

AID Project Number  
263-0101

*Serial N° 43*

REGRANT AGREEMENT

Between

THE GENERAL ORGANIZATION FOR INDUSTRIALIZATION  
(G.O.F.I.)

And

The Egyptian Company for Refractories

For

The Modernization of the Refractories Production

Dated Aug. 18, 1981

In implementing Project Grant Agreement No.263-0101 signed on August 31, 1978, among the Arab Republic of Egypt, the United States of America and the Ministry of Industry for Industrial Production, the following Regrant Agreement hereinafter referred to as "Agreement" has been signed for this purpose in Cairo on 18 Aug, 1981,

By and Between:

THE GENERAL ORGANIZATION FOR INDUSTRIALIZATION (G.O.F.I.)

6 Khalil Agha Street

Garden City, Cairo

hereinafter referred to as GOFI, on behalf of the GOVERNMENT OF EGYPT, (GOE),

Represented by its Deputy Chairman, On the First Part

and The Egyptian Company for Refractories

Alexandria, A.R.E.

hereinafter referred to as the "Company",

Represented by its Chairman of the Board of Directors,

on the Other Part

Section 1.01. Regrant: GOFI hereby agrees to regrant to the Company an amount ("Regrant") not to exceed Seven Million Eighty Thousand United States Dollars ( \$7,080,000 ) obtained from the Grant from the Agency for International Development of the United States pursuant to the above-referenced project. The Company shall use the funds exclusively to finance the eligible United States Dollar costs (Foreign Exchange Costs) for carrying out the Agreement Activity as set forth in Annex No.1 hereto.

Section 2.01. Agreement Activity: The "Agreement Activity" shall be that portion of the Project activities authorized under AID Project Number 263-0101 which shall be financed under the Agreement and shall be defined in Annex No.1 hereto. The Agreement Activity shall be changed only with the prior approval of GOFI and AID.

Section 3.01 Conditions Precedent to Disbursement: Prior to any disbursement under this Agreement, or to the issuance of documentation pursuant to which disbursement will be made, the Company will, except as GOFI may otherwise agree to in writing, furnish to GOFI in form and substance satisfactory to GOFI:

(a) A statement of the names of the persons holding or acting for the purpose relevant to this Agreement in the offices of the Company and of any additional representatives, together with a specimen signature of each person specified in such statement;

(b) an executed Contract/Agreement acceptable to GOFI for specified management assistance services including the coordination of the entire Agreement Activity.

Section 4.01 Other obligations of the Company: The Company under-takes to comply promptly and completely with all of the obligations assumed by it under this Agreement.

Section 4.02. Additional Resources:

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

(b) The resources provided by the Company for the Project will be not less than L.E. 17,659,000 including costs borne on an "in-kind" basis.

Section 5.01 Covenants and General Warranties

(a) Within 12 months subsequent to the effective date of this Agreement, unless GOFI otherwise agrees in writing to a longer period, the Company shall submit to G.O.F.I. a program of preventative maintenance for project equipment and facilities which is acceptable to G.O.F.I.

(b) The Company shall be responsible for the finance and construction of all civil works which shall be necessary for the timely implementation of the Agreement Activity.

Section 5.02 Standard terms and Conditions: The Company shall adhere to the Project Grant Standard Provisions Annex, Annex No.2 attached hereto, which is part of AID Project Agreement Number 263-0101.

Section 6.01 Agreement Activity Completion date:

(a) The Agreement Activity completion date shall be July 1, 1984 or such other date as GOFI and the Company may agree to in writing and is the date by which GOFI and the Company estimate that all services financed under the Agreement will have been performed and all goods financed under the Agreement will have been furnished for the Activity as contemplated in this Agreement;

(b) Except as GOFI may otherwise agree in writing, GOFI will not issue or approve documentation which would authorize disbursement under this Agreement for services performed subsequent to the referenced completion date or for goods furnished for the Activity as contemplated in this Agreement, subsequent to the referenced completion date;

(c) Requests from the Company for disbursement of Regrant Funds, accompanied by necessary supporting documentation prescribed by GOFI, are to be received by GOFI no later than nine (9) months following the referenced completion date or such other period as GOFI agrees to in writing.

Section 7.01 Procurement Source: Foreign Exchange Costs

Disbursements pursuant to Section 8.01 of this Agreement will be used exclusively to finance the costs of goods and services required for the Agreement Activity having their source and origin in the United States (Code 000 of the AID 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 AID and GOFI may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C. 1 (b) with respect to marine insurance. (See Section 5.02.)

Section 8.01 Disbursement for Foreign Exchange Costs:

After satisfaction of conditions precedent, if any, the Company may obtain disbursements of funds under the Agreement for the Foreign Exchange Costs of goods or services required for the Agreement Activity in accordance with the terms of this Agreement, by such methods as are acceptable to both GOFI and AID.

Section 9.01 Communications: Any notice, request, document, or other communication submitted by GOFI or the Company to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To GOFI:

Deputy Chairman  
General Organization  
for Industrialization  
6, Khalil Agha Street  
Garden City - Cairo

To the Company:

Chairman  
Egyptian Company for Refractories  
Post Office Box 1211  
(Nozha)  
Alexandria, Egypt  
A.R.E.

The Company will continually inform GOFI as to the funds used pursuant to this Agreement and all other matters in reference to the Project.

Section 10.01 Effective Date: This Agreement will enter into effect when signed, by both parties, and will remain valid for a period nine (9) months subsequent to the referenced project completion date.

IN WITNESS whereof, GOFI and the Company, each acting through its respective duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written:

G.O.F.I.

Company

By:

*EL Mehela*

By:

*ES*

*Eng. Nabil*

Eng. **Ibrahim M. Sharkas**

Chem. Mohamed Shams El-Din El-Sioufi

TITLE: Deputy Chairman

TITLE: Chairman

*P.S.  
A.F.*

*[Signature]*

ANNEX NO. 1

AGREEMENT ACTIVITY

## MODERNIZATION OF THE REFRACTORIES PRODUCTION

### DESCRIPTION OF THE PROJECT

The project consists of the modernization of the refractories production of the Egyptian Company for Refractories. The project is designed to assist the Company in:

(1) The modernization of the Alexandria plant, in order to produce 60,000 metric ton per year of high quality (31-42 per cent alumina) refractories, and

(2) The modernization of its product lines, so as to produce 20,000 metric tons per year of high quality refractories (45-80 per cent alumina) and 15,000 metric tons per year of monolithic refractory masses including: castables, ramming mixtures and plastic.

The total capital requirements of this project are estimated to be U.S. \$ 44.359 million and will be financed as follows:

	(U.S. \$ 000's)
A.I.D. Re-Loan	12,052
A.I.D. Re-Grant	7,080
Local Financing (Egyptian Pounds)	25,227 (equivalent)
Total	<hr/> 44,359

The proceeds of the A.I.D. Re-Loan will finance: the foreign exchange costs (U.S. \$ 12.052 million) related to the procurement of plant equipment, licenses, supervision of erection services, start-up services and operational technical assistance which will be provided by equipment suppliers.

The proceeds of the A.I.D. Re-Grant will finance the following:

(1) Engineering, procurement and construction management services in the amount of U.S. \$4.011 million.

(2) Environmental protection equipment in the amount of U.S. \$ 0.650 million.

(3) Management services during the implementation of the project, in the amount of U.S. \$ 0.650 million.

(4) International freight (transported on U.S. Flag carriers) in the amount of U.S. \$ 1.769 million for the transport of commodities financed with A.I.D. funds under this Agreement.

The amount of L.E. 17.659 million (equivalent to U.S. \$ 25.227 Million) will be provided by the Company in order to finance locally procured plant construction materials, civil design services, civil construction and plant erection services.

ANNEX NO. 2

PROJECT GRANT STANDARD PROVISIONS

ANNEX

AID PROJECT AGREEMENT NO. 263-0101