

RESOURCES FOR IMPLEMENTING PARTNERS

UNDERSTANDING USAID **GEOGRAPHIC CODES**

Rules for Procurement of Commodities and Services: **USAID Prime Contracts & Subcontracts**

USAID uses geographic codes to specify the authorized "source" of commodities and the "nationality" of suppliers/ contractors financed with USAID funds under direct contracts and subcontracts.

Geographic codes apply to prime contractors offering goods and services directly to USAID and also apply to goods and services, purchased by the prime contractors and their subcontractors under USAID contracts.

These regulations are described in 22 Code of Federal Regulations (CFR) 228.

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

Refers to the place of legal organization, ownership, citizenship, or lawful permanent residence of companies which are supplying the commodities and services.



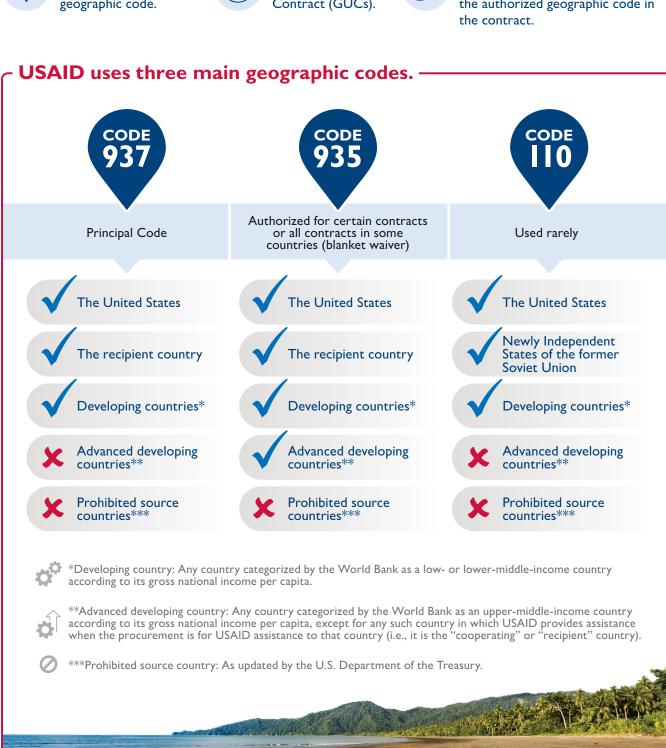
Each contract should specify the authorized geographic code.



Does NOT apply to Grants under Contract (GUCs).



Individual transactions up to \$25,000 can be from Code 935 regardless of the authorized geographic code in the contract.



Does 22 CFR 228 apply to individuals?

- To individuals who are contracted as consultants to provide services directly to the U.S. government.
- To individuals who are contracted as consultants to provide services to prime contractors or subcontractors
- To employees of contractors or subcontractors, except that: • The contractor/subcontractor must be managed
 - by a governing body, the majority of whom are citizens or lawful permanent residents of the principal geographic procurement code designated in an implementing instrument, OR The contractor/subcontractor must employ
 - citizens or lawful permanent residents (or equivalent immigration status to live and work on a continuing basis) of a country in the principal geographic procurement code designated in an implementing instrument, in more than half its permanent full-time positions and more than half of its principal management positions; AND • Employees must not be from a prohibited
 - source country.

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

Special rules* may require purchase from the United States of:







*22 CFR 228.19

Prohibited procurements are:



Military equipment



Surveillance equipment

Gambling equipment



and services

Abortion equipment



Luxury goods





equipment

Weather modification



technology (IT) services/equipment

Certain information



law enforcement activities

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

Where can I learn more?

ADS Reference 310maa: List of Developing Countries ADS Reference 310mac: List of Prohibited Source Countries

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

