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O.A.J.C. Project Number 272-0106

PROJECT
GRANT AGREEMENT
BETWEEN
THE SULTANATE OF OMAN
AND THE
UNITED STATES OF AMERICA
FOR
FISHERIES DEVELOPMENT
AND MANAGEMENT PROJECT

Date: 30 September, 1990

Loan and Grant Agreements

FM/LMD (if Loan)
FM/PAFD
FM/CAD
GC/ANE
ANE/Desk
ANE/TR Officer
ANE/PD Officer & File
PPC/CDIE/DIV ✓

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Project Grant Agreement

Date Sept. 30, 1990

BETWEEN

The Sultanate of Oman represented by the Ministry of Finance and Economy, with the Ministry of Agriculture and Fisheries as implementing agency ("Grantee")

AND

The United States of America, acting through the Agency for International Development, as represented by the U.S. Representative to the Omani-American Joint Commission (OAJC).

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings 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 the provision of technical assistance, training and commodities in order to improve the management of the Sultanate of Oman's fisheries resources in a way which encourages efficient, sustainable private sector development. 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 8.3, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) This Project will implement the first four years of a program of assistance originally designed as an eight-year project. The Parties anticipate that the second four-year phase will be undertaken depending on positive results of the evaluation of this phase and on the authorization and availability to the Parties of funds for this purpose.

(b) The OAJC anticipates that the total amount of Grant funding provided by the OAJC over the life of this four-year Project will be Twenty Million United States Dollars (\$20,000,000). However, the OAJC'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 the OAJC for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(c) Within the overall Project Assistance Completion Date stated in this Agreement, the OAJC, based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by the OAJC under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant.

(a) To assist the Grantee to meet the costs of carrying out the Project, the OAJC, pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Eight Million Five Hundred Forty Five Thousand Eight Hundred Twenty United States ("U.S.") Dollars (\$8,545,820) ("Grant").

(b) 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 will be not less than the equivalent of U.S. \$ 6,552,630 (calculated as R.O. 2,520,244 for four years at US \$2.6 = R.O. 1.000), including costs borne on an "in-kind" basis, but not including any allowance for inflation.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1995, 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.

(b) Except as the OAJC may otherwise agree in writing, the OAJC 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) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by the OAJC or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as the OAJC agrees to in writing. After such period, the OAJC, 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 the OAJC of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to the OAJC in form and substance satisfactory to the OAJC:

(a) An opinion of counsel acceptable to the OAJC 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 terms;

(b) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.3., and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) A statement establishing a Project Management Committee to oversee the Project with terms of reference agreed between the OAJC and the Grantee. The statement will include the names of Omani representatives on the Committee, which will include the Chairman of the Committee.

SECTION 4.2. Additional Disbursements.

(a) Prior to disbursement under the Grant, or to issuance by the OAJC of documentation pursuant to which disbursement will be made for training activities, the Grantee will, except as the Parties may otherwise agree in writing, furnish to the OAJC in form and substance satisfactory to the OAJC:

(1) the official Ministry organization chart covering its fisheries departments and;

(2) a training plan for the units of the Ministry involved in the training activities based on that organization chart.

(b) Prior to disbursement under the Grant, or to issuance by the OAJC of documentation pursuant to which disbursement will be made for technical assistance for individual activities after the inception period, the Grantee will, except as the Parties may otherwise agree in writing, furnish to the OAJC in form and substance satisfactory to the OAJC information showing that the Grantee has been able to assign the necessary counterpart, support and field staff to the activities and to budget the necessary equipment, administrative, logistical support and other recurrent costs for the activities to be implemented with the technical assistance. The assessment of the resources that are necessary for this purpose will be agreed between the Grantee and the OAJC following review of the Contractor's inception report.

SECTION 4.3. Notification. When the OAJC has determined that the conditions precedent specified in Section 4.1 and 4.2 have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1 have not been met within ninety days from the date of this Agreement, or such later date as OAJC may agree to in writing, OAJC, at its option, may terminate this Agreement by written notice to Grantee.

(b) If all of the conditions specified in Section 4.2 have not been met within one year from the date of this Agreement, or such later date as OAJC may agree to in writing, OAJC, at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the 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:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas of 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.

Except as the Parties otherwise agree in writing, the evaluation program will include at least:

(a) annual reviews and audits of progress, plans and budgets through the project committee; and

(b) a joint evaluation by experts not directly associated with the Project around the end of the third year of the Project.

SECTION 5.2. Training Procedures. The Grantee agrees that participant training under this Grant is to be conducted according to the policies established in A.I.D. Handbook 10, Participant Training. The Grantee also agrees to ensure that staff for long term academic training overseas under the Grant return to appropriate positions in the Ministry after completing their training for at least the period of their overseas training, and work in the Ministry while not on leave when they return to Oman between academic years.

SECTION 5.3. Program Planning and Budgeting. The Grantee agrees to establish a program planning and budgeting system which involves the preparation of annual action plans for the sections of the DGF to implement the fisheries sector plan in the Fourth Five Year Government National Development Plan. The process will include the preparation of estimates of financial and manpower resources necessary to complete major tasks and objectives.

SECTION 5.4. The Grantee agrees to activate formal mechanisms for carrying out a collaborative dialogue with the private sector engaged in traditional and industrial fishing activities. The Council for Living Marine Resources is one example of such a mechanism.

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, with respect to goods, their source and origin, and with respect to services their nationality in the United States ("Foreign Exchange Costs"), except as the OAJC 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. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States, except as OAJC may otherwise agree in writing.

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 the OAJC may otherwise agree in writing, their origin in the Sultanate of Oman ("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:

(1) by submitting to the OAJC, with necessary supporting documentation as prescribed in Project Implementation Letters, (i) requests for reimbursement for such goods or services; or (ii) requests for the OAJC to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting the OAJC to issue Letters of Commitment for specified amounts (i) to one or more U.S. banks, satisfactory to the OAJC, committing the OAJC to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services; or (ii) directly to one or more contractors or suppliers, committing the OAJC 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 the OAJC to the contrary. Such other charges as the Parties may agree to in writing may also be financed under the Grant.

SECTION 7.2. Disbursement for Local 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 the OAJC, 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 the OAJC with U.S. Dollars by purchase; or

(2) by the OAJC (i) requesting the Grantee to make available the local currency for such costs, and (ii) thereafter making available to the Grantee, through the opening or amendment by the OAJC 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.

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 the OAJC 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. Disbursements of 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 the Sultanate of Oman by the OAJC or any public or private agency for purposes of carrying out obligations of the OAJC hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Sultanate of Oman at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Sultanate of Oman.

Article 8: Miscellaneous

SECTION 8.1. Investment Guaranty Project Approval. Construction work, if any, to be financed under this Agreement is agreed to be a project approved by the Sultanate of Oman pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by the Sultanate of Oman will be required to permit the United States to issue investment guaranties under that agreement covering a contractor's investment in that project.

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SECTION 8.2. 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: Office of the Managing director

Mail address: P.O. Box 6001, Ruwi

Alternate address for cables: Telefax 797-778

To the OAJC: Office of the U.S. Representative

Mail Address: P.O. Box 6001, Ruwi

Alternate address for cables: Telefax 797-778


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 8.3. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of the Deputy Prime Minister of Finance and Economy and the OAJC will be represented by the individual holding or acting in the Office of the U.S. Representative, 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 OAJC, 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.

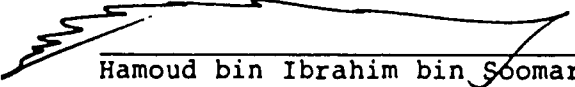
SECTION 8.4. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

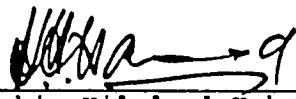
IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year above written.

THE SULTANATE OF OMAN

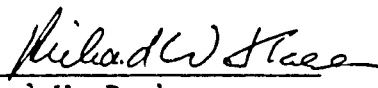
By: 
Qais bin Abdul Munim al-Zawawi
Title: Deputy Prime Minister
for Financial and Economic
Affairs

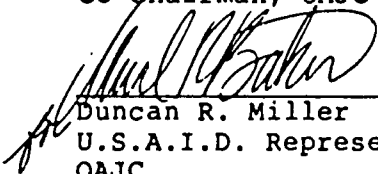

Sayyid Haitham bin Tareq bin
Taimur al-Said
Undersecretary for Political
Affairs
Ministry of Foreign Affairs
Co-Chairman, OAJC


Hamoud bin Ibrahim bin Soomar
Undersecretary for Financial
Affairs


Hamood bin Hilal al-Habsi
Undersecretary for Economic
Affairs
Managing Director, OAJC

UNITED STATES OF AMERICA

By: 
Richard W. Boehm
Title: U.S. Ambassador
American Embassy
Co-Chairman, OAJC


Duncan R. Miller
U.S.A.I.D. Representative
OAJC

Annex I

Fisheries Development and Management Description

I. INTRODUCTION

The Fisheries Development and Management Project (FDMP) is a follow-on project to the Fisheries Development Project (FDP). Under FDP, programs were established in statistics, extension, marketing and research. Evaluation of FDP's impact on the organizational capability of the Ministry's Directorate General of Fisheries (DGF) indicated the need for continued, long-term cooperation in the fisheries sector between the Ministry and the Joint Commission.

FDMP is a cooperative undertaking between the Ministry and the Joint Commission to address some of the major constraints to fisheries development and management in Oman. These constraints include a sector-wide lack of qualified manpower, the need to strengthen key institutions and insufficient knowledge and information about Oman's fisheries resources and fishing activity. The FDMP will address these constraints through a combination of technical assistance and training. These inputs will be focused on strengthening of program planning and budgeting capabilities within the DGF, manpower development, establishment of a rational framework for fisheries management, and encouragement of the private sector.

II. OBJECTIVES

Among non-oil sources of revenue, the fisheries sector has important potential to make a significant sustainable contribution to Oman's DGF. This potential can only be realized if there is a coherent framework for private sector investment and for resources management. FDMP has the goal of sustainable growth of the fisheries sector in the national economy.

The private sector plays the lead role in harvesting fisheries resources. This includes the involvement of individual fishermen operating out of small skiffs, their interaction with independent truckers who serve as intermediaries between them and fish processors, the companies responsible for processing, packaging, marketing and exporting the final product, the companies providing support services and equipment, and the larger-scale industrial fishing operations. The private sector looks to the public sector for the formulation and implementation of policies, the establishment and enforcement of regulations, and the provision of major infrastructure, such as ports and harbors, roads and utilities. FDMP has the purpose of improving the

management of fisheries resources in Oman in a way which encourages efficient, sustainable private sector development.

III. OUTPUTS

FDMP will focus on three major elements: 1) program planning and budgeting; 2) manpower development; and 3) fisheries resources management. The major accomplishments expected to be achieved in these areas by the end of the project are:

- an interactive planning and investment process between public and private sectors which improves the return on their respective investments;
- over 100 project-trained participants holding positions commensurate with their training and skills;
- management and development plans for major heavily harvested marine resources which ensure their sustainability and which maximize their utilization;
- active and growing participation of the fisheries private sector in fisheries management and development.

1. Program Planning and Budgeting

FDMP's program planning and budgeting component will strengthen the capacities of the DGF by improving planning, programming, budgeting and administrative systems and skills.

The scope of this element includes the preparation of annual action plans with assessment of resources needed and objectives for the sections of the DGF to implement the fisheries sector of the Fourth National Five Year Government of Oman Development Plan; the development of the capacity to update this plan, and relate medium term DGF and sector investment plans to models of the fisheries sector; and reviews of DGF administrative and accounting procedures and personnel management.

2. Manpower Development

FDMP's primary output is trained manpower for the fisheries sector. Training participants will include senior resource managers, administrators, scientists, technicians, extension agents and trainers and mid-level managers, fisheries protection and quality control officers. Examples of organizations which may benefit from training include the Ministry (DGF and MSFC), Omani training and educational institutions (such as Sultan Qaboos University and technical/vocational schools), and the Oman Bank of Agriculture and Fisheries.

Training under FDMP will be based on a sector-wide training plan developed by the contractor at the outset of the project. This plan will be reviewed and accepted by the Joint Commission and

participating organizations before any training is undertaken for any beneficiary organization and will be subject to periodic (at least annual) review.

3. Fisheries Resource Management.

FDMP fisheries resources management activities will supply the Ministry with the necessary information and institutional structure to establish sound fisheries development policies, to formulate regulations to implement policies, and to enforce those regulations. This information will be obtained through fisheries stock assessments/research activities and fisheries statistics and the preparation of fisheries management and development plans.

a. Stock Assessments/research. Stock assessments will be conducted for Oman's priority fisheries. From these assessments, a fisheries management plan by individual fishery will be developed, to include recommended follow-on research activities required to update the assessments. In doing this work, particular attention will be paid to training Omani staff in the planning, implementation and use of stock assessment and other fisheries research activities.

IV. INPUTS

The above outputs will be achieved through inputs providing by the Governments of Oman and United States. These FDMP inputs include training, technical assistance, equipment and supplies, and counterpart and support staff.

1. Training

Training inputs will be based on the recommendations of the training plan to be developed during the first year of FDMP. These inputs will include short-term, skill-specific courses in Oman, third countries, and the U.S., academic programs in the U.S., study/observation tours in third countries and the U.S., and on-the-job training of Omani counterparts by their U.S. advisors. It is estimated that FDMP will provide opportunities for training for over 100 participants.

2. Technical Assistance

Technical assistance inputs will be based on the operational needs of the programs they support and the management and administrative requirements of the Project. Table I-A indicates the level and timing of technical assistance estimated to attain

the project outputs.

TABLE I-A
ILLUSTRATIVE PATTERN OF FDMP TECHNICAL ASSISTANCE

Position	Yr 1	Yr 2	Yr 3	Yr 4	Planned 4 Year Total	Planned 8 Year Total
(person-months)						
1. Long Term Advisors						
- Fisheries Advisor (Chief of Party)	12	12	12	12	48	96
A. Planning, Programming and budgeting						
- Planning/Administrative (1) Specialist	12	12	12	12	48	48
B. Manpower Development						
- Manpower Advisor	12	0	0	0	12	12
- Training Specialist	12	12	12	12	48	84
- Surveillance/Quality Control Trainers	12	12	12	12	48	48
C. Resource Management						
- Fisheries Research Advisor	12	12	12	12	48	96
- Research Specialists(2)	24	24	24	24	96	168
- Statistics Advisor	12	12	12	12	48	48
- Data Collection/ Analysis Specialist	12	12	12	12	48	96
D. Total Long Term	120	108	108	108	444	696
2. Short Term Consultants	26	24	14	12	76	132
3. Local Hire Support	120	120	120	120	480	840

(1) The Ministry of Agriculture and Fisheries has strong doubts about the scope for the work of this advisor to be effective within the limits of existing government financial and administrative regulations, and it is agreed to review the effectiveness of this work after 18 months of the project.

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3. Equipment and Supplies

Equipment and supplies will be provided to support programs in manpower development and fisheries resources management. Included will be scientific/laboratory instruments, equipment and supplies, equipment and materials for instructional purposes, vehicles, and publications. In addition, FDMP will finance office supplies for administrative support.

4. Counterpart and Support Staff

The Government of Oman will contribute, among other inputs, counterpart and support staff to most of the advisory positions under the Project. Counterpart staff will be selected based on their potential to assume positions of responsibility during and after the project. They will receive on-the-job training from the advisors. Support staff will assist in the conducting of field work and in meeting administrative needs.

V. FINANCIAL PLAN

The above FDMP inputs will be financed by the Government of Oman as administered by the Ministry of Agriculture and Fisheries and the Government of the United States through Omani-American Joint Commission, respectively. The financial plan set out below is illustrative and changes may be made to the plan by representatives of the Parties without formal amendment to the Agreement if such changes do not cause AID's contribution to exceed the amount specified in Section 2.2 or the Government of Oman contribution to be less than the amount specified in Section 3.2. These contributions will be divided approximately as shown in Table I-C and Table I-D FDMP illustrative Budget below:

Item	TABLE I-B FDMP ILLUSTRATIVE BUDGET		
	OAJC		Total
	Cummulative Oblig. as of Sept. 30, 1990	Future Yrs. Anticipated	
	(\$000)		
Technical Assistance	4345	6795	11140
Training	3300	1790	5090
Commodities	680	890	1570
Counterpart and Support and In-kind Services	-	-	-
Evaluations and Audit	-	150	150
Inflation/Contingencies	220	1830	2050
TOTAL	8545	11455	20000

TABLE I-C
DETAILED ESTIMATE OF OAJC COSTS

Item	Year 1	Year 2	Year 3	Year 4	Total
(\$000)					
Technical Assistance:					
Long Term (1)	2270	2060	2070	2060	8460
Short Term	550	510	290	250	1600
Local Support	270	270	270	270	1080
Sub Total	<u>3090</u>	<u>2840</u>	<u>2630</u>	<u>2580</u>	<u>11140</u>
Training:					
Long Term	810	1690	1220	-	3720
Short Term	80	110	110	20	320
Sub Total	<u>890</u>	<u>1800</u>	<u>1330</u>	<u>20</u>	<u>4040</u>
Commodities:	680	320	320	250	1570
Contract Sub-Total	<u>4660</u>	<u>4960</u>	<u>4280</u>	<u>2850</u>	<u>16750</u>
Evaluation/Audit	-	-	150	-	150
Sub-Total	<u>4660</u>	<u>4960</u>	<u>4430</u>	<u>2850</u>	<u>16900</u>
Contingencies	290	320	280	160	1050
Inflation	220	510	700	620	2050
TOTAL	<u>5170</u>	<u>5790</u>	<u>5410</u>	<u>3630</u>	<u>20000</u>

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TABLE 1-D
 DETAILED ESTIMATE OF GOVERNMENT OF OMAN COSTS (1)

Item	Annual Budget				Total
	Year 1	Year 2	Year 3	Year 4	
(R.O.000)					
1. In Omani Rials:					
Technical Assistance	60	60	60	60	240
Training	50	50	50	60	210
Commodities	350	130	130	130	740
Counterpart/Trainees	320	320	320	370	1330
Sub Total	780	560	560	620	2520 (3)
Inflation (2)	-	20	50	80	150
Total	780	580	610	700	2670
(U.S.\$000)					
2. In U.S. Dollars:					
Technical Assistance	160	160	160	160	640
Training	140	140	140	140	560
Commodities	900	340	340	340	1920
Counterparts/Trainees	830	830	830	940	3430
Sub Total	2030	1470	1470	1580	6550
Inflation (2)	-	60	120	200	380
Total	2030	1530	1590	1780	6930

(1) Estimated increased resources required for the DGF to implement the project. Does not include cost of counterparts already on DGF staff.

(2) Four per cent per annum.

(3) This amount is planned to be financed by savings of R.O. 200,000 in the existing budget and new appropriations of R.O. 2,320,000.

VI. IMPLEMENTATION

Primary responsibility for project implementation lies with the Ministry. Implementation issues will be discussed and resolved within the framework of a project committee, to be chaired by a Ministry official, and to include, at a minimum, representatives from the Ministry, the OAJC and the implementing contractor.

1. Contracting

FDMP will be implemented with the assistance of one U.S. firm under contract with the OAJC. This firm will provide OAJC funded inputs to FDMP, including training, long and short-term technical assistance, and procurement of equipment and supplies. The contract will provide for all appropriate administrative and logistical support to be funded through the contract by the OAJC. The contractor will draw up an implementation plan for the life of the Project, to be reviewed and agreed upon by the Ministry and the OAJC. The implementation plan will form the basis of annual contractor work plans, which will form the basis for contractor reporting and periodic review by the project committee. Contracting with the U.S. firm will follow the procedures of A.I.D. Handbook 14 and the U.S. Federal Acquisition Regulations.

2. Monitoring

FDMP monitoring will be the joint responsibility of the Ministry and the OAJC. FDMP programs will be monitored and discussed in regular meetings of the project committee, which will make appropriate recommendations to senior managers in the Ministry and the OAJC. These recommendations will include an evaluation of contractor performance, recommendations for needed actions on the part of the Ministry and the OAJC, and recommendations for future FDMP focus.

The OAJC and the Ministry will provide the Committee with quarterly reports summarizing budget and actual and accrued expenditures for the OAJC and Ministry contributions to the Project.

or implementation schedule. Scheduling of evaluations is flexible and can be moved forward or backward according to management concerns and workload. In general the OAJC tries to have external project evaluations at least at three year intervals.

In the context of the OAJC's strategy, the Commission intends to carry out program reviews and assessments on approximately three year intervals. These program reviews are expected to review program monitoring information and reports and provide an independent assessment of progress being accomplished by the OAJC program and the Commission's organizational development. Secondly, these reviews will re-examine the development context, objectives and constraints of the Omani Government and insure that the program continues to effectively address major development constraints

D. Illustrative Grant Budget (\$000)

Budget Element/Sub-element	Year of Grant			
	1990	1991	1992	TOTAL
<u>A.I.D. Contributions</u>				
1. OAJC Operating Costs	\$ 0	\$ 253	\$ 247	\$ 500
2. Program Development and Support Costs	\$ 920	\$1855	\$ 725	\$3500
(a) OAJC Program Support	155	480	365	1000
(b) Employment	400	460	60	920
(c) Natural Resources	100	65	100	265
(d) Investment Planning	55	10	0	65
(e) Training	210	840	200	1250
Total OAJC II (AID)	\$ 920	\$2108	\$ 972	\$4000
GovOman Contributions				
1. OAJC Operating Costs	\$ 0	\$ 253	\$ 247	\$ 500
2. Related Studies/Plans	\$ 350	\$ 400	\$ 250	\$1000
Total OAJC II (Oman)	\$ 370	\$ 753	\$ 577	\$1500