

PSDC 11689

A.I.D. GRANT NO. 633-0249

POPULATION SECTOR ASSISTANCE  
AGREEMENT

Between

THE REPUBLIC OF BOTSWANA ("GRANTEE")

And

THE UNITED STATES OF AMERICA

acting through the  
Agency for International Development  
("A.I.D.")

Appropriation: 72-1181014  
Budget Plan Code: GSSA-88-21633-KG13  
(633-0249) \$600,000

CONFORMED  
COPY

Appropriation: 72-1181014  
Budget Plan Code: GSSA-88-31633-KG39  
(633-T-601) \$900,000

I certify that this is a true and exact copy of the original Limited  
Scope Grant Agreement signed by Mr. Gaolathe and John Roberts.

  
\_\_\_\_\_  
John Roberts, Acting Director

## 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 Population Sector Assistance Program described herein, and with respect to the financing of the Program by the Parties.

## ARTICLE 2. THE PROGRAM

Section 2.1. Definition of Program. The Program, which is further described in Annex 1, will assist the Grantee to strengthen the effectiveness and efficiency of its population programs and services through a process of policy reform and implementation. Annex 1, attached, amplifies the above definition of the Program. Within the limits of the above definition of the Program, elements of the amplified description stated, in Annex 1 may be changed by written agreement of the authorized representatives of the parties named in Section 10.2., without formal amendment to this Agreement.

### Section 2.2. Incremental Nature of Program.

A. It is planned that A.I.D.'s contribution to the Program 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 the availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

B. Within the overall Program Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Program 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 A.I.D.'s total contribution to the program will be \$5,000,000.

## ARTICLE 3. FINANCING

Section 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Program, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed One Million Five Hundred Thousand United States ("U.S.") Dollars (\$1,500,000) ("Grant"). The Grant may be used to (1) finance foreign exchange costs, as defined in Section 8.1., (2) finance local currency costs, as defined in Section 8.2., and (3) disburse dollar sector assistance to the Grantee, as defined in Section 8.3. of this Agreement.

### Section 3.2. Grantee Resources for the Project.

A. The Grantee agrees to provide or cause to be provided for the Program all funds, in addition to the Grant, and all other resources required to carry out the Program effectively and in a timely manner.

2

**Section 3.3. Program Assistance Completion Date.**

A. The Program Assistance Completion Date ("PACD"), which is 31 July 1993 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed, all goods financed under the Grant will have been furnished, and all dollar disbursements to the Grantee completed for the Program 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 after the PACD or for goods furnished for the Program, as contemplated in this Agreement, subsequent to the PACD.

C. Requests for disbursement, accompanied by necessary supporting documentation prescribed in Program Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Program Implementation Letters, were not received before the expiration of said period.

**ARTICLE 4. CONDITIONS PRECEDENT TO DISBURSEMENT**

**Section 4.1. Conditions Precedent to Initial Disbursement.**

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

- (1) A statement representing and warranting that the named persons have the authority to act as the representative or representatives of the Grantee pursuant to the following Sections of this Agreement:
  - (a) disbursement of local currency - Article 5, Section 5.5.A.; and
  - (b) official correspondence regarding the Grant - Article 10, Sections 10.1., 10.2., and 10.3., together with a specimen signature of each person certified as to its authenticity.

3

**Section 4.2. Additional Conditions Precedent to Initial Disbursement of the Dollar Disbursement Sector Assistance.**

A. In addition to the conditions precedent set forth in Section 4.1.(A) of this Agreement, prior to the disbursement of the first tranche of dollar disbursement sector assistance to be provided to the Grantee under the Grant or to the issuance of A.I.D. documentation pursuant to which such disbursement will be made, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(1) Evidence that the Grantee has established an interministerial Program Steering Committee responsible for the implementation of this Program;

(2) A written plan which sets forth the actions, including technical inputs and public consultations, required to develop a National Population Policy;

(3) A written plan and procedures for the procurement and distribution of contraceptives by the Central Medical Stores (CMS);

(4) Evidence that the Grantee has identified and assigned an appropriate official to function as a counterpart to the project funded IEC advisor;

(5) A written plan for improving the quality and effectiveness of existing MCH/FP clinical services and expanding the number of service delivery points;

(6) A written plan which describes how the Grantee intends to increase the participation of non-governmental organizations (NGOs), including private sector entities, in population programs; and

(7) Evidence that the Grantee has established a special bank account (or other financial arrangements as may be agreed upon) and has established in Government books a Deposit Account for the local currency proceeds of the U.S. dollar disbursements to be provided under the Grant.

**Section 4.3. Notification.** When A.I.D. determines that the conditions specified in Sections 4.1. and 4.2. above have been satisfied, it will promptly notify the Grantee.

**Section 4.4. Terminal Date for Satisfaction of Conditions Precedent.**

A. If all the conditions specified in Section 4.1. of this Agreement have not been satisfied within ninety (90) days from the effective date of this Agreement, or such later date as A.I.D. may specify in writing, A.I.D. at its option may terminate this Agreement by written notice to the Grantee.

4

B. If all the conditions specified in Section 4.2. of this Agreement have not been satisfied within one hundred eighty (180) days from the effective date of this Agreement, or such later date as A.I.D. may specify 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. The Grantee shall not in any way discontinue, reverse or otherwise impede any action it has taken in satisfaction of any condition precedent set forth in Article 4 above, except as mutually agreed to in writing by USAID and the Grantee.

Section 5.2. The Grantee, through CMS, shall procure and distribute sufficient quantities of contraceptives to satisfy the demand for such contraceptives not met by the private sector.

Section 5.3. The Grantee agrees to provide to USAID, on an annual basis, a workplan indicating the level, type, timing and cost of the technical assistance and training resources required over the following year to achieve the objectives of the Program.

Section 5.4. USAID and the Grantee agree to cooperate on a USAID-financed evaluation program as part of the subject Population Sector Assistance Program. The program will include a final evaluation. The program may include, during the implementation of the Program:

A. Evaluation of progress toward attainment of the objectives of the Program;

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 Program.

Section 5.5.

A. Pursuant to Section 4.2.A (7) herein, the Grantee will establish a special bank account (or other financial arrangements that may be agreed upon) and will establish in Government books a Deposit Account and deposit therein the local currency proceeds of the U.S. dollar disbursements to be provided to the Grantee under the Grant. Funds in the Deposit Account may be used for such purposes as are mutually agreed upon in writing by the Grantee and USAID.

B. The Grantee shall maintain and cause recipients of funds from the Deposit Account to maintain, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Deposit Account. The Grantee shall grant or cause such recipients to grant to USAID or any of its authorized representatives the right to inspect such books and records at all times USAID may reasonably require. Such books and records shall be maintained for at least three years after the date of the last disbursement by USAID under the Grant.

C. The Grantee shall refund to the Deposit Account any local currency not used for purposes agreed upon by USAID and the Grantee, except as the parties may otherwise agree in writing.

D. The local currency proceeds of the U.S. dollar disbursements in the Deposit Account shall be additional to, and not a substitute for, the Grantee's existing budgetary resources for the Population Sector.

E. Local currency proceeds of the U.S. dollar disbursements deposited in the Deposit Account shall not be used for police training or military or paramilitary purposes.

#### ARTICLE 6. GENERAL COVENANTS

Section 6.1. Consultations. 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 Program, the performance of obligations under this Agreement, the performance of any consultants, contractors or suppliers engaged on the Program, and other matters relating to the Program.

Section 6.2. Execution of Program. The Grantee will:

A. Carry out the Program 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 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 Program, and, as applicable for continuing activities, cause the Program to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Program.

**Section 6.3. Utilization of AID funds and AID financed Goods and Services.**

A. Any resources financed under the technical assistance and support component of the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Program until the completion of the Program, and thereafter will be used so as to further the objectives sought in carrying out the Program.

B. Goods and services financed under the technical assistance and support component of 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.

C. Funds provided under the technical assistance and support component of this Agreement shall not be used for police training or military or paramilitary purposes.

**Section 6.4. Taxation.**

A. This Agreement and the Grant will be exempt from any taxation, duties 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 public sector commodity procurement transaction financed under the Grant, are not exempt from identifiable taxes, tariffs, duties of other levies imposed under laws in effect in the territory of the Grantee, the Grantee will pay or reimburse the same with funds other than those provided under the Grant.

**Section 6.5. Reports, Records, Inspections, Audit. The Grantee will:**

A. Furnish to A.I.D. such information and reports relating to the Program 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 Program and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the technical assistance and support component of 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 Program toward completion; and

C. Afford authorized representatives of A.I.D. the opportunity at all reasonable times to observe programs and activities, the utilization of goods and services financed by A.I.D. and books, records, and other documents relating to the Program and the Grant.

Section 6.6. Publicity. The Grantee will give appropriate publicity to this Grant and the Program and activities carried out hereunder as a program to which the United States has contributed. Representatives of the Grantee and A.I.D. will confer from time to time to make specific arrangements for such publicity.

Section 6.7. Completeness of Information. The Grantee confirms:

A. That the facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Grant and the discharge of responsibilities under this Grant; and

B. That it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Grant or the discharge of responsibilities under this Grant.

Section 6.8. Other Payments. The 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 6.9. Prohibition on Use of Funds for Abortion and Related Activities

The Grantee agrees that any family planning services funded under the technical assistance and support component will be voluntary and no coercion will be used, and that all services will be provided without discrimination as to class, sex, race or national origin. Likewise, the Grantee covenants that no funds under the technical assistance and support component will be used to finance any costs related to (a) performance of an abortion or involuntary sterilization; (b) motivation or coercion of any person to undergo an abortion or involuntary sterilization; (c) provision of any financial incentive to any person to practice or undergo an abortion or sterilization; (d) research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a method of family planning; or (e) to lobby for abortion.

*J*

**ARTICLE 7. PROCUREMENT SOURCE**

**Section 7.1. Foreign Exchange Costs.** Disbursement pursuant to Section 8.1. will be used exclusively to finance the costs of goods and services required for the Program having, with respect to goods, their source and origin, and with respect to services, their nationality in the United States, other Code 935 countries or the Republic of Botswana ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States, other Code 941 countries or the Republic of Botswana, except as A.I.D. may otherwise agree in writing.

**Section 7.2. Local Currency Costs.** Disbursement pursuant to Section 8.2. will be used exclusively to finance the costs of goods and services required for the Program having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Republic of Botswana ("Local Currency Costs").

**Section 7.3. 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 service may not be financed under the Grant, if such goods or persons are carried: (1) on a ocean vessel or aircraft 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 (2) in the case of aircraft, the cost of which is financed under the Grant on a non-U.S. flag air carrier if a U.S. flag air carrier is available (in accordance with criteria which may be contained in Program Implementation Letters) without prior written A.I.D. approval; or (3) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (4) 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 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 requirement of (1) and (2) of this subsection 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 7.4. 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 under the Grant 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 government of the Grantee, by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

B. Except as A.I.D. may otherwise agree in writing, the Grantee will insure goods financed under the Grant imported for the Program against risks incident to their transit to the point of their use in the Program; 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 replacement 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.

ARTICLE 8. DISBURSEMENT

Section 8.1. Disbursement for Foreign Exchange Costs by USAID.

A. After satisfaction of conditions precedent under Section 4.1.(A) of this Agreement, the Grantee may obtain disbursement of funds under the Grant for the Foreign Exchange Costs of goods and services required for the technical assistance and support component of the Program

in accordance with the terms of this Agreement by such of the following methods as may mutually be agreed upon:

- (1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Program Implementation Letters, (a) requests for reimbursement for such goods or services, or (b) requests for A.I.D. to procure commodities or services in the Grantee's behalf for the Program; or
- (2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (a) by 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, committing A.I.D. to pay such contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (b) directly to one of more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.

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

Section 8.2. Disbursement for Local Currency Costs by USAID.

A. After satisfaction of conditions precedent under Section 4.1.(A) of this Agreement, the Grantee may obtain disbursement of funds under the Grant for Local Currency Costs required for the technical assistance and support component of the Program in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Program Implementation Letters, requests to finance such costs.

B. The local currency needed for such disbursement may be obtained: (1) by acquisition by A.I.D. with U.S. dollars by purchase, or (2) by A.I.D., (a) requesting the Grantee to make available 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 local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under the appropriate procedures described in Program Implementation Letters.

C. The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection B.(1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection B(2) above, an amount calculated

at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

Section 8.3. Dollar Disbursement Assistance to Grantee.

After satisfaction of conditions precedent in accordance with Article 4, the Grantee may obtain disbursement of tranching dollar funding under the Grant as described in Program Implementation Letters and in conformance with the Annual Workplans.

Section 8.4. 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 8.5. Rate of Exchange.

Except as may be more specifically provided under Section 7.2., if such funds provided under the Grant are introduced into the Republic of 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 such funds may be converted into currency of the Republic of Botswana at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of Botswana.

ARTICLE 9. TERMINATION; REMEDIES

Section 9.1. 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 Program pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable 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 the Grantee's country, are in a deliverable state and have not been off-loaded in ports of entry of the Grantee's country.

Section 9.2. Suspension. If at any time:

A. Any representation or warranty made by or on behalf of the Grantee with respect to obtaining this Grant or made or required to be made under this Agreement is incorrect in any material respect; or

- B. An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purposes of the Grant will be attained or that the Grantee will be able to perform its obligations under this Agreement; or
- C. An event of default has occurred; or
- D. Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.;

Then, A.I.D. may:

- (1) Suspend or cancel outstanding commitment documents to the extent that they have not been utilized through irrevocable commitments to the third parties or otherwise, or to the extent that A.I.D. has not made direct reimbursement to the Grantee thereunder, giving prompt notice to the Grantee thereafter;
- (2) Decline to issue additional commitment documents to make disbursements other than under existing ones; or
- (3) At A.I.D.'s expense, direct that title to goods financed under the Grant be vested in A.I.D. if the goods are in a deliverable state and have not been off-loaded at points of entry in the Republic of Botswana.

Section 9.3. Notices of Suspension. Thirty days written notice giving details of the reasons for the suspension shall be given before any suspension becomes operative.

Section 9.4. Cancellation by A.I.D. If, within sixty (60) days from the date of any suspension of disbursements pursuant to the Grant the cause or causes thereof have not been corrected, or are not reasonably being corrected, A.I.D. may cancel any part of the Grant that is not then disbursed or irrevocably committed to third parties.

Section 9.5. 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 thereof.

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 (60) days after receipt of a request therefore.

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 Program, to the extent justified, and (b) the remainder, if any, will be applied to reduce the amount of the Grant.

Section 9.6. 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 9.7. 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 financed in whole or in part out of funds granted by A.I.D. under this Agreement. Upon such assignment, A.I.D. shall be responsible for any additional expenses resulting therefrom.

#### ARTICLE 10. MISCELLANEOUS

Section 10.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following addresses:

To the Grantee:

MAIL ADDRESS: Ministry of Finance & Development Planning  
Private Bag 008  
Gaborone  
Botswana

Alternate Address for Cables:

To A.I.D.:

MAIL ADDRESS: USAID/Botswana  
P.O. Box 2427  
Gaborone, Botswana .

Alternate Address for Cables:

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 written notice.

Section 10.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of the Minister of Finance and Development Planning and A.I.D. will be represented by the individual holding or acting in the Office of Mission Director, 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 10.3. Implementation Letters. To assist the Grantee in the implementation of the Program, A.I.D., from time to time, will issue Implementation Letters that will furnish additional information about matters stated in this Agreement. The Parties may also use jointly agreed-upon Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Program Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or

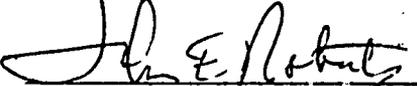
exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Program in Annex 1.

IN WITNESS WHEREOF, the Republic of Botswana 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 last written below.

REPUBLIC OF BOTSWANA

UNITED STATES OF AMERICA

By:   
B. Gaolathe

By:   
J. Roberts

Title: Permanent Secretary

Title: Acting Director

Date: July 29, 1988

Date: July 29, 1988

ANNEX 1

AMPLIFIED PROGRAM DESCRIPTION

Except as specifically provided herein and within the limits of the definition of the Program set forth in Section 2.1. of the Agreement, elements of this Amplified Program Description may be changed by written agreement of the authorized representatives of the parties named in Section 10.2. of this Agreement without formal amendment of the Agreement.

ARTICLE I. SUMMARY PROGRAM DESCRIPTION

A. BACKGROUND

A major goal of the Government of Botswana ("Grantee or GOB") is to reduce the rate of population growth in Botswana. In terms of population size, Botswana has about 1.3 million people. What distinguishes Botswana is the rate of growth of its population which is one of the highest in the world. At an annual growth rate of 3.7%, the population of the country will double in less than twenty years. One of the most critical aspects of this trend is that such rapid growth rates skew the age distribution towards the youngest age groups. Rapid population growth and imbalanced age structure negatively influence prospects for improvements in all social sectors and many economic sectors. Although the GOB has supported population programs since its independence, high population growth rates and its negative consequences still persist. A review of Botswana's Population Sector indicates that significant progress by the GOB in achieving its goal of reduced population growth rates will require the alleviation of certain policy, institutional and structural constraints. The Program set forth in this Agreement is designed to achieve seven objectives which will alleviate some of the most critical of these constraints.

B. GOAL AND OBJECTIVES

The goal of the Botswana Population Sector Assistance Program is to assist the GOB to strengthen the effectiveness and efficiency of its Population and Family Planning programs and services through a process of policy reform and implementation.

The objectives of the program are to:

1. Support GOB efforts to develop a National Population Policy.
2. Improve coordination among GOB institutions dealing with population programs.
3. Improve the contraceptive logistics system.
4. Expand IEC services.
5. Improve the delivery and management of MCH/FP services.
6. Increase the number of trained staff for population programs and increase GOB financing in the population sector, particularly for contraceptive procurement.

7. Expand participation of NGOs and the private sector in population programs.

C. OUTPUTS

Set forth below are expected outputs under phase one of the Program. In the event that additional funds are available to AID for this Program and the Parties agree to continue the Program, the illustrative outputs for subsequent phases of the Program are also provided below. Achievement of the outputs planned for each phase of the Program will be a condition precedent to disbursement of each corresponding tranche of the dollar disbursement assistance.

1. Phase One

(a) A written plan has been established which sets forth the actions, including technical inputs and public consultations, required to develop a National Population Policy.

(b) The GOB has established an interministerial Program Steering Committee responsible for the implementation of this Program.

(c) A written plan and procedures have been established for the procurement of contraceptives by the Central Medical Stores (CMS).

(d) The GOB has identified and assigned an appropriate official to function as a counterpart to the project funded IEC advisor.

(e) A written plan has been established for improving the quality and effectiveness of existing MCH/FP clinical services and expanding the number of service delivery points.

(f) A written plan has been established which describes how the GOB intends to increase the participation of non-governmental organizations (NGOs), including private sector entities, in population programs.

(g) GOB has established a special bank account (or other financial arrangements as may be agreed upon) and has established in Government books a Deposit Account for the deposit of the local currency proceeds of the U.S. dollar disbursements to be provided under the Grant.

2. Phase Two

(a) The GOB has prepared a draft National Population Policy and has held consultations with the public and within the Government on such policy.

(b) The GOB has established or designated a Governmental office to be responsible for the coordination of population policies and programs.

(c) CMS has initiated the plan for the procurement and distribution of contraceptives.

(d) A written plan has been established for the expansion of IEC services provided by the Health and Education Unit and district health education teams.

(e) The GOB has initiated its plan to improve the quality and effectiveness of existing MCH/FP clinical services and to substantially increase the number of service delivery points.

(f) The GOB has initiated implementation of its plan to increase the participation of NGOs, including private sector entities, in population programs.

3. Phase Three

(a) The GOB has adopted and publicly described and endorsed its National Population Policy.

(b) The GOB has initiated its plan for the expansion of IEC services provided by the Health and Education Unit and district health education teams.

(c) There has been an improvement in the quality and effectiveness of existing MCH/FP clinical services and a substantial increase in the number of service delivery points.

(d) Since the effective date of the subject Program Agreement the Grantee has procured, with other than donor provided funding, approximately Pula 50,000 or more of contraceptives.

(e) The GOB is successfully implementing its plan to increase the participation of NGOs, including private sector entities, in population programs.

4. Phase Four

(a) The GOB has initiated implementation of its National Population Policy.

(b) There has been substantial expansion of IEC services provided by the Health and Education Unit and district health education teams.

(c) Since the effective date of the Program Agreement the Grantee has procured, with other than donor provided financing, approximately Pula 110,000 or more of contraceptives.

(d) There has been a substantial increase in the participation of NGOs, including private sector entities, in population programs.

## 5. Phase Five

(a) Since the effective date of the Program Agreement the Grantee has procured, with other than donor provided financing, approximately pula 380,000 or more of contraceptives.

(b) The GOB has provided evidence which indicates that within five years after the effective date of the Program Agreement it plans to have procured, with other than donor provided funds, approximately pula 930,000 or more of contraceptives.

## D. INPUTS

It is planned that A.I.D.'s contribution to the Program will be provided in increments. Under the first increment, provided for herein, A.I.D. agrees to grant to the GOB under the terms of this Agreement not to exceed \$1,500,000. Subsequent increments will be subject to the availability of funds to A.I.D. for Program purposes and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed. Over the five year life of the Program, it is planned that A.I.D. will provide to the GOB a total of \$5,000,000.

The initial inputs of the Program consist of: (1) Payment to the Grantee of a conditional dollar assistance disbursement in the amount of \$900,000 for the first increment. The Grantee will immediately deposit the local currency proceeds of this disbursement in the Deposit Account in Government books; and (2) A.I.D. direct payments in the amount of \$600,000 for Program support, including policy implementation support, technical support and training.

### 1. Conditional Dollar Disbursements

Subject to the terms and conditions herein, it is planned that a total of \$3,000,000 will be disbursed in five increments (tranches) to the GOB over a five year period. The dollar disbursements will be effected after policy and other actions have been taken by the GOB to achieve the outputs planned for each phase of the dollar disbursement assistance component, as more fully described above in Article I.C. Unless United States legislation or policy mandates otherwise, A.I.D. will not monitor, track or place any limitations on the use by the GOB of the dollar disbursement assistance.

### 2. GOB Local Currency Contribution

The local currency to be provided by the GOB under the Agreement will be deposited in a Deposit Account, in accordance with Sections 4.2.A. (7) and 5.5.A. of the Agreement. The GOB and USAID will jointly program use of the local currency. It is planned that most, if not all, of the local currency will be used for budgetary support in the Population Sector. Local

currency used for budget support will only be monitored and tracked by USAID to the budget line item level, not to individual activities. The planned GOB financial contribution to the Program is set forth in Table 2 of Attachment B hereto.

### 3. Technical Assistance and Other Program Support

Under the Agreement, it is anticipated that a total of \$2,000,000 will be made available by A.I.D. over the life of the Program for direct payments by A.I.D. of foreign exchange and local currency costs of technical services, training and other Program support. No AID-financed commodities are planned under this Program component. The technical assistance and support component is designed to provide technical expertise and training required by the GOB to achieve the Program objectives. This component is also essential to effective monitoring of the Program and to a continuing policy dialogue between USAID and the GOB.

Technical assistance and training will be financed on the basis of annual workplans to be prepared by the GOB and which will specify Program support requirements for the following year. The technical assistance and support requirements and financial plan for the first year of the Program and for following years have been estimated in Table I of Attachment B, but the approval of funds for years subsequent to year one will be based upon the GOB submission of its anticipated requirements in the annual workplan.

Technical assistance requirements for the Program will include a long-term IEC Advisor under a three year personal services contract and approximately 56 person months of short term technical assistance for support to contraceptives logistics, NFP, IEC services and MCH/FP service delivery. AID will also finance participant training, both long-term and short-term, in the U.S. and in third countries. Finally, a total of \$30,000 for the first year has been allocated for administration/management planning studies or evaluations.

#### E. PROGRAM BENEFITS

It is expected that implementation of the proposed five year Program will result in the following benefits:

1. Improved population program policy framework (national policy, drafted, promulgated, and under implementation).
2. More effective coordination among GOB institutions and entities dealing with population programs and activities. This will result in an improved contraceptive logistics and delivery system, more effective dissemination of information, services and contraceptives from clinics and health units, expanded IEC activities by Health Education Units at central regional and district levels, and an improved MCH/FP delivery system.

3. Sufficient number of trained staff and increased GOB resource financing to the sector which will cover all population program needs, particularly in the areas of contraceptive procurement and services delivery, and significantly increased participation of NGOs and private sector entities, including, as applicable, contraceptive social marketing.

## ARTICLE II. PROGRAM IMPLEMENTATION

### A. Organizational Implementation Responsibilities

#### 1. Government of Botswana

The implementation of this sector program grant will be the responsibility of the Government of Botswana. The Ministry of Finance and Development Planning will be responsible for coordinating programs financed by the sector grant and manage the population analysis programs through its Central Statistical Office. The Ministry of Health and the Ministry of Local Government and Lands will be executing agents for the MCH/FP Programs. Specific responsibilities for each ministry are outlined below:

#### a. Ministry of Finance and Development Planning

- Examination and approval of the AID program grant proposal.
- Negotiation and signing of grant agreement.
- Advising implementing ministries of the terms and conditions of the grant agreement.
- Meeting the conditions precedent to disbursement.
- Evaluation and determination of priority activities to be financed using resources provided through the grant.
- Approving any modifications in activities to be financed or the grant agreement itself.
- Monitoring and reporting to AID on the progress toward attainment of the grants objective.
- Scheduling the Quarterly Review Meetings and ensuring that the recommendations of those meetings are implemented.
- Authorizing implementing ministries to commence incurring expenditures against items covered in Annual Budget.
- Receiving and reviewing monthly returns on the expenditures from the implementing ministries.
- Responsibility for financial accountability to the GOB and AID for expenditures and disbursements.

Responsibility for accounting for deposits into and disbursements from the Deposit Account.

b. Ministry of Health

- Preparing justification and supporting documentation for activities to be financed under the grant. This will include the preparation of project memorandum for capital expenditure under the dollar disbursement assistance component and budget requests for recurrent cost items. For the technical assistance and support component, the Ministry will be responsible for requesting program financing through the annual workplan.
- Establishing and monitoring the targets for the performance indicators in conjunction with the MLGL.
- Preparing the necessary documentation and justification required by the GOB to procure commodities and services financed by the program.
- Preparing quarterly and annual progress reports for submission to MFDP.
- Participating in the quarterly review meetings.

c. Ministry of Local Government and Lands

- In conjunction with the District and Town Councils, preparing justification and supporting documentation for activities to be financed under the Grant. This will include the preparation of project memorandum for capital expenditure under the dollar disbursement assistance component and budget requests for recurrent cost items. For the technical assistance and support component the ministry will be responsible for requesting program financing through the annual workplan.
- Establishing and monitoring the targets for the performance indicators in conjunction with the MOH.
- Preparing the necessary documentation and justification required by the GOB to procure commodities and services financed by the program.
- Preparing quarterly and annual progress reports for submission to MFDP.
- Participating in the quarterly review meetings.

d. Central Statistics Office

- Preparing justification and supporting documentation for activities to be financed under the grant. This will include the drafting of project memorandum and/or scopes of work for capital expenditures under the technical assistance and support component.

- Preparing quarterly and annual progress reports for submission to MFDP.
- Participating in the quarterly review meetings.

## 2. United States Agency for International Development

A primary role of USAID/Botswana will be to monitor and evaluate the progress of the GOB in achieving Program objectives in the population sector and, in particular, the progress of the GOB in meeting the mutually agreed upon performance targets. This role will be performed primarily through the quarterly review meetings with the GOB which are described below. USAID staff will also make periodic site visits and hold discussions with individuals directly responsible for the activities supported under the grant.

In order to carry out this role, USAID/Botswana will establish an internal program committee to manage and monitor AID inputs for the Program. The Committee will be chaired by the Deputy Director and it is planned that members of the Committee will be the Controller, Regional Population Officer, and Project Manager. Since USAID/Botswana does not have a health officer on its staff, program funds will be used to provide USAID a local hire officer to coordinate its participation in the program. For the dollar disbursement assistance component, USAID/Botswana will be monitoring program objectives and the progress of the GOB in meeting the performance targets. For the technical assistance and support component, USAID will be implementing jointly with the GOB activities which support achievement of the overall objectives of the grant. Local currencies deposited by the GOB under the dollar disbursement assistance component will be jointly programmed by the GOB and USAID. USAID will monitor local currency uses for budget support in the Population Sector only as far as the GOB budget line item level, and not to individual activities.

An illustrative timetable for implementation of the Program is provided in Attachment A to this Annex.

## B. Implementation Procedures

### 1. Procurement Procedures

All AID financed procurement and payments under the technical assistance and support component will be undertaken directly by AID. The exact procedures to be utilized and the method of provision of foreign exchange or local currency for such procurement shall be as agreed upon by AID and the GOB and confirmed in Program Implementation Letters. However, appropriate competitive procedures will be employed and the nationality of services procured will be in accordance with the AID Africa Development Fund Procurement Policy Document dated April 4, 1988. No AID financed procurement of commodities is planned under the technical assistance and support component. All training requirements will be identified and reviewed in the context of the annual workplan. With respect to external

training requests, they will be processed through normal GOB procedures in the Directorate of Public Service Management (DPSM).

## 2. Audit Plan

The Program budget includes A.I.D. funds for USAID reviews and external audits as may be necessary during the life of the Program. All Program expenditures made by the GOB are included in the Annual Account which is audited annually by the GOB Auditor General. This audit is a statutory requirement to ensure financial compliance with applicable laws and regulations.

## 3. Disbursement Procedures

### a. Sector Assistance Component

Upon satisfaction of the conditions precedent to disbursement of each tranche of the dollar disbursements, the GOB will submit to USAID/Botswana a written request to release the relevant tranche of funds. Each request shall be accompanied by an SF-1034, Public Voucher. USAID/Botswana will process the SF-1034, submit it to RAMC, Paris and receive a U.S. Dollar check in return. USAID/Botswana will forward this check to the GOB immediately after the local currency has been deposited into the special bank account, or other financial arrangements as may be agreed upon.

### b. Technical Assistance and Support Component

Upon satisfaction of the initial condition precedent to disbursement, AID funds to be provided under the technical assistance and support component of the Program may be disbursed. The use of these funds in each year of the program will be determined by USAID and the Grantee on the basis of a workplan to be submitted by the GOB which will indicate the level, type, timing and cost of technical assistance and training resources required over the next year to achieve the Program objectives. It is planned that these funds will be disbursed through direct AID contracting and payment procedures for both dollar and foreign exchange costs. No host country contracting is planned with respect to AID funds. The Grantee will, of course, use its own procurement procedures with respect to its own funds contributed to the Program.

## ARTICLE III. MONITORING AND EVALUATION

The monitoring and evaluation system for BOTSPA is based upon three complementary mechanisms: program review meetings, sentinel surveys and a final evaluation. Separate procedures for monitoring funds in the Deposit Account also are provided below.

### A. Program Review Meetings

Program review meetings will be used to facilitate joint GOB and USAID/Botswana management and monitoring of BOTSPA. During the first year of the Program these meetings will be convened quarterly. At the end of this start-up period, it may be possible to reduce these meetings to twice a year. The Program Review Meetings will be chaired by the Permanent Secretary, Ministry of Health (MOH). Members of this review meeting will include representatives from the Ministry of Health, Ministry of Local Government and Lands, Central Statistics Office, the Rural Development Unit, MFDP, and USAID.

Standing agenda items for the review meetings will include: written updates on activities in the sector including any special reference to any field visits made during the preceding period; progress by the GOB on meeting the performance targets; and, any proposed modifications in activities financed by the Program. A major function of the meetings will be to identify and take steps to resolve any procedural or implementation issues. A report will be prepared by the MOH following each meeting giving the status of progress under the grant and noting any necessary corrective actions to be taken during the next quarter.

One meeting every year will be used by the GOB and USAID to: 1) review evidence that the GOB has achieved the agreed upon performance indicators; 2) make necessary revisions in the performance indicators for the subsequent tranches; 3) review financial position of activities financed during the previous year under the technical assistance and support component; and 4) review the workplan for the coming year for the activities to be financed under the technical assistance and support component; and 5) review the status of deposits into and uses of funds in the Deposit Account.

### B. Sentinel Surveys

Short two to three week sentinel surveys will be carried out annually as part of the Program monitoring process. The purpose of these surveys will be to monitor the performance of the sector, both in order to assess progress of the Program in achieving its program objectives and to assist the GOB to monitor other aspects of its population programs. Sentinel surveys will take place annually in four to six representative locations in the country. The purpose is to obtain immediate feedback on program performance. They are short (10 to 15 questions) and can be carried out and compiled in about two weeks. Sample sizes are small amounting to about 2,000 persons in each survey.

### C. Evaluation

Since the program will employ annual sentinel surveys, no mid-term evaluation is required. However, a final evaluation is planned for mid-1993 which will assess a number of central components of the GOB population programs. The evaluation will include an assessment of the success in achieving the objectives of the Sector Assistance Program and identification

28

and analysis of constraints to achieving Program objectives. In addition, this evaluation will examine the program management issues related to the design and implementation of the sector grant approach.

If significant problems develop in achieving the objectives or targets outlined for the program, a special evaluation may be arranged with the joint agreement of the GOB and USAID.

D. Local Currency Procedures

On at least a bi-annual basis, the GOB will submit to USAID a report showing deposits into and disbursements from the Deposit Account, and indicate to whom or to where transfers were made.

## ATTACHMENT A · ILLUSTRATIVE IMPLEMENTATION SCHEDULE

<u>Event</u>	<u>Month</u>	<u>Responsible</u>
- Grant Agreement Signed between AID and GOB	7/88	USAID/MFDP
- Initial Conditions Precedent to Disbursement Met	8/88	MFDP
- Advertisement for Long Term IEC Advisor,	7/88	USAID/MOH
- Contracting for Short Term Technical Assistance through Buy Ins	8/88	USAID/MOH/CSO
- Disbursement of First Tranche to GOB	9/88	USAID/MFDP
- First Quarterly Review Meeting	11/88	USAID/GOB
- Second Quarterly Review Meeting	4/89	USAID/GOB
- Third Quarterly Review Meeting	8/89	USAID/GOB
- First Sentinel Survey	8/89	Contractor
- Evidence Submitted for Meeting Second Year Conditions Precedent to Disbursement	10/89	MFDP
- Fourth Quarterly Review Meeting	12/89	USAID/GOB
- Disbursement of Second Tranche to GOB	1/90	USAID/MFDP
- Fifth Review Meeting (Semiannual)	4/90	USAID/GOB
- Second Sentinel Survey	8/90	Contractor
- Evidence Submitted for Meeting Third Year Conditions Precedent	10/90	MFDP
- Sixth Review Meeting (Semiannual)	11/90	USAID/GOB
- Disbursement of Third Tranche to GOB	12/90	USAID/MFDP
- Seventh Review Meeting (Semiannual)	4/91	USAID/GOB
- Third Sentinel Survey	8/91	Contractor
- Evidence Submitted for Meeting Fourth Year Conditions Precedent	10/91	MFDP
- Eighth Review Meeting (Semiannual)	11/91	USAID/GOB
- Disbursement of Fourth Tranche to GOB	12/91	USAID/MFDP
- Ninth Review Meeting (Semiannual)	4/92	USAID/GOB
- Fourth Sentinel Survey	8/92	Contractor
- Evidence Submitted for Meeting Fifth Year Conditions Precedent	10/91	MFDP
- Tenth Review Meeting (Semiannual)	11/92	USAID/GOB
- Disbursement of Fifth Tranche to GOB	12/92	USAID/MFDP
- Eleventh Review Meeting (Semiannual)	4/93	USAID/GOB
- Program Ends	5/93	
- Final Evaluation	6/93	USAID/GOB

JL

## ATTACHMENT B

## BUDGET TABLE 1

## ILLUSTRATIVE USAID CONTRIBUTIONS

POPULATION SECTOR GRANT 1988-1992  
(U.S.Dollars)

DESCRIPTION	YR 1	YR 2	YR 3	YR 4	YR 5	TOTAL
1. Tranche Dollar Disbursements	\$900,000	\$700,000	\$600,000	\$400,000	\$400,000	\$3,000,000
2. TA and Training						
- Long Term Technical Assistance						
a. Contraceptive Logistics	\$0	\$0	\$0	\$0	\$0	\$0
b. NPP	\$0	\$0	\$0	\$0	\$0	\$0
c. IEC Services	\$125,000	\$125,000	\$125,000	\$0	\$0	\$375,000
d. MCH/FP Service Delivery	\$0	\$0	\$0	\$0	\$0	\$0
- Short-Term Technical Assistance						
a. Contraceptive Logistics	\$30,000	\$30,000	\$0	\$0	\$0	\$60,000
b. NPP/CSO/Tech Support	\$150,000	\$195,000	\$120,000	\$75,000	\$30,000	\$570,000
c. IEC Services	\$45,000	\$45,000	\$0	\$0	\$0	\$90,000
d. MCH/FP Service Delivery	\$55,000	\$30,000	\$30,000	\$0	\$0	\$115,000
- Training						
a. Contraceptive Logistics	\$0	\$0	\$0	\$0	\$0	\$0
b. NPP	\$37,500	\$37,500	\$0	\$0	\$0	\$75,000
c. IEC Services	\$20,000	\$20,000	\$20,000	\$0	\$0	\$60,000
d. MCH/FP Service Delivery	\$23,000	\$23,000	\$0	\$0	\$0	\$46,000
SubTotal	\$485,500	\$505,500	\$295,000	\$75,000	\$30,000	\$1,391,000
3. Administration/Management						
- Planning Studies and Evaluations	\$30,000	\$30,000	\$50,000	\$30,000	\$50,000	\$190,000
- Program Management	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$120,000
SubTotal	\$54,000	\$54,000	\$74,000	\$54,000	\$74,000	\$310,000
4. Contingency (10%) *	\$53,950	\$55,950	\$36,900	\$12,900	\$10,400	\$170,100
5. Inflation (5%) *	-	\$27,975	\$36,900	\$19,350	\$20,300	\$128,900
TOTAL ESTIMATED EXPENDITURES	\$1,193,450	\$1,343,425	\$1,042,800	\$561,250	\$535,200	\$5,000,000
PROPOSED OBLIGATION SCHEDULE	\$1,500,000	\$1,500,000	\$1,000,000	\$500,000	\$500,000	\$5,000,000

\* Applies to TA and Training and Administration/Management

ATTACHMENT B

BUDGET TABLE 2

ILLUSTRATIVE GOB CONTRIBUTIONS

POPULATION SECTOR GRANT 1988-1992  
(Pulas)

DESCRIPTION OF LINE ITEM CONTRIBUTIONS	1988	1989	1990	1991	1992	Total
1. Contraceptives	0	50,000	60,000	270,000	550,000	930,000
2. National Population Policy and Analysis						
a. CSO Recurrent Costs*	521,850	521,850	521,850	521,850	521,850	2,609,250
b. CSO Development Costs (GOB Share)						
- Continuous Household Surveys **	200,000	165,000	168,000	168,000	172,000	873,000
- Population Census***	0	185,000	314,000	546,000	150,000	1,195,000
SubTotal	721,850	871,850	1,003,850	1,235,850	843,850	4,677,250
3. Health Education and IEC Services†						
a. Health Education Unit (Salaries)	66,290	66,290	66,290	66,290	66,290	331,450
b. Non-salary HEU Recurrent Costs	39,642	39,642	39,642	39,642	39,642	198,210
SubTotal	105,932	105,932	105,932	105,932	105,932	529,660
4. MCH/FP Service Delivery						
a. MOH MCH/FP Recurrent Costs††	2,818,917	2,818,917	2,818,917	2,818,917	2,818,917	14,094,585
b. MSLG MCH/FP Recurrent Costs††	0	0	0	0	0	0
SubTotal	2,818,917	2,818,917	2,818,917	2,818,917	2,818,917	14,094,585
5. Total GOB Contributions	3,646,699	3,846,699	3,988,699	4,430,699	4,318,699	20,231,495

\*: Based on assumption that 50% of CSO's recurrent costs

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 B: General Covenants (Continued)**

**Section B.3. Utilization of Goods and Services.**

(a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use. [See HB 18.]

**SECTION B.4. Taxation.**

(a) This Agreement and the Grant will be free from any taxation or fees imposed under laws in effect in the territory of the Grantee.

(b) To the extent that (1) any contractor, including any consulting firm, 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 B.5. Reports, Records, Inspections, Audit.**

The Grantee will:

(a) furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for 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

37

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 B.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 B.7. Other Payments. Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the country of the Grantee.

SECTION B.8. Information and Marking. The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, 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 Data. 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 to 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 subaction (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

34

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 all shipments financed

Article C: Procurement Provisions (Continued)

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.

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 noncancellable 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 therefore.

(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 therefore.

(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 refunds 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.

36