

PDKRE 577

file

A.I.D. Project Number 538-0014

PROJECT
GRANT AGREEMENT
BETWEEN
THE CARIBBEAN COMMUNITY
and the
UNITED STATES OF AMERICA
for
THE CARIBBEAN REGIONAL TRAINING PROJECT

* Dated: July 27, 1979

Appropriation: 72-1191021

CONFORMED COPY

Allotment: 945-54-538-00-69-91

RECORD COPY

Table of Contents
Project Grant Agreement

	<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
Article 3: Financing	2
SECTION 3.1. The Grant	2
SECTION 3.2. Grantee Resources for the Project	2
SECTION 3.3. Project Assistance Completion Date	2
Article 4: Conditions Precedent to Disbursement	2
SECTION 4.1. First Disbursement	2
SECTION 4.2. Grant Administration	3
SECTION 4.3. Individual Training Grants	3
SECTION 4.4. Long Term Training in the Caribbean	3
SECTION 4.5. Notification	3
SECTION 4.6. Terminal Dates for Conditions Precedent	4
Article 5: Special Covenants	4
SECTION 5.1. Project Evaluation	4
SECTION 5.2. Country Participation	4
SECTION 5.3. Coordination	4
SECTION 5.4. Areas of Concentration	4
Article 6: Procurement Source	4
SECTION 6.1. Foreign Exchange Costs	4,5
SECTION 6.2. Local Currency Costs	5
Article 7: Disbursement	5
SECTION 7.1. Disbursement for Foreign Exchange Costs	5,6
SECTION 7.2. Disbursement for Local Currency Costs	6
SECTION 7.3. Other Forms of Disbursement	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	7

Project Grant Agreement

Dated July 27 , 1979

Between The Caribbean Community, acting through
The Caribbean Community Secretariat ("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 undertaking 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 for Public and Private Sector participant training in technical and managerial areas using (a) individual training grants for attendance at organized training programs in the Caribbean and elsewhere, and (b) specially designed training seminars held in the Caribbean.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of 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 8.3, 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 of this Agreement. Subsequent increments 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. 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 not to exceed Three Hundred Sixty Seven Thousand United States ("U.S.") Dollars (\$367,000) ("Grant"). As shown in the budget contained in Annex 1, A.I.D. plans to provide future increments of funding to the project up to a total of \$2,450,000. Such funding is subject to availability of funds to A.I.D. for the project and mutual agreement of the parties to proceed with the project. 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.

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.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1983, 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.

(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 the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A Statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2., and of any additional representatives, together with a specimen signature of each person specified in such statement; and

(b) Written evidence from at least five Member Countries indicating their intention to participate in the Project.

SECTION 4.2. Grant Administration. Prior to disbursement under the Grant, or to issuance by A.I.D. of documents pursuant to which disbursement will be made for training activities, the Grantee will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) Evidence that Grantee has established a training unit within its organization, and

(b) Evidence that Grantee has adopted, put into place, and implemented accounting procedures sufficient to control A.I.D. funds and meet A.I.D. reporting requirements, and

(c) An annual work plan which specifies the particular activities to be undertaken during the first year of the project. The work plan shall contain a listing of the institutions and courses eligible for project financing. That listing can be changed from time to time by Grantee, subject to A.I.D. concurrence.

SECTION 4.3. Individual Training Grants. Prior to any disbursement or to the issuance of any commitment documents under the Grant Agreement for Individual Training Grants, Grantee will, except as the parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(a) Evidence that the Grantee has established and distributed to participating countries guidelines for application and selection procedures, and

(b) Evidence that Grantee has established internal procedures for review of applications, and financial procedures to disburse and control funds used for Individual Training Grants, and

(c) Evidence that Grantee has established procedures for obtaining commitments from long-term participants to ensure return to their sponsoring country.

SECTION 4.4. Long Term Training in the Caribbean. Prior to any disbursement or to the issuance of any commitment documents under the Grant Agreement for Long Term Training in the Caribbean, Grantee will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.: A set of guidelines for sharing the cost of such training among A.I.D., the sponsoring Government, the student, and possibly other donors. (It is understood that the above mentioned parties are examples of potential co-sponsors and that not all need contribute for any particular training).

SECTION 4.5. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1, 4.2, and 4.3 have been met, it will promptly notify the Grantee.

SECTION 4.6. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree 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. and 4.3. have not been met within 150 days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, 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, during the implementation of the Project and at one or more points thereafter:

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

(b) identification and evaluation of problem areas of constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Country Participation. Prior to commencement of project activities with nationals of any particular country, Grantee will obtain from that country a statement of its intention to participate in the project as described in SECTION 4.1(b).

SECTION 5.3. Coordination. Grantee will take the necessary measures to coordinate its activities with the training activities of the East Caribbean Common Market Secretariat also being implemented under this project.

SECTION 5.4. Areas of Concentration. In designing activities to be implemented under the Project, Grantee shall give due consideration to the importance of women in the development process and to programs conducted in the population field.

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) and member countries of CARICOM ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section D.1(b) with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States or Participating Countries 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 (name of country) generally available for ocean transportation, or that (name of country) 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. Disbursements 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 the country where the particular activity is located ("Local Currency Costs").

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 services, 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 specified 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.

(a) 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.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. Dollars by purchase or from local currency already owned by the U.S. Government; or

(2) by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favour of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b) (1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b) (2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to 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 A Participating Country by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Participating Country at the highest rate of exchange which, at the time the conversion is made, is not there unlawful.

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 at the following addresses:

To the Grantee: Caribbean Community Secretariat
 Mail Address: P.O. Box 607
 Third Floor Bank of Guyana Building
 Avenue of the Republic
 Georgetown, Guyana

Alternate address for cables: CARIBSEC GUYANA

To A.I.D.: AID Representative
 Mail Address: Regional Development Office/Caribbean
 P.O. Box 302
 Bridgetown, Barbados

Alternate address for cables: AID Representative
 American Embassy
 Bridgetown, Barbados

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

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 General and A.I.D. will be represented by the individual holding or acting in the office of AID Representative, 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. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, 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.

GRANTEE

By: Dr. Kurleigh King
 Title: Secretary General

UNITED STATES OF AMERICA

By: William B. Wheeler
 Title: AID Representative

By: Sally A. Shelton

Title: U. S. Ambassador

Title: AID Representative

Annex 1

Project Description

The purpose of this project is to upgrade the managerial and technical skills of civil servants and small businessmen in the CARICOM states, with particular emphasis on the LDCs and Barbados, and to develop a capacity in the CARICOM Secretariat to identify, develop, coordinate and implement participant training activities in specialized technical and managerial areas. This will be accomplished through the program described below.

The Participant Training Program, which consists of Individual Training Grants and Special Focus Seminars, will be implemented by the CARICOM Secretariat (CCS) located in Georgetown, Guyana. Membership in CARICOM includes twelve English-speaking Caribbean countries, all of which will benefit from project activities. The principal focus, however, will be on CARICOM's eight less developed countries and Barbados, with approximately 80% of Project funds programmed for them.

The CCS will establish a training unit which will work closely with the national training offices of each country. The CCS training staff will consist of a training officer, an administrative assistant, an administrative clerk, an accounting clerk and a secretary. Additional staff may be hired with project funds only with prior AID approval.

1. Individual Training Grants (ITGs)

a. General

Specialized training for individual participants will be provided to improve food production, foster better health, improve educational programs, and stimulate employment opportunities.

Individual Training Grants (ITGs) will be provided primarily for government officials to receive specialized, short-term training. Although most training will take place in the region, special short-term programs in the U.S. will also be available. Participants will be sent to the U.S. only when similar programs are not available in the region and when it would not be cheaper and more effective to bring the training resources to the Caribbean.

Emphasis will be on short, in-service training programs. However, modest levels of diploma and degree training will

be available at the University of the West Indies for preparing officials to work in priority development areas. U.S. academic training will only be provided when there is a clearly demonstrated development need and such training is not available at the UWI or other Caribbean institutions. U.S. long-term training would in almost all cases be for one-two year Masters level programs.

Most ITGs will be for training public sector and regional officials. However, grants for private sector individuals may be approved when they are supportive of government and regional objectives such as export promotion, marketing development, capital formation, development of credit and financial institutions or labor organizations.

b. Implementing the ITG Program

Training Resources Available

To implement this program effectively, the CCS staff will need to be knowledgeable about training opportunities available in the Caribbean and the U.S. An inventory of Caribbean training resources and facilities was prepared several years ago and will be available to the CCS training staff. The Secretariat plans to use its own resources to update that inventory during the life of the project as part of its contribution to the project.

Training Requests

Participating Governments and regional organizations will make assessments of their priority training needs and submit a list of ITG requests to the CCS for review. This submission and review will occur annually and will form the basis of CCS's annual workplan and budget which will be submitted to RDO/C for funding approval. However, the participating Governments and regional organizations will be kept apprised of training opportunities available throughout the year, and the annual plans will be sufficiently flexible to accommodate changes as the situation warrants.

The annual list of training requests will be reviewed by the implementing agency and the number of grants designated will be determined in relation to the funds available and the relevance of training requested to project goals.

Selection

Candidates for short-term training will be selected according to the following criteria:

BEST AVAILABLE DOCUMENT

- (1) The critical factor is the position occupied by the candidate with respect to implementation of national or regional development projects, particularly those affecting basic human needs, employment stimulation and regional cooperation;
- (2) Private sector personnel may be selected when supported by local or regional business groups, service clubs or governments, and when the training is likely to contribute to regional cooperation, employment creation or resolution of critical economic, social or environmental problems;
- (3) Preference will be given to candidates who are qualified and willing to train others after their program is completed;
- (4) Candidates should have adequate experience and/or academic background;
- (5) Candidates will be selected by their employing agency in conjunction with the national training officer and will be reviewed by the CCS as appropriate for suitability;
- (6) Candidates must agree to return and serve their parent agency after training is completed; and
- (7) The project will not normally finance study in the participants' country of origin or residence.

Candidates for long-term academic training will be selected according to the following criteria:

- (1) Candidates will be selected on the basis of (a) the position they occupy (or will occupy after training) with respect to planning and implementing national development projects, particularly those focused on basic human needs, employment stimulation, and regional cooperation, and (b) on the importance of the proposed training;
- (2) Candidates must have demonstrated sufficient

academic competence to ensure their ability to successfully complete the proposed training;

- (3) In appropriate areas, candidates should be identified with respect to their potential for training others upon their return;
- (4) Candidates will be selected by a committee established to review their academic qualifications. This committee should include a national ministry representative, a training officer and a project manager representative;
- (5) Candidates will be primarily Government personnel with at least two years of relevant work experience who agree to return to their parent agency after the training is completed. Bonding procedures which require the return of trainees or the repayment of training costs upon non-return are normally required in the participating countries and will be utilized. Pre-service training will generally not be approved;
- (6) Academic training will be conducted at the University of the West Indies or other appropriate Caribbean institutions, e.g. the Barbados Community College, the Jamaica and Guyana Schools of Agriculture. U.S. academic training will be approved only when the training required is not available in the Caribbean Region; and
- (7) The program will not normally finance study in the participants' country of origin or residence.

Documentation

The Member Government's Training Officer working with appropriate Ministry representatives will develop a detailed training request based on AID's standard PIO/P format. This will describe the training required, how the training will assist the employing Ministry or agency meet development goals, the position of the trainee in the organization, and what his/her role will be after training. Biographic data will also accompany the detailed training request. Academic records will be submitted if long-term training is requested.

Placement

Caribbean Training: After the training request and documentation are received by the implementing agency the latter will arrange Caribbean training with a regional training institution to perform the services required. The training institution will review the training request and will develop a training plan which will be reviewed by the implementing agency and the Training Officer of the Government requesting training. After the proposed training plan is approved the participant will be "called forward" for training.

U.S. Training: Requests for U.S. training will be submitted on a PIO/P form by the individual Government's Ministry representative and Training Officer, reviewed by the implementing agency, and forwarded to RDO/C for final approval. This documentation will be pouched to DS/IT in AID/Washington for required action.

During the training program the training institution will submit periodic reports on the participant's progress.

c. Components of the ITG Program

There are four types of ITG training opportunities available as follows:

Short-term training in Caribbean institutions - A number of Caribbean regional and national institutions regularly offer short-term courses. Project activities will identify those that are applicable to country and regional development goals and will contract services or make funds available to the institution to include participants financed under this program. An example is the two week course for agricultural extension agents held annually at UWI.

Short courses in the U.S. - Project activities will include programming selected participants to attend short courses offered by U.S. governmental, educational or private institutions. Included here would be the 34 short courses offered annually by the U.S. Department of Agriculture in the areas of agricultural management, agricultural economics, agricultural production and technology.

The Summer Workshop in Population Information, Education and Communication at the University of Chicago and the Export Promotion Seminar at the World Trade Centre are examples of the diverse programs available. Training will also be arranged by DS/IT under the reimbursable training agreements (RSSAs) with a number of federal agencies including Census, HEW, Bureau of Reclamation, U.S. Geological Survey, Labour, NOAA, and Bureau of Land Management.

Regional long-term academic training - A limited amount of diploma and certificate degree training will be provided at the University of the West Indies. Possible areas of specialization could include agronomy, animal husbandry, food technology, agricultural engineering, agricultural economics, medical technology, education administration and teacher education.

U.S. long-term academic training - A small number of U.S. grants will be available for specialized development-related training not available in the West Indies such as the John Hopkins MPH program in Administrative Nursing Curriculum.

d. Funding Arrangements

Project funds will normally be utilized to cover all direct training costs. These include tuition, books, maintenance and travel. The participants employing Government or regional agency will be expected to maintain his/her salary.

The CCS, however, may determine that full funding is not necessary or desirable for some types of training or in specific cases. Two types of training for which full funding will generally not be provided are the training of private sector participants and long-term training at the UWI. Private sector candidates will be expected to pay part of the cost of their training. With respect to long-term training in the Caribbean, the CCS and AID believe that the participant's Government and/or the participant himself/herself should normally make a contribution to the costs. The Project is expected to finance about 60% of the total annual cost of a student at the UWI. Details of this arrangement will be worked out by the CCS in conjunction with the Governments and the University prior to disbursement of funds for long-term Caribbean training. This arrangement will be subject to AID approval.

2. Special Focus Seminars

Like the Individual Training Grant Program, the Special Focus Seminar Program (SFS) is designed to provide technical and managerial training to upgrade the quality of manpower in both the public and private sector. The SFS program differs in that courses will often be specifically designed for this program, the program will support training groups rather than individuals, more attention will be given to the private sector and the venue of training will in all cases be in the Caribbean. Although many of the seminars will be given by MDC institutions and will involve MDC personnel as participants,

BEST AVAILABLE DOCUMENT

it is anticipated that a majority of the seminars will be conducted in the LDCs.

In most cases seminars will be specially designed to deal with a specific technical or managerial problem which occurs in several or all of the participating countries. The participants would normally be those individuals from the various territories directly responsible for dealing with that problem. The seminars will tend to be problem-focused and technically-oriented; theoretical inputs will be minimal. Seminar design will need to reflect the fact that the participants will not be novices in the area, but rather experienced practitioners interested in practical ways to solve their day-to-day problems. Trainers will need to be familiar with those problems and with the factors impeding or influencing alternative solutions.

This emphasis on practical, problem-oriented seminars will also be reflected in the selection of contractors. When contractors lack familiarity with the problems with which the participants normally deal, the contract will permit pre-training visits and the development of case studies and other appropriate instructional materials.

Unlike other elements of this project which are primarily aimed at up-grading skills in the public sector, it is anticipated that about 50% of the funds utilized for special focus seminars will provide training to the private sector. Two types of private sector seminars are anticipated.

First, the project will finance the development and provision of special training seminars in the LDCs aimed at small businesses and those interested in forming small businesses. These seminars would provide information and training in areas such as rudimentary book-keeping, responsibilities of employers, basic principles of business organization, procurement, quality control, pricing, inventory management, and procedures for preparing investment projects and obtaining credit. Seminars of this type will be presented in each LDC territory where adequate interest is expressed. The Barbados Institute of Management and Productivity (BIMAP) has already expressed interest in implementing a program of this type, and several other Caribbean and U.S. training organizations would be prepared to undertake this program. It is anticipated that two seminars of this type will be conducted annually in each of the LDCs. Participants will be expected to pay a small fee to attend.

A second type of private sector seminar will assist established businesses, particularly those with interest in expanding production and employment. Because of the smaller number of interested participants and the more expensive inputs required, these seminars will

be conducted on a regional or sub-regional basis. Particular emphasis will be given to topics likely to stimulate export development and labor-intensive investment. Caribbean, U.S. and third country organizations will be utilized to provide these seminars. It is anticipated that two regional seminars of this type will be conducted annually. Participants will be required to pay travel expenses and fees which might normally cover 15 - 25% of actual costs.

About half of the special focus seminars will be targeted at the public sector. These seminars will be regional, or sub-regional, including participants from at least three countries. Financial constraints preclude territory-specific seminars. When the demand is sufficient to justify seminars in each territory, the selection of participants for the regional seminar should reflect the need for the participants subsequently to provide territorial-level training.

Seminars dealing with management and public administration will be in greater depth and for a more selective audience than those normally provided by the ECCM Public Services Training Program or by MDC training offices. Probable seminar topics during the first eighteen months of the project include project development and management*, maintenance planning and administration and financial management. Participants will be drawn from the top and middle levels of the Public Services. Seminars in these areas might be conducted by consultants from the private sector, regional or U.S. universities, or perhaps by the training divisions of one of the MDC Governments.

Special Focus Seminars dealing with technical subject matter will be primarily in areas of agriculture, health (including family planning), education, environmental and natural resources management, the role of women in the development process and economic analysis and planning. In agriculture, for example, seminars might deal with integrated pest management, small scale irrigation, or communication strategies for reaching small farmers.

Topics for seminars will be suggested by the technical divisions of the CARICOM Secretariat, national training officers and Ministries, private sector organizations, AID and the Peace Corps. Representatives of these groups will form an advisory committee which will meet periodically to discuss priority topics for special focus seminars. The organization of this committee will be a responsibility of the CCS training unit. Final selection of seminar topics and contractors will be made by the CCS with AID concurrence.

* Because of the CDB's interest in this subject, the CCS training office will work in close collaboration with the CDB to ensure that needless duplication is avoided.

Because CARICOM lacks familiarity with AID participant training systems, the first 4 - 6 months will be utilized for establishing the required capability. Recruitment of needed CCS staff will commence immediately upon the signing of the Project Agreement and should be completed within 60 days. At the same time RDO/C will recruit a West Indian training officer to help administer the entire project.

As soon as staff are on-board, RDO/C will arrange for technical assistance to be provided to assist the CCS. Approximately four person-months will be required to establish management systems including financial accountability, participant planning, and contractual procedures which are satisfactory to RDO/C and AID/W. This would include determining training needs and specifications for regional courses, preparing RFPs, contract negotiation with training institutions, paying costs of training to institutions and per diem to participants.

During this initial period contracts will be formalized with the training officers of the participating countries, the ECCM training unit, the training officers of other donor organizations and the principal Caribbean training institutions. Utilizing a format developed by the CCS, participating countries (and regional organizations seeking training assistance) will be asked to submit indications of their training priorities for the following 12 months. Following an evaluation of the requests for their consistency with project objectives and principles, the CCS training staff will formulate its annual workplan and budget. This plan will be submitted to RDO/C for approval approximately four - five months after initiation of the project. The plan will include a list of Caribbean institutions and courses to be used under the program. This list may be modified if necessary as the project progresses.

Arrangements will then be made with Caribbean and U.S. institutions for specific participants and special focus seminars. Whereas the CCS will deal directly with Caribbean training institutions, it will arrange U.S. training by channeling requests (PIO/Ps) through RDO/C to SER/IT.

Procedures followed in the second and subsequent years will benefit from annual evaluations as well as from the increased experience of key personnel. Approximately seven person months of locally procured advisory services will be required to assist CARICOM to evaluate the effectiveness of the Special Focus Seminars and Individual Training Grant Programs.

CARICOM PARTICIPANT TRAINING BUDGET
(U.S.\$000)

	<u>Person Months</u>	<u>AID</u>	<u>H.C.</u>
I. Individual Training Grants			
<u>Caribbean Training</u>	1,566	1,238	200
Long Term	(900)	(300)	(200)
Short Term	(240)	(288)	-
<u>U.S. Training</u>			
Long Term	(270)	(338)	
Short Term	(156)	(312)	
II Special Focus Seminars (in Caribbean)		624	
<u>Private Sector</u>		(324)	
48 Island specific seminars		(144)	
12 Regional Seminars		(180)	
<u>Public Sector</u>		(300)	
12 Regional Seminars		(300)	
III. Program Support Costs		190	120
IV. Inflation		348	64
TOTALS		<u>2,450</u>	<u>384</u>

ANNUAL BUDGETS - CARICOM PARTICIPANT TRAINING

INDIVIDUAL TRAINING GRANTS

AND SPECIAL FOCUS SEMINAR PROGRAMS

(U.S.\$000)

	<u>YEAR 1</u>		<u>YEAR 2</u>		<u>YEAR 3</u>		<u>YEAR 4</u>		<u>TOTALS</u>	
	<u>AID</u>	<u>CCS</u>								
Individual Training Grants	238	33	300	48	350	59	350	60	1,238	200
Caribbean Training	(98)	(33)	(140)	(48)	(175)	(59)	(175)	(60)	(588)	(200)
U.S. Training	(140)		(160)		(175)		(175)		(650)	
Special Focus Seminars	124		150		175		175		624	
Program Support	88	14	67	18	47	36	32	52	234	120
Training Officer	(12)		(12)		(6)	(6)		(12)	(30)	(18)
Administrative Assistant	(8)		(8)		(4)	(4)		(8)	(20)	(12)
Administrative Clerk	(4)		(4)		(2)	(2)		(4)	(10)	(6)
Secretary	(4)		(4)		(2)	(2)		(4)	(10)	(6)
Accounting Clerk	(4)		(4)		(2)	(2)		(4)	(10)	(6)
Travel & Per Diem	(9)		(9)		(9)		(9)		(36)	
Technical Assistance	(28)		(7)		(3)		(4)		(42)	
Office Equipment & Supplies		(4)		(4)		(4)		(4)		(16)
Research & Publication		-		(4)		(6)		(6)		(16)
Contingencies	(19)	(10)	(19)	(10)	(19)	(10)	(19)	(10)	(76)	(40)
SUB-TOTALS	450	47	517	66	572	95	557	112	2096	320
INFLATION (10% Compounded Annually)	-	-	52	7	120	20	182	37	354	64
TOTALS	452	47	569	73	692	115	739	149	2,450	384

Table of Contents

Project Grant Standard Provisions Annex

	<u>Page</u>
Article A: Project Implementation Letters	1
Article B: General Covenants	1
SECTION B.1. Consultation	1
SECTION B.2. Execution of Project	1
SECTION B.3. Utilization of Goods and Services	2
SECTION B.4. Taxation	2
SECTION B.5. Reports, Records, Inspections, Audits	2,3
SECTION B.6. Completeness of Information	3
SECTION B.7. Other Payments	3
SECTION B.8. Information and Marking	3
Article C: Procurement Provisions	3
SECTION C.1. Special Rules	3,4
SECTION C.2. Eligibility Date	4
SECTION C.3. Plans, Specifications, and Contracts	4,5
SECTION C.4. Reasonable Price	5
SECTION C.5. Notification to Potential Suppliers	5
SECTION C.6. Shipping	5,6
SECTION C.7. Insurance	6
SECTION C.8. U.S. Government-Owned Excess Property	6
Article D: Termination; Remedies	7
SECTION D.1. Termination	7
SECTION D.2. Refunds	7,8
SECTION D.3. Nonwaiver of Remedies	8
SECTION D.4. Assignment	8

BEST AVAILABLE DOCUMENT

Annex 2

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 I.

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.

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 free from any taxation or fees imposed under laws in effect in the territory of participating countries.

(b) 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 participating countries, 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, book 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

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, or similar payments legally established in the participating country where made.

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 a participating country 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.

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 modifications 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 participating countries 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 all shipments

26

Article C: Procurement Provisions (Continued)

financed by A.I.D. and transportation 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. 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 a country 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 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.

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

Article D: Termination; Remedies (Continued)

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 participating member countries; are in a deliverable state and have not been offloaded in ports of entry.

SECTION D.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or 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 do 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.

Article D: Termination; Remedies (Continued)

(e) 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.

file

A.I.D. Project Number 538-0014

PROJECT

GRANT AGREEMENT

BETWEEN

THE EAST CARIBBEAN COMMON MARKET SECRETARIAT

and the

UNITED STATES OF AMERICA

for

THE CARIBBEAN REGIONAL TRAINING PROJECT

Dated: June 21, 1979

CONFORMED COPY

RECORD COPY

Table of Contents
Project Grant Agreement

	<u>Page</u>
Article 1: The Agreement	
Article 2: The Project	
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 for the Project	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, 4
SECTION 4.3. Notification	4
SECTION 4.4. Terminal Dates for Conditions Precedent	4
Article 5: Special Covenants	4
SECTION 5.1. Project Evaluation	4
SECTION 5.2. Country Participation	4
SECTION 5.3. Coordination	5
SECTION 5.4. Women in Development	5
Article 6: Procurement Source	5
SECTION 6.1. Foreign Exchange Costs	5
SECTION 6.2. Local Currency Costs	5
Article 7: Disbursements	5
SECTION 7.1. Disbursement for Foreign Exchange Costs	5, 6
SECTION 7.2. Disbursement for Local Currency Costs	6, 7
SECTION 7.3. Other Forms of Disbursement	7
SECTION 7.4. Rate of Exchange	7
Article 8: Miscellaneous	7
SECTION 8.1. Communications	7, 8
SECTION 8.2. Representatives	8
SECTION 8.3. Standard Provisions Annex	8

Table of Contents

Project Grant Standard Provisions Annex

	<u>Page</u>
Article A: Project Implementation Letters	1
Article B: General Covenants	1
SECTION B.1. Consultation	1
SECTION B.2. Execution of Project	1
SECTION B.3. Utilization of Goods and Services	2
SECTION B.4. Taxation	2
SECTION B.5. Reports, Records, Inspections, Audits	2,3
SECTION B.6. Completeness of Information	3
SECTION B.7. Other Payments	3
SECTION B.8. Information and Marking	3
Article C: Procurement Provisions	3
SECTION C.1. Special Rules	3,4
SECTION C.2. Eligibility Date	4
SECTION C.3. Plans, Specifications, and Contracts	4,5
SECTION C.4. Reasonable Price	5
SECTION C.5. Notification to Potential Suppliers	5
SECTION C.6. Shipping	5,6
SECTION C.7. Insurance	6
SECTION C.8. U.S. Government-Owned Excess Property	6
Article D: Termination; Remedies	7
SECTION D.1. Termination	7
SECTION D.2. Refunds	7,8
SECTION D.3. Nonwaiver of Remedies	8
SECTION D.4. Assignment	8

Project Grant Agreement

Dated June 21, 1979

Between The East Caribbean Common Market Secretariat ("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 undertaking 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 establish in the ECCM and its member countries an institutional capability to deliver basic public service training in management, supervision, and related skills. Annex 1, attached, amplifies the above definition of the Project. Within the limits of 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 of this Agreement. Subsequent increments 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.

BEST AVAILABLE DOCUMENT

Article 2: The Project (Continued)

(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 the funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. 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 not to exceed Three Hundred Thousand United States ("U.S.") Dollars (\$300,000) ("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.

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.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1983, 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.

(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

BEST AVAILABLE DOCUMENT

Article 3: Financing (Continued)

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 the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2., and of any additional representatives, together with a specimen signature of each person specified in such statement; and

(b) Written evidence from at least three countries indicating their intention to participate in the Public Services Training Program, which will include the countries' willingness to commit the resources necessary for project implementation. These resources include (1) the time of the Government's Training Officer, (2) the time of at least one full time or two part time additional persons assigned to work at least 40% of their time as trainers and to be trained in that capacity, (3) time of the Public Service employees when training is scheduled, and (4) a budgetary contribution to the ECCM project staff in the third and fourth years of the project.

SECTION 4.2. Additional Disbursement. Prior to disbursement under the Grant, or to issuance by A.I.D. of documents pursuant to which disbursement will be made for training activities or commodity procurement, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.,

(a) Evidence that Grantee has established a training unit within its organization, and

(b) Evidence that Grantee has adopted, put into place, and implemented accounting procedures sufficient to control A.I.D. funds and meet A.I.D. reporting requirements, and

(c) An annual work plan which specifies the particular activities to be undertaken under the first year of the project.

BEST AVAILABLE DOCUMENT

Article 4: Conditions Precedent to Disbursement (Continued)

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 90 days from the date of this Agreement, or such later date as A.I.D. may agree 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 150 days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, 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, during the implementation of the Project and at one or more points thereafter:

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

(b) identification and evaluation of problem areas of constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Country Participation. Prior to commencement of project activities in any particular country, Grantee will obtain from that country a statement of its intention to participate in the Project as described in Section 4.1(b).

Article 5: Special Covenants (Continued)

SECTION 5.3. Coordination. Grantee will take the necessary measures to coordinate its activities with the training activities of the Caribbean Community Secretariat also being implemented under this Project.

SECTION 5.4. Emphasis on the Participation of Women. In designing activities to be conducted under the Project, Grantee will take into consideration the role of women in development, and attempt to maximize the participation of women in project activities.

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) and CARICOM member countries ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.7 with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States, except as A.I.D. may otherwise agree in writing. If A.I.D. determines that Grantee 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. Disbursements pursuant to Section 7.2 will be used exclusively to finance the local currency 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 member countries of the Caribbean Community Secretariat "Eligible Countries".

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:

Article 7: Disbursement (Continued)

(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 services, 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 specified 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.

(a) 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.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. Dollars by purchase or from local currency already owned by the U.S. Government; or

(2) by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b)(1) above,

Article 7: Disbursement (Continued)

the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to 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 an eligible country by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of that country at the highest rate of exchange which, at the time the conversion is made, is not there unlawful.

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 at the following addresses:

To the Grantee:	Executive Secretary East Caribbean Common Market Secretariat
Mail Address:	P.O. Box 504 Factory Road St. John's, Antigua
Alternate address for cables:	COMMART, Antigua
To A.I.D.:	AID Representative USAID Barbados
Mail Address:	c/o American Embassy Bridgetown, Barbados
Alternate address for cables:	USAID/American Embassy Bridgetown, Barbados

Article 8: Miscellaneous (Continued)

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

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 Executive Secretary and A.I.D. will be represented by the individual holding or acting in the office of AID Representative, 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. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, 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.

GRANTEE

By: *Deighvon Sylvester*
Deighvon Sylvester
Title: for EXECUTIVE SECRETARY

By: *Sally A. Shelton*
Sally A. Shelton
Title: Ambassador

UNITED STATES OF AMERICA

By: *William B. Wheeler*
William B. Wheeler
Title: AID Representative

Annex I

Project Description

The purpose of this project is to improve the efficiency and effectiveness of public servants in the seven ECCM Member States through the development of a capacity in the ECCM Secretariat and its Member States to design, provide and evaluate basic management, administrative, supervisory and clerical skills training for the public sector.

The project will be implemented by a training unit to be established in the ECCM Secretariat. The staff of this unit will consist of one senior trainer, three training specialists and one administrative assistant.

The ECCM training unit will collaborate closely with the training officers in participating member countries. Territorial training units will be expected to select a minimum of two persons to be trained as trainers, who would provide the necessary support skills and services to conduct seminars and who would be committed to spend at least 40 - 50% of their time to this function.

The ECCM Secretariat will be responsible for specifying training objectives, designing courses, collecting relevant data and developing training materials, providing training seminars in all ECCM territories and evaluating the effectiveness of the training provided.

This project has the following six basic components. Implementing arrangements for these components may be modified with prior AID approval.

1. Top Management Program. Objectives for this program, aimed at permanent secretaries, division heads and heads of public corporations and specialized agencies, are to improve the skills of these key decision-makers and to obtain their commitment to the total public services training program. The training program will provide increased skills in development administration, policy planning and human resource development. It is anticipated that the ECCM training unit will conduct this program through a series of short (three-day) seminars with an average of twenty top managers per seminar group.

2. Middle Level Management Program. The objective of this program is to provide increased skills in human resources development and organizational planning and budgeting to principal assistant secretaries, assistant secretaries, departmental heads, and equivalents. It is anticipated that the program for each manager will be divided into two seminars each of approximately five days. Some sixty-six seminars will be conducted by ECCM staff with the assistance of island specific staff, and the responsibility for this program will gradually shift to the latter group. Provision for follow up with managers is also made. Special Focus Seminars which provide a deeper understanding of specific management areas are envisioned for some of the top and middle level managers.

3. Junior Level Management Program. This program is aimed at the first line supervisory grades of the public service, i.e. senior executive officers, executive officers and equivalents. The objectives include those indicated above for the middle level plus the additional objective of improving skills in office management. It is anticipated that each manager would attend three five-day seminars plus two one-day follow up seminars. AID funding is designed to permit a total of 116 junior level seminars with an average of twenty participants, or the equivalent thereof. These seminars, scheduled to begin about 15 months into the project, will be designed and implemented primarily by the island trainers in each territory with assistance provided by ECCM.

4. Clerical and Supportive Skills. For this level it is anticipated that the program will consist of a basic two week course supplemented by a series of training programs extended over a two year period. Other than initial ECCM assistance in developing the program and conducting one pilot course per territory, island trainers will take full responsibility for the program. Commitments of governments to implement this program will be obtained prior to ECCM assistance.

5. Training for Trainers. The objective of this component of the program is to provide the training necessary to ensure institutionalization of a training capability in each ECCM State by the end of the project. The ECCM training unit will provide approximately one workshop per year, two-day training meetings, on-the-job training and inter-island exchanges.

6. ECCM Secretariat Development. The ECCM training unit will devote approximately four months over the life of the project to internal staff development. This time will be utilized to learn new design, training and evaluation skills from one another and/or from short term consultants that may be requested periodically. This specialized technical assistance will be in addition to that provided by a program consultant who is intended to advise the project periodically during the first three years. There will also be periodic efforts devoted to team building and evaluation of their on-the-job performance. The senior trainer will have the responsibility of observing the training specialists while they are at training seminars to provide performance related feedback.

A second type of ECCM staff development effort will provide a mixture of training and consulting services to strengthen the ECCM Secretariat in management and administration. Most likely this will take the form of management training workshops for the Secretariat management and supervisory staff. It is anticipated that two to three person-months of staff time will be allocated to this activity as well as two to four months of project-funded technical assistance.

In addition to the above six program components, the project includes (a) an evaluation plan designed to allow for continuous monitoring and

refinement; (b) opportunity to adapt existing international training materials and methods to West Indian situations and for the development of new, indigenous materials, (c) the creation of a training resource center at the ECCM Secretariat and the establishment of libraries or training resource centers (or the improvement of existing ones) in the States and (d) occasional use of non-project, local personnel to assist in seminars.

It is understood that in the third year of project implementation the participating governments will begin to finance the costs of those ECCM training staff expected to continue after the project.

ANNUAL BUDGETS - ECCM EXPENSES
PUBLIC SERVICES TRAINING PROGRAM
(U.S.\$000)

	<u>Year 1</u>		<u>Year 2</u>		<u>Year 3</u>		<u>Year 4</u>		<u>Totals</u>	
	<u>AID</u>	<u>ECCM</u>								
<u>Staff Salaries & Allowances</u>	143		143		86	43	44	85	416	128
Director of Training (1)	(18)	-	(18)	-	(9)	(9)	-	(18)	(45)	(27)
Training Officers (4)	(58)	-	(58)	-	(43)	(15)	(29)	(29)	(188)	(44)
Administrative Assistants (1)	(6)	-	(6)	-	(3)	(3)	-	(6)	(15)	(9)
Stenographers (2)	(8)	-	(8)	-	(4)	(4)	-	(8)	(20)	(12)
Evaluation (1)	(12)	-	(12)	-	-	-	-	-	(24)	-
Gratuities (25% of Salary)	(26)	-	(26)	-	(18)	(8)	(11)	(15)	(80)	(23)
Housing (6)	(15)	-	(15)	-	(9)	(4)	(4)	(9)	(43)	(13)
<u>Program Support</u>	245	10	249	10	210	10	183	10	887	40
Travel & Per Diem	(60)	-	(85)	-	(65)	-	(47)	-	(257)	-
Technical Assistance	(56)	-	(42)	-	(42)	-	(35)	-	(175)	-
Supplies & Equipment	(25)	-	(10)	-	(10)	-	(5)	-	(50)	-
Materials Production	(8)	-	(8)	-	(12)	-	(37)	-	(65)	-
Library Development	(16)	-	(24)	-	(16)	-	(14)	-	(70)	-
Residential Courses	(50)	-	(50)	-	(35)	-	(15)	-	(150)	-
Contingencies	(30)	(10)	(30)	(10)	(30)	(10)	(30)	(10)	(120)	(40)
Special Focus Seminars	15		15		15		15		60	
Sub-totals	403	10	407	10	311	53	242	95	1,363	168
Inflation (1.0% Compounded Annually)	-	-	41	1	65	11	81	31	187	43
<u>TOTALS</u>	403	10	448	11	376	64	323	126	1,550	211

Annex 2

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 I.

+

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.

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 free from any taxation or fees imposed under laws in effect in the territory of participating countries.

(b) 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 participating countries, 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, book 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

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, or similar payments legally established in the participating country where made.

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 a participating country 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.

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 modifications 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 participating countries 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 all shipments

Article C: Procurement Provisions (Continued)

financed by A.I.D. and transportation 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. 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 a country 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 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.

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

Article D: Termination; Remedies (Continued)

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 participating member countries; are in a deliverable state and have not been offloaded in ports of entry.

SECTION D.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or 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 do 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.

Article D: Termination; Remedies (Continued)

(e) 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.

CIDA TRAINING PROGRAMS

ANTIGUA

Mr. Clarvis Joseph,
Chief Training Officer,
Premier's Office,
ST. JOHN'S.

DOMINICA

Mr. V.L. Shaw,
Chief Establishment Officer,
Establishment Department,
Government Headquarters,
ROSEAU.

*on leave
per Mr. Davis*

GRENADA

Miss Gloria M. Payne,
Permanent Secretary,
Planning, Development & Training Division,
Prime Minister's Office,
ST. GEORGE'S.

MONTSERRAT

Mr. George R.E. Cabey,
Permanent Secretary,
Manpower and Administration,
Governor's Office,
PLYMOUTH.

ST. KITTS

Mr. I.W. Walwyn,
Permanent Secretary,
External Affairs Department,
Government Headquarters,
P.O. Box 186,
BASSETERRE.

call for April

Mrs. Kelsick,
Chief Establishment Officer,
Establishment Department,
Government Headquarters,
P.O. Box 186,
BASSETERRE.

ST. LUCIA

~~Mr. Francis Ferdinand,~~ *relined*
Permanent Secretary,
Establishment Division, *... int divd*
Government Buildings,
CASTRIES.

*Leton Thomas
Legat Port au Prince ?*

ST. VINCENT

Mr. Myron Dellimore,
Training Officer,
Service Commissions Department,
KINGSTOWN.

... will be asked to follow-up with information on
... position and any comments on the suitability of his ...
... .