

# UNDERSTANDING USAID GEOGRAPHIC CODES



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

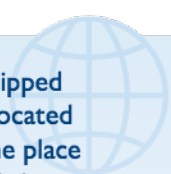
USAID uses geographic codes to specify the authorized “source” of commodities and the “nationality” of suppliers/contractors financed with USAID funds under direct contracts and subcontracts.

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.

### USAID uses three main geographic codes.



Principal Code



Authorized for certain contracts or all contracts in some countries (blanket waiver)



Used rarely

- The United States
- The recipient country
- Developing countries\*
- Advanced developing countries\*\*
- Prohibited source countries\*\*\*

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- The recipient country
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- The United States
- Newly Independent States of the former Soviet Union
- Developing countries\*
- Advanced developing countries\*\*
- Prohibited source countries\*\*\*

\*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 U.S. Department of the Treasury.



### 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:

- Vehicles
- Pharmaceuticals
- Agriculture products

\*22 CFR 228.19

### Prohibited procurements are:

- Military equipment
- Surveillance equipment
- Abortion equipment and services
- Luxury goods
- Gambling equipment
- Weather modification equipment
- Certain information technology (IT) services/equipment
- Commodities and services for support of police and other law enforcement activities

### 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](#)

[ADS Reference 310mac: List of Prohibited Source Countries](#)

[22 CFR 228: Rules for Procurement of Commodities and Services Financed by USAID](#)

