

PD-AAU-062 81
LSA-46545

PROJECT GRANT AGREEMENT

BETWEEN THE

SCIENTIFIC AND TECHNICAL RESEARCH COMMISSION

OF THE ORGANIZATION OF AFRICAN UNITY

AND THE

UNITED STATES OF AMERICA

FOR

SEMI-ARID FOOD GRAINS RESEARCH AND DEVELOPMENT II PROJECT

AID PROJECT NUMBER 698-0452

DATED: AUGUST 30, 1986

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PROJECT GRANT AGREEMENT

Dated August 30, 1986

Between the

SCIENTIFIC AND TECHNICAL RESEARCH COMMISSION OF THE
ORGANIZATION OF AFRICAN UNITY ("GRANTEE").

And

THE UNITED STATES OF AMERICA, ACTING THROUGH THE
AGENCY FOR INTERNATIONAL DEVELOPMENT ("AID").

Article 1: The Agreement

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

Article 2: The Project

SECTION 2.1. Definition of Project.

The Project, which is further described in Annex I, is a follow-on activity to the SAFGRAD I Project and is designed to enhance the ability of national scientists and national research institutions in West and East Africa to conduct agricultural research and also to encourage the coordination of research activities to ensure that resulting new technologies and other data collected are available for on-farm use on a region-wide basis. This Grant is one of three being provided by AID for this purpose; the International Institute of Tropical Agriculture ("IITA"), the International Crop Research Institute for Semi-Arid Tropics ("ICRISAT"), are the recipients of the other two Grants. For the purposes of this Grant, the Parties agree that the Grantee, through its Semi-Arid Food Grains Research and Development Coordination Office ("SCO"), will assist in the coordination of agricultural research activities between IITA, ICRISAT, and the National Agricultural Research Systems ("NARS") that operate in member-countries of the Grantee. Such coordination shall include the following:

- 1) establishing a project oversight committee which shall assist the grantee in formulating regional agricultural research policies and developing coordination mechanisms between interested research entities;

Article 2: The Project (Continued)

- 2) implementing the Accelerated Crop Production Officer Program ("ACPO Program") for Mali and Burkina Faso, which will consist of on-farm testing of technologies developed by, among others, the NARS, IITA and ICRISAT; and
- 3) assisting IITA and ICRISAT in the organization of advisory committees for the West African Sorghum Collaborative Research Network and the East African Sorghum, Millet, and Cowpea Collaborative Research Networks. These networks, whose membership will be drawn from practicing scientists and other researchers in Grantee member-countries, will assist in implementing agricultural research policy within their respective research networks.

Annex I, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, 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 8.3, without formal amendment of this Agreement. Information contained in Annex I with respect to activities to be undertaken by AID, IITA and ICRISAT are provided as background explanatory materials only, and do not form a part of this Agreement.

SECTION 2.2. Incremental Nature of Project.

- (a) AID's contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to AID for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.
- (b) Within the overall Project Assistance Completion Date stated in this Agreement, AID, based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by AID 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, AID, pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Eight Hundred and Eight Thousand United States ("U.S.") Dollars (\$ 808,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project.

- (a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.
- (b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$7,900,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

- (a) The "Project Assistance Completion Date" (PACD), which is August 30, 1988 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 AID may otherwise agree in writing, AID 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 AID or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as AID agrees to in writing. After such period, AID, giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement.

Prior to the first disbursement under the Grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

- (a) An opinion of counsel acceptable to AID that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

Article 4: Conditions Precedent to Disbursement (Continued)

(b) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.3., and of any additional representatives, together with a specimen signature of each person specified in such statement;

SECTION 4.2. Additional Disbursement.

(a) Prior to disbursements under the Grant for the Accelerated Crop Production Officer Programs in Mali and Burkina, except as the Parties may otherwise agree in writing, provide evidence that the Grantee has negotiated agreements with the respective countries delineating the nature of the activities to be sponsored by the Grantee.

(b) Prior to any disbursement or the issuance of any commitment documents under the Project to finance Project activities to be carried out by the Grantee after the first year of project implementation, the Grantee shall, except as AID may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i) Evidence that OAU/STRC has established for the SCO an accounting system satisfactory to AID or that satisfactory progress has been made;

(ii) Evidence that the Executive-Secretary of the OAU/STRC in Lagos, Nigeria, has delegated to the SCO Coordinator the authority essential for financial management of SAFGRAD II including (1) authority to procure all goods and services purchased locally for the Project, i.e., automobiles, office equipment, etc. and (2) authority to review and approve vouchers and other documentation for AID-financed activities. Nothing in this subsection is intended to prohibit or discourage OAU/STRC from performing post-transaction audits, or from otherwise providing general policy guidance on the operation of the SCO, or from insuring SCO adherence to that guidance through, for example, periodic operational audits.

(c) Prior to any disbursement, or the issuance of any commitment documents under the Project to finance local costs, the responsible AID office shall have made the programming determinations required under Chapter 18.A(1)C of AID Handbook 1, Supplement B, and so inform the Grantee in writing.

SECTION 4.3. Notification.

When AID has determined that the conditions precedent specified in Sections 4.1 and 4.2 have been met, it will promptly notify the Grantee.

Article 4: Conditions Precedent to Disbursement (Continued)

SECTION 4.4. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as AID may agree to in writing, AID, at its option, may terminate this Agreement by written notice to Grantee.

(b) If all of the conditions specified in Section 4.2 have not been met by the end of the first year of the Project, or such later date as AID may agree to in writing, AID, at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation.

The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include an end-of-Project evaluation which shall:

- (1) review progress in attracting national agricultural system research leaders to take leadership of the Oversight Committee and that the Oversight Committee is functioning as the policy, technical and operational decision-making body for networking;
- (2) determine whether the research networks are operational with NARSS' representatives assuming a leadership role (which meets benchmarks to be established in consultation with IITA, ICRISAT and the Parties to this Agreement);)
- (3) appraise the performance of the Project and other concomitant efforts to promote African leadership in networking;
- (4) review progress in attaining other donor support for national operational research and for networking.

SECTION 5.2. Project Oversight Committee.

The Grantee will arrange for the establishment of the Project Oversight Committee, and for convening the Committee from time to time, as appropriate to facilitate Project Implementation.

Article 5: Special Covenants (continued)

SECTION 5.3. Advisory Committees for the Collaborative Research Networks

The Grantee will assist IITA and ICRISAT in the establishment of Advisory Committees for the West African Sorghum Collaborative Research Network, the East African Sorghum and Millet Collaborative Research Network, Maize Collaborative Research Network and the Cowpea Collaborative Research Network.

SECTION 5.4. Assistance to IITA and ICRISAT

As under the SAFGRAD I Project, the Grantee agrees to continue to assist IITA and ICRISAT in obtaining or extending the necessary country-specific agreements to the permit the NARS ongoing agricultural research and networking activities under SAFGRAD II.

SECTION 5.5. Pesticides.

The Parties agree that none of the funds made available under this Agreement may be utilized for the procurement or use of pesticides in the Project where such procurement or use is prohibited by AID Pesticide Procedures contained in AID Regulation 16 (22 Code of Federal Regulation, Part 216). AID agrees to provide advise and guidance to the Grantee concerning the application and implementation of AID pesticide regulations.

SECTION 5.6. Grantee Owned Equipment, Supplies Facilities.

Except as the Parties may otherwise agree in writing, the Grantee agrees that serviceable equipment, supplies and facilities financed previously by AID under the projects entitled "Major Cereals" (JP-26) and "SAFGRAD" (JP-31), will be made available for use under the Project initiated by this Grant Agreement.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs.

(a) Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to services their nationality in the United States, or in the Cooperating Country at the time orders are placed or contracts entered into for such goods or services ("Foreign Exchange Costs"), except as AID may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance and except as provided in subsection (b) below. Ocean transportation costs will be financed under the grant only on vessels under flag registry of the United States, and the Cooperating Country.

Article 6: Procurement Source (Continued)

(b) Motor vehicles financed by AID under the Project shall have their origin in the United States, 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 AID may otherwise agree in writing, their origin in a participating African State ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

SECTION 6.3. "Cooperating Country".

As used in this Article, the phrase "Cooperating Country" shall mean the country in which the activity financed by AID under the Project takes place.

Article 7: Disbursement.

SECTION 7.1. Disbursement for Foreign Exchange Costs.

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

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

(2) by requesting AID to issue Letters of Commitment for specified amounts (i) to one or more U.S. banks, satisfactory to AID, committing AID 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 (ii) directly to one or more contractors or suppliers, committing AID to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs AID to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

Article 7: Disbursement (continued)

SECTION 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to AID, 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 AID with U.S. Dollars by purchase (or from local currency already owned by the U.S. Government); or

(2) by AID (i) requesting the Grantee to make available the local currency for such costs, and (ii) thereafter making available to the Grantee, through the opening or amendment by AID 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.

(c) 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 AID 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 a participating African State by AID or any public or private agency for purposes of carrying out obligations of AID hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of that State at the highest rate of exchange which, at the time the conversion is made, is not unlawful therein.

Article 8: Miscellaneous.

SECTION 8.1. Communications.

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

To the Grantee:

Mail Address:

OAU/STRC - Secretariat
4th Floor, NPA Building
26/28 Marina
PMB 2359
Lagos, Nigeria

Alternate address for cables:

Telex: 22199 TECOAUNG

To AID:

Mail Address:

Director, USAID
B.P. 35
Ouagadougou, Burkina Faso

Alternate address for cables:

Telex: 5290 BF

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.

SECTION 8.2. Representatives.

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Executive Secretary, OAU/STRC and AID will be represented by the individual holding or acting in the office of Director, USAID Mission to Burkina Faso, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to AID, which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Article 8: Miscellaneous (continued)

SECTION 8.3. Standard Provisions Annex.

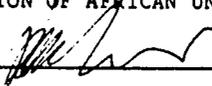
A "Project Grant Standard Provisions Annex" (Annex II) is attached to and forms part of this Agreement.

SECTION 8.4. Language of Agreement.

This Agreement as well as all other Project documentation and correspondence are prepared in English except as the Parties may otherwise agree in writing.

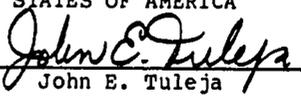
IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

SCIENTIFIC AND TECHNICAL
RESEARCH COMMISSION OF THE
ORGANIZATION OF AMERICAN UNITY

By:  _____

Title:

UNITED STATES OF AMERICA

By:  _____
John E. Tuleja

Title: Acting Director,
USAID Mission
to Burkina Faso

AID Project Number: 698-0452
OAU Project Number:
Appropriation: 72-1161021.3
Allotment: GDAA-86-2166-AG12
Allowance Number: 643-60-686-00-69-61

Annex 1: Amplified Project Description

Article A: Background and Summary:

This Project Agreement for the Semi-Arid Food Grains Research and Development (SAFGRAD) II Project provides \$9,800,000 over a five year life-of-project to enhance the capabilities of national scientists and research institutions of SAFGRAD member countries to conduct agricultural research. This will be done through the establishment of agricultural research networks for those semi-arid food crops predominating in the semi-arid zones of Africa, i.e. sorghum, millet, maize and cowpeas. The networking mechanism is intended to allow participating SAFGRAD member countries to share research results and related information through the interaction of agricultural commodity researchers within the National Agricultural Research Systems (NARS) and the international agricultural research community. The Project's emphasis on the strengthening of agricultural research networks will foster stronger linkages within and among collaborating NARSs for the promotion, development and transfer of new production technologies for semi-arid food crops.

The overall SAFGRAD Program is under the sponsorship of the Organization of African Unity/Scientific, Technical and Research Commission (OAU/STRC), with participation of the International Institute of Tropical Agriculture (IITA) and the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), the two principal International Agricultural Research Centers (IARCs) responsible for semi-arid crop research.

The goal of SAFGRAD II is to increase the productivity and production of sorghum, millet, maize and cowpeas among small-scale producers in SAFGRAD member and cooperating countries. The purpose of the Project is to increase the efficiency and effectiveness of agricultural research on the aforementioned staple food crops in the SAFGRAD region by:

- strengthening commodity-specific research networks to plan, broaden their base of support and make productive use of resources; and
- strengthening the service capacity of the OAU/STRC SAFGRAD Coordination Office (SCO) to facilitate NARSs' participation in networking and obtain internal support for national agricultural research programs to accomplish this purpose.

To achieve the Project's purpose and output objectives, the United States Government will support the implementation of the following five components: networking (including resident commodity research); the SAFGRAD Coordination Office (including on-farm testing through the Accelerated Crop Production Officer (ACPO) Program; project management; evaluation and audit; and contingencies.

Article B: United States Government Contribution:

A.I.D. project inputs under this Project Agreement will total \$9,800,000 over a five year period as detailed in this Article B (refer to Attachment I, Project Financial Plan):

1. Networking:

This Project will support the establishment of collaborative agricultural research networks on sorghum in West Africa, sorghum and millet in East Africa, maize -- starting in West and Central Africa, and cowpeas -- starting in West and Central Africa. In support of the research networks, the project will support resident commodity research on sorghum, millet, maize and cowpeas for the first year and a half of the project. The resident commodity research will provide necessary scientific input into the research networks and will be supported by a regional research program which implements region-wide trials, i.e. uniform variety trials for the four principal SAFGRAD - mandated crops. The resident research will be conducted by IITA for maize and cowpeas and by ICRISAT for sorghum and millet.

Initially, the IARCs will provide network coordinators, but will gradually shift responsibility for network coordination to national scientists over the life of the project.

Each network will be assisted in its organization and direction by an advisory committee. The advisory committees will be composed of practicing researchers from participating SAFGRAD member countries, the network coordinator and the SCO as observer. The advisory committee, in collaboration with IITA and ICRISAT, will implement and monitor network activities and provide policy direction for the network membership. To this end, the advisory committee will review work plans and provide guidance as to how SAFGRAD can provide effective technical services to NARSs and review annual technical progress of SAFGRAD activities for interaction with donors to ensure further financial support.

a. West African Sorghum Collaborative Research Network:

Under the Project, the West African Sorghum Collaborative Research Network will be established comprising up to seventeen countries. ICRISAT, in collaboration with the advisory committee for the West African sorghum network, will have the principal responsibility for the implementation and coordination of this network for the full five-year period of the project. As such, ICRISAT will provide a network coordinator, who will be based in Burkina Faso, to direct the sorghum research network and will be funded for the full five-year period of the project. The network coordinator, a sorghum breeder, will also carry out a limited amount of his own research if time permits. In support of this research

network, ICRISAT will also provide an additional sorghum breeder who, with the network coordinator, will conduct resident commodity research for the development of improved technologies (varieties and agronomic practices) for improved sorghum production. The ICRISAT sorghum breeder will, likewise, be based in Burkina Faso and will be funded for sixteen (16) months under the project.

Budget for the West African Sorghum Collaborative Research Network:

	U.S. Dollars
A. Salaries and Allowances	
Professional Staff	
Support Staff	885,000
B. Operational	665,000
C. Overhead	110,000
D. Commodities	<u>40,000</u>
TOTAL	1,700,000

b. East African Sorghum/Millet Collaborative Research Network:

The Project will support the East African Sorghum/Millet Collaborative Research Network which comprises six African countries and was established during the SAFGRAD I Project. ICRISAT, in collaboration with the advisory committee for this network, will, likewise, have the principal responsibility for the implementation and coordination of the network for the full five-year period of the project. To this end, ICRISAT will provide a network coordinator, who will be based in Nairobi, Kenya, to direct this network and who will be funded for the full five years of the project. Additionally, ICRISAT will provide an Agronomist to conduct direct research in support of networking activities. The Agronomist will, likewise, be based in Nairobi, Kenya, and will be funded for 16 months under the Project.

Budget for East African Sorghum/Millet Collaborative Research Network:

	<u>U.S. Dollars</u>
A. Salaries and Allowances	
Professional staff	
Support staff	715,000
B. Operational	570,000
C. Overhead	110,000
D. Commodities	<u>35,000</u>
TOTAL	1,430,000

C. Cowpea Collaborative Research Network:

The Project will support the Cowpea Collaborative Research Network which will first be undertaken in West and Central Africa. A prototype cowpea network was established during the SAFGRAD I Project with the participation of nearly all of SAFGRAD's twenty-six member countries. IITA, in collaboration with the advisory committee to be established for this network, will have the principal responsibility for the implementation and coordination of the network for the full five-year period of the project. IITA will provide a network coordinator, who will be based in Ouagadougou, Burkina Faso, for at least two years to direct this network and who will be funded for the full five years of the project. IITA will support the Cowpea Collaborative Research Network by providing a two-member resident commodity research team (agronomist and part-time entomologist) to conduct research for the development of improved technologies (varieties and agronomic practices) for improved cowpea production. It is anticipated that a member of the resident commodity research team will also serve the function of network coordinator. The IITA cowpea resident commodity research team will be funded for one and a half years under the project. A cowpea breeder not funded by AID is also a member of this team.

Budget for Cowpea Collaborative Research Network

	<u>U.S. Dollars</u>
A. Salaries and Allowances	840,000
Professional staff	
Support staff	
B. Operational	810,000
C. Overhead	125,000
D. Commodities	105,000
TOTAL	1,880,000

d. Maize Collaborative Research Network:

The Project will support the Maize Collaborative Research Network which will also be first undertaken in West and Central Africa. A prototype maize network was, likewise, established during the SAFGRAD I Project which included countries from all regions of the continent. IITA, in collaboration with the advisory committee to be established for this network, will have the principal responsibility for the implementation and coordination of this network. IITA will provide a network coordinator, who will be based in Ouagadougou, Burkina Faso, for at least two years to direct this network and who will be funded for the full five years of the project. IITA will support the Maize Collaborative Research Network by providing a

three-member resident commodity research team (agronomist, maize breeder and a soil and water management specialist) to conduct research for the development of improved technologies (varieties and agronomic practices) for improved maize production. It is anticipated that a member of the resident commodity research team will also serve the function of network coordinator. The IITA maize resident commodity research team will be funded for one and a half years under the project. The IITA entomologist, while spending most of his time on cowpea research, will also conduct some research on maize.

Budget for Maize Collaborative Research Network:

	<u>U.S. Dollars</u>
A. Salaries and Allowances	
Professional staff	1,020,000
Support staff	
B. Operational	915,000
C. Overhead	145,000
D. Commodities	<u>120,000</u>
TOTAL	2,200,000

2. SAFGRAD Coordination Office (SCO):

The Project will provide support to the OAU/STRC for the continued operation of the SAFGRAD Coordination Office (SCO) located in Ouagadougou, Burkina Faso, for a period of two years to assist the participating NARs and the IARCs in establishing the collaborative research networks and in implementing broad research policies established by the Oversight Committee for the SAFGRAD-mandated crops. The SCO will provide the political dimension required to assist the participating scientists and research organizations in transcending national boundaries to facilitate the movement of scientists, germplasm, research information, and research supplies between countries, including support for network meetings. The SCO is the key organization for facilitating the transition of the networking responsibilities to leadership provided by the NARs. The SCO will serve as a liaison between the IARCs and NARs and will help organize and sit as observers on the various advisory committees for the collaborative crop research networks. The SCO will also promote cooperation among the SAFGRAD member countries and provide assistance to help overcome political and operational problems which may limit the effectiveness of the networks by encouraging NARs to allocate the necessary resources required for the effective participation in the networks.

a. Oversight Committee:

A project Oversight Committee will be organized through the intervention of the SAFGRAD Coordination Office in conjunction with Directors of Research from SAFGRAD member countries. The committee will be composed of five members representing African national agricultural research administrators, prominent scientists and members of university faculties of agriculture. The SAFGRAD Coordination Office, IITA and ICRISAT will attend committee meetings as observers. The role to be played by the Oversight Committee is as follows:

- to provide guidance in management and policy issues for SAFGRAD;
- to review work plans and provide guidance on how SAFGRAD could provide effective technical services to national research programs of member countries;
- to facilitate the formation of food grain and related networks administered by scientists of participating countries; and
- to review technical progress of network resident research, ACPOs and other SAFGRAD activities to ensure further financial support.

b. On-Farm Testing:

A key component of SAFGRAD I was the Accelerated Crop Production Officer (ACPO) Program which promoted the transfer of promising technologies between national agricultural research institutions and extension services. The ACPO program conducted on-farm tests of relevant technologies and reported the results back to national research and extension programs, as well as to researchers at regional centers. The SAFGRAD II Project will support the ACPO programs in Burkina Faso and Mali for an additional year and a half to assist in their transfer into the respective national programs. The Project will also support an evaluation of the SAFGRAD ACPO experience for purposes of delineating any possible future interventions for technology transfer activities, and one ACPO workshop is also to be funded.

Budget for SCO:

	<u>U.S. Dollars</u>
A. Salaries and Allowances	305,000
B. Operations	330,000
C. Commodities	40,000
D. Oversight Committee Meetings	60,000
E. ACPO Programs	<u>350,000</u>
TOTAL	\$1,085,000

3. Project Management

Lessons learned during the implementation of SAFGRAD I underline the importance of the need for clear and unified project management support for SAFGRAD II. As such, full implementation responsibility will be with USAID/Burkina, with support from the USAID Regional Economic Development Service Office for West and Central Africa (REDSO/WCA). In addition to USAID's in-house project management, the Project will fund a Senior Agricultural Project Manager and an Accountant to assist USAID/Burkina and its Office of Agriculture in carrying out their responsibilities. Short-term technical assistance will also be provided for under this Project Agreement on an as-needed basis.

a. Senior Agricultural Project Manager:

The Senior Agricultural Project Manager will be an experienced agricultural research administrator with specific skills in networking. He will monitor the implementation of all project components and activities and be a working link between USAID/Burkina and the OAU/STRC. He will consult regularly with commodity network coordinators and participating national scientists. This individual will be provided to the project under a direct contract with USAID/Burkina. The services of the Senior Agricultural Project Manager will be required for the full five years of the project.

b. Accountant:

In view of the expanded USAID/Burkina project management role, it is necessary to fund the services of an Accountant under the project for a two year period. The Accountant will be recruited locally and be contracted under a direct contract with USAID/Burkina. The Accountant will be directly responsible to the USAID/Burkina Office of Financial Management and will act as the Project's financial expert in coordinating the finances for the project -- including assisting the SCO in financial management and reporting, budgeting, review of

Project Implementation Letters relating to budget revisions, liaison with the SCO in applying USAID financial regulations, and maintaining USAID/Burkina financial records and files for the overall project.

c. Short-Term Technical Assistance

Short-term technical assistance will be for support to the SCO in problem and opportunity-specific areas such as research policy, information and documentation management, and operations and administration.

Budget for Project Management:

	<u>U.S. Dollars</u>
A. Senior Agricultural Project Manager	875,000
B. Accountant	75,000
C. Short-Term Technical Assistance	<u>50,000</u>
TOTAL	1,000,000

4. Evaluation and Audit:

The Project will provide funding for a mid-term and final evaluation and audit to enable USAID/Burkina and all project cooperators to gauge the Project's impact and provide analyses upon which more effective project implementation can be promoted.

Budget for Evaluation and Audit:

	<u>U.S. Dollars</u>
A. Evaluations	200,000
B. Audit	30,000
TOTAL	230,000

5. Contingencies:

The Project will provide funding under this Project Agreement to accommodate contingency needs and to offset the effects of inflation. U.S. Dollars 275,000 is provided for this purpose.

Article C: SAFGRAD Member Country Contribution:

The SAFGRAD member countries participating in the Project will provide in-kind contributions totally \$7,900,000. The bulk of this contribution will be comprised of staff salaries and facility use -- including equipment, land, researchers and research support personnel salaries and administrative support.

Article D: Outputs:

The SAFGRAD II Project Outputs will be the following:

1. SAFGRAD Coordination Office will be fully staffed.
2. SAFGRAD Oversight Committee meets annually.
3. Research for each collaborative research network reviewed and evaluated annually.
4. Future research activities identified, planned and allocated among participants.
5. In-country research implemented by NARSs.
6. Varieties released and cultural practices recommended.
7. Responsive technical backstopping by IITA and ICRISAT.
8. Network advisory committees meet biannually.
9. Network priorities are reflected in NARSs' decision-making.
10. Opportunities for future donor support at regional and national levels clarified.

Article E: End of Project Status:

The End of Project Status for SAFGRAD II will be the following:

1. Effectively operating collaborative research networks (West African sorghum, East African sorghum/millet, and maize and cowpeas) which will operate by the following criteria:
 - established common goals;
 - leadership by an apolitical entity with continuity;
 - policy set by advisory committee of researchers;
 - conducts, at least, annual meetings to identify objectives, technical problems, and review past research;
 - and
 - effective linkage to Southern African millet/sorghum network.
2. Effectively functioning service-oriented SCO that:
 - implements policies established by the Oversight Committee;
 - exercises oversight on research networking;
 - analyzes and plans for the future; and
 - facilitates information exchange on research.

Article F: Implementation:

1. OAU/STRC Responsibilities:

One implementing organization for the SAFGRAD II Project will be the OAU/STRC, which is headquartered in Lagos, Nigeria. The OAU/STRC has established the SAFGRAD Coordination Office (SCO) in Ouagadougou, Burkina Faso, and will delegate to it certain authorities which will facilitate effective implementation of the project, such as financial management and program coordination. The SCO will be directed by the International Coordinator for SAFGRAD and be staffed by eight other professional and support personnel, funded by AID. The SCO will also oversee the implementation of the ACPO programs.

The International Coordinator will be the principal OAU/STRC liaison official between the OAU/STRC and USAID/Burkina for project management. The International Coordinator will have direct control over the administration of the SCO, the operating expense budget, facility use, and SCO personnel. Administrative support will be provided by the OAU/STRC headquarters in Lagos, Nigeria. The SCO will have a Controller responsible for the overall financial management of the Project, with financial management and audit support from OAU/STRC in Lagos.

2. USAID Responsibilities:

The USAID/Burkina Agricultural Development Officer will be the designated Project Officer and will have project management and monitoring responsibilities for overall project implementation on the part of USAID.

Utilizing funds under this Project Agreement, USAID/Burkina will contract the services of a Senior Agricultural Project Manager to assist with project management and advise the SCO and SAFGRAD research cooperators on SAFGRAD program and policy issues. Additionally, USAID/Burkina will contract the services of an Accountant to assist USAID/Burkina's Office of Financial Management in providing financial management backstopping to the Project. Occasionally the services of the Regional Legal Advisor and Regional Contracting Officer will be requested from REDSO/WCA.

3. IARCs:

The two IARCs participating in the Project, IITA and ICRISAT, will receive direct grants from USAID to implement the network coordination and resident commodity research activities under the Project.

IITA and ICRISAT will follow program and policy directives for SAFGRAD as formulated by the project Oversight Committee and will cooperate actively with the respective committees for the collaborative research networks.

Article G: Financial Plan

The Project Financial is subject to change by representatives named in Section 8.3, or their designated representatives, without formal amendment of the Project Grant Agreement. Transfers may be made between line items provided that no line item is increased by more than 15% without written agreement of the parties and further provided that the total funds available to the Project are not exceeded.

Article H: Disbursement Procedures:

The disbursement of funds for the operating expenses of the SCO and IITA will be done by reimbursement of funds against periodic advances. The financial reporting system to be used for the SCO will be the one developed and set in place by the USAID Sahel Regional Financial Management Project. Financial reporting for the Burkina Faso ACPO will also be handled by the SCO. USAID/Mali will disburse funds and provide accounting for the Mali ACPO program.

The disbursement of funds for the direct grant to ICRISAT will be done through the submission of financial reports justifying expenditures against the grants and subsequent reimbursement for approved grant expenditures.

SEMI-ARID FOODGRAINS DEVELOPMENT II
PROJECT NO. 698-0452
PROJECT AGREEMENT, ANNEX 1

Attachment 1: Project Financial Plan

	Authorized Project Funding	Obligations To Date	Obligations Per This Action	Total Project Obligations
I. West Africa Sorghum Collaborative Research Network (ICRISAT)	1,700	-	430	430
II. East Africa Sorghum/Millet Collab. Research Network (ICRISAT)	1,430	-	270	270
ICRISAT Subtotal	3,130	-	700	700
III. Cowpea Collaborative Research Network (IITA)	1,880	-	1,069	1,069
IV. Maize Collaborative Research Network (IITA)	2,200	-	776	776
IITA Subtotal	4,080	-	1,845	1,845
V. SAFGRAD Coordination Office	1,085	-	643	643
VI. Project Management	1,000	-	165	165
VII. Evaluation and Audit	230	-	-	-
VIII. Contingencies	275	-	-	-
OAU/STRC SCO Subtotal	2,590	-	808	808
PROJECT TOTAL	9,800	-	3,353	3,353