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LDNA 67230

Project No. 532-0169

PROJECT GRANT AGREEMENT

BETWEEN

THE GOVERNMENT OF JAMAICA

AND THE

UNITED STATES OF AMERICA

FOR

CARIBBEAN AND LATIN AMERICAN SCHOLARSHIP PROJECT

06 APR 1990

**Appropriation: 72-1101021
BPC: LDNA90-25532-KG13
Amount: \$200,000**

**Appropriation: 72-1101021
BPC: LDEA90-25532-KG13
Amount: \$500,000**

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PROJECT GRANT AGREEMENT

Between

The Government of Jamaica ("Grantee")

And

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

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project

Section 2.1.: Definition of the Project. The Project purpose is to equip a broad base of leaders and potential leaders in Jamaica with technical skills, training and academic education and appreciation and understanding of the working of a free enterprise economy in a democratic society.

Annex I attached, amplifies the above description of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2. without formal amendment of this Agreement.

Section 2.2: Incremental Nature of Project

- (a) A.I.D.'s contribution to the Project will be provided in 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 mutual agreement of the Parties, at the time of a subsequent increment, to proceed.
- (b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Cooperating Country, may specify in Project Implementation Letters appropriate time periods for the utilization of funds provided 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 an amount not to exceed Seven Hundred Thousand UNITED STATES DOLLARS (\$700,000) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1., and local currency costs, as defined in Section 6.2., of goods and services required for the Project.

Section 3.2.: Grantee Resources for the Project.

- (a) The Grantee agrees to provide or cause to be provided for the project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.
- (b) The resources provided by the Grantee and Non Governmental Organizations for the Project will be not less than the equivalent of US\$335,000, including costs borne on an "in-kind" basis.

Section 3.3.: Project Assistance Completion Date

- (a) The Project assistance Completion Date (PACD), which is September 30, 1998 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.
- (b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.
- (c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1., no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Conditions Precedent to Disbursement

Section 4.1.: First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

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

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

Section 4.3.: Terminal Dates for Conditions Precedent. If the conditions specified in Section 4.1. have not been met within 120 days from the date of the Agreement, or such later date as A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

ARTICLE 5: Special Covenants

Section 5.1.: Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project:

- (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 attainment;
- (c) Assessment of how such information may be used to help overcome such problems; and
- (d) Evaluation, to the degree feasible, of the overall development impact of the Project.

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, including ocean shipping, required for the Project having, with respect to goods, their source and origin, and with respect to services, their nationality, in the United States of America (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance. Ocean transportation costs will be financed under the grant only on flag vessels under flag registry of the U.S., except as A.I.D. may otherwise agree in writing.

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 Jamaica ("Local Currency Costs").

ARTICLE 7: Disbursement

Section: 7.1.: Disbursement for Foreign Exchange Costs.

- (a) After satisfaction of conditions precedent to the first disbursement, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods and 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 disbursement or reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services on Grantee's behalf for the Project; or,
 - (2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

- (b) Banking charges incurred by the Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the 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 the Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance costs.
- (b) The local currency needed for such disbursements may be obtained:
- (1) by acquisition by A.I.D. with U.S. Dollars by purchase; or
 - (2) by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for the procurement from the United States under appropriate procedures described in Project Implementation Letters.

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

Section 7.3.: Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Section 7.4.: Rate of Exchange. Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into Jamaica 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 Jamaica at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Jamaica..

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 address:

To the Grantee

Mail Address

The Minister of Finance
and Public Service
Ministry of Finance and
Public Service
30 National Heroes Circle
Kingston 4, Jamaica

Cable Address

The Minister of Finance and
Public Service
Ministry of Finance and
Public Service
30 National Heroes Circle
Kingston 4, Jamaica

To A.I.D.

Mail Address

Director
USAID/Jamaica
P.O. Box 541
6b Oxford Road
Kingston 5, Jamaica

Cable Address

USAID/Jamaica

Other addresses may be substituted for the above upon 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 and its amendments, the Grantee will be represented by the individual holding or acting in the office of Minister of Finance and Public Service and A.I.D. will be represented by the individual

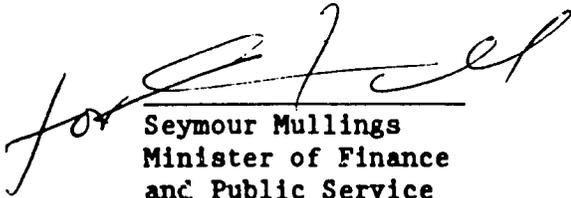
holding or acting in the office of the Mission Director, USAID/Jamaica, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex I.

The names of the representatives of the Grantee, with specimen signature, 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 "Standard Provisions Annex" (Annex II) 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.

GOVERNMENT OF JAMAICA


Seymour Mullings
Minister of Finance
and Public Service

UNITED STATES OF AMERICA

Glen A. Holden
Ambassador



William R. Joslin
Director
United States A.I.D.
Mission to Jamaica

Date: 06 APR 1990

ANNEX I

THE PROJECT DESCRIPTION

The Caribbean and Latin American Scholarship Program (CLASP) II will provide scholarship opportunities to approximately 7,000 individuals from most of the countries in South and Central America and the Caribbean. The goal of this large initiative is to promote broad-based economic and social development in the Latin American and Caribbean countries. Within this general long-term goal, the program has a specific sub-goal to encourage and strengthen free enterprise economies and democratic pluralism in the Latin American and Caribbean regions.

While the Jamaican program under CLASP has the same goal, the purpose of the Jamaican portion of the larger program is to equip a broad base of leaders and potential leaders in Jamaica with technical skills, training and academic education and an enlarged appreciation and understanding of the workings of free enterprise economy in a democratic society.

In Jamaica the CLASP II program is closely tied to the Mission's economic development strategy to expand private sector activities, especially the export-oriented sub-sector. The program also addresses the need to train key persons in select public sector institutions which were, to a large extent, created to serve the private sector. Within the above, the program seeks to provide training opportunities for leaders and potential leaders drawn from disadvantaged groups including women, rural and urban youth from poor families, and ethnic and cultural minorities. Finally, but no less importantly, the program contains an "Experience America" component to provide trainees with the opportunity to get to know U.S. citizens and institutions both professionally and personally.

All training under the Project is off-shore and should be mainly at the graduate level but may also include training at the undergraduate level in addition to technical short-term programs. A small sum (see Illustrative Budget) has been set aside for follow-up activities for participants after they return to Jamaica to assure that they may utilize their knowledge and experience for their own and Jamaica's benefit. While overall evaluations and audits will be funded from A.I.D. Washington, a small amount of funds has been set aside to provide for Mission specific evaluations/audits.

The Project will be incrementally funded on an annual basis. The Project will be implemented by USAID/Jamaica in collaboration with placement contractors located in Washington, D.C. Trainees will be selected competitively by USAID in collaboration with a selection panel made up of individuals representing the Jamaican private sector and the Ministry of Finance and Public Service.

ATTACHMENT NO. 1
PROJECT NO. 5532-0169

CARIBBEAN AND LATIN AMERICAN SCHOLARSHIP PROJECT (CLASP II)

ILLUSTRATIVE BUDGET (1)
(US\$000)

	OBLIGATED THIS AGREEMENT				FUNCTIONAL ACCOUNT	SUBSEQUENT AGREEMENTS				LOP TOTAL			
	USAID		HC(2)			USAID		HC		USAID		HC	
	FX	LC(1)	FX	LC		FX	LC	FX	LC	FX	LC	FX	LC
I. SHORT-TERM TRAINING	200			16	BH (\$50) ARDN(\$150)	853			59	1,053			75
II. LONG-TERM TRAINING	450			51	BH	3,427			189	3,877			240
III. PRE-DEPARTURE		6			ARDN		22				28		0
IV. FOLLOW-ON		0					142				142		0
V. EVALUATION/AUDIT (4)		0					70				70		0
VI. CONT/INFLA	44	0			ARDN	271	15		20	315	15		20
TOTAL	694	6	0	67		4,551	249	0	268	5,245	255	0	335

FOOTNOTES

- (1) FIGURES INCLUDE A 6% PER ANNUM INFLATION FACTOR
- (2) HOST COUNTRY CONTRIBUTION
- (3) EXCHANGE RATE OF J\$6.9 TO US\$1
- (4) FUNDS FOR SMALL, MISSION SPECIFIC EVALUATIONS