

635-0202

GAMBIA

SOIL AND WATER MANAGEMENT
Unit

Project Agreement

FY 78-79

635-78-2

635-79-1

PROJECT AGREEMENT

**BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
The Ministry of Agriculture and Natural Resources**

AN AGENCY OF THE GOVERNMENT OF THE REPUBLIC OF THE GAMBIA

The Above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

Project Description
Annex A

Standard Provision
Annex

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

| | |
|--|------|
| <input type="checkbox"/> General Agreement for Technical Cooperation | Date |
| <input type="checkbox"/> Economic Cooperation Agreement | Date |
| <input type="checkbox"/> (Other) | Date |

1. Project/Activity No. 635-0202 Page 1 of 2 pages

2. Agreement No. 635-7,-1 3. Original or Revision No. 2

4. Project/Activity Title
Soil and Water Resource Management Unit

5. Project Description and explanation
(See Annex A attached)

6. AID Appropriation Symbol 7. AID Allotment
72-11X1012 812-52-635-00-69-51

| 8. AID Financing Dollars | Local Currency | Previous Total (A) | Increase (B) | Decrease (C) | Total to Date (D) | |
|-------------------------------------|--------------------------|-------------------------------|--------------|--------------|-------------------|---------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | (a) Total | 251,000 | 55,000 | 55,000 | 251,000 |
| | | (b) Contract Services | 68,000 | | | 68,000 |
| | | (c) Commodities | 18,000 | | | 18,000 |
| | | (d) Other Costs | 40,000 | | | 40,000 |
| | | (e) Participants | 125,000 | | 55,000 | 70,000 |
| | | (f) U.S. Resident Technicians | | 55,000 | | 55,000 |

| | | | | |
|--|--|--|--|--|
| 9. Cooperating Agency Financing-Dollar Equivalent \$1.00 = | | | | |
| (a) Total | | | | |
| (b) Technical and other services | | | | |
| (c) Commodities | | | | |
| (d) Other Costs | | | | |

| | | |
|--|---|---|
| 11. Date of Original Agreement 18 December 1978 | 12. Date of this Revision August 8, 1979 | 13. Estimated Final Contribution Date 30 December 1982 |
|--|---|---|

| | |
|---|--|
| 14. For the Cooperating Government or Agency Signature: <i>[Signature]</i> Title: <i>Permanent Secretary</i> Date: _____ | 15. For the Agency for International Development Signature: <i>[Signature]</i> Date: 8/8/79 Title: <i>Charge d' Affaires</i> |
|---|--|

PROJECT AGREEMENT
Between AID and
The Ministry of Agriculture
and Natural Resources
An Agency of the Government
of The Republic of The
Gambia

| | |
|--|--|
| 1. Project/Activity No. 635-0202 | Page 2 of 2 pages |
| 2. Agreement No. 635-79-1 | 3. <input checked="" type="checkbox"/> Original or Revision No. 2 |
| 3. Project/Activity Title Soil and Water Resource Management Unit | |

The purpose of this revision to Project Agreement 635-79-1 is to redistribute funds among line items in Annex B (Budget) as follows:

Revised Budget for FY 1979 (\$000's)

| | |
|---------------------------------|----------------------|
| Short-term technical assistance | 68 |
| Long-term participant training | 70 |
| Commodities/Supplies | 18 |
| Construction of housing | 40 |
| U.S. resident technicians | 55 |
| Total | \$ <u>251</u> |

This redistribution of funds among the line items is necessary to provide funds for the support of U.S. resident technicians.

Each line item above may be increased or decreased by an amount not to exceed 10%, provided that the total obligation of \$251,000 is not exceeded. The written consent of AID will be required for any increase or decrease of more than 10%.

No additional obligation of funds was required to effect the redistribution of funds.

All other provisions of the original Project Agreement remain in full force.

AID 1330-1
(8-64)

PRO AG

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

~~The Ministry of Agriculture and Natural Resources~~
AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia

The above-named parties heroby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
 STANDARD PROVISIONS ANNEX SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE _____
 ECONOMIC COOPERATION AGREEMENT DATE _____
 (other) DATE _____

1. PROJECT/ACTIVITY NO. PAGE 1 OF _____ PAGES

635-0202

2. AGREEMENT NO.

635-79-1

3. ORIGINAL OR
DUPLICATION NO. _____

4. PROJECT/ACTIVITY TITLE

Soil and Water Resource Management Unit

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL

72-11X1012

7. AID ALLOTMENT SYMBOL

812-52-635-00-69-91

| 9. AID FINANCING | PREVIOUS TOTAL (A) | INCREASE (B) | DECREASE (C) | TOTAL TO DATE (D) |
|---|--------------------|--------------|--------------|-------------------|
| <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | | | | |
| (a) Total | | 251,000 | | 251,000 |
| (b) Contract Services | | 68,000 | | 68,000 |
| (c) Commodities | | 18,000 | | 18,000 |
| (d) Other Costs | | 165,000 | | 165,000 |
| (e) participants | | | | |
| 9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT | | | | |
| \$1.00 = | | | | |
| (a) Total | | | | |
| (b) Technical and other Services | | | | |
| (c) Commodities | | | | |
| (d) Other Costs | | | | |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

11. DATE OF ORIGINAL AGREEMENT
Dec. 18, 1978

12. DATE OF THIS REVISION

13. ESTIMATED FINAL CONTRIBUTION DATE
30 September 1982

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: *[Signature]* DATE: 18 Dec 78
TITLE: *[Title]*

SIGNATURE: *[Signature]* DATE: 12 Dec 78
TITLE: *[Title]*

State 293953
Dakar 8541

| | | | |
|--|---|---|--|
| AID 1090-1A (8-70) PRO AG CONTINUATION SHEET ANNEX A | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE 2 OF 11 PAGES |
| | | 2. Agreement No. | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of the Gambia | 3. Project/Activity Title. Soil and Water Resource Management Unit | |

This Project Agreement is written in conjunction with Project Agreement 635-78-2 and is intended to obligate additional funds. All provisions of Project Agreement 635-78-2 (Annex A) apply equally to this Project Agreement with the exception of Article III, Section 3.1, which follows for Fiscal Year 1979 funds;

III. Financing

Section 3.1. The Grant: To assist the Government of the Gambia to meet the costs of carrying out the Project, AID, in furtherance of the Foreign Assistance Act of 1961, as amended, agrees to grant to the Government of the Gambia under the terms of this Agreement not to exceed two hundred fifty-one thousand United States (U.S.) Dollars (\$251,000) ("Grant") in Fiscal Year 1979.

| | |
|--|--|
| For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____ | For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____ |
|--|--|

| | | | |
|--|---|--|--|
| AID 1090-1A (8-73) PRO AG CONTINUATION SHEET ANNEX B | PROJECT AGREEMENT BETWEEN AID AND Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE 3 OF 4 PAGES |
| | | 2. Agreement No. 635-79-1 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of the Gambia | 3. Project/Activity Title. Soil and Water Resource Management Unit | |

All provisions of Project Agreement 635-78-2 (Annex B) apply equally to this Project Agreement with the exception of the budget which follows for Fiscal Year 1979:

Budget for FY 1979

The funds made available by AID via this Agreement will be used according to the following budget (in thousands of U.S. dollars:)

| | |
|---------------------------------|-----------|
| Short-term technical assistance | 68 |
| Long-term participant training | 165 |
| Commodities/supplies | <u>18</u> |
| TOTAL | 251 |

Total AID funds \$251,000

Each budget line item above may be increased by an amount not to exceed ten percent provided that the total obligation of \$251,000 is not exceeded. The written consent of AID will be required for any increase in excess of ten percent.

| | |
|--|--|
| For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____ | For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____ |
|--|--|

| | | | |
|---|---|--|--|
| AID 1330-1A (2-70) PRO AG CONTINUATION SHEET ANNEX C | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE <u>4</u> OF <u>4</u> PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of the Gambia | 2. Agreement No. 635-79-1 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | | 3. Project/Activity Title. Soil and Water Resource Management Unit | |

All provisions of Project Agreement 635-78-2 (Annex C) apply equally to this Project Agreement obligating Fiscal Year 1979 funds.

| | |
|--|--|
| For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____ | For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____ |
|--|--|

7

CRAWFORD

1330-1
-84)

10 AG

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
The Ministry of Agriculture and Natural Resources
AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
 STANDARD PROVISIONS ANNEX SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE _____
 ECONOMIC COOPERATION AGREEMENT DATE _____
 (other) DATE _____

1. PROJECT/ACTIVITY NO. **635-0202** PAGE 1 OF 24 PAGES

2. AGREEMENT NO. **635-78-2** 3. ORIGINAL OR REVISION NO. _____

4. PROJECT/ACTIVITY TITLE
Soil and Water Resource Management Unit

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL
72-11X1012

7. AID ALLOTMENT SYMBOL
812-52-635-00-69-81

| 6. AID FINANCING | PREVIOUS TOTAL (A) | INCREASE (B) | DECREASE (C) | TOTAL TO DATE (D) |
|---|--------------------|--------------|--------------|-------------------|
| <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | | | | |
| (a) Total | | 952,000 | | 952,000 |
| (b) Contract Services | | 566,000 | | 566,000 |
| (c) Commodities | | 100,000 | | 100,000 |
| (d) Other Costs | | 190,000 | | 190,000 |
| (e) Participants | | 96,000 | | 96,000 |
| 9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT \$1.00 = D2.04 | | | | |

| | | | | |
|----------------------------------|--|--------|--|--------|
| (a) Total | | 40,000 | | 40,000 |
| (b) Technical and other Services | | | | |
| (c) Commodities | | | | |
| (d) Other Costs | | | | |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

11. DATE OF ORIGINAL AGREEMENT **30 March 1978** 12. DATE OF THIS REVISION _____ 13. ESTIMATED FINAL CONTRIBUTION DATE **30 September 1982**

14. FOR THE COOPERATING GOVERNMENT OR AGENCY
Amey 30/3/78 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
Hermond Cohen 30/3/78

RANGE:
BANJUL
3

| | | | |
|--|---|--|--|
| AID 1880-1A (8-70) PRO AG CONTINUATION SHEET ANNEX A | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE <u>2</u> OF <u>24</u> PAGES |
| | | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 3. Project/Activity Title. Soil and Water Resource Management | |

I. The Project Agreement

The purpose of this Agreement is to set forth the understandings, rights, and responsibilities of the Parties with respect to the understanding by the Grantee of the Project described below and with respect to the financing of the project by the Parties.

II. The Project

Section 2.1. Definition of Project: The Project which is further described in Annex B will consist of (1) the establishment of a Soil and Water Management Unit within the Ministry of Agriculture and Natural Resources (hereinafter "MANR"), (2) the development of technology for improved agricultural and pastoral methods consistent with Gambian abilities and resources, and (3) the training of Gambian soil and water management specialists and Agricultural Assistants to apply solutions to soil and water problems at national and village levels. Annex B, 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 B may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Section 2.2. U.S. and Gambian Government Obligations: AID will assist the Gambian Government in establishing a Soil and Water Management Unit (SWMU) within the Ministry of Agriculture and Natural Resources. This Unit, headed initially by an expatriate professional conservationist, will have as its major goal the institutionalization of a soil and water management capability with the Gambian Government. It will provide a programmatic dimension that is currently lacking in MANR and that is its top priority for institutional strengthening.

Initial staffing of the unit will consist of three expatriate professionals furnished by AID under the project and eight employees furnished by the Gambian Government. Land for new housing, as well as maintenance and utilities, office space and clerical support will be provided by the Gambian Government, with housing construction and furnishings, field equipment, special office equipment, camping equipment, and incidental supplies furnished by AID. Both AID and the Gambian Government will furnish one 4-wheel drive vehicle (Landrover). The Gambian Government will provide fuel and repair services for vehicles. The office facility will be located near the Yundum Agricultural station to facilitate communications and cooperation with the Soils Forestry and Animal Production Departments.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

| | | | |
|--|--|--|--|
| AID 1820-1A (2-70) PRO AG CONTINUATION SHEET ANNEX A | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE 3 OF 24 PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | | 3. Project/Activity Title. Soil and Water Resource Management | |

III. Financing

Section 3.1. The Grant: To assist the Government of the Gambia to meet the costs of carrying out the Project, AID, in furtherance of the Foreign Assistance Act of 1961, as amended, agrees to grant the Government of The Gambia under the terms of this Agreement not to exceed nine hundred fifty-two thousand United States ("U.S.") Dollars (\$952,000) ("Grant") in Fiscal Year 1978.

Section 3.2. Grantee Resources for the Project:

(a) The Government of The Gambia 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. \$350,000, including costs borne on an "in-kind" basis.

Section 3.3. Project Assistance Completion Date:

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1982, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(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) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters 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 Government of The Gambia, 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.

| | | | |
|--|-------------|--|-------------|
| For the Cooperating Government or Agency | | For the Agency for International Development | |
| SIGNATURE: _____ | DATE: _____ | SIGNATURE: _____ | DATE: _____ |
| TITLE: _____ | | TITLE: _____ | |

| | | | |
|--|---|--|--|
| AID 1980-1A (2-70) PRO AG CONTINUATION SHEET ANNEX A | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE <u>4</u> OF <u>24</u> PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | | 3. Project/Activity Title. Soil and Water Resource Management | |

IV. 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 Government of The Gambia will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(a) A written plan and schedule for assigning staff to the Soil and Water Management Unit in accordance with previously agreed staffing requirements; and

(b) A statement of the name and/or title of the person holding or acting in the office of the Grantee as Implementing Agent, and of any additional representatives, together with a specimen signature of each person so identified if such person is other than the signer of this Project Agreement.

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 Government of The Gambia.

Section 4.3. Terminal Dates for Conditions Precedent:

(a) If all of the conditions specified in Section 4.1 have not been met within 90 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.

V. 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 of constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

| | |
|--|--|
| For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____ | For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____ |
|--|--|

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| AID 189-1A (2-70) PRO AG CONTINUATION SHEET ANNEX A | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE <u>5</u> OF <u>24</u> PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. |
| | | 3. Project/Activity Title. Soil and Water Resource Management | |

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

VI. 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 The Gambia. To the extent provided for under this Agreement, local currency costs may also include the provision of local currency resources required for the Project.

VII. Disbursement and Financial Procedures

Section 7.1. Disbursement for Foreign Exchange Costs:

(a) After satisfaction of conditions precedent, the Government 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 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 of 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 payments made by them to contractors or suppliers, committing AID to pay such contractors or suppliers for such goods or services.

| | | | |
|--|-------------|--|-------------|
| For the Cooperating Government or Agency | | For the Agency for International Development | |
| SIGNATURE: _____ | DATE: _____ | SIGNATURE: _____ | DATE: _____ |
| TITLE: _____ | | TITLE: _____ | |

1/2

| | | | |
|--|---|--|--|
| AID 1330-1A (2-70) PRO AG CONTINUATION SHEET ANNEX A | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE 6 OF 24 PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | | 3. Project/Activity Title. Soil and Water Resource Management | |

(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 Government of The Gambia 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.

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: 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 Gambia by AID or any public or private agency

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| For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____ | For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____ |
|--|--|

| | | | |
|--|--|---|--|
| AID 1880-1A (3-70) PRO AG CONTINUATION SHEET ANNEX A | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE 7 OF 24 PAGES |
| | | 2. Agreement No. 635-78-2 | 3. [] Original or Revision No. |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 3. Project/Activity Title. Soil and Water Resource Management | |

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 The Gambia at the highest rate of exchange which, at the time the conversion is made, is not unlawful in The Gambia.

VIII. 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: Permanent Secretary
 Ministry of Agriculture and
 Natural Resources
 The Quadrangle
 Banjul, The Gambia

Alternate address for cables: Agriculture Banjul

To AID:

Mail address: AID Operations Officer
 American Embassy
 P. O. Box 596
 Banjul, The Gambia

Alternate address for cables: AMEMBASSY BANJUL

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 Permanent Secretary, MANR, and AID will be represented by the individual holding or acting in the office of AID Operations Officer, Banjul, 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 B. ~~The names of the representatives~~

| | |
|--|--|
| For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____ | For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____ |
|--|--|

PROJECT AGREEMENT

BETWEEN AND
The Ministry of Agriculture
and Natural Resources

1. Project/Activity No.
635-0202

PAGE 8 OF 24 PAGES

2. Agreement No.
635-78-2

3. Original or
Revision No.

3. Project/Activity Title.

Soil and Water Resource Management

PRO AG
CONTINUATION
SHEET
A
ANNEX

AN AGENCY OF THE GOVERNMENT OF
The Republic of The Gambia

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 Provisions Annex" (Annex C) is attached to and forms part of this agreement.

Section 8.4. Language of Agreement: This Agreement is prepared in English.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

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PRO AG
CONTINUATION
SHEET

BETWEEN AID AND
The Ministry of Agriculture
and Natural Resources

2. Agreement No.
635-78-2

3. Original or
Revision No.

ANNEX B

AN AGENCY OF THE GOVERNMENT OF
The Republic of The Gambia

3. Project/Activity Title.

Soil and Water Resource Management

DETAILED PROJECT DESCRIPTION

I. Goals and Purposes of the Project

Three discrete but interrelated goals are foreseen for this project: an environmental goal, an agricultural goal and an institutional goal. As set forth in the logframe, these goals are to:

- a) Halt/reverse environmental deterioration due to inadequacy of traditional agricultural/pastoral methods;
- b) Increase/stabilize production of food/forage/wood/cash crops; and reduce susceptibility to drought and other weather variations; and,
- c) Improve institutional capability of Gambian Government to deliver educational, technical, and material services to rural population.

All of these goals will be served by the project, whose purpose is to establish within the MANR by the end of the project an effective soil and water management unit operated administratively and technically by Gambians. This unit will have developed both the methodology and the staff capability to work with village elders and farmers to improve the management given to the soil, water, and vegetative resources of the nation. If such improved management can be achieved, the results will include: a higher level of productivity in terms of supply for domestic, livestock, and irrigation use due to improved soil intake rates and deep percolation; reduced environmental damage due to runoff, erosion, sedimentation, and pollution of the nation's waters, as well as reduced air pollution from wind erosion; and, an improved ability to withstand climatic variations such as the recent Sahelian drought.

A major portion of the project is training to prepare Gambians for administrative, technical, and field operational leadership in soil and water management. This will be accomplished through on-job training, specialized short courses presented by the Gambian Department of Agriculture training program, generalized soil and water management courses presented to Agricultural Assistants working in the field, academic training abroad for selected employees, and technical and field seminars conducted by American soil and water conservation

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

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| AID 1880-1A (3-70) PRO AG CONTINUATION SHEET ANNEX B | PROJECT AGREEMENT BETWEEN AID AND Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE 10 OF 21 PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | | 3. Project/Activity Title. Soil and Water Resource Management | |

specialists.

The target of establishing a trained soil and water management technical assistance team in each Regional Headquarters should be achievable in 5 years. The first Gambians assigned to the Unit will, if successful, turn into candidates for academic training abroad, administrative leadership positions in the Unit, or regional specialists. As candidates are selected for academic training, new employees will be moved into the Unit to keep field working parties filled. These employees, through on-the-job training programs, will become candidates for intensive training--either at Yundum or abroad--to fill the role of regional specialist.

The goal of developing Gambian administrative capability to operate the Unit should be achievable within 3 years; depending, of course, on the individuals selected for initial Unit staffing. It will be the goal of the project to identify Gambian candidates for eventual Directorship and move them into responsible positions of leadership as rapidly as possible. This may include the establishment of a position as Deputy Director at the appropriate time, since there is currently no firmly identified candidate. The question of Gambian leadership will be pursued through talent assessment, placement, training, and evaluation by the expatriate team. The Permanent Secretary will expect periodic confidential reports from the Unit Director to guide him in determining when and how Gambian leadership will be installed. A realistic goal would be for a Gambian Unit Director to take over sometime in the 3rd year of the project, with the American Team Leader moving to a position of Senior Advisor.

The project is conceived in two phases. The first three-year phase should be devoted to the following goals:

- 1) Establishment of the SWMU as a functioning, effective part of the administrative structure of MANR;
- 2) Development of soil and water management policy statement and program guidelines within MANR;
- 3) Complete integration and coordination of SWMU activities and abilities in the program and project actions of MANR;
- 4) Development of a village planning and action program suitable to The Gambia, and the

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

PROJECT AGREEMENT

BETWEEN AND
The Ministry of Agriculture
and Natural Resources

1. Project/Activity No.
635-0202PAGE 1 OF 24 PAGESPRO AG
CONTINUATION
SHEET2. Agreement No.
635-78-23. Original or
Revision No. _____

ANNEX B

AN AGENCY OF THE GOVERNMENT OF
The Republic of The Gambia

3. Project/Activity Title.

Soil and Water Resource Management

documentation of this program as a study
guide;

- 5) On-job training in this program to enable Gambian Unit Staff to conduct the village planning and action program;
- 6) Development of a technical soil and water management manual for the Gambia;
- 7) Training and installation of a Gambia Unit Director;
- 8) Solution of some basic soil and water management problems in a few (10-15) villages, to the extent that village farmers are realizing actual benefits from utilizing new management methods developed in the village planning and action process;
- 9) Identification of trainees for degree training abroad and placing them in appropriate curricula; and
- 10) Development of a more generalized training curriculum to be used at Yundum in the MANR Training Unit to give Agricultural Assistants involved in annual refresher courses some basic exposure to soil and water management principles.

The second (2-year) phase should be devoted to the following goals:

- 1) Conversion of SWMU from an American-directed to a Gambian-directed unit by shifting the role of expatriates from leaders to required technical advisors; (The exact technical makeup of needed expatriates in the second phase will depend on the speed of development of Gambian talent in various technical specialties. It is difficult to estimate at this time, but should be identified and projected at the project review stage.)
- 2) Establishment of Gambian technical specialist teams at each of the 5 Divisional headquarters

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____SIGNATURE: _____ DATE: _____
TITLE: _____

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| AID 1390-1A (3-70) PRO AG CONTINUATION SHEET ANNEX B | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE <u>12</u> OF <u>24</u> PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | | 3. Project/Activity Title. Soil and Water Resource Management | |

so that actual field assistance to villages can begin to flow from the Divisional offices rather than headquarters;

- 3) Continued improvement of the technical guide, the planning and action program, and the training materials and courses used in MANR and
- 4) Shifting technical leadership for various phases of the SWMU program to qualified Gambians as rapidly as training abroad can be finished and appropriate experience obtained.

II. Operation of Soil and Water Management Unit

Through the life of the project, the Unit will be managed to take maximum advantage of the technical talent available through the expatriate team. In addition, however, there is the need to develop an operating method that will be useful in the continuing sense.

The Unit must operate on a grand scale at times; on a very small scale at others. As principal advisor to the Ministry on matters pertaining to soil and water management, the Unit must be prepared to propose and/or advise on policy and procedural matters. Agricultural, irrigation, livestock, or forestry projects of the Ministry require soil and water expertise, data and information, and the Unit will be expected to provide that.

At the other end of the spectrum, the Unit must develop a way to successfully plan with an individual Gambian farmer on a 1-acre field. This process, described at length elsewhere, requires a great deal of development and testing under Gambian conditions. This will place the Unit in the field much of the time, not in an attempt to solve all the problems of all 17,000 Gambian farming compounds but to develop and document a way successfully to motivate these farmers to action and teach techniques to Gambian soil and water management specialists.

Because most of the resource inventory and on-the-land planning will need to be done in the dry season, the Unit should immediately begin to develop an annual work cycle that properly balances and schedules the various types of field and office work. Such a schedule might attempt to program activities as follows:

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| or the Cooperating Government or Agency | For the Agency for International Development |
| SIGNATURE: _____ DATE: _____ TITLE: _____ | SIGNATURE: _____ DATE: _____ TITLE: _____ |

PROJECT AGREEMENT

1. Project/Activity No.
635-0202

PAGE 13 OF 24 PAGES

PRO AG
CONTINUATION
SHEET

BETWEEN AND
The Ministry of Agriculture
and Natural Resources

2. Agreement No.
635-78-2

3. Original or
Revision No. _____

ANNEX B

AN AGENCY OF THE GOVERNMENT OF
The Republic of The Gambia

3. Project/Activity Title.

Soil and Water Resource Management

Wet Season--

- Work on policy positions for MANR;
- Order and prepare aerial photos, maps, etc. for villages;
- Assist villagers with growing season management practices as needed;
- Field investigations of soil profiles;
- Field observations of runoff and erosion conditions;
- Preparation of technical guide material;
- Preparation of reports for MANR project or proposals;
- Preparation of training materials;
- Assist with training sessions; and
- Personnel and Administration.

Dry Season--

- Prepare resource inventories for villages, including soils and vegetative surveys;
- Develop conservation and management plans;
- Assist villagers install conservation measures such as bunds or waterways; and
- Keep careful notes of field work to provide documentation for technical guide material.

The First Year

During the first year of operation, it will be important to develop some actual field experience with village conservation problems to form the basis for policy, technical guide, and training aid development. The Unit is scheduled to be established in May or June, 1978. This would be excellent timing from the standpoint of the annual work cycle. Team members could spend the entire first rainy season (June-October) familiarizing themselves with the agricultural methods and conditions in The Gambia. Initial contacts with villages can provide access to fields to observe runoff and erosion problems as they occur. Development of technical information during this period will be key to any planning or technical guide preparation later. Input of the Gambian members of the Unit will be basic to the development of a complete understanding of problems and situations in the field.

During the dry season, (November-May), the Unit should concentrate on planning with villages. Most demonstration work will have to take place on individual farms, flowing out of the village conservation planning process. Assisting with the solution of conservation problems on the Mixed Farming Centers should be undertaken mainly to provide

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|---|-------------|--|-------------|
| For the Cooperating Government of _____ | | For the Agency for International Development | |
| SIGNATURE: _____ | DATE: _____ | SIGNATURE: _____ | DATE: _____ |
| TITLE: _____ | | TITLE: _____ | |

PROJECT AGREEMENT

1. Project/Activity No.

635-0202

2. Agreement No.

635-78-2

3. Original or
Revision No. _____

3. Project/Activity Title.

Soil and Water Resource Management

PRO-AG
CONTINUATION
SHEET
ANNEX B

BETWEEN AND
The Ministry of Agriculture
and Natural Resources

AN AGENCY OF THE GOVERNMENT OF
The Republic of The Gambia

practice and demonstration for the Gambian Unit members and the Agricultural Assistants at the Mixed Farming Center involved.

Planning during the first season should be expected to result in a few (perhaps 2-5) villages arriving at the point where they have made some overall commitments to test some new methods or install some obviously needed conservation practice. Most likely, the best that can be expected is that one or more farmers in each of these villages will have agreed to test some new management method. The extent and type of demonstration trials started in this first season must be carefully controlled, since the Unit should start only those for which it can provide careful follow-up assistance. Department of Agriculture staff have stressed the fact that Gambian farmers undergo trials fairly willingly, but if some results are not visible after the first year, these farmers, as well as their neighbors, are reluctant to repeat the trials again.

The Second Year

During the rainy season the second year, the Unit will need to concentrate on:

1. Providing needed follow-up assistance to farmers conducting trials or carrying out conservation practices to assure a high degree of success;
2. Preparation and reproduction of reports, evaluations, conservation plans for villages, and technical guide materials;
3. Assessments of effectiveness of installed conservation measures (if any have been installed) in reducing runoff, retarding erosion, and enhancing production;
4. Assembly of needed photographic coverage, technical data, etc., for field work season; and
5. Preparation of training materials and aids to be used in ongoing training program of the Ministry.

During the dry season the second year, the Unit will need to concentrate on:

1. Follow-up planning with the first-year villages to convince them of the value of the conservation measures tested, get

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| For the Cooperating Government or Agency | | For the Agency for International Development | |
| SIGNATURE: _____ | DATE: _____ | SIGNATURE: _____ | DATE: _____ |
| TITLE: _____ | | TITLE: _____ | |

PRO AG
CONTINUATION
SHEET
ANNEX B

BETWEEN AID AND
The Ministry of Agriculture
and Natural Resources

AN AGENCY OF THE GOVERNMENT OF
The Republic of The Gambia

| | |
|--|--|
| 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| 3. Project/Activity Title. Soil and Water Resource Management | |

successful tests repeated and spread to other farmers, search for alternatives to practices that proved too costly, difficult, or ineffective, and initiate additional tests or new management practices as needed; and

2. Initiate planning with as many new villages as can be handled without spreading the staff too thin. The actual number here is hard to estimate, but it should be kept low enough that the Unit is not spread too thin for patient and intensive work with all cooperative villages (probably 10-15 in total).

The Third Year

During the rainy season, the Unit should be able to concentrate on:

1. Completion of the Technical Guide and related reports on the planning process;
2. Follow-up assistance to farmers conducting tests or carrying out conservation plans;
3. Continued assessment of effectiveness of installed conservation measures;
4. Assembly of needed photographic coverage, etc., for next field season; and
5. Preparation of training materials and aids to be used in the MAIR training unit.

During the field season, the Unit should continue to expand services to villages, utilizing mainly Gambian members of the Unit as planning and technical assessment leaders in the planning process and involving new Agricultural Assistants and villages. Again, care must be taken to prevent spreading the Unit too thin for effective work.

III. Budget for FY 1976

The funds made available by AID via this Agreement will be used according to the following budget (in thousands of U.S. dollars):

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| For the Cooperating Government or Agency | For the Agency for International Development |
| SIGNATURE: _____ NAME: _____ | SIGNATURE: _____ DATE: _____ |
| TITLE: _____ | TITLE: _____ |

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|---|---|--|--|
| AID 1330-1A (3-75) FROM AG CONTRIBUTION SHEET PART B | PROJECT AGREEMENT BETWEEN USAID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE <u>16</u> OF <u>24</u> PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | | 3. Project/Activity Title. Soil and Water Resource Management | |

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| 3 long-term technicians, 54 pm | 432 | |
| short-term consultants, 17 pm | <u>134</u> | <u>566</u> |

Direct AID

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| training: long-term PIO/P, U.S. academic, 96 pm | 96 | |
| commodity procurement: vehicles, field equipment, office supplies, cartographic materials, furnishings | 100 | |
| construction of housing | 160 | |
| Other costs | <u>30</u> | <u>386</u> |

TOTAL AID FUNDS: \$952,000

Each budget line item above may be increased by an amount not to exceed ten percent provided that the total obligation of \$952,000 is not exceeded. The written consent of AID will be required for any increase or decrease in excess of ten percent.

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| For the Cooperating Government or Agency _____ _____ | For the Agency for International Development SIGNATURE: _____ DATE: _____ _____ |
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| AID 1330-1A (3-75) PROJECT CONTRIBUTION SHEET ANNEX C | PROJECT AGREEMENT BETWEEN AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE 17 OF 24 PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | | 3. Project/Activity Title. Soil and Water Resource Management | |

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, AID, 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 B.

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 AID pursuant to this Agreement; and

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and

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| AID 1330-1A (3-70) PRO AG CONTRIBUTION SHEET PART C | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE 18 OF 24 PAGES |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of The Gambia | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or Revision No. _____ |
| | | 3. Project/Activity Title. Soil and Water Resource Management | |

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 AID, 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 AID 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 AID 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 AID such information and reports relating to the Project and to this Agreement as AID 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

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| AID 1330-1A (B-7C) | PROJECT AGREEMENT | 1. Project/Activity No. 635-0202 | PAGE 19 OF 24 PAGES |
| PROJAG | BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 2. Agreement No. 635-78-2 | 3. <input checked="" type="checkbox"/> Original or <input type="checkbox"/> Duplicate |
| COMPLETION DATE | AN AGENCY OF THE GOVERNMENT OF | 3. Project/Activity Title. | |
| ARTICLE C | The Republic of The Gambia | Soil and Water Resource Management | |

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 AID; 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

(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 AID, or cause AID to be informed, in the course of reaching agreement with AID 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 AID 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 AID, 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 country of origin of the vessel or aircraft's country of registry

PROJECT AGREEMENT

1. Project/Activity No.

635-0202

PAGE 20 OF 24 PAGES

2. Agreement No.

635-78-2

3. Original or

Revised No.

3. Project/Activity Title.

Soil and Water Resource Management

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 AID may otherwise agree in writing.

(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 described 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 AID 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 AID on preparation;

(2) such documentation will also be furnished to AID, upon preparation, relating to any goods or services, which, though not financed under the Grant, are deemed by AID 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 AID in writing prior to their issuance, and their terms will include United States standards and measurements;

PROJECT AGREEMENT

1. Project/Activity No.
635-0202

PAGE 21 OF 24 PAGES

PROAG

The Ministry of Agriculture
and Natural Resources2. Agreement No.
635-78-23. Original or
Revision No.

Government of

3. Project/Activity Title.

AN AGENCY OF THE GOVERNMENT OF

The Republic of The Gambia

Soil and Water Resource Management

(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 AID in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by AID 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 AID may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to AID.

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 AID such information with regard thereto, and at such times, as AID 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 AID Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which AID, by written notice to the Grantee has designated as ineligible; or (3) under an ocean or air charter which has not received prior AID 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 provisions of the Agreement entitled "Procurement Source: Foreign Excluded Countries," without prior written AID approval; or (2) on an ocean vessel which AID, by written notice to the Grantee, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior AID approval.

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| AID 1330-1A (2-70) PROAG GOVERNMENT CONTRACT C AMEX | PROJECT AGREEMENT BETWEEN AID AND The Ministry of Agriculture and Natural Resources | 1. Project/Activity No. 635-0202 | PAGE 22 OF 24 PAGES |
| | | 2. Agreement No. 635-78-2 | 3. <input type="checkbox"/> Original or Revision No. _____ |
| | AN AGENCY OF THE GOVERNMENT OF The Republic of the Gambia | 3. Project/Activity Title. Soil and Water Resource Management | |

(c) Unless AID 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 AID 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 AID 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 AID 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 AID-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 AID 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 AID 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 AID 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.

The Ministry of Agriculture
and Natural Resources

2. Agreement No.
635-78-2

3. AID Contract

AN AGENCY OF THE GOVERNMENT OF

The Republic of The Gambia

4. Project Activity Title.

Soil and Water Resource Management

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 non-cancellable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination AID may, at AID's expense, direct that title to goods financed under the Grant be transferred to AID 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, AID, 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 AID within sixty (60) days after receipt of a request therefore.

(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, AID may require the Grantee to refund all or any part of the amount of the disbursement under this Agreement for such goods or services in U.S. Dollars to AID within sixty days after receipt of a request therefore.

(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 AID 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.

(e) Any interest or other earnings on Grant funds disbursed by AID to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to AID 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 AID 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 AID financed in whole or in part out of funds granted by AID under this Agreement.