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COMPLEMENTARY PROJECT GRANT AGREEMENT

BETWEEN

THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE GAMBIA

FOR

FINANCIAL SECTOR RESTRUCTURING SUPPORT

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

(USAID/BANJUL)

PROJECT NUMBER 635-0234

DATED: MAY 13, 1991

COMPLEMENTARY PROJECT GRANT AGREEMENT ("AGREEMENT")
BETWEEN
THE GOVERNMENT OF THE GAMBIA (THE GRANTEE)
AND
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
ACTING THROUGH
THE AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.)
(hereafter collectively referred to as the "Parties")

PROJECT NUMBER 635-0234

DATED: MAY 13, 1991

1. PROJECT TITLE: Financial Sector Restructuring Support Project (the "Project" or "Complementary Project") under The Gambia's Financial Sector Restructuring Program ("FSRP"). The above-named Parties hereby mutually agree to carry out the Project described in this Agreement in accordance with (1) the terms of this Agreement, including any Annexes attached hereto, (2) the terms of the Program Grant Agreement for the Financial Sector Restructuring Program the "FSRP Agreement" executed concurrently with the signing of this Agreement, and (3) any general agreements between the Parties regarding economic and technical cooperation.
2. AMOUNT OF A.I.D. GRANT: A.I.D.'s contribution over the life of the Project is One Million Eight Hundred Thousand United States Dollars (\$1,800,000).
3. THE GRANTEE'S CONTRIBUTION TO THE PROJECT: The Grantee will contribute personnel to collaborate on Project activities, as described in Annex 1 of the Agreement.
4. PROJECT ASSISTANCE COMPLETION DATE: June 30, 1994.
5. This Agreement consists of this Title Page, Annex 1: the Project Description, and Annex 2: the Standard Provisions.

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

THE UNITED STATES OF AMERICA

THE GOVERNMENT OF THE
REPUBLIC OF THE GAMBIA



JIMMIE M. STONE
A.I.D REPRESENTATIVE



BAKARY B. DARBO
VICE PRESIDENT AND
MINISTER OF EDUCATION



ARLENE RENDER
AMBASSADOR OF THE UNITED
STATES OF AMERICA



ABDOU A.B. N'JIE
GOVERNOR OF THE CENTRAL
BANK

ANNEX 1

PROJECT DESCRIPTION O. ----
 THE GAMBIA'S FINANCIAL SECTOR RESTRUCTURING SUPPORT

A. DETAILED PROJECT DESCRIPTION

This Project consists of the Studies and Technical Assistance Component of the Gambia Financial Sector Restructuring Program (FSRP, 635-0233) between USAID and The Government of The Republic of The Gambia (GOTG). The purpose of the Complementary Project is to support the provision of technical assistance and training to the Central Bank of The Gambia (CBG) and the Gambia Commercial and Development Bank (GCDB) and the implementation of studies specified in the conditions precedent and special covenants in FSRP Grant Agreement.

OAR/Banjul will manage the funds to be provided by A.I.D. under this Agreement.

1. Studies and Technical Assistance:

The studies specified in the conditionality set forth in the Financial Sector Restructuring Program Grant Agreement relate to the development of the policy options for the GOTG concerning: (a) Central Bank regulation and supervision; (b) debt recovery procedures; (c) rural credit and term loans; (d) development banking; and (e) development of the work plans involved in implementing those policies.

Technical assistance will be provided in terms of both long-term and short-term consultants to conduct the studies, develop the policy options for the GOTG to consider adopting, to improve CBG and GCDB operations; and to help manage the program.

2. Illustrative Budget for Studies and Technical Assistance:

The Illustrative Budget for the studies and technical assistance component of the program is as follows:

<u>Description of Activity</u>	<u>(US \$)</u>
One long-term technical consultant to work in the A.I.D. office supervising and monitoring the implementation of the FSRP.	\$110,000

Assistance to the Central Bank of The Gambia	
STTA	360,000
Training	200,000
Equipment	75,000
Assistance to the Gambia Commercial and Development Bank	
STTA	180,000
Training	100,000
Equipment	125,000
Assistance for Studies	420,000
Final Evaluation of FSRP	50,000
Audit of FSRP Account(s)	30,000
Contingency/Inflation component	150,000
TOTAL	\$1,800,000

3. Conditions Precedent:

Prior to the disbursement of funds under this Agreement or to the issuance of any commitment documents pursuant to which disbursements will be made, the conditions precedent specified in Sections 4.1 (a) and (b) of the Financial Restructuring Program Grant Agreement shall have been met by the Grantee, except as A.I.D. may otherwise agree in writing.

B. PROJECT IMPLEMENTATION:

1. Financial Contributions: A.I.D. will provide up to \$1,800,000 in Grant funds for technical assistance to implement this Project. The GOTG will contribute to the Project by providing personnel, as available, to collaborate in the activities defined above in Sections A.1 and A.2.

2. Contracting: A.I.D. will undertake all procurement in support of this Agreement and make direct payment for services financed under this Grant.

3. Reporting: A.I.D. will work with the Ministry of Finance & Trade and the Central Bank of The Gambia to ensure that all reports are done in a timely manner so as not to adversely affect the implementation of this Project. This includes, but is not limited to, the semi-annual and end-of-project report, and any interim reports generated related to the policy options noted above and their implementation work-plans.

4. Source, Origin and Nationality of Goods and Services:
The authorized source and origin of goods, and with respect to services, nationality, provided under this Agreement is A.I.D. Geographic Code 935.

ANNEX 2

FOR
THE GAMBIA'S FINANCIAL SECTOR RESTRUCTURING SUPPORT

STANDARD PROVISIONS

A. Reference to "this Agreement" means the Financial Sector Restructuring Support Project Complementary Project Grant Agreement and amendments thereto. Reference to the "cooperating country" means the country or the territory of the Grantee. Reference to "Complementary Project" means the activities to be funded under this Agreement.

B. (a) A.I.D. will make available the amount specified in paragraph 2 of this Agreement, as necessary for the Complementary Project, as may be further described in Annex 1.

(b) The Grantee will make available the amount specified in paragraph 3 of this Agreement, as necessary for the Complementary Project, as may be further described in Annex 1. The Grantee will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Complementary Project as specified in Annex 1.

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 (see Paragraph 4 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 Complementary Project and financed with A.I.D. contributions referred to in Section 2 of this Agreement, shall be subject to the provisions of A.I.D. Regulations 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 paragraph 2 of this Agreement shall be vested in the Grantee, or such public or private agency as it may authorize.

H. (a) 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 Complementary Project in accordance with this Agreement, and upon completion of the Complementary Project, will be used so as to further the objectives sought in carrying out the Complementary 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.

(b) 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.

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

I. (a) 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 cooperating country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by an applicable international agreement.

(b) If any personnel (other than citizens and residents of the cooperating country), 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 cooperating country, liable for income and social security taxes with respect to income for 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 if 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 an 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 the 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 the 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 operating 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 Complementary Project, and for three years after the completion of the Complementary Project, shall further have the right: (a) to examine property procured through financing by that party under this Agreement, wherever such property is located; and (b) 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 Sections 2 and 3 of this Agreement, except for payments for which they are committed to make pursuant to non-cancelable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under

this Annex, paragraph 8, 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 Complementary 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 an 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.