

A.I.D. Project Number 655-0008
Appropriation No.: 72-11X1012
Allotment No: 812-52-655-00-69-81

PROJECT
GRANT AGREEMENT
BETWEEN
GOVERNMENT OF CAPE VERDE
and the
UNITED STATES OF AMERICA
for
PRIMARY NON-FORMAL EDUCATION

Dated: 19 August 1978

BEST AVAILABLE COPY

A.I.D. Project No. 655-0008

Project Grant Agreement

Dated:

Between

The Government of Cape Verde ("Grantee")

And

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

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the Undertaking by the Grantee of the Project described 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 construction of sixty rural primary schools providing classrooms for more than 7,000 students, fifteen housing units for teachers and two vocational education workshops, and the design and implementation of training programs to upgrade the professional capabilities of 200 educators and education administrators. Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1. Within the limits 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 8.2 without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the project will be provided in increments, the initial one being made in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to the availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Seven Hundred Thousand U.S. Dollars (\$700,000) (Grant). The Grant may be used to finance foreign exchange and local currency costs, as defined in Section 6.1 and 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 for the Project will be not less than the equivalent of U.S. \$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, 1981, or such other date as the Parties may agree 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 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 goods or services performed 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, for any purpose other than to finance the cost of goods and services for the training of monitors during the first training period of 1978 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 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 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;

(c) a plan for assigning adequate living and working space in Mindelo to house all participants in the training component; and

(d) a plan for assigning one full-time administrator from M.E.C. and two part-time administrator/planners from M.E.C.

SECTION 4.2. Additional Disbursement. Prior to disbursement under the Grant for commodity procurement and for construction operations, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made for this purpose, the Grantee will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) a plan for assigning other specific personnel, equipment, office space and other resources necessary for project implementation, including the following items:

(1) access to the use of five and ten ton dump trucks, concrete mixers, vibrators, water tankers and jeeps/land-rovers including all necessary preventative maintenance,

(2) approximately seventy-seven (77) hectares of land for construction activities,

(3) one engineer at 25 percent time, two engineers full-time, one architect at 20 percent time and one architect full-time,

(4) local building materials (sand, stone and water, including transportation to sites);

(b) plans and specifications, bid documents, cost estimates and a plan with time schedules for carrying out commodity procure-

ment under the Project;

(c) an executed contract for commodity procurement services under the Project

(d) an accounting system for financing all project activities;

(e) a plan for maintenance of all schools and related facilities to be supplied under the project; and

(f) an executed contract for construction for the Project Empresa Estatal Para Construcões, a division of the Ministry of Public Works.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 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 ninety 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 the Grantee.

(b) If all the conditions specified in Section 4.2 have not been met within ninety days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may

terminate this Agreement by written notice to the Grantee.

Article 5: Special Covenants:

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

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

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

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

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

Article 6: Procurement Source.

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the cost of goods and services required for the Project having their source and origin 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 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.

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 Cape Verde ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 7: Disbursement.

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon: -

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters

of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters-of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

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

(1) by acquisition by A.I.D. with U.S. Dollars by purchase; or

(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

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local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

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

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

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into the Republic of Cape Verde by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Republic of Cape Verde at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of Cape Verde.

Article 8.1. Miscellaneous.

SECTION 8.1. Communication. 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: State Secretary of Cooperation and Planning
Post Office Box 16
Praia, Cape Verde

Alternate Address for Cables: Cooperacao - Praia

To A.I.D.:

Mail Address: Embassy of the United States of America
Post Office Box 297
Bissau, Guinea-Bissau

Alternate Address for Cables: AmEmbassy Bissau

All such communications will be in English or in Portuguese. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of State Secretary of Cooperation and Planning and A.I.D. will be represented by the individual holding or acting in the office of Country Development Officer, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power

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under Section 2.1. to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signature, will be provided to A.I.D., which may accept as fully authorized any instrument signed by such representative 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 3) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Republic of Cape Verde 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.

REPUBLIC OF CAPE VERDE

By: _____

Title: Secretary of State for International Cooperation

UNITED STATES OF AMERICA

By: _____

Title: *Charge d'Affaires*

PROJECT DESCRIPTION

The principal purposes of the Project are (1) to improve primary and vocational education facilities on the islands of Sao Tiago, Fogo and Brava, Cape Verde, and (2) to upgrade the professional skills of teachers and administrators responsible for Cape Verde's elementary education program. Specific activities to be carried out under the Project include construction of sixty rural primary schools providing classrooms for more than 7,000 students, fifteen housing units for teachers required to work in the most remote rural areas and two vocational education workshops as well as the design and implementation of training programs to upgrade the professional capabilities of 200 educators and education administrators.

A.I.D. financing for this Project will provide (1) building materials, labor and equipment; (2) engineering services; (3) educational training and materials; and (4) trainee participation expenses. The GOCV contribution is intended to supply (1) building materials; (2) construction management services; and (3) general logistical support, including personnel, equipment and supplies.

The Project executor will be the Ministry of Education.

The following results are anticipated by the end of the Project:

- a. Sixty elementary schools (100 classrooms) will be constructed, with kitchen, canteen and storage facilities.
- b. Fifteen two-bedroom teachers' living quarters will be constructed, with kitchen, bathroom and living room space.
- c. Two industrial arts workshops will be constructed

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and equipped.

d. Some 200 professional personnel will receive training to up-grade their capabilities:

- (1) 100 minimally-trained teachers (Monitors)
 - (2) Ten industrial arts specialists
 - (3) Fifteen school administrators
 - (4) Seventy-five elementary school teachers
- 105

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ANNEX 2

SUMMARY BUDGET FOR THE LIFE OF THE PROJECT

| | <u>A.I.D.</u> | <u>G.O.C.V.</u> | <u>TOTAL</u> |
|--------------------------|---------------|-----------------|--------------|
| Personnel | \$ 311 | \$ 70 | \$ 381 |
| Commodities | - | - | - |
| Local Costs and Training | 788 | 851 | 1,639 |
| Contingency | 750 | - | 750 |
| Equipment | <u>1,151</u> | <u>82</u> | <u>1,233</u> |
| Total | \$3,000 | \$1,003 | \$4,003 |

BUDGET FOR FY 78 OBLIGATED BY THIS AGREEMENT

| | <u>A.I.D.</u> | <u>G.O.C.V.</u> | <u>TOTAL</u> |
|--------------------------|---------------|-----------------|--------------|
| Personnel | \$ 159 | \$ 23 | \$ 182 |
| Commodities | 318 | 28 | 346 |
| Local Costs and Training | 100 | - | 100 |
| Contingency | 123 | - | 123 |
| Other | <u>-</u> | <u>284</u> | <u>284</u> |
| Total | \$ 700 | \$ 335 | \$1,045 |

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