

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE
FOR EAST AND SOUTHERN AFRICA (REDSO/ESA)

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March 1, 1989

World Bank
The International Bank for Reconstruction
and Development (IBRD)
1818 H. St. N.W.
Washington, D.C. 20433

Subject: Grant No. 623-0000-G-00-9020-00

Dear Sirs:

Pursuant to the authority of the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the International Bank for Reconstruction and Development (hereinafter referred to as "IBRD" or "Grantee") the sum of U.S. Dollars Fifteen Thousand (\$15,000); to provide support for a workshop on "Strengthening Local Authorities in Sub-Saharan Africa" as described in the "Schedule of this Grant, and Attachment 2, entitled "Program Description."

This grant is effective and obligation is made as of the date of this letter and shall apply to expenditures made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending on 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, entitled the Schedule, Attachment 2, entitled "Program Description", and Attachment 3 entitled "Standard Provisions," which have been agreed to by your organization.

Please sign and return the original and all enclosed copies of this letter to acknowledge your receipt of this grant and acceptance of its terms and conditions, and return all but one copy to the Grant Officer.

Sincerely,



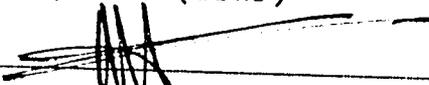
Maryanne Hoirup-Bacolod
Grant Officer
REDSO/ESA

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

International Bank for Reconstruction
and Development (IBRD)

BY: 

Typed Name: Armand Van Nimmen

Title: Chief, Infrastructure & Urban Development Division, EDI

Date: June 28, 1989

21

Fiscal Data

1) PIO/T No.	: 615-9401008-3-9003
Appropriation Symbol	: 72-1191021
Budget Plan Code	: PDSA-89-29615-KG-11
Project No.	: 940-1008.15
Grant Amount	: \$15,000
Amount Obligated	: \$15,000
Payment Office	: Regional Finance Management Center

ATTACHMENT 1

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for a workshop on "Strengthening Local Authorities in Sub-Saharan Africa" to be held in Poretto Terme, Italy from March 6, 1989 to March 17, 1989, as more specifically described in Attachment 2 (the Program Description) of this Grant.

B. Period of Grant

1. The effective date of this Grant is March 1, 1989. The estimated expiration date of this Grant is March 31, 1989.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$15,000 and for purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Standard Provisions.

D. Grant Budget

The following is the Grant Budget. Revisions to this plan shall be made in accordance with the Standard Provision of this Grant, entitled "Revision of Grant Budget."

<u>Cost Element</u>	
1. Participant	\$12,000
4. Workshop Costs	<u>\$3,000</u>
Total	\$15,000

Note: The Grantee contribution for the workshop as described in the Program Description of Attachment 2 is \$381,000.

- v/

E. Reporting and Evaluation

Financial Reporting

The Grantee shall submit a final financial reports required in Standard Provision No. 3 , "Payment - Cost Reimbursement." The Grantee agrees to consult with A.I.D.'s Regional Financial Management Office (RFMC) concerning further details for submitting financial report.

F. Special Provisions

The Grantee is responsible for assuring that its financial management and reporting systems that handle Grant funds are audited yearly by an independent certified auditor or audit firm.

5'

ATTACHMENT 2

PROGRAM DESCRIPTION

SCOPE OF WORK

A WORLD BANK ORGANIZED WORKSHOP FOR STRENGTHENING LOCAL AUTHORITIES IN SUB-SAHARAN AFRICA

Severe macroeconomic constraints are forcing the countries of Sub-Saharan Africa (SSA) to reexamine many of their policies. As part of this reassessment and refocusing of effort, governments, must deal with serious problems that exist at the subnational level, particularly in cities, towns and their surrounding rural hinterlands. One-third of SSA's population lives in those areas and they account for over half of the value-added generated nationally. The efficiency with which the African villages, towns and cities perform their functions affects the success of economic development strategies pursued in other areas, including agricultural development, industrialization, regional transportation, resource mobilization and institution building.

A hypothesis being tested globally by the World Bank, USAID and other donors is that a strong system of local government is necessary if the process of structural adjustment, reconstruction and development is to succeed; it is also at the local level that the main alternative to strong local government, i.e., the central government, has reached the limits of its ability to effectively respond. Local authorities must have the capacity and the opportunity to plan investment programs, implement them, and maintain the resultant infrastructure and services. Under this hypothesis, the role of central government does not disappear; it is trimmed back and refocused by concentrating on oversight functions, and by administering loan facilities and incentive grants.

This basic assumption implies that local governments have the potential to mobilize people and resources on a sustained basis to help implement development strategies. After more than a decade of project experiences there is a need to test this assumption, explore tools and approaches, and exchange ideas on how to enhance local governments' effectiveness--particularly in SSA.

Therefore a pressing question for SSA is: how can local governments be strengthened to meet the task? What issues need to be resolved in doing so and what policies can be prescribed?

To this end, the World Bank is seeking collaboration and co-sponsorship from the international donor community in a Workshop for Strengthening Local Authorities in Sub-Saharan Africa to be held in Poretto Terme, Italy, March 6-17, 1989. The participants would consist of African Ministers and government representatives at the policy-making level, managers of Local Authorities, representatives of the donor community, as well as NGO's with the objective of defining key policy issues, assessing the manner in which they are being dealt with and what the Bank, the donor community, and African governments should do to promote stronger local governments in Africa.

We see this workshop as complementary to similar endeavors by USAID and other donors in the recent past and, as such, will build on three main themes identifying issues and potentials in:

- (a) relegating responsibilities to Local Authorities;
- (b) improving local government effectiveness; and
- (c) generating recommendations for strengthening Local Authorities.

The purpose of the subject grant is to support the holding of the workshop in question. A budget is attached below which shows that of total costs anticipated of \$381,000, USAID will finance \$15,000.

1

AID HANDBOOK 13	TRANS. MEMO NO. 13:48	EFFECTIVE DATE July 15, 1988	PAGE NO. 5C-1
-----------------	--------------------------	---------------------------------	------------------

APPENDIX 5C

STANDARD PROVISIONS FOR
GRANTS TO PUBLIC INTERNATIONAL ORGANIZATIONS

1. Allowable Costs
 2. Refunds
 3. Revision of Grant Budget
 4. Termination Procedures
 5. Disputes
 6. U.S. Officials Not to Benefit
 7. Nonliability
 8. Amendment
 9. Notices
 10. Publications
 11. Audit and Records (Select and include only the applicable version as specified in the applicability statement of the provision.)
 12. Payment (Select and include only the applicable version as specified in the applicability statement of the provision.)
1. ALLOWABLE COSTS (JULY 1988)
 - (a) The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are reasonable, allocable, and allowable.
 - (1) Reasonable shall mean those costs that do not exceed those which would be incurred by an ordinarily prudent person in the conduct of normal business.
 - (2) Allocable shall mean those costs which are necessary to the grant.
 - (3) Allowable shall mean those costs which are reasonable and allocable, and which conform to any limitations set forth in this grant.
 - (b) Prior to incurring a questionable or unique cost, the grantee is encouraged to obtain the grant officer's written determination as to whether the cost will be allowable.
 2. REFUNDS (JULY 1988)
 - (a) The grantee is encouraged to utilize interest bearing accounts where feasible and shall remit to A.I.D. all interest earned on funds provided by A.I.D.
 - (b) Funds obligated by A.I.D. but not disbursed to the grantee at the time the grant expires or is terminated shall revert to A.I.D., except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee at the time of expiration or termination of the grant shall be refunded to A.I.D. except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant.

PAGE NO. 5C-2	EFFECTIVE DATE July 15, 1988	TRANS. MEMO NO. 13:48	AID HANDBOOK 13
------------------	---------------------------------	--------------------------	-----------------

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined that A.I.D. funds provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee shall refund such amount to A.I.D.

3. REVISION OF GRANT BUDGET (JULY 1988)

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

(b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

(1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.

(2) Additional funding is needed.

(3) The grantee expects the amount of A.I.D. authorized funds to exceed its needs by more than \$5,000 or five percent of the A.I.D. award, whichever is greater.

(c) Except as required by other provisions of this grant specifically stated to be an exception from this provision, the Government shall not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee shall not be obligated to continue performance under the grant (including actions under the "Termination Procedures" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the grant officer has notified the grantee in writing that such obligated amount has been increased and has specified the new grant total amount.

4. TERMINATION PROCEDURES (JULY 1988)

This agreement may be terminated, in whole or in part, by either party at any time upon 30 days written notice of termination. Upon receipt of and in accordance with a termination notice from the grant officer, the grantee shall take immediate action to cease all expenditures financed by this grant and to cancel all unliquidated obligations if possible. Further, upon receipt of notice of termination, the grantee shall not enter into any further obligations under this grant. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 days of the effective date of termination repay to the Government all unexpended A.I.D. funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of termination be insufficient to cover the grantee's obligations in a legally binding transaction, the grantee may submit to the Government within 90 days after the effective date of termination a written claim for such amount. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the "Allowable Costs" provision of this grant.

9

AID HANDBOOK 13	TRANS. MEMO NO. 13:48	EFFECTIVE DATE July 15, 1988	PAGE NO. 5C-3
-----------------	--------------------------	---------------------------------	------------------

5. DISPUTES (JULY 1988)

(a) Any dispute under this grant shall be decided by the A.I.D. grant officer. The grant officer shall furnish the grantee a written copy of the decision.

(b) Decisions of the A.I.D. grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to the Administrator of A.I.D. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In connection with any appeal proceeding under this provision, the grantee shall be given an opportunity to be heard and to offer evidence in support of its appeal.

(d) A decision under this provision by the Administrator or an authorized representative shall be the final decision of A.I.D.

6. U.S OFFICIALS NOT TO BENEFIT (JULY 1988)

No member of or delegate to the U.S. Congress or resident U.S. Commissioner shall be admitted to any share or part of this grant or to any benefit that may arise therefrom.

7. NONLIABILITY (JULY 1988)

A.I.D. does not assume liability for any third party claims for damages arising out of this grant.

8. AMENDMENT (JULY 1988)

The grant may be amended upon mutual consent of the parties by formal modifications to the basic grant document or by means of an exchange of letters between the grant officer and an appropriate official of the grantee.

9. NOTICES (JULY 1988)

Any notice given by A.I.D. or the grantee shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the A.I.D. grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

PAGE NO. 5C-4	EFFECTIVE DATE July 15, 1988	TRANS. MEMO NO. 13:48	AID HANDBOOK 13
------------------	---------------------------------	--------------------------	-----------------

10. PUBLICATIONS (JULY 1988)

(This provision is applicable when publications are financed under the grant.)

(a) If it is the grantee's intention to identify A.I.D.'s contribution to any publication resulting from this grant, the grantee shall consult with A.I.D. on the nature of the acknowledgement prior to publication.

(b) The grantee shall provide the A.I.D. project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.

(c) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but A.I.D. reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for U.S. Government purposes.

11. AUDIT AND RECORDS (STANDARD) (JULY 1988)

(This provision is applicable when A.I.D. is not the sole contributor to the grant program.)

The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The Grantee confirms that this program will be subject to an independent audit in accordance with the Grantee's usual auditing procedure, and agree to furnish copies of these audit reports to A.I.D. along with such other related information as may be requested by A.I.D. with respect to questions arising from the audit report.

11. AUDIT AND RECORDS (A.I.D. SOLE CONTRIBUTOR) (JULY 1988)

(This provision is applicable when A.I.D. is the sole contributor to the grant program.)

The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The Grantee agrees to make available to A.I.D. or the Comptroller General of the United States all records and documents which support expenditures made under this program.

11-

11. Audit and Records (U.N. Grants) (July 1988)
 (This provision is applicable to grants to the United Nations when A.I.D. is not sole contributor. When this provision is used the "Reporting and Evaluation" clause in the grant schedule should be deleted.)

It is agreed that the grantee will furnish the U.S. government with a final report on activities carried out under this grant, including accounting for these funds in sufficient detail to enable A.I.D. to liquidate the grant. The report should be submitted to the U.S. Mission to the U.N. in New York for forwarding to the A.I.D. program office.

It is understood that financial records, including documentation to support entries on accounting records and to substantiate charges against the grant, shall be maintained in accordance with the Grantee's usual accounting procedures, which shall follow generally accepted accounting practices. All such financial records shall be maintained for at least three years after the final disbursement of funds under this grant.

The Grantee confirms that the grant account will be audited in accordance with established procedures under appropriate provisions of the financial regulations and rules of the United Nations.

Any funds disbursed by A.I.D., but not committed by the Grantee prior to the expiration date shall be refunded to A.I.D. Funds not used for the purpose of this Grant shall be refunded to A.I.D. by the Grantee.

12. PAYMENT (PERIODIC ADVANCES) (JULY 1988)
 (This provision is applicable when the conditions for use of a letter of credit cannot be met and when: (i) the grantee maintains procedures that minimize the time elapsing between the transfer of funds and the disbursement thereof, and (ii) the grantee's financial management system meets generally accepted accounting standards for fund control and accountability.)

(a) Periodic advances shall be limited to the minimum amounts needed to meet current disbursement needs and shall be scheduled so that the funds are available to the grantee as close as is administratively feasible to the actual disbursements by the grantee for program costs. Cash advances made by the grantee to secondary recipient organizations or the grantee's field organizations shall conform substantially to the same standards of timing and amount as apply to cash advances by A.I.D. to the grantee.

PAGE NO. 5C-6	EFFECTIVE DATE July 15, 1988	TRANS. MEMO NO. 13:48	AID HANDBOOK 13
------------------	---------------------------------	--------------------------	-----------------

(b) Grantees shall submit requests for advances (SF-270) at least monthly to the paying office specified in the grant letter. Requests for advances shall state the estimated disbursements to be made during the period covered by the request, less the estimated balance of cash on hand at the beginning of the period and the advance amount being requested. Within 90 days following the expiration of the grant, the grantee will submit a report (SF-269) showing total disbursements, total advances received and any cash remaining on hand, which will be refunded to A.I.D.

(c) If at any time, the A.I.D. Controller determines that the grantee has demonstrated an unwillingness or inability to: (1) establish procedures that will minimize the time elapsing between cash advances and the disbursement thereof, (2) timely report cash disbursements and balances as required by the terms of the grant, and (3) impose the same standards of timing of advances and reporting on any subrecipient or any of the grantee's overseas field organizations; the A.I.D. Controller shall advise the grant officer who may suspend or revoke the advance payment procedure.

12. PAYMENT (COST-REIMBURSEMENT) (JULY 1988)
(This provision is applicable when the grantee does not meet the standards for a letter of credit or for periodic advances)

The grantee shall submit to the paying office indicated in the grant letter an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, normally once a month, but in any event no less than quarterly. Each voucher shall be identified by the grant number and shall state the total costs for which reimbursement is being requested.

12. PAYMENT (LETTER OF CREDIT) (JULY 1988)
(This provision is applicable when a Letter of Credit is requested by the grantee and approved by A.I.D.'s Office of Financial Management.)

(a) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by the A.I.D. Office of Financial Management, Program Accounting and Finance Division (M/FM/PAFD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAFD constitute the payment conditions of this grant superseding and taking precedence over any other clause of this grant concerning payment.

(c) If the LOC is revoked, payment may be made on a cost-reimbursement basis, in accordance with paragraph (e) of this clause.

AID HANDBOOK 13	TRANS. MEMO NO. 13:48	EFFECTIVE DATE July 15, 1988	PAGE NO. 5C-7
-----------------	--------------------------	---------------------------------	------------------

(d) Revocation of the LOC is at the discretion of M/FM/PAFD after consultation with the grant officer. Notification to the recipient of revocation must be in writing and must specify the reasons for such action. The recipient may appeal any such revocation to the grant officer, in accordance with the Disputes clause of this grant. Pending final decision, payments under the contract will be in accordance with paragraph (e) of this clause

(e) If the LOC is revoked, the grantee shall submit to the A.I.D. Controller an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, normally once a month, but in any event no less than quarterly. Each voucher shall be identified by the grant number and shall state the total costs for which reimbursement is being requested.