

5380015 (1)  
PD-AAB-987

Project Number 538-0015

37p.

PROJECT  
GRANT AGREEMENT

BETWEEN

THE CARIBBEAN AGRICULTURAL RESEARCH AND DEVELOPMENT INSTITUTE

AND THE

UNITED STATES OF AMERICA

FOR

SMALL FARM MULTIPLE CROPPING SYSTEMS RESEARCH PROJECT

Dated: August 31, 1978

Fiscal Data:

APPROPRIATION: 72-1181021.3

ALLOTMENT: 843-54-538-00-69-81

AMOUNT OBLIGATED: \$625,000.00

CONFIRMED COPY



PAGE

SECTION 5.5 Cooperative Agreements.....8

Article 6: Procurement Source..... 8

SECTION 6.1. Foreign Exchange Costs..... 8

SECTION 6.2 Local Currency Costs..... 8

Article 7: Disbursement ..... 9

SECTION 7.1. Disbursement for Foreign.....9  
Exchange Costs

SECTION 7.2. Disbursement for Local Currency 10  
Costs

SECTION 7.3. Other Forms of Disbursement.... 11

SECTION 7.4. Rate of Exchange .....11

Article 8: Miscellaneous ..... 11

SECTION 8.1. Communications ..... 11

SECTION 8.2. Representatives.....12

SECTION 8.3. Standard Provisions Annex..... 13

ANNEX 1 - Project Description

ANNEX 2 - Standard Provisions

## Project Grant Agreement

Dated August 31, 1978

Between

The Caribbean Agricultural Research and  
Development Institute ("GRANTEE")

and

The United States of America, acting through the  
Agency for International Development ("A.I.D.").

### Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

### Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of an agricultural research program to improve small holder farming systems in the Member Countries of the Grantee (See definition of "Member Countries" in Section 5.1) through the development of management and production recommendations for dissemination to small farmers by extension agents and financing by local credit institutions. Annex 1, attached, amplifies the above definition of the Project.

Within the limits of the above definition, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Six Hundred Twenty-Five Thousand United States United States Dollars (\$625,000) ("Grant").

This Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$2,254,900, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1982, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of the General Counsel of the Caribbean Agricultural Research and Development Institute or other counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

(b) A certified statement of the name of the person holding or acting in the office of the Grantee specified in

Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) Evidence that Grantee has implemented accounting procedures sufficient to administer A.I.D. funds and meet A.I.D. reporting requirements;

(d) Evidence that an administrative order has been issued assigning staff personnel to the Project and specifying the amount of time to be spent on this Project by each person;

(e) Evidence that it has received financing from other donors for the Project in the amount of Two Hundred Seventy-Six Thousand United States Dollars (\$276,000); and

(f) A plan for training CARDI core staff and Country Team Leaders to be assigned to this Project.

SECTION 4.2. Disbursement for Project Activities in Member Countries. Prior to disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made to finance Project activities in Member Countries, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An executed cooperative agreement between Grantee and the country in which Project activities are to occur,

specifying the respective responsibilities and obligations of the Grantee and the respective Member Country for carrying out Project activities in that country; and

(b) A training program for Field Team personnel for the country in which Grantee proposes to conduct Project activities.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1 and 4.2 have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

#### Article 5. Special Covenants

SECTION 5.1. Member Countries. Grantee covenants and agrees that funds made available under the Project shall be utilized for financing Project activities only in the Member Countries of the Grantee ("Member Country"): Antigua, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Christopher-Nevis-Anguilla, St. Lucia, St. Vincent and Trinidad & Tobago.

SECTION 5.2. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project.

Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- (a) Evaluation of progress toward attainment of the objectives of the Project;
- (b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) Assessment of how such information may be used to help overcome such problems; and
- (d) Evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.3. Annual Work Plans. The Grantee covenants and agrees that prior to commencing Project activities in a participating Member Country, and prior to commencing each subsequent year's program of activities, it will prepare and discuss with A.I.D. and the country an annual work plan.

SECTION 5.4. Pesticides. The Grantee covenants and agrees that prior to the procurement or use of any pesticide financed under the Project, the Grantee will inform A.I.D. in writing of the proposed procurement or use of the pesticide, including a detailed description of how the pesticide will be used and the safeguards to be followed, and shall obtain the written approval of A.I.D. prior to procurement or use of the pesticide.

SECTION 5.5. Cooperative Agreements. The Grantee covenants and agrees that prior to November 30, 1978 it shall execute cooperative agreements with at least three Member Countries for Project activities, and prior to June 30, 1979 it shall execute cooperative agreements with three additional Member Countries for Project activities.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods or services) and the Member Countries of the Grantee ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance, and except for services to be procured from the Centro Agronomico Tropical de Investigacion y Ensenanza (CATIE). Ocean shipping shall be procured from countries included in A.I.D. Geographic Code 935.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project

having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Member Country in which the activity being financed is located ("Local Currency Costs").

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be

financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. Dollars by purchase:, or

(2) by A.I.D. (A) requesting the Grantee to make available the local currency of one or more of its Member Countries for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b) (1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b) (2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into Grantee Member Countries by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Grantee Member Country at the highest rate of exchange which at the time the conversion is made, is not unlawful in such Member Country.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by

telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Mail Address	Caribbean Agricultural Research and Development Institute University Campus St. Augustine, Trinidad, W. I.
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Alternate Address for Cables:	"CARDINST"
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To A.I.D.:

Mail Address:	A.I.D. Representative Regional Development Office/Car. P. O. Box 302 Bridgetown, Barbados
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Alternate Address for Cables:	A.I.D. Representative American Embassy Bridgetown, Barbados
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: SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Executive Director and A.I.D. will be represented by the individual holding or acting in the office of A.I.D. Representative, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D. which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3, Standard Provisions Annex, A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

CARIBBEAN AGRICULTURAL RESEARCH  
AND DEVELOPMENT INSTITUTE

BY: Lewis G. Campbell  
Lewis G. Campbell

TITLE: CHAIRMAN, BOARD OF  
DIRECTORS

UNITED STATES OF AMERICA

BY: William B. Wheeler  
William B. Wheeler

TITLE: A.I.D. REPRESENTATIVE

## ANNEX I

### I. Goal, Purpose and Strategy

The goal of the Project is to increase the value of agricultural production in the Eastern Caribbean through improvement of small farm profitability, nutrition and employment generation. The purpose of the Project is to adapt known technology to improve small holder farming systems in the Member Countries of the Grantee. The Grantee shall be referred to hereinafter as CARDI. The Project will conduct a research program designed to develop management and production recommendations for dissemination to small farmers by extension agents and financing by local credit institutions. It will permit CARDI to engage in a sustained and integrated effort to determine the characteristics and prevailing conditions of small farm systems in order to adapt innovations in farming techniques to meet the specific needs of small farmers in CARDI Member Countries.

### II. Project Summary

#### A. Project Elements

The A.I.D. Grant will provide funds to CARDI to

- (a) establish cooperative CARDI/CARDI Member Country small farmer research programs in six

Countries; (b) create a socio-economic information base to provide a broad range of data on small holder systems' resources and objectives; (c) design twelve (12) small holder farming systems which combine crop and livestock specific research knowledge with economic analysis to determine profitability, cash flow, nutritional value and labor utilization; and (d) transmit this information to regional scientists, extension agents, credit agents and other agriculture officials for dissemination to small farmers.

The six Member Countries that have been identified for small farmer research programs are St. Lucia, St. Vincent, Dominica, Grenada, Antigua and Montserrat. CARDI will negotiate cooperative agreements with each of these countries, defining the respective contribution of each party before work can be initiated in that country. It is anticipated that three cooperative agreements will have been executed by the end of November, 1978 and the remaining three will have been executed no later than the end of June, 1979.

In addition to the execution of cooperative agreements, country field team personnel will be hired

and assigned, core staff will be added to CARDI, equipment for the field program will be procured and a training plan will be prepared and submitted to A.I.D. during the first year of the Project. The research program will focus in this first year on defining priority target areas in each participating Member Country, identifying the major farming systems currently in use and recording the characteristics of the existing farming systems.

In the second year, changes in these farming systems in the target areas will be made, principally through modification of planting dates and/or input use. The effects of these changes will also be assessed. In the third year, alternative systems will be selected and tested. The fourth year will be devoted to refining systems tested in previous years.

B. Personnel

Personnel for this Project will fall into two categories: (1) central direction, management and support for the Project, (60 professional person years (PPY's) of CARDI's Core Staff plus sub-professional support) and (2) Field Teams (one for each country) consisting of one professional and two sub-professionals. CARDI will provide salary

and related costs of current Core Staff and their supporting elements and, in addition, will provide three professional and six sub-professional positions to form Country Field Teams. A.I.D. will fund up to fourteen new hire PPY's for Core Staff and ten PPY's of full-time agronomists to head three Country Field Teams. Each country will offer a full-time sub-professional position for the Country Field Team and collaboration assistance equivalent to one-fourth time of the Chief Agricultural Officer.

Each year, individual specialists of the CARDI core staff will be responsible for planning particular input interventions and data collection instruments, will assist the Country Field Teams in performing these interventions and will perform most of the data analysis.

A.I.D. funds will be used to finance the consulting sources needed for the Project. CARDI intends to use the services of the University of the West Indies • to provide baseline surveys of approximately 600 small holdings, 35 professional person months (PPM's) of technical advice and three evaluations.

CARDI also intends to enter into a cooperative agreement with CATIE to provide approximately 35 PPM's of consulting services and 24 PPM's for a resident multicropping advisor. In addition, A.I.D. funds will provide 30 PPM's of short term consulting services to deal with problems of a biological, economic or cultural nature.

C. Equipment

CARDI will use contributions from other donors to the Project to purchase motorcycles and other vehicles for Country Field Teams and office, farming, research and laboratory equipment, and to improve CARDI laboratory facilities.

D. Training

A.I.D. funds will be used to support regional multicropping research orientation seminars for all CARDI staff and key government officials and to provide training in multiple cropping research techniques for six Country Field Team leaders at IRRI/Philippines and approximately 20 international orientation visits.

III. Project Administration

This Project will be a priority activity for CARDI, and will be the responsibility of a full-time Project Coordinator, reporting directly to the Director of

Program Operations. The Coordinator will have authority for monitoring Country Team and research planning activities, scheduling support of core scientists, executing training plans and developing consultants' scopes of work.

Core scientists assigned to the Project will, dependent upon need, spend from quarter-time to full-time directly on the Project and will visit each of the country programs at least once per assigned quarter. Country teams will be assisted by the Chief Agricultural Officer with significant participation also anticipated from host country officials.

The adaptive research to be conducted in each country will be carried out by a full-time country team consisting of a CARDI professional (Country Team Leader) and two sub-professionals, one provided by CARDI and one by the host country. It is expected that the conduct of the field trials and collection of longitudinal data will preclude the country team from involvement in other tasks outside the scope of the multiple cropping research Project.

While primary financial and administrative control for the Project will reside with the Project Coordinator in St. Augustine, each of the six country team leaders will have limited authority to expend Project funds for consumable supplies, casual labor and equipment maintenance as required for day to day operations.

IV. Financial Plan

The projected total costs of this A.I.D. financed incrementally funded Project are as follows:

Funding Requirements by Source  
And Year

(US\$000)

	<u>AID</u>	<u>CARDI</u>	<u>COUNTRY</u>	<u>TOTAL</u>
1978/79	625.0	522.5	50.8	1198.3
1979/80	584.5	560.8	93.8	1239.1
1980/81	528.1	530.4	101.6	1160.1
1981/82	473.1	641.2	110.4	1224.7
TOTALS	2210.7	2254.9	356.6	4822.2

TABLE I  
SUMMARY COST ESTIMATE AND FINANCIAL PLAN  
 (US\$ 000)

LIFE OF PROGRAM

	AID			CARDI			COUNTRY		PROGRAM	
	FX	LC	TOTAL	FX	LC	TOTAL	LC	FX	LC	TOTAL
Personnel	147.3	472.1	619.4	-	1783.2	1783.2	296.6	147.3	2551.9	2699.2
Consulting Services	580.0	230.0	810.0	-	-	-	-	580.0	230.0	810.0
Capital Costs	-	-	-	156.0	120.0	276.0	-	156.0	120.0	276.0
Training	80.0	25.0	105.0	-	-	-	-	80.0	25.0	105.0
Other Costs	70.0	606.3	676.3	30.0	165.7	195.7	60.0	100.0	832.0	932.0
<b>TOTALS</b>	<b>877.3</b>	<b>1333.4</b>	<b>2210.7</b>	<b>186.0</b>	<b>2068.9</b>	<b>2254.9</b>	<b>356.6</b>	<b>1063.3</b>	<b>3758.9</b>	<b>4822.2</b>

The above figures include a 10% per year inflation factor

The US contribution includes a 5% contingency factor (\$96,100)

No contingency factor is applied to the CARDI contribution

Table of Contents.Project-Grant-Standard-Provisions-Annex

	<u>Page</u>
Article A: Project Implementation Letters....	1
Article B: General Covenants.....	1
SECTION B.1. Consultation.....	1
SECTION B.2. Execution of Project.....	2
SECTION B.3. Utilization of Goods and Services.	2
SECTION B.4. Taxation.....	3
SECTION B.5. Reports, Records, Inspections, Audit.	3
SECTION B.6. Completeness of Information.....	4
SECTION B.7. Other Payments.....	5
SECTION B.8. Information and Marking.....	5
Article C: Procurement Provisions.....	5
SECTION C.1. Special Rules.....	5
SECTION C.2. Eligibility Date.....	6
SECTION C.3. Plans, Specifications and Contracts	6
SECTION C.4. Reasonable Price.....	7
SECTION C.5. Notification to Potential Suppliers	8
SECTION C.6. Shipping.....	8
SECTION C.7. Insurance.....	9
SECTION C.8. U.S. Government-Owned Property....	10
Article D: Termination; Remedies.....	10
SECTION D.1. Termination.....	10
SECTION D.2. Refunds.....	11
SECTION D.3. Nonwaiver of Remedies.....	12
SECTION D.4. Assignment.....	12

Project Grant Standard

Provisions-Annex

Definitions: As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters

To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The Parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B: General Covenants

SECTION B.1. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consult

contractors, or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Grantee will:

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

SECTION B.3. Utilization of Goods and Services.

(a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated

with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use,

SECTION B, 4 Taxation

(a) This Agreement and the Grant will be free from any taxation or fees imposed under laws in effect in the country in which the principal office of the Grantee is located,

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territories of the Grantee's Member Countries, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant,

SECTION B, 5, Reports, Records, Inspections, Audit.

The Grantee will:

(a) furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and

to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D.; such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

(c) afford authorized representatives of a Party the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Party, and books, records, and other documents relating to the Project and the Grant.

SECTION B.6. Completeness of Information. The Grantee confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of teaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement;

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect

the Project or the discharge of responsibilities under this Agreement.

SECTION B.7. Other Payments. Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the Member Countries of the Grantee.

SECTION B.8. Information and Marking. The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C: Procurement Provisions

SECTION C.1. Special Rules

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of the Grantee will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7 (a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

(d) Transportation by air, financed under the Grant, of property or persons, will be on carriers holding United States— certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

SECTION C.2. Eligibility Date. No goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

SECTION C.3. Plans, Specifications, and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to A.I.D. upon preparation:

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D. upon preparation, relating to any goods or services, which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project, Aspects of the Project

involving matters under this subsection (a) (2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

(d) Consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5      Notification to Potential Suppliers.      To

permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6      Shipping

(a) Goods which are to be transported to the territories of Grantee member countries may not be financed under the Grant if transported either: (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried: (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs", without prior written A.I.D. approval; or (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels; and (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by A.I.D. and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C. 7 Insurance

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territories of the Grantee Member Countries may be financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the Grantee or any Member country where Project activities are located, by statute, decree, rule regulation, or practice discriminates with respect to A.I.D. financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to a territory of the Grantee or Member Country with such a statute, decree, rule, regulation or practice that are financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United

States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C. 8. U.S. Government-Owned Excess Property. The Grantee agrees that wherever practicable, United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

Article D: Termination Remedies

SECTION D. 1. Termination. Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable

commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's member countries, are in a deliverable state and have not been offloaded in ports of entry of Grantee's Member Countries.

SECTION D. 2 Refunds

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefore

(b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefore.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this

Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

SECTION D. 3 Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D. 4 Assignment. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement

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A.I.D. Project Number 538-0015

3 p.

PROJECT  
GRANT AGREEMENT  
BETWEEN  
THE CARIBBEAN AGRICULTURAL RESEARCH AND  
DEVELOPMENT INSTITUTE  
AND THE  
UNITED STATES OF AMERICA  
FOR  
SMALL FARM MULTIPLE CROPPING SYSTEMS RESEARCH PROJECT

Dated: December 12, 1978

Appropriation: 72-1191021  
Allotment: 943-54-538-00-69-91  
Amount Obligated: \$500,000

CONFORMED COPY

Project Grant Agreement

Dated: December 12, 1978

Between

The Caribbean Agricultural Research and Development  
Institute ("Grantee")

And

The United States of America, acting through the Agency for  
International Development ("A.I.D.")

Article 1: The Agreement

The purpose of this Agreement is to provide the Grantee an additional Grant of A.I.D. funds to continue implementation of this project as originally agreed between the two parties on August 31, 1978.

The additional funds provided herein are in accordance with the original Agreement, Section 2.2 Incremental Nature of the Project (a) "A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for the purpose, and to the mutual agreement of the parties, at the time of a subsequent increment, to proceed."

In accordance with Article 3: Financing, and Section 3.1 The Grant of the original Grant Agreement, to assist the Grantee to meet the costs of carrying out the project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of the original Agreement the second increment, not to exceed five hundred thousand United States ("U.S.") dollars (\$500,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1 and local currency cost, as defined in Section 6.2 of goods and services required for the project under the original Grant Project Agreement.

All other conditions of the original Grant Project Agreement dated August 31, 1978 remain unchanged.

Caribbean Agricultural Research  
and Development Institute

By:

  
LEWIS G. CAMPBELL

Title: CHAIRMAN, BOARD OF  
DIRECTORS

United States of America

By:

  
WILLIAM B. WHEELER

Title: AID REPRESENTATIVE