

PD-ABC-604

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A.I.D PROJECT NUMBER 625-0012

PROJECT GRANT AGREEMENT

BETWEEN

THE GAMBIA RIVER BASIN DEVELOPMENT ORGANIZATION  
(ORGANIZATION POUR LA MISE EN VALEUR DU FLEUVE GAMBIA)  
(OMVG)

AND THE

UNITED STATES OF AMERICA

FOR

GAMBIA RIVER BASIN DEVELOPMENT

DATED: JUNE 3, 1981

## TABLE OF CONTENTS

### Project Grant Agreement (OMVG)

	<u>Page</u>
Article 1: The Agreement	1
Article 2: The Project	1
SECTION 2.1 Definition of Project	.
SECTION 2.2 Incremental Nature of Project	2
Article 3: Financing	2
SECTION 3.1 The Grant	2
SECTION 3.2 Grantee Resources for the Project	2
SECTION 3.3 Project Assistance Completion Date	2-3
Article 4 Conditions Precedent to Disbursement	3
SECTION 4.1 First Disbursement	3
SECTION 4.2 Notification	4
SECTION 4.3 Terminal Dates for Conditions Precedent	4
Article 5: Special Covenants	4
SECTION 5.1 Project Evaluation	4
SECTION 5.2 Project Staffing, Budgeting and Planning	4-5
Article 6: Procurement Source	5
SECTION 6.1 Foreign Exchange Costs	5
SECTION 6.2 Local Currency Costs	5
Article 7: Disbursements	5
SECTION 7.1 Disbursement for Foreign Exchange Costs	5-6
SECTION 7.2 Disbursement for Local Currency Costs	6-7
SECTION 7.3 Other Forms of Disbursement	7
SECTION 7.4 Rate of Exchange	7
Article 8: Miscellaneous	7
SECTION 8.1 Communications	7-8
SECTION 8.2 Representatives	8
SECTION 8.3 Standard Provisions Annex	8

## TABLE OF CONTENTS

### Amplified Project Description Annex

	<u>Page</u>
I. PROJECT GOAL AND PURPOSE	1
II. DESCRIPTION OF PROJECT COMPONENTS	2
A. Technical Assistance Component	2
1. Long-Term Technical Specialists	2
2. Short-Term Technical Specialists	2
3. Additional Technical Advice	3
B. Aerial Photography and Mapping Component	3
C. Environmental and Socio-Economic Studies Component	4
1. Environmental Studies	4
2. Socio-Economic Study	5
D. Training of OMVG and Member State Personnel	6
E. Logistic Support	7
III. IMPLEMENTATION PLAN	7
IV. FINANCIAL PLAN	8
A. U.S. Contributions	8
B. OMVG Contributions	8
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ANNEX 1, Attachment I	1
ANNEX 1, Attachment II	1-2

## TABLE OF CONTENTS

### Project Grant Standard Provisions Annex

	<u>Page</u>
Article A: Project Implementation Letters	1
Article B: General Covenants	1
SECTION B.1 Consultation	1
SECTION B.2 Execution of Project	1
SECTION B.3 Utilization of Goods and Services	2
SECTION B.4 Taxation	2
SECTION B.5 Reports, Records, Inspections, Audits	2-3
SECTION B.6 Completeness of Information	3
SECTION B.7 Other Payments	3
SECTION B.8 Information and Marking	3
Article C: Procurement Provisions	3
SECTION C.1 Special Rules	3
SECTION C.2 Eligibility Date	4
SECTION C.3 Plans, Specifications, and Contracts	4
SECTION C.4 Reasonable Price	4
SECTION C.5 Notification to Potential Suppliers	5
SECTION C.6 Shipping	5
SECTION C.7 Insurance	5-6
SECTION C.8 U.S. Government-Owned Excess Property	6
Article D: Termination; Remedies	6
SECTION D.1 Termination	6
SECTION D.2 Refunds	6-7
SECTION D.3 Nonwaiver of Remedies	7
SECTION D.4 Assignment	7

PROJECT GRANT AGREEMENT

Dated: June 3, 1981

Between The Gambia River Basin Development Organization (OMVG) ("GRANTEE"), an international organization consisting of the countries of Senegal, The Gambia and Guinea (the "Member States"),

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 understanding 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 1, will consist of a number of activities designed to establish the OMVG as an effective operating agency for the coordination and management of a program of development planning and project implementation for rural areas of the Gambia River Basin. These activities will include the carrying out of environmental and socio-economic studies of the Basin; the making of aerial photographs, surveys and maps of the Basin; the provision of academic, on-the-job and technical training to OMVG staff; the provision of long and short term technical assistance to OMVG by U.S. technical specialists; and the provision of limited logistical support to OMVG. Annex 1, 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 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

Article 2 The Project (Continued)

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 cost 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 two million United States ("U.S.") Dollars (\$2,000,000) ("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 are set forth in Annex 1 hereto.

Section 3.3 Project Assistance Completion Date

- (a) The "Project Assistance Completion Date" (PACD), which is September 30, 1986, 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.

- 2 -

Article 3 Financing (Continued)

- (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) Request for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letter 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 items;
- (b) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;
- (c) Evidence that (1) the terms of reference for the counterparts to the four long-term American technical specialists have been approved by the appropriate Member State(s) and (2) that the OMVG has made all arrangements necessary for financing the employment costs of the counterparts.

**Article 4: Conditions Precedent to Disbursement (Continued)**

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

Section 4.3 Terminal Dates for Conditions Precedent: If all of the conditions specified in Section 4.1 have not been met within 60 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.

**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, during the implementation of the Project and at one or more points thereafter:

- (a) evaluation of progress toward attainment of the objectives of the Project;
- (b) identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) assessment of how such information may be used to help overcome such problems; and
- (d) evaluation, to the degree feasible, of the overall development impact of the Project.

Section 5.2 Project Staffing Budgeting and Planning: The Grantee covenants and agrees;

- (a) To hire and maintain an administrative and technical staff adequate in numbers and quality to effectively carry out the project;
- (b) To prepare and update annually a full OMVG budget which covers the period up to September 30, 1988. This budget will include an identification of costs generated by all activities and the source of funds for the financing of such costs;
- (c) To prepare, by no later than the PACD, an action plan which addresses agricultural pricing policy considerations within the Gambia River Basin;

**Article 5: Special Covenants (Continued)**

- (d) To utilize Member State technicians and resources to the maximum extent possible in order to encourage effective communication between Member States and to insure that Member State development priorities and strategies are reflected in the OMVG planning and coordinating process; and
- (e) To provide evidence, in form and substance satisfactory to AID, that the counterparts to the four long-term technical assistants have been nominated and approved by August 1, 1981 and hired by December 31, 1981, or such other dates as AID may agree to in writing.

**Article 6: Procurement Source**

Section 6.1 Foreign Exchange Costs: Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the AID Geographic Code Book as in effect 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.

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 Senegal and The Gambia ("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.

**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 agreed upon:

5

Article 7: Disbursement (Continued)

- (1) by submitting to AID with necessary supporting documentation as prescribed in Project Implementation Letters, (a) requests for reimbursement for such goods or services, or, (b) 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 (a) to one or more U.S. banks, satisfactory to AID, committing AID to reimburse such bank or banks for payment made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (b) 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.

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 (a) requesting the Grantee to make available the local currency for such costs, and (b) 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.

Article 7: Disbursement (Continued)

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: Disbursement 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 any Member 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 such Member State at the highest rate of exchange which, at the time the conversion is made, is not unlawful in such Member State.

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: Gambia River Basin Development Organization  
B.P. 60  
Kaolack, Senegal

To AID:

Mail Address: USAID/Gambia  
6 Buckle Street  
Banjul, The Gambia

Article 8: Miscellaneous (Continued)

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 High Commissioner OMVG and AID will be represented by the individual holding acting in the office of AID Representative for The Gambia, 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.

Section 8.3 Standard Provisions Annex

A "Project Grant Standard Provision Annex" (Annex 2) is attached to and forms part of this Agreement.

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.

THE GAMBIA RIVER BASIN DEVELOPMENT ORGANIZATION (OMVG)

UNITED STATES OF AMERICA

By: [Signature]  
Title: HIGH COMMISSIONER  
OMVG

By: [Signature]  
Title: A.I.D. Representative

AMPLIFIED PROJECT DESCRIPTIONI. PROJECT GOAL AND PURPOSE

This project seeks to further the socio-economic development of the population in the rural areas of the Gambia River Basin through the establishment of OMVG as an effective coordinating agency for Gambia River Basin development by the beginning of 1986. This project is institution-building in nature, its specific objective being to create an effective planning division within OMVG with adequate analytical data regarding the resources of the Gambia River Basin available to it to enable OMVG to be an effective operating agency for coordination and management of a development planning and project implementation program. Project activities designed to achieve these objectives will consist of: (1) environmental and socio-economic studies of the Basin; (2) aerial photographs, surveys and maps of the Basin; (3) academic, on-the-job and technical training; (4) long-term U.S. technical advisors; and (5) limited logistical support for OMVG operations. The completion of the studies (with recommendations accepted by OMVG as valid), in conjunction with the development of an effective planning division within the OMVG, should establish the OMVG as an effective coordinating agency for Gambia River Basin Development.

II. DESCRIPTION OF PROJECT COMPONENTSA. Technical Assistance Component

This component of the project will provide assistance to the OMVG in building institutional capabilities for technical planning of implementation activities in the Gambia River Basin. Long-term and short-term technical assistance personnel, experienced in river basin planning and development, will be provided under contracts to work with the OMVG High Commission staff at OMVG headquarters. OMVG will supply counterpart technicians. These counterparts will provide the necessary local perspective to the technical assistance and will receive on-the-job and academic training. The counterpart technicians will be expected, ultimately, to become the senior core planning professionals of the OMVG High Commission and to replace the foreign technical assistants.

1. Long-Term Technical Specialists

Four long-term technical advisors, specialists in key aspects of river basin planning, are expected to arrive during the latter part of the first year of the project for a three year term. The specialists required are: (a) civil engineer/river basin planner,; (b) environmental specialist; (c) rural sociologist and (d) natural resource economist. These specialists will work with OMVG staff to direct and guide what promises to be a complex, multi-agency program. Their assistance will include, among other things, providing guidance to donors and member states in design and completion of many interrelated studies. The management vehicle to be used by the technical assistance specialists and the staff of the OMVG High Commission will be the study plan of work which is to be prepared in the first months of the project. Based upon this plan of work, the technical specialists will assist OMVG in overall study management leading to development and implementation actions. The study plan will be reviewed, revised, and updated, as needed to meet changing circumstances throughout the approximate five year study phase. The specialists will also assist with the preparation of a bibliography of data and reports completed and underway which are relevant to the overall basin study program and assist OMVG in writing the terms of reference for the environmental and socio-economic studies and for any other studies which prudent and efficient planning requires. The technical assistants, working with their counterparts, will provide on-the-job training in the technical speciality common to both. It is anticipated that AID, at the request of OMVG, will contract for services of these specialists although they will be assigned to work for and under the authority of OMVG.

2. Short-Term Technical Specialists

A geodetic advisor, a cartographic advisor and other instructors will spend various periods of time assisting and training staff on aerial photographic and mapping procedures and techniques. The geodetic and cartographic advisors will be provided as part of the arrangements for the aerial photography and mapping services.

### **3. Additional Technical Advice**

In addition to the long-term specialists, technical staff from the environmental and socio-economic study teams will work closely with and train appropriate staff of OMVG and member state institutions.

#### **B. Aerial Photography and Mapping Component**

The objective of this component is the production of basin-wide maps which will provide soils interpretation and productivity information; identify current and potential land use and land use conflict areas and demographic and migration patterns; provide data for surveys and analyses concerning livestock, forestry, transportation and environmental factors; and provide detail, not presently available, which is necessary for identification of potential structural sites and irrigable areas.

The mapping component includes preparation of controlled planimetric photomaps at a map scale of 1:25,000. The Senegalese and Gambia Basin area will be flown at a contact print scale of 1:50,000 using both panchromatic black-and-white and color infrared photography. Ground control surveys will be performed to ensure adequate horizontal accuracy of the completed photomaps. The photomaps will be prepared using panchromatic photography, and prints and transparencies of the infrared color photography will be provided.

OMVG and Member State Ministry personnel will receive on-the-job training during the course of the mapping project. This will include observing the activities of and working with personnel of the contractors during all phases of the mapping component. Instruction will also be provided to train member state nationals in the use of the completed photographic materials. Four qualified students will be selected for approximately three weeks observation and orientation at appropriate U.S. Government agencies and in the contractor's plant in early 1983.

It is anticipated that AID at the request of OMVG, will contract for the services necessary to carry out this component. Ground control surveys should begin in November 1981 and aerial photography in December 1981, with completion of this work in June 1982. Controlled planimetric photomaps at 1:25,000 scale and the topographic photomaps at 1:10,000 scale will

then be prepared using the photography and ground control surveys obtained. This work should begin in August 1982 and end with delivery of the photomaps in November 1983. In the following month, short-term technical assistance specialists will train member state national personnel in the use of the photographic materials.

### C. Environmental and Socio-Economic Studies Component

This component consists of the execution of technical studies designed to assist the OMVG to design, analyse and monitor the impact of projects proposed for implementation during the study phase as well as the long range planning and development program of the OMVG. The environmental and the socio-economic studies are to be carried out under the terms of a single contract in order to ensure that the interrelation between the two studies is adequately respected and that their integration is complete. The work performed will be carried out in three phases; (1) preparation of a detailed work plan for all studies; (2) data collection and preliminary analysis of impacts and mitigation proposals; and (3) revision of program, devising of further mitigation measures and preparation of terms of reference for future necessary studies. At the conclusion of each phase the contractor will submit a report to OMVG and USAID which will contain findings of the preceding phase and a detailed work plan for the succeeding phase. Each report will be reviewed by OMVG personnel, including the AID-funded technical specialists, for consistency with planning and implementation needs and schedules. Upon the recommendation of OMVG and with AID concurrence, work on subsequent phases will proceed following acceptance of each report. The specific studies to be carried out are as follows:

#### 1. Environmental Studies

These studies will focus on collecting and developing baseline information and analytical capability needed to determine the environmental impact of proposed dams, other structures and irrigation developments on the Gambia River. This study will also assist in identifying potential mitigative measures if needed. The studies will consist of a river resources study, to start in June 1982 and take about 15 months; a public health impact study of approximately 18 months duration starting in June 1982; and a wildlife-vegetation study extending from June 1982 through June 1983.

## 2. Socio-Economic Study

This study is to provide baseline information on the existing socio-economic patterns in the basin emphasizing the farming and livestock sectors and the intersection of those two activities. Focusing on the riverine portion of the basin, the study will provide data and analytical capability to determine social impacts and economic returns of structures and irrigation developments proposed and will provide potential compensating, mitigating and other actions which may need to be taken to ensure that projected development outcomes are actually achieved. The study will have both a descriptive function, providing information of a quantitative and qualitative nature describing and analyzing the existing farming systems in two large areas of the basin; and a testing function, which will provide the basis for testing at the field level particular methodologies and approaches to socio-economic data acquisition in order to assess their relevancy to local farming systems. Methodologies for socio-economic data gathering and processing will be refined and modified in relation to the expressed data needs of the member state agencies and the OMVG. Overall responsibility for the management of the socio-economic component will rest with a contract team, the specific composition of which will be agreed to by OMVG and AID. AID, at the request of OMVG, will undertake to contract for this team on behalf of OMVG. The contractor will carry out the study in close coordination and with participation of the relevant state agencies of the Member States within an ad-hoc socio-economic study committee under the aegis of the OMVG. This socio-economic study committee will be headed by the AID-funded long-term technical specialists and their counterparts in the OMVG planning unit. The study committee will be an advisory group to the contractor regarding the specifics of research design, research instruments, training of enumerators and other important elements of the study.

The socio-economic study will entail approximately 3 months of review of secondary sources in-country, 15 months of field data collection and a final 6 months to complete data processing and analysis. The socio-economic data collected will also be integrated with the environmental study data in a final document to be presented to the OMVG.

**D. Training of OMVG and Member State Personnel**

This training will be provided under three categories: academic training, technical training, and on-the-job training.

Academic Training will be provided for the four local counterparts on the OMVG Technical Services staff to the American long-term technical assistance specialists. It is expected that each counterpart will have the equivalent of a Bachelor's degree in his specialty before his assignment to the OMVG counterpart. Shortly after that assignment, each counterpart will spend a year in Master's level course work in his specialty at an American university and then return to the OMVG to assist with current studies. Following this study participation each counterpart will return to the U.S. to write a Master's thesis based on his work in the Basin studies and then return to permanent assignment with OMVG.

One year of academic training will also be provided for a junior statistician from OMVG or one of the national agencies in the field of data collection and statistics. Costs for this training include additional funds to permit travel and visits to agencies or firms experienced in data collection and statistical processing.

Technical Training will include training two persons from OMVG or national agencies (to be determined by OMVG) in data processing for six months each at a site to be selected by the contractor for the socio-economic study.

Four qualified students will be selected for observation and orientation in mapping procedures and care and use of photographic materials. This training will be for one month in the fall of 1982 and will be given at appropriate sites to be determined by the contractor.

On-the-job-Training will take several forms. The local counterparts will receive one and a half years of training from working with the long-term American technical assistant specialists in a general sense and by participating with the contractors during the course of the environmental and socio-economic studies.

It is expected that the Ministries of the Member States will assign personnel to work with OMVG and the contractors during the studies. In doing this work

They will receive on-the-job training and guidance from the American technical assistance specialists or from the contractor's staffs.

E. Logistic Support

OMVG will be provided certain logistical support including both specifically identified and unidentified purchases of equipment and supplies. The major item is the purchase of four vehicles for use by the four American technical specialists during their assignments to OMVG. Operation and maintenance costs for these vehicles are also covered. Vehicles equipment purchases needed to carry out the socio-economic and environmental studies and aerial photography and mapping will be the responsibility of the contractor.

Funds are included in the project for general use and purchase of miscellaneous equipment and supplies. Though the specific items are not identified at this time, they can be selected at the option of OMVG staff in consultation with the four American technical assistance specialists. One option is employment of a management consultant to advise on the role and structure of OMVG. Another option is purchase of equipment, such as microfiche reproduction and storage files, as a basis for establishing a documentation center. Miscellaneous office equipment, such as copying machines, typewriters, and desk calculators, could also be purchased. It is noted that long procurement lead times require that decisions for disbursements for unidentified purchases be made as early as possible during implementation.

III. IMPLEMENTATION PLAN

The implementation plan for this project is set forth in Attachment 2 to this Annex. The contractual services required for the project will be obtained, at the request of OMVG, by direct AID/contractor agreements. These services will be obtained on the basis of Project Implementation Orders/Technical (PIO/T) reviewed and approved by OMVG. Participant training programs will be filled by candidates from Member States selected by the OMVG and approved by the Member governments and will be implemented through Project Implementation Orders/Participant (PIO/P) issued by AID.

With regard to purchases of local goods and services, the OMVG will designate

an official to be responsible for local procurement and will obtain AID approval for the method of control and or documentation for such procurement. It is anticipated that all U.S. procurement will be carried out either by a procurement services agent (PSA) chosen by OMVG and acceptable to AID or by use of one of the contractors involved in the project as a procurement agent. AID will assist the OMVG in locating a suitable PSA. OMVG will be responsible for the proper receipt and port clearance of all in-coming project commodities and all logistical and transport services required to ensure that all incoming commodities and/or vehicles are delivered to the designated project areas or work sites.

#### IV. FINANCIAL PLAN

##### A. U.S. Contributions

Planned U.S. contributions are shown in Attachment 1 to this Annex.

##### B. OMVG Contributions

OMVG will be responsible for supplying four counterpart technicians to the long-term technical assistance team to be supplied by AID under the project. It will also be responsible for supplying adequate office space, secretarial assistance, and access to standard office equipment for all technical assistance personnel supplied under the project while they are operating in the Basin area. The OMVG will also supply occasional translation services to the American technical assistance personnel.

PROJECT FINANCIAL PLAN  
(\$ U. S. )

As of June 3, 1981

PROJECT INPUTS	CUMULATIVE OBLIGATIONS AS OF JUNE 3, 1981	FUTURE YEARS ANTICIPATED		TOTALS
		FY 81	FY 82-FY 85	
<u>I. TECHNICAL ASSISTANCE</u>				
A. Long-term specialists	-	18,000	1,320,000	1,338,000
B. Implementation contracts (Aerial Photography and mapping, Socio-Economic study, environmental study)	2,000,000	1,325,000	5,842,000	9,167,000
<u>II. PARTICIPANT TRAINING</u>	-	136,000	-	136,000
<u>III. COMMODITIES</u>	-	156,000	142,000	298,000
<u>IV. OTHER</u>				
A. Evaluation	-	-	150,000	150,000
B. Inflation (15%)	-	-	1,196,000	1,196,000
C. Contingency (10%)	-	365,000	744,000	1,109,000
<b>TOTALS</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>9,394,000</b>	<b>13,394,000</b>

IMPLEMENTATION PLAN

<u>ACTION</u>	<u>RESPONSIBLE AGENCY</u>	<u>DATE REQUIRED</u>
1. Sign Project Grant Agreement	OMVG/AID	6/3/81
2. Finalize Terms of Reference for contracts for Socio-Economic and environmental studies and first phase of Aerial Photography and mapping.	AID/OMVG	7/81
3. Finalize job descriptions for four long-term technical specialists and begin recruitment.	AID/OMVG	7/81
4. Receipt of Proposals for Aerial Photography and socio-economic/environmental studies.	AID	10/81
5. Contract signed and initial Aerial Photography begun.	AID/Contractor	11/81
6. Counterparts to long-term assistance specialists selected and assigned.	OMVG	12/81
7. Contractor selected for socio-economic/environment study. Counterparts and statistician leave for training in U.S.	AID/OMVG	1/82
8. Socio-economic/environmental study contract signed; long-term technical specialists assigned to OMVG.	AID	2/82
9. Socio-economic/environmental study starts.	Contractor	3/82
10. Advertising starts for second phase Aerial Photography.	AID	4/82
11. First phase Aerial Photography complete.	Contractor	6/82
12. Contract for second phase Aerial Photography signed.	AID	8/82
13. Counterparts complete first year of study and return to do thesis research with socio-economic and environmental study teams.	Counterparts/ Contractor	1/83

<u>ACTION</u>	<u>RESPONSIBLE AGENCY</u>	<u>DATE REQUIRED</u>
14. Data collection for environmental study completed and preliminary findings submitted for OMVG approval.	Contractor/OMVG	6/83
15. Data collection for socio-economic study completed and preliminary findings submitted for OMVG approval.	Contractor/OMVG	6/83
16. Environmental study completed and integrated into economic study; second phase Aerial Photography completed.	Contractor	1/84
17. Counterparts complete studies and return to assignments with OMVG.	Counterparts/OMVG	7/84
18. Four long-term technical specialists depart.	AID	12/84

Project Grant Standard

Provisions Annex

Definitions: As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters

To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B: General Covenants

SECTION B.1. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Grantee will:

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

**Article B: General Covenants (Continued)**

**SECTION B.3. Utilization of Goods and Services.**

(a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

**SECTION B.4. Taxation**

(a) This Agreement shall be free from any taxation or fees imposed under the laws in effect within any of the Member States of the OMVG. No clearly identifiable taxes, tariffs, duties or levies of any nature imposed on commodities or materials financed under the Grant shall be eligible for financing under the Grant.

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territory of the Member States of the Grantee, the Grantee will pay or reimburse the same, or cause a Member State to pay or reimburse the same, with funds other than those provided under the Grant.

**SECTION B.5. Reports, Records, Inspections, Audit.**

The Grantee will:

(a) furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D.; such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project, toward completion; and

21

**Article B: Reports, Records, Inspections, Audit (Continued)**

(c) afford authorized representatives of a Party the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Party, and books, records, and other documents relating to the Project and the Grant.

SECTION B.6. Completeness of Information. The Grantee confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or cause A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete; and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under Agreement;

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

SECTION B.7. Other Payments. Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the Member States.

SECTION B.8. Information and Markings. The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

**Article C: Procurement Provisions**

SECTION C.1. Special Rules.

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of a Member State of the Grantee will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7 (a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

(d) Transportation by air, financed under the Grant, or property or persons, will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

**Article C: Procurement Provisions, (Continued)**

SECTION C.2. Eligibility Date. No goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

SECTION C.3. Plans, Specifications, and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to A.I.D. upon preparation,

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services, which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a) (2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

(d) Consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6. Shipping.

(a) Goods which are to be transported to the territory of the Member States of the Grantee may not be financed under the Grant if transported either: (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried: (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval; or (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels, and (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by A.I.D. and transported to the territory of the Member States of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C.7. Insurance

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Member States of the Grantee may be financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If a Member State (or government of a Member State), by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State

SECTION C.7 Insurance (Continued)

of the United States, then all goods shipped to the territory of such Member State financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government-Owned Excess Property. The Grantee agrees that wherever practicable, United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

Article D: Termination; Remedies.

SECTION D.1. Termination. Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of this Agreement. 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 a Member State of the Grantee, are in a deliverable state and have not been offloaded in ports of entry of a Member State.

SECTION D.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefor.

-25

SECTION D.2. Refunds (Continued)

(b) In the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

(c) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

SECTION D.3. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4. Assignment. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual 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.

26.