

AFRICA REGIONAL

698-0410.25

CHANA

AIP -- YAWS

CONTROL

GRANT AGREEMENT

+

AMENDMENT No. 1

FY 80-81

PGA #G-698-0410.25-80-03

AMENDMENT NO. 1 TO  
PROJECT GRANT AGREEMENT

between

THE GOVERNMENT of the REPUBLIC OF GHANA

and

THE GOVERNMENT of the UNITED STATES OF AMERICA

for

YELLOW FEVER/YAWS CONTROL

Project No. 698-0410.25 (AIP)

PROJECT AGREEMENT AMENDMENT NO. 1

AMENDMENT No.1 dated May 19, 1981, between the UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.") and the Government of Ghana, acting through the Director of Medical Services, Ministry of Health, Accra ("Grantee");

WHEREAS, the Government of Ghana and A.I.D. entered into a Project Grant Agreement, dated June 6, 1980 ("Agreement"); and

WHEREAS, the Government of Ghana and A.I.D. desire to amend the Agreement to reflect an increase in A.I.D.'s financial contribution to the Project;

NOW THEREFORE, the parties hereto hereby agreed that the Agreement shall be amended to read as follows:

1. The first sentence of Section 3.1 of the Agreement is revised to read as follows:

"SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement an amount not to exceed five hundred and eighty one thousand United States ("U.S.") Dollars (\$581,000) ("Grant")."

2. A revised Annex 1, Page 4, "Project Financial Plan," is attached hereto.

Except as amended hereby, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Government of Ghana and the UNITED STATES OF AMERICA, each acting through its respective duly authorized representative have caused this Amendment No. 1 to be signed in their names and delivered as of the date first above written

THE GOVERNMENT OF GHANA

By: \_\_\_\_\_

Title: <sup>AC</sup> Director of Medical Services  
Ministry of Health

DEPUTY DIRECTOR OF  
MEDICAL SERVICES

THE UNITED STATES OF AMERICA

By: \_\_\_\_\_

Title: Director  
USAID/Ghana

Project Financial Plan  
 (Source and Application of Funds)  
 \$000

As of May 1981

| <u>Project Inputs</u>                        | <u>AID Grant</u> | <u>GOG</u> | <u>Other Donors</u> | <u>Total</u> |
|--|------------------|------------|---------------------|--------------|
| Personnel                                    | <u>211</u>       | <u>80</u>  | -                   | <u>291</u>   |
| Technical Services/Admin. Support Staff      | (211)            | (20)       | -                   | (231)        |
|  | -                | (60)       | -                   | (60)         |
| Commodities                                  | <u>265</u>       | <u>597</u> | <u>1040</u>         | <u>1902</u>  |
| Cold Chain                                   | (27)             | -          | -                   | (27)         |
| Field Equipment                              | (17)             | -          | -                   | (17)         |
| Penicillin, vaccines, syringes, equipment    | (150)            | (497)      | (815)               | (1462)       |
| Miscellaneous equipment (office, laboratory) | (6)              | -          | -                   | (6)          |
| Vehicles (20), spare parts                   | -                | -          | (225)               | (225)        |
| Freight/fees                                 | (65)             | NA         | NA                  | (65)         |
| POL  | -                | (100)      | -                   | (100)        |
| Participant training                         | <u>15</u>        | <u>6*</u>  | -                   | <u>21</u>    |
| Workshops                                    | -                | <u>20</u>  | -                   | <u>20</u>    |
| Vehicle Maintenance                          | -                | <u>40</u>  | -                   | <u>40</u>    |
| Other Costs                                  | <u>90</u>        | -          | -                   | <u>90</u>    |
| <b>TOTAL</b>                                 | <b>581</b>       | <b>743</b> | <b>1040</b>         | <b>2364</b>  |

\*International Travel Costs.

GRANT AGREEMENT

PGA # G-698-0410.25--80-03

**PROJECT GRANT AGREEMENT**

**between**

**THE GOVERNMENT of the REPUBLIC OF GHANA**

**and**

**THE GOVERNMENT of the UNITED STATES OF AMERICA**

**for**

**YELLOW FEVER/YAWS CONTROL**

**Project No. 698-0410.25 (AIP)**

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PROJECT GRANT AGREEMENT

Dated

June 6, 1980

Between

The Republic of Ghana, acting thru the Director of  
Medical Services, Ministry of Health, Accra (Grantee)

and

The United States of America, acting thru the Agency  
for International Development (A.I.D.).

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 the Project. The Project, which is further described in Annex 1 has as its purpose to contain the present yellow fever epidemic and to interrupt the precipitous increase of yaws in Ghana. The Project is intended to assist the Government of Ghana towards its goal of providing the most effective form of health care delivery system which Ghana's resources will permit and to distribute health services as widely as possible.

The intended beneficiaries of this Project are the rural and urban poor living in affected areas. Treatment/prophylaxis for yaws will be provided to at least 2.3 million children under the age of 15; and immunization against yellow fever will be provided to at least 4 million children and adults. It is expected that the Project will assist the GOG to reduce the prevalence of infectious yaws to 0.1% or less; and eliminate yellow fever epidemics in Ghana.

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 I may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2. Time Periods for Funding. Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement an amount not to exceed five hundred thousand United States ("U.S.") Dollars (\$500,000) ("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 will be not less than the equivalent of seven hundred and forty-three thousand "U.S." Dollars (\$743,000) including costs borne on an "in-kind" basis.

SECTION 3.3 Project Assistance Completion Date

(a) The Project Assistance Completion Date (PACD), which is January 31, 1983, 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 A.I.D. may otherwise agree in writing, A.I.D. 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 A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period

as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by 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 A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish by letter to the A.I.D. representative specified in Section 8.2:

(a) A letter of affirmation signed by the MOFEP that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Government of Ghana (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 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) Evidence that the Grantee has appointed a Project Manager, who is an employee of the Grantee, with authority and responsibility for coordinating all aspects of the project.

SECTION 4.2. Notification. When A.I.D. 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 sixty (60) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., as 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 those project elements described in Annex I of this Agreement which include:

(a) Appraise performance of implementing organizations in achieving stated purposes;

(b) Identify measures to improve project implementation and to sharpen the focus, as needed, on project outputs;

(c) Assure compliance with conditions and covenants set forth in the Project Grant Agreement;

(d) Review system for data collection and reporting on which the in-depth project evaluation may draw;

(e) Make recommendations concerning continued support for general disease control activities as part of a larger A.I.D. bilateral and/or regional project. It is anticipated that by the time of the first evaluation, the Mission will have begun a project for primary health care support under which longer-term activities could be funded.

SECTION 5.2. The Government of Ghana further covenants that:

(a) It will make necessary contributions, including POL supplies for mobile teams, to the project in a timely fashion;

(b) It will make arrangements for the maintenance of equipment and supplies provided under the Agreement.

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 A.I.D. 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 A.I.D. 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 A.I.D. may otherwise agree in writing, their origin in Ghana ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include 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 A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,
- (2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks designated by the Government of Ghana and satisfactory to A.I.D., committing A.I.D. 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 (B) directly to one or more contractors or suppliers, committing A.I.D. 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 A.I.D. 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. Local currency provided by A.I.D. under this Agreement will be used for fund the logistical support of a technician. As such, these disbursements will be made by the A.I.D. from local currency acquired by the A.I.D. with U.S. Dollars.

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 Ghana by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Ghana at the official rate of exchange.

#### 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 address:

To The Grantee:

Director of Medical Services  
Ministry of Health  
P. O. Box M.44.  
Accra

To A.I.D. :

USAID Mission to Ghana  
P. O. Box 1630  
Accra

Other addresses may be submitted for the above upon the giving notice.

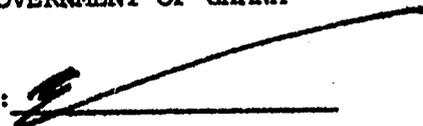
SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of the Director of Medical Services, Ministry of Health, Accra, and A.I.D. will be represented by the individual holding or acting in the office of Director to the United States Agency for International Development Mission to Ghana, 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 A.I.D., 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 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 last day and year written below:

THE GOVERNMENT OF GHANA

THE UNITED STATES OF AMERICA

By : 

By :   
Title: Director, USAID/Ghana

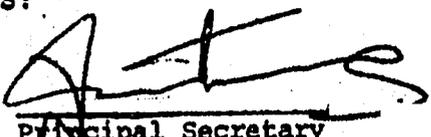
Title: Director of Medical Services

Date: 5 June 1980

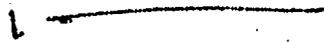
Date: 6 June 1980

CONCURRENCES:

  
PRINCIPAL SECRETARY  
MINISTRY OF FINANCE & ECONOMIC PLANNING  
Principal Secretary  
Ministry of Finance and  
Economic Planning

  
Principal Secretary,  
Ministry of Health

  
Deputy Director of Medical  
Services (Public Health)  
Ministry of Health

  
Chief, Epidemiology Division  
Ministry of Health

Appropriation: 72-1101021.8  
Allotment: 048-60-641-00-69-01  
Project No.: 698-0410.25  
Amount: \$500,000

USAID Clearances: HPN: (draft); EXO: (draft); CON: (draft); PRM: (draft);  
AD: (draft)

AMPLIFIED DESCRIPTION OF THE PROJECT

Article A: Project Description

SECTION A.1. Purpose. The Project, to be jointly financed by the Grantee and AID, has as its purpose to contain the present yellow fever epidemic and to interrupt the precipitous increase of yaws in Ghana. The Project is intended to strengthen GOG communicable diseases control activities and to contribute to the goal of providing the most effective form of health care delivery system which Ghana's resources will permit and to distribute health services as widely as possible.

SECTION A.2. General. The Project purpose stated above will be achieved through the provision of technical, material and training support to the Ministry of Health (MOH) which will be the implementing agency for the Project. The MOH will coordinate inputs with other donors such as, but not limited to, the World Health Organization (WHO), the European Economic Community (EEC), and the United Nations Children's Fund (UNICEF).

Activities will include:

- (a) Training technical staff involved in the Project;
- (b) Providing yellow fever vaccinations and treatment/prophylaxis for yaws in target areas;
- (c) Establishing a village-based surveillance system;
- (d) Preparing a plan of work which will be updated as needed. The plan will include such items as village visitation schedules, estimates of number of persons to be vaccinated, vaccine usage rates and budget projections;
- (e) Holding workshops as needed;
- (f) Coordinating activities with surrounding countries.

Article B: Inputs

SECTION B.1. A.I.D. A.I.D. will provide funding for:

- (a) Technical assistance for up to 24 worker months for program implementation;
- (b) Equipment and materials to support the control effort;
- (c) Short-term overseas training for up to four qualified health persons.

These inputs will not exceed U.S. \$500,000

SECTION B.2. G.O.G. Inputs to be provided by the Government of Ghana include:

- (a) Salaries and per diem for approximately 60-80 persons;
- (b) POL/vehicle maintenance for project vehicles;
- (c) Penicillin, syringes;
- (d) Administrative support for the U.S. Operations Officer funded under the Project to include office space within MOH facilities, secretarial support and field transportation;
- (e) Funding for workshops as needed;
- (f) International travel for overseas participants.

SECTION B.3. Other Donors. Inputs contributing directly and indirectly to Project implementation to be financed by other donors are:

- (a) Vehicles by the European Economic Community (EEC);
- (b) Vaccine, penicillin and supplies by the EEC and the United Nations Children's Fund (UNICEF).

Article C: End of Project Conditions

At the end of the Project, the following conditions should exist:

- C.1. Reduction in the prevalence of infectious yaws to 0.1% or less.
- C.2. Prevent or contain yellow fever epidemics.

Article D: Implementation

Project implementation will be by Grant to the Ministry of Health, Office of the Director of Medical Services which will have overall responsibility for coordinating the activities of the Project within the Ministry and with other interested governmental agencies.

Article E: Financial Plan

A financial plan is attached as Attachment 1.1 to this Annex. This plan is subject to change by representatives named in SECTION 8.2 of the PGA without formal amendment to the Agreement. Transfers may

be made between line items with the written agreement of the Parties and further provided that the total funds obligated by A.I.D. is not exceeded.

Article F: Evaluation Plan

SECTION F.1: General. The evaluation component of the project will be a joint MOH-USAID effort. The evaluations will cover all aspects of the Project as well as the Project's contribution to Ghana's disease control activities.

SECTION F.2. Schedule

(a) The first evaluation will take place one year from the date that the first detailed plan of work is completed (see Article A, Section A.2);

(b) The final intensive evaluation will take place at least one month prior to the departure of the project financed U.S. technical officer;

(c) At least 12 months after the completion of the Project, the parties agree to jointly conduct an ex-post evaluation to determine the impact of the Project.

Article G: Title to Equipment

All equipment and materials financed by the Project will be titled to the Epidemiology Division, Ministry of Health.

Project Financial Plan  
 (Source and Application of Funds)  
 \$ 000

As of March 1980

| <u>Project Inputs</u>   | <u>AID GRANT</u>  | <u>GOG</u>        | <u>OTHER DONORS</u> | <u>TOTAL</u>       |
|---|-------------------|-------------------|---------------------|--------------------|
| Personnel   | <u>130</u>        | <u>80</u>         | -                   | <u>210</u>         |
| Technical Services/Admin Support Staff  | (130)             | (20)              | -                   | (150)              |
| Staff   | -                 | (60)              | -                   | (60)               |
| Commodities   | <u>265</u>        | <u>597</u>        | <u>1040</u>         | <u>1902</u>        |
| Cold Chain  | (27)              | -                 | -                   | (27)               |
| Field Equipment   | (17)              | -                 | -                   | (17)               |
| Penicillin, vaccines, syringes, equipment   | (150)             | (497)             | (815)               | (1462)             |
| Miscellaneous equipment (office, lab.)  | (6)               | -                 | -                   | (6)                |
| Vehicles (20), spare parts  | -                 | -                 | (225)               | (225)              |
| Freight/fees  | (65)              | NA                | NA                  | (65)               |
| POL   | -                 | (100)             | -                   | (100)              |
| Participant Training  | <u>15</u>         | <u>6*</u>         | -                   | <u>21</u>          |
| Workshops   | -                 | <u>20</u>         | -                   | <u>20</u>          |
| Vehicle Maintenance   | -                 | <u>40</u>         | -                   | <u>40</u>          |
| Other Costs (logistical support for operation officer - to include household furniture, etc.) | <u>90</u>         | -                 | -                   | <u>90</u>          |
| <b>TOTAL</b>  | <u><u>500</u></u> | <u><u>743</u></u> | <u><u>1040</u></u>  | <u><u>2283</u></u> |

\* International travel costs

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.

**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 and the Grant will be free from any taxation or fees imposed under laws in effect in the territory of the Grantee.

(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 Grantee, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, 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

Article B: General Covenants (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 this 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 country of the Grantee.

SECTION B.8. Information and Marking. 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 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.

Article C: Procurement Provisions

(d) Transportation by air, financed under the Grant, of 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 discussed in a Project Implementation Letter.

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

Article C: Procurement Provisions

(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 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

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all shipments financed by A.I.D. and transported to the territory 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 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 the Grantee (or government of Grantee), 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 of the United States, then all goods shipped to the territory of the Grantee 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.

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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 Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

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.

(b) If 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 other 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.

Article D: Termination; Remedies (Continued)

(e) 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 or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.