

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE COMMISSION GENERAL OF THE PLAN

PRO AG

AN AGENCY OF THE GOVERNMENT OF THE KINGDOM OF LAOS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
 STANDARD PROVISIONS ANNEX ~~FOREIGN CURRENCY STANDARD PROVISIONS ANNEX~~

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE _____
 ECONOMIC COOPERATION AGREEMENT DATE **Sept. 9, 1951**
 (other) DATE _____

1. PROJECT/ACTIVITY NO. 439-11-799-084 PAGE 1 OF 6 PAGES

2. AGREEMENT NO. 2084 3. ORIGINAL OR REVISION NO. _____

4. PROJECT/ACTIVITY TITLE
**GENERAL TECHNICAL SUPPORT
(NARCOTICS CONTROL)**

5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-11X4103.2 7. AID ALLOTMENT SYMBOL 453-50-439-00-69-21

Stacy

Phouy PHOUTHASAK
Dir. of PH

Chenthaboun
Dir. Gen. of LNP

8. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY				
(a) Total		1,001,400		1,001,400
(b) Particip. Agency Services		321,300		321,300
(c) Contract Services		59,100		59,100
(d) Participant Training		4,000		4,000
(e) Commodities		369,890		369,890
(f) Other Costs		247,110		247,110
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT				
\$1.00 = K605				
(a) Total RLG Contributions		K 12,200,000		K 12,200,000
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

USAID Clearances:

PRO *[Signature]*
AD/M *[Signature]*
NC *[Signature]*
AD/P *[Signature]*
AD/FIN *[Signature]*

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

This Agreement incorporates implementation actions initially programmed on an interim basis under FY 1972 Agreement number 2000, Project 439-11-999-000. It also formalizes substantive activity agreements of the two Governments, as detailed in Annexes Attached hereto.

Boun Nhou NANTHATHANNIKO, Dir. of Customs

BEST AVAILABLE COPY

11. DATE OF ORIGINAL AGREEMENT June 30, 1972 12. DATE OF THIS REVISION June 30, 1972 13. ESTIMATED FINAL CONTRIBUTION DATE May 31, 1974

14. FOR THE COOPERATING GOVERNMENT OR AGENCY
Khamhou BOUSSARATH, Director, Special Investigation Group
15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
Charles A. Mann, Director, USAID/LAOS

BEST AVAILABLE COPY

PROJECT AGREEMENT
BETWEEN AID AND

The Commission General of the
Plan
AN AGENCY OF THE GOVERNMENT OF
the Kingdom of Laos

1. Project/Activity No.
439-11-799-084

PAGE 2 OF 8 PAGE.

2. Agreement No.
2084

3. Original or
Revision No. _____

3. Project/Activity Title
Narcotics Control Project Agreement

This Agreement is entered into between the Agency for International Development, hereinafter referred to as USAID, and the Royal Lao Government, hereinafter referred to as the RLG. The purpose of this Agreement is (a) to formalize understandings already reached between the two Governments regarding the needs and priorities for an effective Narcotics Control Program for Laos, pursuant to the implementation of the Anti-Narcotics Law, Number 71/5 dated August 10, 1971; and (b) to formally establish the contributions to be made by each of the two Governments in the implementation of this Project.

This Agreement takes into account and incorporates those actions already programmed on an interim basis under Fiscal Year 1972 Project Agreement 2000, Project 439-11-999-000, which are at various stages of implementation.

PROJECT GOALS AND PURPOSE

1. To combat the drug abuse problem by diminishing the supply of opium and illegal narcotics derived from opium which are produced in Laos or which transit Laos in the international illegal drug commerce
 - a. By developing an effective RLG narcotics enforcement capability.
 - b. By disrupting the flow of illegal narcotics into, through and out of Laos.
 - c. By suppression of opium refineries and transformation facilities.
2. To alleviate the problems for the Lao narcotics consumers and the economic impact to opium growers which result from termination of production and supply of illegal narcotics.
 - a. By providing rehabilitative services for those Lao who have become addicted to illegal narcotics, thereby removing their dependence on the drugs.
 - b. By encouraging alternative crop production or occupation for Lao opium producers, to induce them to give up opium poppy cultivation.

COURSE OF ACTION

A. Activities addressing the problem of suppression of commerce, transformation and transport of illegal narcotics are these:

For the Cooperating Government or Agency

For the Agency for International Development

The signatures appearing on the face sheet of this ProAg are also equally applicable to the continuation sheet(s).

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

**PROJECT AGREEMENT
BETWEEN AID AND**

**The Commission General of the
Plan
AN AGENCY OF THE GOVERNMENT OF
the Kingdom of Laos**

1. Project/Activity No.
439-11-799-084

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Narcotics Control Project Agreement

1. Overall enforcement coordination, including intelligence gathering and documentation, investigations, and direction of major enforcement operations is a function of the Groupe Special d'Investigation (GSI), headed by the Director-General of the National Documentation Center, reporting to the Prime Minister. GSI will be staffed with experienced enforcement officers who are selected and detailed from the National Police, the Customs Service, the Military Police and other RLG agencies.

a. Priority emphasis will be given to development of procedures for coordination of investigations and intelligence reporting, and development of procedures for standardized reporting and information storage for investigative files. Offices with appropriate facilities, staff and equipment will be established in Ban Houei Sai, Luang Prabang and Pakse as soon as Vientiane area operations are functioning satisfactorily.

b. US assistance to the GSI includes two experienced narcotics enforcement advisors provided by the US Bureau of Narcotics and Dangerous Drugs, who report to the Embassy as Narcotics Attaches. Other US assistance during Fiscal Year 1972 is provided under this Agreement, to include commodity support (office furniture and equipment, vehicles, communications equipment, weapons, and miscellaneous operating and maintenance supplies) and assistance in financing local operating costs. See discussion under paragraph D below.

2. The RLG will expand and strengthen the Narcotics Bureau of the Lao National Police to improve its effectiveness in narcotics enforcement.

a. The central office of the Bureau has been increased to 42 personnel. Additionally, field narcotics enforcement teams of from 3 to 8 will be installed at Ban Houei Sai, Luang Prabang, Sayaboury and at other priority locations. These teams will report directly to the Narcotics Bureau, and will work closely with GSI.

b. The Narcotics Bureau will give initial priority to specialized in-service training in narcotics enforcement techniques, more effective enforcement operations, better intelligence analysis, and improved records and other administrative management. Close collaboration with the GSI will insure effective coordination of intelligence gathering, investigative activities and other enforcement operations.

For the Cooperating Government or Agency

For the Agency for International Development

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SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

PROJECT AGREEMENT
BETWEEN AID AND

The Commission General of the
Plan
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the Kingdom of Laos

1. Project/Activity No.
439-11-799-084

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2. Agreement No.
2084

3. Original or
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3. Project/Activity Title
Narcotics Control Project Agreement

c. US assistance includes the services of five Public Safety Advisors in narcotics enforcement, three of whom will primarily advise the Narcotics Bureau. (The other two advisors will assist primarily in enforcement activities in the military, discussed under paragraph C-4). Other assistance to the Narcotics Bureau includes vehicles, communications equipment, weapons, office equipment and supplies and assistance in financing local operating costs. (See also paragraph D below.)

3. Activities are included in this Project Agreement to improve the efficiency of the Customs Service and to increase its enforcement capabilities to interdict smuggling of narcotics and other commodities.

a. The Customs Service is increasing its personnel for Houa Khong Province by 15 to 20 officers, and is establishing additional border inspection stations along the Mekong River. Narcotics enforcement operations of the Customs Service are closely coordinated with the GSI as mentioned above. Other priority concerns of the Customs Service under this Project include specialized training in narcotics investigations and enforcement procedures for improved border and river patrol and surveillance, improved baggage and vehicle inspections, and improved record-keeping and excise collection procedures and practices.

b. US advisory assistance is provided for this element of the Project through eight advisors from the U. S. Bureau of Customs. Commodity assistance includes vehicles, boats, communications equipment, weapons, and office furniture and supplies. Assistance is also provided in financing miscellaneous local operating costs related to the activities of the Customs Service in this Project. (See also paragraph D below.)

4. Activities of the Royal Lao Military in narcotics control are another element of this Project.

a. Training of Military Police in inspection, search and identification of narcotics is provided in conjunction with training being given to the National Police. Priority will be given to information and education programs for military personnel, and in improved ground enforcement for military air operations. Joint or coordinated inspection operations of Military Police with GSI, Customs and/or SIS (see below) at appropriate locations, such as is now in effect at Wattay and Ban Houei Sai, will be continued and extended.

For the Cooperating Government or Agency

For the Agency for International Development

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SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

**PROJECT AGREEMENT
BETWEEN AID AND**

The Commission General of the
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AN AGENCY OF THE GOVERNMENT OF
The Kingdom of Laos

1. Project/Activity No.
439-11-799-084

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2. Agreement No.
2084

3. Original or
Revision No. _____

3. Project/Activity Title

Narcotics Control Project Agreement

b. USAID will provide two advisors from its Public Safety Division who will work primarily with the military part of the Project.

5. Also funded under this Project Agreement is a narcotics enforcement program conducted as part of the US charter air operations in Laos. This program insures that flights of air charter companies and that passengers utilizing these flights comply with the RLC Anti-Narcotics Law. A USAID-financed Security Inspection Service (SIS) of fifteen Lao and five Americans conducts this enforcement program. They are located at major airports throughout Laos where narcotics transport has been a problem.

B. Activities to rehabilitate addicts whose narcotics supply is eliminated are included in this Agreement.

1. A Rehabilitation Service has been established in the Ministry of Health, and an RLG Director of Rehabilitation has been designated.

2. A rehabilitation facility is being established in Vientiane for treating and detoxifying those narcotics addicts who request assistance. The RLG is providing medical and support personnel for the operation of this facility.

3. Because this facility cannot initially assist all applicants for rehabilitation treatment, some are offered treatment at a rehabilitation facility (Wat Than Khabok) in Thailand, under this Project.

4. Activities will also be conducted for follow up evaluation of and assistance to former addicts in an effort to improve rehabilitation techniques and to reduce the incidence of relapse.

5. US advisory assistance is provided by a rehabilitation advisor and the part time services of a clinical physician. Other US assistance to the rehabilitation portion of this Program includes vehicles, furniture and equipment for the rehabilitation facility, pharmaceutical supplies for rehabilitation treatment, assistance in financing local operating costs, and financial assistance in sending addicts to Wat Than Khabok for treatment. U.S. has also financed an observation and training visit to U.S. rehabilitation centers for the Director of the Rehabilitation Service.

For the Cooperating Government or Agency

The signatures appearing on the face sheet of this ProAg are also equally applicable to the continuation sheets.

SIGNATURE: _____ DATE: _____
TITLE: _____

For the Agency for International Development

The signatures appearing on the face sheet of this ProAg are also equally applicable to the continuation sheets.

SIGNATURE: _____ DATE: _____
TITLE: _____

**PROJECT AGREEMENT
BETWEEN AID AND**

The Commission General of the
Plan
AN AGENCY OF THE GOVERNMENT OF
The Kingdom of Laos

1. Project/Activity No.
439-11-799-084

PAGE 6 OF 6 PAGES

2. Agreement No.
2084

3. Original or
Revision No. _____

3. Project/Activity Title
Narcotics Control Project Agreement

C. This Agreement also recognizes the need to help alleviate the problem for upland farmers who have, in the past, cultivated the opium poppy as an income crop, and whose earnings are affected by the Anti-Narcotics Law. During FY1972, preliminary studies are being conducted to determine the most feasible way to address this problem. The planned approach includes careful identification of appropriate substitute crops in the context of terrain, elevation, accessibility and other realities.

D. Summary of U.S. Contributions: These include contributions which are detailed in implementation documents issued under FY1972 Project Agreement 2000, Project 439-11-999-000, which now becomes a part of this Project Agreement. U.S. contributions are these:

Contract Services	59,100
Participating Agency Advisory Services	321,300
Training	4,000
Commodities	369,890
Other Supporting Costs	247,110

E. Summary of RLG Contributions: These include salaries and support costs of RLG personnel who participate in the Narcotics Control Program. During Fiscal Year 1972, over 100 RLG employees of the National Police, Customs Service, GSI and Public Health have been involved in this program for varying lengths of time. Approximate man-years during FY 1972 total over 40, with salary and support costs amounting to Kip 12,200,000. The RLG additionally is providing office space and other support facilities and services to various elements of the Program, as such support is available.

For the Cooperating Government or Agency

The signatures appearing on the face sheet of this ProAg are also equally applicable to the continuation sheets,

SIGNATURE: _____ DATE: _____
TITLE: _____

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE COMMISSION GENERAL OF THE PLAN

PRO AG

AN AGENCY OF THE GOVERNMENT OF THE KINGDOM OF LAOS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
 STANDARD PROVISIONS ANNEX SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE _____
 ECONOMIC COOPERATION AGREEMENT DATE Sept. 9, 1951
 (other) DATE _____

1. PROJECT/ACTIVITY NO.
439-11-799-084

PAGE 1 OF 1 PAGES

2. AGREEMENT NO.
3084

3. ORIGINAL OR REVISION NO. _____

4. PROJECT/ACTIVITY TITLE

NARCOTICS CONTROL

5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-11X4103.2
7. AID ALLOTMENT SYMBOL 453-50-439-00-69-31

8. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY				
(a) Total		6,000		6,000
(b) Contract Services				
(d) Participants		6,000		6,000
(c) Commodities		-		-
(d) Other Costs				
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT				
\$1.00 =				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

USAID Clearances:
PRO *[Signature]*
AD/M *[Signature]*
AD/P *[Signature]*
AD/FIN *[Signature]*
PSD *[Signature]*

10. SPECIAL PROVISIONS (Use Additional Construction Sheets, if Necessary)

This agreement provides dollar funding as detailed in the attached action document (PIO/P) which is made a part of this agreement by reference.

PIO/P 30004

11. DATE OF ORIGINAL AGREEMENT July 14, 1972
12. DATE OF THIS REVISION _____
13. ESTIMATED FINAL CONTRIBUTION DATE May 31, 1975

14. FOR THE COOPERATING GOVERNMENT OR AGENCY
Signature: *[Signature]* Chanthaboun LUANGLATH
Director General of Lao National Police.
Date: _____
15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
Signature: *[Signature]* Charles A. Mann
Director, USAID/Laos
Date: _____

PRO AG

PROJECT AGREEMENT
 BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
 AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
 THE COMMISSION GENERAL OF THE PLAN

AN AGENCY OF THE GOVERNMENT OF THE KINGDOM OF LAOS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
 STANDARD PROVISIONS ANNEX SPECIAL PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE _____
 ECONOMIC COOPERATION AGREEMENT DATE **Sept. 9, 1951**
 (other) DATE _____

1. PROJECT/ACTIVITY NO. **439-11-799-084** PAGE 1 OF 1 PAGES

2. AGREEMENT NO. **3084** 3. ORIGINAL OR REVISION NO. 2

4. PROJECT/ACTIVITY TITLE
NARCOTICS CONTROL

5. PROJECT DESCRIPTION AND EXPLANATION
 (See Annex A attached)

6. AID APPROPRIATION SYMBOL **72-11X4103.2** 7. AID ALLOTMENT SYMBOL **453-50-439-00-69-31**

8. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY				
(a) Total	26,000	10,000		36,000
(b) Contract Services	20,000			20,000
(c) Commodities				
(d) Participants	6,000	-		6,000
(e) Other Costs	-	10,000		10,000
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT				
\$1.00 =				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

USAID
 Clearances:
 PRO *Rca*
 AD/M *[initials]*
 NC *[initials]*
 AD/P *[initials]*
 AD/FIN *[initials]*

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)
 See continuation sheet.

11. DATE OF ORIGINAL AGREEMENT **July 11, 1972** 12. DATE OF THIS REVISION **August 16, 1972** 13. ESTIMATED FINAL CONTRIBUTION DATE **May 31, 1975**

14. FOR THE COOPERATING GOVERNMENT OR AGENCY: *[Signature]*
Khamsou BOUSSARATH / **Pane RASSAVONG**
 Director Special / Commissioner Gen.
 Investigation Group. of the Plan.

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT: *[Signature]*
James B. Chandler
 Actg. Director/USAID/Laos DATE **8/16/72**

PROJECT AGREEMENT
BETWEEN AID AND

THE COMMISSION GENERAL OF THE PLAN

AN AGENCY OF THE GOVERNMENT OF
THE KINGDOM OF LAOS

1. Project/Activity No.
439-11-799-084

2. Agreement No.
3084

3. Original or
Revision No. 2

3. Project/Activity Title

NARCOTICS CONTROL

This is a continuing project; whose major goals and objectives have remained unchanged. This project is still aimed at:

1. Combating the drug abuse problem by diminishing the supply of opium and illegal narcotics derived from opium which are produced in Laos or which transit Laos in the international illegal drug commerce.
 - a. By developing an effective RLG narcotics enforcement capability,
 - b. By disrupting the flow of illegal narcotics into, through and out of Laos.
 - c. By suppression of opium refineries and transformation facilities.

2. Alleviating the problems for the Lao narcotics consumers and the economic impact to opium growers which result from termination of production and supply of illegal narcotics.
 - a. By providing rehabilitative services for those Lao who have become addicted to illegal narcotics, thereby removing their dependence on the drugs.
 - b. By encouraging alternative crop production or occupation for Lao opium producers, to induce them to give up opium poppy cultivation.

To assure satisfactory progress is made toward achieving these project objectives during FY-1973, and evaluation will be jointly conducted by USAID and RLG.

This joint examination will encompass an appraisal of the implementation of the course of action established by the FY-1972 proag.

During FY-1973 the USAID will continue to provide technical assistance training and commodity support to this project. However, to facilitate documentation and accounting for Common-use Commodities (Cement, POL, General Supplies and Repair Parts) funds, initially, will be obligated during FY 1973 under only one project agreement (Project Commodities-3080).

At the end of FY 1973 an appropriate portion of the total amount of funds obligated under the project commodities proag will be charged to this project agreement.

This Agreement provides \$10,000 for MRO and Miscellaneous Small Purchases only, additional USAID dollar contributions to meet the objectives of this project will continue to be provided through subsequent revisions subject to the availability of funds.

For the Cooperating Government or Agency

For the Agency for International Development

The signatures appearing on the face sheet of this Pro-Ag are also equally applicable to the continuation sheet.

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES
OF AMERICA, AND THE COMMISSION GENERAL OF THE PLAN,
AN AGENCY OF THE GOVERNMENT OF THE KINGDOM OF LAOS
ANNEX "C"

The following conditions shall be applicable to all local currency provided by the United States Government under this Agreement.

1. As a general rule, local currency provided under this Agreement should not be used to procure commodities which are not manufactured, mined, or grown in Laos. Examples of these commodities are office equipment, vehicles, heavy construction equipment, generators, and structural steel. Such items should be procured under dollar financing. However, local currency may be used to contract for services and construction even though the contractor in turn procures commodities not produced in Laos in order to complete his contract.

2. The conditions enunciated in the above paragraph 1 may be waived for the procurement of any single item having a unit cost of less than 50,000 kip, any item urgently required, or items imported from the United States, with the approval of the project administrator and the U.S. AID Technician. This privilege, however, should not be used to defeat the principle of dollar procurement enunciated in paragraph 1.

**PROAG
STANDARD
PROVISIONS
ANNEX**

**PROJECT AGREEMENT
BETWEEN AID AND**

AN AGENCY OF THE GOVERNMENT OF

1. Project/Activity No. _____

2. Agreement No. _____

3. Original or Revision No. _____

A. As used herein, the term "AID" refers to the Agency for International Development, any component agency, or any successor agency. References to "this Project Agreement" shall mean the original Project Agreement as modified by any revisions which have entered into effect.

B. (1) AID will make available the amounts specified in Block 8 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may be further described in Annex A, as required by Block 5 hereof. In addition, as may be further specified in Annex A, AID will, subject to the availability of funds and (where required by AID procedures) as provided for in Project Implementation Orders (PIOs) issued by AID in accordance with its procedures, make available funds (a) to pay costs of furnishing technical services to be performed by United States Government employees in connection with the project, (b) to pay a share of the costs of providing training outside the cooperating country in connection with the project for qualified persons from the cooperating country, and (c) to pay such additional costs as may be specified.

(2) The Cooperating Government Agency will make available the amounts specified in Block 9 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may further be described in Annex A. The Cooperating Government Agency will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the project as may be specified in Annex A, or as may subsequently be agreed upon by the two parties.

C. AID and the Cooperating Agency may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Project Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Project Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Project Agreement.

D. AID shall not be required to make any contribution after the expiration of six months following the estimated final contribution date (Block 13 of the Project Agreement form AID 1330-1) or any amended final contribution date specified herein. Except as otherwise specified herein or subsequently agreed

by the parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before said estimated termination date, or amended date. A contribution of goods or services shall be considered to have been made when the goods or services, provided or financed by the contributing party, are delivered in accordance with commercial practice.

E. The procurement of commodities and contract services to be financed in whole or in part by AID may (where so required by AID procedures) be undertaken only pursuant to PIOs issued by AID in accordance with its procedures.

F. Unless otherwise specified in the applicable PIO, the procurement of commodities financed with the AID contribution referred to in Block 8 of this Project Agreement shall be subject to the provisions of AID Regulation 1.

G. Unless otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to Block 8(c) of this Project Agreement shall be in the Cooperating Agency, or such public or private agency as it may authorize. This provision is inapplicable to any property which may be used in connection with the project but is not financed pursuant to said Block 8(c).

H. Any property furnished to either party through financing by the other party pursuant to this Project Agreement shall, unless otherwise agreed by the party which financed the procurement, be devoted to the project until completion of the project, and thereafter shall be used so as to further the objectives sought in carrying out the project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through financing by the other party pursuant to this Project Agreement which is not used in accordance with the preceding sentence.

I. (1) If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Project Agreement, the Cooperating Agency will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United

States Government employees, or employees of public or private organizations under contract with, or individuals under contract with, AID, the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Project Agreement, are, under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country), the Cooperating Agency will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. Any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with, AID, the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Project Agreement shall be subject to the approval of the Cooperating Agency and AID, and shall be under the general direction of the Director of the Mission to the cooperating country.

K. If any commodity is furnished to the Cooperating Agency, or any public or private agency authorized by the Cooperating Agency, on a grant basis through financing by AID pursuant to this Project Agreement under arrangements which will result in the accrual of proceeds to the Cooperating Agency or any authorized agency and if the applicable agreement between the two governments referred to on the first page of this Project Agreement does not provide for the establishment of a Special Account and the deposit therein of currency of the cooperating country, the Cooperating Agency will make such arrangements as may be necessary to establish a Special Account and to deposit therein currency of the cooperating country in amounts equal to such proceeds, in accordance with such terms and conditions as may be agreed upon. Funds in the Special Account may be used only as agreed upon by AID and the Cooperating Agency; provided, that such portion of the funds in the Special Account as may be designated by AID shall be made available to AID to meet the requirements of the United States.

L. The Cooperating Agency will make such arrangements as may be necessary so that funds intro-

duced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

M. AID shall expend funds and carry on operations pursuant to this Project Agreement only in accordance with the applicable laws and regulations of the United States Government.

N. The two parties shall have the right at any time to observe operations carried out under this Project Agreement. Either party during the term of the Project and three years after the completion of the project, shall further have the right (1) to examine any property procured through financing by that party under this Project Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Project Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Project Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of AID and the Cooperating Agency, and submitted to AID and the Cooperating Agency. The Completion Report shall include a summary of the actual contributions by both AID and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. AID and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

P. The present Agreement shall enter into force when signed. Either party may terminate this Project Agreement by giving the other party 30 days written notice of intention to terminate it. Termination of this Project Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 8 and 9 of this Project Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of the Project Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property shall remain in force after such termination.