



USAID

FROM THE AMERICAN PEOPLE

Resources for Implementing Partners

The Application of

22 CFR 228:

Rules for Procurement of Commodities and Services Financed by USAID

to Grants and Cooperative Agreements



Applies to goods and services purchased by the recipient under the award through a contract mechanism (including purchase orders).



Does NOT apply to the grant/cooperative agreement or subgrant/cooperative agreement as a whole - ONLY to the procurement element under the award.



USAID uses geographic codes to specify the authorized "source" of commodities and the "nationality" of suppliers financed with USAID funds.



Each award should specify the authorized geographic code.

SOURCE: country from which commodity is shipped or country where the commodity is located at time of purchase, irrespective of the place of manufacture or production unless it is a "prohibited source" country. However, if 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.

NATIONALITY: place of legal organization of suppliers, or citizenship of an individual.



USAID uses 3 main geographic codes

CODE 937

- The U.S.
- The Recipient Country
- Developing Countries*
- Advanced Developing Countries**
- Prohibited Source Countries***



Authorized geographic code if the procurement element in award is greater than \$250,000.

CODE 935

- The U.S.
- The Recipient Country
- Developing Countries*
- Advanced Developing Countries**
- Prohibited Source Countries***



Code assigned if total procurement element in award is \$250,000 or less; when waiver is authorized; or if the award is funded from Development Assistance, Child Survival and Health, or other similar types of program funds.

CODE 110

- The U.S.
- The New Independent State of the Former Soviet Union
- Developing Countries*
- Advanced Developing Countries**
- Prohibited Source Countries***



Authorized Geographic Code for NGOs in the New Independent States.

*Developing country: any country categorized by the World Bank as a low or lower middle income country according to its gross national income per capita.

**Advanced developing country: any country categorized by the World Bank as an upper middle income country according to its gross national income per capita, except for any such country in which USAID provides assistance when the procurement is for USAID assistance to that country (i.e., it is the “cooperating” or “recipient” country).

***Prohibited Source Country: as updated by the Department of Treasury



Does 22 CFR 228 apply to individuals??



To individuals who are contracted as consultants to provide services to the USG.



To individuals who are contracted as consultants to provide services to the recipient.



To employees of organizations:
- except that 1/2 of the employees must be citizens of the authorized code; and
- employees must not be from a prohibited source country.

Where Can I Learn More?

ADS 310: Source and Nationality Requirements for Procurement of Commodities and Services Financed by USAID

ADS Reference 310MAA: List of Developing Countries: A Mandatory Reference for ADS Chapter 310

ADS Reference 310MAB: List of Advanced Developing Countries: A Mandatory Reference for ADS Chapter 310

ADS Reference 310 MAC: List of Prohibited Source Countries: A Mandatory Reference for ADS Chapter 310

22 CFR 228: Rules for Procurement of Commodities and Services Financed by USAID

Remember, special rules apply to:

Awards for construction and engineering: 22 CFR 228.17

Awards to foreign governmental organizations: 22 CFR 228.13

Construction awards to foreign governmental organizations: 22 CFR 228.14

and special rules require purchase from the U.S. of:

cars, pharmaceuticals and agriculture products: 22 CFR 228.19