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OUTGOING TELEGRAM 3880027-3
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TAGS:

SUBJECT: TECHNICAL RESOURCES (388-0027)

REF: STATE 015516

1. AA/ASIA HAS TODAY AUTHORIZED SUBJECT GRANT. AS REQUESTED WILL SEND MISSION 30 COPIES OF FINAL VERSION PP WHEN RECEIVED FROM PRINTER.

2. TEXT OF APPROVED AUTHORIZATION IS AS FOLLOWS: QTE

PURSUANT TO PART I, CHAPTER 1, SECTIONS 102 AND 105 OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, I HEREBY AUTHORIZE A GRANT TO THE PEOPLE'S REPUBLIC OF BANGLADESH (THE QTE COOPERATING COUNTRY UNOTE), OF NOT TO EXCEED ONE MILLION TWO HUNDRED FIFTY THOUSAND UNITED STATES DOLLARS (DOL. 1,250,000) (THE QTE AUTHORIZED AMOUNT UNOTE) TO HELP IN FINANCING CERTAIN FOREIGN EXCHANGE AND LOCAL CURRENCY COSTS OF GOODS AND SERVICES REQUIRED FOR THE TECHNICAL RESOURCES PROJECT AS DESCRIBED IN THE FOLLOWING PARAGRAPH.

THE PURPOSE OF THE TECHNICAL RESOURCES PROJECT (HEREINAFTER REFERRED TO AS THE QTE PROJECT UNOTE) IS TO

IMPROVE THE POLICY RESEARCH AND THE PROJECT DEVELOPMENT, MANAGEMENT AND EVALUATION CAPABILITIES OF GOVERNMENT AGENCIES ENGAGED IN AGRICULTURE, RURAL DEVELOPMENT AND WOMEN'S DEVELOPMENT PROGRAMS. THE GOAL OF THIS PROJECT IS TO DEVELOP GREATER MANAGERIAL AND TECHNICAL CAPABILITY WITHIN THE COOPERATING COUNTRY TO ADDRESS DEVELOPMENT PROBLEMS. THE SUCCESS OF THE PROJECT WILL BE MEASURED BY INCREASED COOPERATING COUNTRY COMMITMENT OF RESOURCES TO DEVELOPING PROJECTS IN AGRICULTURE, NUTRITION, RURAL DEVELOPMENT AND WOMEN'S DEVELOPMENT. THROUGH ACTIVE PARTICIPATION IN THE RESEARCH AND PROJECT DEVELOPMENT PROCESSES, AGENCIES OF THE COOPERATING COUNTRY SHOULD BE ABLE, BY THE END OF THE PROJECT, TO IDENTIFY AND DEVELOP PROJECTS DIRECTED TOWARD MEETING THE BASIC NEEDS OF THE POOR MAJORITY. A.I.D. FUNDS WILL BE USED TO UNDERTAKE ACTIVITIES SUCH AS: (A) PROJECT DEVELOPMENT; (B) RESEARCH AND EVALUATION; (C) TECHNICAL AND MANAGEMENT CONSULTANCIES; (D) TRAINING, AND (E) WORKSHOPS FOR WOMEN.

I APPROVE THE TOTAL LEVEL OF A.I.D. APPROPRIATED FUNDING PLANNED FOR THIS PROJECT OF NOT TO EXCEED TWO MILLION UNITED STATES DOLLARS (DOLS. 2,000,000), INCLUDING THE FUNDING AUTHORIZED ABOVE, DURING THE PERIOD FY 1979 THROUGH FY 1982. I APPROVE FURTHER INCREMENTS DURING THAT PERIOD OF GRANT FUNDING UP TO SEVEN HUNDRED FIFTY THOUSAND UNITED STATES DOLLARS (DOLS. 750,000), SUBJECT TO THE AVAILABILITY OF FUNDS AND IN ACCORDANCE WITH A.I.D. ALLOTMENT PROCEDURES.

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I HEREBY AUTHORIZE THE INITIATION OF NEGOTIATION AND EXECUTION OF THE PROJECT AGREEMENT BY THE OFFICER TO WHOM SUCH AUTHORITY HAS BEEN DELEGATED IN ACCORDANCE WITH A.I.D. REGULATIONS AND DELEGATIONS OF AUTHORITY SUBJECT TO THE FOLLOWING ESSENTIAL TERMS AND COVENANTS AND MAJOR CONDITIONS, TOGETHER WITH SUCH OTHER TERMS AND CONDITIONS AS A.I.D. MAY DEEM APPROPRIATE:

A. SOURCE AND ORIGIN OF GOODS AND SERVICES - GOODS AND SERVICES FINANCED BY A.I.D. UNDER THE PROJECT SHALL HAVE THEIR SOURCE AND ORIGIN IN THE COOPERATING COUNTRY AND IN COUNTRIES INCLUDED IN A.I.D. GEOGRAPHIC CODE 941 EXCEPT AS A.I.D. MAY OTHERWISE AGREE IN WRITING. TRAINING IN THIRD COUNTRIES MAY BE APPROVED. OCEAN SHIPPING FINANCED UNDER THE PROJECT SHALL BE PROCURED IN ACCORDANCE WITH

CURRENT A.I.D. POLICY.

B. INITIAL CONDITIONS PRECEDENT TO DISBURSEMENT PRIOR TO ANY DISBURSEMENT, OR THE ISSUANCE OF ANY COMMITMENT DOCUMENTS UNDER THE PROJECT AGREEMENT, FOR ANY EXPENDITURE OF FUNDS OTHER THAN FOR THE PROCUREMENT OF U.S.-MANUFACTURED VEHICLES, THE COOPERATING COUNTRY SHALL FURNISH IN FORM AND SUBSTANCE SATISFACTORY TO A.I.D., EXCEPT AS A.I.D. MAY OTHERWISE AGREE IN WRITING, EVIDENCE OF:

1. A LEGAL OPINION OF THE COOPERATING COUNTRY AS TO THE BINDING CHARACTER OF THE AGREEMENT.

2. DESIGNATION OF AUTHORIZED REPRESENTATIVES OF THE COOPERATING COUNTRY TO UNDERTAKE THE PROJECT.

C. CONDITIONS PRECEDENT FOR CONSULTANT ACTIVITY -

PRIOR TO ANY DISBURSEMENT, OR THE ISSUANCE OF ANY COMMITMENT DOCUMENTS UNDER THE PROJECT AGREEMENT FOR CONSULTANT CONTRACTS, THE COOPERATING COUNTRY SHALL FURNISH IN FORM AND SUBSTANCE SATISFACTORY TO A.I.D., EXCEPT AS A.I.D. MAY OTHERWISE AGREE IN WRITING, EVIDENCE OF THE EXECUTION OF CONSULTANT CONTRACTS AND A.I.D. APPROVAL OF SUCH CONTRACTS.

D. OTHER TERMS AND COVENANTS -

1. THE COOPERATING COUNTRY COVENANTS THAT IT WILL MAKE AVAILABLE PROMPTLY AS NEEDED, THE LAND, FUNDS, FACILITIES, SERVICES, PERSONNEL AND OTHER RESOURCES WHICH ARE REQUIRED, IN ADDITION TO THE AUTHORIZED AMOUNT, FOR CARRYING OUT THE PROJECT.

2. THE COOPERATING COUNTRY COVENANTS THAT IT WILL ESTABLISH, WITHIN THE OFFICE DESIGNATED TO COORDINATE THE PROJECT, THE CAPABILITY TO DEVELOP AND SET PRIORITIES FOR STUDIES, TRAINING AND TECHNICAL ASSISTANCE, AND COVENANTS THAT IT WILL PROVIDE SUCH

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DESIGNATED OFFICE WITH SUCH RESOURCES AS MAY BE REQUIRED TO ENABLE IT TO FORMULATE TERMS OF REFERENCE FOR PROJECT STUDIES, TO IDENTIFY APPROPRIATE TRAINING PROGRAMS FOR PARTICIPANT TRAINEES AND TO IDENTIFY AND RECRUIT TECHNICAL CONSULTANTS BY THE END OF THIS PROJECT.

E. WAIVER -

A WAIVER OF THE REQUIREMENT OF SEC. 110(A) OF THE

FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, THAT THE COOPERATING COUNTRY CONTRIBUTE AT LEAST 25 PERCENT OF THE COST OF THE PROGRAM, PROJECT, OR ACTIVITY IS HEREBY APPROVED IN ACCORDANCE WITH SEC. 124(D) OF THAT ACT. UNQTE.

3. MISSION WILL BE ADVISED ASAP BY SEPTEL OF DE-ALLOTMENT/RE-ALLOTMENT REQUESTED DACCA 0696. VANCE

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AID Project No. 388-0027

PROJECT
GRANT AGREEMENT
BETWEEN
THE PEOPLE'S REPUBLIC OF BANGLADESH
AND
THE UNITED STATES OF AMERICA
FOR
TECHNICAL RESOURCES

DATED : FEB 15 1979

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A. I. D. Project No. 388-0027

Project Grant Agreement

Dated **FEB 15** 1979 , 1979

Between the People's Republic of Bangladesh ("Grantee")

and

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

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 herein, 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 consist of the provisions of; a) technical services for the conduct of feasibility studies, including project design; b) technical and management **consultancies**; c) training, research, evaluation studies and workshops; d) vehicles and other equipment related to the project.

Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1. within the limits of the definition of the Project in this Section 2.1. 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) It is anticipated that 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) In the event that A. I. D. does not add a contemplated increment of funding in a timely fashion, it is understood that either Party may elect to terminate this Agreement in accordance with Grant Project Standard Provisions Annex Section D. 1, provided, that within the limits of then available funds committed to the Project by the Parties, the termination period may be extended beyond a period of 30 days to provide for orderly arrangements, and that each Party will do all it believes appropriate to retain and extend the benefits of Project activity which has already taken place.

(c) 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 one million and two hundred fifty thousand United States (U. S.) Dollars (\$1,250,000) ("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, except that, unless the parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the equivalent of **Two hundred and forty five thousand U.S. Dollars (\$245,000)**.

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.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$510,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is **FEB 15, 1984**, 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 disbursements, 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. Initial Disbursement.

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, for any expenditure of funds other than for the procurement of U. S. -manufactured vehicles,

Grantee shall furnish in form and substance satisfactory to A. I. D., except as A. I. D. may otherwise agree in writing, evidence of.

(a) An opinion of Counsel acceptable to A. I. D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms:

(b) A statement of the names of the persons holding or acting in the office of the Grantee specified in Section 8.3., and a specimen signature of each person specified in such statement;

SECTION 4.2 Subsequent Disbursement. Prior to disbursement under the Grant, or to issuance by A. I. D. of documentation pursuant to which disbursement will be made, for each Consultancy Contract and vehicle 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) An executed Consultant Contract with a firm or Consultant acceptable to A. I. D.

(b) The evaluation program referred to in Section 5.1.

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 30 days from the date of this Agreement or such later date as A.I.D. may agree to 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 12 months from the date of this Agreement, or such later date as A.I.D. may agree to 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 an integral 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 or constraints which may inhibit such attainments; (c) assessment of how such information may be used to help overcome such problems, in this or other projects; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Training for Women. The Grantee agrees that no less than twenty percent (20%) of the personnel selected for United States or third country training will be women.

SECTION 5.3. Service. The Grantee agrees that all personnel selected for United States or third country training will serve for a period of two months for every one month of training received in a position directly related to the training received.

SECTION 5.4. Other Terms and Covenants - External Resources Division (ERD). The Grantee agrees that the External Resources Division (ERD) will make available promptly as needed, the land, funds, facilities, services, personnel and other resources which are required, in addition to the authorized amount, for carrying out the project. The Grantee also agrees that ERD will establish, within the office designated to coordinate the project, the capability to develop and set priorities for studies, training and technical assistance, and agrees that it will provide such

designated office with such resources as may be required to enable it to formulate terms of reference for project studies, to identify appropriate training programs for participant trainees and to identify and recruit technical consultants by the end of this project.

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 cooperating country and in countries included in Code 941 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 ("Foreign Exchange Cost"), except as A. I. D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1 (b) with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessel under the flag registry of the United States or Bangladesh. Training in third countries may be approved.

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 Bangladesh ("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, through Letters of Credit or otherwise, for such goods or services.

(c) 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 by acquisition by A. I. D. with U. S. Dollars by purchase. The U. S. Dollar equivalent of the local currency made available here-under will be, the amount of U. S. dollars required by A. I. D. to obtain the local currency.

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 Bangladesh 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 Bangladesh at the official rate of exchange in Bangladesh at the time the conversion is made.

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:

Mail Address :

Alternate address for cables :

To A.I. D. :

**Mail Address : USAID Mission to Bangladesh
American Embassy
G.P.O. Box 2593, Ramna
Dacca-2, Bangladesh**

Alternate address for cables :

USAID Dacca Bangladesh

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 individuals holding or acting in the offices of Secretary and Joint Secretary, ERD, Ministry of Finance will be represented by the individual holding or acting in the office of Director, USAID, Bangladesh, 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.

**THE PEOPLE'S REPUBLIC OF
BANGLADESH**

THE UNITED STATES OF AMERICA

By:

Signature: Muhammed Ali.

Name : Mr. Muhammed Ali

**Title : Joint Secretary
External Resources
Division (ERD)
Ministry of Finance**

Signature: David T. Schneider

Name : David T. Schneider

Title : Ambassador

Project Description

Agriculture and rural development along with population control are the BDG's and USAID mission's priority areas. Improved BDG performance in these two areas is critical to achieving the BDG's major economic development goals i. e. foodgrain self-sufficiency by 1985. Improved managerial and technical capability within the BDG to address development problems is also necessary to improve the BDG performance in agriculture, rural development and other related sectors. Through the provision of technical service and vehicles for conducting feasibility studies, including project design technical and management consultancies, training in agriculture and rural development sectors with special emphasis on training for women, research and evaluation studies and in-country workshop for women, the project will contribute to the improvement of the BDG's managerial and technical capability. Through active participation in the research project development process and training it is expected that by the end of the project, policy research and project development management and evaluation capabilities of the BDG agencies engaged in agriculture, rural development and women's development would improve. The success of the project will be measured by increased development expenditure in these areas.

The major activities under the provision of this grant include

A) A minimum of ten months of consultant services for preparing at least two scopes of work for conducting studies on various areas. It is anticipated that these studies will lead to project development in the future. B) provision of funds to various BDG research organizations to conduct research studies. This will include placement of expatriate consultants to the research organizations along with training of key research personnel of those organizations. C) provision of other technical assistance in response to various BDG requests and D) training of approximately 50 key management personnel of the main BDG agencies engaged in agriculture and rural development of which at least 20% of the trainees will be women.

Subject to the availability of funds, the AID grant of \$2,000,000 over the five year life of project will provide all the foreign exchange cost and partial local currency cost of the project. In FY 1979 AID will provide an initial grant of \$ 1,250,000. Of the total life of project cost of \$ 2,510,000, \$ 1,755,000 represents foreign exchange component cost and the balance of \$ 755,000 is local currency costs. The AID funds would be utilized for consultants to provide technical assistance in project studies, research and evaluation, participant training, women's

training seminars, housing, vehicles and research grants while BDG funds would be utilized for counterpart personnel, participant travel and women's seminar. In addition, BDG will pay all taxes, duties etc. relating to the importation of all goods and equipments for the project under the relevant BDG regulations.

Project Financial Plan*
(\$ 000)

Project Inputs	AID FX	LC	BDG		Total
			FX	LC	
1. Consultants					
a. Project Studies	1,100	100	-	-	1,200
b. Research/Evaluation	50	20	-	-	70
c. Technical Assistance	190	20	-	-	210
d. Counterpart Personnel	-	-	-	400	400
2. Training					
a. Participant	300	-	-	-	300
b. Women's Training Seminar	-	50	-	10	60
c. Travel	10	-	-	100	110
3. Equipment					
a. Computer Software	25	-	-	-	25
b. Vehicle	40	-	-	-	40
c. Other Equipment	40	-	-	-	40
4. Research Grants					
	-	55	-	-	55
Total	1,755	245	-	510	2,510

* This is an illustrative financial plan

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 revisions of elements of the amplified description of the Project in Annex 1.

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 purpose of the Project.

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 the Grantee.

(b) To the extent that (1) any contractor including any consulting firm and 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 the Grantee, Grantee will 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, books 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 five (5) 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 respective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

(c) afford authorized representatives of A. I. D. the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by the Grant, 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 caused 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; and

(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, taxes, or similar payments legally established in the country of the Grantee.

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, and mark goods financed by A. I. D. , as described in Project Implementation Letters.

Article C: Procurement Provision

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 the Grantee 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.

(d) Transportation by air, financed under the Grant, of property or persons (and their personal effects) 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 documents relating to goods or services

to be financed under the Grant, including documentation relating to the pre-qualification 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; and

(2) such documentation 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 pre-qualification 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 any such contracts; material modification in such contracts will also be approved in writing by A. I. D. prior to execution; and

(d) consulting firms used by the Grantee for the Project by 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. Any goods and services financed, in whole or in part, under the Grant 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 the Grantee 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 ineligible; or (3) under an ocean or air charter which has not received prior A. I. D. approval.

(b) Cost 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 Section 6.1. of this 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 liner 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 financed by A. I. D. and transported to the territory of the Grantee 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 both with respect to 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 which are to be transported to the territory of the Grantee 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 the Grantee 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 shipped to the territory of the Grantee 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. Except as the Parties may agree in writing any such replacements will be of source and origin of countries listed in A. I. D. Geographic Code 941 as in effect at the time of replacement and 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 thirty (30) days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this 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 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 Grantee's country, are

in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

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, thereupon 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 by the Grantee of a request therefor from A. I. D.

(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 of the amount of the disbursements under this Agreement for such goods or services in U. S. dollars to A. I. D. within sixty (60) days after receipt by the Grantee of a request therefor from A. I. D.

(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 five (5) 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 did 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.

(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 either Party in connection with 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 by a third party to a U. S. dollar contract financed in whole or in part out of funds granted by A. I. D. under this Agreement.

WAIVER

A waiver of the requirement of Sec. 110 (A) of the Foreign Assistance Act of 1961, as amended, that the cooperating country contribute at least 25% of the cost of the program, project, or activity is hereby approved in accordance with Sec. 124 (D) of that Act.

AID Project No. 388-0027

**PROJECT
GRANT AGREEMENT
BETWEEN
THE PEOPLE'S REPUBLIC OF BANGLADESH
AND
THE UNITED STATES OF AMERICA
FOR
TECHNICAL RESOURCES**

DATED : FEB 15 1979

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A. I. D. Project No. 388-0027

Project Grant Agreement

Dated **FEB 15 1979** 1979

Between the People's Republic of Bangladesh ("Grantee")

and

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

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 herein, 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 consist of the provisions of; a) technical services for the conduct of feasibility studies, including project design; b) technical and management ~~consultancies~~; c) training, research, evaluation studies and workshops; d) vehicles and other equipment related to the project.

Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1. within the limits of the definition of the Project in this Section 2.1. 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) It is anticipated that 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) In the event that A.I. D. does not add a contemplated increment of funding in a timely fashion, it is understood that either Party may elect to terminate this Agreement in accordance with Grant Project Standard Provisions Annex Section D.1, provided, that within the limits of then available funds committed to the Project by the Parties, the termination period may be extended beyond a period of 30 days to provide for orderly arrangements, and that each Party will do all it believes appropriate to retain and extend the benefits of Project activity which has already taken place.

(c) 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 one million and two hundred fifty thousand United States (U.S.) Dollars (\$1,250,000) ("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, except that, unless the parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the equivalent of Two hundred and forty five thousand U.S. Dollars (\$245,000).

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.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$510,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is **FEB 15, 1984**, 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 disbursements, 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. Initial Disbursement.

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, for any expenditure of funds other than for the procurement of U.S.-manufactured vehicles,

Grantee shall furnish in form and substance satisfactory to A. I. D., except as A. I. D. may otherwise agree in writing, evidence of.

(a) An opinion of Counsel acceptable to A. I. D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms:

(b) A statement of the names of the persons holding or acting in the office of the Grantee specified in Section 8.3., and a specimen signature of each person specified in such statement;

SECTION 4.2 Subsequent Disbursement. Prior to disbursement under the Grant, or to issuance by A. I. D. of documentation pursuant to which disbursement will be made, for each Consultancy Contract and vehicle 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) An executed Consultant Contract with a firm or Consultant acceptable to A. I. D.

(b) The evaluation program referred to in Section 5.1.

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 30 days from the date of this Agreement or such later date as A.I.D. may agree to 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 12 months from the date of this Agreement, or such later date as A.I.D. may agree to 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 an integral 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 or constraints which may inhibit such attainments; (c) assessment of how such information may be used to help overcome such problems, in this or other projects; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Training for Women. The Grantee agrees that no less than twenty percent (20%) of the personnel selected for United States or third country training will be women.

SECTION 5.3. Service. The Grantee agrees that all personnel selected for United States or third country training will serve for a period of two months for every one month of training received in a position directly related to the training received.

SECTION 5.4. Other Terms and Covenants - External Resources Division (ERD). The Grantee agrees that the External Resources Division (ERD) will make available promptly as needed, the land, funds, facilities, services, personnel and other resources which are required, in addition to the authorized amount, for carrying out the project. The Grantee also agrees that ERD will establish, within the office designated to coordinate the project, the capability to develop and set priorities for studies, training and technical assistance, and agrees that it will provide such

designated office with such resources as may be required to enable it to formulate terms of reference for project studies, to identify appropriate training programs for participant trainees and to identify and recruit technical consultants by the end of this project.

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 cooperating country and in countries included in Code 941 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 ("Foreign Exchange Cost"), except as A. I. D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1 (b) with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessel under the flag registry of the United States or Bangladesh. Training in third countries may be approved.

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 Bangladesh ("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, through Letters of Credit or otherwise, for such goods or services.

(c) 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 by acquisition by A. I. D. with U.S. Dollars by purchase. The U.S. Dollar equivalent of the local currency made available here-under will be, the amount of U.S. dollars required by A. I. D. to obtain the local currency.

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 Bangladesh 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 Bangladesh at the official rate of exchange in Bangladesh at the time the conversion is made.

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:

Mail Address :

Alternate address for cables :

To A.I. D. :

**Mail Address : USAID Mission to Bangladesh
American Embassy
G.P.O. Box 2593, Ramna
Dacca-2, Bangladesh**

Alternate address for cables :

USAID Dacca Bangladesh

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 individuals holding or acting in the offices of Secretary and Joint Secretary, ERD, Ministry of Finance will be represented by the individual holding or acting in the office of Director, USAID, Bangladesh, 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.

THE PEOPLE'S REPUBLIC OF
BANGLADESH

THE UNITED STATES OF AMERICA

By:

Signature: Muhammed Ali.

Name : Mr. Muhammed Ali

Title : Joint Secretary
External Resources
Division (ERD)
Ministry of Finance

Signature: David T. Schneider

Name : David T. Schneider

Title : Ambassador

Project Description

Agriculture and rural development along with population control are the BDG's and USAID mission's priority areas. Improved BDG performance in these two areas is critical to achieving the BDG's major economic development goals i.e. foodgrain self-sufficiency by 1985. Improved managerial and technical capability within the BDG to address development problems is also necessary to improve the BDG performance in agriculture, rural development and other related sectors. Through the provision of technical service and vehicles for conducting feasibility studies, including project design technical and management consultancies, training in agriculture and rural development sectors with special emphasis on training for women, research and evaluation studies and in-country workshop for women, the project will contribute to the improvement of the BDG's managerial and technical capability. Through active participation in the research project development process and training it is expected that by the end of the project, policy research and project development management and evaluation capabilities of the BDG agencies engaged in agriculture, rural development and women's development would improve. The success of the project will be measured by increased development expenditure in these areas.

The major activities under the provision of this grant include

A) A minimum of ten months of consultant services for preparing at least two scopes of work for conducting studies on various areas. It is anticipated that these studies will lead to project development in the future. B) provision of funds to various BDG research organizations to conduct research studies. This will include placement of expatriate consultants to the research organizations along with training of key research personnel of those organizations. C) provision of other technical assistance in response to various BDG requests and D) training of approximately 50 key management personnel of the main BDG agencies engaged in agriculture and rural development of which at least 20% of the trainees will be women.

Subject to the availability of funds, the AID grant of \$2,000,000 over the five year life of project will provide all the foreign exchange cost and partial local currency cost of the project. In FY 1979 AID will provide an initial grant of \$ 1,250,000. Of the total life of project cost of \$ 2,510,000, \$ 1,755,000 represents foreign exchange component cost and the balance of \$ 755,000 is local currency costs. The AID funds would be utilized for consultants to provide technical assistance in project studies, research and evaluation, participant training, women's

training seminars, housing, vehicles and research grants while BDG funds would be utilized for counterpart personnel, participant travel and women's seminar. In addition, BDG will pay all taxes, duties etc. relating to the importation of all goods and equipments for the project under the relevant BDG regulations.

Project Financial Plan *
(\$ 000)

Project Inputs	FX	AID	LC	BDG		Total
				FX	LC	
1. Consultants						
a. Project Studies	1,100		100	-	-	1,200
b. Research/Evaluation	50		20	-	-	70
c. Technical Assistance	190		20	-	-	210
d. Counterpart Personnel	-		-	-	400	400
2. Training						
a. Participant	300		-	-	-	300
b. Women's Training Seminar	-		50	-	10	60
c. Travel	10		-	-	100	110
3. Equipment						
a. Computer Software	25		-	-	-	25
b. Vehicle	40		-	-	-	40
c. Other Equipment	40		-	-	-	40
4. Research Grants						
	-		55	-	-	55
Total	1,755		245	-	510	2,510

* This is an illustrative financial plan.

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 revisions of elements of the amplified description of the Project in Annex 1.

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 purpose of the Project.

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 the Grantee.

(b) To the extent that (1) any contractor including any consulting firm and 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 the Grantee, the Grantee will 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, books 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 five (5) 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 respective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

(c) afford authorized representatives of A. I. D. the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by the Grant, 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 caused 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; and

(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, taxes, or similar payments legally established in the country of the Grantee.

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, and mark goods financed by A. I. D., as described in Project Implementation Letters.

Article C: Procurement Provision

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 the Grantee 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.

(d) Transportation by air, financed under the Grant, of property or persons (and their personal effects) 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 documents relating to goods or services

to be financed under the Grant, including documentation relating to the pre-qualification 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; and

(2) such documentation 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 pre-qualification 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 any such contracts; material modification in such contracts will also be approved in writing by A. I. D. prior to execution; and

(d) consulting firms used by the Grantee for the Project by 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. Any goods and services financed, in whole or in part, under the Grant 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 the Grantee 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 ineligible; or (3) under an ocean or air charter which has not received prior A. I. D. approval.

(b) Cost 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 Section 6.1. of this 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 liner 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 financed by A.I.D. and transported to the territory of the Grantee 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 both with respect to 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 which are to be transported to the territory of the Grantee 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 the Grantee 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 shipped to the territory of the Grantee 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. Except as the Parties may agree in writing any such replacements will be of source and origin of countries listed in A. I. D. Geographic Code 941 as in effect at the time of replacement and 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 thirty (30) days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this 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 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 Grantee's country, are

in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

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, thereupon 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 by the Grantee of a request therefor from A. I. D.

(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 of the amount of the disbursements under this Agreement for such goods or services in U. S. dollars to A. I. D. within sixty (60) days after receipt by the Grantee of a request therefor from A. I. D.

(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 five (5) 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 did 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.

(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 either Party in connection with 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 by a third party to a U. S. dollar contract financed in whole or in part out of funds granted by A. I. D. under this Agreement.

WAIVER

A waiver of the requirement of Sec. 110 (A) of the Foreign Assistance Act of 1961, as amended, that the cooperating country contribute at least 25% of the cost of the program, project, or activity is hereby approved in accordance with Sec. 124 (D) of that Act.

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UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

Dacca, Bangladesh

11p

February 16, 1979

Mr. Muhammed Ali
Joint Secretary
External Resources Division
Block 10, Room 10
Ministry of Finance
Sher-e-Bangla Nagar
Dacca - 15

Subject: Technical Resources Grant AID Project
No. 388-0027, Implementation Letter No. 1

Dear Mr. Ali:

This letter sets forth the procedures for utilizing the proceeds of the subject Project (Grant) and provides information and guidance to assist you in accordance with the provisions of the Project Agreement dated February 15, 1979 between the Government of the People's Republic of Bangladesh (Grantee) and the United States of America, acting through the Agency for International Development ("AID"). Nothing in this letter is to be construed as altering the scope or terms of the Project Agreement or modifying substantive rights or obligations under any provision of the Project Agreement herein referred to or explained. No attempt has been made in this letter to cover every section of the Project Agreement. Those sections not commented upon still apply to implementation of the project. This letter may be supplemented or modified by subsequent Implementation Letters as necessary to meet situations that may arise.

I. The Project - Article 2

The Project will consist of the provision of technical services for the conduct of feasibility studies, including project design; technical and management consultancies; training, research, evaluation studies and workshops; vehicles and other equipment related to the project.

Additions, deletions or modifications to the project activity list are possible but will require the written approval of AID.

II. Financing - Article 3

The Grant may be used to finance foreign exchange costs and local currency costs as defined in Section 6.1 and Section 6.2 of the Project Agreement respectively. Under the terms of this Agreement the initial grant to the Grantee will not exceed \$1,250,000. In addition local currency costs financed under the Grant will not exceed \$245,000 (U.S. Dollars).

The "Project Assistance Completion Date" for all project increments per Section 3.3 of the Agreement unless otherwise agreed to in writing by the parties to the Agreement is February 15, 1984.

III. Conditions Precedent to Disbursement - Article 4

The conditions that must be satisfied prior to initial disbursement under the Agreement are set forth under Article 4, Section 4.1 and 4.2. Prior to the first disbursement under the grant, the grant agreement requires that two conditions be met:

- a) Legal opinion by the Bangladesh Government that the Grant Agreement constitutes a legally binding commitment of the Grantee. Attachment A to this letter is made available to assist the Ministry of Law and Parliamentary Affairs in preparing and submitting the required legal opinion concerning the Grantee's obligations under the Agreement.
- b) A statement of the names of the persons acting for the Grantee and signature specimens. In Section 8.3 of the Agreement, the Grantee has identified its representatives as:

"the individuals holding or acting in the offices of Secretary and Joint Secretary, ERD, Ministry of Finance".

AID should be promptly notified in writing, with appropriate specimen signatures, in the event of any changes of designated representatives.

A. I. D. , per Section 4.2 (a), will provide a written approval of any consultant contract with a firm or individual consultant. Per Section 4.2 (b) A. I. D. along with the Grantee will establish a firm date for an annual evaluation of the Project.

Per Article 4, Section 4.4 of the Agreement, the Conditions Precedent specified in Section 4.1 (a) and (b) must be met within 30 days from the date of the Agreement, or at a later date A. I. D. may agree to in writing.

Per Article 4, Section 4.4 of the Agreement, the Conditions Precedent specified in Section 4.2 (a) and (b) must be met within 12 months of the date of the Agreement or at a later date agreed to by A. I. D.

Special Covenants- Article 5

Per Section 5.1 both A. I. D. and the Grantee will establish an evaluation program for this project. The evaluation will be conducted annually and will cover the items outlined in Section 5.1 of the Project Agreement.

Per Section 5.2 the Grantee will ensure that no less than 20 percent of the personnel selected for United States or third country training will be women.

Per Section 5.3 the Grantee agrees that all personnel selected for United States or third country training will serve for a period of two months for every one month of training received in a position directly related to the training received.

Per Section 5.4, the Grantee agrees that the External Resources Division (ERD) will make available promptly as needed, the land, funds, facilities, services, personnel and other resources which are required, in addition to the authorized amount for carrying out the project. The

Grantee also agrees that ERD will establish, within the office designated to coordinate the project, the capability to develop and set priorities for studies, training and technical assistance and agrees that it will provide such resources as may be required to enable it to formulate terms of reference for project studies, to identify appropriate training programs for participant trainees and to identify and recruit technical consultants by the end of this project.

ERD should consult with the USAID Training Branch on all matters and procedures pertaining to training under the Grant.

Procurement Source - Article 6

Both Section 6.1 and Section 6.2 under this article are self-explanatory.

Conclusion

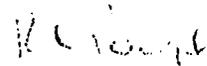
Upon receipt of this Implementation Letter the Grantee should review its contents to verify that the items outlined above are in accordance with the Project Agreement.

The Grantee should then proceed to establish a Project monitoring control system to ensure that priority areas of development are being addressed under activities to be funded. In addition, it is suggested that the Grantee establish a fiscal control procedure to ensure prompt and efficient recording of disbursements.

It is also suggested that the Grantee provide AID at the earliest date possible the number of vehicles to be procured and any action taken in reference to the consignment of vehicles to the appropriate Ministries. Any discussion of vehicles should include steps taken by the Government to ensure rapid customs clearance.

A. I. D. looks forward to working and cooperating with you in this very interesting and worthwhile endeavor.

Sincerely yours,



Richard L. Podol
Acting Director

Attachment A : Guide for Preparation
of Legal Opinion

ATTACHMENT A
GUIDE FOR PREPARATION OF
LEGAL OPINION

This Legal Opinion relates to Article 4, Section 4.1 (a) of the Technical Resources Agreement (hereinafter called the Project Agreement) concluded on February 15, 1979 between the Government of the People's Republic of Bangladesh and the United States of America, acting through the Agency for International Development of United States (USAID).

2. Clause (1) of Article 56 of the Constitution of the People's Republic of Bangladesh provides that the executive authority of the Republic shall vest in the President and shall be exercised by him, either directly or through officers subordinate to him in accordance with the Constitution. The President's approval to the draft Project Agreement was duly obtained.

3. The officers including the Joint Secretary to the Government of the People's Republic of Bangladesh listed in Schedule II to Rule 5 (ii) of the Rules of Business are authorized to make and execute orders and other instruments in the name of the President. Mr. Muhammed Ali, Joint Secretary, External Resources Division, Ministry of Planning, Government of the People's Republic of Bangladesh, is thus empowered under the Rules of Business to sign and execute the agreement on behalf of the Government of the People's Republic of Bangladesh. The aforesaid Project Agreement signed by him on behalf of the Government of the People's Republic of Bangladesh does not require further approval or ratification of any other authority and constitutes a valid and binding obligation of the Government of the People's Republic of Bangladesh in accordance with its terms.

Joint Secretary
Ministry of Law & Parliamentary
Affairs

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

Dacca, Bangladesh

February 20, 1979

Mr. Muhammed Ali
Joint Secretary
External Resources Division
Block # 10, Room 10
Ministry of Finance
Sher-e-Bangla Nagar
Dacca - 15

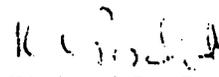
Subject: Technical Resources Grant AID Project
No. 388-0027 Implementation Letter No. 2

Dear Mr. Ali:

This is to inform you that \$900,000 from the Technical Resources Grant is being allocated to the TAMS/Water Development Board, Integrated Land and Water Use Study contract. Since funding for this contract has been requested by Md. Azizul Haque, Project Director, Project Development Studies, Planning Commission (see attached letter), an appropriate coordinating mechanism will have to be established. The balance of funds required for the Study, not to exceed \$50,000, is being provided from the Project Development Grant. Please inform A.I.D., in writing, of the coordinating mechanism established between ERD and the Planning Commission. This should be done within thirty days.

The allocation of the \$900,000 to the TAMS contract is contingent upon successful meeting of the Conditions Precedent as explained in Project Implementation Letter No. 1, dated February 16, 1979.

Sincerely,


Richard L. Podol
Acting Director

Clearance Sheet For

Technical Resources Grant AID Project No.
388-0027 Implementation Letter No. 2

D. Zvenakis

L.K. Crandall

W.T. Oliver

G.C. McCoy

Funds are available from Appropriation 72-11X1023, Allotment
No.402-50-388-00-69-93, \$50,000.00 and Appropriation 72-1191021
Allotment No.943-50-388-00-69-91, \$900,000.00.

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

Dacca, Bangladesh

March 23, 1979

Mr. Muhammed Ali
Joint Secretary
External Resources Division
Block 10, Room 10
Ministry of Finance
Sher-e-Bangla Nagar
Dacca - 15

Subject: Technical Resources Grant AID Project
No. 388-0027, Implementation Letter No. 3

Dear Mr. Ali:

I have received Mr. Md. Nurul Haq's letter dated March 10, 1979, wherein he advised of the coordinating mechanism established between ERD and the Planning Commission for the TAMS/WDB Integrated Land and Water Use Study. The mechanism established wherein ERD will receive periodical reports from Mr. Azizul Haque of the Planning Commission is acceptable to us for purposes of this study.

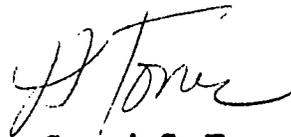
In addition to the above, I wish to acknowledge receipt of Mr. Haq's letter of March 15, 1979 wherein he provided a legal opinion by the Bangladesh Government which stated that the Technical Resources Grant Agreement is in fact a legally binding commitment on the part of the Grantee. The letter also provided a statement of the names of the persons acting for the Grantee and signature specimens. Please be advised that both the legal opinion and the persons designated to act on behalf of the Grantee are acceptable to USAID and satisfy all requirements for Conditions Precedent to Initial Disbursement under the Grant.

- 2 -

Attached you will find Project Implementation Letter No. 11 which makes available to the TAMS/WDB Integrated Land and Water Use Study an additional \$47,000 from the Project Development Grant (388-0031) for a total of \$ 947,000. Implementation Letter Two for Technical Resources provides the \$ 900,000.

Thank you for your cooperation in all these matters.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Toner".

Joseph S. Toner
Director

Attachment: as stated.