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Project No. 625-0955

AMENDMENT NO. 4
TO THE
PROJECT GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF MALI
AND
THE UNITED STATES OF AMERICA
FOR
THE MANANTALI RESETTLEMENT PROJECT

Dated: August 27, 1992

PROJECT GRANT AGREEMENT NO. 625-0955
MANANTALI RESETTLEMENT PROJECT

PROJECT GRANT AGREEMENT
AMENDMENT NO.4

Dated: August 27, 1992

Between:

The Republic of Mali ("Grantee")

And

The United States of America, acting through the Agency for International Development ("A.I.D.")

WHEREAS, the Grantee and A.I.D. entered into the Manantali Resettlement Project Grant Agreement on August 13, 1984, and Amendment No.1 on August 31, 1984, Amendment No.2 on September 21, 1984 and Amendment No.3 on July 2, 1985 (as so amended, the "Agreement"); and

WHEREAS, the Grantee and A.I.D. desire to amend the Agreement to increase the Life-of-Project funding by \$500,000, extend the Project Assistance Completion Date to June 30, 1984, revise the Project Description in Annex 1 to include community development, institution building and infrastructure activities, revise the Financial Plan in Annex 1 and revise the Audits clause in Section B.5 of Annex 2 of the Agreement;

NOW THEREFORE, the Parties hereto hereby agree that the Agreement shall be amended as follows:

1. The first paragraph of Section 3.1 of the Agreement is amended by deleting it in its entirety and substituting the following in lieu thereof:

"Section 2.1 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 an amount not to exceed Five Hundred Thousand United States Dollars (US\$ 500,000), which supplements the \$ 18,334,819 obligated to date for a total Life-of-Project amount obligated to date of Eighteen Million Eight Hundred Thirty-Four Thousand Eight Hundred Seventy-Nine United States Dollars (US\$ 18,834,879) ("Grant")."

2. Section 3.3 of the Agreement is amended by deleting the words "June 30, 1992" and substituting the words "June 30, 1994" in lieu thereof.

3. Annex 1 "Amplified Project Description" of the Agreement is amended by adding the "Amplified Project Description for Period September, 1992-June, 1994" attached hereto as Attachment 1.

4. Annex 2 of the Agreement is amended by adding the "Revised Project Financial Plan" attached hereto as Attachment No.2.

5. Section B.5 of Annex 2 of the Agreement is amended by deleting it in its entirety and substituting in lieu thereof the following new Section B.5, attached hereto as Attachment 3.

Except as specifically amended hereby, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Governments of the Republic of Mali and the United States of America, each acting through its duly authorized representatives, have caused this Amendment No.4 to be signed in their names and delivered as of the day and year above written.

UNITED STATES OF AMERICA

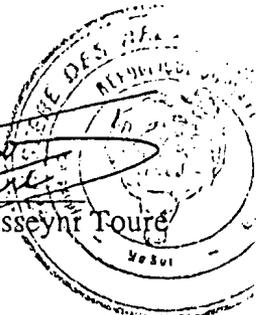


Signed by:

Herbert D. ~~CHAKO~~

Title: Ambassador

REPUBLIC OF MALI



Signed by:

Mohamed Amousseynr Toure

Title: Ministry of External Affairs

Date: **AUG 27 1992**

Date: **27 AUG 1992**

Signed by:

Dennis J. Brennan



Title: Director, USAID/AU Mali

Date: **AUG 27 1992**

Appropriation	:	
BPC	:	
Amount	:	500,000

ATTACHMENT 1

REVISED PROJECT DESCRIPTION FOR
PERIOD SEPTEMBER 30, 1992-JUNE 30, 1994

Background: The Manantali Resettlement Project was initiated in 1984 to minimize the hardship created by the resettlement of approximately 11,000 people in the project area. Since that time USAID has supported the DNHE and the U.S. Peace Corps in implementing a series of community development activities in the targeted area. The project has been successful in achieving its objectives to date. Housing and access to water has been provided, compensation has been awarded for lost infrastructure and resources, there have been no major negative health impacts attributable to the move, and the resettled communities have largely returned to their previous productive activities.

Following the physical move of the target population, project activities have focussed on helping resettled and host communities adapt to their new circumstances. The agriculture program is assisting farmers in improved production practices and intensification to increase crop yields; the health program has improved access to basic pharmaceutical products and facilitated the training of traditional midwives; the water program has reinforced the pump repair/maintenance program and demonstrated water management technologies; and the natural resources management program has established village level tree nurseries and provided training in soil conservation and fruit tree grafting.

To date, the project's community development component has been implemented by the U.S. Peace Corps with support from local administrative and technical assistance. While the project is having significant impact in the specific villages in which there are Peace Corps Volunteers (PCVs), their range of extension is limited, their numbers are relatively small (10), and continuity of project efforts is accordingly weak. Most importantly, there is no long-term, sustainable institution responsible for the management and coordination for the development activities in the area. This PP Amendment seeks to address these issues will increase the opportunity for project sustainability to be achieved.

Project Financing: The current bilateral project was first authorized on August 13, 1984 with an LOP of 5 years and an initial obligation of \$13,589,000. Project Authorization Amendment No.1 extended the PACD to June 30, 1991. Three subsequent Grant Agreement Amendments brought the total authorized LOP total to \$18,334,879. Project Implementation Letter No. 132, dated 2 July 1992, extended the PACD to 30 September 1992. The Project Grant Agreement Amendment No.4 will extend the PACD to June 30, 1994 and increase the LOP funding \$500,000 for a new total of \$18,834,879, as reflected below:

	<u>Original</u>	<u>Previous Amendments</u>	<u>This Amendment</u>	<u>Total</u>
Grant Oblig.	\$13,589,000	\$4,745,879	\$500,000	\$18,834,879

Amendment No.4: The extension and funding increase will permit implementation of the following activities:

I. Ongoing Field and Project Development Activities:

This Amendment will continue ongoing community development actions with the DNHE and U.S. Peace Corps and their expansion throughout Bamafélé Arrondissement including resettled villages. The Amendment is designed to assist the target population throughout the resettlement process by expanding project activities to resettled and host villages, introducing modern agriculture practices thru farmer training programs, providing logistic and infrastructural support to local technical services, reinforcing natural resources conservation and their rational exploitation; and improving traditional water sources, supply, and maintenance systems.

II. Areas of Intervention

Project implementation will focus on three main intervention areas: 1) an infrastructure program including: one bridge on Toucanzan stream, two slaughtering facilities in Diokéli and Manantali, construction of a water supply system to the health center in Bamafélé, and a three classroom school in Farabandi; 2) a community development program related to health, agriculture, natural resources, training and education and finally, 3) an institutional building capacity, in proving logistic and technical assistance to local services.

A. Infrastructure Development:

The Arrondissement infrastructure built by the Project is adequate and well used, especially schools, offices, housing and health center in Bamafélé, but the increasing use of these facilities has led to the need of more structures in addition to those already available.

1. Toucanzan Bridge:

In order to facilitate the resettlement of the villages on the left bank, a temporary bridge was built across a stream in Sobéla, just below the dam. This bridge was washed away, leaving the villages of the left bank virtually inaccessible by vehicle traffic. During rainy seasons, and following large releases from the dam, the draw becomes impassible. The Project will fund re-construction of this bridge with a water retention system to allow rice cropping and gardening in the surroundings, and to assure year long traffic to and from left bank villages.

2. Slaughtering facilities:

Manantali and Diokéli have the biggest weekly markets in the area. Butchers regularly attend these markets. Animals are slaughtered for sale with no standard hygienic condition. Neither of these markets is equipped with a proper slaughtering facility and there is concern for the health risks caused by this situation. The Project will construct appropriate facilities in these two villages.

3. Health Center Water:

The increasing use of the health center in Bamafélé has led to the need of a more convenient system of water supply, the pump which supplies the health center is found over 100m away. The Project will construct a plumbing system to bring water from the pump to the health center and appropriate storage facilities will be installed.

4. Farabandi School:

The village of Farabandi has decided to convert their brick-making hangar into a 3 classroom school with their own contribution. The Project will assist the village in this construction in order to accomplish a permanent structure with doors and windows as well as sub-ceiling, blackboard etc. The assistance in the construction of this school has been negotiated with the National Directorate for Primary Education on the basis that a teacher will be assigned to this school the coming school years and others in subsequent years.

B. Community Development Activities:

The Project has been assisting the resettled community since 1987. Community development activities have been initiated by PRM, the DNHE unit implementing the Project. In recent years Peace Corps Volunteers have undertaken community development actions. There is need to expand these actions and enhance local incentives in order to sustain project achievements and minimize resettlement hardship.

1. Agriculture Program:

There are presently two parallel agricultural development programs being implemented throughout the resettlement area. The first is carried out by ODIMO (former ODIPAC), a governmental agricultural extension agency. The second, and more recent program, is being carried out by Peace Corps (PC) under AID/DNHE assistance. Both involve farming experimentation thru direct or indirect assistance to farmers.

ODIMO has assigned four (4) agriculture extension agents to the arrondissement. They work with farmers, disseminate new techniques in improved grain storage, application of manure and fertilizers, and supply village associations with equipment. They are currently facing logistic problems in assuring their mobility in the area. Peace Corps Volunteers will continue to play a key role in organizing farmers and conducting panel discussions with experts brought in the area. Both of these programs will continue under the project extension period with improved coordination between them. In addition, the project will provide logistic support to these extension agents.

In order to address the specific problem of agriculture intensification, the project will transform part of the former Project base into a seasonal camp and will provide assistance to ODIMO in physically getting equipment into the resettled area. The camp will serve as a training center in modern agricultural techniques for both men and women. A quantity of un-assembled agricultural implements will be delivered to the ODIMO warehouse in Bamafélé and assembled by local blacksmiths trained in the center.

2. Natural Resources Management Program:

The resettlement process has resulted in a significant loss of trees and a drastic exploitation of natural resources. The Project will address the environmental degradation through community interventions by introducing techniques for natural resources management and conservation, limiting soil erosion and expanding techniques for agro-forestry. Initial efforts at disseminating erosion control and soil conservation have met with favorable results, and these activities will continue under the extension

period. The local Service des Eaux et Forêt will collaborate in revitalizing the tree nursery based in Bamafélé and village based tree nurseries will be encourage.

3. Water Resources management Program:

The Project provided deep wells (45) and hand-pumps (102) for the resettled villages at a rate exceeding national standards (ratio 1 pump and 1 well for 100 people) for access to drinkable water. Keeping these pumps functional has been a major concern over recent years and will continue to be an important activity under the project extension. Peace Corps Volunteers, along with project pump-repairmen, will continue to provide technical and organizational support to reinforce the pump repair and maintenance system.

In many villages, deep well water remains dormant all year round, partly due to the availability of other water sources i.e pumps and traditional wells. Though this dormant water is not safe for domestic consumption, it can be used at least for agriculture related activities, such as gardening and tree nurseries. PRM and PCV agents will continue to train villagers to utilize these sources at their capacity.

An additional hydrological activity which will be supported by the project is groundwater monitoring. As communities in the Bafing Valley increase their use of the aquifer, this activity will become more important in term of monitoring lake levels and controlling releases from the dam. DNHE has assigned an agent to this activity.

4. Health and Education Program:

The project is currently making real progress in improving access to primary health care services in villages. Local health personnel are working with PCVs in providing technical assistance and organizational support. The Project has established twenty five (25) village pharmacies and trained thirty five (35) traditional mid-wives throughout the arrondissement who are having significant impacts in improving health and delivery conditions in the area. The Project will continue to provide logistical support for the health center throughout the project extension and provide further training to health care workers.

C. Institutional Building Capacity

The Manantali Resettlement Project is financed as a bilateral agreement between the Government of Mali and USAID. The National Directorate for Hydraulics and Energy is the responsible agency within the Malian Government. Project activities are currently implemented by Peace Corps Volunteers, who are working with local

technical services organizations on community development activities. Providing these local organizations with adequate logistics supports will assure project achievement sustainability.

1. Non Governmental Organization (NGO):

Project field activities will be implemented by a Project Coordination Unit (PCU) within a NGO which will be selected jointly by USAID/DNHE and awarded a contract. This NGO will have direct responsibility for Project day-to-day management and project funds disbursement in accordance with agreed upon work-plans and budgets. The primary focus of the created unit will be the selection and placement of ten (10) new animators within the area. The Project is currently working with two (2) animators. This group of animators will work with local technical services in expanding ongoing community development activities. This experience will not only be useful in terms of management of a unique integrated rural development project, but would also permit establishment of a non-governmental operational presence in the Kayes Region, which has heretofore been lacking.

2. Strengthening Local Technical Services Capacities:

There are several technical service agencies represented in the Arrondissement of Bamafélé, covering the sectors of agriculture, livestock, natural resources, health, and education. These agencies are all represented on the Local Development Committee, chaired by the Chef d'Arrondissement. The Project will provide these agencies with reliable means to assure their mobility within the area and establish a database system to evaluate and monitor project activities. To this end, fifteen (15) mobylettes and 2 computers will be purchased and used strictly for project purposes.

3. Monitoring and Audit:

The Project Coordination Unit, based in Manantali, will have immediate responsibility for following the progress of project activities. Detailed annual work-plans will be prepared by the PCU for AID/DNHE approval, against which results will be measured in a quarterly activity reports (in French and English). At the end of the project the local administration will be capable of undertaking activities and monitoring and evaluating local development efforts against defined objectives. Funds have been budgeted in the amount of \$25,000 for a non-federal audit to assure that project operations are in full compliance with USAID financial standards and to assure that adequate financial management procedures are accurately monitoring project funds.

No. du Projet : 625-0955
Project Number: 625-0955

MANANTALI RESETTLEMENT PROJECT
PROJET REINSTALLATION MANANTALI

REVISED PROJECT FINANCIAL PLAN
(\$000)
PLAN FINANCIER DU PROJET REVISE
(en milliers de Dollar U.S.)

	<u>Prio Obliq's</u>		<u>Amend. No.4</u>		<u>Total to Date</u>	
	<u>Engage.</u>	<u>Antér.</u>	<u>Amende.No.4</u>		<u>Total à ce Jour</u>	
	<u>A.I.D</u>	<u>Grantee</u>	<u>A.I.D</u>	<u>Grantee</u>	<u>A.I.D</u>	<u>Grantee</u>
	<u>A.I.D</u>	<u>Bénéfic.</u>	<u>A.I.D</u>	<u>Bénéfic.</u>	<u>A.I.D</u>	<u>Bénéfic.</u>
1. Technical Assistance Assistance Technique	4,144	1,364	71	---	4,215	1,364
2. Commodities Biens/Equipements	732	---	14	---	746	---
3. Special Compensation Compensation Speciale	122	---	---	---	122	---
4. Construction Construction	10,436	---	178	---	10,614	---
5. Operating Expenses Frais de fonction.	2,007	2,000	31	193.5	2,038	2,193.5
6. Evaluation & Audit Evaluation & Audit	12	---	25	---	37	---
7. Studies Etudes	641	---	---	2.5	641	2.5
8. Training Formation	10	---	---	---	10	---
9. large Scale Invest. Investis.grd.échelle	19	---	---	---	19	---
10. Community Develop. Dévelop. Communaut.	10	---	---	---	10	---
11. Peace Corps Corps de la Paix	30	---	---	---	30	---

12. Community Develop. Dévelop.Communaut.	51	---	---	---	51	---
13. NGO Contract Contrat ONG	---	---	167	---	167	---
14. Conting./Inflation Imprévu/Inflation	---	---	14	---	14	---
PROJECT TOTAL TOTAL DU PROJET	18,335	3,364	500	196	18,834,879	3,560

ATTACHMENT 3

SECTION B.5. Reports, Accounting Records, Audits, Inspections

(a) The Grantee shall furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request.

(b) The Grantee shall maintain accounting books, records, documents, and other evidence relating to the Project and to this Agreement, adequate to show, without limitation, all costs incurred under the Grant, the receipt and use of goods and services acquired under the Grant, the costs of the Project supplied from other sources, 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 ("Project books and records"). At the Grantee's option, with approval by A.I.D., Project books and records shall be maintained in accordance with one of the following methods: (1) generally accepted accounting principles prevailing in the United States, (2) generally accepted accounting principles prevailing in the country of the Grantee, (3) accounting principles prescribed by the international accounting standards committee (an affiliate of the International Federation of Accountants), or (4) such other accounting principles as the Parties may agree to in writing. Project books and records shall be maintained for at least three years after the date of last disbursement by A.I.D.

(c) If Dols 25,000 or more is disbursed directly to the Grantee in any one calendar year under the Grant, the Grantee, except as the Parties may otherwise agree in writing, shall have financial audits made of the funds disbursed to the Grantee under the Grant in accordance with the following terms:

- (1) The Grantee shall select an independent auditor in accordance with the "guidelines for financial audits contracted by foreign recipients" issued by the A.I.D. Inspector General ("Guidelines"), and the audits shall be performed in accordance with the "Guidelines".
- (2) An audit of the funds provided under the Grant shall be conducted for each fiscal year of the Grantee. The audit shall determine whether the receipt and expenditure of the funds provided under the Grant are presented in accordance with generally accepted accounting principles agreed to in section (B) above and whether the Grantee has complied with the terms of the Agreement. Each audit shall be completed no later than one year after the close of the Grantee's fiscal year.

(d) The Grantee shall submit an audit report to A.I.D. within 30 days after completion of each audit arranged for by the Grantee in accordance with this section. The A.I.D. Inspector General will review each report to determine whether it complies with the audit requirements of this Agreement. Subject to A.I.D. approval, costs of audits performed in accordance with the terms of this section may be charged to the Grant. In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this Section, A.I.D. will consider appropriate sanctions which include suspension of all or a portion of disbursements until the audit is satisfactorily completed or A.I.D. performs its own audit.

(e) The Grantee shall submit to A.I.D., in form and substance satisfactory to A.I.D., a plan by which the Grantee will ensure that funds made available to subrecipients that receive Dols 25,000 or more in any one calendar year under the Grant are audited in accordance with this agreement. The plan should describe the methodology to be used by the Grantee to satisfy its audit responsibilities with respect to any subrecipient to which this section applies. Such audit responsibilities with respect to subrecipients may be satisfied by relying on independent audits of the subrecipients or on appropriate procedures performed by the internal audit or program staff of the Grantee, by expanding the scope of the independent financial audit of the Grantee to encompass testing of subrecipients' accounts, or by a combination of these procedures. The plan should identify the funds made available to subrecipients that will be covered by audits conducted in accordance with other audit provisions that would satisfy the Grantee's audit responsibilities (a non-profit organization organized in the United States is required to arrange for its own audit; a for-profit contractor organized in the United States that has a direct contract with A.I.D. is audited by the cognizant U.S. Government Agency; a private voluntary organization organized outside the United States with a direct grant from A.I.D. is required to arrange for its own audits; and a host-country contractor should be audited by the cognizant Grantee contracting agency). The Grantee shall ensure that appropriate corrective actions are taken on the recommendations contained in the subrecipients' audit reports; consider whether subrecipients' audits necessitate adjustment of its own records; and require each subrecipient to permit independent auditors to have access to records and financial statements as necessary.

(f) A.I.D. may, at its discretion, perform the audits required under this Agreement on behalf of the Grantee by utilizing funds under the Grant or other resources available to A.I.D. for this purpose. The Grantee shall afford authorized representatives of A.I.D. the opportunity at all reasonable times to audit or inspect the project, the utilization of goods and services financed by A.I.D., and books, records and other documents relating to the Project and the Grant.