

PD ARL-026
ISN 1419

A. I. D. Project Number 388-0003 / 27

PROJECT
GRANT AGREEMENT
BETWEEN
THE PEOPLE'S REPUBLIC OF BANGLADESH
AND
THE UNITED STATES OF AMERICA
FOR
AGRICULTURAL RESEARCH

Date: March 8, 1979

TABLE OF CONTENTS

Project Grant Agreement

Article 1 :	The Agreement
Article 2 :	The Project
SECTION 2.1	Definition of Project
SECTION 2.2	Incremental Nature of Project
Article 3 :	Financing
SECTION 3.1	The Grant
SECTION 3.2	Grantee Resources for the Project
SECTION 3.3	Project Assistance Completion Date
Article 4 :	Conditions Precedent to Disbursement
Article 5 :	Special Covenants
SECTION 5.1	Project Evaluation
Article 6 :	Procurement Source
SECTION 6.1	Foreign Exchange Costs
SECTION 6.2	Local Currency Costs
Article 7 :	Disbursements
SECTION 7.1	Disbursement for Foreign Exchange Costs
SECTION 7.2	Disbursement for Local Currency Costs
SECTION 7.3	Other Forms of Disbursement
SECTION 7.4	Rate of Exchange
Article 8 :	Miscellaneous
SECTION 8.1	Communications
SECTION 8.2	Representatives
SECTION 8.3	Standard Provisions Annex
Annex 1 :	Project Description
Annex 2 :	Project Grant Standard Provisions

A. I. D. Project No. 388-0003

Project Grant Agreement

Dated : March 8, 1979

Between The Government of the People's Republic of Bangladesh ("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 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 1, will consist of additional funds of \$400,000 for FY 1979 specifically for the U.S. Grant financing portion of a total project to develop the Bangladesh Agricultural Research Institute (BARI) and support the research activities of the Bangladesh Agricultural Research Council. Annex 1, 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 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. 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 in accordance with Grant Project 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 cost 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 two million five hundred and twenty-four thousand one hundred United States (U.S.) Dollars (\$2,524,100) ("Grant"). The Grant will 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. 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.

SECTION 3.3 Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is December 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

Conditions Precedent to initial disbursement have been previously met under the terms of the original Project Agreement signed on March 29, 1976.

Article 5 : Special Covenants

SECTION 5.1 Project Evaluation. The Parties agree to establish an evaluation program as an integral 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, in this or other projects; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2 Other Covenants. All covenants of the original Agreement and subsequent revisions remain unchanged.

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 countries included in Code 941 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Foreign Exchange Cost"), 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 vessels under the flag registry of the United States or Bangladesh, except as AID may otherwise agree in writing.

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 Bangladesh ("Local Currency Costs").

Article 7: Disbursement

SECTION 7.1 Disbursement for Foreign Exchange Costs.

(a) 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, through Letters of Credit or otherwise, 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) 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 from local currency already owned by the U. S. Government] ; or
- (2) by A. I. D. (A) requesting the Grantee to make available the local currency 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 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 official rate of exchange in Bangladesh at the time the conversion is made.

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 : Director
Bangladesh Agricultural Research Institute
87 Pioneer Road, Kakrail, Dacca-2

Executive Vice-Chairman
Bangladesh Agricultural Research Council
130-C, Road 1, Dhanmondi, Dacca-5

To A. I. D. : Director
U. S. Agency for International Development
Hotel Purbani, Motijheel Commercial Area
Dacca-2

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 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 Joint Secretary, ERD, Ministry of Finance and A. I. D. will be represented by the individual holding or acting in the office of Director, 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.

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.

THE PEOPLE'S REPUBLIC OF
BANGLADESH

UNITED STATES OF AMERICA

By:

By:

Signature Muhammed Ali

Signature RL Podol

Name: Mr. Muhammed Ali

Name: Richard L. Podol

Title : Joint Secretary
External Resources
Division (ERD)
Ministry of Finance

Title : Acting Director
USAID/Bangladesh

March 8, 1979

I. PROJECT DESCRIPTION

A. Introduction

This FY 1979 Project Agreement specifically applies to the U.S. Grant financing portion of a total project to develop the Bangladesh Agricultural Research Institute (BARI) and to assist the Bangladesh Agricultural Research Council in strengthening the agricultural research systems within Bangladesh. Funding for this FY 1979 also includes the Vertebrate Pest Research Component. The additional funding for the overall Project will be \$400,000.

B. Project Purpose

The purpose of the project is to establish a functioning Bangladesh Government (BDG) supported and staffed research system for food crops other than rice, and cropping systems. This is to be achieved by development of the BARI into a fully staffed and adequately equipped institution which produces research results primarily on high priority non-rice food crops. The project components will include technical assistance, participant training, commodities, and operational and maintenance expenses.

By the end of the project BARI is expected to have research results which are useable by farmers of Bangladesh and released to the Directorate of Agriculture (Extension and Management) for dissemination. The newly formed Vertebrate Pest Division will be permanently located at BARI Joydevpur with a full staff of well trained scientists and will be disseminating simple, effective, economically beneficial, and safe vertebrate pest management methods by the end of this project.

C. Project Goal

The broader objective toward which this project aims is year-round cropping of non-rice crops through full utilization of land where and when rice farming is not possible or economically feasible. The Vertebrate Pest Component will develop vertebrate pest management methods suited to the needs of small farmers, which will measurably reduce crop losses caused by vertebrate pest in farmer's fields by 1985.

II. PROGRESS TO DATE

A. Site Development and Construction Activities

In December, 1977 construction work began for 193 residential quarters and four major buildings of the farm building complex at the BARI campus at Joydevpur. To date approximately 100 percent of the infrastructure of all these buildings has been completed, all financed with AID project funds. In addition, BDG is financing an additional 5 residential units, guest bungalow, Director's Quarters and an auditorium.

It is anticipated that the administration building and laboratory buildings will be completed by June. Major laboratory furniture and equipment has arrived and will be installed by March 1979.

During March, 1978 two contracts were awarded to local firms for the construction of 62 residential quarters at the BARI Regional Station at Ishurdi. Construction work is approximately 70% completed.

B. Participant Training

Participant training activities began in December 1976. Six participants under this project are presently in the U.S., five Ph.D. candidates and one M.Sc. candidate. One M.Sc. candidate completed his degree by June, 1978. One Ph.D. candidate is presently studying at the University of the Philippines at Los Banos. Two short term career development participants have completed training.

C. Technical Assistance

Under the BARC-IADS (International Agricultural Development Service) contract, seven out of the eight advisors have been selected and arrived in country starting in June, 1978. The BARC signed a contract with IADS in November 1977. In December, the IADS signed a sub-contract with the Mennonite Central Committee (MCC) to provide three junior technicians to the project.

On August 25, 1978 AID entered into a Participating Agency Service Agreement with the Department of Interior Fish and Wildlife Service. This Agreement provides for the services of a long term technician to carry out the technical assistance component of the Vertebrate Pest activities under this Project. In addition, short term consultants will assist in specific project activities as needed. The long term technician arrived in country in November, 1978.

III. Activity Targets : Project Outputs

A. BARC/BARI Component

The output targets of the original Agreement and subsequent revisions remain the same except for the following changes:

1. Completion of Requisite Training of BARI Staff by 1982

Under the Research Grant training will be completed for 6 individuals at the Ph. d. level and 2 at the M. Sc. level. In addition 12 technicians will receive 9 - 12 months and 9 will receive 3 to 6 months of practical advanced level research and production training courses in third country universities and international agricultural research centers.

2. BARI Facilities Completed and Equipped by December, 1980

Funds for the construction of the BARI facilities are provided under the Agricultural Research Loan Agreement of this project. Construction of facilities includes farm site development (drainage, irrigation, roads, land shaping etc.) interior fittings for the research and administration complexes, construction of farm building complex and machinery and equipment for the central station at Joydevpur. The loan also provides for construction of residential quarters for BARI staff at Joydevpur and Ishardi. However, grant funds will be used for the construction of the Vertebrate Pest Research Laboratory.

B. Vertebrate Pest Component - Grant Funds will Have Been Utilized on the Following:

- 1. The BARI will have an established Vertebrate Pest Division with a completed physical facility on the central station at Joydevpur by December, 1979. An adequate professional staff to accomplish the project goals will be in place by 1982.**
- 2. Under the Vertebrate Pest Component of the Grant, training will have been completed for one BARI senior scientific officer at the Ph. D. level from a U.S. university and two scientific officers at the M.Sc. level from the University of the Philippines at Los Banos in cooperation with the Rodent Research Center by 1982. It is strongly recommended (although not essential to meet the project goal) that two faculty members from an academic institute such as the Bangladesh Agricultural University (BAU) at Mymensingh receive an M.Sc. degree and return to their parent university by 1982. In addition, 4 other vertebrate research staff will have received short-term non-academic training to meet specific, specialized needs of the division.**
- 3. Seminars will be held for the coordination of research activities in vertebrate pest management in Bangladesh. Five proceedings of coordinated research activities or evidence of plans for cooperative research among agricultural research institutes in Bangladesh will have been published.**
- 4. Research results will be disseminated to develop simple effective, economically beneficial and safe vertebrate pest management methods.**

IV. INPUTS

U.S. Government - AID Grant

A. BARC/BARI Component

The inputs of the original agreement and subsequent revisions remain the same except for the following changes:

1. Grant funds will be provided for 6 individuals to receive Ph. D. training and 2 BARI scientific officers to receive M. Sc. training at a U.S. or third country university. Thesis work for Ph. D. candidates will be conducted at one of the international agricultural research centers (e.g. CIMMYT, ICRISAT, etc.). In addition, 7 BARI scientists and technicians will receive 12 months of non-academic training, 5 will receive 9 months short-term training and 9 will receive 3 to 6 months at one of the international agricultural research centers and/or a third country or U.S. university or qualified training facility.

2. Technical Assistance

The BARC and the BARI have a contract with the International Agricultural Development Service (IADS) to provide the technical assistance for the Project. The total amount of funds allocated for this contract is 1,684,000 dollars for a three year period. The contract provides eight long term technicians to assist BARI and BARC.

Local support costs are shown as a separate line item of 153,000 dollars. However, these funds are included under the IADS contract as is part of the 1,684,000 dollars. (line items 1. (a) Technical Assistance \$ 1,531,000 and 1. (b) Local Support \$153,000 = Total IADS contract of \$ 1,684,000).

3. Commodities:

Commodities under the grant will provide for furniture and major appliances for expatriate housing; for ISSCC office equipment and furniture, and for ISSCC vehicles for direct support of non-Bangladeshi technicians.

4. Other Costs:

Grant assistance under this project to ARC will consist of resources required to backstop and support the non Bangladeshi technicians through the ISSCC. Associated costs will include the salaries of the ISSCC Bangladeshi staff, in-country travel and other general support.

Grant funds will also be used to finance an increased level of contracting with EDG institutions (including ARI) capable of conducting agricultural research, including the planning and evaluation of agricultural research programs.

5. AID Loan

The separate loan agreement (providing four million dollars) finances farm development including drainage, roads, irrigation, land shaping and leveling as well as equipment and farm machinery facilities for ARI. It covers laboratory equipment, furniture, plumbing and wiring for the research and administrative complex of ARI. The loan will also finance the farm building complex including a warehouse threshing floor, petrol/chemical storehouse, workshop/implement shed, walkways, roads and the field laboratory. Construction of up to 240 residential quarters will be included in the loan at the Joydevpur and Ishurdi.

B. Vertebrate Pest Component

Based on the project description in the Project Paper Amendment - Vertebrate Pest Component Agricultural Research Project (388-0003), the following resources are required to achieve project goals:

1. One long-term consultant (4 years in country) with technical expertise in developing vertebrate pest management methods, suited to the needs of small farmers, under tropical and sub-tropical conditions;

2. Approximately 15 person-months of short term consultants from the Denver Wildlife Research Center (DWRC) with technical expertise in specific problem areas, including research planning, biometrics, pharmacology, toxicology of rodenticides, vertebrate behavior and physiology, chemical residue analysis and electronics (biotelemetry, remote sensing);
3. Supporting services (including facilities and staff) to be provided at the home station of the organization in 2 above;
4. A small, physical facility (including offices, secretary/reception area, general laboratories, electronics room, animal room, corridor/display area, lavatories and a storage area) on the BARI central station at Joydevpur;
5. Adequate office, field and laboratory equipment, supplies, transportation and per-diem to conduct studies;
6. Participant training of national scientists. One Ph.D. level staff member in the USA, two M.Sc level participants at UPLB in the Philippines and 4 short-term non-academic training opportunities for other Vertebrate Pest Division scientists and technicians;
7. Participant training at M.Sc. level for two scientists of a cooperating training institution (e. g. BAU Mymensingh) at the UPLB in the Philippines
8. Through BARI, at least two short term workshops to train Plant Protection extension staff in damage assessment and monitoring techniques for national surveys and for feedback of information;
9. Through EAAC, annual research conferences to review latest research findings and coordinate activities among research institutes and
10. Grant Funds will also provide for furniture, a vehicle, appliances and other supplies for support of the long-term technician.

Bangladesh Government

A. BARC/BARI Component

1. **Financial Contribution.** The BDG's financial contribution consists of the Joydevpur site, construction of the administration building, three laboratory buildings, plus the farm superintendent's office. The BDG will also meet the operating and recurrent costs of ARI, and finance the costs of participant travel from point of origin farthest points served by the Government's National Airline. Total BDG contribution is estimated at \$10.7 million, of which \$1.5 million is the estimated cost of construction at ARI's Joydevpur site.
2. **ARI Personnel.** The BDG will provide adequate staffing for ARI. The Ministry of Agriculture has approved a comprehensive scheme for ARI reorganization and personnel increases. The basic organizational structure consists of:
 - a set of subject matter divisions supplemented by a group of multi-disciplinary regional research and testing stations, and
 - a set of program support units designed to provide the necessary services required by the professional staff of the subject matter divisions and regional substations.

Based on the recommendations of the Agricultural Research Conference held in Dacca on October 28 - 31, 1974, and subsequent recommendations of consultants, the staff of the research divisions and of the regional stations of ARI, subject to budgetary limitations, will be reorganized and expanded.

B. Vertebrate Pest Component

1. The BDG will establish a Vertebrate Pest Division at the BARI. To assure adequate staff to accomplish the project goals, the following minimal personnel requirements will be needed for this Division: one principal scientific officer, three senior scientific officers, two

field technicians, one laboratory technicians, one secretary, one driver, and three skilled laborers. To encourage cooperative efforts between the research activities of the Division and extension personnel in the area of plant protection, and to encourage feedback between the Division and problems of the farmers, it is desirable to have one senior scientific officer assigned from the Plant Protection Division of the Extension Directorate.

2. The Division will require adequate operational and maintenance funds to assure that research activities can be conducted in a timely manner. Of particular importance will be adequate funds to support in-country travel (transportation and per-diem) of the national scientists.

V. Funding Requirements

The total grant funds for this project are \$3,391,800. The BDG contribution is \$10,727,750.

Project Agreement obligates grant funds for project activities for FY 1979 for an additional \$400,000.

All sources of project financing are listed as follows:

AID Grant	\$ 3,391,800
AID Loan	\$ 4,000,000
BDG Contribution	\$ 10,727,750

A. Revised Details of Grant Financing - AID Contribution (\$000)

	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>Total</u>
1. BARI-BARC Agr. Research Component								
(a) Technical Assistance	465	170	426	-	470	-	-	1,531
(b) Local Support	15	40	51	47	-	-	-	153
(c) Commodities	168	-	-	-	-	-	-	168
(d) BARC Contract Research	70	30	122	-	-	-	-	222
(e) Training	<u>126</u>	<u>120</u>	<u>117</u>	<u>94</u>	<u>30</u>	-	-	<u>487</u>
Sub-Total	844	360	716	141	500	-	-	2,561
2. Vertebrate Pest Component								
(a) Technical Assistance (PASA)	-	-	76.3	113	100	100	81.1	470.4
(b) Participant Training	-	-	6.1	38	27	27.6	5.3	107
(c) Commodities	-	-	29	16	16	-	-	61
(d) Other Costs	-	-	<u>92.7</u>	<u>92</u>	<u>3.7</u>	<u>4</u>	<u>3</u>	<u>195.4</u>
Sub-Total	-	-	204.1	259	146.7	131.6	89.4	830.8
TOTAL	844	360	920.1	400	646.7	131.6	89.4	3,391.6

B. BDG Contribution (taka cost listed in \$ equivalent) (\$ 000)

	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>Total</u>
1. BARI								
(a) Operating Budget	1200	1320	1450	1595				5565
(b) Capital Budget	448							448
(c) Travel	3	10	8	16				36
(d) Special Programs	443	487	535	598				2053
(e) Vertebrate Pest Division			22.25	32.2	31.6	33.45	17.25	136.75
Sub-Total	<u>2099</u>	<u>1817</u>	<u>2015.25</u>	<u>2225.2</u>	<u>31.6</u>	<u>33.45</u>	<u>17.25</u>	<u>8238.75</u>
2. BARC								
(a) Operating Budget	54	60	66	73				253
(b) Grant to Research and Project Contingencies	250	275	302	332				1159
Sub-Total	<u>304</u>	<u>335</u>	<u>368</u>	<u>405</u>				<u>1412</u>
	2403	2152	2383.25	2630.2	31.6	33.45	17.25	9650.75
FY-75 contribution \$1,077,000	-	-	-	-	-	-	-	<u>1077.00</u>
							TOTAL	10727.75

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 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, 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 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. The 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 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 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 or 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 or 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 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 925 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 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 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. 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.