

am/s+
PDBCC 856

A.I.D. Project Number 613-0229

PROJECT
GRANT AGREEMENT
BETWEEN
THE REPUBLIC
of
ZIMBABWE

UNITED STATES OF AMERICA
for the
ZIMBABWE MANPOWER DEVELOPMENT II
PROJECT

Date: June 3, 1986

TABLE OF CONTENTS

	<u>Page</u>
Article 1: The Agreement	1
Article 2: The Project	1.
Section 2.1: Definition of Project	1 -
Section 2.2: Incremental Nature of Project	1 - 2
Article 3: Financing:	2 -
Section 3.1: The Grant	2 -
Section 3.2: Grantee Resources	2 -
Section 3.3: Project Assistance Completion Date	2 - 3
Article 4: Conditions Precedent to Disbursement	3 -
Section 4.1: First Disbursement	3 -
Section 4.2: Additional Disbursement	3 -
Section 4.3: Notification	3 -
Section 4.4: Terminal Dates for Conditions Precedent	3 -
Article 5: Special Covenants	4 -
Section 5.1: Project Evaluation	4 -
Section 5.2: Support for Participants	4 -
Section 5.3: Zimbabwean Candidates	4 -
Section 5.4: Participation of Women	4 -
Article 6: Procurement Source	4 -
Section 6.1: Foreign Exchange Costs	4 - 5
Section 6.2: Local Currency Costs	5 -
Article 7: Disbursements	5 -
Section 7.1: Disbursements for Foreign Exchange Costs	5 -
Section 7.2: Disbursements for Local Currency Costs	6 -

	<u>Pages</u>
Section 7.3: Other Forms of Disbursements	6 -
Section 7.4: Rate of Exchange	6 -
Article 8: Miscellaneous	6 -
Section 8.1: Communications	6 - 7
Section 8.2: Representatives	7 -
Section 8.3: Standard Provisions Annex 2	7 - 8

A N N E X E S

- I. Amplified Project Description
- II. Standard Provisions

63
311

PROJECT GRANT AGREEMENT

Dated: June 3, 1986

Between

The Republic of Zimbabwe ("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 understandings of the parties named above ("Parties") with respect to the undertakings 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, will provide training and related support, and training related consultants and equipment, to be directed at Zimbabwe's priority development needs in manpower planning, agriculture, engineering, science, technology, administration, management, health and education. Special emphasis will be given to the "Training of trainers". Annex 1 attached, amplifies 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.

SECTION 2.2. Incremental Nature of Project.

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

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

Article 3: Financing

SECTION 3.1.

(a) 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 an amount not to exceed two million United States ("U.S.") Dollars (US\$2,000,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1. and local currency costs, as defined in Section 6.2. of goods and services required for the Project.

(b) It is anticipated that over the life of this Project and subject to the conditions stated in Section 2.2. of this Agreement, the total AID contribution will consist of an amount not to exceed fifteen million U.S. dollars (\$15,000,000).

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 Grantee for the Project will not be less than 25 percent of the total project costs, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1993, 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.

885
891

(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 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 first disbursement, or to the issuance of any commitment documents under the Project Agreement, the Grantee shall furnish, in form and substance satisfactory to A.I.D. the names, titles and specimen signatures of the officials responsible for administration of the Project and for the release of funds for Project activities.

SECTION 4.2. Additional Disbursements. Prior to any disbursement of funds for training or the issuance of any commitment documents related thereto for funds in excess of the initial obligation of \$2.0 million, the grantee, except as A.I.D. may otherwise agree in writing, shall furnish, in form and substance satisfactory to A.I.D., an annual training plan for the public sector components of the project, excluding the University of Zimbabwe, which has already prepared and submitted a training plan.

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

SECTION 4.4. Terminal Dates for Conditions Precedent.

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

(b) If all of the conditions specified in Section 4.2. have not been met within 420 days from the date of the Agreement, or such later date as A.I.D. may agree to in writing, A.I.D. at its option, may cancel the then undisbursed balance of the Grantee, to the extent not irrevocably committed to third parties, such as participants already in training and may terminate this Agreement by written notice to the 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 six formative evaluations and one final evaluation. Evaluations will:

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

(b) identify and evaluate problem areas and constraints which may inhibit such attainment;

(c) assess how such information may be used to help overcome such problems and constraints; and

(d) evaluate, to the degree feasible, the overall development impact of the Project. The evaluations are further described in Annex 1 of this Agreement.

SECTION 5.2. Support for Participants. The Grantee agrees to financially support the participants from the public during their absence on long or short-term training in accordance with existing GOZ regulations on training.

SECTION 5.3. Zimbabwean Candidates. The Grantee agrees to make available qualified candidates for long-term and short-term training in the United States and other developing countries and to ensure by bonding and other means that these persons are assigned to suitable positions utilizing their training, for a period at least equal to the period of training financed under the Project.

SECTION 5.4. Participation of Women. The Grantee agrees to encourage the participation of women in short and long-term training activities funded through 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 their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant

Standard Provisions (Annex 2), Section C.1(b) with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the U.S. except as A.I.D. may otherwise agree in writing. If A.I.D. determines either that there are no vessels under flag registry of the United States generally available for ocean transportation, or that Zimbabwe has no access to U.S. flag service, A.I.D. in a Project Implementation Letter may agree to finance under the Grant ocean transportation costs on vessels under flag registry of any country included in A.I.D. Geographic Code Book 941.

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 Zimbabwe ("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) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon.

(1) by submitting to A.I.D. with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or service, 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 specific 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.

After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

SECTION 7.3. Other Forms of Disbursement.

Disbursements of the Grant may also be made through such other means as the Parties may agree in writing.

SECTION 7.4. Rate of Exchange.

Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into Zimbabwe 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 funds may be converted into currency of Zimbabwe at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Zimbabwe.

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. Communications with Grantee regarding non-financial aspects are to be addressed to:

The Grantee: Secretary

Mail Address: Ministry of Labour, Manpower
Planning and Social Welfare
Private Bag 7707
Causeway, Harare
Zimbabwe

Alternate address for cables: SECLAB, Harare

Communications with Grantee regarding financial matters are to be addressed to:

The Grantee: Secretary

Mail Address: Ministry of Finance, Economic
Planning and Development
Private Bag 7705
Causeway, Harare
Zimbabwe

Alternate address for cables: MINFIN/Harare

For A.I.D.:

Mail Address: Director
USAID Mission to Zimbabwe
c/o U.S. Embassy
P.O. Box 3340
Harare, Zimbabwe

Alternate address for cables:

c/o U.S. Embassy
Harare

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 Secretary, Ministry of Labour, Manpower Planning and Social Welfare and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, USAID/Zimbabwe, 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.

SECTION 8.3. Standard Provisions Annex 2.

"Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.



ANNEX I

I. PROJECT GOAL AND PURPOSE

The goal of the project is to increase Zimbabwe's human resource infrastructure required to implement programs directed at equitable and rapid social and economic development. Verification of progress toward this goal will involve periodic appraisal of GOZ development plans, and later, review of national accounts and income distribution data to determine the extent of real increases in GNP and changes in its distribution.

The purpose of the project is to assist Zimbabwe in meeting its long-run labor market requirements for professional, technical and managerial resources. This will be done through strengthening existing public and private institutional capacity to train men and women, and through upgrading of human resources in the public and private sectors in the fields of manpower planning, agriculture, engineering, science technology, administration, management, health and education.

More than five years after Independence, Zimbabwe continues to suffer a severe shortage of skilled and experienced human resources, and the institutional capacity to address it. The skilled workforce, particularly in technical, scientific and medical fields, and middle and senior management, has had the highest vacancy rates and shortages of trained Zimbabweans. These shortages are compounded by continued emigration of skilled and experienced workers. Despite major expansions in post-secondary education, the output of professional, technical and managerial resources has failed to make up for net losses.

As of October 1985, ZIMMAN I had provided over 4500 person months of degree and non-degree training. Half of this supported undergraduate degree programs for students who could not be accommodated by local institutions in the immediate post-Independence period. The rest has supported skills upgrading for mid-level professional and technical employees in the civil service, the University and the private sector. A formative evaluation of ZIMMAN I was carried out in May 1984, which led to several changes in implementation of the project.

It was agreed that the project would begin to focus more intensively on institutional development and skills upgrading in key government entities and the University. Over time, ZIMMAN has increased its emphasis on establishing stronger and expanded indigenous training capacity. This second ZIMMAN project, while continuing the needed skills upgrading effort, will place more emphasis on the development of training



institutions. Support for the University of Zimbabwe staff development program will be broadened significantly. Support for private sector manpower development and training programs will expand from the modest start under ZIMMAN I. Greater emphasis will be placed on building manpower planning capacity within the Government and within key institutions supported under ZIMMAN II.

II. PROJECT OUTPUTS

The anticipated outputs of the project will be:

1. Strengthened institutional capacity within the technical and professional colleges and institutions and the University to impart high-quality, relevant training for technical and professional positions both in the GOZ and the private sector; and
2. A cadre of trained Zimbabweans capable of assuming professional and technical positions in key development areas. To the extent that Zimbabwe can provide relevant technical training within its own borders, the availability of qualified technical personnel will be enhanced. Strengthening local training institutions represents the optimal utilization of donor resources, so that Zimbabwe can achieve self-sufficiency in its technical and professional manpower requirements as rapidly as possible.

The achievement of project outputs will be measured through numbers of participants trained, person-months of consultants provided, and number of faculty or staff for local training institutions who have been trained with project resources.

III. PROJECT FOCUS-INPUTS

The majority of project activities (with the exception of technical assistance) will be implemented through a contract with a private U.S. institution specializing in the placement of international students in suitable professional and technical training programs. The contractor currently implementing all participant training for USAID/Zimbabwe, will handle placement for ZIMMAN II until that contract terminates at the end of 1987. Another contract will be awarded to provide placement services through the life of the project. Recruitment of long term technical assistance has been and will continue to be handled separately by the Academy for Educational Development, the technical assistance contractor under the BEST Program. Within USAID/Zimbabwe, overall monitoring is the responsibility of the Human Resources Development Officer. The Commodity Management Officer will assist with commodity matters.



The total cost of the project is \$21.1 million, of which the Grantee will provide \$6.1 million and AID will provide \$15 million, subject to the considerations set forth in Articles 2 and 3 of this Agreement.

IV CONTRIBUTIONS OF THE PARTIES

A. AID

Total anticipated contributions over the 7 year life of the project are \$15,000,000. Major components of the AID budget are included in the illustrative Financial Plan. It should be noted that the AID contribution is strictly for training, training related expenses, such as short-term consultants, training equipment and supplies and contractor costs. In addition, reasonable allowances have been provided for contingency and inflation. Nearly 97% of AID's contribution will entail the foreign exchange costs of providing training and short-term consultants, as well as some procurement of training equipment and supplies from the United States. It is anticipated that most foreign exchange costs will be expended in the United States. Local currency costs provided by AID will be the per diem requirements of short-term consultants.

B. THE GRANTEE

The contribution from the Grantee, including the University of Zimbabwe and the private sector, is estimated to be the local currency equivalent of \$6,139,000, or 29% of the total project budget, thus bringing the total size of the project to \$21,139,000.

In-service training funds will be available to both the public and private sectors. As a departure from ZIMMAN I, long term training will be open to the private sector, but only on the condition that the trainee's employer pay the local currency countervalue of the costs associated with the training. (Such local currency will be deposited into the University of Zimbabwe bursaries fund which will receive local currency generations from commodity purchases.

The contribution of the Grantee will be used to cover the salaries of participants while in training, and local components of salaries of long term technical assistance provided to the University. The private sector and the University have agreed to cover the majority of airfares of their participants. Furthermore, the University pays for the families of Staff Development Fellows to join them while in training.



The Grantee will pay salaries to overseas participants in degree programs and in short term courses in the United States or third countries. In the case of long term training, the salary amounts paid is determined by the Public Service Commission in consultation with the employee's ministry and takes into account the family financial responsibilities. An average rate of 60 percent of full salary is generally used. GOZ officers on short term training normally receive full salaries. Salaries for long term participants will amount to about \$U.S.1,806,000 over the life of the project. Full salaries to short term trainees from the University and the public and private sectors will total approximately \$U.S. 294,000.

The Grantee will bear the support costs of in-country training and short term technical assistance, estimated at a total of \$U.S. 160,000. This will consist mostly of supplies, local transport and per diem of participants and other minor administrative costs. In addition, the University provides salaries (which are added to by USAID/Zimbabwe) for long term technical assistance. This item should total \$U.S. 803,000. As with the AID budget, a contingency factor of 6 percent has been added to take account of unforeseen requirements. This would relate mainly to a possible increase in the number of overseas participants or an expansion of technical assistance. An inflation rate of 14 percent (based on a 5-year average of past rates) is applied to the GOZ budget.

V. IMPLEMENTATION ARRANGEMENTS

A. PROJECT ADMINISTRATION

1. Grantee

ZIMMAN II will continue the general administrative arrangements established in ZIMMAN I. It will continue to be administered through the Ministry of Labour, Manpower Planning and Social Welfare (MLMPSW). This Ministry, through its Scholarships Division, has direct linkages with other ministries and public and private training institutions, and coordinates public sector personnel training needs and plans in collaboration with the Ministry of Public Service. Having the MLMPSW as major implementing agent for ZIMMAN II is compatible with its central role in coordination of scholarships for overseas training and determination of national manpower priorities. Activities under the project involve training support to several ministries and institutions, including the Ministry of Health, the Ministry of Education, Ministry of Lands, Agriculture, and Rural Resettlement, the Ministry of Finance, Economic Planning and Development, and the Ministry of Transport.

SES
EAF


14

The Undersecretary for Scholarships is the chairman of the Interministerial Scholarship Committee which coordinates all public sector training, including training under ZIMMAN. The interministerial committee has representatives from 10 ministries, including agriculture, education, health, and the public service. This committee meets regularly to screen applications and review training plans and priorities submitted by various government ministries and departments. Prior to finalizing plans which apply to AID-funded training, they are reviewed by the USAID HRDO and the participant placement contractor's Field Coordinator, who will ensure that training requests are consistent with criteria for ZIMMAN support. Once agreement is reached between the Government of Zimbabwe and USAID on training areas which conform to the priorities under the project, they are formally submitted to USAID for approval.

Final concurrence rests with USAID/Zimbabwe, with approval given by Implementation Letter. Following formal approval, the contractor's Field Coordinator is entrusted with responsibility for implementation of the participant training activities. Training plans are reviewed and revised periodically at the request of either the Ministry or USAID.

Similar procedures will be followed in the implementation of the private sector program. A committee which includes representatives from the National Employers' Confederation of Zimbabwe, the Zimbabwe National Chamber of Commerce, the Industrial Development Corporation, Commercial Farmers Union, the National Farmers Association of Zimbabwe, and VOICE has been formed under the chairmanship of the Undersecretary for Scholarships in the Ministry of Labour, Manpower Planning and Social Welfare. The Ministry has indicated that responsibility for establishing priorities and developing training plans rests with the private sector representatives and, as such, decisions on which programs or trainees to finance under ZIMMAN II will be by majority vote of the committee. USAID's HRDO is a voting member of this committee.

Responsibility for implementation of the University Staff Development Program is with the Vice-Chancellor and Registrar of the University of Zimbabwe. The University is administratively under the responsibility of the Ministry of Education. Although the Ministry of Labour reviews and signs implementation documents (such as PIO/P's and PIO/T's), it is not involved in the award of Staff Development Fellowships and the day-to-day implementation of the program.

2. Contractors

The majority of project activities (not including recruitment of technical assistance) will be implemented through a contract with a U.S. institution specializing in the placement of international students in suitable professional and technical training programs. A Field Coordinator will attend to administrative matters related to the processing of training applications and selection of trainees. He/she will collaborate closely with the Ministry of Labour in preparation of training plans, with USAID in preparation of PIO/Ps and other documentation, and with the home office in the U.S. concerning the arrival and progress of participants while in the US.

Through its home office, the placement contractor also assists in the selection of training institutions for trainees. The contractor makes all necessary arrangements for admission to the selected institutions and provides orientation and pre-departure training for selected students. Support is provided to trainees as necessary, including the provision of monthly living allowances, and other special allowances. The contractor attends to other problems which students may experience while studying outside of Zimbabwe, and monitors student progress through its regional offices and academic difficulties through consultation with advisors. Allowances are paid in accordance with permitted rates established by AID's Handbook 10, Participant Training.

Requirements for recruitment of long and short-term technical assistance for ZIMMAN II as for ZIMMAN I will be handled by the Academy for Educational Development (AED), the technical assistance contractor under the BEST Program. This contract, which includes recruitment for all USAID programs and projects, will continue through December, 1989. Requirements for technical assistance recruitment from the termination of the current contract (AED) through the end of ZIMMAN II will be met through a mechanism to be determined by USAID/Zimbabwe at a later date.

3. U.S.A.I.D.

USAID/Zimbabwe's role in this project will be to review and concur in the annual training plans developed by the GOZ and to provide whatever oversight and assistance is necessary to assure the effective and efficient operation of the project in compliance with AID rules and regulations

865
off

B. PROCEDURES FOR REQUESTING ASSISTANCE:

Under ZIMMAN II, Ministries wishing to participate in in-service training will submit annual project-related training plans to the Ministry of Labour, Manpower Planning and Social Welfare. The plans are reviewed and finalized in conjunction with appropriate Ministries, based on considerations of national manpower needs. Training plans are supplemented as necessary on an ad hoc basis in order to allow flexibility to respond to changing institutional requirements. Private sector entities desiring assistance for training programs will submit detailed proposals, and requests for private in-service training to a special Private Sector Training Committee, to be chaired by the Ministry of Labour, Manpower Planning and Social Welfare.

General criteria, detailed below, apply to all project-related training and technical assistance, and training requests will be assessed in terms of their consistency with priorities set forth for trainees, types of training and types of institutions sponsoring the individual. These criteria, which will apply to both public and private sector training, are an outgrowth of those in ZIMMAN I, but represent the greater focusing of support in ZIMMAN II:

Criteria for Trainees:

- must be currently employed by one of the participating firms or institutions under ZIMMAN II.
- must be employed in one of the scarce skills areas identified by GOZ as critical to national development.
- must have prerequisite qualifications for selected area of training.
- must be committed to return to Zimbabwe and to the sponsoring firm or institution, evidenced by signing the relevant bonding agreement prior to scholarship award.

Institutional Criteria:

- must be an existing institution which significantly affects the quantitative and qualitative supply of manpower for Zimbabwe's development.
- if a training institution or department, must be involved in training in critical skills areas.
- if a training institution or department, must have capacity and commitment to upgrade skills of Zimbabwean journeymen, businessmen, teachers or instructors to produce necessary human resources for accelerated economic growth.

803
E.H.P.

↓

17

- preference will be given to institutions or departments having responsibility for labor and employment projections, manpower planning and analysis, or for providing qualified manpower for the labor market.

Training or Consultancy Field:

- the training or consultancy field falls within GOZ and AID priorities such as agriculture, management, health, manpower development, engineering, and technical fields.
- the position for which the person will be trained is for an existing or to be established post at a development oriented institution.
- the training or consultancy will result in regenerative training capacity, so that the trainee can help develop Zimbabwe's public and private institutional capacity for meeting its manpower requirements.

ZIMMAN II will fund procurement of a modest amount of books, journals, training equipment and supplies because foreign exchange restrictions limit the availability of current training aids, equipment and computer software in the country. A total of \$1.8 million has been set aside for such procurement, with \$1.0 million to support strengthening the University of Zimbabwe library system. The remainder of the funds will go to private and public sector training institutions and programs which meet the following criteria: (1) the training institution or training program has a large, broad-based clientele; (2) the training program or institution reaches small to medium sized businesses; (3) the items are not available locally and require foreign currency; and (4) the items will encourage greater efficiency in use of training resources.

Commodity requests will be vetted through appropriate, already established training committees for the public and private sectors. Private sector recipients will be required to contribute an amount of local currency equivalent to the foreign exchange costs of the commodities. These local currency generations will support training needs which could not otherwise be assisted through ZIMMAN. All such funds will go to the University of Zimbabwe's internal bursaries fund, to provide scholarships in the following areas:

the MBA program, which although an important source of skills for Zimbabwe's private sector, is newly established and has limited funding;

SES
EJF

22

18

- training of physicians and medical technicians within the Medical School, to help meet the severe shortage of health professionals in the country.
- training in agriculture, engineering, science, math and technical fields.

The scholarships will be for individuals from low income groups and for women, who are underrepresented in these fields in the labor force.

C. IMPLEMENTATION SCHEDULE:

An illustrative schedule of major actions required in the implementation of this project is appended as Attachment 1 of this Annex I

VI. ILLUSTRATIVE FINANCIAL PLAN

The tables in Attachment 2 to this Annex 1 illustrate the financial contributions of the parties to the Project and the overall project budget. Although adjustments may be made among individual line items without formal amendment of this Agreement, any modification which results in more than a 15 percent change in any line item will require AID's written consent. Any modification which has the effect of increasing AID's contribution above the amount obligated by this Agreement must be accomplished by formal amendment.

VII. EVALUATION ARRANGEMENTS

Evaluations will be an integral part of ZIMMAN II and will be conducted annually. The series of evaluations will be part of an evaluation system to be initiated with a comprehensive data collection effort during the first half of 1986, which will assess all AID-financed training to date. Once this system is in place, data can be regularly and expeditiously collected on training progress and project impact. The overall evaluation system will permit assessment of the impact of ZIMMAN I and II on trainees and the institutions for which they work.

There will be 6 formative evaluations and one final evaluation of ZIMMAN II. Each formative evaluation will update and summarize periodic data available from the evaluation system to date on trainees and institutions, and analyze the results. It will also assess, to the extent feasible, the impact of training on job performance, career advancement and overcoming staff shortages in the private and public sectors. Along with other information, the evaluation teams will summarize project

SEE
EVAL

progress, using the basic Project Evaluation Summary format (Handbook 3). The first evaluation will commence one year after initial data collection effort in early 1986, or 15 months after the signing of the Project Agreement, whichever is earlier. The GOZ will collaborate in the evaluation and provide appropriate representation.

Evaluations will summarize project accomplishments, including project inputs, outputs and progress toward purpose and goal achievement. The evaluations will also examine the objectively verifiable indicators and summarize progress toward end of project status, include numbers and sex of trainees, types of training, and the role that trainees play in their institutions. Sources of information include review of updated data on participants, selected interviews with GOZ, University and private sector personnel, interviews with returned long and short term participants, and interviews with those who have benefitted from short term technical assistance under the project. Interviews with long and short term returned participants should concentrate on the effectiveness of their training and its relevance to their present jobs and career plans. Other data sources will be GOZ reports, contractor reports, participant reports, other donor reports, consultants reports and studies. Evaluations will include an assessment of suitability of placement and utilization of Zimbabwean personnel trained under the project.

The evaluations will also review broader institutional and economic questions:

- (1) institutional impact of staff strengthening;
- (2) progress toward strengthening institutional capacity within the University and other training institutions and their capacity to manage training programs.
- (3) progress in providing increased proportion of training opportunities to women;
- (4) progress of individual institutions and the GOZ in understanding manpower supply and demand and in designing training plans to meet known priority needs. Procedures and institutional mechanisms applied by the GOZ to identify training priorities will be examined, as will the degree to which the project's training activities are responding to GOZ most urgent manpower needs.
- (5) Analysis of available economic reports to show contributions of capital and labor to growth in GDP to show progress toward project goal.

683
241

[Handwritten signature]
[Handwritten mark]

It will be important to look at training institutions, particularly the University, but also ZIPAM, and private sector training institutions, in order to assess quantitative and qualitative improvements in instructors and instruction, and in institutional performance (including courses offered, training staff, student capacity, and independence from donor support or expatriate staff.)

It is likely that improved information on manpower supply and demand in Zimbabwe will become available during the life of the project. Findings of studies should be factored into possible changes in emphasis of the project.

Results of each evaluation will include recommendations for changes in project implementation, including adjustments in inputs or outputs, implementation procedures or schedule, commodity provision, or project monitoring. If necessary, adjustments could be made in the mix of types of training and in long and short term technical assistance. In addition, depending on progress and interests expressed by participating institutions, changes may be recommended in the balance of support for different project elements. This is particularly the case for private sector institutions, where growth in the area of training for small businesses, and in other areas, could generate greater demands than exist at present.

63
CH

2
21

ATTACHMENT ONE

PROPOSED SCHEDULE OF ACTIVITIES

<u>Year/Month</u>	<u>Action</u>	<u>Primary Responsibility</u>
1986/Jun	Project authorized	USAID/Z
Jun	Grant Agreement signed	USAID/Z, GOZ
Jun	Conditions Precedent met	USAID/Z, GOZ
Jun	Private Sector Plan	GOZ, USAID/Z
Jun	Interministerial committee receives GOZ in-service training plans, reviews of plans	GOZ, USAID/Z Contractor
Jun	Amendment to current training placement contract to increase ceiling for pass-through funds	REDSO, USAID/Z
Jun	Training plans approved and PILs issued	GOZ, USAID/Z
Jun/Jul	Initial short term trainees depart	Contractor, USAID/Z
Jul	First short term TA arrives	Contractor, USAID/Z
Jul	Initial long term TA arrives (Technical Colleges)	Contractor, USAID/Z
Aug	Initial group of trainees (previously approved) departs for U.S.A.	Contractor, GOZ, USAID/Z
Sep	Placement, pre-departure actions, PIO/P's for 1987	Contractor, USAID/Z
Oct	Evaluation/baseline study begins	USAID/Z, Contractor
Dec	Second group of long term trainees begin to depart	USAID/Z, GOZ, Contractor

[Handwritten signature]
12/28

1987/Jan

Mar	RFP issued for new training placement services contract	REDSO USAID/Z
May	Training plans received and reviewed	GOZ, USAID/Z Contractor
Jun	Annual external evaluation	USAID/Z
Jun	Training plans approved and PILs issued	GOZ, USAID/Z
Aug	New training placement contractor selected	USAID/Z, GOZ
Sep	New training placement services contract signed	USAID/Z
Sep	Placement, pre-departure actions, PIO/Ps begin for 1988	Contractor, USAID/Z
Dec	Termination of current contract	Contractor

1988/Jan

May	Training plans received and reviewed	GOZ, USAID/Z Contractor
Jun	Annual external evaluation	USAID/Z
Jun	PACD for ZIMMAN I	USAID/Z
Jun	Training plans approved and PILs issued	GOZ, USAID/Z
Sep	Placement, pre-departure actions, PIO/Ps for 1989	Contractor, USAID/Z
Dec	First long term trainees begin to return	Contractor

1989/Jan

May	Training plans received and reviewed	GOZ, USAID/Z Contractor
Jun	Annual external evaluation	USAID/Z

805
241

23

Jun	Training plans approved and PILs issued	GOZ, USAID/Z
Sep	Placement, pre-departure actions, PIO/Ps for 1990	Contractor, USAID/Z
1990/Jan		
May	Training plans received and reviewed	GOZ, USAID/Z Contractor
Jun	Annual external evaluation	USAID/Z
Jun	Training plans approved and PILs issued	GOZ, USAID/Z
Sep	Placement, pre-departure actions, PIO/Ps for 1991 begin	Contractor, USAID/Z
1991/Jan		
May	Revision to training program and exchange of Implementation Letters	GOZ, USAID/Z
Jun	Annual external evaluation	USAID/Z
1992/Jan		
May	Revision to short-term training plan and exchange of Implementation Letters	GOZ, USAID/Z
Jun	Annual external evaluation	USAID/Z
1993		
Jan	Summative Evaluation	USAID/Z
Mar	Project Assistance Completion Date	

803
EAF

24

ATTACHMENT TWO

Table 2
(Equivalent to US\$000)

GOZ CONTRIBUTION

	<u>Year 1</u>	<u>Future Years</u>	<u>LOP</u>
1. SALARIES OF TRAINEES			
a. Long Term - In Service	150	495	645
b. Long Term - UZ	174	1085	1259
c. Short Term - GOZ	10	125	135
d. Short Term - Private	0	127	127
e. Short Term - UZ	2	17	19
2. AIRFARES			
a. Long Term - UZ	13	77	90
b. Short Term - UZ	5	26	31
c. Short Term - Private	0	89	89
d. Other	18	109	127
3. UZ SUPPORT FOR SDF'S	29	177	206
4. LOCAL SUPPORT TO TA			
a. Salaries for Long Term	123	680	803
b. General - Short Term	0	11	11
5. IN COUNTRY TRAINING COSTS	0	149	149
6. RETURNEES SALARY INCREASES	0	69	69
7. ADMINISTRATIVE SUPPORT	40	202	242
<hr/>			
SUBTOTAL	564	3438	4002
CONTINGENCY 6%	34	207	241
<hr/>			
SUBTOTAL	598	3645	4243
INFLATION 14%			1496
<hr/>			
TOTAL **	598	3645	5739
<hr/>			

** To total add \$400,000 equivalent to be contributed by private sector (in Z\$) to UZ bursaries fund, for cost of training-related commodities.

857
EAF

12
25

ATTACHMENT TWO

Table 1
A.I.D. CONTRIBUTION
(US\$000)

<u>Item</u>	<u>Funds Obligated By this Agreement</u>	<u>Future years</u>	<u>LOP</u>
1. TRAINING			
Long term	1000	3010	4010
Short term	100	734	834
Airfares	75	165	240
Placement Contract	0	2000	2000
2. TECHNICAL ASSISTANCE			
Long term	140	2680	2820
Short term	34	679	713
Evaluation	0	200	200
3. COMMODITIES	300	1500	1800
4. CONTINGENCY/INFLATION	351	2032	2383
<u>TOTAL</u>	<u>2000</u>	<u>13000</u>	<u>15000</u>

SES
elf

100
100

ANNEX 11
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.

607
EAF

[Handwritten signature]

21

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.

SECTION B.4. Taxation.

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

(v) 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

683
E.H.

28

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.

803
2011

[Handwritten signature]
[Handwritten initials]

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 modification 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 procured on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish 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 (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) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION. C.7. Insurance.

(a) Marine insurance on goods financed by 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 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.

[Handwritten signature]
[Handwritten mark]

[Handwritten initials]

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 on 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.

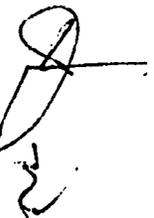
803
EJF

Article D: Termination; Remedies (Continued)

(c) 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.

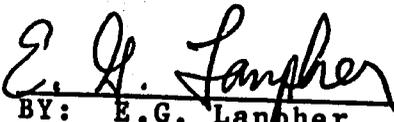
SECTION D.3. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

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.



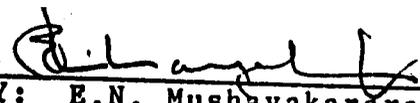
IN WITNESS HEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

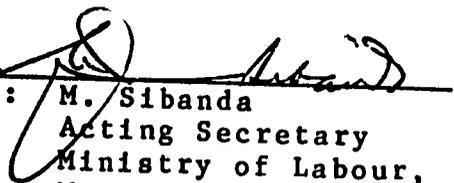
UNITED STATES OF AMERICA


BY: E.G. Lanpher
Charge d'Affaires
U.S. Embassy


BY: Scott E. Smith
Acting Director
United States Agency
for International
Development

REPUBLIC OF ZIMBABWE


BY: E.N. Mushayakarara
Secretary
Ministry of Finance,
Economic Planning and
Development


BY: M. Sibanda
Acting Secretary
Ministry of Labour,
Manpower Planning and
Social Welfare

APPROPRIATION : 72-1161021
ALLOTMENT : 644-50-613-00-69-61
BUDGET PLAN CODE : GDAA-86-21613-EG13