triggered match, our standard operating procedure is the same as described in the paragraph above.
If I can be of further assistance, please do not hesitate to contact me at (202) 712-4300.

Sincerely,

Richard C. Parker
Assistant Administrator
Bureau for Legislative and Public Affairs

Enclosures: a/s
Appendix - R
Heather:

Thanks very much for looking into this.

Hal

Harold L. Cohen  
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for Democracy, Conflict & Humanitarian Assistance  
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On Mon, Jul 28, 2014 at 3:29 PM, <Heather> wrote:

Yes, sorry for the delay. I have been informed that the organization you have referenced below—Islamic Relief Agency in Khartoum, Sudan—is very much the same organization on the SDN List.

From: Harold Cohen [mailto:hcohen@usaid.gov]  
Sent: Thursday, July 17, 2014 8:16 AM  
To: Epstein, Heather  
Subject: Re: Islamic Relief Agency

Heather:

Wanted to see if you had a chance to explore this.

Thanks,

Hal
On Thu, Jul 10, 2014 at 1:42 PM, Harold Cohen wrote:

Heather:

As discussed, question boils down to whether the group listed below is the same one included on the SDN list. Here's the information that was provided to me about the organization our partner would work with if permissible:

**Islamic Relief Agency**

Khartoum, Sudan - Emtead Eldeaba Elthalatha - East Expatriates Commission, Khartoum, Sudan. P.O. Box: 3372. Tel: +49 183 421559 - Fax 49 183 427255. Name of global director along with his phone and E-mail: Awal Abdelaziz Hussain, Tel: 0922613187. E-mail: muzahim195700@yahoo.com.

Thanks,

Hal

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Thank you.