SUBAGREEMENT NO. 61-3882

Between

MICHIGAN STATE UNIVERSITY
Institute of International Agriculture

And

The International Center for Agricultural Research in Dry Areas (ICARDA)

THIS SUBAGREEMENT is between Michigan State University, Institute of International Agriculture, 319 Agriculture Hall, East Lansing, Michigan 48824, hereafter referred to as “MSU” and the International Center for Agricultural Research in the Dry Areas (ICARDA), P.O. Box 5466, Aleppo, Syria, hereafter referred to as “Subcontractor.”

WHEREAS, this Subagreement is pursuant to support provided for a program entitled “Ecologically-based Participatory and Collaborative IPM Research and Capacity Building Program in Central Asia Region” as authorized under the applicable provisions of the prime Cooperative Agreement (CA) issued to Virginia Polytechnic Institute and State University by the United States Agency for International Development (USAID) under Prime Award EPP-A-00-04-00016-00.

THEREFORE, under the Prime Grant, MSU and Subcontractor enter into this Subagreement. Subcontractor agrees that it will perform the services called for herein and MSU agrees that it will compensate Subcontractor in the amount and under the terms and conditions enumerated in this Subagreement. MSU and Subcontractor further understand that this Subagreement consists of this document and the following Appendices:

Appendix B, Project Description
Appendix C, Project Budget
Appendix D, OMB Circular A-122 Cost Principles for Non-Profit Organizations
Appendix E, Guidelines for Financial Audits Contracted by Foreign Recipients
Appendix F, 37 CFR Part 401 Rights to Inventions Made by Nonprofit Organizations and Small Business Firms
Appendix G, Department of Health and Human Services, National Institutes of Health, Guidelines for Research Involving Recombinant DNA Molecules (NIH Guidelines) (April 2002)
Appendix H, Guidelines Recommended to USDA by the Agricultural Biotechnology Research Advisory Committee, USDA Guidelines for Research Involving Planned Introduction into the Environment of Genetically Modified Organisms
Appendix I, Memorandum of Understanding
Appendix J, 22 CFR 226 Administration of Assistance Awards to US Non-Governmental Organizations
ARTICLE I - PURPOSE OF SUBAGREEMENT

The purpose of this Subagreement is to provide financial support for a program entitled, "Ecologically-based Participatory and Collaborative IPM Research and Capacity Building Program in Central Asia Region" more fully described in Appendix B, "Project Description." Subcontractor researchers shall use their best efforts to perform the research tasks identified in the Project Description incorporated herein.

ARTICLE II - PERIOD OF SUBAGREEMENT

The effective date of this Subagreement is October 1, 2005, and the completion date is September 30, 2006, unless terminated earlier or extended by mutual written agreement of all parties. It is expected that this project will run through the period September 30, 2009, however, Virginia Tech obligates and extends on an annual basis which prohibits MSU from extending beyond the current MSU/VPI subagreement date.

Expenditures incurred prior to the beginning date or subsequent to the termination date are unallowable. All expenditures paid with funds provided by this Subagreement must be incurred by Subcontractor in pursuit of project objectives that take place during this period unless otherwise stipulated.

In the event the time prescribed herein should prove insufficient for Subcontractor to carry out the project objectives provided herein, MSU may provide such extension of the period of the Subagreement as may be deemed advisable. Any extension will be effective only upon the execution of an amendment to the Subagreement for this purpose. All requests for extensions must be received prior to the expiration date.

ARTICLE III - AMOUNT OF SUBAGREEMENT

The total estimated amount of the Subagreement shall not exceed Two Hundred Sixty-Two Thousand Sixty-Nine US Dollars (US$274,433). MSU obligates the amount Sixty-Three Thousand Three Hundred US Dollars (US$67,300), as partial funding of the total estimated amount as set forth above per the budget listed as Appendix C. Subcontractor may not exceed the total estimated amount or the obligated amount of this Subagreement, whichever is less.

Because this Subagreement is incrementally funded, funds obligated hereunder are only anticipated to be sufficient for funding for the period ending September 30, 2006.

Revisions to the budget shall be made in accordance with 22 CFR 226.25 (Appendix A). Details concerning the "Materials and Supplies" line item will be determined after the ICARDA post docs begin their work. MSU must receive this budget detail prior to the first payment being made to Subcontractor.
ARTICLE IV - COST SHARE

The estimated cost share for the first year of this project is Seventeen Thousand Six Hundred Twenty Two U.S. Dollars (USS17,620). Cost share shall be reported on the quarterly invoices described in ARTICLE VI. Cost share expenses must comply with all regulations regarding allowability except for those in 22 CFR 228 (Appendix J).

ARTICLE V - ALLOWABLE COSTS

Subcontractor agrees to comply with the requirements of OMB Circular A-122 Cost Principles for Non-Profit Organizations (Appendix D), 22 CFR 226 ..... and 22 CFR 228

A. For performance of this Subagreement, MSU shall reimburse Subcontractor for allowable costs that are reasonable, allocable and allowable in accordance with the terms of this Subagreement.

B. Indirect costs are not allowable.

C. The total of such costs does not exceed the total estimated or total obligated amount of this Subagreement, whichever is less.

D. Such costs are incurred in accordance with Subcontractor’s established policies and procedures provided such policies and procedures promote the best interest of the project conducted under this Subagreement.

E. Only those expenses incurred in accordance to the budget and during the period of the Subagreement may be reimbursed.

F. Upon request by MSU, Subcontractor shall refund any amounts determined to be unallowable expenditures as a result of an audit by MSU or the Federal Government. Subcontractor, however, shall have the right to establish allowability of any such item of cost under this Subagreement.

G. Equipment means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. Purchase of equipment meeting this definition requires prior approval of MSU.

ARTICLE VI - PAYMENT

A. Reimbursements

Subcontractor shall submit invoices on a quarterly basis for reimbursement of expenditures incurred. Invoices shall indicate the period covered and provide detail commensurate with that appearing in Subcontractor’s budget. Attached to the Invoice should be originals of receipts and other documentation supporting the cost. The invoices shall be numbered sequentially, shall reference Subagreement 61-3682, and shall be certified correct by the responsible financial official of Subcontractor. Information concerning the
Subcontractor’s contribution to the obligated cost share shall be included in the quarterly invoices with the same detail and required for the invoice.

B. Final Invoice

A FINAL invoice shall be submitted within sixty (60) days after the end of the period of performance indicated in ARTICLE II and it shall be marked FINAL. The FINAL invoice shall be used as the final report of expenditures for Subcontractor’s and it shall contain a summary of expenses, by budget category itemized in Appendix C. In no event shall the final billing of funds exceed the Subagreement amount specified in Article III - AMOUNT OF SUBAGREEMENT.

Invoices shall be submitted to:

Diane Cox
319 Agriculture Hall
Institute of International Agriculture
Michigan State University
East Lansing, MI 48824
517-432-1639 telephone
517-353-1888 fax
dcox@msu.edu

ARTICLE VII – TECHNICAL REPORTS

Annual Technical Report

Subcontractor shall submit one copy of an annual technical report of research and policy activities by September 1st of each calendar year. The report shall present the following information organized by each research or country-based project:

(1) Introduction - Project title, Principal Investigator, Project partners, overall project goal, relevant research or development background (include references), justification of problem being addressed and rationale for approach.

(2) Project Objectives and Benchmarks - both research (scientific) and development (e.g. training, policy formation, workshops, etc.) objectives.

(3) Research Progress

(4) Discussion of implications of research findings and development achievements including highlights of significant achievements.

(5) Workplan for coming year, including proposed travel.

(6) Status or plans for commercialization and extension of research findings (e.g. new varieties), including issues of intellectual property rights, linkages to public or private organizations for field testing etc.

(7) Publications
In addition, a section on overall project management and biotechnology policy initiatives should be included in the annual technical report.

Reports should be submitted to:

Dr. Karimbhai Maredia  
319 Agriculture Hall  
Institute of International Agriculture  
Michigan State University  
East Lansing, MI 48824  
USA  
517-353-5262 telephone  
517-353-1888 fax  
kmaredia@msu.edu

ARTICLE VIII - TRAVEL

USAID must be notified of all international travel funded under this Subagreement in advance of the commencement of the travel. International travel requires prior budget approval by MSU. Travel itineraries must be approved by Karim Maredia prior to booking the airfare. International Travel Notification Forms must be submitted through Diane Cox at MSU, thirty (30) days prior to the departure date.

Travel must make use of US carriers as indicated in the Standard Provisions attached hereto. Costs incurred by using non-US carriers in areas where US carriers are available will not be reimbursed under any circumstance.

Lodging and per diem cannot exceed the maximum limit as listed in the Maximum Travel Per Diem Allowances for Foreign Areas as issued by the U.S. Department of State, which can be found on the web at http://www.state.gov/m/a/als/prdm/.

ARTICLE IX - RESOLUTION OF CONFLICTS

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

This Subagreement  
Appendix B – Project Description

ARTICLE X - AUDIT REPORTS

It is a requirement for foreign non-profit organizations that expend $500,000 or more in U.S. federal funds in a year to perform an independent annual audit. If Subcontractor spends $500,000 or more per their fiscal year in federal awards, they must have an annual audit conducted in accordance with the “Guidelines for Financial Audits Contracted by Foreign Recipients.” http://www.usaid.gov/oig/legal/audauth/rcapguid.pdf

Subcontractor agrees to provide MSU with copies of any of the independent auditor's reports that present instances of non-compliance with federal laws and regulations which bear directly
on the performance or administration of this Subagreement. In cases of such non-compliance, Subcontractor will provide copies of responses to auditors' reports and a plan for corrective action. All records and reports prepared in accord with the requirements of the “Guidelines for Financial Audits Contracted by Foreign Recipients” as appropriate shall be available for inspection by representatives of MSU, USAID or the U.S. Federal Government during normal business hours.

ARTICLE XI - RECORD RETENTION

All costs incurred in the performance of this effort will be subject to audit by MSU, at MSU's sole expense, and Subcontractor agrees to allow the auditor's access to records necessary to support the reported costs. Subcontractor agrees that it shall keep for a period of three years following completion of the project such records as may be reasonably necessary to facilitate an effective audit.

ARTICLE XII - TERMINATION AND SUSPENSION

A. Termination for Cause - This Subagreement may be terminated in whole or in part at any time before the date of completion, wherever it is determined that the recipient has failed to comply with the conditions of the Subagreement. MSU shall promptly notify the recipient in writing of the determination and reasons for the termination, together with the effective date. Payments made to recipients or recoveries by the Federal sponsoring agency under grants or other. A Subagreement terminated for cause shall be in accordance with the legal rights and liabilities of the parties.

B. Termination for Convenience - This Subagreement may be terminated in whole or in part when the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The recipient shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible.

C. Termination or Suspension for Changed Circumstances. If at any time USAID or MSU determines that continuation of all or part of the funding for a project should be suspended or terminated because such assistance would not be in the national interest of the United States or would be in violation of an applicable law, then MSU, may, following notice to Subcontractor, suspend or terminate this Subagreement in whole or part and prohibit Subcontractor from incurring additional obligations chargeable to this Subagreement other than those costs specified in the notice of suspension during the period of suspension. If the situation causing the suspension continues for sixty (60) days or more, then MSU may terminate this grant on written notice to Subcontractor and cancel the portion of this Subagreement which has not been disbursed or irrevocably committed to Subcontractor.

D. Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in A. or B. above, Subcontractor shall take immediate action to minimize all expenditures and obligations financed by this Subagreement and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. Subcontractor shall within thirty (30) calendar days after the effective date of such termination repay to MSU all unexpended funds which are not otherwise obligated by a legally binding transaction applicable to this Subagreement. Should the funds paid by MSU to Subcontractor prior to the
effective date of the termination of this Subagreement be insufficient to cover Subcontractor’s obligations in the legally binding transaction, Subcontractor may submit to MSU within ninety (90) calendar days after the effective date of such termination a written claim covering such obligations. The AID grant officer shall determine the amount(s) to be paid by MSU to Subcontractor under such claim in accordance with the applicable cost principles.

ARTICLE XIII – DISPUTES

Except as otherwise provided for in this Subagreement, in event of any dispute covering a fact or law arising under this Subagreement that cannot be resolved by mutual consent, MSU shall render a decision in writing to Subcontractor. Such decision, if not acceptable to Subcontractor may be appealed to an arbitration committee. Members of this committee shall number three (3) persons and will be selected as follows: one member will be selected by MSU; one member will be selected by Subcontractor. The first two (2) members of the committee shall select a third mutually agreeable member. The decision of this Committee shall be final.

ARTICLE XIV – LIABILITY

Each party to this Subagreement must seek its own legal representative and bear its own costs, including judgments, in any litigation that may arise from performance of this Subagreement. It is specifically understood and agreed that neither party will indemnify the other party in such litigation.

ARTICLE XV – ASSURANCES

Debarment. Subcontractor certifies that neither it nor its principles is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any US Federal department or agency. Subcontractor will submit to MSU a signed Debarment Certification.

Lobbying. Subcontractor agrees to comply with the requirements of OMB Circular A-122 regarding lobbying. Subcontractor will submit to MSU a signed Certification Regarding Lobbying.

Delinquent Federal Debt. Subcontractor certifies that it is not delinquent on the repayment of any U.S. Federal debt.

Drug-Free Workplace. Subcontractor certifies that it will provide a drug-free workplace.

Anti-Terrorism. Subcontractor agrees to comply with the requirements of E.O. 13224 and will submit to MSU a signed Certification Regarding Terrorist Financing.

Disability Policy. The Subcontractor agrees to comply with the requirements AAPD 04-17 regarding USAID’s Disability Policy, specifically that the recipient will not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the program under this grant or cooperative agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women and
children with disabilities. The full text of the USAID Policy Paper can be found at http://www.usaid.gov/about/disability/policies.html

ARTICLE XVI - EXPORT CONTROLS

FHIA shall comply in all respects with U.S. statutes, regulations, and administrative requirements regarding FHIA relationships with non-U.S. governmental and quasi-governmental entities including, but not limited to, the export control regulations of the International Traffic in Arms Regulations ("ITAR") and the Export Administration Act ("EAA"), the anti-boycott and embargo regulations, and guidelines issued under the EAA, and the regulations of the U.S. Department of the Treasury, Office of Foreign Assets Control.

ARTICLE XVII - FOREIGN CORRUPT PRACTICES ACT

FHIA acknowledges and understands that it must comply fully with the anti-bribery provisions of the U.S. Foreign Corrupt Practices Act, as amended ("FCPA"). Specifically, FHIA understands and agrees that it shall be unlawful for the FHIA and/or any officer, director, employee or agent of the FHIA to make any kind of offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to either:

a. any foreign official (or foreign political party) for purposes of either influencing any act or decision of such foreign official in his official capacity, or inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or securing any improper advantage, or inducing such foreign official to use his influence with a foreign government, or instrumentality thereof, to affect or influence any act or decision of such government or instrumentality in order to assist such person in obtaining or retaining business for or with, or directing business to any person; or

b. any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official (or foreign political party), or to any candidate for foreign political office, for any of the prohibited purposes described above.

Further, FHIA acknowledges that "foreign official" means any officer or employee of a foreign government or any department, agency or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality.

ARTICLE XVIII - UNITED STATES EXECUTIVE ORDER 13224—ANTI-TERRORISM

FHIA is reminded that U.S. Executive Orders and U.S. Law prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the FHIA to ensure compliance with these Executive Orders and laws. This provision must be included in all Lower Tier Subagreements issued under this Subagreement. A list of individual and organizational names that are the subject of this Executive Order can be found at the web site of the Office of Foreign Assets Control (OFAC) within the U.S. Department of Treasury. The address for this web site is http://treasury.gov/ofac.
ARTICLE XIX - AMENDMENTS

All mutually agreed upon changes to this Subagreement must be processed through the MSU Office of Contract and Grant Administration at the following address:

Ann C. Spalding
Sr. Contract and Grant Administrator
Contract and Grant Administration
Michigan State University
301 Administration Building
East Lansing, Michigan 48824-1046
Tel: 517-355-5040, x243
Fax: 517-353-9812
spalding@ega.msu.edu

ARTICLE XX - RECORDS

Subcontractor will maintain adequate financial records, in accordance with generally accepted accounting practices to clearly and easily identify expenses of the Subagreement, to describe the nature of each expense and to establish relatedness to this Subagreement. All records, books, documents and papers related to the project conducted under this Subagreement shall be available upon request at all reasonable times to inspection and audit by MSU, U.S. Agency for International Development, and by the U.S. Department of Health and Human Services (MSU’s cognizant federal audit agency inspection or their authorized representatives). These records will be retained for a period of three (3) years with the following qualifications.

A. If any litigation, claim, negotiation, audit or other action involving the records has been started before the end of the three-year period, the records shall be kept until all issues are resolved, or until the end of the regular three-year period, whichever is later.

B. The retention period starts from the date of the submission of Subcontractor’s final invoice.

ARTICLE XXI - RIGHTS IN DATA AND PUBLICATIONS

Subcontractor agrees to comply with the requirements set forth in Appendix F - 37 CFR Part 401 “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms.”

Subcontractor shall have the right to copyright, disclose, disseminate and use, in whole or in part, any data, computer programs, and other information received, collected, or developed under this Subagreement, except as indicated below under Confidentiality. Given the collaborative nature of this project, publications by Subcontractor shall include professional credits of joint authorship when applicable. A copy of the materials intended for disclosure by Subcontractor shall be submitted to MSU not less than sixty (60) days prior to Subcontractor’s release for publication or other dissemination, for the purpose of MSU’s review for patentable subject matter and proprietary information. Subcontractor will consider suggested modifications and/or reasonable delays to publishing to enable the filing of applications for patents or to remove any of USAID’s and/or MSU’s proprietary information or CONFIDENTIAL INFORMATION in the event that such proprietary information or CONFIDENTIAL INFORMATION was disclosed to MSU by USAID and/or MSU pursuant to the research performed under this Subagreement. USAID will be acknowledged in Subcontractor’s
publications unless USAID or MSU desire otherwise and so advise Subcontractor in writing. Subcontractor agrees that it will not use the name of MSU or USAID, or its employees in any advertisement, press release or publicity with reference to this Subagreement or any product or service resulting from this Subagreement, without prior written approval of MSU. Subcontractor shall also be bound by any additional provisions regarding Publications as specified in Appendix B, Additional Applicable Standard Provisions, 10. *Publications and Media Releases."

ARTICLE XXII - CONFIDENTIAL INFORMATION

During the course of this Subagreement, MSU may provide Subcontractor researchers certain information, data or material in writing or other tangible form for which MSU regards as confidential or proprietary in nature. Such information which is disclosed by MSU to Subcontractor employees during the Period of Performance of this Subagreement, will be clearly marked "CONFIDENTIAL INFORMATION". The obligations of confidentiality, with regard to Subcontractor's obligations, shall not apply to:

- information which is probably in the possession of Subcontractor prior to receipt hereunder;
- information which is now or later becomes generally available to the public without breach hereof;
- information received to disclose such information without restriction;
- information which MSU gives written permission to publish or use;
- information which is required by law to be disclosed.

The terms of confidentiality shall not exceed five (5) years from the date of project completion.

Subcontractor agrees to use its best efforts to prevent disclosure to third parties of such confidential or proprietary information in the absence of any written consent by MSU of such disclosure. Subcontractor shall, however, not be held liable for inadvertent disclosure of such confidential material provided Subcontractor has exercised reasonable care and adequate security at maintaining confidentiality of the information.

ARTICLE XXIII - ENVIRONMENTAL IMPACT REPORTS

If it appears that outputs of this project will result in an adverse environmental impact, Subcontractor shall notify the MSU Project Officer prior to implementation, in order to allow for orderly preparation of an environmental impact statement. Subcontractor shall assure that appropriate U.S. Government, USAID, and/or host country procedures are followed.

Any testing of genetically-modified organisms (GMOs) beyond the laboratory or greenhouse, including small-scale field testing, must be approved by the appropriate host country and by USAID's Biosafety Committee. Subcontractor will work with its collaborators to prepare applications to the host country and to USAID, with assistance from Michigan State University, and the applications will be submitted to USAID through MSU.

ARTICLE XXIV - PARTIAL INVALIDITY

If any provision of this Subagreement or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of the Subagreement or the application of such provision to persons or circumstances other than those to which it is invalid
or unenforceable shall be unaffected thereby and each provision of the Subagreement shall be valid and enforceable to the fullest extent permitted by law.

ARTICLE XXV - COMPLIANCE WITH LAWS

Subcontractor agrees to comply with all laws, statutes, regulations, rulings or enactments of any Governmental authority that are applicable to the work described in Appendix B of this Subagreement or which in any way pertain to said work.

ARTICLE XXVI - KEY PERSONNEL

The Principal Investigators of this project is Dr. Raj Paroda, Regional Coordinator, ICARDA Regional Program for Central Asia and the Caucasus. The Principal Investigator for MSU is Dr. Karimkhai Mamedov. The Principal Investigators are not authorized to change any element of this Subagreement. All changes shall be consummated by formal written amendment and processed according to Article XV.

If Dr. Raj Paroda ceases to serve as principal investigator of this project, the decision as to continuance of this Subagreement will be made by MSU on the basis of information supplied by Subcontractor.

ARTICLE XXVII - ENTIRE SUBAGREEMENT

It is expressly agreed by the parties hereto that for the work hereunder, this Subagreement constitutes the entire and only Subagreement between the parties.

ARTICLE XXVIII - ALTERATIONS TO STANDARD PROVISIONS, APPENDIX A

It is understood and agreed that as used in these standard provisions.

References to “grant” shall mean this “Subagreement.”
References to “grantee” shall mean “Subcontractor.”
References to “A.I.D.,” “Government” or “U.S. Treasury” shall mean MSU.

IN WITNESS THEREOF, MSU and Subcontractor have executed this Subagreement.

MICHIGAN STATE UNIVERSITY
Ann C. Spalding
Senior Contract & Grant Administrator

1/27/06

Date

ICARDA
Adel El-Beltagy
Director General

FEBRUARY 2006

Date