

PDB000115
Official File Copy

PROJECT AGREEMENT AMENDMENT
Between the United States of America, acting through
the Agency for International Development (AID)

AND

GOVERNMENT OF ZIMBABWE

(Grantee)

1. Project Title INTERNATIONAL EXECUTIVE SERVICE CORPS (IESC) : CORE SUPPORT	2. AID Project Number 69073-0235-13A
3. Amendment Number 1	4. Date of Original Agreement 9/13/85

5. The Project Agreement identified above is hereby amended as follows:

- A. Add US\$125,000 to the grant for a new total of US\$225,000.
- B. Revise Project Description as per Annex A, hereto.
- C. Revise illustrative budget as per Annex B, hereto.

Fiscal Data: Appropriation 72-1161037
BPC GESA-86-21613-KG14
Res. Co. No. G623513 *DAW*

6. For the Grantee Typed Name E.N. MUSHAYAKARARA	7. For the Agency for International Development Typed Name
Signature <i>E.N. Mushayakarara</i>	Signature <i>ABHerrick</i>
Title SECRETARY FOR FINANCE, ECON. PLAN. & DEV	Title <i>Director, USAID</i>
Date <i>19-9-86</i>	Date <i>25 Sept. 1986</i>

AID 1330-17A (5-79)

PROJECT DESCRIPTION

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| 1. Project Title: International
International Executive Service
Corps (IESC) : Core Support | 2. AID Project Number:

690-0235.13 |
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3. This Project Consists of:

Financial support for the operation of the office of the IESC Director for Zimbabwe for two years.

The IESC program in Zimbabwe will assist Zimbabwe with the provision of low-cost technology transfer and management expertise, directed to the country's productive sectors.

The Zimbabwe economy is ideally suited for an IESC program. Aside from foreign exchange, businessmen in Zimbabwe most need assistance in modern management, computerization, production methods and specific technological problem solving.

An IESC program to meet these requirements requires the maintenance of a very small local office staffed with an IESC Country Director and supported by local staff. The IESC Country Director will identify and recruit clients throughout Zimbabwe. He/she will then coordinate efforts with IESC headquarters in Stamford, Connecticut, U.S.A. to locate a Volunteer Executive suited to the client's needs. Once the Volunteer Executive arrives in Zimbabwe, the Country Director provides administrative and back-up support for the volunteer, his/her spouse and the client. This grant will finance the establishment and operation of the local office for two years.

The office will arrange IESC volunteer support usually to small and medium-sized Zimbabwean firms requiring such assistance. A minimum of fifty Zimbabwean clients will receive assistance from IESC. IESC assisted twenty-five clients for the 1985-1986 year and will assist an additional twenty-five clients for the 1986-1987 year. Of these latter twenty-five projects, twelve will provide assistance to clients on concessionary terms. Although IESC may extend its services to parastatals, projects for parastatals will not be included among the twenty-five projects for 1986-1987. The proposed budget of AID support for the operation of the local office over the two year period of the Grant, in U.S. Dollars, is set forth as Annex B. In addition to amounts provided by A.I.D., IESC contributions and client fees will also cover the costs of implementing this program.

4. **Special Provisions:**

A. AID Sub-Grant to IESC

The Grantee hereby approves the issuance of a sub-grant to the IESC through which the USAID/Zimbabwe Controller may make periodic direct payments to IESC of the funds provided by this Grant.

B. Source/Origin/Nationality Requirements

(a) Goods or services financed by AID under this Grant shall have their source and origin, with respect to goods, and their nationality with respect to services, in the United States or Zimbabwe, except as AID may otherwise agree in writing or as provided in paragraph (b) of this special provision.

(b) Imported shelf items are goods normally imported and kept in stock, in the form in which imported, to meet a general demand in Zimbabwe for the item. They are not goods which have been specifically imported for use in an AID-financed project. Any imported component from a non-free world country makes the shelf item ineligible for AID financing. Shelf items of under \$5,000 per unit are eligible for financing under this Grant if they have their source and origin in a country included in AID Geographic Code 935.

C. Pre-Grant Costs

Costs incurred in Zimbabwe by IESC in support of the establishment of its local office as of September 2, 1985 are eligible for reimbursement under this grant.

ILLUSTRATIVE AID GRANTSeptember 1985 - August 1987

<u>COST ITEM</u>	<u>TOTAL</u>
(1) Country Director Blue Cross/Medical Insurance	7,500
(2) Country Director Transport (including vehicle operations)	17,600
(3) Country Director Per Diem and Subsistence	68,500
(4) Country Director International Travel	7,900
(5) Field Support	11,000
(6) VE Selection, Processing Preparation, En Route Costs	77,500
(7) Local Office Personnel Costs	12,900
(8) Local Office Communications and Operating Costs (Telephone, Telex, Expendable Supplies, Photocopies, etc.)	4,000
(9) Local Contracted Services (Legal, Bookkeeping, Accounting, etc.)	4,200
(10) Local Office Furniture, Equipment and Supplies	8,900
(11) Meetings and Conferences	5,000
TOTAL	225,000

PROAG STANDARD PROVISIONS ANNEX

- A. Reference to 'this Agreement' means the original Project Agreement as modified by any revisions which have entered into effect. Reference to 'cooperating country' means the country or territory of the Grantee.
- B. (1) AID will make available the amount specified in Block 3 of this Agreement, as necessary for the Project, as may be further described in Annex A.
- (2) The Grantee will make available the amount specified in Block 4 of this Agreement, as necessary for the Project, as may further be described in Annex A. The Grantee will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A.
- C. AID and the Grantee may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.
- D. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but AID shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Block 5 of this Agreement) or any amended Project Assistance Completion Date specified.
- E. The procurement of commodities and services to be financed in whole or in part by AID may (where so required by AID procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by AID.
- F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the AID contribution referred to in Block 3 of this Agreement shall be subject to the provisions of AID Regulation 1.
- G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to Block 3 of this Agreement shall be in the Grantee, or such public or private agency as it may authorize.
- H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project, will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through

financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.

(2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this Agreement, shall be refunded to the party providing the funds.

(3) Any interest or other earnings on funds provided by AID to the Grantee under this Agreement will be returned to AID by the Grantee.

L (1) If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs, duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with AID, the Grantee or any agency authorized by the Grantee, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or if any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by AID hereunder, the grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. If funds provided by AID are introduced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder, the Grantee will make such arrangements as may be necessary so that such funds shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

K. AID shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.

L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

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M. AID and the Grantee shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 3 and 4 of this Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property or funds shall remain in force after such termination. In addition, upon such termination AID may, at AID's expense, direct that title to goods financed under the Grant be transferred to AID if the goods are from a source outside the Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of the Grantee's country.

O. To assist in the implementation of the Project, AID, from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

P. The Grantee agrees, upon request, to execute an assignment to AID 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 AID financed in whole or in part out of funds granted by AID under this Agreement.

APPENDIX 6A-4

(Short-form)

GRANT PROJECT AGREEMENT

Between the United States of America, acting through
the Agency for International Development (AID)

AND

Government of Zimbabwe
(Grantee)

1. Project Title International Executive Service Corps (IESC): Core Support	2. AID Project Number 690-0235.13
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The above-named parties hereby mutually agree to carry out the Project described in this Agreement in accordance with (1) the terms of this Agreement, including any annexes attached hereto, and (2) any general agreement between the two governments regarding economic or technical cooperation.

3. Amount of AID Grant \$ 100,000	4. Grantee Contribution to the Project \$ N/A	5. Project Assistance Completion Date September 30, 1986
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6. This Agreement consists of this title page and Annex A, Project Description; and Annex B, PROAG Standard Provisions Annex.

7. For the Grantee Typed Name E. N. Mushayakarara Signature <i>E. N. Mushayakarara</i>	8. For the Agency for International Development Typed Name Roy A. Stacy Signature <i>Roy A. Stacy</i>
Title Secretary, Ministry of Finance, Economic Planning & Development	Title Director
Date 13-9-85	Date 13/9/85

AID 1330-17 (5-79) - Cover Page

Appropriation: 72-1151037
BPC: GESA-85-21613-KG14
Project No.: 690-0235.13

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Annex A

PROJECT DESCRIPTION

1. Project Title: International Executive Service Corps (IESC): Core Support

2. AID Project Number

690-0235.13

3. This Project consists of: Financial Support for the operation of the Office of the IESC Director for Zimbabwe for one year.

The IESC program in Zimbabwe will assist Zimbabwe with the provision of low-cost technology transfer and management expertise, directed to the country's productive sectors.

The Zimbabwe economy is ideally suited for an IESC program. Businessmen in Zimbabwe need most, aside from foreign exchange, assistance in modern management, computerization, production methods and specific technological problem solving.

An IESC program to meet these requirements requires the establishment of a very small local office staffed with an IESC Representative and supported by local staff. This Grant will finance the establishment and operation of the local office for one year. The office will arrange IESC volunteer support usually to small and medium-sized Zimbabwean firms requiring such assistance. A partial list of illustrative projects which IESC might support through volunteers is set forth as Attachment 1 to this Annex. The proposed one-year budget for the operation of the local office, in U.S. Dollars, is set forth as Attachment 2 to this Annex.

4. Special Provisions

A. AID Sub-Grant to IESC

The Grantee hereby approves the issuance of a sub-grant to the IESC through which the USAID/Zimbabwe Controller may make periodic direct payments to IESC of the funds provided by this Grant.

B. Source/Origin/Nationality Requirements

(a) Goods or services financed by AID under this Grant shall have their source and origin, with respect to goods, and their nationality, with respect to services, in the United States or Zimbabwe, except as AID may otherwise agree in writing or as provided in paragraph (b) of this special provision.

(b) Imported shelf items are goods normally imported and kept in stock, in the form in which imported, to meet a general demand in Zimbabwe for the item. They are not goods which have been specifically imported for use in an AID-financed project. Any imported component from a non-free world country makes the shelf item ineligible for AID financing. Shelf items of under \$5,000 per unit are eligible for financing under this Grant if they have their source and origin in a free world country included in AID Geographic Code 935.

C. Pre-Grant Costs

Costs incurred in Zimbabwe by IESC in support of the establishment of its local office as of September 2, 1985 are eligible for reimbursement under this grant.

Annex A

ATTACHMENT 1

PARTIAL ILLUSTRATIVE LIST OF IESC VOLUNTEER-SUPPORTED PROJECTS

- A. STEWARTS AND LLOYDS. AN IRRIGATION DESIGN EXPERT HAS BEEN ASKED FOR TO ASSIST IN NEW LOWER COST IRRIGATION DESIGN, PARTICULARLY FOR SMALL FARMERS.
- B. COLCOM PORK PROCESSING. A SENIOR PLANNER/MANAGER OF PORK PROCESSING IS NEEDED BY THIS MAJOR FACTORY TO ASSIST WITH BETTER UTILIZATION OF RAW MATERIALS AND INTRODUCTION OF NEW PORK PRODUCTS, SOME FOR EXPORT.
- C. SURGIMED. HOSPITAL EQUIPMENT DESIGN MANAGER FOR PLANNING AN ENLARGED PRODUCT LINE OF HEALTH EQUIPMENT THAT UTILIZES PRE-DOMINANTLY LOCAL MATERIALS.
- D. LEATHER INSTITUTE OF ZIMBABWE. A LEATHER DESIGN TECHNOLOGIST IS REQUIRED TO WORK WITH THE MORE THAN 20 SHOE AND LEATHER COMPANIES IN IMPROVED DESIGN AND RAW MATERIAL UTILIZATION WITH EXPORT MARKETS IN MIND.
- E. T.A. HOLDINGS. SENIOR CORPORATE PLANNER IS WANTED FOR THIS LARGE HOLDING COMPANY, CONTROLLING MORE THAN 52 SEPARATE BUSINESSES.
- F. COLD STORAGE COMMISSION. PROVISION OF A COMPUTER INFORMATION MANAGEMENT EXECUTIVE FOR THE PLANNING OF A MODERN MANAGEMENT INFORMATION SYSTEM FOR LIVESTOCK MARKETING, ABBATOIR MANAGEMENT AND BEEF EXPORT.
- G. KARIBA BATTERIES. A CHEMICAL ENGINEER IS NEEDED WHO IS A SPECIALIST IN THE PRODUCTION OF HYDROCHLORIC ACID AND ITS BY-PRODUCTS. THE COMPANY WISHES TO CONVERT SODIUM CHLORIDE, IMPORTED FROM BOTSWANA, FOR THE MANUFACTURE OF HYDROCHLORIC ACID AND THEN HOUSEHOLD BATTERIES. THIS WOULD REDUCE CONSIDERABLY IMPORT AND FOREIGN EXCHANGE REQUIREMENTS FOR THIS PRIVATE BATTERY MANUFACTURER.

ANNEX A, ATTACHMENT 2

Illustrative Grant Budget

ITEM	AMOUNT IN US\$
INSURANCE BLUECROSS & MEDICARE	3500
PER DIEM SUBSISTENCE	36500
TRANSPORTATION - LOCAL OVERSEAS	18000
TRANSPORTATION TO & FROM US	7900
HEADQUARTERS STAFF TRAVEL	4600
TRANS -INTER-INTRA COUNTRY	5000
SUBSISTENCE, TRAVEL STATUS	3000
LOCAL EMPLOYEES SALARIES	4900
RENT - OFFICE	4000
TELEPHONE	1200
TELEGRAPH & CABLE	1600
POSTAGE	200
STATIONARY & OFFICE SUPPLIES	400
PRINTING	100
BOOKS & PUBLICATIONS	100
BROCHURES	200
CONTRACTED SERVICES	300
LEGAL EXPENSES	300
EQUIPMENT MAINTENANCE	100
RENTAL - OFFICE EQUIPMENT	1000
FURNITURE & OFFICE EQUIPMENT	2000
PHOTOS	100
MEETINGS AND CONFERENCES	5000
TOTAL	\$100000

PROAG STANDARD PROVISIONS ANNEX

- A. Reference to 'this Agreement' means the original Project Agreement as modified by any revisions which have entered into effect. Reference to 'cooperating country' means the country or territory of the Grantee.
- B. (1) AID will make available the amount specified in Block 3 of this Agreement, as necessary for the Project, as may be further described in Annex A.
- (2) The Grantee will make available the amount specified in Block 4 of this Agreement, as necessary for the Project, as may further be described in Annex A. The Grantee will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A.
- C. AID and the Grantee may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.
- D. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but AID shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Block 5 of this Agreement) or any amended Project Assistance Completion Date specified.
- E. The procurement of commodities and services to be financed in whole or in part by AID may (where so required by AID procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by AID.
- F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the AID contribution referred to in Block 3 of this Agreement shall be subject to the provisions of AID Regulation 1.
- G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to Block 3 of this Agreement shall be in the Grantee, or such public or private agency as it may authorize.
- H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project, will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through

financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.

(2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this Agreement, shall be refunded to the party providing the funds.

(3) Any interest or other earnings on funds provided by AID to the Grantee under this Agreement will be returned to AID by the Grantee.

L (1) If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs, duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with AID, the Grantee or any agency authorized by the Grantee, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or if any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by AID hereunder, the grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. If funds provided by AID are introduced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder, the Grantee will make such arrangements as may be necessary so that such funds shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

K. AID shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.

L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

M. AID and the Grantee shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 3 and 4 of this Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property or funds shall remain in force after such termination. In addition, upon such termination AID may, at AID's expense, direct that title to goods financed under the Grant be transferred to AID if the goods are from a source outside the Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of the Grantee's country.

O. To assist in the implementation of the Project, AID, from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

P. The Grantee agrees, upon request, to execute an assignment to AID 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 AID financed in whole or in part out of funds granted by AID under this Agreement.