

Thailand dist.

A.I.D. Project No. 498-0258

PROJECT GRANT AGREEMENT
between
KINGDOM OF THAILAND
and the
UNITED STATES OF AMERICA
for
ASEAN AGRICULTURAL DEVELOPMENT PLANNING CENTRE

Dated: August 28, 1980

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PROJECT GRANT AGREEMENT

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PROJECT GRANT AGREEMENT

Dated: August 28, 1980

Between the KINGDOM OF THAILAND ("Grantee") and the UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project

The Project, which is further described in Annex 1, will consist of the strengthening of the agricultural development planning capability of the Association of South-East Asian Nations (ASEAN) member nations and the application of acquired expertise through the establishment of an ASEAN Agricultural Development Planning Centre (ADPC) based in Thailand. The Grantee will act as the host country and member-country coordinator for the Project. Project components shall include manpower training, planning and research, technical support,

administration, building construction and procurement of equipment. Annex 1, attached, amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. It is anticipated that AID's overall contribution to the Project will be \$3,000,000; provided, however, that subsequent increments beyond the one provided hereunder, will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

Article 3: Financing

SECTION 3.1. The Grant

To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms

of this Agreement not to exceed Six Hundred Thousand United States ("U.S.") Dollars (\$600,000.00) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project

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

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is May 9, 1985, 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 and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD,

or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement

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

(a) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

(b) The evaluation plan referred to in Section 5.1.

(c) Evidence that the Board of Planners and the Expert Advisory Group have been designated and that the Director has been appointed.

(d) Evidence that the Grantee will budget funds for the construction of the ASEAN ADPC facilities.

(e) An Implementation and Financial Plan for the first year of the Project.

(f) Alternative training plan in case the construction of the ADPC facilities is delayed.

SECTION 4.2. Notification

When A.I.D. has determined that the conditions precedent specified in Section 4.1 have been met, it will promptly notify the Grantee.

SECTION 4.3. Terminal Date for Conditions Precedent

If all of the conditions specified in Section 4.1 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation

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

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

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

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

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

SECTION 5.2 Grantee Construction of Centre Complex

The Grantee covenants to complete construction of the complex of buildings to house the ASEAN Agricultural Development Planning Centre by September 30, 1981, or such other date as the Parties may agree to in writing.

Article 6: Procurement Source

SECTION 6.1 Foreign Exchange Costs

Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States, the Philippines, Malaysia, Singapore or Indonesia ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b), with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States except as A.I.D. may otherwise agree in writing.

SECTION 6.2. Local Currency Costs

Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Kingdom of Thailand ("Local Currency Costs").

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Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs

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

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

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

(b) Banking charges incurred by 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 7.2. Disbursement for Local Currency Costs

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

(b) The local currency needed for such disbursements may be obtained by acquisition by A.I.D. with U.S. Dollars by purchase.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency.

SECTION 7.3. Other Forms of Disbursement

Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange

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

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Article 8: Miscellaneous

SECTION 8.1 Communications

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

To the Grantee:

Secretary-General
Office of Agricultural Economics
Ministry of Agriculture and Cooperatives
Rajdamnern Avenue
Bangkok, Thailand

To A.I.D.:

United States Agency for International
Development/Thailand
2948 Soi Somprasong 3
Petchburi Road
Bangkok, Thailand

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Secretary-General of the Office of Agricultural

Economics and A.I.D. will be represented by the individual holding or acting in the office of the Director, United States A.I.D Mission to Thailand, 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 I. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex

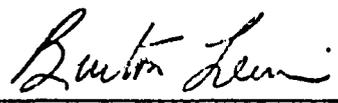
A "Project Grant Standard Provisions Annex" (Annex II) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

KINGDOM OF THAILAND

UNITED STATES OF AMERICA

By: 
Banharn Silpa-archa
Minister of Agriculture and
Cooperatives

By: 
Burton Levin
Charge d'Affaires, a.i.
Embassy of the United States
of America

Project Description

This description is derived from and is essentially a summary of the "Project Proposal for an ASEAN Agricultural Development Planning Centre" prepared at an ASEAN Workshop in Phuket, Thailand, 17-25 May 1979.

Agriculture and agricultural products are essential to the development of the ASEAN members' economies. Seventy percent of the population lives in rural areas and 55 percent of GNP is attributable to the agricultural sector. The food situation among the ASEAN members remains precarious, due to rapidly increasing populations, and inflating prices for agricultural production inputs.

The need for ASEAN to develop sound long-run agricultural policies, both to insure adequate food supplies and to contribute to agricultural sector development, has been apparent for several years. Attempts to develop coherent agricultural sector policies which foster increased efficient production and at the same time address marketing and consumption factors invariably underscore the need for improved agricultural sector planning capabilities. The Office of Agricultural Economics (OAE) in Thailand's Ministry of Agriculture and Cooperatives has developed considerable expertise and experience in agricultural sector analysis and agricultural development planning. The purpose of AID's support for this project is to help meet the need of ASEAN for improved agricultural planning through a training program coordinated by and under the auspices of Thailand's OAE.

Specifically, this is a 5-year program which will accomplish or contribute to the following objectives:

- a. establishment of an agricultural development planning centre where regional participants will receive training and have access to expertise in agricultural development planning strategies and methodologies; some long term participants will, in conjunction with this training, work towards masters degrees in agricultural economics at Kasetsart University;
- b. development of a regional data bank for storage and analysis of agricultural development planning information.
- c. construction and verification of regional (in-country) planning models for selected pilot areas in each country;
- d. studies of ASEAN agricultural policies with the end view of coordinated or harmonized ASEAN policies.

U.S. Government funding will be utilized primarily to cover Centre operating expenses, participant training costs, planning and research activities, and procurement of basic equipment and commodities including 2 mini-computers, vehicles, and classroom and instructional equipment. U.S. Government support for these activities is intended to be provided during the first 5 years of the Centre's operation. ASEAN will undertake to seek other funding sources for continuation of Centre operations following the termination of U.S. Government funding in Year 5.

The Kingdom of Thailand will support construction of a facility in Thailand to centralize operations and training

functions. This facility will be called the ASEAN Agricultural Development Planning Centre (AADPC). AADPC will receive direction and guidance from an ASEAN Board of Planners which in turn is responsible to the ASEAN Committee for Food, Agriculture, and Forestry (COFAF).

Reflecting the basic purpose of the Project, the Project has been conceptualized and designed with three basic components; one, a MACRO component providing training for strengthening national agricultural planning capabilities; second, a MICRO component designed to address problems of regional (in-country) planning; and third, a planning and research component aimed at improvement of data gathering and analysis techniques for both the national and regional components of the Project.

A description of the responsibilities and functions of the AADPC's organizational entities follows:

a) ASEAN ADPC Board of Planners: The board consists of the representative from each ASEAN member country. The functions of the board are to -

- 1) plan and manage on a continuing basis the various activities to be undertaken by the Centre.
- 2) approve and oversee the disbursement of project funds.
- 3) keep the ASEAN COFAF informed of project development and seek COFAF policy guidance in case of need.

b) Expert Advisory Group: Experts in agricultural development planning within the ASEAN member countries will be invited to advise the Board of Planners.

c) Director: To run the office in Thailand, the director of the ASEAN ADPC, a Thai national, shall be responsible inter-alia for the execution and administration of the work program. In discharging his executive and administrative functions, he shall be guided by the ASEAN Board of Planners. In implementing the work activities, he shall coordinate with the competent authorities of participating countries and other regional or international organizations concerned. In addition, he shall direct all project activities.

d) Deputy Director: The Deputy Director will be from a member country of ASEAN. In consultation with the Director, he shall supervise all administrative matters, coordinate the training, research and planning and advisory functions of the Centre; arrange for recruitment of ad hoc experts and consultants; and supervise all work relating to the preparation of periodic reports to the ASEAN ADPC Board of Planners.

e) Secretariat: The main duties of the Secretariat are to carry out the work of providing administrative support; supervise equipment, stores and other property of the Centre; arrange travel and registry facilities; and arrange classroom, seminar room, cafeteria and accommodations for the participants in the Centre's activities.

f) Planners and Researchers: The main duties of the planners and researchers are to conduct the agricultural sector analysis studies and construct development models for the ASEAN member countries and the region. Upon requests

from member countries to the Centre, they shall advise member country analysts and COFAF on the application of sector studies to policy analysis and plan development; assist in the field of agricultural development studies; and assist in teaching and advisory services, especially in the design and conduct of students' projects.

g) Consultants: The responsibilities of consultants are to give technical advice on the Centre's activities in agricultural development planning and research training.

h) Academic Services: The duties of the staff responsible for academic services are to develop curriculum, teach classes and advise participants in agricultural development planning and related fields. They shall be responsible for monitoring of academic progress of participants assigned to them and assisting the planners and researchers in guiding the participants' own planning and policy analysis research projects.

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Estimated AID Grant by Project Component, Annual Dollar Values
ASEAN Agricultural Development Planning Centre Project
(US\$000)

Project Component	Year 1	Year 2	Year 3	Year 4	Year 5	Total
1. Consultants	10	20	25	25	20	100
2. Training	47	147	202	155	55	606
3. Commodities	10	10	10	10	10	50
4. Equipment	204	-	-	-	-	204
5. Operation & Maintenance	30	35	45	30	30	170
6. Salaries & Honoraria	167	167	167	167	167	835
7. Planning & Research	107	107	107	107	107	535
Total	575	486	556	494	389	2,500
10% Inflation						250
10% Contingency						250
Overall Total						<u>3000</u>

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