

AGRICULTURAL ATTACHE
 28 JUN. 1988
 SANTO DOMINGO

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File 1

OGSM/416 (b) DDP:G-517-8/608-00

Country: Dominican Republic

UNITED STATES GOVERNMENT
 AGRICULTURAL COMMODITY FOREIGN DONATION AGREEMENT
 (SECTION 416 (b))

The Agency for International Development (A.I.D.), the Commodity Credit Corporation (CCC), and the Government of the Dominican Republic (Cooperating Sponsor) agree as follows:

1. CCC agrees to donate to the Cooperating Sponsor agricultural commodities of the kind and amount specified in Section 2 pursuant to the authority of Section 416(b) of the Agricultural Act of 1949, as amended. CCC shall deliver such commodities only in accordance with the delivery schedule specified in Section 2.
2. Agricultural commodities to be donated to the Cooperating Sponsor are as follows:

<u>Product</u>	<u>Package</u>	<u>Quantity</u> MTs (Lbs/000)	<u>Delivery</u> Month to U.S. Port	<u>Foreign Port</u> <u>Destination</u>
corn	bulk	12,000 MT	August, 1988	Santo Domingo
		18,000 MT	August, 1988	Puerto Plata
		21,900 MT	Sept., 1988	Santo Domingo
		<u>21,900</u> MT	Sept., 1988	Santo Domingo
TOTAL		73,800 MT		

Note: The Cooperating Sponsor will promptly inform CCC of any desired change in the above delivery schedule by notifying the Chief, Export Operations Branch, Agricultural Stabilization and Conservation Service, USDA, Kansas City Commodity Office (KCCO), P.O. Box 419205, Kansas City, Missouri, 64141-0205, telephone (816) 926-6658, and CCC will endeavor to coordinate a mutually acceptable revised delivery schedule. CCC is not required to deliver commodities later than the delivery dates specified above unless a revised delivery schedule is agreed upon.

3. The payment of all costs associated with the reprocessing, packaging, transporting, handling and other charges incurred in the distribution of the agricultural commodities will be apportioned as follows:
 - A. CCC agrees to donate the agricultural commodities without charge and to pay the following costs: Ocean transportation, survey fees, processing, handling, and transport costs to U.S. port(s) of allocation.

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B. The Cooperating Sponsor agrees to pay the following costs: Inland transportation, handling, and distribution within Dominican Republic. The Cooperating Sponsor agrees to arrange freight forwarding and booking.

4. Notwithstanding Section 210.5 (d) (2) (i), AID Regulation 10, the Cooperating Sponsor agrees to arrange ocean transportation and freight forwarding so as to comply with the requirements of CCC regarding the quantities of commodities made available under this agreement that must be carried on U.S. flag vessels.

5. The Cooperating Sponsor agrees to use the agricultural commodities only in accordance with this Agreement and the approved Plan of Operation, a copy of which is attached hereto as Attachment A.

6. The quality of agricultural commodities to be donated by the CCC and the packaging descriptions will be in accordance with the specifications in Attachment B to this Agreement.

7. Except as otherwise provided herein, the terms and conditions set forth in AID Regulation 10 are incorporated into and made a part of this Agreement, and all references therein to dairy products shall be deemed to apply also to the donation of other agricultural commodities under this Agreement.

8. In lieu of Section 210.10(g), A.I.D. Regulation 10, the following shall apply:

The amount to be paid for corn products misused, lost or damaged, shall be determined on the basis of the market price at the time and place the misuse, loss or damage occurred or, in cases where it is not feasible to obtain or determine such market price, the F.A.S. commercial export price of the commodity at the time and place of export, plus ocean freight charges and other costs incurred by the Government of the United States in making delivery to the Cooperating Sponsor. When the value is determined on a cost basis, the non-profit private humanitarian organization, cooperative, or intergovernmental organization may add to the value any provable costs it has incurred prior to delivery by the ocean carrier. In preparing the claim statement, these costs shall be clearly segregated from costs incurred by the U.S. Government. With respect to claims other than ocean carrier loss and/or damage claims, the value of misused, lost or damaged commodity may be determined on some other justifiable basis, at the request of the Cooperating Sponsor and/or upon the recommendation of the USAID or Diplomatic Post, and/or A.I.D. Washington.

9. In lieu of Section 210.6 (b) (4), (b) (5), or (b) (6) or any other provisions of A.I.D. Regulation 10 prohibiting the sale of agricultural commodities donated under this Agreement, the Cooperating Sponsor may sell such commodities within the Dominican Republic for the purpose of generating local currency to be used in accordance with the approved Plan of Operation (Attachment A)

10. In lieu of Section 210.11 (a) and (c), A.I.D. Regulation 10, the following shall apply:

A. The Cooperating Sponsor shall maintain an interest-bearing special account into which it shall deposit the proceeds generated from the sale of commodities provided under this Agreement; interest shall be programmed as though it were principal. The Cooperating Sponsor shall maintain records and documents for a period of three years from the date of the export of the agricultural commodities in a manner which will accurately reflect all transactions pertaining to the receipt, storage, distribution, and sales of the agricultural commodities.

B. Cooperating Sponsor special account and local currency proceeds reporting requirements are specified in the approved Plan of Operation (Attachment A). In addition, the Cooperating Sponsor shall submit a semi-annual logistics report to the Chief, Projects and Coordination Division, Food for Peace (AID), State Annex E, Room 319, Department of State, Washington, D.C. 20523, USA and a copy to the Agency for International Development Mission in the Dominican Republic, and to the Office of the Agricultural Attache, covering the receipt of agricultural commodities made available by the CCC under this Agreement. The first report shall be submitted by August 30, 1988, and cover the period from the date of this Agreement, and every six months thereafter. Reports will be submitted until funds are completely disbursed from the special account. The report must contain the following data:

(1) Receipts of agricultural commodity including the name of each vessel, discharge port(s), the date discharge was completed, the condition of the commodities on arrival, any significant loss or damage in transit, advice of any claim for, or recovery in transit for, on United States flag vessels;

(2) Quantity of agricultural commodities sold, proceeds generated, and proceeds deposited into the special account during the reporting period and interest (in local currency and US dollar equivalent);

- (3) Estimated commodity inventory at the end of the reporting period;
- (4) Quantity of commodity on order and in transit during the reporting period;
- (5) Status of claims for commodity losses both resolved and unresolved during the reporting period;
- (6) Quantity of commodity damaged or declared unfit during the reporting period; and
- (7) Disbursements from the special account for the purposes specified in the Plan of Operation (in local currency and US dollar equivalent).

11. Section 210.7 (b) of AID Regulation 10 is deleted in its entirety. This waives the requirement that repackaged Section 416 (b) agricultural commodities must be packed in containers marked furnished by the people of the United States of America and not to be sold or exchanged.

12. This Agreement shall be subject to suspension or termination upon finding by CCC that (1) adequate storage facilities are not available in the recipient country, or that (2) the distribution of the commodity in the recipient country will result in a substantial disincentive to or interference with domestic production or marketing in the country.

FOR THE GOVERNMENT OF THE UNITED STATES

AGENCY FOR INTERNATIONAL
DEVELOPMENT

By: 
James T. O'Meara

Title: Deputy Assistant
Administrator and
Acting Coordinator
Office of Food for Peace

Date: June 10, 1988

COMMODITY CREDIT CORPORATION

BY: 
Melvin E. Sims

Title: General Sales Manager,
FAS and Vice President
Commodity Credit
Corporation

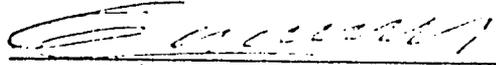
Date: 6/10/88

FOR THE GOVERNMENT OF THE DOMINICAN REPUBLIC

Request and Acceptance

The assistance described in this Agreement is requested and the terms and conditions of this Agreement and of A.I.D. Regulation 10, except as otherwise specifically provided herein, are accepted.

Cooperating Sponsor

By: 
Guillermo Caram

Title: Technical Secretary of
the Presidency

Date: 10/6/88

ATTACHMENT A

PLAN OF OPERATION
416 Donation

- A. Applicant: Technical Secretariat of the Presidency (TSP) of the Government of the Dominican Republic (GODR)
- B. Country: Dominican Republic
- C. Kind and Quantity of Commodities Requested: Corn (No. 3 or better) 73,800 MT Total
- D. Delivery Schedule:

<u>Product</u>	<u>Package</u>	<u>Quantity MTs (Lbs/000)</u>	<u>Delivery Month to U.S. Port</u>	<u>Foreign Port Destination</u>
corn	bulk	12,000 MT	August, 1988	Santo Domingo
		18,000 MT	August, 1988	Puerto Plata
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		<u>21,900 MT</u>	Sept., 1988	Santo Domingo
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- E. Program Description: Corn will be imported, stored temporarily at the port, and sold at a price which is at least equal to prevailing market price plus local handling directly to commercial enterprises who will transport it to their facilities where it will be either milled into animal feed and then will enter normal commercial channels for ultimate sale to animal producers or be used directly as animal feed. The local commercial buyers will provide STP with irrevocable and unconditional letters of credit, for the goods purchased prior to their arrival in the country. These funds will be deposited in a special account in the Banco Central within a specified period agreed upon between the GODR and A.I.D. The funds derived from the sale of the corn will be used for agricultural development activities discussed in Item G below.
- F. Description of Management of Program Procedures: To assure proper use of local currency generated from the sale of commodities provided under the FY 1988 Section 416 (b) agreement, the following management procedures will be established. The local currency coordinating unit within the Technical Secretariat of the Presidency will administer the Section 416 (b) local currency as it does for the ongoing, joint USG/GODR LC program. It will manage the basic programming process review and process specific project

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requests for uses of local currency, and insure accountability of funds. The Technical Secretariat and USAID will approve project and program profiles. Once approval and concurrence to a request for release of funds has been given the local currency will be disbursed from special account in the Central Bank for agreed upon purposes. These local currencies will be deposited into an interest-bearing special account in the Banco De Reservas in the name of the executive agency. All interest earned will accrue to the special account in the Banco Central.

- G. Use of Funds: Funds generated under the FY 1988 Section 416 (b) program will be used for: 1) food production projects such as those sponsored under the commercial farm system bridge credit, which have no adverse effect on U.S. agricultural exports; 2) distribution and storage costs of school feeding programs, and 3) agricultural productive infrastructure. These activities will be consistent with providing food assistance to needy people.
- H. This donation will not displace normal commercial purchases given the lack of foreign exchange which will limit the ability of the Dominican Republic to finance these imports commercially over the next six months.
- I. The Government of the Dominican Republic will furnish A.I.D. and the U.S. agricultural attache with such information and reports relating to the agreement as they may request.
- J. Usual Marketing Requirements (UMR) is zero (0) due to economic hardship.
- K. Non Export Assurances: The Government of Dominican Republic has agreed not to export corn (nor the same product under a different name) during U.S. Fiscal Year 1988/89.
- L. The Technical Secretariat of the Presidency has agreed to import donated commodities free from all custom duties, tolls taxes, etc.
- M. In Country Transport and Storage Facilities: The GODR can arrange for in-country transport and storage of these commodities.

Attachment B

Packaging Description:

Corn (in bulk) - No. 3 or better