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PROJECT
GRANT AGREEMENT
BETWEEN
THE
REPUBLIC OF BOTSWANA
AND THE
UNITED STATES OF AMERICA
FOR
BOTSWANA WORKFORCE AND SKILLS TRAINING
PHASE II
PROJECT NO. 633-0241

Date: May 13, 1986

Appropriation: 72-1_____

Budget Plan Code: GESA-86-21633-KG13

Controller: *[Signature]*

I certify this to be a true and exact copy of the original Project Grant Agreement signed by Vice President Mmusi and Ambassador Natale H. Bellocchi.

[Signature]
Paul Guedet, Director

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PROJECT GRANT AGREEMENT

May 13, 1986

Between Republic of Botswana ("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 below, 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 I, will assist the Grantee's efforts in job formation through workforce training and the provision of technical assistance in the public and private sectors. A.I.D Project funding will finance long and short-term technical assistance, including technical assistance in the management of training; long and short-term international and short-term in-country training; planning studies designed to expand employment generation; and Implementing Contractor (IC) support costs.

Annex I, attached, amplifies the above definition 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 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) 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. It is anticipated that, subject to the provisions of Section 2.2 (a) above, A.I.D.'s total contribution to the project will be \$27,000,000.

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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 two million three hundred thousand United States ("U.S.") dollars (\$2,300,000) ("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 for the Project will be not less than the equivalent of U.S. \$9,034,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

- (a) The "Project Assistance Completion Date" (PACD), which is May 12, 1994, 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 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 reduce the amount of the Grant by all or part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of the said period.

Article 4: Condition 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.:

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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 condition precedent specified in Section 4.1. has been met, it will promptly notify the Grantee.

SECTION 4.3. Terminal Dates for Condition Precedent

If the condition specified in Section 4.1. has not been met within ninety (90) 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.

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 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.

SECTION 5.2. Additional Covenants

The Grantee shall covenant that, except as A.I.D. may otherwise agree in writing:

- (a) It will make available qualified candidates for long-term academic training on a timely basis and will ensure by bonding or other means that such trainees are assigned upon their return to Botswana to suitable positions within the Government related to activities financed under the Project.
- (b) It will sign contracts with each OPEX technician provided under the Project. The Contract will provide for pay, allowances, and benefits for such technicians on the same basis as the Grantee provides for its officials of a similar grade.

- (c) It will assign a suitable counterpart for each long-term OPEX technician financed under the Project.
- (d) It will participate, along with the IC and A.I.D., in an annual performance review (utilizing Government of Botswana staff performance appraisal reports) of all OPEX technicians recruited under 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 required for the Project having, with respect to goods, their source and origin, and, with respect to services, their nationality in countries included in A.I.D. Geographic Code 941, 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. with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States, other countries in Code 941, or Botswana, 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 Botswana ("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

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:

- (a) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters,
 - (1) requests for reimbursement for such goods or services; or
 - (2) requests for A.I.D. to procure commodities, or services in Grantee's behalf for the Project; or
- (b) by requesting A.I.D. to issue a Letter of Commitment for specified amounts

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- (1) 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
 - (2) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for 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:
- (1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; 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 procurement from the United States under appropriate procedures described in Project Implementation Letters.
- (c) The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of the subsection (b) (1) above, the amount of U.S. dollars required by A.I.D. to obtain 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 Botswana 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 funds may be converted into currency of Botswana at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Botswana.

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: Permanent Secretary
Ministry of Finance
and Development Planning
Private Bag 008
Gaborone, Botswana

Alternate address for cables:

Finance
Gaborone, Botswana

To A.I.D.

Mail Address: Director
USAID Mission
P.O. Box 90
Gaborone, Botswana

Alternate address for cables:

American Embassy
Gaborone, Botswana

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.

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 Permanent Secretary, Ministry of Finance and Development Planning and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, USAID/Botswana, 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.

FOR THE REPUBLIC OF BOTSWANA

BY: 
Peter S. Mmusi

Title: Vice President and
Minister of Finance and
Development Planning

FOR THE UNITED STATES
OF AMERICA


By: Natale H. Bellocchi

Title: Ambassador

ANNEX 1

AMPLIFIED PROJECT DESCRIPTION

Elements of the Amplified Project Description may be changed by written agreement of the authorized representatives of the Parties named in Article 8, Section 8.2 without formal amendment of this Agreement as long as such changes are within the definition of the project as set forth in Article 2, Section 2.1.

ARTICLE I

DESCRIPTION

Section A. Project Description

The Botswana Workforce and Skills Training Project, Phase II (BWAST II) will continue and expand upon the efforts undertaken through the first phase of BWAST which commenced July 1982 and is scheduled to be completed in September 1989. BWAST II is designed to help the Government of Botswana (GOB) alleviate shortages of skilled manpower and simultaneously to provide assistance in employment generation in public and private sectors.

The purpose of the project is to increase the number of trained Batswana in positions which foster employment generation. BWAST II will not directly create employment. Manpower training is but one of many variables to be factored into the job creation equation. However, the major tenet of the project is that unless educated and skilled workers are available for the private and public sectors, the economy as a whole, and thus total employment, will grow less quickly than it otherwise might.

Section B. Expected Project Outputs

BWAST II will assist in the complex and multi-dimensional task of job formation by providing by the end of the project, the following:

1. Batswana trained through in-country training programs/workshops in technical and administrative fields associated with employment creation and labor productivity;
2. Batswana trained in the U.S. or third countries in disciplines needed by the public and private sector that are directly linked to, or that provide support services for, the employment generation effort;
3. Technical assistance provided to ministries, related institutions and the private sector in fields related to job formation;
4. Institutionalization of a management of training system that will strengthen the capacity of the public and private sector to plan and manage their own manpower development, particularly as it relates to employment generation.

There will be two important secondary outputs that will also be accomplished by the project:

1. The present imbalance between labor supply of educated and skilled Batswana and labor demand for their services will begin to be equalized.
2. Select critical posts in the public, and to a lesser extent, private sectors that are presently occupied by non-citizens will be localized.

Section C. Project Components

BWAST II will have three major components and one supporting component. The major components include Training, Technical Assistance and the Management of Training. The supporting component is that of Planning Studies.

1. Training

The training component, will include long and short-term international training, and short-term in-country training for the public and private sectors in administrative and technical fields which foster employment generation. Batswana will be trained for Bachelors' or Masters' Degrees in administration and management and in a variety of technical fields. Out of a projected total of 711 person years of training throughout the life of the project, approximately 74% of that amount will be for long-term degree training. An estimated total of 176 participants will be trained; approximately 44 annually. An estimated 80 out of the 176 participants will be drawn from the private sector. The remaining training slots will be divided among selected GOB ministries and related institutions on the basis of their eligibility as determined by the employment generation criteria. In all cases, external training will be reserved for fields which are not available at an acceptable standard and appropriate level in Botswana.

Batswana presently involved in the management of activities that impact on employment opportunities will also have access to short courses in administration and management. Individuals filling technical positions of high national priority will be encouraged to attend technical courses of short duration. Approximately 2% of the total training allocated will be for short-term international training. Out of the estimated 64 participants to benefit from these highly focused courses throughout the life of the project, approximately 24 will be sent from the private sector and the remainder from the public sector.

The majority of Batswana international participants for both long and short-term training will attend American universities. Third country training, however, which meets acceptable standards remains an option.

Batswana who require more basic and fundamental skills in administration and management, or the upgrading of presently existing administrative or technical skills, will attend institutions within Botswana for short periods of training. The project will sponsor the in-country training of approximately 1,000 Batswana. Local training efforts will be of short duration. Special in-country technical courses, workshops and seminars, normally not offered in local institutions, will also be sponsored by the project for the acquisition of new skills and for the enhancement and refinement of previously learned skills. Approximately 300 participants from the private sector will benefit from this component.

The first group of trainees, long-term, short-term and in-country, will be sponsored during FY87. The last group will begin their studies in FY 90.

2. Technical Assistance

The technical assistance component will place technicians in high priority GOB ministerial positions that are involved with job creation. Approximately 72 person years of long-term Operational Expert (OPEX) assistance (estimated nine OPEXers per year) will be provided to the target ministries and related institutions within the GOB. The provision of long-term technical assistance to the private sector will be considered only if the technician's work supports several segments of the private sector and not just one firm. The distribution of OPEXers will not be predetermined, but will reflect the relative importance/impact of the respective ministries and institutions in fostering increased employment opportunities.

OPEXers will possess skills in administration/management or skills of a technical nature and will fill high priority positions while Batswana are in training. The project will ensure that when technical assistance is provided, it will complement and reflect the training requirements. Each OPEXer will fill an established line position and will have a Motswana counterpart. The OPEXer will be responsible for on-the-job training of that counterpart and for assisting as appropriate, other colleagues in the unit of employment. The project will maximize the use of OPEXers by requiring that OPEXers with relevant skills be available to lecture on an ad hoc basis at a local institution.

Short-term technicians will be provided to undertake specific tasks related to employment generation and/or the management of training for both the public and private sectors. The estimated duration of their consultancies will be three months or less. Because of the nature of the private sector, BWAST II short-term technical assistance will be utilized to benefit the sector in general, rather than any one organization.

An estimated total of 45 person months of this assistance will be provided over the life of the project. From that total, approximately 15 person months will be set aside for private sector usage. However, if the demand for private sector

short-term technical assistance proves to be greater than 15 person months, the private sector's share of this component will be reconsidered.

3. Management of Training

The third component, the management of training, will test and refine systems developed for the planning and management of training. BWAST II will provide specific technical assistance in the management of training through the implementing contractor.

4. Planning Studies

The fourth, and supporting component, planning studies, will explore various options in expanding employment opportunities. Studies which gather preliminary data (e.g. baseline surveys of critical skills) required prior to making employment generating decisions will be funded. Periodic project evaluations and special evaluations will also be funded.

5. Selection Criteria

BWAST II activities will focus on individuals and institutions engaged in employment generation roles. Accordingly, the project has elected to focus on key ministries and related institutions where the impact of assistance will relate directly, indirectly or in a supporting role to employment generation activities. Seven ministries and two affiliated public sector institutions have been identified as primary actors in BWAST II. They include the Ministries of Commerce and Industry, Agriculture, Education, Labour and Home Affairs, Local Government and Lands, Health, and Mineral Resources and Water Affairs. Related institutions include the Directorate of Personnel and the Ministry of Finance and Development Planning.

To further focus the project and to ensure that project-financed training and technical assistance will have the widest impact and meet project objectives, selection criteria have been developed for both technical assistance and long and short-term external training for the public and private sector. Before criteria are applied, the position which will be occupied upon return from training must be identified; the individual must be in one of the selected ministries or related institutions; and it must be demonstrated that training fits within the ministry's or organizations' overall localization and training plan.

Preference for training and technical assistance will be given to institutions (and individuals within them) according to the following hierarchy of engagement in employment generating activities:

a. Direct role in manpower, employment or investment decision making with influence in policy design or implementation and project management.

b. Indirect role in manpower, employment or investment decision-making issues, such as project assessment, and project implementation and training;

c. Supporting role in manpower/employment formation such as providing coordination and support services and training. These offices/individuals provide information to, or develop procedures for, use by individuals playing a direct role.

Additional OPEX specific criteria include:

a. Position to be filled contributes to overall objectives of generating employment opportunities. Selection criteria and plans for counterpart training should be considered. Direct, indirect and supportive roles should be weighted as follows:

direct - 60 points;
indirect - 40 points;
supportive - 20 points.

b. Position has a wide impact (transcends ministerial or interministerial lines). 20 points

c. Position suitable for providing short-term training courses within and/or outside assigned institutions. 15 points

d. Position complements on-going USAID programs in target ministries or departments. 5 points

ARTICLE II

FINANCIAL CONTRIBUTION

Section A. Contribution of the Parties

In order to achieve the purpose of the project, the Parties will make inputs to the project as described below:

1. A.I.D.

This section describes A.I.D.'s anticipated inputs to the project. Funding levels indicated are the anticipated life of project funding. Funding indicated in excess of that actually obligated under this Agreement will be provided under future increments, subject to the conditions set forth in Section 2.2 of this Agreement.

a. Training (estimated \$13,572.800)

A.I.D. will finance approximately 528 person years of long-term international training in administration, management

and technical fields; an estimated 192 person - months of U.S. and third country short-term training in administration, management and technical fields; and approximately 2000 person-months of in-country training in administration, management and technical fields. The total cost for this activity is estimated at \$13,572,800.

b. Technical Assistance (estimated \$5,850,000)

A.I.D. will finance approximately 72 person-years of OPEX assistance and an estimated 45 person-months of short-term technical assistance. The estimated cost for this activity is \$5,850,000.

c. Planning Studies and Evaluation (estimated \$200,000)

A.I.D. will finance approximately \$200,000 in support of planning studies and evaluations.

d. Technical Support (estimated \$3,500,000)

A.I.D. will finance contract costs estimated at \$3,500,000 for OPEX recruitment and backstopping and for participant placement and backstopping.

e. Inflation (estimated \$2,602,900) and Contingency (estimated \$1,274,300)

A.I.D. will provide an estimated \$2,602,900, which represents a 5% compounded inflation factor. A.I.D. will also provide an estimated \$1,274,300, which represents a 5% contingency factor.

2. Government of Botswana

In addition to its general obligation under Section 3.2 of the Agreement to provide funds and resources needed for the Project, the GOB will make the following inputs to the Project:

a. Training (estimated \$3,684,000)

The GOB will provide an estimated \$3,684,000 to finance the salaries and transportation of long-term and short-term international participants and the salaries and subsistence, lodging and transportation of in-country participants

b. Technical Assistance (estimated \$792,000)

The GOB will provide an estimated \$288,000 to finance the salaries of counterparts for OPEX officers and approximately \$504,000 for OPEX personnel base salaries.

c. Technical Services Support (estimated \$1,036,000)

The GOB will provide an estimated \$736,000 to cover the costs of OPEXer housing, furniture, office/supplies,

in-country transportation and approximately \$300,000 for in-kind contribution to local institutions.

d. Commodities (estimated \$200,000)

The GOB will provide approximately \$200,000 in commodities purchases. This component will be used primarily for the publication of reports, documents and training materials production.

e. Construction (estimated \$550,000)

The GOB will provide an estimated \$550,000 for construction of needed training facilities.

f. Inflation (estimated \$1,951,000) and Contingency (estimated \$821,000)

The GOB will provide an estimated \$1,951,000, which represents a 10% compounded inflation factor. The GOB will also provide an estimated \$821,000, which represents a 10% contingency factor.

ARTICLE III

IMPLEMENTATION

Section A. Implementation Arrangements

1. General

The Project Agreement will be signed by the Ministry of Finance and Development Planning and will provide funds for the provision of long-term OPEX advisors, short-term consultant services, and long and short-term participant training in-country and overseas. It will also provide funds in support of an implementing contractor.

2. Government of Botswana

a. Directorate of Personnel

The Directorate of Personnel (DOP) will be responsible for the implementation of the public sector component of the project. Matters requiring daily implementation of BWAST II will be handled by the DOP's Recruitment and Training Divisions. The DOP will be responsible for review and approval of all short and long-term training and OPEX requests that originate from target ministries prior to submission of these requests for final approval by USAID. It will be this office's responsibility to ensure that selection criteria are applied, that requests are consistent with ministerial training plans, that training is

relevant to job requirements, and that counterparts are identified for all OPEX requests. All training and OPEX requests will be submitted to A.I.D. on an annual basis.

b. Ministries

The Undersecretaries for Manpower Development and/or the Training Officers within the line ministries will have the responsibility for providing organizational requirements and prioritizing for training and technical assistance. It is these individuals who will be directly involved in the development of Training Plans and OpeX projections and who will put forward training and technical assistance nominations for BWAST II funding that meet the criteria established by the project.

c. Botswana Employers' Federation

The Botswana Employers' Federation (BEF) will be the prime implementing agency for the private sector. The BEF will be responsible for advertising training opportunities (and possibly OPEX opportunities, see Article I, Section C.2), and for the initial screening of respondents. They in turn will provide a short list of candidates to a Training Committee who will then screen the applicants following the selection criteria before submitting the names to A.I.D..

d. The Department of Labour

The Department of Labour will serve as the official link between the BEF and the public sector for the purpose of BWAST II.

3. A.I.D.

USAID/Botswana will be responsible for project monitoring and the project manager will serve as the principal liaison with the implementing contractor. USAID's Training Officer will prepare PIO/Ps for all long and short-term training; the Project Manager will initiate the PIO/Ts, Project Implementation Letters, and will coordinate external evaluations.

4. Contractor

An implementing contractor is expected to be responsible for the recruitment of OPEX and short-term technical assistance and to provide administrative support for these individuals once they have arrived in country. The same contractor will be responsible for the placement and monitoring of participants. A Field Coordinator will be stationed in Botswana and will be supported by a U.S.-based organization. A Training Coordinator may also be based in Botswana. If so, this individual will work with the Directorate of Personnel, target ministries and the private sector, as represented by the BEF.

Section B. Financial Procedures

Payment for long-term training, short-term international training, OPEX related payment and normally that for short-term technical assistance will be made by USAID/Botswana to the implementing contractor. For in-country training costs incurred directly by the Grantee, standard A.I.D. reimbursement procedures (Voucher SF 1034) will be used to reimburse the Grantee upon receipt of a request and invoice from the Ministry of Finance and Development Planning.

Section C. Procurement Plan

1. A.I.D

The provision of an implementing contractor will be arranged by A.I.D.. Long-term technical assistance will be procured directly by USAID/Botswana through the implementing contractor. Short-term technical assistance will normally be procured in the same manner. Project evaluation services will be procured by USAID/Botswana.

2. Government of Botswana

The building contract for the construction component will be arranged and administered by the GOB. The procurement of commodities under this project will also be the responsibility of the Government of Botswana.

Section D. Estimated Implementation Schedule

<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
5/86	Grant Agreement Signed	USAID/GOB	5/86
5/86	USAID Authorizes Contractor to Begin FY86 OPEXer Recruitment	USAID	5/86
5/86	Contractor Advertises Positions and Screens Applicants	Contractor	8/86
6/86	Special Evaluation for Base-line Data Collection	USAID/AID/W	7/86
8/86	Contractor Submits Short-List of OPEX Candidates to GOB for Selection	Contractor	8/86
8/86	GOB Selects Candidates and informs USAID	DOP	8/86
8/86	FY87 Training Plans Revised and Submitted to DOP by Ministries and Copied to USAID	Ministries	11/86

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<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
8/86	FY87 Training Discipline for Private Sector Revised and Submitted to MLHA and copied to USAID	BEF	11/86
8/86	FY87 OPEXer Requests Submitted to DOP	Ministries	11/86
9/86	FY86 OPEXers Arrive In Country	Contractor	10/86
12/86	List of Participants Submitted to USAID	DOP/MLHA	12/86
12/86	List of OPEXers and Short-Term T.A. Submitted to USAID	DOP/MLHA	12/86
1/87	Competitive Contracting Process for Implementing Contractor-RFP Drafted	USAID/RCO	8/87
2/87	Biodata Forms Submitted for Participants	DOP	2/87
2/87	USAID Authorizes Contractor to Begin OPEXer Recruitment	USAID	2/87
2/87	Contractor Advertises OPEX Positions and Screens Applicants	Contractor	5/87
3/87	TOEFL, GRE, GMAT	Participants Contractor	5/87
3/87	Placement of Students	Contractor	7/87
3/87	Participants' Medical Examina- tions for School Entrance	Participants Contractor	6/87
3/87	CBD Notice Published to Invite RFP Solicitations	RCO	3/87
5/87	Special Evaluation Update	Local Contractor/ USAID	6/87
6/87	Contractor Submits Short List of OPEX Candidates to GOB for Selection	Contractor	6/87
7/87	Review and Rank RFPs	USAID/RCO/GOB	8/87
7/87	GOB Selects Candidates and Informs USAID	DOP	7/87

<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
7/87	Participants' Visa Arrangements	Participants/ USAID/ AmEmbassy	9/87
7/87	Request for Participants' Advance Maintenance Allowance	USAID	9/87
7/87	Participants' Travel Arrangements	USAID/ Participants	9/87
7/87	Orientation for Participants	Contractor	8/87
8/87	Negotiate and Award Implementing Contract	USAID/RCO/ Candidates	10/87
8/87	FY87 OPEXers Arrive In-Country	Contractor	9/87
8/87	Participants Arrive at Universities		9/87
8/87	FY88 Training Plans Revised and Submitted by Ministries to DOP and Copied to USAID	Ministries	11/87
8/87	FY88 Training Disciplines for Private Sector and Submitted to MLHA and Copied to USAID	BEF	11/87
8/87	FY88 OPEXer Requests Submitted to DOP	Ministries	12/87
12/87	List of Participants Submitted to USAID	DOP/MLHA	12/87
12/87	List of OPEXers and Short-term T.A. Submitted to USAID	DOP/MLHA	12/87
2/88	Biodata Forms Submitted for Participants	DOP	2/88
2/88	USAID Authorizes Contractor to Begin OPEXer Recruitment	USAID	2/88
2/88	Contractor Advertises OPEX Positions and Screens Applicants	Contractor	5/88
3/88	TOEFL, GRE, GMAT	Participants/ Contractor	5/88
3/88	Placement of Students	Contractor	7/88
3/88	Participants' Medical Examina- tions for School Entrance	Participants/ Contractor	6/88

<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
5/88	Special Evaluation Update	Local Contractor/ USAID	6/88
6/88	Contractor Submits Short List of OPEX Candidates to GOB for Selection	Contractor	6/88
7/88	GOB Selects Candidates and Informs USAID	DOP	7/88
7/88	Participants' Visa Arrangements	Participants/ USAID/ AmEmbassy	9/88
7/88	Request for Participants' Advance Maintenance Allowance	USAID	9/88
7/88	Participants' Travel Arrangements	USAID/ Participants	9/88
7/88	Orientation for Participants	Contractor	8/88
8/88	FY88 OPEXers Arrive In-Country	Contractor	9/88
8/88	Participants Arrive at Universities	Contractor	9/88
8/88	FY89 Training Plans Revised and Submitted by the Ministries to DOP and Copied to USAID	Ministries	11/88
8/88	FY89 Training Disciplines for Private Sector Revised and Submitted to MLHA and Copied to USAID	BEF	11/88
8/88	FY89 OPEXer Requests Submitted to DOP	Ministries	12/88
11/88	Mid-Term Evaluation	REDSO/AID/W	11/88
12/88	List of Participants Submitted to USAID	DOP/MLHA	12/88
12/88	List of OPEXers and Short-term T.A. Submitted to USAID	DOP	12/88
2/89	Biodata Forms Submitted for Participants	DOP	2/89
2/89	USAID Authorizes Contractor to Begin OPEXer Recruitment	USAID	2/89

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<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Comple Action</u>
2/89	Contractor Advertises OPEX Positions and Screens Applicants	Contractor	5/89
3/89	TOEFL, GRE, GMAT	Participants/ Contractor	5/89
3/89	Placement of Students	Contractor	7/89
3/89	Participants' Medical Examinations for School Entrance	Participants/ Contractor	6/89
5/89	Special Evaluation Update	Local Contractor/ USAID	6/89
6/89	Contractor Submits Short List of OPEX Candidates to GOB for Selection	Contractor	6/89
7/89	GOB Selects Candidates and Informs USAID	DOP	7/89
7/89	Participants' Visa Arrangements	Participants/ USAID/ AmEmbassy	9/89
7/89	Request for Participants' Advance Maintenance Allowance	USAID	9/89
7/89	Participants' Travel Arrangements	USAID/ Participants	9/89
7/89	Orientation for Participants	Contractor	8/89
8/89	FY89 OPEXers Arrive In-Country	Contractor	9/89
8/89	Participants Arrive at Universities	Contractor	9/89
8/89	FY90 Training Plans Revised and Submitted by the Ministries to DOP and Copied to USAID	Ministries	11/89
8/89	FY90 Training Disciplines Revised and Submitted to MLHA and Copied to USAID	BEF	11/89
12/89	List of Participants Submitted to USAID	DOP/MLHA	12/89
2/90	Biodata Forms Submitted for Participants	DOP	2/90

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<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
3/90	TOEFL, GRE, GMAT	Participants/ Contractor	5/90
3/90	Placement of Students	Contractor	7/90
3/90	Participants' Medical Examinations for School Entrance	Participants/ Contractor	6/90
5/90	Special Evaluation Update	Local Contractor/ USAID	6/90
7/90	Participants' Visa Arrangements	Participants/ USAID/ AmEmbassy	9/90
7/90	Request for Participants' Advance Maintenance Allowance	USAID	9/90
7/90	Participants' Travel Arrangements	USAID/ Participants	9/90
7/90	Orientation for Participants	Contractor	8/90
8/90	Participants Arrive at Universities	Contractor	9/90
11/90	Final Evaluation	REDSO/AID/W	11/90
4/94	Close-out of Contract	USAID/RCO Contractor	
4/94	Project Assistance Completion Date		
7/94	Project Completion Report	USAID	7/94

ARTICLE IV

EVALUATION PLAN

There are three major types of evaluations that are planned for IWAST II: special evaluation(s), semi-annual reviews and external evaluations. Detailed scopes of work will be developed prior to the actual evaluations. These evaluations will be conducted jointly by the GOB and USAID in accordance with standard A.I.D. procedures.

Section A. Special Evaluations

Special Evaluations will collect baseline data so comparisons can be made over time to assess progress toward achievement of project objectives and to assess the impact of

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training and technical assistance. The special evaluations will allow for follow-up surveys, particularly on the participant training component. A longitudinal analysis will be able to track the accomplishments of returned participants through time and will allow for more accurate assessment by returnees and supervisors of the relevance of training, improved job performance, ways in which skills have been utilized, and the levels of authority associated with returnees' positions.

Section B. Semi-annual Project Reviews

Progress under the project will be reviewed semi-annually by USAID in cooperation with the implementing contractor, the Directorate of Personnel, the Ministry of Finance and Development Planning, the Department of Labour and the Botswana Employers' Federation. These internal reviews will be coordinated by the Project Manager with the intent to ensure that implementation of the project is proceeding according to plan. The project reviews will examine both project progress towards the achievement of outputs and the performance of the implementing contractor, ministries and private sector in meeting project commitments and requirements. Appropriate actions to resolve any identified problems will be agreed upon at the review.

Section C. External Evaluations

A mid-term, independent evaluation will examine the project's design and implementation as they relate to the goal, purpose and outputs. This evaluation will also examine the on-going effectiveness and relevance of training, technical assistance, the management of training and the planning studies component of the project.

Drawing from the data base provided in the special evaluation(s), the mid-term evaluation will also examine sector utilization. From a broad perspective, the effectiveness of the public vs. private sector in utilizing project resources to generate employment will be analyzed. Individual sub-sectors will then be evaluated in terms of their contribution to the project objectives. The results will be factored into the future levels of training and OPEXer assistance provided to the different sectors and sub-sectors. This will allow for maximum flexibility and insure that the objectives of the project are met.

A final evaluation of the project will address issues similar to those covered during the interim examination. The evaluation will establish quantitative and qualitative progress of the project in meeting its original objectives. It will evaluate the ramification of exogenous and unplanned events on project implementation. The evaluation will also discuss policy issues, institutional development, impact on the target population and project management. Finally, this evaluation will determine the continued relevance of the project, particularly in light of its responsiveness to the original development needs, and will determine if any modifications in design are required.

ARTICLE V

ILLUSTRATIVE FINANCIAL PLAN

The Illustrative Financial Plan indicates the planned contribution of Parties. Changes may be made to the Plan by written agreement of the representative of the Parties identified in Section 8.2 without formal amendment of the Agreement, provided such changes do not cause (1) A.I.D.'s Grant Contribution to exceed the amount set forth under Section 3.1 or (2) the Government of Botswana's contribution to be less than the amount set forth under Section 3.2.

TABLE I
SUMMARY OF COST ESTIMATES AND ILLUSTRATIVE FINANCIAL PLAN
(\$000)

Use of Funds	Source of Funds								
	AID			GOB			Total		Grand Total
	Fx	LC	Subtotal	Fx	LC	Subtotal	Fx	LC	
Technical Assistance	5850.0		5850.0		792.0	792.0	5850.0	792.0	6642.0
Training	12172.8	1400.0	13572.8		3684.0	3684.0	12172.8	5084.0	17256.8
Planning Studies	200.0		200.0				200.0		200.0
Implementing Contractor Costs	3500.0		3500.0				3500.0		3500.0
Commodities					200.0	200.0		200.0	200.0
Operating Costs					1036.0	1036.0		1036.0	1036.0
Construction					550.0	550.0		550.0	550.0
Subtotal	21722.8	1400.0	23122.8		6262.0	6262.0	21722.8	7662.0	29384.8
Inflation	2445.3	157.6	2602.9		1951.0	1951.0	2445.3	2108.6	4553.9
Subtotal	24168.1	1557.6	25725.7		8213.0	8213.0	24168.1	9770.6	33938.7
Contingency	1200.0	74.3	1274.3		821.0	821.0	1200.0	895.3	2095.3
TOTAL	25368.1	1631.9	27000.0		9034.0	9034.0	25368.1	10665.9	36034.0
Percentage			75%			25%	70%	30%	

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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 revision 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 purposes of the Project.

Article 8: General Covenants (Continued)

SECTION 8.3. 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. [See HB 18.]

SECTION 8.4. 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, 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, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

SECTION 8.5. 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 three 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 prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

Article B: General Covenants (Continued)

(c) afford authorized representatives of a Party the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Party, and books, records, and other documents relating to the Project and the Grant.

SECTION 8.6. Completeness of Information. The Grantee confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or cause 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;

(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 8.7. 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 8.8. 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, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C: Procurement Provisions

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.

Article C: Procurement Provisions (Continued)

(d) Transportation by air, financed under the Grant, of property or persons, 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 documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification 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;

(2) such documentation will also be furnished to A.I.D., upon preparation; 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 prequalification 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 the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

Article C: Procurement Provisions (Continued)

(d) Consulting firms used by the Grantee for the Project but 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 No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be produced 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 as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs 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 the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval or on a non-U.S. flag air carrier if a U.S. flag carrier is available (in accordance with criteria which may be contained in Project Implementation Letters) 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 liners 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

Article C: Procurement Provisions (Continued)

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 sub-section must be achieved with respect to both 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 U.S. dollars or, as A.I.D. may agree in writing, in the currency in which such goods were financed or in any freely convertible currency. If the Grantee (or government of 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. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, 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.

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Article D: Termination; Remedies...

SECTION D.1. Termination. Either Party may terminate this Agreement by giving the other Party 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 payment which they are committed to make pursuant to noncancelable 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, 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 of a request therefor.

(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 part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.

(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 three 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.

Article D: Termination; Remedies (Continued)

(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 a Party in connection with its financing under 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 or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.