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A.I.D. Project Number ~~XXXXXXXXXX~~  
SADCC Project Number ~~XXXXXXXXXX~~

PROJECT GRANT AGREEMENT

BETWEEN

THE REPUBLIC OF ZAMBIA

AND THE

UNITED STATES OF AMERICA

FOR

NATURAL RESOURCES MANAGEMENT

Appropriation No. : 72-1101014  
Budget Plan Code : GSSA-90-21613-GG12  
Res. Con. No. : G025111  
Amount : US\$3,000,000.00

Dated: January 16, 1990



A.I.D. Project No. 690-0251.11  
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NATURAL RESOURCES MANAGEMENT PROJECT

PROJECT GRANT AGREEMENT

Dated: January 16, 1990  
Between: The Republic of Zambia ("Grantee")  
And: The United States of America, acting through the  
Agency For International Development ("A.I.D.")

Article 1: The Agreement

The purpose of this Agreement is to set out the understanding of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, is designed to finance technical assistance, commodities, and training to: (1) demonstrate, through practical examples, the technical, social, economic and ecological viability and replicability of community-based natural resource management and utilization programs on marginal lands to increase household and community incomes while sustaining natural resources; and, (2) improve national and local capability to halt the decline in the wildlife resource base through training, education, protection, communication, and technology transfer. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2. without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed three million United States ("U.S.") Dollars (\$3,000,000) ("Grant").

*[Handwritten signature]*



SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the Project will be not less than the equivalent of United States Dollars one million ninety-three thousand, one hundred and ninety-three (\$1,093,193), including costs borne on an "in-kind" basis. Grantee resources shall be calculated at the highest rate of conversion not unlawful for any person for any purpose in Zambia as of the date the Grantee provides its contribution to this project. The Grantee's contribution may be further modified by Project Implementation Letters issued by A.I.D. to maintain the value of the Grantee's contribution.

(c) As part of the Grantee contribution described above, the Grantee agrees to provide no less than Zambian Kwachas 6,320,000 to the World Wildlife Fund, U.S.A. (WWF/USA) as support for project activities described herein.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1995, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part

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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 any disbursement under the Grant or to the issuance of any commitment documents pursuant to which such disbursement may be made, the Grantee shall furnish, in form and substance satisfactory to A.I.D.:

(a) A written statement setting forth the names, titles and specimen signatures of the persons who will carry out the Grantee's responsibilities under the Agreement; and,

(b) A written statement that the Grantee has established and is implementing the necessary policies and procedures to ensure that no less than fifty percent of revenues from the sale of hunting licenses and collection of trophy fees are deposited in the Wildlife Conservation Revolving Fund to be used exclusively to cover the costs of managing and implementing natural resources activities in the Game Management Areas (GMA's). The statement will also confirm that at least for the duration of the Project, the Grantee will continue to permit recreational safari hunting at no less than present levels.

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

SECTION 4.3. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1. have not been met within 120 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 Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

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

(b) identification and evaluation of problem areas or constraints which may inhibit such attainment;

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

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

SECTION 5.2. Anti-Poaching Measures. Given the threat to wildlife posed by poaching activities and the associated illegal traffic in wildlife products, the Grantee shall substantially increase the number of staff and availability of equipment to reduce poaching and the associated illegal traffic in wildlife products.

SECTION 5.3. Revenue Enhancement. To ensure that the Wildlife Conservation Revolving Fund receives sufficient revenues to carry out increased natural resources activities on a self-sustaining basis, by December 1, 1990 the Grantee will:

(a) Establish a regime under which tour operators and game viewing/photo safari enterprises located or operating in the GMA's will contribute to the Wildlife Conservation Revolving Fund through payment of user fees, land leases, and other appropriate levies; and,

(b) Retain in the Wildlife Conservation Revolving Fund the ten percent of income from the Administrative Management Design (ADMADE) program previously paid to the Zambia National Tourist Board, to be henceforth used for investment in improved facilities in the Zambia National Parks such as road grading, road sign maintenance and litter collection.

SECTION 5.4. Distribution of Benefits. The Grantee shall exercise its best efforts to maximize the distribution of and benefits from resources, including revenues, derived from proper wildlife utilization practices to inhabitants of GMA's and to local communities living in areas adjacent to national parks.

SECTION 5.5. Utilization and Monitoring. Without limitation of other requirements of the Agreement, the Grantee shall undertake additional and continuing efforts to ensure that all commodities procured under the Grant are maintained in good working condition and shall maintain comprehensive and continually updated inventory

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systems for such commodities. On a bi-annual basis, the Grantee shall provide A.I.D. with records of maintenance and an inventory of said commodities. With respect to transport commodities, the Grantee shall ensure that adequate facilities and personnel are available to properly maintain all units procured or rehabilitated under the Grant. With respect to vehicles, the Grantee shall establish and maintain an adequate record system to monitor and control usage to ensure that such vehicles are employed exclusively for project purposes, which records shall be provided to A.I.D. on a not less than bi-annual basis.

SECTION 5.6. Project Personnel. To ensure the continuing and successful achievement of the objectives of the Project, the Grantee shall commit and assign to the project a principal land use planning officer, a senior natural resources economist, a senior wildlife ranching ecologist, an accountant, a senior wildlife warden and any other professional or technical personnel as may be required under the Project.

SECTION 5.7. Permanent Assignment of Civil Service Personnel. To support the continuation and growth of the Administrative Management Design (ADMADE) program, the Grantee shall absorb into the civil service, not later than August 31, 1994 on permanent and pensionable conditions of service, a principal land use planning officer, a senior natural resources economist, a senior wildlife ranching ecologist, an accountant, a senior wildlife warden, and any other professional or technical personnel who are employed by the Wildlife Conservation Revolving Fund to service the Project.

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, the Republic of Zambia, other SADCC member States (excluding Angola) or other A.I.D. Geographic Code 935 countries ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance. All reasonable efforts will be used to maximize U.S. procurement whenever practicable. Ocean transportation costs will be financed under the grant only on vessels under flag registry of the United States or countries included in A.I.D. Geographic Code 941, except as A.I.D. may otherwise agree in writing.

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SECTION 6.2. Local Currency Costs. Disbursement pursuant to Section 7.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Republic of Zambia ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) In accord with requirements of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

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

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

(a) In accord with requirements of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with 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:

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(1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or,

(2) by A.I.D., (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 A.I.D. 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 A.I.D. 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. The Parties hereby agree that A.I.D. may enter into an agreement with the World Wildlife Fund, U.S.A. (WWF/USA) through which agreement A.I.D. shall commit and disburse the funds made available under this Grant to WWF/USA in furtherance of the project purposes set forth in Article 2, Section 2.1. of this Agreement.

SECTION 7.4. 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 7.5. Rate of Exchange. Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into the Republic of Zambia by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Republic of Zambia at the highest rate of exchange which, at the time the conversion is made, is not unlawful for any person for any purpose in the Republic of Zambia.

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Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee: Senior Permanent Secretary

Mail Address: Ministry of Finance  
P.O. Box 50062  
Lusaka, Zambia

Alternate address for cables: Finance Lusaka

To A.I.D.: The Director

Mail Address: USAID/Zambia  
P.O. Box 32481  
Lusaka, Zambia

Alternate address for cables: Telex ZA 40810

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. The Grantee, in addition, will provide the USAID Mission to Zambia with a copy of each communication sent to A.I.D.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of the Senior Permanent Secretary, Ministry of Finance. A.I.D. will be represented by the individual holding or acting in the office of the Director, USAID/Zambia, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

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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.

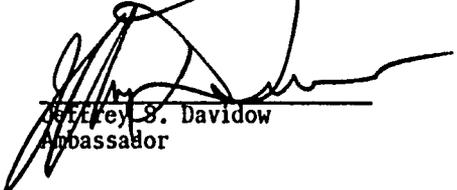
**SECTION 8.4. Trust Fund.** The Parties agree that Kwacha 13.0 million will be released from Special Account No. 550, to USAID/Zambia for operational expenses pursuant to the Trust Fund Agreement entered into between the Parties. The Kwacha 13.0 million are additional to the amounts previously agreed upon and deposited in the Trust Fund under various other agreements.

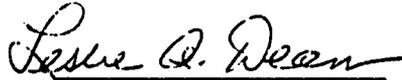
IN WITNESS WHEREOF, the Republic of Zambia and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

FOR THE GOVERNMENT OF  
THE REPUBLIC OF ZAMBIA

  
\_\_\_\_\_  
Hon. Gibson G. Chigaga, MP  
Minister of Finance and  
National Commission for  
Development Planning

FOR THE GOVERNMENT OF  
UNITED STATES OF AMERICA

  
\_\_\_\_\_  
Jeffrey S. Davidow  
Ambassador

  
\_\_\_\_\_  
Leslie A. Dean  
USAID Director

Attachments:

Annex 1 - Amplified Project Description  
Annex 2 - Project Grant Standard Provisions Annex

Annex 1: Amplified Project Description

Natural Resources Management - Zambia Component

A.I.D. Project No. 690-0251.1<sup>1</sup>

SADCC Project No. 5.0.18

Annex 1: Amplified Project Description

Natural Resources Management - Zambia Component

A.I.D. Project No. 690-0251.11  
SADCC Project No. 5.0.18

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Annex 1: Amplified Project Description  
Natural Resources Management - Zambia Component

A.I.D. Project No. 690-0251.11  
SADCC Project No. 5.0.18

Elements of the project description may be changed by written agreement of the authorized representatives of the parties named in the Project Agreement without formal amendment of the agreement, provided that such changes are within the general scope of the project as set forth in the text of the agreement.

1. General Project Description

The Project consists of assistance, within the framework of SADCC, to facilitate regional cooperation among participating SADCC member states in managing and protecting the natural resource base of the SADCC region for purposes of sustainable social and economic development as well as protection of ecological diversity, and to disseminate knowledge of community management of wildlife resources among SADCC member States. The goal of the Project is to increase incomes and enhance capability to meet basic human needs through sustainable utilization and conservation of natural ecosystems. Successful conservation of wildlife resources and better integration of wildlife into the participating nations' economic development programs will accomplish the Project's subgoal of promoting sustainable development of communities on lands that are marginally suitable for agriculture.

The purpose of the Project is to improve the social and economic well-being of residents of targeted rural communities by implementing sustainable community-based wildlife conservation and utilization programs. The expected accomplishments of the project on completion are as follows:

- a. Natural resource utilization will be demonstrated to be a preferred and profitable land use in rural and communal lands;
- b. Resource management programs established in the target areas will be self-sufficient, will offer increased local employment opportunities and incomes, will result in sustained wildlife resource yields, and will provide the communities with access to a renewable source of revenues for local development projects;
- c. Institutions and decision-making procedures for sustainable resource management and distribution of economic benefits resulting from the natural resource base will be established and strengthened at the village, ward, and district levels on communal lands in participating SADCC member States. These institutions will assume complete responsibilities by the end of the Project;

- d. Participation of women in resource management programs will increase at the village, ward, and, potentially, district levels in the targeted SADCC member States. The role of women in the economy and their access to income will be expanded through income-generating activities that use the natural resource base in a sustainable manner;
- e. Interested governments and leaders in the natural resources sector throughout the SADCC region will be better informed on natural resource management methods and impact, particularly with respect to wildlife; and
- f. In participating SADCC countries, rural social welfare will be increased through higher income and/or access to protein, community development projects, and the expanded participation of women in the development process.

## 2. Description of Zambia Component

The project activities carried out in Zambia will: (1) demonstrate through practical examples the technical, social, economic and ecological viability, and replicability of community-based natural resource management and utilization programs on marginal lands for increasing household and community incomes while sustaining natural resources; and, (2) improve national and local capability to halt the decline in the wildlife resource base through training, education protection, communication, and technology transfer.

The project design strategy recognizes that when resident communities can realize a direct share in the benefits arising from legal natural resource exploitation, an incentive for conserving that resource base is created. It also recognizes that communities must be able to control access to the resource in order to receive future benefits from short-term conservation actions. The expected result of applying the forementioned principles in a natural resources management intervention is that community based resource management and utilization will promote sustainable use of wildlife populations, as well as benefit the communities that share their land with wild species.

Project assistance will be provided through the Administrative Management (ADMADE) Program. The rationale behind the ADMADE program, is that in order to effectively conserve and manage wildlife and protect its habitat from irrational use and harmful exploitation, the people on whose land such wildlife exists must participate fully in the management and development of the wildlife resources. Furthermore, they must receive a major share of the revenue derived from exploitation of the area. At the same time, in order for the program to be ecologically sustainable, some of the revenues generated must be set aside to support formal wildlife management programs. Without such investments in maintenance of the resource base, it will inevitably deteriorate over time.

The ADMADE structure seeks to balance national level management responsibility for the wildlife resource with systems of local participation at the political, traditional, and village levels. The main features of the ADMADE program are:

a. Wildlife Management Unit (WMU)

A Wildlife Management Unit is a unit of management made up of either a Game Management Area (GMA), a hunting block, or both. A Unit Leader, a civil servant employed by the National Parks and Wildlife Services (NPWS), is the manager of the unit. In addition to the Unit Leader, members of staff include NPWS Wildlife Officers and other employees. The Unit Leaders are trained at Nyamaluma in a program based on the experiences of the ADMADE program in the Lupande region.

b. Wildlife Management Authority (WMA)

For every Wildlife Management Unit there is a Wildlife Management Authority (WMA). The District Governor is Chairman of the WMA. The membership includes both political and traditional leadership including the ward Chairman, Chiefs, members of Parliament, and local technical officers. A Wildlife Warden in whose command the WMA falls is the secretary of WMA. The WMA has specific terms of reference, and serves as the policy body of the Wildlife Management Unit.

c. Wildlife Management Sub-Authority (WMS)

To ensure that decision-making is based on grassroots needs and priorities, every Chief within a WMU has a WMS. The membership of the WMS includes Party branch chairmen, headmen, head teachers, the unit leader (secretary), clinical officers, and the chief (chairman). The terms of reference for the WMS includes determining what projects are to be funded out of the revenue returned from wildlife utilization to the village for community development activities.

d. Unit Leader

Every WMU has a Unit Leader who is a civil servant employed by NPWS. The Unit Leader, the manager of the WMU, implements the decisions of the WMA and any other management policies.

e. Finance

Revenue generated through safari concession fees for hunting is held by the Wildlife Conservation Revolving Fund (WCRF) and apportioned as follows:

- 10 percent to Zambia National Tourist Board (ZNTB)
- 15 percent to operational costs of the National Parks

35 percent to the village for community development activities  
 40 percent to the wildlife management programs (including the  
 employment of local villagers in the WMU as village scouts)

Four National Park and Wildlife Service (NPWS) commands comprise the project target area, as follows:

<u>Command</u>	<u>Game Management Areas</u>
(i) Kafue (Ngoma)	Sichifulo-Molobezi Mumbwa Namwala
(ii) Bangweulu (Mpika)	Munyumadzi Fulaza
(iii) Luangwa (Chipata)	Lumimba East Musalangu
(iv) Northwest (Solwezi)	Lunga-Luswishi Kasonso-Busanga

Generally, it is the residents of the Game Management Areas in the targeted Command Areas who will benefit, directly or indirectly, from the application of wildlife quotas to resident village hunters, the increased availability of meat from safari companies, expanded economic activity and employment opportunities, and the provision of community services.

A second group of beneficiaries are those individuals participating in project activities and implementation, including staff of the NPWS, unit leaders, and game scouts who will receive training, as well as traditional leaders and chiefs who will be participating in the decision-making process.

Central governments in the SADCC region will also benefit from the expanded knowledge and understanding of actions and policies necessary to support community-based management of wildlife resources, through participation in international conferences and dissemination of knowledge and lessons learned.

As members of the community, women will benefit indirectly from the provision of community services, such as schools, clinics, wells, and grain mills. If women's interests are included in the process of deciding the priority and location of this community infrastructure, the benefits they receive may increase. For example, given that women use health facilities more often than men, on average, asking women where they would like the clinic to be located may result in a more appropriate location and, in the final analysis, increased use of the facility.

Project accomplishments will stem from three discrete kinds of activity in an identified sub-project target area: community based resource utilization, conservation of the resource base, and regional communication and exchange of information. The three foci of activity are described below.

## 2.1. Community Based Resource Utilization

### 2.1.1. Wildlife Management

Up to two unit leaders for each GMA will be trained at the Nyamaluma center. They will have responsibility for wildlife management as outlined below in the description of the Conservation of the Resource Base component. In addition, the local chiefs will select young men, primarily school leavers, to become game scouts following training at Nyamaluma. The unit leader will convene and act as chairman of the wildlife sub-authority, the mechanism for informing and involving the community in wildlife management. NPWS will also prepare land use plans. The plans will be presented and discussed with the WMS.

In Zambia, as elsewhere in Africa, women's traditional role in managing and utilization of large mammals is limited. While they may be involved in processing the meat and by-products, women are not directly involved in tracking and hunting wildlife. Among other factors, their responsibilities for child rearing and household management preclude traveling for extended periods of time over long distances into the bush. However, their responsibilities for providing food, firewood and, frequently, medicines make women primary users of the natural resource base. Given that wildlife is just one component of the ecosystem, this project, over time, will focus not only on wildlife management, but also on the impacts of that wildlife on its habitat and implications for the use of the natural resources base in its entirety by both women and men.

### 2.1.2. Community and Institutional Development

Given the importance of community involvement to the ADMADE program, this project will expand and strengthen local participation and development. As described above, the unit leader will convene the meetings of the sub-authority. The WMS provides a forum for the exchange of information concerning not only wildlife management, but also community development. It is through the participation of the chief and headmen that residents' interests and concerns are formally expressed to the unit leader. The unit leader then acts as the conduit of this information to other service agencies as appropriate. The unit leader is also trained in selected skills required for wildlife utilization (e.g. establishing a culling operation). One of the most important roles of the unit leader is to advise the sub-authorities and members of the

community of options they may wish to pursue, to facilitate decision-making by setting priorities and selecting among these options, to collaborate with locally available technical assistance, and to bring to the community non-local technical assistance when needed.

A Zambian community development officer will be employed for the duration of the project to: provide technical assistance in developing effective community development activities; advise on the role and potential involvement of women in the project; design, conduct, and supervise socio-economic research, including baseline studies and monitoring activities, coordinate with other donor and NGO activities; and initiate and facilitate the involvement of appropriate extension agencies and ministry personnel in community development activities in the project areas.

To support the work of the community development officer and the unit leaders, community facilitators will be located in the field. The number of individuals, duration of their assignments, required skills, and responsibilities will depend on the needs expressed by the communities and on the specific activities and approaches designed by the ADMADE staff, in collaboration with unit leaders, other extension agents, and local residents.

Additional resources available to support community based resource management and utilization include: short-term technical assistance (e.g.: market studies); a fund for community development activities (e.g.: credit or capital for income generating activities; grain mills; tools); and training (e.g.: tanning techniques; leadership, problem solving).

In Zambia, as noted above, women are intricately involved in the production economy and in assuring family well-being. Among other responsibilities, they perform most of the agricultural tasks and raise small livestock; they provide firewood and water; they care for their children and homesteads; and they contribute cash to cover the expenses of food, health care, and education for their children. This is particularly the case in the target area, where both women-headed households and unemployed men are common. Generally, the households are headed by married women with absent migrant spouses. They have fewer resident members than male-headed households but higher dependency ratios. In general, women-headed households are the poorest in the community. Given women's positions as community members, caretakers of their families, and active participants in the economy, it is important to include them directly in community development activities.

To ensure that women's uses of the natural resource base, their needs, and the potential positive and negative impacts on women's lives and roles in the community are considered, this project will work through both, traditionally male decision-making structures, by suggesting the

participation of women teachers and/or health providers as members of the sub-authorities, and through women's traditional organizations. While the specific form these organizations take in the target areas varies from region to region, some examples needing further exploration include: traditional savings clubs; social support groups, often organized around the birth of a child; agricultural labor groups; church clubs; and, depending on the individuals involved, the Women's League of the Party. In addition, as stated above, the project will collaborate with local extension workers working with women's programs (home economics) from the Ministry of Agriculture and from the Department of Social Development.

The potential for increasing women's employment opportunities and income generation activities is considerable in areas with marketing opportunities. Women in Sichifulo, for example, are currently processing (smoking) and marketing fish, using the revenues to purchase necessary household items such as soap and salt. If a community-based culling operation proves feasible and is undertaken by the community, there is the potential for involving women in the smoking of meat and the preparation of biltong. Similarly, women could become involved in soap-making. Other potential income-generating activities deserving consideration include: basket-making and other handicrafts, insect and caterpillar collection; planting of fruit and other trees for firewood and building materials; and, in Luangwa, rat collection.

The inputs funded under the Community Based Resource Utilization project element will include: training, short-term technical assistance, the salary of the community development officer, a vehicle, operating expenses and a fund for community facilitators and development activities. The successful delivery inputs should result in the following accomplishments:

- Up to two trained ADMADE unit leaders and a number of trained community members as village scouts in each of the target GMAs.
- Reduced levels of illegal uses of wildlife by both commercial poachers and subsistence hunters.
- Establishment and implementation of a self-sustaining wildlife resource management program.
- Increased household incomes based on expanded employment opportunities and/or income generating activities related to natural resource utilization.
- Increased provision of community services.
- Baseline socio-economic studies conducted at the beginning of the project, with parallel surveys conducted at the end of the project.

Increased community participation in wildlife management and utilization.

## 2.2. Conservation of the Resource Base

The sustainable use of Zambia's rich and diverse large mammal fauna has the potential to generate considerable wealth in rural areas. Realizing this potential is particularly important in those areas which are infested with tsetse flies and from which livestock are largely excluded. In such areas, enhancing the capacity of rural communities to manage and benefit from the sustainable use of their wildlife resources can serve the following development goals:

- Generate wealth for rural development at a village and district level through the return of wildlife revenues to these levels;
- Improve resource conservation and sustainable land use;
- Foster integration between National Parks land and adjacent land which will serve to enhance the longer term protection and viability of National Parks.

The above national objectives can be most effectively realized through developing the partnership between the NPWS and rural communities to manage and protect the wildlife resources of the GMAs.

The strategy to be adopted involves enhancing the capacity of existing government, district, and local institutions to protect, manage and utilize their wildlife resources. This will be achieved by strengthening the capacity of the NPWS and cooperating target communities with the tools and training needed. Revenues earned from the utilization of the wildlife resource will sustain that capability. Essentially, this involves a partnership in resource management and rural development between the NPWS, the district authorities and rural communities, as described above. Annual monitoring of wildlife populations, habitats, and offtakes will provide the necessary feedback to annually set quotas estimate returns of revenue and make decisions on resource management.

The following major objectives are envisaged for the Conservation of the Resource Base component of the project:

- Develop wildlife production systems in the GMAs as a sustainable and economically viable land use in these areas.
- Rehabilitate wildlife resources in the GMAs through the involvement of local communities in monitoring, management and production.

- Strengthen the capacity of the NPWS to implement the ADMADE program in the target areas.

The elements necessary for a successful wildlife management and protection program include ecological monitoring, managing the target populations, and protecting the wildlife populations from illegal harvests. Each activity is discussed below.

#### 2.2.1. Ecological Monitoring

The major elements of the ecological monitoring program comprise annual estimates of the populations of the more important species, recording numbers of animals of each species hunted or cropped each year, and monitoring trends in trophy quality. In addition it is necessary to monitor, as far as is possible, the illegal offtake of animals.

- Population estimates for many species (elephant, buffalo, sable, wildebeest, lechwe, puku) will be made using standard aerial census techniques using a light aircraft. The remaining species can be monitored using permanently demarcated ground transects which are sampled in each September. These transects provide an adequate index of abundance for species such as impala, warthog, roan, hartebeest, kudu, eland and bushbuck. These and other species such as the large cats will also be monitored using patrol records where all sightings of selected species are recorded. An index of animals seen per patrol night, for example, provides a valuable and simple way of monitoring trends in the abundance of many species.
- Animals harvested. The GMA Unit Leader and village scouts will keep a record of the numbers of each species killed, the locality of the kill and, for trophy animals, a record of the trophy measurements. Carcasses of poached animals will be also be recorded.
- Problem animals. A standardized form is being developed which will allow a record to be kept of the level of conflict between humans and wildlife. Such conflict may involved damage to crops, loss of life, and losses of livestock.

#### 2.2.2. Resource Management

Resource management will involve setting quotas for hunting and cropping, executing cropping programs where appropriate, setting annual early grass fires and developing game water supplies. All legal use of the resources of the area are carried under the supervision of the Unit Leader and Village Scouts.

### 2.2.3. Protection

Protection of wildlife resources from illegal poaching will be accomplished by regular ground patrols covering the entire area of the GMAs in question. Patrols are carried out by village scouts under the direction and supervision of the Unit Leader, the Management Authority and the Warden in charge of the Command.

The project will fund the following inputs:

- Equipment to support the NPWS and the GMA wildlife management authority to manage, protect and utilize the wildlife resources of the respective GMAs included the project. The equipment will include spare parts for the rehabilitation of two Cessna aircraft currently owned by NPWS, vehicles and radios for logistical and communications support.
- Training of unit leaders and village scouts and some senior personnel within the NPWS to effect the resource management and protection program.
- Provision of mechanical workshop equipment devoted to the proper maintenance of vehicles being used in the project.
- Provision of data processing equipment to allow full and timely analysis of the data collected in the ecological monitoring and resource protection activities.

Successful implementation will contribute to the following outputs:

- Controlled utilization of wildlife resources under the direction of local communities working in partnership with the NPWS.
- Declining illegal use of wildlife resources.
- Recovery of depleted wildlife populations.
- Annual censuses of large mammal populations and an evaluation of the trends in population size.
- Records of illegal activities and illegal utilization of the resource and their trends.

### 2.3. Regional Communications and Exchange of Information

Results and lessons learned from project activities will be disseminated both within Zambia and at the SADCC regional level. Information dissemination within Zambia will be facilitated through the

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holding of a series of meetings and visits by personnel of the National Parks and Wildlife Service (NPWS) and the World Wildlife Fund-U.S.A. (WWF). Coordination of the meetings and information exchange will be done by a Project Officer based in NPWS in conjunction with a Project Directorate consisting of the ADMADE co-administrators, the Director of the Lupande Project, and anyone else appointed to the committee by the Director, NPWS.

The SADCC Coordinator for Forestry, Fisheries, and Wildlife in Malawi will serve as the central clearing house for information exchange and the planning of regional seminars, workshops, and conferences. Funds are included in the project to enable individuals engaged in project activities to travel to the meetings arranged by the Coordinated Unit as well as by departments or organizations within individual countries.

NPWS and WWF/U.S.A. will maintain records and keep copies of the bi-annual progress reports and all project-specific data and information. Dissemination of information will be facilitated through the exchange of papers, reports, and publications. Efforts will be made to maintain contacts with other organizations involved in similar activities in project areas, such as the Luangwa Integrated Resource Development Project (LIRD), Africare, and British Overseas Development Assistance (ODA). Reports will also be prepared and presented at the periodic meetings sponsored by the SADCC Coordinating Unit.

### 3. Responsibilities of Participants

#### 3.1. A.I.D. Responsibilities

Responsibility for project management will rest primarily with USAID/Zimbabwe. The Project Officer USAID/Zimbabwe, and a locally hired administrative assistant will oversee project implementation, continuous monitoring of all project activities, drafting of Project Implementation Letters (PILS) and Project Implementation Orders (PIOs), and quarterly Project Implementation Reports. The USAID/Zimbabwe Mission Director will designate a contact person in the mission with whom USAID/Zimbabwe will maintain regular communication.

USAID/Zimbabwe will solicit from the NPWS and WWF/U.S.A. a coordinated first-year operating plan. The plan is to contain a description of the proposed activities to be carried out, objectives for the year, resources required for their achievement, and how these will be deployed during the year. Copies will be sent to USAID/Zimbabwe for their information.

Although WWF/U.S.A. will procure most commodities, USAID/Zimbabwe will procure vehicles on behalf of the GRZ. Evaluations will be funded from

regional funds obligated under the USAID/Malawi bilateral grant agreement. Evaluations will be conducted on a regional project-wide basis and arranged by USAID/Zimbabwe at the end of Year 3 and the end of the project. USAID/Zimbabwe will prepare the documentation required for these evaluations. Audits of WWF/U.S.A. and the ADMADE program will be funded under the Zambian component at the mid-point and after completion of the project.

3.2. Implementing Agency Responsibilities

3.2.1. World Wildlife Fund/U.S.A. (WWF)

USAID will sign the Project Agreement with the Government of Zambia. The grant agreement stipulates that the Government will allow USAID/Zambia to sign a Cooperative Agreement with WWF/U.S.A. to facilitate and assist the NPWS in implementing project activities.

WWF/U.S.A. shall be responsible for the procurement of all commodities except vehicles under the project and shall adhere to A.I.D. approved procurement procedures. WWF/U.S.A. shall be responsible for the receipt of all commodities financed under the Grant, customs clearance, distribution to Game Management Areas of utilization, and the physical handing-over of commodities to the appropriate officials in the NPWS. It will be the responsibility of the WWF/U.S.A. to ensure that the commodities are used for the purposes for which the assistance was made available. Any commodities financed under the Grant to be used by law enforcement forces, including NPWS, shall only be used for purposes agreed to by A.I.D. WWF/U.S.A. will be required to devise and establish a reliable monitoring system for vehicle utilization and upkeep to ensure that vehicles are being properly maintained and used only for project activities. WWF/U.S.A. must also coordinate and facilitate efforts to upgrade and improve NPWS workshop facilities and ensure that an effective inventory and storeroom facility is established by NPWS. WWF/U.S.A. will also contract for services to utilize spare parts financed under the grant to rehabilitate two Cessna aircraft owned by NPWS.

WWF/U.S.A. will provide project oversight through periodic visits by its Washington, D.C. staff, and through the provision of a long-term Project Officer and long-term Community Development Officer.

It is anticipated that WWF/U.S.A. will purchase most of the commodities through competitive bid procedures outside of the host country. Shelf item procurement will be limited to items easily purchased with local currency provided by the host government through the Wildlife Conservation Revolving Fund.

WWF/U.S.A. will also be responsible for locating suitable short and long-term training opportunities for the National Parks and Wildlife Service staff. It is anticipated that two employees of NPWS will be

sent overseas, either to the U.S. or a third country, for graduate degree level training, while a minimum of five staff members will be provided with short-term courses relevant to their field of expertise within the region. WWF/U.S.A. will be responsible for arranging the candidate's entry into the program, providing travel and living expenses, and supervising the student's progress.

WWF/U.S.A. will provide for a long-term project officer and long-term community development officer who will be resident in Zambia. These individuals will be responsible for overseeing the smooth implementation of the project as well as providing necessary managerial and financial training. It is anticipated that the individual will be hired on a contract basis through WWF/U.S.A. WWF/U.S.A. will also provide short-term technical assistance in the areas of base-line studies, administration, financial monitoring, financial systems, etc.

### 3.2.2. National Parks and Wildlife Service (NPWS)

NPWS will establish a Coordinating Committee for the ADMADE program, consisting of the Co-Administrators, Head of the training facility at Nyamaluma, the Community Development Officer, and other individuals as appropriate. The Committee will set policy for ADMADE, approve the selection of candidates for professional training, and review research results.

NPWS and WWF/U.S.A. will jointly select a Project Officer (Zambian or other SADCC country national) to work with the Coordinating Committee on administrative matters. The Project Officer will: maintain communications with other ministries, donor projects, A.I.D., and project staff in the field; and assist in implementation of project activities. NPWS will appoint a Senior Warden as the counterpart to the Project Officer. The counterpart will assume complete responsibilities for implementation of the project by the Project Assistance Completion Date (PACD).

The Project Officer, in collaboration with the Coordinating Committee, will prepare a detailed annual project implementation plan and will work with WWF/U.S.A. in preparing specifications for all procurements of commodities and services. This individual will also draft semi-annual progress reports.

NPWS will dedicate a full time accountant for the project. An approved accounting firm in Lusaka will be contracted on a part-time basis to provide technical assistance in setting up the accounting and bookkeeping procedures, to train the accountant in their use, and to provide auditing and further technical assistance as needed. The project accountant will submit financial documentation on a quarterly basis.

A full-time, Zambian community development officer will be hired under the project. In addition to developing the community development component more fully, this individual will conduct baseline studies and other socio-economic data collection and analyses in the target area. Results will be used to monitor project impact and success in reaching the lowest levels of the communities involved.

NPWS, using aerial and on-the-ground surveys by village scouts, uni leaders, and regular staff, will monitor changes in the wildlife population, habitat, and level of illegal poaching activities. This information will be used to inform off-take quotas, project revenues from wildlife, and to measure the effects of the wildlife management component.

The NPWS will be responsible for providing adequate physical resources and skilled personnel to ensure proper maintenance and effective utilization of the commodities provided under this assistance throughout the duration of the project. Throughout the duration of this activity, the NPWS will utilize, in a manner consistent with the objectives of the project, workshop equipment and tools, spare parts and other commodities provided by this assistance.

NPWS and WWF/U.S.A. are expected to cooperate in the dissemination of its research and lessons learned through seminars, reports, and publications. In addition, staff of the ADMADE program will attend regional workshops on community-based resource management and utilization.

Except for NPWS and its employees, no A.I.D. funds will be provided for support to any organizations or employees thereof with law enforcement authority. Any A.I.D. assistance provided to NPWS shall be used only to preserve biological diversity, protect and maintain wildlife habitats, develop sound wildlife management programs, establish and maintain wildlife sanctuaries, reserves, and parks or to enact and enforce anti-poaching measures. No A.I.D. financed commodities shall be specially equipped for police or military use.

#### 4. Illustrative Financial Plan

Attachment 1 presents the Project Financial Plan for the Zambian Component. The Plan is illustrative and changes may be made to the plan by mutual agreement of the parties named in the text of the Project 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 Grantee's contribution to be less than the amount specified in the text of the Project Agreement. Future A.I.D. obligations not covered in the original Project Agreement are subject to the availability of funds and mutual agreement of the parties to proceed.

USAID/ZAMBIA  
 ILLUSTRATIVE FINANCIAL PLAN  
 NATURAL RESOURCES MANAGEMENT PROJECT  
 PROJECT 690-0251.11  
 (U.S. DOLLARS)

PROJECT ELEMENT	CURRENT YEAR OBLIGATIONS		FUTURE YEAR OBLIGATIONS		TOTAL	
	A.I.D.	GRANTEE*	A.I.D.	GRANTEE*	A.I.D.	GRANTEE*
I. Conservation and Community Development	985,500	66,667			985,500	66,667
II. Admade Institutional Development & Support	475,000	202,667		234,323	475,000	136,990
III. Training	347,000	133,333		156,203	347,000	589,536
IV. Project Management	834,000				834,000	
V. Regional Communication	29,000				29,000	
VI. Evaluation/Audit	50,000				50,000	
VII. Contingency (5%)	136,025				136,025	
VIII. Inflation (5%)	143,475				143,475	
GRAND TOTAL	3,000,000	02,667		690,526	3,000,000	1,093,193

\* Estimate of the U.S. dollar equivalent of local currency contributions and costs borne on an "in-kind" basis (US\$1 = ZK30)

Project Grant Standard

Provisions Annex

**Definitions:** As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters

To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B: General Covenants

**SECTION B.1. Consultation.** The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged on the Project, and other matters relating to the Project.

**SECTION B.2. Execution of Project.** The Grantee will:

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

**Article B: General Covenants (Continued)**

**SECTION B.3. Utilization of Goods and Services**

(a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use. [See HB 18.]

**SECTION B.4. Taxation.**

(a) This Agreement and the Grant will be free from any taxation or fees imposed under laws in effect in the territory of the Grantee.

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territory of the Grantee, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

**SECTION B.5. Reports, Records, Inspections, Audit.**

The Grantee will:

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

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D.; such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

Article B: General Covenants (Continued)

(c) afford authorized representatives of a Party the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Party, and books, records, and other documents relating to the Project and the Grant.

SECTION B.6. Completeness of Information. The Grantee confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or cause A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement;

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

SECTION B.7. Other Payments. Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the country of the Grantee.

SECTION B.8. Information and Marking. The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C: Procurement Provisions

SECTION C.1. Special Rules.

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of the Grantee will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

Article C: Procurement Provisions (Continued)

(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 A.I.D. upon preparation,

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services, which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a)(2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

Article C: Procurement Provisions (continued)

(d) Consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be produced on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6. Shipping.

(a) Goods which are to be transported to the territory of the Grantee may not be financed under the Grant if transported either: (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried: (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval or on a non-U.S. flag air carrier if a U.S. flag carrier is available (in accordance with criteria which may be contained in Project Implementation Letters) without prior written A.I.D. approval; or (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels, and (2) at least fifty percent (50%) of the gross freight revenue generated by

Article C: Procurement Provisions (Continued)

all shipments financed by A.I.D. and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) or this sub-section must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C.7. Insurance.

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Grantee may be financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder are payable in U.S. dollars; or, as A.I.D. may agree in writing, in the currency in which such goods were financed or in any freely convertible currency. If the Grantee (or government of Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government-Owned Excess Property. The Grantee agrees that wherever practicable, United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

**Article D: Termination; Remedies.**

**SECTION D.1. Termination.** Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

**SECTION D.2. Refunds.**

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefor.

(b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

Article D: Termination; Remedies (Continued)

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

SECTION D.3. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4. Assignment. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.

18th April, 1990

Mr. L. C. Daka  
Permanent Secretary  
Ministry of Tourism  
LUSAKA

Dear Mr. Daka,

RE: USAID PROJECT GRANT AGREEMENT NUMBER  
690-025121, NATURAL RESOURCES MANAGEMENT  
PROJECT (NRM)

This is in reference to the March 27, 1990 letter of Mr. Leslie A. Dean, USAID Director, regarding the NRM (copy attached for reference). The first purpose of this letter is to provide instructions on the collection of revenues from hunting licenses and trophy fees and the deposit of those revenues into the Wildlife Conservation Revolving Fund. The second purpose is to receive your confirmation that recreational safari hunting will be permitted at not less than current levels.

INSTRUCTIONS ON DEPOSIT OF REVENUES INTO THE WILDLIFE CONSERVATION REVOLVING FUND

In accordance with Condition 4.1(b) of Article 4 of the aforementioned Grant Agreement, you are instructed to continue to collect revenues from the sale of hunting licenses and imposition of trophy fees under previously established procedures, and subsequently deposit not less than 50% of these revenues into the Wildlife Conservation Revolving Fund. These revenues must be used exclusively to cover the costs of managing and implementing the natural resources activities in the Game Management Areas (GMAs).

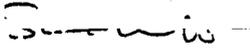
No additional instructions, policies or procedures are required to make the required deposits into the appropriate revolving fund.

CONFIRMATION OF CONTINUANCE OF RECREATIONAL SAFARI HUNTING

In accordance with Condition 4.1 (b) of Article 4 of the aforementioned Grant Agreement, this is to confirm your acceptance of the condition that at least for the duration of the NRM, your Department will continue to permit recreational safari hunting at no less than present levels.

Please indicate your concurrence with these conditions by your signature below.

Yours sincerely,



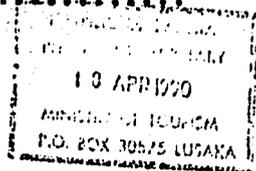
P. P. B. M. Zimba  
Assistant Controller of Accounts  
for/PERMANENT SECRETARY  
ECONOMIC COOPERATION  
MINISTRY OF FINANCE & NCDP



Concur.....

Date: .....

PERMANENT SECRETARY  
MINISTRY OF TOURISM



cc: USAID Director

cc: Director  
National Parks and Wildlife Service