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**PROJECT GRANT AGREEMENT BETWEEN THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY  
FOR INTERNATIONAL DEVELOPMENT, AND THE  
AFRICAN DEVELOPMENT BANK**

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**DATED :** April, 1985

**A.I.D. FISCAL DATA:**

**Approp :** 72-1151021

**B.P.C. :** GDAA-85-21624-AG12

**Approp :** 72-1151021

**B.P.C. :** GDAA-85-21624-DG12

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*WHEREAS the principal objective of the African Development Bank (the Bank) is to contribute to the economic development and social progress of its regional member states.*

*WHEREAS it is the policy of the United States Government to encourage, promote and assist economic development activities in Africa.*

*WHEREAS the United States has offered its cooperation to the African Development Bank in the achievement of the economic development and social progress objectives of the Bank.*

*NOW, THEREFORE, the United States Government, acting through the Agency for International Development (A.I.D.), hereby agrees to make a grant to the African Development Bank for the purposes, and under the terms and conditions hereinafter set forth.*

**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 Bank of the Project described below, and with respect to the financing of the Project by the Parties. The following two Annexes are attached to and form an integral part of this Agreement: (1) the Amplified Project Description, and (2) the Project Standard Provisions Annex.*

**ARTICLE 2**

**The Project**

**SECTION 2.1. DEFINITION OF THE PROJECT.** *The project will assist the Bank to strengthen its capacity to develop and manage projects in an enlarging and improved portfolio. The Project will finance a mix of long and short-term technical assistance to Bank operations in 1) general management, 2) project work, and 3) country/sectoral studies. The Project also will assist in training needs and training programs of the Bank, both for its own staff and for those officials of regional member country agencies who deal with Bank projects. Funding of necessary commodities will be provided, including reservation of funds for additional computer hardware to be procured if deemed necessary.*

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*In addition, funds under this Grant will be made available for pre-Investment studies, terms of reference, and project evaluations intended to accelerate the loan programs for the poorer countries of Africa in agriculture and rural development. Annex 1 of this Agreement amplifies the above definition of the Project. Within the limits of the definition of the Project contained in this Section, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.*

**SECTION 2.2. INCREMENTAL NATURE OF PROJECT.**

*(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceeds.*

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

**ARTICLE 3**

**Financing**

**SECTION 3.1. THE GRANT.**

*(a) A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Bank under the terms of this Agreement an amount not to exceed Three Million Seven Hundred Fifty Thousand United States («U.S.») Dollars (\$3,750,000) (hereinafter referred to as the «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.*

*(b) It is anticipated that A.I.D. may make available additional funds up to Eleven Million Two Hundred Fifty Thousand United States («U.S.») Dollars (\$11,250,000), for a total U. S. contribution of Fifteen Million U. S. Dollars (\$15,000,000), under this Grant at a later date by amendment to this said Grant, subject to the availability of funds and the A.I.D. Operational Year Budget allotment process and mutual agreement of the Parties.*

**SECTION 3.2. BANK RESOURCES FOR THE PROJECT.** *The Bank agrees to provide or cause to be provided for the Project all funds and all other resources, in addition to the Grant, required to carry out the Project effectively and in a timely manner. This includes providing logistical and other supporting services in conformity with established Bank procedures and regulations.*

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**SECTION 3.3. PROJECT ASSISTANCE COMPLETION DATE.**

(a) The «Project Assistance Completion Date» (PACD), which is six (6) years from the effective date of this Agreement, 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, 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. 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 Bank, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

**ARTICLE 4**

**Conditions Precedent to Disbursement**

**SECTION 4.1. FIRST DISBURSEMENT.** Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Bank will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) a statement of the names and titles of the persons holding or acting in the Office of the Bank specified in Section 8.2., and of any additional representatives; and

(2) evidence that this Agreement has been approved by the Board of Directors of the Bank.

**SECTION 4.2. ADDITIONAL DISBURSEMENT.**

(a) Prior to disbursement of funds, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for each long-term technical assistance position, the Bank shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., a detailed justification for filling each position through use of project resources. The justification shall include an explanation of the need for external assistance; a detailed scope of work; evidence of appropriate market search; evidence of the application of appropriate selection criteria; and a plan for continuing or eliminating the position, as appropriate, at the termination of the Project.

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(b) Prior to disbursement of funds, or the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for training in each project year, the Bank shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. an annual training plan in form and substance satisfactory to A.I.D.

(c) Prior to disbursement of funds, or the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for computer hardware, the Bank shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. an analysis of the Bank's need for such additional equipment, a plan for its use, and a procurement plan.

(d) Prior to disbursement of funds, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for each sectoral study, for each terms of reference, for each pre-investment study, and for the preparation, supervising and evaluation of any similar activities to be financed by the Bank under this Project, the Bank shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and in substance satisfactory to A.I.D. a justification and a procurement plan for consultant services.

**SECTION 4.3. NOTIFICATION.** When A.I.D. has determined that the conditions precedent specified in Section 4.1 and 4.2 have been met, it will promptly notify the Bank.

**SECTION 4.4. TERMINAL DATES FOR CONDITIONS PRECEDENT.**

(a) If the conditions specified in Section 4.1 have not been met within 60 days from the date of this Agreement or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Bank.

(b) If the conditions specified in Section 4.2 have not been met within time periods to be specified in subsequent mutually agreed upon Project Implementation Letters, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement as provided in Article D of Annex 2.

**ARTICLE 5**

**Special Covenants**

**SECTION 5.1. PROJECT EVALUATION.** The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include :

(a) a mid-term evaluation to be conducted jointly by A.I.D. and the Bank at the end of the second year of the Project to analyze and measure the progress made toward achieving the Project's stated output targets, to determine if the projected results continue to be realistic or need to be revised, and to ascertain if the Project's purpose continues to be relevant to the Bank's needs and remains attainable.

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(b) an evaluation in the fourth year of the Project to be conducted by A.I.D. to assess the effectiveness of Project assistance to portfolio development through the financing of pre-investment studies, TOR's and project evaluations. It will also include a global overview of the Bank's system for project identification, preparation, appraisal and approval of agriculture and rural development projects.

(c) an end-of-project evaluation of the entire Project to be conducted jointly by A.I.D. and the Bank in order to present a comprehensive technical, financial, social and economic analysis of the Project, weighing stated project objectives against the end-of-project conditions.

**SECTION 5.2. SUPPORT FACILITIES.** The Bank shall agree that it will make available the necessary resources for support of facilities, office space, transportation, household amenities and other such needs of project-provided technical assistance, training assistance and studies assistance as may be required for successful operation of the Project in conformity with established Bank procedures and regulations.

## ARTICLE 6

### Procurement Source

**SECTION 6.1. FOREIGN EXCHANGE COSTS.** Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to services, their nationality in the United States, except as A.I.D. may otherwise agree in writing. Ocean transportation costs will be financed under the grant only on vessels under flag registry of the United States except as A. I. D. may otherwise agree in writing.

**SECTION 6.2. LOCAL CURRENCY COSTS.** Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source end, except as A.I.D. may otherwise agree in writing, their origin in the Republic of the Ivory Coast. To the extent provided for under this Agreement, «Local Currency Costs» may also include the provision of local currency resources required for the Project.

## ARTICLE 7

### Disbursement

#### **SECTION 7.1. DISBURSEMENT FOR FOREIGN EXCHANGE COSTS.**

(a) After satisfaction of applicable conditions precedent in Article 4, the Bank 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 :

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(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 the Bank's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment directly to one or more contractors or suppliers for specified amounts, which commit A.I.D. to pay the contractors or suppliers for such goods or services.

**SECTION 7.2. DISBURSEMENT FOR LOCAL CURRENCY COSTS.**

(a) After satisfaction of applicable conditions precedent in Article 4, the Bank 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 A.I.D., 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 A.I.D. with U.S. Dollars, or from local currency accounts already owned by the United States Government; or

(2) by A. I. D. requesting the Bank to make available the local currency for such costs, and thereafter reimbursing an amount of U.S. dollars equal to the amount of local currency made available by the Bank.

**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.

**ARTICLE 8**

**Miscellaneous**

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**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:

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*Handwritten initials and signature*

**To the Bank:**

**Mail Address:**

**African Development Bank  
01 C. P. 1387  
ABIDJAN 01  
Ivory Coast**

**Cable Address: AFDEV ABIDJAN  
Telex : 23717/23498**

**To A.I.D.:**

**Mail Address:**

**Agency for International Development  
Regional Economic Development Services Office  
West and Central Africa  
c/o American Embassy  
01 B. P. 1712  
ABIDJAN 01  
Ivory Coast**

**Telex: 23660**

*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 Bank will be represented by the individual holding or acting in the office of Director, Cooperation Department, and A.I.D. will be represented by the individual holding or acting in the office of Director, Regional Economic Development Services Office, West and Central African (REDSO/WCA), 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 Bank will be provided to A.I.D., and A.I.D. 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.*

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**SECTION 8.3. STANDARD PROVISIONS ANNEX.** A «Project Grant Standard Provisions Annex» (Annex 2) is attached to and forms part of this Agreement.

**SECTION 8.4. EFFECTIVE DATE.** The effective date of this Agreement will be the date of signature by the Parties.

*IN WITNESS WHEREOF, the Government of the United States of America and the African Development Bank, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year indicated.*

**AGENCY FOR INTERNATIONAL DEVELOPMENT**

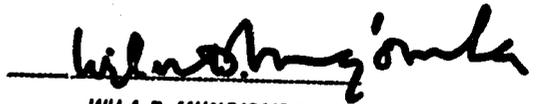
**AFRICAN DEVELOPMENT BANK**



**ROBERT H. MILLER  
AMBASSADOR OF THE UNITED STATES OF  
AMERICA TO THE REPUBLIC OF  
IVORY COAST**

*April 25, 1985*

Date : \_\_\_\_\_



**WILA D. MUNG'OMBA  
PRESIDENT**

*April 25, 1985*

Date : \_\_\_\_\_



**LAURANCE W. BOND  
DIRECTOR  
REGIONAL ECONOMIC DEVELOPMENT  
SERVICES OFFICE, WEST AND CENTRAL  
AFRICA (REDSO/WCA).**

*April 25, 1985*

Date : \_\_\_\_\_

*This Agreement shall enter into force following the approval of the Board of Directors of the Bank and the signature thereof by the Parties.*

## ANNEX I

### AMPLIFIED PROJECT DESCRIPTION

*The elements of the following description may be changed by written agreement of the authorized representatives of the Parties named in the Grant Agreement, without formal amendment of the Agreement, provided that such changes are within the general scope of the Project as set forth in Section 2.1 of the Agreement.*

#### I. GENERAL PROJECT DESCRIPTION:

*The Project's purpose is to assist the Bank in strengthening the institutional capacity of the African Development Bank and the African Development Fund to develop and manage projects in an enlarging and improved portfolio. This will serve the goal of promoting essential economic and social development in Bank member states, especially the poorest, as assisted by the Bank and Fund. The Project has two major components, one promoting institutional and professional development for the Bank and member state institutions with which it deals, and the other providing finance for development of the Bank's loan portfolio.*

*Designed to overlap slightly and follow immediately upon the current Project, A.I.D. No. 69E-0127 («AFDB I»), this Project will finance a mix of long and short-term technical assistance to Bank operations, in general management, for project work and for country/sectoral studies. This will be complemented by assistance to the training programs of the Bank and partial funding of necessary commodities. Funds will also be provided to the Bank for pre-investment studies, terms of reference (TORs) and project evaluations intended to accelerate the loan programs for the poorer countries of Africa in agriculture, rural development and nutrition.*

*During the course of Project implementation, six long-term general management («core») advisors/experts and five Project technical experts will be provided. The specific modes of their recruitment and hiring will be spelled out in a Project Implementation Letter, to be drafted within approximately 45 days of the effective date of the Agreement, and whose terms will be mutually agreed upon by the Parties. It is expected that detailed scopes of work for each technical assistance position will be cooperatively established by the Bank and REDSO/WCA; the Bank will have primary responsibility for recruitment of candidates and the final choice of candidates will be approved by REDSO/WCA. The costs of the above-mentioned recruitment may involve utilizing the services of an executive search firm and such expenses will be eligible for financing under the Grant. All logistical support, including payment of utility bills and provision for a portion of home furnishings for the experts, will be provided from Bank resources, as has been the case under the current project.*

*With the exception of the Training Advisor, EDP Applications Manager, and Financial Analyst, who are already contracted for and at work under the current project, and assuming that the conditions precedent to disbursement in Section 4.2(a) of the Agreement have been met, all other long-term technical assistants are expected to be recruited to begin work at the Bank approximately six months from the effective date of the Project Agreement. It is anticipated that the core experts will contract for a maximum period of three years, i.e., an initial two-year contract with option for an additional year, and the technical experts for two years each.*

*Short-term technical assistance, projected at fifteen person months per year, is intended to perform certain analytical tasks in policy and project analysis, as needs arise, and will be provided during the life-of-project. Both the long and short-term technical assistance described above complement that of other donors.*

*Approximately one-third of the Grant budget which has been allocated for training is devoted to support of seminars and other training events for Bank staff, and the remaining two-thirds is for similar support for member country officials who manage Bank projects locally and are responsible for loan performance. The larger portion supports about one-eighth of the costs of the Bank's planned program of training for member countries' professionals.*

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*As the Project proceeds, adjustments in its plans, especially in the case of Bank staff training, for use of training resources will be expected to occur on the basis of a comprehensive needs assessment to be completed by the Project-financed Training Advisor towards the end of CY 1985. Nonetheless, based on past experience, resources have been tentatively planned for a minimum of two in-Bank seminars per year over the life-of-project, with some individual participant training at American institutions. Yearly plans for use of A.I.D. resources for in-Bank activities will be agreed upon between the Bank and A.I.D. as specified in Section 4.2(b) of the Agreement.*

*A.I.D.'s support of Bank-sponsored member country training programs and activities is planned to occur over the first four years of the Project. A.I.D. will contribute to an average of eight seminars per year which, in most cases, also receive support from other donors.*

*Computer software, training materials and other miscellaneous commodities are provided. There is also provision for additional computer hardware, the choice and application of which, if any, will be determined after a review of proposed use and needs. The review, to be effected by the Project-provided electronic data processing expert, is envisioned for CY 1986 and would permit commencement of procurement of additional hardware should that be warranted. If, by the end of the third year of the Project, it is clear that little or no more large-scale computer equipment will be necessary during the life of this Project, the funds reserved for that will be reprogrammed.*

*The portfolio development component of the Project budget provides funds for eight major pre-investment studies over the six year life-of-project, that is, two annually for the first three years and one annually for the Project's next two years. The average cost of pre-investment studies, including some engineering studies for complex agricultural and rural development projects in the poorer Bank member countries, is estimated to be greater than \$ 600,000 in 1984 dollars. To the extent lower costs can be attained, A.I.D. contributions to additional studies can be programmed. As with other inputs of this Project, plans and contracts for studies to be wholly or in part financed by A.I.D. will be approved in advance and the results subject to monitoring and evaluation.*

*Primarily to support the development of the project-specific pre-investment studies, terms of reference (TORs) and other preliminary studies will be financed to ensure that the eventual studies are undertaken in a timely and thorough fashion and also to facilitate access to contracting by American, especially disadvantaged American, firms and institutions. It is expected that as the Project progresses the need for this type of assistance will taper off.*

## **II. RESPONSIBILITIES OF THE PARTICIPANTS:**

*The Project will be implemented so far as A.I.D. is concerned by the Project Development and Regional Implementation (PDRI) Office of REDSO/WCA in Abidjan and will be financially managed by the West Africa Accounting Center (WAAC) of REDSO/WCA. Day-to-day operations will be overseen by one or more Project Development Officers and one or more Program Specialists on the staff of PDRI. The Bank's Cooperation Department is responsible for coordinating relations with donors and will have overall responsibility in the Bank for implementation of the Project. As implementation experience under the current Project has been satisfactory, management modes established for that will be applied to this Project.*

*The PDRI staff assigned to this Project will be in regular, personal contact with their counterparts in the Bank and with the technical assistance personnel and consultants provided under the Project. All procurement of goods and services will continue to be done under A.I.D.'s host-country contracting procedures, with the Bank acting in the role of the host country. Source and origin for all goods (except shelf items) and services will be A.I.D. Code 000, i.e., the United States. No procurement of vehicles, pharmaceuticals, agricultural commodities or pesticides is contemplated. In the case of all activities under this Project, A.I.D. procurement regulations will be followed, with respect to requirement for formal and informal solicitation and advertisement.*

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**ILLUSTRATIVE FINANCIAL PLAN:**

- (a) **A.I.D. CONTRIBUTION:** *The following plan is illustrative and changes may be made to the plan by representatives of the Parties named in the text of the Agreement without formal amendment to the Agreement if such changes do not cause (1) A.I.D.'s contribution to exceed the amount specified in the text of the Agreement, or (2) the Bank's contribution to be otherwise than that specified in Section 3.2 of the Agreement. Since this is an incrementally funded project, future A.I.D. obligations are subject to the availability of funds and the A.I.D. operational year budget allotment process and mutual agreement of the Parties to proceed.*

*However, the following illustrative plan, if the Parties agree to the additional funding increments contemplated for the Project, will result in a total U.S. contribution of approximately Fifteen million U.S. Dollars (\$ 15,000,000). As currently planned, \$ 7,300,000 of the U.S. contribution would be granted under Section 103 of the Foreign Assistance Act of 1961, as amended; and \$ 7,700,000 would be granted under Section 106 of the same Act. On the «Cost Estimates of A.I.D. Inputs» provided below, the SDA (Selected Development Assistance) refers to the Section 106 Grant, and ARDN (Agriculture, Rural Development and Nutrition) refers to the Section 103 Grant.*

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Cost Estimates of A.I.D. Inputs

(\$000's)

<u>SDA</u>	<u>CY85</u>	<u>CY86</u>	<u>CY87</u>	<u>CY88</u>	<u>CY89</u>	<u>Total</u>
<b>A. Long-Term Technical Assistance</b>						
1. Training Advisor (core)	150	165	181	-	-	496
2. EDP Applications Manager (core) (*)	(*)	(*)	181	-	-	181
3. Organization & Methods Advisor (core)	150	165	181	-	-	496
4. Evaluation Expert (core)	150	165	181	-	-	496
5. Project Management Expert (core)	150	165	181	-	-	496
6. Economic Res. Coord. (core)	150	165	181	-	-	496
7. Financial Analyst (*)	(*)	(*)	-	-	-	(*)
8. Agronomist	150	165	-	-	-	315
9. Architect/Engineer	150	165	-	-	-	315
10. Water Management(Sanitary) Engineer	150	165	-	-	-	315
11. Transport Engineer	150	165	-	-	-	315
Sub sub-total	<u>1,350</u>	<u>1,485</u>	<u>1,086</u>	-	-	<u>3,921</u>
<b>B. Short-term Technical Assistance</b>						
15 pm/yr - Project work & Studies @ \$15,000/mo.	<u>225</u>	<u>248</u>	<u>272</u>	<u>300</u>	<u>329</u>	<u>1,374</u>
<b>C. Training</b>						
1. Bank Staff Seminars & Participant Training	100	110	121	133	146	610
2. Member Country Institutions' staff Contribution to 8 seminars/yr.	234	257	283	311	-	1,085
Sub sub-total	<u>334</u>	<u>367</u>	<u>404</u>	<u>444</u>	<u>146</u>	<u>1,695</u>
<b>D. Commodities</b>						
1. Computer Software & Materials	45	75	55	-	-	175
2. Training Materials	10	30	20	10	-	70
3. Computer Hardware	-	250	-	-	-	250
Sub sub-total	<u>55</u>	<u>355</u>	<u>75</u>	<u>10</u>	-	<u>495</u>
<b>E. Evaluations</b>						
1. Mid-Term and Final	-	-	80	-	120	200
2. Financial Assessment	3	3	3	3	3	15
Sub sub-total	<u>3</u>	<u>3</u>	<u>83</u>	<u>3</u>	<u>123</u>	<u>215</u>
SUB-TOTAL	<u>1,967</u>	<u>2,458</u>	<u>1,920</u>	<u>757</u>	<u>598</u>	<u>7,700</u>
<b>ARDN</b>						
<b>F. Pre-Investment Studies</b>						
1. 2/yr	1,380	1,518	1,670	-	-	4,568
2. 1/yr	-	-	-	918	1,010	1,928
Sub sub-total	<u>1,380</u>	<u>1,518</u>	<u>1,670</u>	<u>918</u>	<u>1,010</u>	<u>6,496</u>
<b>G. Three Terms of Reference/Project Evaluations/Year</b>						
	<u>150</u>	<u>165</u>	<u>181</u>	<u>200</u>	-	<u>696</u>
<b>H. Evaluation</b>						
	-	-	-	<u>100</u>	-	<u>100</u>
SUB-TOTAL	<u>1,500</u>	<u>1,683</u>	<u>1,851</u>	<u>1,220</u>	<u>1,010</u>	<u>7,300</u>
GRAND TOTAL	<u>3,497</u>	<u>4,141</u>	<u>3,771</u>	<u>1,980</u>	<u>1,608</u>	<u>15,000</u>

\* Funded by earlier A.I.D. project.

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(b) **BANK CONTRIBUTION:** The Bank, as it has done in the past, will contribute to the Project

by providing for, in the case of the long-term experts, all job-related travel, all per diem and miscellaneous expenses, a portion of household furnishings, all household utilities, and all logistical and support services at the Bank. Training events and activities are organized and implemented by permanent Bank staff, and most training materials and facilities are provided by the Bank. In addition, A.I.D.-financed pre-investment studies, TORs and evaluations require the input of permanent Bank staff, i.e., project officers, loan administration officers, and financial analysts to verify and process all expenses to be reimbursed by A.I.D.

#### IV. FINANCING METHODS:

All implementation will be done through Host Country Contracts, except for training of participants in the U.S. who will be placed by A.I.D.'s Science & Technology Bureau's International Training Office (S&T/IT) in Washington, D.C., which will make direct payments for such activities out of Project funds. For all other activities under the Project, general disbursement for A.I.D. funds will involve one of three methods: (1) direct reimbursement to the Bank for expenses incurred in conjunction with the Project and paid by the Bank (as is in the cases of training, technical assistance, and some commodity purchases), (2) direct reimbursement to a contractor under a fixed-price contract for services performed (as is the case in the majority of TORs, studies and evaluations), or (3) the issuance by A.I.D. of a direct Letter of Commitment to a contractor (as is sometimes the case for TORs and studies). The disbursement method chosen for a given activity under the Project notwithstanding, payments are effected by A.I.D. only upon receipt from the Bank of the following documents: (1) Certificate of Performance by the Bank by authorized Bank representatives, (2) Contractor's invoice with supporting documentation, (3) Form 1440-3, «Contractor's Certificate and Agreement with A.I.D.» duly filled out by contractor, and (4) A.I.D. Form SF 1034, «Public Voucher for Purchases and Services Other than Personal».

#### V. EVALUATION:

In a Project Implementation Letter, the Parties will further define the parameters that will guide the evaluation process outlined in Section 5.2 of the Agreement.

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**ANNEX 2**

**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 the Bank 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 Bank 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.** 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.

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**SECTION B.4. REPORTS, RECORDS, INSPECTIONS, AUDIT**

The Bank 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 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;
- (c) afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by A.I.D., and books, records, and other documents relating to the Project and the Grant; and
- (d) at regular intervals of no less than 12 months, will have performed by an external public accounting firm of international reputation an assessment of the financial aspects of this Agreement including any contracts.

**SECTION B.5. COMPLETENESS OF INFORMATION. The Bank confirms:**

- (a) that the facts and circumstances of which it has informed A.I.D., or caused 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.6. INFORMATION AND MARKING. The Bank will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed.**

**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) 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:**

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- (a) *The Bank will furnish to A.I.D. upon preparation, any plans, specifications, procurement 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;*
- (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 where solicitation of U.S. contractors is anticipated, unless the Parties otherwise agree in writing; and*
- (c) *Contracts and contractors financed under the Grant for engineering and other professional 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.*

**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 produced on a fair and, to the maximum extent practicable, on a competitive basis.*

**SECTION C.5. NOTIFICATION TO POTENTIAL SUPPLIERS.**

- (1) *To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Bank will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.*
- (2) *In addition, the Bank and A.I.D. agree that special measures will be taken to insure that U.S. citizens, and U.S. firms controlled by individuals, who are black Americans, Hispanic Americans, Native Americans, women or other Americans who have otherwise been determined by statute in the United States to be economically and socially disadvantaged, are informed of all opportunities for participation under the Grant.*

**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 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 the Ivory Coast, are in a deliverable state, and have not been offloaded in ports of entry of the Ivory Coast.*

**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 Bank to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefore.*

- (b) *If the failure of the Bank 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 Bank 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 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 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.*

**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.*

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