

ANNEX A

GENERAL PROJECT DESCRIPTION

Project Title: Malawi Human Resources Development Assistance

Project Number: 698-0463.12

A. Purpose:

The Project will provide training to strengthen the Government of Malawi's ability to implement its development programs and also to strengthen the private sector's capacity to contribute towards Malawi's economic growth.

The priority areas of training under the Project are those which are mutually agreed upon by the Government of Malawi (GOM) and USAID/Malawi. The primary objective is to finance short-term training programs for both public and private sectors. Academic training may be financed under the Project on an exceptional basis if agreed to by both Parties.

The specific training under the Project will be determined annually and will reflect the GOM's priority requirements as agreed upon by both the Department of Personnel Management and Training (DPMT) and USAID. To ensure maximum participation from qualified candidates, the Project will be given country-wide publicity to attract highly-qualified personnel. This will ensure selection of quality senior and mid-level candidates from both sectors. The Project will also endeavor to achieve a 40 percent level of female participation from both sectors.

B. Contribution of the Parties:

1. USAID

This Grant Agreement provides two hundred thirty-nine thousand one hundred and thirteen U.S. Dollars (\$239,113) for activities mutually agreed upon by the GOM and USAID. Based on the availability of funds and the mutual agreement of the Parties to proceed, additional A.I.D. resources of not to exceed \$400,000 are possible, which will bring the total funding to \$639,113 over the 5-year life of the project.

2. Cooperating Country Contribution

In support of training hereunder, the Government of Malawi will provide all public sector employees with a salary, allowances and in-country transportation while they are in training.

In support of training hereunder, private sector firms will cover salary and local costs of their employees during the training period. This joint public and private sector contribution is expected to be the equivalent of \$80,000 and meets the 25% host country contribution requirement.

C. Project Description:

1. Types of Training

The Project consists of technical training programs in United States, Malawi and third countries, as well as seminars, workshops and special courses in Malawi. Academic training may be financed under the Project on an exceptional basis, if agreed to by the Parties. Short-term technical training includes all non-degree programs, most of which will not exceed six month's duration. African and particularly Malawian institutions will be utilized to the maximum extent possible.

2. Training Targets:

Sixty-five percent of Project training is intended to strengthen the Government of Malawi's ability to implement its development program. The other 35 percent of Project training is expected to be directed towards the development of the private sector, particularly small and medium-sized enterprises. (This thirty-five percent target applies to numbers of trainees and not to funds expended for training.) In addition, 40 percent of all trainees are expected to be women. These percentages are approximate and actual training figures may vary.

3. Selection Criteria

Public sector candidates for training will include personnel in key areas of Malawi's development strategy, and trainers or educators, to promote a multiplier effect.

Selection criteria for these candidates (as well as for private sector candidates) include: above average academic performance in a local or foreign university at the B.A. level, and at least 2 years satisfactory work experience. Candidates selected should be prepared to work for the same or another appropriate employer for a period at least equal to the length of their training. The Government of Malawi will use its best efforts to ensure that trainees will return to a position commensurate with their training.

Candidates for training for private sector development will include owners and employees of privately held, for profit firms, potential entrepreneurs, key staff of rural cooperatives and rural cooperative credit unions, non-governmental organization staff, staff of private and semi-private associations which support or represent the private sector (e.g. Chambers of Commerce, trade associations, small and medium-sized enterprise promotion offices, etc.), trainers and educators working directly with the private sector, bank loan officers lending to the private sector, and public sector officials directly responsible for policy affecting growth of the private sector.

Program areas for private sector-related training include: (1) policy issues affecting the private sector; (2) organization management and training-of-trainers course for groups representing the private sector (e.g. Chambers of Commerce and Industry); (3) business skills for small and medium-sized enterprises (e.g., management, financial planning, marketing, etc); (4) entrepreneurial development for potential future entrepreneurs (including former civil servants or the educated unemployed); (5) cooperative management and credit appraisal; and (6) industrial technical skills.

4. Implementation

A.I.D. will prepare Project Implementation Orders (PIOs) or Project Implementation Letters (PILs), to be countersigned by an authorized representative of the Government of Malawi, to further describe the activities to be carried out in accordance with paragraph C above. Project funds will be released by A.I.D. and candidate selection arrangements made in accordance with instructions to be provided in PILs and PIOs.

The implementation of this project will be supervised by DPMT of the Office of the President and Cabinet. The DPMT will be responsible for candidate selection, subject to USAID concurrence, and making all arrangements for training courses to be held within Malawi. A subsequent PIL will outline the composition of the Project Selection Committee which will include, among others, a representative from the Malawi Chambers of Commerce and Industry. Some courses held in third countries, such as those to be held at ESAMI in Tanzania, may be organized by DPMT or by USAID, by mutual agreement of the Parties. At DPMT's request, A.I.D. will arrange participation by Malawian trainees in agreed-upon training courses in third-country or U.S. institutions.

5. Reporting and Evaluation

The Department of Personnel Management and Training on behalf of the Government of Malawi will provide reports to A.I.D. on a semiannual basis describing the courses of study undertaken and indicating the numbers, institutional affiliations and genders of program participants.

In addition, the Government of Malawi and A.I.D. will make periodic appraisals of training and training results to ascertain if appropriate training was provided and to determine the usefulness and relevance of training as related to the implementation of development projects and growth of the private sector.

D. Financial Plan

The following Financial Plan is illustrative. Line item adjustments may be made to the Plan upon mutual written agreement of the representatives of the Parties named in the text of the Agreement without formal amendment to the Agreement, as long as the changes do not exceed 10% of a line item. Under no circumstances shall such adjustments exceed the amount specified in Block 3 of the title page of the Agreement.

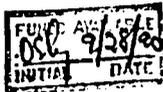
Financial Plan**U.S. Contribution
(U.S. dollars)**

A. U.S. training	145,300
B. Third Country training	36,000
C. In-country training	28,000
D. Other training	<u>29,813</u>
TOTAL	239,113

*Cooperating Country contribution is detailed in paragraph B.2. above

Fiscal Data:

Appropriation : 72-1101021.5
 Budget Plan Code: GDEA-90-21612-JG12
 Allowance: 045-60-612-00-70-01
 Project No: 698-0463.12
 Dols: \$239,113
 Res. Control No: M200342



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ANNEX B

PROJECT AGREEMENT

PROAG STANDARD PROVISIONS ANNEX

A. Reference to 'this Agreement' means the original Project Agreement as modified by any revisions which have entered into effect. Reference to 'cooperating country' means the country or territory of the Grantee.

B. (1) A.I.D. will make available the amount specified in Block 3 of this Agreement, as necessary for the Project, as may be further described in Annex A.

(2) The Grantee will make available the amount specified in Block 4 of this Agreement, as necessary for the Project, as may further be described in Annex A. The Grantee will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A.

C. A.I.D. and the Grantee may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.

D. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but A.I.D. shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Block 5 of this Agreement) or any amended Project Assistance Completion Date specified.

E. The procurement of commodities and services to be financed in whole or in part by A.I.D. may (where so required by A.I.D. procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by A.I.D.

F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the A.I.D. contribution referred to in Block 3 or this Agreement shall be subject to the provisions of A.I.D. Regulation 1.

G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by A.I.D. pursuant to Block 3 of this Agreement shall be in the Grantee, or such public or private agency as it may authorize.

H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project, will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.

(2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this Agreement, shall be refunded to the party providing the funds.

(3) Any interest or other earnings on funds provided by A.I.D. to the Grantee under this Agreement will be returned to A.I.D. by the Grantee.

I. (1) If A.I.D. and any public or private organization furnishing commodities through A.I.D. financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs, duties and import taxes on commodities imported into the country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with A.I.D., the Grantee or any agency authorized by the Grantee, who are present in the cooperating country to provide services which A.I.D. has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperative country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or is any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by A.I.D. hereunder, the grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. If funds provided by A.I.D. are introduced into the cooperating country 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 shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

K. A.I.D. shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.

L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds, provided by, or any properties and contract services procured through financing by, that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

M. A.I.D. and the Grantee shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 3 and 4 or this Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property or funds shall remain in force after such termination. 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 Grantee's country, are in a deliverable state and have not been off loaded in ports of entry of the Grantee's country.

O. To assist in the implementation of the Project, A.I.D. from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

P. 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.