

AGENCY FOR INTERNATIONAL DEVELOPMENT
AMERICAN EMBASSY

Jakarta, Indonesia

3p.

January 25, 1979

Departemen Luar Negeri
Jl. Pejambon No. 6
Jakarta Pusat

Attention: Directorate General of Foreign Economic Relations

Subject : AID Loan No. 497-T-040
Technical Assistance/Consulting Services
Project Implementation Letter No. 11
(Tuntang River Basin Development Plan, Sub-project)

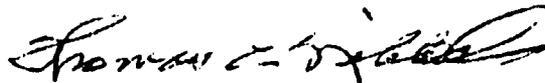
Gentlemen:

I am pleased to advise you that consulting, technical and other professional services required for the Tuntang River Basin Development Plan are eligible activities for AID financing under the subject loan.

This determination is based on the information provided by BAPPENAS in their letter No. 2829/D.I./XI/1978, of November 13, 1978 which also satisfied Conditions Precedent to loan disbursement, i.e., Section 3.02 (a), (c), (d), and (e) of the Loan Agreement.

Accordingly, AID is now prepared to allocate funds to assist in this financing once estimated costs data, C.P. Section 3.02 (b), for the sub-project has been established and approved by USAID.

Sincerely,



Thomas C. Niblock
Director

DISTRIBUTION: 10-DEPLU, 5-BAPPENAS, 5-BINA MARGA, 10-ASIA/PD,
DIR/DD, LA-3, OMF-2, PTE-2, C&R-3,
Project Officer-1, PRO-(Extras)

Drafted: PRO:LM Marshall:si

Clearances all in draft:

PRO: RCohen
PTE: PThorn
OMF: RBourquein
LA : JKahle
DD : WGBollinger

AGENCY FOR INTERNATIONAL DEVELOPMENT
AMERICAN EMBASSY

Jakarta, Indonesia

February 1, 1979

Departemen Luar Negeri
Jl. Pejambon No. 6
Jakarta Pusat

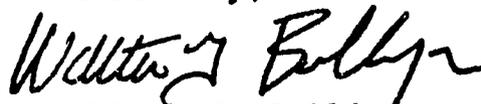
Attention: Directorate General of Foreign Economic Relations

Subject : A.I.D. Loan No. 497-T-040
Technical Assistance/Consulting Services
Implementation Letter No. 12

Gentlemen:

Please be advised that for the subject loan AID has extended the Terminal Date for requesting Disbursing authority and the Terminal Date for Disbursements from March 1, 1979 and February 28, 1980 to September 1, 1979 and June 30, 1980 respectively.

Sincerely,



Walter G. Bollinger
Deputy Director

DISTRIBUTION: 10 - DEPLU
5 - BAPPENAS
10 - ASIA/PD
DIR/DD, LA-3, OMF-2, C&R-2
Project Officer-1, PRO-extras

Drafted: *A*
PRO:LMMarshall:as

Clearance:
OMF:RBourquein
LA:JRKahle

113
113

UNITED STATES GOVERNMENT

Memorandum

497-249

TO : Distribution

DATE: February 23, 1979

FROM : ASIA/PD, M. Peter Leifert *M. Leifert*

SUBJECT: A.I.D. Loan No. 497-T-040
Technical Assistance/Consulting Services
Implementation Letter Nos. 11 and 12

3p.

Attached for your information and files is a copy of
the subject documents.

Attachments: a/s

DISTRIBUTION:

Fm/LD:SHudec
FM/BFD:JO'Neill
ASIA/PD:RMacDonald
ASIA/ISPA:DFrederick
ASIA/TR:TMarndt
ASIA/DP:RHalligan
GC/ASIA:CStephenson
DS/DIU:JHafenrichter ✓
SER/COM/A:RWiley



5010-110

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

UNITED STATES GOVERNMENT

Memorandum

4980249(30)
PD-ADD-894

TO : Distribution

DATE: October 26, 1979

FROM : ASIA/PD/SA, Howard Sharlach

SUBJECT: Bangladesh - Feasibility Survey for Kishori Clubs
Memorandum of Understanding

24 p.

Attached for your information and files is a copy of subject document.

Attachment: a/s

Distribution:

FM/LD:ASmith
FM/BFD:JO'Neill
CM/SD:JMurphy
ASIA/BI:JDudik-Gayoso
GC/ASIA:HMorris
ASIA/PD/ENG:WHodgin
ASIA/TR:TArndt
ASIA/DP:RHalligan
DS/DIU/DI ✓
COM/A:BViragh



A.I.D. Project Number 498-0249

Memorandum of Understanding
Between
Social Welfare Department of
The People's Republic of Bangladesh
and the
United States of America
for the
Feasibility Survey for Kishori Clubs

Dated: September 27, 1979

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Memorandum of Understanding

Dated: September 27, 1979

Between The People's Republic of Bangladesh, acting through the Department of Social Welfare ("Grantee"),

And

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

Article 1 : The Memorandum of Understanding

The purpose of this Memorandum 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 Project, which is further described in Annex I, will consist of a feasibility survey in a sample of proposed project villages to determine current activities of Kishoris: (girls between the ages of 6-15) and parents' attitudes toward the development and curriculum content of proposed Kishori Clubs. 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 Memorandum of Understanding.

Article 3 : Financing

Section 3.1 The Grant

To assist the Grantee to meet the costs of carrying out the Project, U.S.A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Memorandum not to exceed six thousand United States (U.S.) Dollars (\$6,000) ("Grant").

The Grant may be used to finance local currency costs, as defined in Section 4.1 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 the Grantee for the Project will be not less than the equivalent of U.S. \$ 9,500, including costs borne on an "in-kind" basis.

Section 3.3 Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is Mar. 31, 1980 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 Memorandum.

(b) Except as U.S.A.I.D. may otherwise agree in writing, U.S.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 Memorandum subsequent to the PACD.

(c) Requests for disbursements, accompanied by necessary supporting documentation are to be received by U.S.A.I.D. no later than three(3) months following the PACD, or such other period as U.S.A.I.D. agrees to in writing. After such period, U.S.A.I.D., by 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 were not received before the expiration of said period.

(d) Method of payment or reimbursement of grant funds and necessary supporting documentation required will be specified by implementation letters.

Article 4 : Procurement Source

Section 4.1 Local Currency Costs.

Except as U.S.A.I.D. may otherwise agree in writing, 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 their origin in Bangladesh.

Article 5 : Disbursement

Section 5.1 Disbursement of Local Currency Costs

(a) 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 Memorandum, by submitting to U.S.A.I.D., with necessary supporting documentation as prescribed in Annex I requests to finance such costs.

(b) The Local Currency needed for such disbursements may be obtained through purchase of local currency by U.S.A.I.D. The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by U.S.A.I.D. to obtain the local currency.

Section 5.2 Other Forms of Disbursements

Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Article 6 : Miscellaneous

Section 6.1 Communications

Any notice, request, document or other communication submitted by either party to the other under this Memorandum will be in writing and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Mail Address: Director, Department of Social Welfare
Attn. Dep. Director for Rural Social Services
74 Bejoynagar
Dacca

To U. S. A. I. D.

Mail Address: Director
U. S. A. I. D.
G. P. C. Box 2593
Ramna, Dacca - 2

Section 6.2 Representatives

For all purposes relevant to this Memorandum, the Grantee will be represented by the individual holding or acting in the office of Director, Department of Social Welfare, and U. S. A. I. D. will be represented by the

individual holding or acting in the office of Director, USAID, Bangladesh, 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 Annex 1.

Section 6.3 Termination

Either Party may terminate this Memorandum of Understanding by giving the other Party thirty (30) days written notice. Termination of this Memorandum will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Memorandum 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 Memorandum.

Section 6.4 Refunds

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

(b) If the failure of Grantee to comply with any of its obligations under this Memorandum has the result that goods or services financed under the Grant are not used effectively in accordance with this Memorandum, U.S.A.I.D. may require the Grantee to refund all or any of the amount of the disbursements under this Memorandum for such goods or services to U.S.A.I.D. within sixty (60) days after receipt by the Grantee of a request therefore from U.S.A.I.D.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Memorandum, for one (1) year from the date of the last disbursement under this Memorandum.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to U.S.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 U.S.A.I.D. to the Grantee under this Memorandum prior to the authorized use of such funds for the Project will be returned to U.S.A.I.D. by the Grantee.

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

THE PEOPLE'S REPUBLIC OF
BANGLADESH

*M. Rahman
27.9.79*

By : Dr. Mizanur Rahman Shelly

Title : Director
Department of Social Welfare
Government of Bangladesh

THE UNITED STATES OF
AMERICA

Frank B. Kimball

By : Frank B. Kimball

Title : Director
USAID/Bangladesh

PROJECT DESCRIPTION

Feasibility Survey for Kishori Clubs

1. Introduction:

In comparison with the sparsity of data about the activities of rural Bangladeshi women, the information on the behavior and social status of kishori (girls between the ages of 6-15 years) is even more meager. To design a project which will be sensitive to the present condition and future needs of kishori, it is essential to undertake this feasibility survey.

2. Purpose of Survey

The purposes of the survey are several. First, it will provide information about parents' attitudes toward the proposed Kishori Club concept and their willingness to allow their daughters to participate. Secondly, through observation and careful questioning, the survey will provide information about the present activities of kishories which will assist in the development of Kishori Club curriculum and other aspects of project design. Finally, the survey will allow the collection of baseline socio-economic data for use in project development and evaluation.

3. Survey Methods:

The survey will be undertaken in 50 villages selected by the Social Welfare Department (SWD) to be project villages for the proposed Kishori Clubs. A survey questionnaire will be administered to approximately equal numbers of male and female parents or guardians of kishoris. Other village adults will also be interviewed. Village level observations of kishoris' activities will also be undertaken in a sample of households. The field enumerators and observers will be village social workers already employed by the SWD. They will be specially trained in the purposes and techniques of this survey.

The Feasibility Survey will consist of several major elements identified below: (Responsible parties are indicated in parentheses).

- a) Design of the survey questionnaire (USAID with SWD)
- b) Selection of target villages (SWD)
- c) Translation of questionnaire (SWD)
- d) Pretest and subsequent redesign of questionnaire (SWD)
- e) Training of field enumerators and observers (SWD with USAID)
- f) Administration of questionnaire and village observation (SWD)
- g) Tabulation and analysis of data (Local consultant with SWD)

4. Administrative Arrangements and Estimated Costs:

The SWD agrees to provide its field staff to administer the questionnaire and its supervisory and professional staff to assist in preparation of the questionnaire and training and supervision of field staff. The recurrent costs of these staff services is estimated to be Taka 146,240 (or approximately \$9,750). This sum represents the SWD's in-kind contribution to the Feasibility Survey.

The U.S.A.I. D. agrees to finance the non-recurring costs of the survey including the cost of training for the survey field staff, travel, local consultant services, expendable supplies and other expenses. The estimated total cost of these non-recurring expenses is Taka 90,000.000. From time to time the SWD will provide the U.S.A.I. D. with an estimate of non-recurring expenses which it will incur in the performance of the survey. USAID will advance these funds in a Taka check to the SWD. The SWD will provide the U.S.A.I. D. with an accounting, in a format to be established by U.S.A.I. D., of the Taka funds so advanced prior to the issuance of each subsequent advance up to the limit of \$6,000 (or approximately Taka 90,000) specified above, with the U.S. dollar amount prevailing as the limit.

The financial contributions in cash and in kind are summarized below:

(Taka are converted to U.S. dollar equivalent at the rate of Tk. 15 = \$1)

<u>Budget Item</u>	<u>BDG (SWD)</u>	<u>USAID</u>	<u>TOTAL</u>
Recurrent cost for SWD Staff	\$8,375	--	\$8,375
Training costs	--	\$4,000	\$4,000
Expendable supplies	--	500	500
Consultant services (local)	--	350	350
Travel (in-country)	--	750	750
Other costs	1,375	400	1,775
Total:	<u>\$9,750</u>	<u>\$6,000</u>	<u>\$15,750</u>

The total U. S. A. I. D. cost represents total funds authorized for this survey. Within this total the Grantee may increase or decrease any of the line items by not more than 15% without the written approval of U. S. A. I. D.

Memorandum of UnderstandingStandard Provisions Annex

Definitions : As used in this Annex, the "Agreement" refers to the Memorandum of Understanding 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 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 purpose 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, 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 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 the country 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 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 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 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 preparations;

(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 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 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 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) 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%) 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/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. /freely

(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 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 of 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

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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.