

PD-ABT-2917

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A.I.D. PROJECT NUMBER 388-0074
TECHNICAL RESOURCES II PROJECT

AMENDMENT NO. 9

to the

PROJECT GRANT AGREEMENT

between

THE PEOPLE'S REPUBLIC OF BANGLADESH

and

THE UNITED STATES OF AMERICA

for the

TECHNICAL RESOURCES II PROJECT

DATED: SEPTEMBER 28, 1992

USAID/DHAKA,
BANGLADESH

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PROJECT GRANT AGREEMENT AMENDMENT NO. 9

Amendment No. 9 to the Project Grant Agreement dated, August 29, 1988, between the People's Republic of Bangladesh ("Grantee") and the United States of America, acting through the Agency for International Development ("A.I.D."), for the Technical Resources II Project.

SECTION 1. The Project Grant Agreement, dated August 29, 1988, as amended on June 3, 1989, August 14, 1989, August 30, 1989, December 31, 1989, July 16, 1990, March 25, 1991, July 30, 1991, and September 29, 1991, is hereby further amended to add \$3,687,000 in grant funds and make other changes as follows:

A. Article 3, Financing, Section 3.1, The Grant, is amended by deleting the grant amount of "Sixteen Million Five Hundred Thirty Three Thousand Three Hundred Thirty Six United States Dollars (U.S. \$16,533,336)" and substituting therefor "Twenty Million Two Hundred Twenty Thousand Three Hundred Thirty-Six United States Dollars (U.S. \$20,220,336)".

B. Article 3, Financing, Section 3.3, Project Assistance Completion Date, is amended by deleting the date "July 31, 1996" and substituting therefor "August 28, 1998".

C. Article 5, Special Covenants, is amended by adding the following additional covenant:

"SECTION 5.7. Study Tours. The Grantee, acting through the Bangladesh Public Administration Training Centre (BPATC) and the Ministry of Establishment, will be responsible for coordinating the planning of all study tours with the Economic Relations Division and A.I.D. and assuming a greater role in implementing them, including preparation of the programs, contacting overseas Bangladesh missions for the necessary program support, and conducting the tours."

D. Annex 1 of the Grant Agreement, Amplified Project Description, and the accompanying Illustrative Financial Plan, as amended, are amended by deleting them entirely and substituting therefor the Revised Amplified Project Description (Attachment A hereto) and Revised Illustrative Financial Plan (Attachment B hereto).

E. Annex 2 of the Grant Agreement, Project Grant Standard Provisions Annex, is amended by deleting Section B.5 Reports, Records, Inspections, Audits, thereof, and substituting therefor the attached new Section B.5, Reports, Accounting Records, Audits, Inspections (Attachment C hereto).

SECTION 2. Except as amended herein, the Project Grant Agreement, as amended, shall remain in full force and effect in accordance with all of its terms.

IN WITNESS WHEREOF, the People's Republic of Bangladesh and the United States of America, each acting through its respective duly authorized representative, have caused this Amendment No. 9 to be signed in their names and delivered as of the date last written below.

FOR THE PEOPLE'S REPUBLIC OF
BANGLADESH

BY:



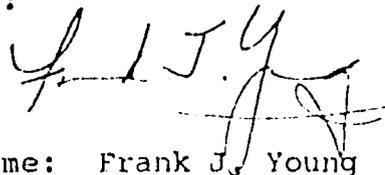
Name: Iqbal Uddin Ahmed Chowdhury

Title: Deputy Secretary
Economic Relations Division
Ministry of Finance

Date: September 28, 1992

FOR THE UNITED STATES OF
AMERICA

BY:



Name: Frank J. Young

Title: Acting Mission Director
USAID/Dhaka
Bangladesh

Date: September 28, 1992

TECHNICAL RESOURCES II PROJECT

REVISED AMPLIFIED PROJECT DESCRIPTION

I. GENERAL DESCRIPTION

A. The purpose of the Technical Resources II Project is to improve the managerial and technical effectiveness of the Bangladesh Government (BDG) to plan and implement development programs. The project, like its predecessor, the Technical Resources I Project (388-0027), will serve as a vehicle for responding quickly with specific interventions jointly identified by the BDG and A.I.D. The project has seven components, each supporting a separate activity. All activities/subprojects under the project are to be completed within 3 years and should not amount to more than \$3 million, unless the Parties otherwise agree in writing.

B. The seven components/activities under the project are as follows:

a. Technical Assistance/Parallel Financing: The project will fund technical assistance aimed at addressing constraints to development and may "parallel finance" projects with multilateral development banks and other donors by funding technical assistance components of large policy-oriented loans. Technical assistance and parallel financing activities must be consistent with the A.I.D. Country Development Strategy Statement (CDSS) and BDG policies.

b. Development Studies/Feasibility Analysis: This element of the project would provide funds for gathering and analyzing information to be applied in policy decision-making. It may also fund modest research efforts to study micro-economic and other issues. Activities to be funded under this component should support the overall economic development of Bangladesh.

c. Project Design/Evaluation/Seminar: This component will finance pilot activities, short studies relevant to Bangladesh's development strategy, evaluation seminars and other activities agreed upon by the BDG and A.I.D.

d. Women In Development (WID): Funds would be provided to address development concerns that impact on the daily lives of Bangladeshi women. Activities may include studies, study-tours, seminars and short-term training. Activities funded under the WID component must meet A.I.D.'s WID objectives.

e. Commodities: The project may provide limited commodity support to Economic Relations Division (ERD) to enhance ERD's capabilities for monitoring the PL-480 program and other A.I.D. supported projects. Commodities may include office equipment like photocopiers, duplicating machines, typewriters and computers.

f. Non-Project Skill Training: The project will provide degree, non-degree and short-term training and seminars in the U.S. and third countries, when other Mission projects are inappropriate as funding sources. The focus will be on short term courses in the priority areas of USAID and BDG.

g. Managerial Training (DMT): This element will provide management training and training for trainers under five categories. These items are transferred from the DMT Project. In-country training, short and long term (Master's degree) Training in overseas, study tours, and English language training will be supported.

II. IMPLEMENTATION RESPONSIBILITIES

A. USAID Responsibilities: The USAID Program Office will be responsible for overall management and coordination of the project with ERD.

B. BDG Responsibilities: The ERD will serve as the implementing host country entity for the project. ERD/Americas Desk will coordinate with the USAID Program Office on all activities funded under the project. ERD will obtain required clearances from other BDG ministries/agencies in an expeditious manner to ensure timely implementation of project activities.

III. FINANCING METHODS AND ILLUSTRATIVE FINANCIAL PLAN

Funds made available through this grant will finance foreign exchange and local costs relating to technical assistance, training, commodities and other activities undertaken under the project.

Project implementation will be managed through direct A.I.D. contracts and payments for goods and services will be made directly by A.I.D. Host country contracts utilizing local currency may be executed for procurement of goods and services only when deemed appropriate by both parties.

Planned life of project funding for this ten year project is \$28.33 million, as shown in Attachment B. Future obligations for the project are subject to availability of funds and mutual agreement of both parties.

TECHNICAL RESOURCES II PROJECT

REVISED ILLUSTRATIVE FINANCIAL PLAN
(In U.S. Dols.)

<u>Project Element</u>	<u>Obligations Through Amendment Number 8</u>	<u>Obligation Under Amendment Number 9</u>	<u>Total Obligations To Date</u>	<u>Planned LOP Obligations</u>
1. Technical Assistance/ Parallel Financing	9,842,423	3,278,000	13,120,423	17,200,000
2. Development/Studies/ Feasibility Analysis	2,000,000	-	2,000,000	2,000,000
3. Project Design/ Evaluation/Seminars etc.	1,550,000	200,000	1,750,000	1,750,000
4. Women in Development (WID)	150,000	150,000	300,000	300,000
5. Commodities	50,000	-	50,000	50,000
6. Audit	100,000	-	100,000	230,000
7. Non-project Skill Training	2,840,913	59,000	2,899,913	3,500,000
8. Management Training (DMT Components)	-	-	-	3,300,000
<u>TOTAL</u>	<u>16,833,336</u>	<u>3,687,000</u>	<u>20,220,336</u>	<u>28,330,000</u>

Amendment to the
Project Grant Standard Provisions

SECTION B.5. Reports, Accounting Records, Audits, Inspections

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

(b) The Grantee shall maintain accounting books, records, documents, and other evidence relating to the Project and to this Agreement, adequate to show, without limitation, all costs incurred under the Grant, the receipt and use of goods and services acquired under the Grant, the costs of the Project supplied from other sources, 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 ("Project Books and Records"). At the Grantee's option, with approval by A.I.D., Project Books and Records shall be maintained, in accordance with one of the following methods: (1) generally accepted accounting principles prevailing in the United States, (2) generally accepted accounting principles prevailing in the country of the Grantee, (3) accounting principles prescribed by the International Accounting Standards Committee (an affiliate of the International Federation of Accountants), or (4) such other accounting principles as the Parties may agree to in writing. Project Books and Records shall be maintained for at least three years after the date of last disbursement by A.I.D.

(c) If \$25,000 or more is disbursed directly to the Grantee in any one calendar year under the Grant, the Grantee, except as the Parties may otherwise agree in writing, shall have financial audits made of the funds disbursed to the Grantee under the Grant in accordance with the following terms:

(1) The Grantee shall select an independent auditor in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the A.I.D. Inspector General ("Guidelines"), and the audits shall be performed in accordance with the "Guidelines".

(2) An audit of the funds provided under the Grant shall be conducted for each fiscal year of the Grantee. The audit shall determine whether the receipt and expenditure of the funds provided under the Grant are presented in accordance with generally accepted accounting principles agreed to in Section (b) above and whether the Grantee has complied with the terms of the Agreement. Each audit shall be completed no later than one year after the close of the Grantee's fiscal year.

(d) The Grantee shall submit an audit report to A.I.D. within 30 days after completion of each audit arranged for by the Grantee in accordance with this Section. The A.I.D. Inspector General will review each report to determine whether it complies with the audit requirements of this Agreement. Subject to A.I.D. approval, costs of audits performed in accordance with the terms of this Section may be charged to the Grant. In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this Section, A.I.D. will consider appropriate sanctions which include suspension of all or a portion of disbursements until the audit is satisfactorily completed or A.I.D. performs its own audit.

(e) The Grantee shall submit to A.I.D., in form and substance satisfactory to A.I.D. a plan by which the Grantee will ensure that funds made available to subrecipients that receive \$25,000 or more in any one calendar year under the Grant are audited in accordance with this Agreement. The plan should describe the methodology to be used by the Grantee to satisfy its audit responsibilities with respect to any subrecipient to which this Section applies. Such audit responsibilities with respect to subrecipients may be satisfied by relying on independent audits of the subrecipients or on appropriate procedures performed by the internal audit or program staff of the Grantee, by expanding the scope of the independent financial audit of the Grantee to encompass testing of subrecipients' accounts, or by a combination of these procedures. The plan should identify the funds made available to subrecipients that will be covered by audits conducted in accordance with other audit provisions that would satisfy the Grantee's audit responsibilities (a nonprofit organization organized in the United States is required to arrange for its own audits; a for-profit contractor organized in the United States that has a direct contract with A.I.D. is audited by the cognizant U.S. Government agency; a private voluntary organization organized outside the United States with a direct grant from A.I.D. is required to arrange for its own audits; and a host-country contractor should be audited by the cognizant Grantee contracting agency). The Grantee shall ensure that appropriate corrective actions are taken on the recommendations contained in the subrecipients' audit reports; consider whether subrecipients' audits necessitate adjustment of its own records; and require each subrecipient to permit independent auditors to have access to records and financial statements as necessary.

(f) A.I.D. may, at its discretion, perform the audit required under this subsection utilizing funds under the Grant or other resources available to A.I.D. for this purpose. The Grantee shall afford authorized representatives of A.I.D. the opportunity at all reasonable times to audit or inspect the project, the utilization of goods and services financed by A.I.D., and books, records and other documents relating to the project and the Grant.