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United States of America
AGENCY FOR INTERNATIONAL DEVELOPMENT
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United States Embassy
P.O. Box 699 Khartoum, Sudan

JUN 9 1988

United Nations
World Food Program
Khartoum, Sudan

SUBJECT: Grant Number 650-9999-G-SS-8052-00

Dear Sir:

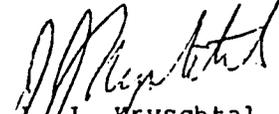
Pursuant to the authority of the Foreign Assistance Act of 1961, as amended, the Agency for International Development, Mission to Sudan (hereinafter referred to as "AID", "USAID/Sudan", or "Grantor") hereby grants to the United Nations World Food Program (hereinafter referred to as "WFP" or "Grantee"); the sum of \$425,040. The funds provided to the Grantee by this Grant represent partial support of a program to provide the services of vacuators to the Agricultural Bank of Sudan in extracting 23,570 Metric Tons of sorghum from underground pits for delivery to USAID/Sudan as described in Attachment 2 "Program Description."

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning May 15, 1988 and ending March 31, 1989.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 "Schedule" and Attachment 3 "Standard Provisions".

Please sign the original and four (4) copies of this letter to acknowledge your receipt of the grant, and return the original and three (3) copies to the undersigned.

Sincerely yours,


J. Kryschtal
Grant Officer

Accepted: WORLD FOOD PROGRAM


BY: P.I. Jobber

TITLE: WFP Representative a.i.

DATE: 2 July 1988

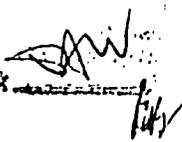
Attachments

1. Schedule
2. Program Description
3. Standard Provisions

FISCAL DATA

PIO/T Number: 650-9999-3-80040
Appropriation: 72FT800
Allotment: 180-50-650-00-10-00
Amount: Es425,040

PLANNED DEVELOPMENT

DATE: 


SCHEDULEA. Purpose of Grant

As more fully described in Attachment 2 "Program Description", the Grantee has undertaken a program to provide the services of vacuators to the Agricultural Bank of Sudan in extracting 23,570 Metric Tons of sorghum from underground pits for delivery to USAID/Sudan.

B. Period of the Grant

This Grant shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning May 21, 1988 and ending March 31, 1989.

C. Amount of Grant and Payment

1. The amounts of this grant, and the amount obligated, is Es425,040.

2. Payment under this grant shall be made to the Grantee in accordance with procedures set forth in the Standard Provision entitled "Payment-Cost Reimbursement". The Grantee may instruct USAID/Sudan to make payments directly to the service firm operating the vacuators.

D. Financial Plan

The following is the plan for use of the funds provided under this grant including local currency. It is specifically understood that the Grantee will absorb its staff salaries and overhead costs associated with the Grant program. Revisions to this plan will be made in accordance with the Standard Provision of this Grant, entitled "Revision of Grant Budget".

COST ELEMENTSUDANESE POUNDS

Cost of Arkel Contract

Monthly Operations

Equivalent of Two Months @ Es212,520/Mo

Es425,040

(The operation may use either one or two shifts and may be operated on nonconsecutive days.)

E. Source and Origin

Notwithstanding any other provision of this Grant, the source and origin of all goods and services, the cost of which will be reimbursed hereunder, shall be Sudan, the United States, or countries in AID Geographic Code 935.

F. Order of Precedence

In event of any inconsistency between the provisions of this Grant and the attachments thereto, the inconsistency shall be resolved by giving precedence in the following order of priority:

1. Grant Letter
2. Schedule
3. Standard Provisions
4. Program Description
5. Other related documentation

PROGRAM DESCRIPTION

In northern Darfur and northern Kordofan, drought conditions have returned. There is a need to provide food supplies to affected populations so as to avert a disaster in the coming months. In addition, the numbers of displaced people arriving in these areas from civil unrest in the South is increasing. Whereas emergency food programs have relied upon imported commodities in the past, it is judged that adequate supplies exist in country to meet local emergency relief needs provided that an efficient and effective system of distribution can be carried out. The plan proposed by the Relief and Rehabilitation Commission (RRC), and agreed to by the donor nations, is for the Government of Sudan, through the Ministry of Finance and Economic Planning (MFEPP) and the Agricultural Bank of Sudan (ABS), to make available existing stocks of commodities. As its contribution, the international donor community, in the Sudan has agreed to pool resources and efforts in a joint program with the GOS to meet some of the costs of procuring and transporting emergency food.

In addition, USAID has arranged a wheat for sorghum swap with the Ministry of Cooperation Commerce and Supply (MCCS) which will yield 25,000 metric tons of sorghum from stocks held by the ABS. USAID intends holding this sorghum as part of a strategic reserve in the event that food is required to be readily available and moved urgently in extreme emergency conditions either because needs suddenly increase or the donor food and other emergency relief efforts have not moved quickly enough to meet demand. Needs could arise urgently in the areas of drought affected people in western Sudan, people in southern Sudan affected by the civil war, displaced people in northern Sudan affected by the civil war or refugees from Ethiopia where famine conditions have returned to Eritria and Tigray.

For this quantity of sorghum to be held by USAID as a strategic reserve, it needs to be uplifted from ABS stocks and stored in suitable USAID storage sites so as to be readily accessible when the need arises. USAID wishes to have the uplifting and storage under USAID's direct control to ensure its free movement in a timely manner.

Under the terms of the swap agreement, the GOS must give USAID four months notice of the required delivery date of the wheat in Port Sudan. This notice can only be given by the GOS after they have effected delivery to USAID of 95 % (23,370 MT) of the sorghum. US Government regulations require that loading of the wheat onto ship in the US must begin before the end of the fiscal year. Therefore, delivery of the sorghum by the ABS ideally should be effected by the the end of May.

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Before the swap sorghum is delivered to, and accepted by, USAID, it needs to be extracted from matmouras (underground storage pits) by the ABS. To do this in a timely manner, ABS has requested the loan of USAID grain vacuators. USAID has agreed to allow the ABS to utilize the vacuators for this purpose but only on the condition that Arkel Cargo Services Ltd. operate and maintain them. Arkel, having operated the vacuators in Port Sudan in 1985 following training by the suppliers, Dunbar Kappel, at US Government expense, is the only firm in Sudan experienced in their operation and maintenance. To ensure the continued operational capability of this US Government equipment, it is in the best interests of the US Government to have them operated only by experienced personnel.

The United Nations World Food Program (WFP) currently are using two USAID vacuators in Gedaref and have contracted with Arkel Cargo Service Ltd. to operate and maintain them. So as to save the time involved in contracting directly with Arkel, USAID requested WFP to instruct Arkel to begin work for USAID in Kosti under their existing contract and USAID would pay for the costs. WFP agreed to this arrangement and instructed Arkel to have three vacuators at the ABS matmoura site outside of Rabak (twin town to Kosti) on Saturday, May 21, 1988 ready for operation.

Day to day operation of the vacuators will be under the direct instructions of GDO/USAID. The ABS have indicated that they wish to operate two shifts of eight (8) hours per day to extract the sorghum.

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