

LIMITED SCOPE GRANT AGREEMENT (LSGA)

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

and

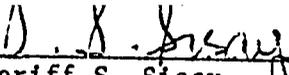
The Government of The Gambia (GOTG) - (The Grantee)

Dated July 19, 1988

1. Project Title: Program Development and Support (PD&S)
2. Project Number: 635-0510
3. The above named parties hereby mutually agree to carry out the Project described in this Agreement in accordance with (A) the terms of this Agreement, including any annexes attached hereto, and (B) any general agreement between the two governments regarding economic or technical cooperation.
4. Amount of Current AID Grant: \$280,000
5. Total Amount of AID Grant To Date, including Amount of Current AID Grant : \$280,000
6. Final Obligation Year: FY 1997
7. Grantee Contribution to the Project: - 0 -
8. Life of Project Cost: \$3,200,000
9. Project Assistance Completion Date: July 19, 1998
10. AID's contribution to the project will be provided in annual increments. All subsequent increments, however, will be subject to the availability of AID funds and to the mutual agreement of the parties. The project funds will be used to contract for the services described in the financial plan shown at Annex B. The financial plan is illustrative and may be changed by mutual agreement of the signatories to this Agreement, as long as the total amount of the AID Grant to date (paragraph 5 above) is not exceeded.
11. Implementation of the financial plan shall be accomplished through the means of an AID Project Implementation Order, Technical Services (PIO/T). Under block 16 of the PIO/T, a reference to this LSGA may be used in place of the signature of the host country official.

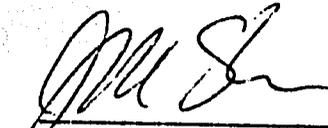
12. The LSGA consists of this Basic Agreement and three annexes: (A) Project Description; (B) Financial Plan - FY 1988; and (C) the Standard Provisions.

For GOTG:



Sheriff S. Sisay
Minister of Finance & Trade

For AID:



J.M. Stone
A.I.D. Representative

ANNEX A
PROJECT DESCRIPTION

1. Project Title: Program Development and Support (PD&S)
2. Project Number: 635-0510
3. Project Description: The purpose of this project is to provide a mechanism for financing PD&S activities which are needed to assist the USAID/Banjul Mission in implementing its country program and in supporting the economic development objectives of the Government of The Gambia. The PD&S activities may include, but are not limited to, the following:
 - A. Studies related to AID's Country Development Strategy Statement (CDSS) and sector assessments; and special studies which enhance policy analyses or sharpen understanding of financial, technical, institutional and organizational constraints to economic and social development;
 - B. Project development, feasibility studies, operational research and pilot testing of hypotheses leading to final design of programs and projects, evaluations and assessments of program impact and AID program priorities, and activities to gather data on program impact;
 - C. Project-level evaluations and financial management/audit activities not otherwise budgeted within the projects. This includes the development of project monitoring and accounting systems; data collection and evaluation systems; and audit work covered by IG IQC's; and
 - D. Special purpose activities such as seminars, workshops and special economic or statistical surveys; and termination costs or residual support for terminated projects not specifically covered in the above three categories.
4. In FY 88, consistent with guidance from AID/W, the project will finance all those requirements contemplated under the FY 88 Planning, Management and Research (PM&R) project (now discontinued) and most items under the Sahel Policy Analysis Project (625-0970.35), now no longer being funded.
5. Each PD&S activity should generally be completed (fully expended) in eighteen months.
6. Unless AID specifically agrees in writing, no commodities will be procured under this project.

ANNEX B
FINANCIAL PLAN - FY 1988

The PD&S activities in FY 1988, valued at \$280,000, may include, but are not limited to, the following:

- A. Technical assistance to USAID/Banjul to develop evaluation systems to meet the requirements of the new Development Fund for Africa, \$75,000.
- B. A feasibility study of the Gambia Produce Marketing Board to determine the conditions, criteria and schedule for implementing a plan for the ultimate divestment and privatization of its core assets and operations, \$75,000.
- C. A special analysis and assessment of the information needs of the National Investment Board as it takes up its role of monitoring the performance of state-owned enterprises which have signed performance agreements. Based on this analysis, a management information system will be developed. The study will also analyze potential areas of private investment in The Gambia and suggest methods to promote such investment in coordination with the National Investment Board, \$25,000.
- D. Studies to determine the feasibility of privatization of government services and activities related to agriculture, which includes but is not limited to: (1) the agricultural input marketing system; (2) the crop protection service; (3) the land preparation services; and (4) the river transport and marketing facilities, \$105,000.

ANNEX C
STANDARD PROVISIONS

1. Reference to "This Agreement" means the Original Limited Scope Grant Agreement as modified by any revisions which have entered into effect. Reference to the "Cooperating Country" means the country or the territory of the Grantee.

2. (A) AID will make available the amount specified in paragraphs 4 and 5 of the Basic Agreement, as necessary for the project and as may be further described in Annexes A and B.

(B) The Grantee will make available the amount specified in paragraph 7 of the Basic Agreement, as necessary for the project and as may further be described in Annexes A and B. 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 Annexes A and B.

3. 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.

4. 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 (paragraph 9 of the Basic Agreement) or any amended Project Assistance Completion Date specified.

5. 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.

6. 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 contributions referred to in paragraphs 4 and 5 of the Basic Agreement shall be subject to the provisions of AID Regulation 1.

7. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to paragraphs 4 and 5 of the Basic Agreement shall be vested in the grantee, or such public or private agency as it may authorize.

8. (A) 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.

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

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

9. (A) 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 an applicable international agreement.

(B) 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 and 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 for 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 an applicable international agreement.

10. If funds provided by AID are introduced into the cooperating country by AID or any public or private agency for the 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.

11. 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.

12. 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: (A) to examine property procured through financing by that party under this Agreement, wherever such property is located; and (B) 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.

13. 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.

14. 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 paragraphs 4, 5 and 7 of the Basic Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph 8 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.

15. To assist in the implementation of the project, AID, from time to time, may issue Project Implementation Letters (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.

16. 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 which AID financed in whole or in part out of funds granted by AID under this Agreement.

17. Unless AID otherwise agrees in writing, 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 Project Implementation Letters.