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to the cooperating sponsor the exchanged commodities shall be deemed “commodities” covered by this Regulation with respect to all post-delivery obligations of the cooperating sponsor contained in this Regulation, including obligations regarding labeling to the extent practicable, distribution, monitoring, reporting, accounting and use of commodities or monetized proceeds resulting from their sale. In the event of difficulty in satisfying the labeling requirement, the cooperating sponsor will consult with USAID or the Diplomatic Post for guidance.

(r) *Landing.* Governmental cooperating sponsors shall permit donated commodities to be discharged notwithstanding any dispute or question concerning quality, quantity, or other matters relating to the commodity itself. Any such dispute or question shall be resolved in accordance with procedures stated in this Regulation or in the relevant shipping or other contracts, as applicable.

§211.6 Processing, repackaging, and labeling commodities.

(a) *Commercial processing and repackaging.* Cooperating sponsors or their designees may arrange for processing commodities into different end products and for packaging or repackaging commodities prior to distribution. Commodities may be bartered, or monetized proceeds or program income may be used, to offset such costs if provided for in the Operational Plan or TA or approved by USAID or the Diplomatic Post. When commercial facilities are used for processing, packaging or repackaging, cooperating sponsors or their designees shall enter into written agreements for such services and copies of the agreements must be provided to USAID or the Diplomatic Post. Except as AID/W otherwise agrees, the executed agreements shall provide as a minimum that the party providing such services shall:

(1) Fully account to the cooperating sponsor for all commodities delivered to the processor’s possession and shall maintain adequate records and submit periodic reports pertaining to the performance of the agreement;

(2) Be liable for the value of all commodities not accounted for as provided in §211.9(e);

(3) Return or dispose of the containers in which the commodity is received from the cooperating sponsor according to instructions from the cooperating sponsor; and

(4) Plainly label carton, sacks, or other containers containing the end product in accordance with paragraph (c) of this section.

(b) *Use of cooperating sponsor facilities.* When cooperating sponsors utilize their own facilities to process, package, or repackage commodities into different end products, and when such products are distributed for consumption off the premises of the cooperating sponsor, the cooperating sponsor shall plainly label the containers as provided in paragraph (c) of this section, and banners, posters, or similar media which shall contain information similar to that prescribed in paragraph (c) of this section, shall be displayed at the distribution center. Recipients’ individual identification cards shall to the maximum extent practicable be imprinted to contain such information.

(c) *Labeling.* If, prior to distribution, the cooperating sponsor arranges for packaging or repackaging donated commodities, the cartons, sacks, or other containers in which the commodities are packed shall be plainly labeled with the A.I.D. emblem, and insofar as practicable, with the following information in the language of the country in which the commodities are to be distributed:

(1) Name of commodity;

(2) Provided through the friendship of the American people as food for peace; and

(3) Not to be sold or exchanged (where applicable).

Emblems or other identification of nongovernmental cooperating sponsors also may be added.

(d) *Where commodity containers are not used.* When the usual practice in a country is not to enclose the end product in a container, wrapper, sack, etc., the cooperating sponsor shall, to the extent practicable, display banners, posters, or other media, and imprint on individual recipient identification

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cards information similar to that prescribed in paragraph (c) of this section.

§211.7 Arrangements for entry and handling in foreign country.

(a) *Costs at discharge ports.* Except as otherwise agreed upon by AID/W and provided in the applicable shipping contract or in paragraph (d) and (e) of this section, the cooperating sponsor shall be responsible for all costs, other than those assessed by the delivering carrier either in accordance with its applicable tariff for delivery to the discharge port or the applicable charter or booking contract. The cooperating sponsor shall be responsible for all costs related to

(1) Distributing the commodity to end users, as provided in the approved Operational Plan or TA;

(2) Demurrage, detention, and overtime;

(3) Obtaining independent discharge survey reports as provided in §211.9 under which the cooperating sponsor will be reimbursed for the costs of obtaining independent survey reports as provided in §211.9(c)(1)(iv); and

(4) Wharfage, taxes, dues, and port charges assessed and collected by local authorities from the consignee, lighterage (when not a custom of the port), and lightening costs when assessed as a charge separate from the freight rate.

(b) *Duty, taxes, and consular invoices.* Except for commodities which are to be monetized (sold) under an approved Operational Plan or TA, commodities shall be admitted duty free and exempt from all taxes. Consular or legalization invoices shall not be required unless specific provision is made in the Operational Plan or TA. If required, they shall be issued without cost to the cooperating sponsor or to the Government of the United States. The cooperating sponsor shall be responsible for ensuring prompt entry and transit in the foreign country(ies) and for obtaining all necessary import permits, licenses or other appropriate approvals for entry and transit, including phytosanitary, health and inspection certificates.

(c) *Storage facilities and transportation in foreign countries.* The cooperating sponsors shall provide assurance to USAID or the Diplomatic Post that all

necessary arrangements for receiving the commodities have been made, and shall assume full responsibility for storage and maintenance of the commodities from time of delivery at port of entry abroad or, when authorized, at other designated points of entry abroad agreed upon between the cooperating sponsor and A.I.D. Before recommending approval of a program to AID/W, USAID or the Diplomatic Post shall obtain, from the cooperating sponsor, assurance that provision has been made for internal transportation, and for storage and handling which are adequate by local commercial standards. The cooperating sponsor shall be responsible for the maintenance of the commodities in such manner as to assure distribution of the commodities in good condition to recipient agencies or eligible recipients.

(d) *Inland transportation in intermediate countries.* In the case of landlocked countries, transportation in the intermediate country to a designated inland point of entry in the recipient country shall be arranged by the cooperating sponsor unless otherwise provided in the Operational Plan or TA. Nongovernmental cooperating sponsors shall handle claims arising from loss or damage in the intermediate country, in accordance with §211.9(e). Governmental cooperating sponsors shall assign any rights that they may have to any claims that arise in the intermediate country to USAID or the Diplomatic Post which shall pursue and retain the proceeds of such claims.

(e) *Authorization for reimbursement of costs.* If, because of packaging damage, a cooperating sponsor determines that commodities must be repackaged to ensure that the commodities arrive at the distribution point in a wholesome condition, the cooperating sponsor may incur expenses for such repackaging up to \$500 and such costs will be reimbursed by CCC. If costs will exceed \$500, the authority to repackage and incur the costs must be approved by USAID or the Diplomatic Post in advance of repackaging unless such prior approval is specifically waived, in writing, by USAID or the Diplomatic Post. For losses in transit, the \$500 limitation shall apply to all commodities which are shipped on the same voyage of the