

3880001 (9)

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

Planning Commission PD-AAD-131

AN AGENCY OF THE GOVERNMENT OF the People's Republic of Bangladesh

AID 1950-7  
PRO AG  
FY 1973  
POP  
PRO  
MF

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- PROJECT DESCRIPTION ANNEX A
- FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
- STANDARD PROVISIONS ANNEX
- SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE
- ECONOMIC COOPERATION AGREEMENT DATE
- (other) Bilateral Grant Agreement DATE May 30, 1972

5. AID FINANCING

DOLLAR  LOCAL CURRENCY PREVIOUS TOTAL \$0

- (a) Total
- (b) Contract Services
- (c) Commodities
- (d) Other Costs

9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT \$1,000.00

- (a) Total
- (b) Technical and other Services
- (c) Commodities
- (d) Other Costs

10. SPECIAL PROVISIONS (Use additional sheets if necessary)

The Government of Bangladesh (BDG) accords high priority to the need to reduce the population growth rate in order to increase the benefits of economic and social development for its individual citizens. To this end, the BDG is providing funds to support a family planning program which has as its major objective a significant reduction in Bangladesh's

11. DATE OF ORIGINAL AGREEMENT May 11, 1973

12. DATE OF FINAL CONTRIBUTION DATE June 30, 1970

14. FOR THE COOPERATING GOVERNMENT OF BANGLADESH

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: Dr. Ashraf-us-Salam  
Title: Joint Secretary, Planning Commission

SIGNATURE: David M. Wilson  
Title: Coordinator, AID/PL

1. PROJECT/ACTIVITY NO. 388-11-580-001

2. AGREEMENT NO. 73-1

3. PROJECT/ACTIVITY TITLE

4. PAGE 1 OF 10 PAGES

5. ORIGINAL OR REVISION NO.

Population/Family Planning

6. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached)

8. AID APPROPRIATION SYMBOL 73-1131007

7. AID ALLIEMENT SYMBOL 307-51-388-00-44-31

	PREVIOUS TOTAL (\$)	INCREASE (\$)	TECHNICAL (\$)	TOTAL TO DATE (\$)
(a) Total	0			0



PROJECT AGREEMENT  
BETWEEN AID AND

Planning Commission

AN AGENCY OF THE GOVERNMENT OF  
the People's Republic of  
Bangladesh

1. Project/Activity No.  
388-11-580-001  
2. Agreement No.  
73-1  
3. Project/Activity Title

Original of

Revised No.

Population/Family Planning

birth rate. The BDG also recognizes the importance of achieving a broader base of support for Bangladesh's population goals and the need to begin to achieve a multi-sectoral approach to the population problem.

The United States Government (USG) shares the BDG's concern for the population problem and the sense of urgency to develop programs designed to make effective contributions to the population program. Therefore, the USG agrees to make contributions of up to \$1.5 million to meet immediate requirements of the family planning program.

In conjunction with the Planning Commission, the Ministry of Health and Family Planning have identified several areas in which the USG can assist the BDG to accelerate and strengthen its family planning program. They are: the provision of contraceptives; medical equipment related to the delivery of contraceptive services; and financial and commodity support to the hospital and clinic based family planning program.

Specific project assistance will be the subject of amendments amplifying this Agreement. The activities will be spelled out in appropriate action documents which will be prepared not later than May 25, 1973. The documents should include, but not be limited to the following information about each activity to be financed: detailed cost estimates, basic implementation schedules, personnel requirements and policy considerations. Provision for local cost financing by AID in accordance with AID procedures will be made under this project agreement in support of these activities.

Further, the USG indicates its willingness to provide more extensive financial support to the population program after BDG approval of the population program component of the First Five Year Plan; identification by the BDG of those population program activities that could best be supported by the USG; and a review by the USG of the activities proposed.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

PRO AG

**PROJECT AGREEMENT**  
**BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),**  
**AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**  
**Planning Commission**

**AN AGENCY OF THE GOVERNMENT OF the People's Republic of Bangladesh**

FY 1973

POP

PRO

M&F

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- PROJECT DESCRIPTION ANNEX A       FOREIGN CURRENCY STANDARD PROVISIONS ANNEX  
 STANDARD PROVISIONS ANNEX       SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION      DATE \_\_\_\_\_  
 ECONOMIC COOPERATION AGREEMENT      DATE \_\_\_\_\_  
 (other) **Bilateral Grant Agreement**      DATE **May 30, 1972**

B. AID FINANCING  
 DOLLARS       LOCAL CURRENCY

	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total		\$1,524,000		\$1,524,000
(b) Contract Services				
(c) Commodities		\$1,524,000		\$1,524,000
(d) Other Costs				
B. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

1. PROJECT/ACTIVITY NO.  
**388-11-580-001**      PAGE 1 OF 2 PAGES

2. AGREEMENT NO.  
**73-1**      3.  ORIGINAL OR REVISION NO. **1**

4. PROJECT/ACTIVITY TITLE

**Population/Family Planning**

5. PROJECT DESCRIPTION AND EXPLANATION  
 (See Annex A attached)

6. AID APPROPRIATION SYMBOL      7. AID ALLOTMENT SYMBOL  
**72-1131007**      **307-51-388-00-11-31**

10. SPECIAL PROVISIONS (Use Additional Conditions Sheet, if necessary)  
 This Project Agreement Amendment obligates \$1,524,000 to fund commodities for the Bangladesh Family Planning Program. These commodities may be used by agencies of the Bangladesh Government (BDG) or by cooperating private organizations at the discretion of the EDG. As a condition precedent the processing of Project Implementation Orders for Commodities (PIO/Cs) covered under this Project Agreement, the BDG agrees to: (1) exempt project commodities

11. DATE OF ORIGINAL AGREEMENT      12. DATE OF THIS REVISION      13. ESTIMATED FIRM CONTRIBUTION DATE  
**May 11, 1973**      **May 31, 1973**      **June 30, 1976**

14. FOR THE COOPERATING GOVERNMENT OR AGENCY  
 \_\_\_\_\_  
 SIGNATURE: **Dr. Ashraf uz-Zaman**      DATE: **3/5/73**  
 TITLE: **Joint Secretary, Planning Commission**

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT  
 \_\_\_\_\_  
 SIGNATURE: **David M. Wilson**      DATE: **3/5/73**  
 TITLE: **Coordinator, Aiding**

PROJECT AGREEMENT  
BETWEEN AID AND  
Planning Commission

1. Project/Activity No.  
388-11-580-001  
2. Agreement No.  
73-1  
3. Project/Activity Title  
Population/Family Planning

PROAG  
CONTINUATION  
SHEET

ANNEX A

AN AGENCY OF THE GOVERNMENT OF  
the People's Republic of  
Bangladesh

provided by USAID under this agreement from any customs duties or other taxes; and (2) provide for port clearance, inland handling, transportation, installation, utilization and maintenance of the imported commodities.

The commodities agreed to under this agreement are as follows:

<u>commodity</u>	<u>quantity</u>
1. Lubricated rubber condoms	250,000 gross
2. Oral contraceptives	3,000,000 cycles
3. Vasectomy kits	473 each
4. IUD kits	200 each
5. Electric suction apparatus for uterus evacuation	40 each
6. Non-electric suction apparatus for uterus evacuation	300 each
7. IUDs	100,000 each
8. IUD inserters	10,000 each
9. Men's bicycles	2,000 each
10. EMKO contraceptive foam	300,000 containers

In the event that amendments to these action documents Project Implementation Order/Commodities are required, it is agreed that these amendments may be processed internally by the USAID without BDG clearance in cases wherein the amendments do not materially change the original issuance. These amendments fall into the following categories which are administrative and do not make an essential change in the Project Implementation Order/Commodity:

- a) amendments to delivery dates required by suppliers;
- b) amendments in values provided additional funds can be made available;
- c) changes in quantities of individual packaged items to comply with suppliers' normal packing standards (not applicable to changes in total quantities ordered which would require BDG clearance);
- d) extensions of contracting period as required by the General Services Administration (GSA), United States Government; and
- e) specification changes required by the buyer to meet the supplier's production standards provided the item is equivalent to the original specification.

All other amendments to Project Implementation Order/Commodities will continue to require the clearance of the BDG.

For the Cooperating Government or Agency  
SIGNATURE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

For the Agency for International Development  
SIGNATURE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

Waiver 73-1-1

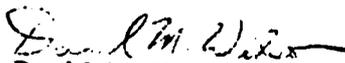
SUBJECT: Project Agreement No.73-1, Amendment 1, Project  
No,388-11-580-001, Population/Family Planning

REF: STATE 101668

The subject amendment is being executed with substantive elements of the project having been defined and agreed to by both governments. Commodity specifications have not been completed for the contraceptive devices and medical equipment listed in the Project Agreement.

I therefore waive the requirement to sub-obligate the \$1,524,000 obligated by this Agreement until July 31, 1973.

May 31, 1973

  
David M. Wilson  
Coordinator (Acting)

3880001 (10)  
PD-AAD-131

A.I.D. Project Number 388-0001-4

26p.

PROJECT  
GRANT AGREEMENT  
BETWEEN  
THE PEOPLE'S REPUBLIC OF BANGLADESH  
AND  
UNITED STATES OF AMERICA  
FOR  
POPULATION/FAMILY PLANNING

DATED: April 13, 1979

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A.I.D. Project No. 388-0001-4

**Project Grant Agreement**

Dated April 13, 1979

BETWEEN The People's Republic of Bangladesh (Grantee)

A N D

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 herein, and with respect to the financing of the Project by the Parties.

**Article 2: The Project**

**SECTION 2.1. Definition of Project**

The total project activities and all other provisions of the original Project Agreement No. 388-0001-1 signed May 31, 1976, as amended remain unchanged. This agreement obligates funds for participant training, surgical apparel, IUD kits, vaginal foam and operations research. Annex I, attached, amplifies the definition of the Project contained in this Section 2.1. Within the limits of the definition of the Project in this Section 2.1, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 6.2., without formal amendment of this Agreement.

**SECTION 2.2. Incremental Nature of Project**

(a) It is anticipated that A.I.D.'s contribution to the Project will be provided in increments. 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) In the event that A.I.D. does not add a contemplated increment of funding in a timely fashion, it is understood that either Party may elect to terminate this Agreement with respect to the **Project Grant** Standard Provisions Annex, Section D.1., provided that within the limits of then available funds committed to the Project by the Parties, the termination period may be extended beyond a period of 30 days to

provide for orderly arrangements, and that each Party will do all it believes appropriate to retain and extend the benefits of Project activity which has already taken place.

(c) 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 one million-fifty-three-thousand-three-hundred and eighty United States (U.S.) Dollars \$1,053,380 ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 4.1., and local currency costs, as defined in Section 4.2., of goods and services required for the Project.

#### SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is April 30, 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. 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: Procurement Source

##### SECTION 4.1. Foreign Exchange Costs

Disbursements pursuant to Section 5.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or

contracts entered into for such goods or services ("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. Ocean transportation costs will be financed under the Grant only on vessel under the flag registry of the United States or Bangladesh.

#### SECTION 4.2. Local Currency Costs

Disbursements pursuant to Section 5.2. 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 Bangladesh.

### Article 5: Disbursement

#### SECTION 5.1. Disbursement for Foreign Exchange Costs:

(a) After the execution of this Agreement 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 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 Grantees behalf for the Project.

**SECTION 5.2. Disbursement for Local Currency Costs**

(a) After the execution of this Agreement, 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 for such costs, and (b) thereafter reimbursing the Grantee an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee.

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 official rate of exchange prevailing at the date AID vouchers are prepared.

**SECTION 5.3. 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 5.4. Rate of Exchange**

Except as may be more specifically provided under Section 5.2., if funds provided under the Grant are introduced into Bangladesh 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 Bangladesh at the prevailing official exchange rate.

**Article 6: Miscellaneous**

**SECTION 6.1. 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: Secretary, Population Control & Family Plan. Div.  
Ministry of Health, Population Control &  
Family Planning, Bangladesh Secretariat  
Dacca

**To A.I.D.**

Mail Address: Chief, Health & Population Division  
USAID/Dacca

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

SECTION 6.2. Representatives

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Secretary, PC & FP Division and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID/Daca, 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 I.

SECTION 6.3. 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.

UNITED STATES OF AMERICA

By: Joseph S. Toner

Title: Director, USAID/Dacca

THE PEOPLE'S REPUBLIC OF BANGLADESH

By: M. A. Sattar

Title: Secretary, Population Control and Family Planning Division

## ANNEX I

### Project Grant Agreement Population/Family Planning

The purpose of this Project Grant Agreement is to assist the Government of Bangladesh to develop a functioning national institutional structure providing family planning services and information to the people of Bangladesh. Specifically, this Agreement obligates \$1,053,380 for the procurement of IUD kits, and vaginal EMKC foam, reimbursement for the costs of surgical apparel (sarees and lungis) for the voluntary sterilization program, participant training and operations research.

- |      |   |           |
|------|---|-----------|
| I.   | 400 IUD kits:<br>The procurement of 400 IUD kits will provide kits for the increasing number of Family Welfare Visitors (FWVs)  | \$18,380  |
| II.  | 100,000 vials of EMKC contraceptive foam:<br>This is a continuation of AID support.   | \$135,000 |
| III. | Reimbursement for the procurement of surgical apparel (sarees and lungis) for approximately 250,000 voluntary sterilization cases:<br>This is a continuation of AID support to the Grantee's voluntary sterilization program. | \$500,000 |
| IV.  | Participant training:<br>This is a continuation of AID support for training abroad.   | \$200,000 |

V. Operations Research:	\$200,000
Begun in late 1977, there are currently eleven approved operations research projects. Funds obligated in this Amendment will support approximately 14 additional projects.	

TOTAL

\$1,053,380

In addition, 17,600,000 cycles of oral contraceptives and 75,729,600 condoms (525,900 gross) will be made available to the Grantee from AID Washington centrally funded allotments.

## ANNEX 2

### 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 consultants, 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 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 territory of the Grantee.

(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 territory of the Grantee, 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

ANNEX 2 (Page 4)

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 reaching 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 Bangladesh.

**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 Provision**

**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 (and their personal effects) 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 A.I.D., (1) any plans, specifications, procurement, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the pre-qualification 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 pre-qualification 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 professional 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.

(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, shall be acceptable to A.I.D.

#### 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 territory of the Grantee 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 designated as ineligible; or
- (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Cost 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 Cost," 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%)

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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 territory of the Grantee 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 government of Grantee), 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 the territory of the Grantee 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.

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 payments which they are committed to make pursuant to non-cancellable 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 country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

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 days after receipt of a request therefor.

(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 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 therefor.

(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

Non 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

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.

Article E. Special Provisions

The Grantee will: (a) insure that none of the AID funds available under this Agreement are used to pay for the performance of abortions, as a method of family planning, or to motivate or coerce any person to practice abortion; (b) insure that none of the AID funds available under this Agreement are used to finance involuntary sterilization(s) or to coerce anyone to have a sterilization.