

*Wickland*  
COPY FOR  
INFORMATION

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

*POCBH284*

*398-0159*

MAY 2 1990

Mr. Timothy Rothermel  
United Nations Development Program  
1 United Nations Plaza  
New York, New York 10017

Subject: Grant No. ANE-0159-G-00-0016-00

Dear Mr. Rothermel:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby grants to United Nations Development Program (hereinafter referred to as the "Grantee"), the sum of \$1,000,000 to provide support for a program in West Bank and Gaza, as described in the Schedule of this grant and in Attachment 2, entitled "Program Description."

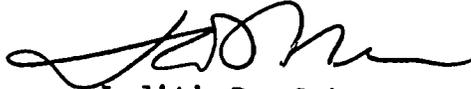
This grant is effective and obligation is made as of the date of this letter and shall apply to expenditures made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending December 31, 1992.

This grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 (the Schedule); Attachment 2 (the Program Description); and Attachment 3 (the Standard Provisions); all of which have been agreed to by your organization.

1

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the grant, and return the original and all but one copy to me.

Sincerely yours,



Judith D. Johnson  
Grant Officer  
Overseas Division - ANE  
Office of Procurement

Attachments: a/s

ACKNOWLEDGED:

UNITED NATIONS DEVELOPMENT PROGRAM

By:   
Title: Asst. Administrator & Director, BFA  
Date: 24 May 1990

FISCAL DATA

Appropriation:	72-110/11037
Budget Plan Code:	QES0-90-37294-IG-12
PIO/T No.	398-0159-3-0636503
Project No.	398-0159
Total Estimated Amount	\$1,000,000
Total Obligated Amount	\$1,000,000
Paying Office:	M/FM/PAFD
Letter of Credit:	72001453

FUNDS AVAILABLE  
Initials: L. Anderson  
5/10/90  
PFM/FM/A/ENP

OFFICE OF FINANCIAL MANAGEMENT

ATTACHMENT I

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for a sewage collection network for Gebalia (Gaza), as more specifically described in Attachment 2 (the Program Description) of this Grant.

B. Period of Grant

The effective date of this Grant is the date of the cover letter. The expiration date of this Grant is December 31, 1992.

C. Amount of Grant and Payment

A.I.D. hereby obligates the amount of \$1,000,000 for purposes of this Grant.

Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Standard Provisions for Grants to Public International Organizations, dated July 15, 1988, Payment (Letter of Credit).

D. Grant Budget

The following is the Grant Budget. Revisions to this Budget shall be made in accordance with Standard Provisions of this Grant entitled "Revision of Grant Budget."

<u>Cost Element</u>	<u>Total Estimated</u>
Pipes	\$815,000
Manholes and Y-Branches	\$824,000
Excavations, pipe laying, filling	\$497,000
Contingencies (20%)	\$427,200
TOTAL (rounded)	\$2,600,000

Of this amount, A.I.D. will provide one million dollars (\$1,000,000), with the balance to be provided by Grantee and other cooperating donors.

E. Reporting and Evaluation

Within thirty (30) days after the effective date of this Grant, Grantee will provide A.I.D. with a work plan for monitoring and evaluating progress in implementing this Grant. The work plan will include goals and targets for the tasks to be accomplished, a schedule of activities by reference to the 1990-92 calendars, and time-phased projections of budget expenditures related to A.I.D. funding.

Progress in construction of the Gebalia area sewage collection network will be the subject of quarterly reporting by Grantee to A.I.D. Such reporting will include, but not be limited to program implementation progress, expenditures, problems and delays encountered and steps being taken to overcome them, and overall progress toward attainment of program goals. Such reporting will also include progress in attaining the supplementary contributions from other donors (one million dollars) needed to fully fund this project. Copies of all reports should be sent, in triplicate, to the following address:

ANE/PD/MNE  
Room 3319 N.S.  
Agency for International Development  
Department of State  
Washington, D.C. 20523-0028

The Grantee, upon request by A.I.D., will facilitate visits to the project site from time-to-time by A.I.D. specialists to review the ground water situation, sewage network construction progress, and treatment of related effluent facilities. Later in the project, during the course of the operation and maintenance training period, the Grantee will similarly facilitate, upon request by A.I.D., visits by specialists to observe effluent monitoring and testing procedures, especially biological testing, to ensure that AID and World Health Organization environment requirements (as expressed in WHO Technical Report No. 778) are being addressed.

F. Special Provisions

Audit and Records requirements shall be in accordance with Attachment 3, Standard Provisions for Grants to Public International Organizations, July 15, 1988, Audit and Record (U.N. Grants) (July 1988).

## ATTACHMENT 2

### PROGRAM DESCRIPTION

#### SEWAGE COLLECTION NETWORK FOR GEBALIA (GAZA)

##### Objective

The objective of this program is to construct part of a new sewage collection system in Gebalia, constituting an integral extension of a program currently being completed by Grantee for Sewage Treatment and Effluent Recycling for the Northern Region of the Gaza Strip (UNDP Project PAL/83/003).

##### Background

Under this Grant Agreement, A.I.D. will contribute one million dollars (\$1,000,000) for construction of the Gebalia sewage collection network. The total cost is estimated at \$2.6 million, of which Grantee has allocated \$600,000, and for which Grantee will obtain the remaining \$1,000,000 dollars from other donors. The portion of the sewage collection network construction to be funded by A.I.D. can proceed independently from other parts of the overall network to be constructed by Grantee with other donor funding.

A detailed design for the proposed network has been completed, and the program is ready to proceed. The Final Report of the Engineering Consultant (July 1989) provides full details of the project, and has been submitted to, and reviewed by A.I.D. (ANE/PD/ENG). A.I.D. has expressed its satisfaction that:

- (a) The Gebalia sewage collection system is a secondary phase of construction. Adequate design details have been reviewed by ANE/PD/ENG, who confirm that Grantee has the necessary expertise to implement and monitor this operation; and
- (b) The more complex elements of the project have been completed in the form of main sewage lines, pumping stations, and treatment facilities.

In a later stage of its overall sewage collection and recycling program, Grantee will initiate training for resident employees in equipment maintenance and monitoring of treated effluent and water recycling for citrus irrigation. Joint AID/UNDP/World Health Organization environmental concerns will be addressed at all stages of project implementation, including the training phase.

Installation of the sewage collection network will significantly improve environmental and public health conditions within the Gebalia area. The existing network of foul open drains and sewers, which presently honeycomb the area, will be replaced with an underground collection system linked to the central pumping station and treatment plant. Contamination of residential yards, footpaths and public places by raw sewage will be eliminated. Storm drains will be returned to their original purpose, unpolluted by waste water and human waste. The foul odors presently pervading the area will be eliminated. In the longer term, the new sewage system can be expected to produce a significant decline in the incidence of water-borne diseases, infant mortality, and adult morbidity caused by such diseases

While all 52,000 area inhabitants will benefit from the changes, the most important beneficiaries will be women and children, who constitute an estimated 75%-80% of the area's overall population. Children are especially at risk, because they are fully susceptible to diarrhea and other water-borne diseases, and they are the first to die when cholera or other epidemics strike. Women also warrant extra health concern, because they are primarily responsible for child-care and general family welfare.

The Grantee is committed to environmental protection and improvement, both as to the end results of the program and the impact of the actual construction work on the environmental balance. In a general way, Grantee has, since the commencement of such work in 1983, sought to ensure compliance with the guidelines expressed in Health Guidelines for the Use of Wastewater in Agriculture and Aquaculture (Technical Report No. 778) of the World Health Organization, which is a participating and executing agency of the Grantee.

The project also addresses current contamination of underground aquifers: control and proper disposal of sewage flow within the area will have a highly favorable impact on the quality of water supplies beneath the ground. The Grantee has commissioned a special review of the utilization of the treated sewage for crop irrigation. It was found that the system could produce a final effluent conforming with the Guidelines of the Engelberg Report (International Reference Center for Wastes Disposal, pursuant to World Bank-World Health Organization meeting of July 1985.)

#### Work Description

The Grantee will replace the Gebalia project area's present network of open drains and sewers with sanitary underground sewer lines connected to the area's shelter units, schools and other public buildings, and to the central pumping station for conveyance to the treatment plant.

The network will be a gravity flow system. In order to reduce the risk of blockages and to simplify maintenance, the main sewer lines will be at least 200mm in diameter, with property sewers at least 150mm in diameter. Asbestos cement (AC) and PVC pipes will be used, since they are manufactured locally and meet the required environmental standards. In footpaths, PVC or AC pipes will be used for house connections and sublaterals. In secondary and main roads where heavy loads may be imposed on the pipes, AC pipes will be used. For mains and sub-mains, a minimum cover of at least one meter up to the crown of the pipe will be provided to ensure that they can withstand heavy loads.

Manholes will be provided at appropriate distances to ensure adequate inspection and maintenance. These will be cast in place or constructed of prefabricated reinforced concrete with iron steps. Drop manholes will be used where the drop in the sewer lines is more than six-tenths of one meter. The existing underground sewer lines running through the area from Gebalia-Nazla to the central pumping station will be used to the extent possible. However, the levels and diameters of these lines must be investigated further to determine the feasibility of connecting the new network to them. These investigations will be carried out during construction. House connections will be made to the laterals by small manholes or by Y-connections, with the final decision to be made on-site during construction.

Construction of the collection network will be carried out by qualified and experienced Palestinian firms under contract to Grantee, selected according to Grantee's normal bidding procedures. To provide flexibility and appropriate phasing of construction, the affected area of Gebalia has been sub-divided into four zones. This will make it possible to execute the project through four separate contracts, thus helping avoid interruptions in the work. A final decision regarding the number of firms to be engaged in activities funded by A.I.D. under this program, as well as the phasing of this work, will be made within ninety (90) days from the effective date of this Grant. Grantee to notify A.I.D. as soon as this decision is made.

Before construction has begun, a community orientation program will be organized to acquaint area families fully with the objectives of the program, its phasing, expected benefits, and the kinds of cooperation required from them for the expeditious implementation of the project. This program will be organized by the Mukhtar of the area in collaboration with its community leaders, with assistance from UNRWA, social agencies, and other organizations involved in community development activities in the affected area.

The Grantee will sponsor a training program for municipal and council staffs of between two and three years' duration, covering operation and maintenance. The Grantee will retain expatriate engineers for the training. In the process, the necessary effluent monitoring and testing procedures will be developed, including provision for laboratory facilities. A.I.D. considers these activities as essential for the technical sustainability of the sewage collection and effluent recycling system.

AID HANDBOOK 13	TRANS. MEMO NO. 13:48	EFFECTIVE DATE July 15, 1988	PAGE NO. 5C-1
-----------------	--------------------------	---------------------------------	------------------

## APPENDIX 5C

STANDARD PROVISIONS FOR  
GRANTS TO PUBLIC INTERNATIONAL ORGANIZATIONS

- |                                  |  |
|----------------------------------|--|
| 1. Allowable Costs               | 10. Publications   |
| 2. Refunds                       | 11. Audit and Records (Select and include only the applicable version as specified in the applicability statement of the provision.) |
| 3. Revision of Grant Budget      | 12. Payment (Select and include only the applicable version as specified in the applicability statement of the provision.)           |
| 4. Termination Procedures        |  |
| 5. Disputes                      |  |
| 6. U.S. Officials Not to Benefit |  |
| 7. Nonliability                  |  |
| 8. Amendment                     |  |
| 9. Notices                       |  |

1. ALLOWABLE COSTS (JULY 1988)

(a) The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are reasonable, allocable, and allowable.

(1) Reasonable shall mean those costs that do not exceed those which would be incurred by an ordinarily prudent person in the conduct of normal business.

(2) Allocable shall mean those costs which are necessary to the grant.

(3) Allowable shall mean those costs which are reasonable and allocable, and which conform to any limitations set forth in this grant.

(b) Prior to incurring a questionable or unique cost, the grantee is encouraged to obtain the grant officer's written determination as to whether the cost will be allowable.

2. REFUNDS (JULY 1988)

(a) The grantee is encouraged to utilize interest bearing accounts where feasible and shall remit to A.I.D. all interest earned on funds provided by A.I.D.

(b) Funds obligated by A.I.D. but not disbursed to the grantee at the time the grant expires or is terminated shall revert to A.I.D., except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee at the time of expiration or termination of the grant shall be refunded to A.I.D. except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant.

PAGE NO. 5C-2	EFFECTIVE DATE July 15, 1988	TRANS. MEMO NO. 13:48	AID HANDBOOK 13
------------------	---------------------------------	--------------------------	-----------------

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined that A.I.D. funds provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee shall refund such amount to A.I.D.

3. REVISION OF GRANT BUDGET (JULY 1988)

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

(b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

(1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.

(2) Additional funding is needed.

(3) The grantee expects the amount of A.I.D. authorized funds to exceed its needs by more than \$5,000 or five percent of the A.I.D. award, whichever is greater.

(c) Except as required by other provisions of this grant specifically stated to be an exception from this provision, the Government shall not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee shall not be obligated to continue performance under the grant (including actions under the "Termination Procedures" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the grant officer has notified the grantee in writing that such obligated amount has been increased and has specified the new grant total amount.

4. TERMINATION PROCEDURES (JULY 1988)

This agreement may be terminated, in whole or in part, by either party at any time upon 30 days written notice of termination. Upon receipt of and in accordance with a termination notice from the grant officer, the grantee shall take immediate action to cease all expenditures financed by this grant and to cancel all unliquidated obligations if possible. Further, upon receipt of notice of termination, the grantee shall not enter into any further obligations under this grant. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 days of the effective date of termination repay to the Government all unexpended A.I.D. funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of termination be insufficient to cover the grantee's obligations in a legally binding transaction, the grantee may submit to the Government within 90 days after the effective date of termination a written claim for such amount. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the "Allowable Costs" provision of this grant.

5. DISPUTES (JULY 1988)

(a) Any dispute under this grant shall be decided by the A.I.D. grant officer. The grant officer shall furnish the grantee a written copy of the decision.

(b) Decisions of the A.I.D. grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to the Administrator of A.I.D. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In connection with any appeal proceeding under this provision, the grantee shall be given an opportunity to be heard and to offer evidence in support of its appeal.

(d) A decision under this provision by the Administrator or an authorized representative shall be the final decision of A.I.D.

6. U.S OFFICIALS NOT TO BENEFIT (JULY 1988)

No member of or delegate to the U.S. Congress or resident U.S. Commissioner shall be admitted to any share or part of this grant or to any benefit that may arise therefrom.

7. NONLIABILITY (JULY 1988)

A.I.D. does not assume liability for any third party claims for damages arising out of this grant.

8. AMENDMENT (JULY 1988)

The grant may be amended upon mutual consent of the parties by formal modifications to the basic grant document or by means of an exchange of letters between the grant officer and an appropriate official of the grantee.

9. NOTICES (JULY 1988)

Any notice given by A.I.D. or the grantee shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the A.I.D. grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

11

PAGE NO. 5C-4	EFFECTIVE DATE July 15, 1988	TRANS. MEMO NO. 13:48	AID HANDBOOK 13
------------------	---------------------------------	--------------------------	-----------------

**10. PUBLICATIONS (JULY 1988)**

(This provision is applicable when publications are financed under the grant.)

(a) If it is the grantee's intention to identify A.I.D.'s contribution to any publication resulting from this grant, the grantee shall consult with A.I.D. on the nature of the acknowledgement prior to publication.

(b) The grantee shall provide the A.I.D. project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.

(c) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but A.I.D. reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for U.S. Government purposes.

**11. AUDIT AND RECORDS (STANDARD) (JULY 1988)**

(This provision is applicable when A.I.D. is not the sole contributor to the grant program.)

The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The Grantee confirms that this program will be subject to an independent audit in accordance with the Grantee's usual auditing procedure, and agree to furnish copies of these audit reports to A.I.D. along with such other related information as may be requested by A.I.D. with respect to questions arising from the audit report.

**11. AUDIT AND RECORDS (A.I.D. SOLE CONTRIBUTOR) (JULY 1988)**

(This provision is applicable when A.I.D. is the sole contributor to the grant program.)

The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The Grantee agrees to make available to A.I.D. or the Comptroller General of the United States all records and documents which support expenditures made under this program.

11. Audit and Records (U.N. Grants) (July 1988)  
(This provision is applicable to grants to the United Nations when A.I.D. is not sole contributor.)

It is agreed that the grantee will furnish the U.S. government with a final report on activities carried out under this grant, including accounting for these funds in sufficient detail to enable A.I.D. to liquidate the grant. The report should be submitted to the U.S. Mission to the U.N. in New York for forwarding to the A.I.D. program office.

It is understood that financial records, including documentation to support entries on accounting records and to substantiate charges against the grant, shall be maintained in accordance with the Grantee's usual accounting procedures, which shall follow generally accepted accounting practices. All such financial records shall be maintained for at least three years after the final disbursement of funds under this grant.

The Grantee confirms that the grant account will be audited in accordance with established procedures under appropriate provisions of the financial regulations and rules of the United Nations.

Any funds disbursed by A.I.D., but not committed by the Grantee prior to the expiration date shall be refunded to A.I.D. Funds not used for the purpose of this Grant shall be refunded to A.I.D. by the Grantee.

12. PAYMENT (PERIODIC ADVANCES) (JULY 1988)  
(This provision is applicable when the conditions for use of a letter of credit cannot be met and when: (i) the grantee maintains procedures that minimize the time elapsing between the transfer of funds and the disbursement thereof, and (ii) the grantee's financial management system meets generally accepted accounting standards for fund control and accountability.)

(a) Periodic advances shall be limited to the minimum amounts needed to meet current disbursement needs and shall be scheduled so that the funds are available to the grantee as close as is administratively feasible to the actual disbursements by the grantee for program costs. Cash advances made by the grantee to secondary recipient organizations or the grantee's field organizations shall conform substantially to the same standards of timing and amount as apply to cash advances by A.I.D. to the grantee.

PAGE NO. 5C-6	EFFECTIVE DATE July 15, 1988	TRANS. MEMO NO. 13:48	AID HANDBOOK 13
------------------	---------------------------------	--------------------------	-----------------

(b) Grantees shall submit requests for advances (SF-270) at least monthly to the paying office specified in the grant letter. Requests for advances shall state the estimated disbursements to be made during the period covered by the request, less the estimated balance of cash on hand at the beginning of the period and the advance amount being requested. Within 90 days following the expiration of the grant, the grantee will submit a report (SF-269) showing total disbursements, total advances received and any cash remaining on hand, which will be refunded to A.I.D.

(c) If at any time, the A.I.D. Controller determines that the grantee has demonstrated an unwillingness or inability to: (1) establish procedures that will minimize the time elapsing between cash advances and the disbursement thereof, (2) timely report cash disbursements and balances as required by the terms of the grant, and (3) impose the same standards of timing of advances and reporting on any subrecipient or any of the grantee's overseas field organizations; the A.I.D. Controller shall advise the grant officer who may suspend or revoke the advance payment procedure.

12. PAYMENT (COST-REIMBURSEMENT) (JULY 1988)

(This provision is applicable when the grantee does not meet the standards for a letter of credit or for periodic advances )

The grantee shall submit to the paying office indicated in the grant letter an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, normally once a month, but in any event no less than quarterly. Each voucher shall be identified by the grant number and shall state the total costs for which reimbursement is being requested.

12. PAYMENT (LETTER OF CREDIT) (JULY 1988)

(This provision is applicable when a Letter of Credit is requested by the grantee and approved by A.I.D.'s Office of Financial Management.)

(a) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by the A.I.D. Office of Financial Management, Program Accounting and Finance Division (M/FM/PAFD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAFD constitute the payment conditions of this grant superseding and taking precedence over any other clause of this grant concerning payment.

(c) If the LOC is revoked, payment may be made on a cost-reimbursement basis, in accordance with paragraph (e) of this clause.

AID HANDBOOK 13	TRANS. MEMO NO. 13:48	EFFECTIVE DATE July 15, 1988	PAGE NO. 5C-7
-----------------	--------------------------	---------------------------------	------------------

(d) Revocation of the LOC is at the discretion of M/FM/PAFD after consultation with the grant officer. Notification to the recipient of revocation must be in writing and must specify the reasons for such action. The recipient may appeal any such revocation to the grant officer, in accordance with the Disputes clause of this grant. Pending final decision, payments under the contract will be in accordance with paragraph (e) of this clause

(e) If the LOC is revoked, the grantee shall submit to the A.I.D. Controller an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, normally once a month, but in any event no less than quarterly. Each voucher shall be identified by the grant number and shall state the total costs for which reimbursement is being requested.