

PD- AAP-423

64759

LIMITED SCOPE GRANT AGREEMENT
BETWEEN THE
YEMEN ARAB REPUBLIC ("Y.A.R.")
AND
THE UNITED STATES OF AMERICA, ACTING THROUGH
THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.")

1. Project Title: SMALL RURAL WATER SYSTEMS

2. A.I.D. Project Number: 279-0044

The above-named parties hereby mutually agree to carry out the Project described in this Agreement in accordance with the terms of this Agreement, including any annexes attached hereto, and the agreement on Economic, Technical and Related Assistance between the Yemen Arab Republic and the United States of America, dated April 20, 1974.

3. Amount A.I.D. Grant: \$238,339

4. Y.A.R. in kind contribution to the Project (Yemeni Rial equivalent): \$59,585

5. Project Completion Date: September 30, 1989

6. This Agreement consists of this Title Page, a Project Description Annex (Annex A) and a Standard Provisions Annex (Annex B).

7. For the Yemen Arab Republic

8. For the United States of America


Mohsin Ali al-Hammani
Deputy Chairman
Central Planning Organization




Kenneth H. Sherper
Director
USAID/Yemen

Date: 5/27/88

Date: 7/21/88

Loan and Grant Agreements

FM/LMD (if Loan)

IM/PAFD

✓ FM/CAD

GC/ASB

ANE/Desk

ANE/LA Officer

ANE/PO Officer & File

✓ PPC/CBIE/DI

ANNEX A

LIMITED SCOPE GRANT AGREEMENT

PROJECT DESCRIPTION

A. Project Purpose

The purpose of this Project is to provide funding for continuing activities initiated under the Small Rural Water Systems Project's Cooperative Agreements (AID/NE-CA-1647 and NEB-0044-A-00-4107-00, as amended) with the New TransCentury Foundation ("TransCentury") as and after TransCentury's operations under the second Cooperative Agreement phase out by December, 1988. Continued activities under this Project are anticipated through the Project Assistance Completion Date (PACD) of September 30, 1989.

B. Project Activities

This project will continue activities initiated under the Small Rural Water Systems Project (A.I.D. Project No. 279-0044) for improving water and sanitation facilities to rural areas in the Yemen Arab Republic. A.I.D. funding under this agreement is expected to finance continued U.S. training for two Yemeni participants now in the United States who were previously administered by TransCentury; procurement of commodities by or for the Local Councils for Cooperative Development (LCCD) for water systems operations, maintenance, and maintenance workshops; and other project completion expenses which may be incurred. These project completion expenses may include provision of limited funding to the existing Cooperative Agreements with the TransCentury Foundation, if such funding should be needed; final reports; and transition actions required to ensure that Yemeni agencies are prepared to assume responsibility for actions begun under the Project.

C. Terms of Project

A.I.D. funding is hereby provided through the PACD, September 30, 1989.

D. Illustrative Project Budget

1. A.I.D. Inputs

- | | |
|--|-----------------|
| a. Continued training in the U.S. of two Yemenis through the mechanism of PIO/Ps | \$75,000 |
| b. Commodities associated with LCCD water systems operations, maintenance, and maintenance workshops | \$133,000 |
| c. Project completion expenses | <u>\$30,339</u> |

SUBTOTAL-A.I.D. \$238,339

2. Y.A.R. Inputs

- | | |
|---|----------|
| a. LCCD office space for LCCD staff
associated with the Project | \$15,000 |
| b. Continuation of regular LCCD staff
salaries and benefits for individuals
associated with the Project | 44,585 |

SUBTOTAL-Y.A.R. \$59,585

3. TOTAL \$297,924
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ANNEX B

LIMITED SCOPE GRANT AGREEMENT

STANDARD PROVISIONS ANNEX

A. Reference to 'this Agreement' means the original Project Agreement as modified by any revisions which have entered into effect. Reference to 'cooperating country' means the country of territory or the Y.A.R.

B. (1) A.I.D. will make available the amount specified in Paragraph 3 of this Agreement, as necessary for the Project, as may be further described in Annex A.

(2) The Y.A.R. will make available the amount specified in Paragraph 4 of this Agreement, as necessary for the Project, as may be further described in Annex A. The Y.A.R. will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A.

C. A.I.D. and the Y.A.R. may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.

D. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but A.I.D. shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Paragraph 5 of this Agreement) or any amended Project Assistance Completion Date specified.

E. The procurement of commodities and services to be financed in whole or in part by A.I.D. may (where so required by A.I.D. procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by A.I.D.

F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the A.I.D. contribution referred to in Paragraph 3 of this Agreement shall be subject to the provisions of A.I.D. Regulation 1.

G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by A.I.D. pursuant to Paragraph 3 of this Agreement shall be in the Y.A.R., or such public or private agency as it may authorize.

H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.

(2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this Agreement shall be refunded to the party providing the funds.

(3) Any interest or other earning on funds provided by A.I.D. to the Y.A.R. under this Agreement will be returned to A.I.D. by the Y.A.R.

I. (1) If A.I.D. and any public or private organization furnishing commodities through A.I.D. financing for operations hereunder in the cooperating country is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Agreement, the Y.A.R. will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with A.I.D., the Y.A.R. or any agency authorized by the Y.A.R., who are present in the cooperating country to provide services which A.I.D. has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperative country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or if any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by A.I.D. hereunder, the Y.A.R. will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. If funds provided by A.I.D are introduced into the cooperating country by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D hereunder, the Y.A.R. will make such arrangements as may be necessary so that such funds shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

K. A.I.D. shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.

L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

M. A.I.D. and the Y.A.R. shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Paragraph 3 and 4 of this Agreement, except for payments which they are committed to make pursuant to non cancelable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property or funds shall remain in force after such termination. 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 the Y.A.R. and are in a deliverable state and have not been offloaded in ports of entry to the Y.A.R.

O. To assist in the implementation of the Project, A.I.D., from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

P. The Y.A.R. agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Y.A.R. 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.