

United States Treaties and Other International Agreements



VOLUME 30

IN SIX PARTS

Part 4

1978-79

*Compiled, edited, indexed, and published
by authority of law (1 U.S.C. § 112a)
under the direction
of the Secretary of State*

The Act approved September 23, 1950, Ch. 1001,
§ 2, 64 Stat. 979, 1 U.S.C. § 112a, provides in part
as follows:

“. . . United States Treaties and Other International Agree-
ments shall be legal evidence of the treaties, international
agreements other than treaties, and proclamations by the
President of such treaties and agreements, therein contained,
in all the courts of the United States, the several States, and
the Territories and insular possessions of the United States.”

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1981

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

LIST OF DOCUMENTS CONTAINED IN PART 4 OF THIS VOLUME

TIAS		Page
9444	<i>Mexico.</i> Arid and semi-arid lands management and desertification control. Agreement: Signed Feb. 16, 1979	4009
9445	<i>Canada.</i> Boundary waters (pilotage services on Great Lakes and St. Lawrence). Agreement: Signed Aug. 23, 1978 and Mar. 29, 1979	4027
9446	<i>Canada.</i> Long Range Aid to Navigation (LORAN-C) Station in British Columbia. Agreement: Signed Mar. 19 and 29, 1979	4049
9447	<i>Socialist Federal Republic of Yugoslavia.</i> Trade in textiles. Agreement: Signed Oct. 26 and 27, 1978	4063
9448	<i>Canada.</i> Preservation of halibut fishery of northern Pacific Ocean and Bering Sea and fishing off west coast of Canada. Agreement: Signed Mar. 29, 1979	4067
9449	<i>Federal Republic of Germany.</i> Transportation (cooperation on development of high speed ground systems). Memorandum of understanding: Signed July 12 and Aug. 30, 1978	4100
9450	<i>Israel.</i> Airbase construction. Agreement: Signed Apr. 6, 1979	4107
9451	<i>Israel.</i> Funding of airbase construction. Agreement: Signed Apr. 6, 1979	4134
9452	<i>Canada.</i> Whaling (international observer scheme). Arrangement: Dated Apr. 3 and 4, 1979	4139
9453	<i>Morocco.</i> Nonformal education for women. Agreement: Signed Aug. 14, 1978	4143
9454	<i>Dominican Republic.</i> Trade in textiles and textile products. Agreement: Signed Aug. 7 and 8, 1979	4185
9455	<i>Morocco.</i> Industrial and commercial job training for women. Agreement: Signed Aug. 14, 1978	4201
9456	<i>Haiti.</i> Alien amateur radio operators. Agreement: Signed Apr. 17 and May 17, 1979	4245
9457	<i>Indonesia.</i> Satellites (furnishing of launching and associated services). Agreement: Signed Apr. 11, 1979	4253
9458	<i>Egypt.</i> Canal maintenance and restoration. Agreement: Signed Sept. 27, 1977	4265
9459	<i>Multilateral.</i> International Wheat Agreement, 1971 (modification and extension of Wheat Trade Convention and Food Aid Convention). Protocols: Open for signature Apr. 26-May 17, 1978	4287
9460	<i>Socialist Federal Republic of Yugoslavia.</i> Nonscheduled air services. Agreement: Signed Dec. 15, 1977	4350

TIAS	Page
9461 <i>Iran.</i> Technical assistance for civil emergency preparedness. Memorandum of understanding: Signed Jan. 26, 1977	4354
9462 <i>Thailand.</i> Trade in textiles and textile products. Agreement: Signed Apr. 1 and May 8, 1979	4360
9463 <i>Japan.</i> Energy research and development. Agreement: Signed May 2, 1979; with exchange of notes	4365
9464 <i>Egypt.</i> Economic assistance. Agreement: Signed Sept. 28, 1977	4388
9465 <i>Egypt.</i> Alexandria sewage project. Agreement: Signed Sept. 29, 1977	4401
9466 <i>Egypt.</i> Cairo water supply. Agreement: Signed Sept. 29, 1977	4424
9467 <i>Federal Republic of Germany.</i> Narcotic drugs. Agreement: Signed June 9, 1978	4434
9468 <i>Mexico.</i> Tourism. Agreement: Signed May 4, 1978	4443
9469 <i>Egypt.</i> Irrigation pumping. Agreement: Signed Sept. 27, 1977	4462
9470 <i>People's Republic of China.</i> Trade exhibitions. Agreement: Signed May 10, 1979	4472
9471 <i>Republic of Korea.</i> Medical treatment for Korean veterans. Agreement: Signed Feb. 3, 1978	4479
9472 <i>Macao.</i> Trade in textiles and textile products. Agreement: Signed Apr. 9 and 27, 1979	4487
9473 <i>Egypt.</i> Urban electric distribution. Agreement: Signed Sept. 30, 1977. And amending agreement: Signed Mar. 29, 1978	4491
9474 <i>Jamaica.</i> Currency utilization for high priority development activities. Memorandum of understanding: Signed Mar. 23, 1978	4518
9475 <i>Bangladesh.</i> Population planning. Agreement: Signed May 31, 1978	4523
9476 <i>Ghana.</i> Managed input delivery and agricultural services. Agreement: Signed Mar. 31, 1978	4534
9477 <i>Cameroon.</i> Livestock and agriculture development. Agreement: Signed May 18, 1978	4547
9478 <i>Egypt.</i> Technical and feasibility studies. Agreement: Signed Mar. 29, 1978	4569
9479 <i>Egypt.</i> Commodity import program. Agreement: Signed Feb. 27, 1978	4577
9480 <i>Egypt.</i> Economic assistance. Agreement: signed May 29, 1978	4591
9481 <i>Egypt.</i> Economic, technical and related assistance. Agreement: Signed Aug. 16, 1978. With exchanges of notes: Dated Aug. 16, Sept. 9 and Dec. 7, 1978 and Feb. 8, 1979	4609
9482 <i>Tanzania.</i> Training of maternal and child health aides. Agreement: Signed July 6, 1978	4622
9483 <i>Egypt.</i> Development planning studies. Agreement: Signed Aug. 17, 1978	4624
9484 <i>Philippines.</i> Small farmer systems. Agreement: Signed Aug. 18, 1978	4645
9485 <i>Chad.</i> Agricultural institutional development. Agreement: Signed Aug. 15, 1978	4671

TIAS		Page
9486	<i>Egypt.</i> Integrated social work centers. Agreement: Signed Sept. 29, 1977. And amending agreement: Signed Mar. 7, 1978	4699
9487	<i>India.</i> Application of science and technology to rural development. Agreement: Signed Aug. 26, 1978	4713
9488	<i>India.</i> Malaria control. Agreement: Signed Aug. 26, 1978	4749
9489	<i>India.</i> Gujarat medium irrigation project. Agreement: Signed Aug. 26, 1978	4789
9490	<i>Panama.</i> Rural access roads. Agreement: Signed Aug. 23, 1978. . .	4827
9491	<i>Jordan.</i> Amman water and sewerage. Agreement: Signed Aug. 28, 1978	4865
9492	<i>Jordan.</i> Potash plant. Agreement: Signed Aug. 28, 1978. And amending agreement: Signed Jan. 25, 1979	4883
9493	<i>Mali.</i> Renewable energy. Agreement: Signed Aug. 26, 1978	4903
9494	<i>Egypt.</i> Housing and community upgrading for low income Egyptians. Agreement: Signed Aug. 26, 1978	4939
9495	<i>Kenya.</i> Agricultural systems support. Agreement: Signed Aug. 29, 1978	4967
9496	<i>Costa Rica.</i> Urban employment and community improvement. Agreement: Signed Aug. 30, 1978	4993
9497	<i>Cameroon.</i> Transcameroon Railroad III. Agreement: Signed Aug. 30, 1978	5031
9498	<i>Caribbean Community Secretariat.</i> Basic health management training. Agreement: Signed Aug. 30, 1978	5054
9499	<i>El Salvador.</i> Small farm irrigation systems. Agreement: Signed Aug. 30, 1978	5073
9500	<i>France.</i> Double taxation (taxes on income and property). Protocol: Signed Nov. 24, 1978	5109
9501	<i>Indonesia.</i> Sederhana irrigation and land development (grant). Agreement: Signed Aug. 31, 1978	5144
9502	<i>Nicaragua.</i> Rural education development. Agreement: Signed Aug. 30, 1978	5157
9503	<i>Sudan.</i> Southern manpower development. Agreement: Signed Aug. 30, 1978	5205
9504	<i>Sudan.</i> Primary health care. Agreement: Signed Aug. 30, 1978	5227
9505	<i>Bangladesh.</i> Ashuganj fertilizer project. Agreement: Signed Aug. 31, 1978	5247
9506	<i>Republic of Korea.</i> Double taxation (taxes on income). Convention: Signed June 4, 1976	5253
9507	<i>Nepal.</i> Rural development and resource conservation and utilization. Agreement: Signed Aug. 31, 1978	5346

MEXICO

Arid and Semi-Arid Lands Management and Desertification Control

*Agreement signed at México February 16, 1979;
Entered into force February 16, 1979.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF THE UNITED MEXICAN
STATES ON COOPERATION TO IMPROVE THE MANAGEMENT OF
ARID AND SEMI-ARID LANDS AND CONTROL DESERTIFICATION

The Government of the United States of America and the
Government of the United Mexican States,

CONCERNED because the desertification phenomenon presents
a growing threat to the economic and social well-being of large
sectors of the population of both countries;

RECOGNIZING the benefits which can be derived from the
implementation of the recommendations of the Global Plan of Action
to Combat Desertification adopted at the United Nations Conference
on Desertification in Nairobi, Kenya, in 1977;

CONSIDERING that possibilities exist for controlling
desertification and for restoring and enhancing the productive
capacity of arid and semi-arid lands through the application of
new policies, programs and practices of proper resource manage-
ment;

EMPHASIZING that cooperation to solve common desertification-
related problems may produce important mutual benefits, including
an increase in the pace, efficiency and effectiveness of the
respective national plans on desertification that each Government
is developing; and

NOTING that the consultations on desertification between
the two Governments have provided adequate guidance and a frame-
work for expansion of cooperation in this field

HAVE AGREED AS FOLLOWS:

ARTICLE I

1. The two Governments shall promote cooperation for the purposes of controlling desertification and protecting and enhancing the productive capacity of the agricultural lands, rangelands and forests of each country's arid and semi-arid zones.

2. The institutions which principally will develop the operative activities of cooperation under this Agreement will be, for the United States of America, the Department of the Interior and the Department of Agriculture, and for the United Mexican States, the Secretariat of Agriculture and Hydraulic Resources, the Secretariat of Human Settlements and Public Works, and the National Commission for Arid Zones.

ARTICLE II

1. Cooperation under this Agreement shall be undertaken in the conservation of soil and water; the management of watersheds, rangelands and forests; the identification, inventory and continuing assessment of desertification; the management and utilization of flora and fauna native to arid and semi-arid zones; and other subjects which may be defined by agreement of the Parties.

2. Cooperation may include the exchange of scientific and technological information; exchange of scientists and other technical and research personnel; the planning and conduct of joint or coordinated research, management and demonstration projects; the organization of joint courses, conferences and symposia; and other forms of cooperation as may be mutually agreed.

3. Under this Agreement, initial priority shall be given to the following:

(a). Soil and water conservation on agricultural lands, rangelands and forests, with a view toward increasing food production and preserving the ecological balance;

(b). Conservation, regeneration, utilization and commercialization of arid zone native species with a view toward expanding employment opportunities and income generation in the rural areas; and

(c). Completion of the National Desertification Plans of each Government, with a view toward coordinating policies and programs in the fields of arid and semi-arid land management and desertification control.

ARTICLE III

1. To facilitate cooperation under this Agreement, each Government shall designate a National Coordinator.

2. The National Coordinator for the Government of the United States will be the Department of State and the Coordinator for the Government of Mexico will be the Secretariat of Programming and Budget.

3. The National Coordinators shall serve as the principal points of contact of the two Governments and shall work closely in facilitating, coordinating and reviewing cooperative activities under this Agreement.

4. The National Coordinator of each Government, in consultation with the agencies and other entities which participate in the cooperative programs, shall be responsible for coordinating the activities in its country which arise as a consequence of this Agreement.

ARTICLE IV

1. Pursuant to the objectives of this Agreement, the two Governments, through their National Coordinators, shall encourage, facilitate and authorize, as appropriate, contacts, the negotiation of accords, and cooperation between Government agencies, universities, and other entities of both countries for the conduct of specific cooperative activities.

2. Specific accords implementing this Agreement may cover the subjects of cooperation, procedures to be followed, treatment of intellectual property, funding and any other appropriate matters.

3. Costs shall be borne as mutually agreed by the participants.

4. All cooperative activities undertaken pursuant to this Agreement shall be subject to the availability of funds.

ARTICLE V

The two Governments shall endeavor to promote and contribute to the rapid implementation of the United Nations Global Plan of Action to Combat Desertification through measures which may include:

1. Inviting, when appropriate and by mutual agreement of the National Coordinators, entities and scientists, technical experts, and resource planners and administrators of third countries or of international and regional organizations to participate in cooperative activities under this Agreement; and

2. The joint distribution of information and data generated by this Agreement to other governments and international and regional organizations, particularly to the United Nations Environment Program (UNEP) and to the Economic Commission for Latin America of the United Nations (ECLA).

ARTICLE VI

Scientific and technological information derived from cooperative activities under this Agreement may be made available, unless agreed otherwise in specific accords under Article IV, to the world community through customary channels and in accordance with the normal procedures of the participating entities.

ARTICLE VII

1. Cooperative activities under this Agreement shall be subject to the laws and regulations in each country.

2. Each Government shall, with respect to cooperative activities under this Agreement, use its best efforts to facilitate prompt entry into and exit from its territory of equipment and personnel of the other country.

ARTICLE VIII

1. None of the provisions of this Agreement shall be construed to prejudice other Agreements or arrangements between the two Governments.

2. Cooperative activities carried out under this Agreement shall be developed in a manner that complements and reinforces those activities carried out pursuant to the 1972 Agreement on Scientific and Technical Cooperation between the United States of America and the United Mexican States,^[1] and in the 1977 Memorandum

¹ Exchange of notes June 15, 1972. TIAS 7362; 23 UST 934.

of Understanding signed by the Department of Agriculture of the United States of America and the National Council for Science and Technology of Mexico on Tropical Agriculture, Deserts, Livestock, Nutrition and Health.

ARTICLE IX

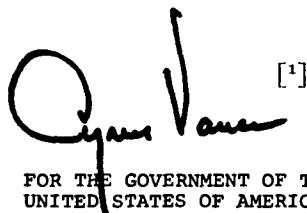
Representatives of the two Governments will meet as necessary in order to discuss the implementation of this Agreement and to exchange information about programs, projects and activities of common interest. Experts from each country, as mutually agreed, may participate in these meetings to address specific issues.

ARTICLE X

This Agreement will be governed by the following stipulations:

1. It will enter into force on the date of signature.
2. It will have a duration of three years, renewable by mutual agreement of the Parties.
3. Either Party may terminate this Agreement at any time, by written notice to the other Party. In this case, the Agreement will terminate six months after the receipt of such notice.
4. Termination of the Agreement shall not affect the validity or duration of specific accords which are concluded in conformity with Article IV of this Agreement.

DONE in duplicate at Mexico, D. F., on February 16, 1979
in the English and Spanish languages, both texts being equally
authentic.



[¹]

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



[²]

FOR THE GOVERNMENT OF THE
UNITED MEXICAN STATES

¹ Cyrus Vance.
² S. Roel.

CONVENIO ENTRE EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA Y EL GOBIERNO DE LOS ESTADOS UNIDOS MEXICANOS SOBRE COOPERACION PARA MEJORAR EL MANEJO DE LAS TIERRAS ARIDAS Y SEMIARIDAS Y CONTROLAR LA DESERTIFICACION

El Gobierno de los Estados Unidos de América y el Gobierno de los Estados Unidos Mexicanos

PREOCUPADOS porque el fenómeno de la desertificación representa una amenaza creciente al bienestar económico y social de amplios sectores de la población de ambos países,

RECONOCIENDO los beneficios que se pueden derivar de la implementación de las Recomendaciones del Plan Mundial de Acción para combatir la Desertificación, adoptado en la Conferencia de las Naciones Unidas sobre Desertificación, celebrada en Nairobi, Kenia, en 1977,

CONSIDERANDO que existen posibilidades para controlar la desertificación y para restablecer y ampliar la capacidad productiva de las tierras áridas y semiáridas mediante la aplicación de nuevas políticas, programas y prácticas de manejo apropiado de los recursos,

DESTACANDO que la cooperación para resolver problemas comunes relacionados con la desertificación puede producir importantes beneficios mutuos, incluyendo un incremento en el ritmo, eficiencia y efectividad de

los respectivos Planes Nacionales sobre Desertificación que cada Gobierno está desarrollando, y

RESALTANDO que las consultas sobre desertificación entre los dos Gobiernos han proporcionado una guía adecuada y un marco para extender la cooperación en este campo,

HAN CONVENIDO LO SIGUIENTE:

ARTICULO I

- 1.- Los dos Gobiernos promoverán la cooperación a fin de controlar la desertificación y proteger y aumentar la capacidad productiva de las tierras agrícolas, de los pastizales y bosques de las zonas áridas y semiáridas de ambos países.
- 2.- Las Instituciones que principalmente desarrollarán las actividades operativas de cooperación bajo este Convenio serán, por los Estados Unidos de América, el Departamento del Interior y el Departamento de Agricultura y, por los Estados Unidos Mexicanos, la Secretaría de Agricultura y Recursos Hidráulicos, la Secretaría de Asentamientos Humanos y Obras Públicas y la Comisión Nacional de las Zonas Aridas.

ARTICULO II

- 1.- La cooperación bajo este Convenio incluye la conservación de suelos y aguas; el manejo de cuencas, pastizales y bosques; la identificación, inventario y la evaluación continua de la desertificación; el manejo y utilización de la flora y la fauna nativas de las zonas áridas y semiáridas y otros temas que se podrían definir por acuerdo de las Partes.
- 2.- La cooperación puede incluir el intercambio de información científica y tecnológica; el de científicos y de otro personal técnico y de investigación; la planeación y conducción conjunta o coordinada de investigaciones, proyectos de manejo y de mostración; la organización de cursos conjuntos, conferencias y simposia; y otras formas de cooperación que pueden establecer de mutuo acuerdo.
- 3.- Bajo este Convenio, la prioridad inicial deberá dársele a lo siguiente:
 - a) Conservación de suelos y agua en tierras agrícolas, pastizales y bosques, con la mira puesta en la incrementación de la producción alimenticia y la preservación del equilibrio ecológico;

- b) Conservación, regeneración, utilización y comercialización de especies nativas de las zonas áridas con la mira puesta en aumentar las oportunidades de trabajo y generar mejores ingresos en las áreas rurales; y
- c) La terminación de los Planes Nacionales de Desertificación de cada Gobierno con miras a coordinar las políticas y programas en los campos de manejo de las tierras áridas y semiáridas y del control de la desertificación.

ARTICULO III

- 1.- Para facilitar la cooperación bajo este Convenio, cada Gobierno designará un Coordinador Nacional.
- 2.- El Coordinador Nacional por parte del Gobierno de los Estados Unidos el Departamento de Estado, y el Coordinador por parte del Gobierno de México será la Secretaría de Programación y Presupuesto.
- 3.- Los Coordinadores Nacionales servirán como los puntos principales de contacto de los dos Gobiernos y trabajarán estrechamente vinculados facilitando, coordinando y revisando las actividades de cooperación bajo este Convenio.

4.- El Coordinador Nacional de cada Gobierno, en consulta con las Dependencias y otras entidades que participen en los programas de cooperación, será responsable en su País de la coordinación de las actividades que surjan como consecuencia de este Convenio.

ARTICULO IV

- 1.- De acuerdo con los objetivos de este Convenio, ambos Gobiernos, a través de sus Coordinadores Nacionales, promoverán, facilitarán y autorizarán, según sea necesario, los contactos, la negociación de acuerdos, y la cooperación entre Dependencias Gubernamentales, universidades y otras instituciones de los dos Países, para llevar a cabo actividades específicas conjuntas.
- 2.- Los Acuerdos específicos para poner en práctica este Convenio pueden incluir la identificación de las áreas de cooperación, los procedimientos a seguir, el tratamiento de la propiedad intelectual, el financiamiento y cualquier otro asunto relativo.
- 3.- Los costos de cada actividad bajo este Convenio se distribuirán según acuerdo de los participantes.
- 4.- Todas las actividades de cooperación iniciadas bajo este Convenio estarán condicionadas a la disponibilidad de fondos.

ARTICULO V

Los dos Gobiernos se esforzarán en promover y contribuir a la rápida aplicación del Plan Mundial de las Naciones Unidas para combatir la Desertificación a través de medidas que pueden incluir:

- 1.- Invitar cuando sea conveniente y por mutuo acuerdo de los Coordinadores Nacionales, a entidades y científicos, a expertos técnicos, a planificadores y administradores de recursos de terceros países o de organismos internacionales y regionales, para participar en actividades de cooperación bajo este Convenio; y
- 2.- La distribución conjunta de información y datos generados por este Convenio, a otros Gobiernos y a Organismos Internacionales y Regionales, principalmente al Programa de las Naciones Unidas para el Medio Ambiente (PNUMA) y a la Comisión Económica para América Latina de las Naciones Unidas (CEPAL).

ARTICULO VI

La información científica y tecnológica que se derive de las actividades de cooperación bajo este Convenio podrá facilitarse a la comunidad internacional a través de los canales acostumbrados y conforme a los pro-

cedimientos usuales de las entidades participantes, a menos que se decida lo contrario en los Acuerdos específicos contemplados en el Artículo IV.

ARTICULO VII

- 1.- Las actividades de cooperación a que se refiere este Convenio estarán sujetas a las leyes y reglamentos en cada País.
- 2.- Respecto a las actividades de cooperación bajo este Convenio cada Gobierno se esforzará en facilitar la entrada y salida expeditas a y de su territorio, del equipo y personal del otro País.

ARTICULO VIII

- 1.- Ninguna de las disposiciones del presente Convenio se interpretará en perjuicio de otros Acuerdos o Convenios celebrados entre los dos Gobiernos.
- 2.- Las actividades de cooperación que se realicen bajo este Convenio, se desarrollarán de manera que permitan complementar y reforzar todas aquellas actividades realizadas conforme al Convenio de Cooperación Científica y Técnica entre los Estados Unidos de América y México.

dos Mexicanos y los Estados Unidos de América de 1972, y al Memorándum-Acuerdo de 1977 firmado entre el Consejo Nacional de Ciencia y Tecnología de México y el Departamento de Agricultura de los Estados Unidos de América sobre Asuntos de Agricultura Tropical, Desiertos, Ganadería, Nutrición y Salud.

ARTICULO IX

Los Representantes de los dos Gobiernos se reunirán siempre que lo consideren necesario, a fin de vigilar el cumplimiento de este Convenio e intercambiar información sobre los programas, proyectos y actividades de interés común. Por mutuo acuerdo, Expertos de cada País podrán participar en estas reuniones para atender asuntos específicos.

ARTICULO X

El presente Convenio se regirá por las normas siguientes:

- 1.- Entrará en vigor en la fecha de su firma;
- 2.- Tendrá una validez de tres años, renovable por mutuo acuerdo de las Partes;
- 3.- Cada Parte podrá dar por terminado este Convenio, en cualquier momento, mediante notificación escrita a la otra Parte. En este caso, el Convenio dejará de estar en vigor seis me-

ses después del recibo de tal aviso.

4.- La terminación de este Convenio no afectará la validez o duración de los Acuerdos específicos que se celebren de conformidad con el Artículo IV de este Convenio.

Hecho por duplicado en la Ciudad de México, Distrito Federal, a los dieciseis días del mes de febrero del año mil novecientos setenta y nueve, en los idiomas inglés y español, siendo ambos textos igualmente auténticos.

Por el Gobierno de los Estados Unidos de América.

Por el Gobierno de los Estados Unidos Mexicanos.

CANADA

Boundary Waters: Pilotage Services on Great Lakes and St. Lawrence

*Agreement effected by exchange of notes
Signed at Ottawa August 23, 1978 and March 29, 1979;
Entered into force March 29, 1979;
Effective January 18, 1977.*

*The American Chargé d'Affaires ad interim to the Canadian Secretary
of State for External Affairs*



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 229

August 23, 1978.

Sir:

I have the honor to refer to discussions between the United States Department of Transportation and the Ministry of Transport of Canada concerning joint arrangements for the regulation of pilotage services on the Great Lakes. These discussions have resulted in agreement on the recommended terms and conditions set forth in the attached Memorandum of Arrangements, signed on January 17, 1977, by the United States Secretary of Transportation and on January 18, 1977, by the Minister of Transport of Canada.

I have the further honor to propose that these terms and conditions should henceforth govern the operation of pilotage on the Great Lakes. If this proposal meets with the approval of your Government, this note and the annexed Memorandum of Arrangements, together with your reply to that effect, shall constitute an agreement between our two Governments which shall enter into force on the date of your reply with effect from January 18, 1977. This agreement shall supersede

The Honorable

Don Jamieson,

Secretary of State

for External Affairs,

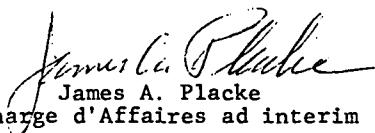
Ottawa.

the agreement effected by an exchange of notes
July 6, 1970, as amended by an exchange of notes
on August 11, 1970.^[1]

Accept, Sir, the renewed assurances of my
highest consideration..

Enclosure:

Memorandum of Arrangements.



James A. Placke
Charge d'Affaires ad interim

¹TIAS 6901; 21 UST 1444.

MEMORANDUM OF ARRANGEMENTS

GREAT LAKES PILOTAGE

BETWEEN

THE MINISTER OF TRANSPORT OF CANADA

AND

THE SECRETARY OF TRANSPORTATION

OF THE

UNITED STATES OF AMERICA

The Secretary of Transportation of the United States of America and the Minister of Transport of Canada have agreed to recommend to their respective Governments the following Memorandum of Arrangements concerning Great Lakes Pilotage to replace the existing Memorandum.

The last amendment of the existing Memorandum of Arrangements was made effective by the Secretary and the Minister on August 12, 1970. Since that time, there have been several significant changes in the pilotage system that should be reflected in a revised Memorandum of Arrangements.

The Secretary and the Minister fully recognize the different methods of operating pilotage on the Great Lakes. Canada operates with the Great Lakes Pilotage Authority Ltd. in control and the majority of its pilots are its employees. The United States operates with voluntary associations providing the pilotage services, with pilots being self-employed.

MEMORANDUM OF ARRANGEMENTS

GREAT LAKES PILOTAGE

Definitions

1. For the purpose of this Memorandum, the following definitions apply:

a. "Designated waters" means the waters of Districts 1, 2 and 3.

b. "District 1" means all the waters of the St. Lawrence River from the pilot boarding station near the International Boundary at St. Regis, Quebec, to a line running from Carruthers Point Light at Kingston, Ontario, on a true bearing of approximately 127° through Wolfe Island, South Side Light and extended to the New York shore.

c. "District 2" means the Welland Canal and the waters of Lake Erie westward of a line running on a true bearing of approximately 026° from Sandusky Pierhead Light at Cedar Point, Ohio, to Southeast Shoal Light, the waters contained within the area of a circle of one mile radius eastward of Sandusky Pierhead Light, the Detroit River, Lake St. Clair, the St. Clair River and the northern approaches thereto south of Latitude $43^{\circ} 05' 30''$ N. For the purposes of this definition, "Welland Canal" includes

all the waters of the Canal between the following:

- (1) in the southern approach, within an arc drawn one mile to the southward of the outer light on the western breakwater at Port Colborne, and
- (2) in the northern approach, within an arc drawn one mile to the northward of the western breakwater light at Port Weller.

d. "District 3" means the St. Mary's River, Sault Ste. Marie Locks and approaches thereto between Latitude $45^{\circ} 59'$ N. at the southern approach and Longitude $84^{\circ} 33'$ W. at the northern approach.

e. "Great Lakes" means Lakes Superior, Michigan, Huron, Erie and Ontario, their connecting and tributary waters, the St. Lawrence River as far east as St. Regis, and adjacent port areas.

f. "Minister" means the Minister of Transport of Canada.

g. "Pilot" means a person registered and licensed in the United States or licensed in Canada as a Great Lakes Pilot.

h. "Secretary" means the Secretary of Transportation of the United States of America.

i. "Undesignated waters" means all the waters of the Great Lakes other than designated waters. For pool purposes,

Lake Ontario is in District 1, Lake Erie is in District 2, and Lakes Huron, Michigan and Superior are in District 3.

j. "Movage" means the moving of a ship within a harbor from one anchored or moored position to another, but does not include the warping of a vessel from one berth to another solely by means of mooring lines attached to a wharf or to the shore or to a mooring buoy unless a pilot is employed.

k. "Authority" means the Great Lakes Pilotage Authority Ltd. of Canada.

l. "Director" means the Director of Great Lakes Pilotage, U. S. Coast Guard.

m. Rate Computation definitions:

(1) "Length" means the distance between the forward and after extremities of the ship.

(2) "Breadth" means the maximum breadth to the outside of the shell plating of the ship.

(3) "Depth" means the vertical distance of amidships from the top of the keel plate to the upper most continuous deck, fore and aft, and which extends to the sides of the ship. The continuity of a deck shall not be considered to be affected by the existence of tonnage openings, engine spaces or a step in the deck.

Pilotage Service

2. a. Coordinated pilotage service shall be provided in the Great Lakes by United States and Canadian pilots under the supervision of the Director and the Authority, acting for the Secretary and the Minister, respectively.

b. The Director and the Authority, acting for the Secretary and the Minister, respectively, will maintain registers of United States and Canadian pilots authorized to render pilotage services on all or specified portions of the Great Lakes, and will establish and maintain systems for recruiting and training pilots.

c. No person may be licensed or registered as a pilot, and no pilot may continue as such, after he reaches the age of 65 years, unless in the opinion of the Secretary or the Minister, as the case may be, the public interest will be thereby served and that person is fit to perform the duties of a pilot.

Dispatching and Pilot Boats

3. The Secretary and the Minister will establish and maintain, or cause to be established and maintained, facilities for the dispatching of pilots and for related services, including pilot boats. To avoid the cost of

of redundancy, services for shared participation shall be provided on a cooperative exchange basis as follows:

a. District 1

- (1) Dispatching - by the Authority
- (2) Pilot Boat - at Cape Vincent, by the St. Lawrence Seaway Pilots Association

b. District 2

- (1) Dispatching - upbound, by the Authority
- downbound, by the Lakes Pilots Association, Inc.
- (2) Pilot Boat - at Port Colborne and Port Weller,
by the Authority
- at Detroit and Port Huron, by
the Lakes Pilots Association, Inc.

c. District 3

- (1) Dispatching - by Upper Great Lakes Pilots, Inc.
- (2) Pilot Boats - by Upper Great Lakes Pilots, Inc.

d. Services solely for the benefit of the pilots of one nation shall be provided by the cognizant party for that nation.

Participation in Pilotage Service

4. Participation in providing pilotage to vessels and the revenues derived therefrom shall be shared as detailed below.

Revenue will be based on work actually performed as determined by the natural flow of traffic and the standards described for sharing participation. Each country may employ pilots in such numbers as it deems necessary to meet its own actual work standards, but such numbers and work standards shall not affect the sharing of participation and revenue described hereunder. The rate used to determine the charge for pilotage service will be set for each area by using the number of pilot positions required to perform the estimated work. A pilot position is a figure based on an assumed work standard, representing the estimated work to be performed by one pilot.

a. District 1

(1) Between Cape Vincent and St. Regis:

Vessels entering the District, either upbound or downbound, shall be numbered in blocks of 34, 20 of which will be designated for Canadian pilots and 14 for United States pilots. Assignments will be made on the basis of a straight tour de rôle according to the nationality designated for each.

(2) Between Cape Vincent and Port Weller:

A dispatching rôle of 12 positions shall be

established, 6 of which shall be designated for Canadian pilots and 6 for United States pilots. Assignments shall be divided equally between United States and Canada over the course of the shipping season.

b. District 2

- (1) Welland Canal - Canadian pilots only
- (2) Between Port Colborne and Port Huron, with no intermediate ports of call (the Detroit Pilot Boat is not a "port"):

Vessels entering the District, either upbound or downbound, shall be numbered in blocks of 8, the number assigned depending strictly on sequence of arrival at Port Colborne upbound or Port Huron downbound.

United States pilots will serve vessels numbers 1, 3, 5 and 7 between Port Colborne and the Detroit Pilot Boat and Canadian pilots will serve numbers 2, 4, 6 and 8 in that reach.

Between Port Huron and the Detroit Pilot Boat, United States pilots will serve vessel numbers 1, 3, 5, 7 and 8 while Canadian pilots will serve numbers 2, 4 and 6 in that area.

- (3) Vessels stopping at ports within the District excluding the Welland Canal (the Detroit Pilot Boat is not a "port"):

Canadian pilots will serve vessels bound for Canadian ports within the District and United States pilots will serve vessels bound for United States ports within the District. A vessel leaving a United States port bound for a Canadian port within the District will be served by a United States pilot to the Detroit Pilot Boat and by a Canadian pilot from there, except that no change will be made for a vessel bound for Windsor from a United States port. A vessel leaving a Canadian port bound for a United States port within the District will be served by a Canadian pilot to the Detroit Pilot Boat and by a United States pilot from there, except that no change will be made for vessels bound for Detroit from a Canadian port.

c. District 3

Canadian pilots will be assigned to serve vessels in such numbers over the course of the shipping season

as to realize 18.9% of the total revenue for the District for the season.

Accounting

5. a. The Secretary and the Minister will establish and maintain, or cause to be established and maintained, facilities for the billing, collecting and accounting of pilotage revenue.

b. The costs incurred by the parties responsible for providing dispatching and related services shall be verified by the Director or the Authority, depending on which country provided the service. The party providing the service shall be reimbursed from pilotage revenue in the following manner:

(1) District 1

Prior to the 1st of April of each year, the Authority and the St. Lawrence Seaway Pilots Association shall enter into an agreement to compensate each other for pilotage related services. The charge for these services will be those costs mutually agreed to for the current year. A monthly amount will then be arrived at by dividing the total cost by 8 $\frac{1}{2}$ to arrive at a seasonal monthly amount. This

amount will be shared on the basis of dispatches between the Authority and the St. Lawrence Seaway Pilots Association each month.

Pilot boat costs shall be developed in a similar manner and will be shared on the basis of pilot boat trips used by Canadian and United States pilots each month. Payments for these services will be made in the currency of the party providing the services. Each party providing the service shall do its own billing and collecting.

(2) District 2

Prior to the 1st of April of each year, the Authority and Lakes Pilots Association, Inc. shall enter into an agreement to compensate each other for pilotage related services. The amount to be charged for these services will be based on costs and traffic anticipated for the current year. A charge for each dispatch and a charge for each pilot boat trip will then be negotiated between the parties on this basis. Payment for these services

will be made in the currency of the party providing the service. Each party providing the service shall do its own billing and collecting.

(3) District 3

Upper Great Lakes Pilots, Inc. will provide all services related to furnishing pilotage in the District. They will reimburse the Authority monthly for its share of collections made during the preceding month. Upper Great Lakes Pilots, Inc. may withhold from each payment a fixed percentage, agreed to before April 1 of each year, to cover the costs of providing the services.

c. The accounts of each District and the Authority shall be subject to audit by each country's own auditors. Copies of the audit shall be exchanged between the Authority and the Director, with each country reserving the right to ask the other for additional information or a more detailed report.

Calculation of Pilotage Units & Determination of Weighting Factor

6. For the purpose of calculating charges for pilotage services, the pilotage unit number and appropriate weighting

factor for each ship shall be computed by utilizing the following formula and table:

a. Pilotage Unit Computation:

$$\text{Pilotage Unit} = \frac{\text{Length} \times \text{Breadth} \times \text{Depth}}{10,000}$$

b. Weighting Factor Table:

<u>Range of Pilotage Units</u>	<u>Weighting Factor</u>
0 - 99	.85
100 - 129	1.00
130 - 159	1.15
160 - and over	1.30

c. The charge for pilotage service is obtained by multiplying the weighting factor, obtained from paragraph (b) of this section, by the appropriate basic rate specified in the Rate Supplement to this Agreement.

Tariffs

7. The Secretary and the Minister will arrange for the establishment of regulations imposing identical rates, charges, and any other conditions or terms for services of pilots in the waters of the Great Lakes, such rates, charges, and any other conditions or terms being annexed hereto from time to time as a Rate Supplement and to be deemed a part of this Memorandum of Arrangements.

Effective Date

8. This Memorandum of Arrangements becomes effective on the latter of the dates of signatures indicated below and will remain in effect until revised by mutual agreement or until terminated on December 31 of any year following 1977 by either party having given written notice of termination to the other on or before April 1 of that year. If one party gives notice of termination, then the other party shall have until April 15 of that year to similarly give notice of termination.

Washington, D. C. _____ 1977

Ottawa, Canada _____ 1977

*The Canadian Secretary of State for External Affairs to the
American Ambassador*

Department of External Affairs



Ministère des Affaires étrangères

Canada

OTTAWA, K1A 0G2

March 29, 1979

NO. FLA-937

Excellency,

I have the honour to refer to your Note No. 229 of August 23, 1978 and the Memorandum of Arrangements on Great Lakes Pilotage annexed thereto, signed by the Minister of Transport of Canada and the Secretary of Transportation of the United States.

The Government of Canada accepts your proposal that the existing arrangements for the regulation of pilotage services on the Great Lakes be replaced by the Memorandum of Arrangements signed on January 17, 1977 by the United States Secretary of Transportation and on January 18, 1977 by the Minister of Transport of Canada.

Accordingly, I have the honour to state that the Government of Canada agrees that your Note, together with the Memorandum of Arrangements annexed thereto, and this reply, which is authentic in English and French, shall constitute an agreement between our two Governments on this matter which

His Excellency Thomas O. Enders,
Ambassador of the United States of America,
OTTAWA.

shall enter into force on the date of this reply with effect as from January 18, 1977. It is further understood that this Agreement shall supersede the Agreement effected by the Exchange of Notes of July 6, 1970 as amended by the Exchange of Notes of August 11, 1970.

Accept, Excellency, the renewed assurances of my highest consideration.



[¹]

Don Jamieson

Secretary of State
for External Affairs

¹Don. Jamieson.

French Text of the Canadian Note

Department of External Affairs



Ministère des Affaires étrangères

Canada

OTTAWA, K1A 0G2

Le 29 mars 1979

No. FLA-937

Excellence,

J'ai l'honneur de me référer à votre Note no. 229 du 23 août 1978 et au Protocole d'arrangement y annexé concernant le pilotage sur les Grands lacs, signé par le Ministre des Transports du Canada et par le Secrétaire aux Transports des Etats-Unis.

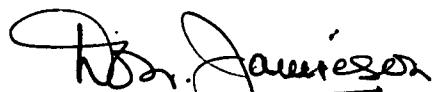
Le Gouvernement du Canada accepte votre proposition voulant que les dispositions existantes pour la réglementation des services de pilotage sur les Grands lacs soient remplacées par le Protocole d'arrangement signé le 17 janvier 1977 par le Secrétaire aux Transports des Etats-Unis et le 18 janvier 1977 par le Ministre des Transports du Canada.

Par conséquent, j'ai l'honneur de vous faire savoir que le Gouvernement du Canada accepte que votre Note, ainsi que le Protocole d'arrangement y annexé et la présente réponse, dont les versions anglaise et française font également foi, constituent entre nos deux Gouvernements un accord qui entrera

Son Excellence M. Thomas O. Enders,
Ambassadeur des Etats-Unis d'Amérique,
OTTAWA.

en vigueur à la date de la présente réponse, avec effet
à compter du 18 janvier 1977. Il est en outre convenu que
le présent Accord remplace celui constitué par l'échange
de Notes du 6 juillet 1970 tel que modifié par l'échange
de Notes du 11 août 1970.

Veuillez agréer, Excellence, les assurances
renouvelées de ma très haute considération.



Secrétaire d'Etat aux
Affaires étrangères

CANADA

**Long Range Aid to Navigation (LORAN-C)
Station in British Columbia**

*Agreement effected by exchange of notes
Signed at Ottawa March 19 and 29, 1979;
Entered into force March 29, 1979.*

*The American Ambassador to the Canadian Secretary of State for
External Affairs*



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 58

March 19, 1979.

Sir:

I have the honor to refer to discussions between officials of our two governments concerning the desirability of improved marine radionavigation systems in areas of mutual interest.

These discussions have indicated that cooperative establishment of a Loran-C Station in the vicinity of Port Hardy, Vancouver Island, British Columbia would be to the mutual advantage of the United States and Canada. Accordingly, I wish to propose that the Government of the United States of America and the Government of Canada enter into an Agreement for the construction, operation, and maintenance of such a Loran-C Station. This station will be constructed, operated and maintained by an agency of the Government of Canada in accordance with the terms and conditions contained in the Annex to this note. It is understood that this Agreement will be conditional on both the Government of the United States and the Government of Canada making available the required funds.

Except as may otherwise be agreed, this Agreement shall remain in force for a period of at least ten years.

The Honorable
Don Jamieson,
Secretary of State
for External Affairs,
Ottawa.

Thereafter, the Agreement shall remain in force until terminated in accordance with the following procedures.

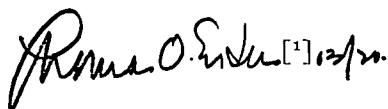
At any time after the Agreement has remained in force for at least nine years, the Government of the United States of America and the Government of Canada will consult, at the request of either of them, with regard to its continuation. If the Government of the United States of America and the Government of Canada cannot agree to the continuation of this Agreement within one year after such a request for consultation, the Agreement shall be terminated upon one year's written notice by either Party to the other.

If the foregoing is acceptable to your Government, I have the further honor to propose that this note and its Annex, together with your reply to that effect, shall constitute an Agreement between the Government of the United States of America and the Government of Canada, which shall enter into force on the date of your reply.

Accept, Sir, the renewed assurances of my highest consideration.

Enclosure:

Annex.



The signature is handwritten in black ink. It appears to read "Thomas O. Enders [1] 3/20".

¹ Thomas O. Enders.

ANNEX

Terms and Conditions Governing the Establishment,
Maintenance and Operation of a Loran-C Transmitting
Station and its Associated Monitor Control Station in
British Columbia.

1. Cooperating Agencies

The project shall be conducted by Cooperating Agencies designated by each Government. On the part of the Government of the United States of America the Cooperating Agency will be the United States Coast Guard, (hereinafter referred to as U.S.C.G.) and on the part of the Government of Canada the Cooperating Agency will be the Canadian Coast Guard (hereinafter referred to as C.C.G.). Either Government may change the designation of its Cooperating Agency by means of a notice in writing to the other Government.

2. Site Selection

The C.C.G. will select a site for the Loran-C transmitting station in the vicinity of Port Hardy, Vancouver Island, British Columbia. The U.S.C.G. will provide assistance in site selection at the request of the C.C.G. Location of the antennas, ground system and buildings on the selected site will be the responsibility of the C.C.G., based on guidelines provided by the U.S.C.G.

3. Land Acquisition

Land required as sites for the stations will be acquired by the C.C.G. at C.C.G. expense. Ownership shall be vested in the Crown in right of Canada.

4. Loran-C Electronic Equipment

The U.S.C.G. will provide without charge (including transportation costs) all electronic equipment necessary

to produce, receive, synchronize and monitor the Loran-C signals, and will retain title thereto. This equipment will include communications equipment necessary for operational control among the stations in the Loran-C chain of which the Vancouver Island Transmitting Station is an integral part. In addition, the U.S.C.G. shall provide, without charge, instruction books, technical documentation and standards and procedures for the operation and maintenance of the Loran-C Station.

Installation will be accomplished by Canadian personnel at C.C.G. expense. Technical assistance for installation and adjustment will be provided without charge by the U.S.C.G. at C.C.G. request. An initial allowance of spare parts will be provided without charge by the U.S.C.G. so long as such items are available. Supply support levels and procedures should be agreed upon through contractual arrangements between the Canadian Department of Supply and Services, Washington, D.C. and the U.S.C.G. Field changes including associated equipment developed by the U.S.C.G. will be provided without charge by the U.S.C.G.

5. Buildings

The U.S.C.G. will provide without charge typical plans for the buildings to house major Loran-C equipment. These plans will specify space requirements, equipment locations, floor plans, bonding, ducting, floor loading, cable routing and other details and criteria peculiar to Loran-C Transmitting Station construction. The C.C.G. will construct, at C.C.G. expense, all buildings necessary to house the Loran-C electronic equipment and power generators equipment.

6. Primary and Standby Power, and Ancillary Equipment

The C.C.G. will provide primary and standby electrical power suitable for operation of the Loran-C Station, and all ancillary equipment for the Station's operation. The U.S.C.G. will identify the power requirements of electronic equipment which it will furnish.

7. Antennas and Ground Systems

The U.S.C.G. will provide the Loran-C Transmitting and Receiving antennas. The C.C.G. will install the Loran-C Transmitting and Receiving Station antennas and ground systems. The U.S.C.G. furnished transmitting antenna will be constructed in conformity with U.S.C.G. design specifications. The C.C.G. will erect the transmitting antenna in accordance with erection criteria to be provided without charge by the U.S.C.G.

8. Training

Required training of Canadian personnel will be provided by the U.S.C.G. on terms and conditions to be agreed upon. All related costs associated with travel, lodging and meals of Canadian personnel will be paid by the C.C.G. Any training not normally provided to U.S.C.G. personnel, however, will be funded entirely by the C.C.G.

9. Operation and Maintenance

Operation and maintenance functions of the completed station, and costs associated therewith are to be carried out and paid for by the C.C.G. with the exception of the communication links which will be paid for by the Cooperating agency of the country in which the communication links are located. The C.C.G. will be responsible for proper operation of the station in accordance with standard Loran-C operating procedures and techniques to be provided

without charge by the U.S.C.G., subject to any modifications agreed to after consultation between the cooperating agencies.

10. Frequency Assignment and Technical Characteristics

Application for the assignment of a Loran-C operating frequency for the Vancouver Island Station will be the responsibility of the C.C.G. The technical characteristics are as follows:

- (a) Assigned frequency - 100 kHz
- (b) Transmitting Power - .44 Megawatt peak, transmitter duty cycle approximately 0.02.
- (c) Emission 20 P 9
- (d) Power spectrum - In accordance with Article 5 No. 166 of the ITU Radio Regulations (Geneva 1959)^[1] at least 99% of the total power of the emissions shall be confined within the band 90-110 kHz and such emissions shall not cause harmful interference outside that band to stations operating in accordance with the aforementioned Radio Regulations.

11. Time Schedule - Critical Dates

The Vancouver Island Loran-C Transmitting Station will be on air continuously transmitting signals at full power and in stable synchronization by 1 March 1980, or as near thereafter as possible.

12. Charting

The United States Government will provide the Canadian Government free of charge with the necessary charting data to permit the appropriate Canadian Agency to prepare and publish navigation charts covered by signals originating from the Loran-C chain of which the Vancouver Island Transmitting Station is an integral part.

¹ TIAS 4893; 12 UST 2416.

13. System Accuracy Flight Check

The U.S.C.G. will provide system accuracy flight check facilities to permit the initial accuracy check of the Loran-C chain of which the Vancouver Island Station is an integral part. The cost of this initial check shall be shared equally by the U.S.C.G. and the C.C.G.

14. Termination

Upon termination of station operation all equipment owned by the U.S.C.G. and made available free of charge to the C.C.G. pursuant to this Agreement shall be removed by the U.S.C.G., or otherwise disposed of under terms and conditions to be agreed upon.

15. Taxes

Each Government shall, to the extent permitted by its Federal legislation, grant relief from all taxes or Customs duties on materials and equipment used in the maintenance or operation of the Loran-C Transmitter and Monitor Control Stations. In particular, Canada shall grant remission of Customs duties and excise taxes on goods imported and Federal sales and excise taxes on goods purchased in Canada, specifically for the purpose of these facilities, which are or are to become property of the United States and are to be used in the maintenance or operation of these facilities. Canada shall also grant refund by ways of drawback of the Customs duty paid on goods imported by Canadian manufacturers specifically for the purpose of these facilities and used in the manufacture or production of goods purchased by or on behalf of the United States Government and to become the property of the United States in connection with the maintenance and operation of the facility.

16. Liability

The U.S. Coast Guard shall not be liable for any claims arising out of the use of the equipment provided to the Canadian Coast Guard. Responsibility for these claims is with the Canadian Coast Guard.

17. Electro Magnetic Compatibility

Commissioning by the C.C.G. of the Loran-C Transmitting Station will be subject to the determination of its electro-magnetic compatibility with Canadian telecommunications services. The U.S.C.G. will provide, on request, such technical data, specifications and operational details, of the Loran-C transmitter, as are deemed necessary to complete the analysis of its compatibility. The Government of the United States shall, on request and without charge, assist the Canadian Government in the investigation of, and development of planned solutions to, harmful interference to Canadian telecommunications services where such interference is caused by emissions from the Vancouver Island Loran-C Transmitting Station and the Stations which are paired to the Vancouver Island Station. Should frequency changes to Canadian radio stations be required to mitigate incompatibilities verified by on-the-air testing of these Loran-C Transmitting Stations, the Government of the United States and the Government of Canada will cooperate in determining alternative compatible assignments. Should it be necessary to modify the Loran-C electronic equipment in order to mitigate such interference, the associated costs shall be borne by the U.S.C.G.

18. Safety Standards

The U.S.C.G. will provide, on request and without charge, available technical data relating to safety

standards for operation and maintenance of Loran-C Transmitting Stations.

19. Future Loran-C Stations

In the implementation of future Loran-C sites in the North American chains, the Government of the United States will inform the Government of Canada of proposed stations as early as possible in the planning stage.

Subsequent to receipt of this information the Government of Canada and the Government of the United States will cooperate in the technical analysis necessary to ensure the compatibility of these stations with the Canadian telecommunications environment.

*The Canadian Secretary of State for External Affairs to the
American Ambassador*

Department of External Affairs



Ministère des Affaires étrangères

Canada

FLA-987

Ottawa, Ontario

March 29, 1979

Excellency,

I have the honour to refer to your Note No. 58 of March 19, 1979 in which you propose that the Government of the United States of America and the Government of Canada enter into an Agreement for the construction, operation and maintenance of a LORAN-C Station in the vicinity of Port Hardy, Vancouver Island, British Columbia. The Station would be constructed, operated and maintained by an agency of the Government of Canada in accordance with the terms and conditions contained in the Annex to your Note. It is understood that the Agreement would be conditional on both the Government of the United States and the Government of Canada making available the required funds. Except as may otherwise be agreed, the Agreement would remain in force for a period of at least ten (10) years. Thereafter the Agreement would remain in force until terminated in accordance with the procedures set forth in your Note.

His Excellency Thomas O. Enders,
Ambassador of the United States
of America,
Ottawa.

I have the honour to inform you that this proposal, forwarded as your Note No. 58 with its Annex, is acceptable to the Government of Canada. Accordingly, I have the further honour to confirm that your Note and this reply which is authentic in English and French shall constitute an Agreement between our two Governments for the construction, operation and maintenance of a LORAN-C Station in British Columbia which shall enter into force on the date of this reply.

Accept, Excellency, the renewed assurances of my highest consideration.



Secretary of State
for External Affairs [1]

¹ Don. Jamieson.

French Text of the Canadian Note

Department of External Affairs
Canada



Ministère des Affaires étrangères
Canada

FLA-987

Ottawa, Ontario
Le 29 mars 1979

Excellence,

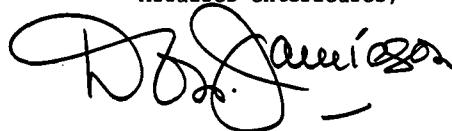
J'ai l'honneur de me référer à votre Note n° 58 du 19 mars 1979, dans laquelle vous proposez que le Gouvernement des Etats-Unis d'Amérique et le Gouvernement du Canada concluent un Accord pour la construction, l'exploitation et l'entretien d'une station LORAN-C à proximité de Port Hardy, sur l'île de Vancouver en Colombie-Britannique. La station serait construite, exploitée et entretenue par un organisme du Gouvernement du Canada, en conformité avec les conditions contenues dans l'Annexe à votre Note. Il est entendu que l'Accord dépendra des fonds nécessaires que le Gouvernement des Etats-Unis et le Gouvernement du Canada rendront disponibles. Sauf accord contraire, l'Accord demeurera en vigueur pour une période d'au moins dix (10) ans et, par la suite, jusqu'à ce qu'il soit dénoncé en conformité avec les modalités énoncées dans votre Note.

Son Excellence M. Thomas O. Enders
Ambassadeur des Etats-Unis d'Amérique
Ottawa

J'ai l'honneur de vous informer que cette proposition, contenue dans votre Note n° 58 et son Annexe, est acceptable au Gouvernement du Canada. En conséquence, j'ai en outre l'honneur de confirmer que votre Note et la présente réponse, dont les versions anglaise et française font également foi, constituent entre nos deux Gouvernements un Accord pour la construction, l'exploitation et l'entretien d'une station LORAN-C en Colombie-Britannique qui entrera en vigueur à la date de la présente réponse.

Veuillez agréer, Excellence, l'assurance renouvelée de ma très haute considération.

Secrétaire d'Etat aux
Affaires extérieures,

A handwritten signature in black ink, appearing to read "D.B. Jameson".

SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

Trade in Textiles

*Agreement effected by exchange of notes
Signed at Belgrade October 26 and 27, 1978;
Entered into force June 26, 1979.*

The American Ambassador to the Yugoslav Federal Secretary for Foreign Trade

OCTOBER 26, 1978

EXCELLENCY:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, done at Geneva on December 20, 1973, as extended by Protocol done at Geneva on December 14, 1977 [¹] (The "Arrangement") and to the Agreement Regarding Trade in Textiles, of February 14, 1976,[²] between the Government of the Socialist Federal Republic of Yugoslavia and the Government of the United States of America (the "1976 Agreement").

I have also the honor to refer to consultations between representatives of the Government of the Socialist Federal Republic of Yugoslavia and the Government of the United States of America held pursuant to the 1976 Agreement on May 4, 5 and 11, 1978 in Washington and on June 13, 1978 in Belgrade, concerning trade in men's and boys' wool and man-made fiber suits. On the basis of these consultations, and in accordance with the Arrangement, I have the honor to propose the following agreement between our two Governments:

1. For each calendar year (Agreement Year) during the period from January 1, 1978 through December 31, 1980, exports of men's and boys' wool and man-made fiber suits from Yugoslavia to the United States are subject to the limits set out in this agreement.

2. Men's and boys' wool and man-made fiber suits as a group are subject to a group limit of 152,400 units during calendar year 1978 (the first Agreement Year January 1, 1978 through December 31, 1978). The group limit shall be increased by six percent annually for calendar years (Agreement Years) 1979 and 1980.

^¹ TIAS 7840, 8939; 25 UST 1001; 29 UST 2287.

^² Should read "January 14, 1976". TIAS 8271; 27 UST 1622.

3. Within the group limit for each calendar year (Agreement Year), men's and boys' wool suits shall be subject to a specific limit. This limit, 92,400 units in the first calendar year (Agreement Year), shall be increased by one percent annually for calendar years 1979 and 1980.

4. During any calendar year (Agreement Year), and within the group limit for men's and boys' wool and man-made fiber suits for such calendar year (Agreement Year), as it may be adjusted pursuant to paragraph 5, the specific limit for men's and boys' wool suits as set out in paragraph 3 may be exceeded by not more than five percent. Adjustments made pursuant to this paragraph are in addition to those pursuant to paragraph 5.

5. During any calendar year (Agreement Year) exports may exceed the group limit by a maximum of 11 percent by allocating to such limit an unused portion of the corresponding limit for the previous calendar year (carry over) or a portion of the corresponding limit for the succeeding calendar year (carry forward), provided that carry over shall not be applied to calendar 1978 and carry forward shall not be applied to calendar year 1980. Carry over and carry forward together shall not exceed 11 percent of the receiving calendar year's group limit. Carry over shall not exceed the lesser of A) 11 percent of the receiving calendar year's group limit or B) the unused amount of the previous calendar year's group limit; up to 67 percent of such carry over utilized may be applied to the wool suit limit. Carry forward shall not exceed six percent of the receiving calendar year's limit and shall be charged to the limit for the same product for the succeeding calendar year. Adjustments made pursuant to this paragraph are in addition to those made pursuant to paragraph 4.

6. The two Governments will exchange statistics on exports and imports of men's and boys' wool and man-made fiber suits subject to this agreement on a monthly basis.

If the foregoing conforms with the understanding of the Government of the Socialist Federal Republic of Yugoslavia, this Note and Your Excellency's Note of Confirmation on Behalf of the Socialist Federal Republic of Yugoslavia shall constitute an agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

LAWRENCE S. EAGLEBURGER

His Excellency

METOD ROTAR

*Federal Secretary for Foreign Trade
Kneza Milosa 26, 11000 Beograd
Thursday, October 26, 1978*

The Yugoslav Federal Secretary for Foreign Trade to the American Ambassador

SOCIALISTE FEDERAL REPUBLIC OF YUGOSLAVIA
FEDERAL SECRETARIAT FOR FOREIGN TRADE
FEDERAL SECRETARY

OCTOBER 27, 1978.

EXCELLENCY,

I have the honour to acknowledge receipt of Your Excellency's Note dated October 26, 1978 concerning Agreement between the Governments of the Socialist Federal Republic of Yugoslavia and the United States of America Regarding Yugoslav exports to the U.S. of men's and boys' wool and man-made fiber suits.

"EXCELLENCY:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, done at Geneva on December 20, 1973, as extended by Protocol done at Geneva on December 14, 1977 (the "Arrangement") and to the Agreement Regarding Trade in Textiles, of February 14, 1976, between the Government of the Socialist Federal Republic of Yugoslavia and the Government of the United States of America (the "1976 Agreement"). I have also the honor to refer to consultations between representatives of the Government of the Socialist Federal Republic of Yugoslavia and the Government of the United States of America held pursuant to the 1976 Agreement on May 4, 5 and 11, 1978, in Washington and on June 13, 1978, in Belgrade, concerning trade in men's and boys' wool and man-made fiber suits. On the basis of these consultations, and in accordance with the Arrangement, I have the honor to propose the following agreement between our two governments:

1. For each calendar year (agreement year) during the period from January 1, 1978 through December 31, 1980, exports of men's and boys' wool and man-made fiber suits from Yugoslavia to the United States are subject to the limits set out in this Agreement.
2. Men's and boys' wool and man-made fiber suits as a group are subject to a group limit of 152,400 units during calendar year 1978 (the first agreement year January 1, 1978 through December 31, 1978). The group limit shall be increased by six percent annually for calendar years 1979 and 1980.
3. Within the group limit for each calendar year (agreement year), men's and boys' wool suits shall be subject to a specific limit. This limit, 92,400 units in the first calendar year (agreement year), shall be increased by one percent annually for calendar years (agreement years) 1979 and 1980.
4. During any calendar year (agreement year), and within the group limit for men's and boys' wool and man-made fiber suits for such calendar year (agreement year), as it may be adjusted pursuant to paragraph 5, the specific limit for men's and boys' wool suits as set out in paragraph 3 may be exceeded by not more than five percent. Adjustments made pursuant to this paragraph are in addition to those pursuant to paragraph 5.

5. During any calendar year (agreement year) exports may exceed the group limit by a maximum of eleven percent by allocating to such limit an unused portion of the corresponding limit for the previous calendar year (carryover) or a portion of the corresponding limit for the succeeding calendar-year (carry forward), provided that carryover shall not be applied to calendar year 1978 and carry forward shall not be applied to calendar year 1980. Carryover and carry forward together shall not exceed eleven percent of the receiving calendar year's group limit. Carryover shall not exceed the lesser of (a) eleven percent of the receiving calendar year's group limit or (b) the unused amount of the previous calendar year's group limit, up to sixty-seven percent of such carryover utilized may be applied to the wool suit limit. Carry forward shall not exceed six percent of the receiving calendar year's limit and shall be charged to the limit for the same product for the succeeding calendar year. Adjustments made pursuant to this paragraph are in addition to those made pursuant to paragraph 4.

6. The two governments will exchange statistics on exports and imports of men's and boys' wool and man-made fiber suits subject to this Agreement on a monthly basis.

If the foregoing conforms with the understanding of the Government of the Socialist Federal Republic of Yugoslavia, this note and Your Excellency's note of confirmation on behalf of the Socialist Federal Republic of Yugoslavia shall constitute an Agreement between our two governments.

Accepting, Excellency, the renewed assurances of my highest consideration."

I have the honour to inform You that the foregoing text is in accordance with the Position of my Government and that Your Excellency's note and this note in reply to it constitute the Agreement between the two governments, which shall enter into force after being approved by competent authorities of the two parties. [1]

Accept, Excellency, the assurances of my high consideration.

[SEAL] METOD ROTAR

Metod Rotar
Federal Secretary for
Foreign Trade

His Excellency

Mr. LORENC IGLBERGER
*Ambassador of the United
States of America*

¹ June 26, 1979.

CANADA

**Preservation of Halibut Fishery of Northern
Pacific Ocean and Bering Sea and Fishing
Off West Coast of Canada**

*Agreement effected by exchange of notes
Signed at Washington March 29, 1979;
Entered into force March 29, 1979.*

(4067)

TIAS 9448

The Secretary of State to the Canadian Ambassador

DEPARTMENT OF STATE

WASHINGTON

March 29, 1979

Excellency:

I have the honor to refer to the discussions between representatives of our two Governments in Juneau and Ottawa concerning amendment of the Convention between the United States of America and Canada for the Preservation of the Halibut Fishery [1] of the Northern Pacific Ocean and Bering Sea and concerning fishing off the west coast of Canada.

I have the honor to propose the following:

1. Pending the entry into force of the Protocol Amending the Convention between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed this day at Washington (the Convention), the halibut fishery and sport fishing in the Northern Pacific Ocean and Bering Sea shall be conducted on the basis of the terms of that Protocol.

2. Nationals and fishing vessels of the United States shall not fish for groundfish in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction, except as provided in the Annex to this Note and as follows:

His Excellency,

Peter M. Towe,

Ambassador of Canada.

¹ Signed Mar. 2, 1953. TIAS 2900; 5 UST 5.

(a) Nationals and fishing vessels of the United States may catch 6,500 metric tons of groundfish during the period beginning April 1, 1979, and ending March 31, 1981, subject to the following limits:

- (i) during the period beginning April 1, 1979, and ending March 31, 1980, they may catch 3,250 metric tons of groundfish as provided in the Annex to this Note;
- (ii) during the period beginning April 1, 1980, and ending March 31, 1981, they may catch 3,250 metric tons of groundfish as provided in the Annex to this Note, except that this catch limit shall be adjusted such that the catch by nationals and vessels of the United States under subparagraphs (i) and (ii) shall total 6,500 metric tons.

(b) Nationals and fishing vessels of the United States may fish commercially only within those portions of the PMFC areas referred to in paragraph 1 of the Annex to this Note which are within that area described in paragraph 1(b) of the Agreement on Reciprocal Fishing Privileges in Certain Areas off the Coasts of the United States and Canada, signed at Ottawa, June 15, 1973,^[1] and in all waters seaward thereof in which Canada exercises exclusive fisheries jurisdiction.

^[1] TIAS 7676, 8251; 24 UST 1729; 27 UST 1365.

3. Pending delimitation of maritime boundaries between the United States and Canada off the west coasts of the United States and Canada, the following principles shall be applied as interim measures in the boundary regions:

- (a) as between the United States and Canada, enforcement of this agreement shall be carried out by the flag state;
- (b) neither Government shall authorize fishing by vessels of third parties;
- (c) either Government may enforce this agreement with respect to fishing or related activities by vessels of third parties.

4. Our two Governments shall establish an ad hoc group to consult on the implementation of the provisions of the Convention and of this agreement and on other matters of mutual interest, including regulatory measures affecting fishing by nationals and vessels of the United States in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction.

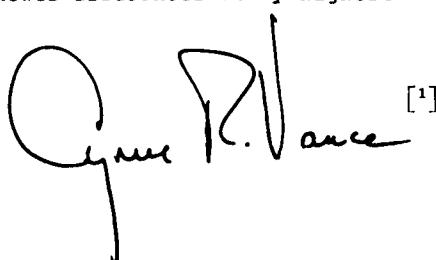
5. Prior to March 31, 1981, our two Governments shall consult with a view to future fisheries cooperation off the west coasts of the United States and Canada within the respective maritime areas in which either exercises exclusive fisheries jurisdiction.

6. For purposes of this Note, the "maritime area" in which a country exercises exclusive fisheries jurisdiction includes without distinction areas within and seaward of the territorial sea or internal waters of that country.

7. Nothing in this agreement shall be construed to affect or prejudice any position or claim which has been or may subsequently be adopted by either country in the course of consultations, negotiations or third party settlement procedures respecting the maritime jurisdiction, including the limits thereof, of Canada or of the United States.

If the foregoing proposals are acceptable to the Government of Canada, I have the honor to propose that this Note and its Annex, together with your Excellency's reply shall constitute an agreement between the United States and Canada which shall enter into force on the date of your reply.

Accept, Sir, the renewed assurances of my highest consideration.



[¹]

Enclosure:

Annex

¹ Cyrus R. Vance.

ANNEX

1. During each of the annual periods beginning April 1, 1979, and ending March 31, 1980, and beginning April 1, 1980, and ending March 31, 1981, nationals and fishing vessels of the United States shall be permitted to fish for groundfish in Pacific Marine Fisheries Commission (PMFC) areas as follows:

- (a) In that portion of PMFC area 3C, in which Canada exercises exclusive fisheries jurisdiction, they may catch 285 metric tons of groundfish in a directed fishery for rockfish with an incidental catch not to exceed 15 percent;
- (b) In PMFC area 3D, they may catch 885 metric tons of groundfish in a directed fishery for rockfish with an incidental catch not to exceed 10 percent;
- (c) In PMFC areas 5A and 5B, they may catch 2,080 metric tons of groundfish in a directed fishery for rockfish with an incidental catch not to exceed 12 percent. No more than 250 metric tons of the groundfish caught shall be Pacific ocean perch (Sebastodes alutus) and yellowmouth rockfish (Sebastodes reedi);
- (d) There shall be no discards of Pacific cod, ling cod or sole, and when the incidental catch in any area has been taken, the

fishery in that area may be closed provided that any remaining portion of the catch limit in that area shall be made available for United States harvest in other areas during the same annual period or, if making available such remaining portion of the catch limit in other areas could result in harm to the fishery resource, such remaining portion shall be made available for United States harvest during the annual period beginning April 1, 1980, and ending March 31, 1981, taking into account sub-paragraph (e);

- (e) If there is an inordinately large shortfall in the catch by nationals and vessels of the United States during the period beginning April 1, 1979, and ending March 31, 1980, such that our two governments agree that the necessary increase in the permitted catch of 3,250 metric tons during the period beginning April 1, 1980, and ending March 31, 1981, could result in harm to the fishery resource, our two governments shall consult on appropriate measures to avoid such harm. Such measures may include, at the discretion of the Government of Canada, a reasonable extended period of access for nationals and fishing vessels of the United States in order

that they may catch the total 6,500 metric tons.

2. Should the traditional species composition of either the rockfish or the incidental catch referred to in Paragraph 1 of this Annex indicate a resource or management problem, the matter shall be referred to the ad hoc group established pursuant to Paragraph 4 of the Note for appropriate action.

3. Regulations affecting fishing by nationals and vessels of the United States pursuant to Paragraph 2 of the Note shall not be more restrictive than those applicable to nationals and vessels of Canada.

4. Vessels of the United States engaged in fishing for groundfish in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction shall have on board a license issued by the Government of Canada. No fees shall be required for such licenses. Applications for such licenses shall be prepared and processed in accordance with Paragraphs 5 and 6 of this Annex.

5. Applications for licenses under Paragraph 4 of this Annex shall be made on forms provided by the Government of Canada for that purpose. Such applications shall specify:

- (a) the name and official number or other identification of each fishing vessel for which a license is sought, together with the name and address of the owner and operator thereof;
- (b) the tonnage, capacity, length and home port of each fishing vessel for which a license is sought.

6. The appropriate officials of the Government of Canada shall review each application for a license and shall notify appropriate officials of the Government of the United States upon acceptance of the application. Upon acceptance of the application, the Government of Canada shall issue a license to that fishing vessel, which shall thereupon be authorized to fish in accordance with this Note. Each such license shall be issued for a specific vessel, shall be applicable for the annual period beginning April 1, 1979, and ending March 31, 1980, or for the annual period beginning April 1, 1980, and ending March 31, 1981, or for any extended period as provided for in sub-paragraph (e) of paragraph 1 of this Annex and shall not be transferable.

7. Nationals and fishing vessels of the United States intending to fish for groundfish in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction shall report by radio telephone or similar communications to Tofino or Bull Harbor, Canada:

- (a) the vessel name and license number;
- (b) the anticipated date when fishing will begin;
- (c) the PMFC areas in which fishing will take place, e.g., lower Vancouver Island (Area 3C), upper Vancouver Island (Area 3D), or Queen Charlotte Sound (Areas 5A and 5B).

8. Nationals and fishing vessels of the United States shall have no fish on board at the time of entry into the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction.

9. Nationals and fishing vessels of the United States, while operating within the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction, shall have the name and port of registration clearly visible on the stern and shall fly the flag of the United States at all times.

10. Nationals and fishing vessels of the United States, prior to departure from the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction, shall report by radio telephone or similar communications to Tofino, Canada:

- (a) the vessel name and license number;
- (b) the date on which the vessel will leave that area;

- (c) the estimated amount (in pounds) and composition of the catch on board upon departure from such area;
- (d) the anticipated date and place of delivery of the vessel's catch.

11. Catch information by species and location of catch shall be forwarded to the appropriate officials of the Government of Canada on a weekly basis. Each United States fishing vessel shall keep a written log of its fishing activities in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction. Such log records shall be available for review by Canadian officials on each such vessel during its fishing activities in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction, and by officials of the United States or Canada at the port of delivery of the catch.

The Canadian Ambassador to the Secretary of State

CANADIAN EMBASSY



AMBASSADE DU CANADA

March 29, 1979

Sir:

I have the honour to acknowledge receipt of your note dated March 29, 1979, which reads as follows:

"Excellency:

I have the honor to refer to the discussions between representatives of our two Governments in Juneau and Ottawa concerning amendment of the Convention between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea and concerning fishing off the west coast of Canada.

I have the honor to propose the following:

1. Pending the entry into force of the Protocol Amending the Convention between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed this day at Washington (the Convention), the halibut fishery and sport fishing in the Northern Pacific Ocean and Bering Sea shall be conducted on the basis of the terms of that Protocol.

2. Nationals and fishing vessels of the United States shall not fish for groundfish in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction, except as provided in the Annex to this Note and as follows:

The Honorable,

Cyrus Vance,

Secretary of State.

(a) Nationals and fishing vessels of the United States may catch 6,500 metric tons of groundfish during the period beginning April 1, 1979, and ending March 31, 1981, subject to the following limits:

- (i) during the period beginning April 1, 1979, and ending March 31, 1980, they may catch 3,250 metric tons of groundfish as provided in the Annex to this Note;
- (ii) during the period beginning April 1, 1980, and ending March 31, 1981, they may catch 3,250 metric tons of groundfish as provided in the Annex to this Note, except that this catch limit shall be adjusted such that the catch by nationals and vessels of the United States under subparagraphs (i) and (ii) shall total 6,500 metric tons.

(b) Nationals and fishing vessels of the United States may fish commercially only within those portions of the PMFC areas referred to in paragraph 1 of the Annex to this Note which are within that area described in paragraph 1(b) of the Agreement on Reciprocal Fishing Privileges in Certain Areas off the Coasts of the United States and Canada, signed at Ottawa, June 15, 1973, and in all waters seaward thereof in which Canada exercises exclusive fisheries jurisdiction.

3. Pending delimitation of maritime boundaries between the United States and Canada off the west coasts of the United States and Canada, the following principles shall be applied as interim measures in the boundary regions:

- (a) as between the United States and Canada, enforcement of this agreement shall be carried out by the flag state;
- (b) neither Government shall authorize fishing by vessels of third parties;
- (c) either Government may enforce this agreement with respect to fishing or related activities by vessels of third parties.

4. Our two Governments shall establish an ad hoc group to consult on the implementation of the provisions of the Convention and of this agreement and on other matters of mutual interest, including regulatory measures affecting fishing by nationals and vessels of the United States in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction.

5. Prior to March 31, 1981, our two Governments shall consult with a view to future fisheries cooperation off the west coasts of the United States and Canada within the respective maritime areas in which either exercises exclusive fisheries jurisdiction.

6. For purposes of this Note, the "maritime area" in which a country exercises exclusive fisheries jurisdiction includes without distinction areas within and seaward of the territorial sea or internal waters of that country.

7. Nothing in this agreement shall be construed to affect or prejudice any position or claim which has been or may subsequently be adopted by either country in the course of consultations, negotiations or third party settlement procedures respecting the maritime jurisdiction, including the limits thereof, of Canada or of the United States.

If the foregoing proposals are acceptable to the Government of Canada, I have the honor to propose that this Note and its Annex, together with your Excellency's reply shall constitute an agreement between the United States and Canada which shall enter into force on the date of your reply.

Accept, Sir, the renewed assurances of my highest consideration.

Enclosure:

Annex

ANNEX

1. During each of the annual periods beginning April 1, 1979, and ending March 31, 1980, and beginning April 1, 1980, and ending March 31, 1981, nationals and fishing vessels of the United States shall be permitted to fish for groundfish in Pacific Marine Fisheries Commission (PMFC) areas as follows:

- (a) In that portion of PMFC area 3C, in which Canada exercises exclusive fisheries jurisdiction, they may catch 285 metric tons of groundfish in a directed fishery for rockfish with an incidental catch not to exceed 15 percent;
- (b) In PMFC area 3D, they may catch 885 metric tons of groundfish in a directed fishery for rockfish with an incidental catch not to exceed 10 percent;
- (c) In PMFC areas 5A and 5B, they may catch 2,080 metric tons of groundfish in a directed fishery for rockfish with an incidental catch not to exceed 12 percent. No more than 250 metric tons of the groundfish caught shall be Pacific ocean perch (Sebastes alutus) and yellowmouth rockfish (Sebastes reedi);
- (d) There shall be no discards of Pacific cod, ling cod or sole, and when the incidental catch in any area has been taken, the

fishery in that area may be closed provided that any remaining portion of the catch limit in that area shall be made available for United States harvest in other areas during the same annual period or, if making available such remaining portion of the catch limit in other areas could result in harm to the fishery resource, such remaining portion shall be made available for United States harvest during the annual period beginning April 1, 1980, and ending March 31, 1981, taking into account sub-paragraph (e);

- (e) If there is an inordinately large shortfall in the catch by nationals and vessels of the United States during the period beginning April 1, 1979, and ending March 31, 1980, such that our two governments agree that the necessary increase in the permitted catch of 3,250 metric tons during the period beginning April 1, 1980, and ending March 31, 1981, could result in harm to the fishery resource, our two governments shall consult on appropriate measures to avoid such harm. Such measures may include, at the discretion of the Government of Canada, a reasonable extended period of access for nationals and fishing vessels of the United States in order

that they may catch the total 6,500 metric tons.

2. Should the traditional species composition of either the rockfish or the incidental catch referred to in Paragraph 1 of this Annex indicate a resource or management problem, the matter shall be referred to the ad hoc group established pursuant to Paragraph 4 of the Note for appropriate action.

3. Regulations affecting fishing by nationals and vessels of the United States pursuant to Paragraph 2 of the Note shall not be more restrictive than those applicable to nationals and vessels of Canada.

4. Vessels of the United States engaged in fishing for groundfish in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction shall have on board a license issued by the Government of Canada. No fees shall be required for such licenses. Applications for such licenses shall be prepared and processed in accordance with Paragraphs 5 and 6 of this Annex.

5. Applications for licenses under Paragraph 4 of this Annex shall be made on forms provided by the Government of Canada for that purpose. Such applications shall specify:

- (a) the name and official number or other identification of each fishing vessel for which a license is sought, together with the name and address of the owner and operator thereof;
- (b) the tonnage, capacity, length and home port of each fishing vessel for which a license is sought.

6. The appropriate officials of the Government of Canada shall review each application for a license and shall notify appropriate officials of the Government of the United States upon acceptance of the application. Upon acceptance of the application, the Government of Canada shall issue a license to that fishing vessel, which shall thereupon be authorized to fish in accordance with this Note. Each such license shall be issued for a specific vessel, shall be applicable for the annual period beginning April 1, 1979, and ending March 31, 1980, or for the annual period beginning April 1, 1980, and ending March 31, 1981, or for any extended period as provided for in sub-paragraph (e) of paragraph 1 of this Annex and shall not be transferable.

7. Nationals and fishing vessels of the United States intending to fish for groundfish in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction shall report by radio telephone or similar communications to Tofino or Bull Harbor, Canada:

- (a) the vessel name and license number;
- (b) the anticipated date when fishing will begin;
- (c) the PMFC areas in which fishing will take place, e.g., lower Vancouver Island (Area 3C), upper Vancouver Island (Area 3D), or Queen Charlotte Sound (Areas 5A and 5B).

8. Nationals and fishing vessels of the United States shall have no fish on board at the time of entry into the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction.

9. Nationals and fishing vessels of the United States, while operating within the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction, shall have the name and port of registration clearly visible on the stern and shall fly the flag of the United States at all times.

10. Nationals and fishing vessels of the United States, prior to departure from the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction, shall report by radio telephone or similar communications to Tofino, Canada:

- (a) the vessel name and license number;
- (b) the date on which the vessel will leave that area;

- (c) the estimated amount (in pounds) and composition of the catch on board upon departure from such area;
- (d) the anticipated date and place of delivery of the vessel's catch.

11. Catch information by species and location of catch shall be forwarded to the appropriate officials of the Government of Canada on a weekly basis. Each United States fishing vessel shall keep a written log of its fishing activities in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction. Such log records shall be available for review by Canadian officials on each such vessel during its fishing activities in the maritime area off the west coast of Canada in which Canada exercises exclusive fisheries jurisdiction, and by officials of the United States or Canada at the port of delivery of the catch."

I have the honour to inform you that the foregoing proposals are acceptable to the Government of Canada and to confirm that your Note and this reply which is equally authentic in English and in French shall constitute an agreement between our two Governments which shall enter into force on the date of this reply.

Accept, Sir, the renewed assurances of my highest consideration.

 [¹]

¹ P. M. Towe.

French Text of the Canadian Note

CANADIAN EMBASSY

AMBASSADE DU CANADA



Washington, le 29 mars 1979

Monsieur le Secrétaire d'Etat,

J'ai l'honneur d'accuser réception de votre Note en date du 29 mars 1979, qui traduite en français, se lit comme suit:

"Monsieur l'Ambassadeur,

J'ai l'honneur de faire référence aux discussions entre les représentants de nos deux Gouvernements à Juneau et à Ottawa au sujet de la modification de la Convention entre les Etats-Unis d'Amérique et le Canada pour la conservation des pêcheries de flétan du Pacifique nord et de la mer de Béring ainsi que de la pêche au large de la côte ouest du Canada.

J'ai l'honneur de présenter les propositions suivantes:

1. En attendant l'entrée en vigueur du Protocole portant modification de la Convention entre les Etats-Unis d'Amérique et le Canada pour la conservation des pêcheries de flétan du Pacifique nord et de la mer de Béring signé aujourd'hui à Washington (la Convention), la pêche au flétan et la pêche sportive dans le Pacifique nord et dans la mer de Béring s'effectueront conformément aux termes de ce Protocole.

2. Les ressortissants et les navires de pêche des Etats-Unis ne pratiqueront pas la pêche au poisson de fond dans la zone maritime située au large de la côte ouest du Canada à l'intérieur de laquelle le Canada exerce la

L'honorable Cyrus Vance
Secrétaire d'Etat

juridiction exclusive sur les pêches, sauf dans les conditions prévues dans l'annexe à la présente Note et de la façon suivante:

- a) Il est permis aux ressortissants et aux navires de pêche des Etats-Unis de prendre 6 500 tonnes métriques de poisson de fond durant la période débutant le 1^{er} avril 1979 et se terminant le 31 mars 1981, sous réserve des restrictions suivantes:
 - (i) durant la période débutant le 1^{er} avril 1979 et se terminant le 31 mars 1980, il leur est permis de prendre 3 250 tonnes métriques de poisson de fond, conformément aux dispositions de l'annexe à la présente Note; et
 - (ii) durant la période débutant le 1^{er} avril 1980 et se terminant le 31 mars 1981, il leur est permis de prendre 3 250 tonnes métriques de poisson de fond, conformément aux dispositions de l'annexe à la présente Note, sauf que cette limite de prise est ajustée de façon à ce que la prise totale des ressortissants et des navires des Etats-Unis aux termes des alinéas (i) et (ii) atteigne 6 500 tonnes métriques.
- b) Il n'est permis aux ressortissants et aux navires de pêche des Etats-Unis de pratiquer la pêche commerciale que dans les parties des zones de la PMFC mentionnées au paragraphe 1 de l'annexe à la présente Note qui se trouvent à l'intérieur de la région décrite à l'alinéa b) du paragraphe 1 de l'Accord relatif aux priviléges de pêche réciproques dans certaines régions sisées au large des côtes américaines et canadiennes, signé à Ottawa le 15 juin 1973, ainsi que dans toutes les eaux situées au large

de cette dernière à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches.

3. En attendant la délimitation des frontières maritimes entre les Etats-Unis et le Canada au large des côtes ouest des Etats-Unis et du Canada, les principes suivants s'appliquent dans les régions frontalières à titre de mesures provisoires:

- a) entre les Etats-Unis et le Canada, il appartient à l'Etat du pavillon de faire observer le présent Accord;
- b) ni l'un ni l'autre Gouvernement n'autorise les navires de tierces parties à pratiquer la pêche;
- c) l'un ou l'autre Gouvernement peut faire observer le présent Accord en ce qui concerne la pêche ou les activités connexes menées par les navires de tierces parties.

4. Nos deux Gouvernements mettront sur pied un groupe spécial afin de se consulter sur la mise en application des dispositions de la Convention et du présent Accord, ainsi que sur d'autres questions d'intérêt mutuel, y compris des mesures de réglementation applicables à la pêche pratiquée par les ressortissants et les navires des Etats-Unis dans la zone maritime située au large de la côte ouest du Canada à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches.

5. Avant le 31 mars 1981, nos deux Gouvernements se consulteront au sujet de la future coopération concernant les pêches au large des côtes ouest des Etats-Unis et du Canada dans les limites des zones maritimes respectives à l'intérieur desquelles l'un ou l'autre Gouvernement exerce la juridiction exclusive sur les pêches.

6. Aux fins de la présente Note, la "zone maritime" à l'intérieur de laquelle un pays exerce la juridiction exclusive sur les pêches comprend sans distinction les zones situées à l'intérieur ainsi qu'au large de la mer territoriale ou eaux intérieures du pays en question.

7. Rien dans le présent accord ne devra être interprété de manière à influer sur toute position ou réclamation ou à préjuger toute position ou réclamation déjà formulée ou susceptible d'être formulée par la suite par l'un ou l'autre pays à l'occasion de consultations, de négociations ou de procédures de règlement d'un différend par une tierce partie concernant la juridiction maritime du Canada ou des Etats-Unis, y compris les limites de cette juridiction.

Si les propositions énoncées ci-dessus agréent au Gouvernement du Canada, j'ai l'honneur de proposer que la présente Note et son Annexe, ainsi que la réponse de votre Excellence, constituent entre les Etats-Unis et le Canada un accord qui entre en vigueur à la date de votre réponse.

Veuillez accepter, Monsieur l'Ambassadeur, l'assurance renouvelée de ma très haute considération.

P.J.: Annexe

ANNEXE

1. Durant chacune des périodes annuelles débutant le 1^{er} avril 1979 et se terminant le 31 mars 1980, et débutant le 1^{er} avril 1980 et se terminant le 31 mars 1981, il est permis aux ressortissants et aux navires de pêche des Etats-Unis de pêcher le poisson de fond dans les zones de la Pacific Marine Fisheries Commission (PMFC) de la façon suivante:

- a) Dans la partie de la zone 3C de la PMFC à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches, il leur est permis de prendre 285 tonnes métriques de poisson de fond à l'occasion de pêches dirigées contre les scorpènes, les prises fortuites n'excédant pas 15 pour cent;
- b) Dans la zone 3D de la PMFC, il leur est permis de prendre 885 tonnes métriques de poisson de fond à l'occasion de pêches dirigées contre les scorpènes, les prises fortuites n'excédant pas 10 pour cent, et
- c) Dans les zones 5A et 5B de la PMFC, il leur est permis de prendre 2 080 tonnes métriques de poisson de fond à l'occasion de pêches dirigées contre les scorpènes, les prises fortuites n'excédant pas 12 pour cent. La prise de poisson de fond se compose d'un maximum de 250 tonnes métriques de sébaste du Pacifique (Sebastes alutus) et de sébaste à bouche jaune (Sebastes reedi);
- d) Il est interdit de rejeter à la mer de la morue du Pacifique, de la morue lingue ou de la sole, et lorsque les prises fortuites ont été pêchées dans

une zone donnée, la pêche dans cette zone peut être fermée, pourvu que toute portion restante de la limite de prise dans ladite zone soit offerte à l'exploitation des Etats-Unis dans d'autres zones au cours de la même période annuelle, ou, si le fait d'offrir à l'exploitation la portion restante de la limite de prise dans d'autres zones est susceptible de porter préjudice aux ressources halieutiques, ladite portion restante est offerte à l'exploitation des Etats-Unis au cours de la période annuelle débutant le 1^{er} avril 1980 et se terminant le 31 mars 1981, compte tenu des dispositions de l'alinéa e);

- e) Si, au cours de la période annuelle débutant le 1^{er} avril 1979 et se terminant le 31 mars 1980, il se produit une diminution démesurée des prises capturées par les ressortissants et les navires des Etats-Unis, si bien que nos deux Gouvernements conviennent que l'augmentation nécessaire des prises autorisées fixées à 3 250 tonnes métriques au cours de la période débutant le 1^{er} avril 1980 et se terminant le 31 mars 1981 est susceptible de porter préjudice aux ressources halieutiques, nos deux Gouvernements se consultent au sujet des mesures à prendre afin d'éviter de porter préjudice à ces ressources. Ces mesures peuvent comprendre, au gré du Gouvernement du Canada, une prolongation raisonnable de la période d'accès allouée aux ressortissants et aux navires de pêche des Etats-Unis pour leur permettre de prendre le total des 6 500 tonnes métriques.

2. Si la composition traditionnelle par espèces des prises de scorpènes ou celle des prises fortuites évoquées au paragraphe 1 de la présente Annexe révèle un problème de ressources ou de gestion, la question est renvoyée au groupe spécial mis sur pied en application du paragraphe 4 de la Note pour qu'il prenne les mesures qui conviennent.

3. Les règlements touchant les activités de pêche des ressortissants et des navires des Etats-Unis aux termes du paragraphe 2 de la Note ne sont pas plus restrictifs que ceux applicables aux ressortissants et aux navires du Canada.

4. Les navires des Etats-Unis qui pratiquent la pêche au poisson de fond dans la zone maritime située au large de la côte ouest du Canada à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches ont à leur bord un permis délivré par le Gouvernement du Canada. Aucun droit n'est exigé pour la délivrance de ce permis. Les demandes de permis de ce genre sont préparées et instruites conformément aux dispositions des paragraphes 5 et 6 de la présente Annexe.

5. Les demandes de permis visées au paragraphe 4 de la présente Annexe sont présentées à l'aide des formulaires fournis à cette fin par le Gouvernement du Canada. Les demandes de ce genre renferment les précisions suivantes:

- a) le nom et le numéro officiel ou autre marque d'identification de chaque navire de pêche pour lequel est demandé un permis, ainsi que les nom et adresse du propriétaire et de l'exploitant du navire;
- b) le tonnage, la capacité, la longueur et le port d'attache de chaque navire de pêche pour lequel est demandé un permis.

6. Les représentants intéressés du Gouvernement du Canada examinent chaque demande de permis et informent les représentants intéressés du Gouvernement des Etats-Unis lorsque la demande est acceptée. Après avoir accepté la demande, le Gouvernement du Canada délivre un permis au navire de pêche visé, lequel est dès lors autorisé à pêcher en conformité avec les dispositions de la présente Note. Chaque permis est délivré pour un navire en particulier, vaut pour la période annuelle qui débute le 1^{er} avril 1979 et se termine le 31 mars 1980, ou pour la période annuelle qui débute le 1^{er} avril 1980 et se termine le 31 mars 1981, ou pour toute période plus longue déterminée en conformité avec les dispositions de l'alinéa e) du paragraphe 1 de la présente Annexe, et n'est pas transmissible.

7. Les ressortissants et les navires de pêche des Etats-Unis qui se proposent de pêcher le poisson de fond dans la zone maritime située au large de la côte ouest du Canada à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches signalent par radio-téléphone ou par un moyen de communication analogue à Tofino ou à Bull Harbor, au Canada:

- a) le nom du navire et le numéro du permis;
- b) la date à laquelle la pêche doit commencer;
- c) les zones de la PMFC dans lesquelles la pêche aura lieu, c.-à-d. la partie inférieure de l'île de Vancouver (Zone 3C), la partie supérieure de l'île de Vancouver (Zone 3D) ou le bassin de la Reine-Charlotte (Zones 5A et 5B).

8. Les ressortissants et les navires de pêche des Etats-Unis n'ont aucun poisson à bord au moment où ils pénètrent dans la zone maritime située au large de la côte ouest du Canada à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches.

9. Lorsqu'ils exercent des activités dans la zone maritime située au large de la côte ouest du Canada à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches, les ressortissants et les navires de pêche des Etats-Unis portent visiblement sur la poupe le nom et le port d'immatriculation et battent pavillon américain en tout temps.

10. Avant de quitter la zone maritime située au large de la côte ouest du Canada à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches, les ressortissants et les navires de pêche des Etats-Unis signalent par radiotéléphone ou par un moyen de communication analogue à Tofino, au Canada:

- a) le nom du navire et le numéro du permis;
- b) la date à laquelle le navire quittera la zone;
- c) la quantité approximative (en livres) et la composition des prises à bord lorsqu'ils quittent ladite zone; et
- d) la date et le lieu prévus pour la livraison des prises du navire.

11. Des renseignements sur les prises, en fonction des espèces, ainsi que sur l'emplacement des prises sont transmis chaque semaine aux représentants intéressés du Gouvernement du Canada. Chaque navire de pêche des Etats-Unis tient un journal de bord faisant état de ses activités de pêche dans la zone maritime située au large de la côte ouest du Canada à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches. Les journaux de bord de ce genre sont à la disposition des représentants canadiens qui peuvent les consulter à bord de chacun de ces navires pendant la durée de leurs activités de

pêche dans la zone maritime située au large de la côte ouest du Canada à l'intérieur de laquelle le Canada exerce la juridiction exclusive sur les pêches, et sont à la disposition des représentants des Etats-Unis ou du Canada qui peuvent les consulter au port de livraison des prises."

J'ai l'honneur de vous informer que les propositions qui précèdent agréent au Gouvernement du Canada et de confirmer que votre Note et la présente réponse, dont les versions française et anglaise font également foi, constituent entre nos deux Gouvernements un accord qui entre en vigueur à la date de la présente réponse.

Veuillez accepter, Monsieur le Secrétaire d'Etat, l'assurance renouvelée de ma très haute considération.



TIAS 9448

FEDERAL REPUBLIC OF GERMANY

**Transportation: Cooperation on Development
of High Speed Ground Systems**

*Memorandum of understanding amending and extending
the agreement of June 12, 1973, as amended.*

*Signed at Washington and Bonn July 12 and August 30,
1978;*

Entered into force August 30, 1978.

Memorandum of Understanding

between the Federal Minister for Research and
Technology and the Federal Minister of Transport
of the Federal Republic of Germany

on the one hand

and the Department of Transportation of the United
States of America

on the other hand

concerning the extension and modification of the
June 12, 1973 Memorandum of Understanding regarding
cooperation on the development of advanced ground
transportation [1]

¹ TIAS 8402; 27 UST 8881.

The Federal Minister for Research and Technology (BMFT)
and the Federal Minister of Transport (BMV) of the
Federal Republic of Germany

on the one hand

and the Department of Transportation (DOT) of the
United States of America

on the other hand,

hereinafter called the parties,

- desiring to continue the fruitful cooperation of the
parties under the June 12, 1973 Memorandum of Under-
standing on the development of advanced ground trans-
portation, particularly tracked, levitated high-speed
transportation systems,

- considering it useful to extend their cooperation to
further areas in the field of advanced ground trans-
portation,

have agreed as follows:

1. The June 12, 1973 Memorandum of Understanding is hereby
extended for an indefinite term. Each party has the
right to terminate its cooperation after three months
written notice to the other parties.
2. Cooperation in the development of advanced ground trans-
portation is not limited to levitated high-speed
transportation systems but includes innovations in
conventional rail both as to rolling stock and pro-
pulsion systems.
3. Cooperation includes urban transportation technologies.
4. Cooperative activities may extend to motor vehicle
technology and traffic engineering.
5. The terms of the September 3, 1975 Memorandum of Understanding
between DOT and BMV concerning cooperation in the field of
transportation, [1] or the November 5, 1970 Memorandum of
Understanding between DOT and BMV concerning cooperation in
the development of experimental safety vehicles, shall remain
unaffected.

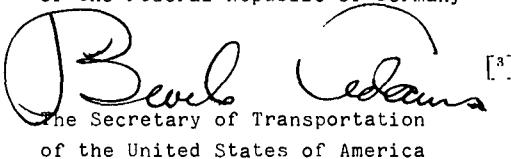
¹ TIAS 8736; 28 UST 8024.

6. This Memorandum of Understanding shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the United States of America within three months of the date of entry into force of this Memorandum of Understanding.
7. This Memorandum of Understanding shall enter into force on the date of signature.

Done at Washington, D.C. and Bonn in triplicate in the English and German languages, each text being equally authentic, on July 12 and August 30, 1978 respectively.

 [¹]

The Federal Minister for Research and Technology
of the Federal Republic of Germany

 [²]
The Federal Minister of Transport
of the Federal Republic of Germany [³]
The Secretary of Transportation
of the United States of America

¹ V. Hauff.

² K. Gscheidle.

³ Brock Adams.

Vereinbarung

zwischen dem Bundesminister für Forschung und
Technologie und dem Bundesminister für Verkehr
der Bundesrepublik Deutschland

einerseits

und dem Verkehrsministerium der Vereinigten Staaten
von Amerika

andererseits

über die Verlängerung und Abänderung der Vereinbarung
vom 12. Juni 1973 über Zusammenarbeit bei der Entwick-
lung von fortgeschrittenen Landverkehrssystemen

Der Bundesminister für Forschung und Technologie (BMFT)
und der Bundesminister für Verkehr (BMV) der Bundes-
republik Deutschland

einerseits

und das Verkehrsministerium der Vereinigten Staaten von
Amerika

andererseits,

im folgenden als die Vertragsparteien bezeichnet,

- von dem Wunsch geleitet, die fruchtbare Zusammenarbeit
der Vertragsparteien im Rahmen der Vereinbarung vom
12. Juni 1973 über Zusammenarbeit bei der Entwicklung
von fortgeschrittenen Landverkehrssystemen, insbesondere
spurgebundenen Schnellverkehrssystemen mit berührungs-
freier Fahrtechnik, fortzusetzen,
- in der Erwägung, daß eine Ausdehnung ihrer Zusammenarbeit
auf weitere Gebiete im Bereich der fortgeschrittenen Land-
verkehrssysteme von Nutzen ist,

sind wie folgt übereingekommen:

1. Die Vereinbarung vom 12. Juni 1973 wird hiermit auf unbestimmte Zeit verlängert. Jede Vertragspartei hat das Recht, die Zusammenarbeit mit einer Frist von drei Monaten gegenüber den anderen Vertragsparteien schriftlich zu kündigen.
2. Die Zusammenarbeit bei der Entwicklung von fortgeschrittenen Landverkehrssystemen ist nicht auf spurgebundene Schnellverkehrssysteme mit berührungsfreier Fahrtechnik beschränkt, sondern schließt Verbesserungen der herkömmlichen Eisenbahntechnik sowohl beim rollenden Material als auch bei den Antriebssystemen ein.
3. Die Zusammenarbeit umfaßt die Technologien für den öffentlichen Nahverkehr.
4. Die Zusammenarbeit kann sich auf Technologien für Kraftfahrzeuge und für den Straßenverkehr erstrecken.

5. Unberührt bleiben die Bestimmungen der Vereinbarung vom 3. September 1975 zwischen DOT und BMV über Zusammenarbeit auf dem Gebiet des Verkehrs sowie der Vereinbarung vom 5. November 1970 zwischen DOT und BMV über die Zusammenarbeit bei der Entwicklung von Experimentiersicherheitsfahrzeugen.
6. Diese Vereinbarung gilt auch für das Land Berlin, sofern nicht die Regierung der Bundesrepublik Deutschland gegenüber der Regierung der Vereinigten Staaten von Amerika innerhalb von drei Monaten nach Inkrafttreten der Vereinbarung eine gegenteilige Erklärung abgibt.
7. Diese Vereinbarung tritt am Tage ihrer Unterzeichnung in Kraft.

Geschehen zu Washington, D.C. und Bonn am 12. Juli und 30. August 1978
in drei Urschriften, jede in deutscher und englischer Sprache, wobei jeder Wortlaut gleichermaßen verbindlich ist.

Der Bundesminister für Forschung und Technologie
der Bundesrepublik Deutschland

Der Bundesminister für Verkehr
der Bundesrepublik Deutschland

Der Verkehrsminister
der Vereinigten Staaten von Amerika

ISRAEL
Airbase Construction

*Agreement signed at Tel Aviv April 6, 1979;
Entered into force April 6, 1979.*

**Agreement
between the
Government of Israel
and the
Government of the United States of America
concerning
Construction of Airbase Facilities**

ARTICLE 1PURPOSE OF AGREEMENT

The purpose of this agreement is to provide for the construction of two airbases in the vicinity of Ovda and Matred as agreed to by the Government of the United States and the Government of Israel (hereinafter: "The Parties").

ARTICLE 2FUNDING

Arrangements for funding this agreement are specified in a separate agreement between the parties, to which this agreement is subject.

ARTICLE 3DESIGNATED AGENCIES AND PROGRAM MANAGER

3.1 For the purpose of implementing this agreement, the United States Department of Defense (hereinafter: "DOD") is the designated agency of the Government of the United States and the Ministry of Defense of Israel (hereinafter: "MOD") is the designated agency of the Government of Israel.

3.2 Each designated agency will identify a responsible official within the designated agency, who will have the authority and responsibility necessary for the purpose of facilitating cooperation between the parties in carrying out this agreement, providing necessary liaison, and promoting the swift resolution of any differences which may arise.

3.3 The responsible DOD official shall be identified as the Program Manager and shall carry out his responsibilities hereunder under the general policy direction of the Chief of the United States Diplomatic Mission to Israel.

ARTICLE 4

PLAN OF WORK

4.1 The designated agencies will agree on a plan (hereinafter: "The Plan") specifying:

- A. Scope of construction of the two airbases (hereinafter: "The Work")
- B. Criteria and design
- C. Time sequence schedules

- D. Cost estimates
- E. Work breakdown structure for management and budget and quality control
- F. Procedures for cooperation between the designated agencies in the execution of the work.

4.2 The designated agencies will exert their best efforts to reach agreement on the plan within forty-five (45) days following signature of this agreement.

4.3 The work shall be divided into two categories:

- A. That part of the work required for initial operational capability (hereinafter: "IOC"), which for the purpose of this agreement shall be generally defined as the capability to operate two fighter aircraft squadrons from each base under combat conditions in accordance with Israeli Air Force (hereinafter: "IAF") doctrine and procedures; and
- B. That part of the work necessary for normal airbase operations and activities, including but not limited to recreation and community support.

The plan will include a list of facilities in order of priority of completion of construction required to meet the IOC. If the parties agree to the location of an additional squadron at either Ovda or Matred, the construction will be governed by this agreement.

4.4 Criteria and designs used by the MOD at Eitam and Etzion Airbases, adapted to conditions at Ovda and Matred, normally will be used, or other criteria and designs as mutually agreed.

Any deviations from the Eitam and Etzion criteria and designs must not delay the accomplishment of IOC. For any facilities which the IAF does not require to be completed for accomplishment of IOC, including any facilities which may be removed from the original list of IOC facilities, the DOD will give primary consideration to the operational requirements of the IAF. Consistent with the requirements of the time sequence schedules, each designated agency will be afforded the opportunity to review, comment upon, and approve designs not originated by it prior to release for construction. After commencement of construction, changes

to criteria or the scope of the work adopted in the plan shall be made only in accordance with paragraph 5.8.

4.5 The time sequence schedules shall provide for completion of that part of the work required for IOC prior to the date agreed for final relocation of Israeli Forces in the Negev.

Provision will be made for advance beneficial occupancy of facilities to allow the orderly relocation and operational readiness of the Israeli Forces by such date.

4.6 The cost estimate shall be prepared initially based upon the best available data and shall be updated as better data become available through the completion of designs and construction increments. The cost estimate shall be used as the budget for the project and the basis for the commitment in advance of funds to be provided by the Government of Israel.

ARTICLE 5
EXECUTION OF THE WORK

5.1 The DOD will carry out and manage the work

in accordance with the plan. Any part of the work to be performed by the MOD shall be detailed in the plan and may be performed simultaneously with the work of the DOD, subject to appropriate coordination.

5.2 The DOD is authorized to perform in Israel all acts necessary to carry out and manage the work, including funds management and administration, engineering, construction, and program management. The DOD may establish, in coordination with the MOD, such offices in Israel as it considers necessary for the purpose of performing its functions under this agreement.

5.3 The parties agree to share responsibility to assure the completion of all IOC construction prior to the date agreed for final relocation of Israeli Forces in the Negev and to update the plan in accordance with paragraph 5.8 as necessary for this purpose.

5.4 The parties agree to exert their best efforts to assure the completion of all other work per paragraph 4.3 B above within one year of the date of achieving the IOC.

5.5 The designated agencies shall provide all

items, including services, specified in this agreement in accordance with the time sequence schedules in the plan.

5.6 The DOD shall have authority to make decisions regarding the quality of construction and compliance with established criteria for the work. The DOD will give careful consideration to all comments and recommendations of the MOD regarding quality and compliance with criteria and designs. Upon completion of a construction unit, inspection will be made by the designated agencies and the responsible contractor. Prior to certification the MOD shall be afforded the opportunity to invoke the provisions of Article 7 should it so wish. Upon certification by the DOD that a particular construction unit has been completed in accordance with the terms of the contract, responsibility for such unit shall be transferred to the MOD.

5.7 The DOD will provide the MOD, at regular intervals as agreed, reports on the status of accomplishment of the plan, including physical progress and accumulated costs by work breakdown structure.

TIAS 9450

The designated agencies shall conduct at the same interval a joint review of progress in executing the plan. The DOD will give careful consideration to all comments and recommendations of the MOD and will endeavor to implement them, consistent with the plan.

5.8 If the status of plan accomplishment or the operational requirements of the Israeli Air Force indicate the necessity or desirability of changing the plan, the DOD Program Manager and the MOD responsible official will meet for the purpose of considering possible courses of action which would not delay the accomplishment of IOC beyond the date agreed for final relocation of Israeli Forces in the Negev. Such possible courses of action will include the provision of temporary facilities pending completion of the permanent facilities and the determination by the MOD that the IAF does not require certain facilities for accomplishment of IOC. Any agreed changes will be implemented as soon as practicable, and the plan shall be modified accordingly.

ARTICLE 6

USE OF CONTRACTORS

6.1 The DOD may accomplish the work through contractors of its selection who are nationals of countries having diplomatic relations with

Israel and shall perform the work in accordance with pertinent United States laws and regulations, including DOD contracting and fiscal procedures.

Should DOD perform any part of the work through Israeli contractors, it will, when feasible and when permissible under United States laws and regulations, utilize provisions of MOD procurement regulations applicable to pricing, control of costs, and other financial aspects.

6.2 Having due regard for the scarcity of resources within Israel and time limitations, DOD and its contractors will meet their personnel and materiel requirements from non-Israeli sources except as provided in this paragraph. At the request of either designated agency, in particular cases to be agreed upon between the agencies, DOD and its contractors will utilize Israeli sources. Guidelines for utilization of Israeli sources shall be agreed upon by DOD and MOD. These guidelines will be based on the criteria of availability, suitability, quality, cost, and timeliness.

ARTICLE 7RESOLUTION OF DIFFERENCES

If any action taken by either designated agency is not satisfactory to the other, the DOD Program Manager and the MOD responsible official will consult for the purpose of resolving the problem. If the dispute cannot be resolved between the two, it may be referred for resolution by designated senior DOD and MOD officials, with the right by either party to appeal to the Secretary of Defense of the United States and the Minister of Defense of Israel. These consultation procedures shall not be permitted to delay any action required for the accomplishment of IOC prior to the date agreed for final relocation of Israeli Forces in the Negev.

ARTICLE 8OBLIGATIONS OF THE GOVERNMENT OF ISRAEL

8.1 The Government of Israel will exert its best efforts to assist the Government of the United States in the fulfillment of its responsibilities under this agreement, in order to facilitate and assure the efficient, economical, and timely

implementation of this agreement.

8.2 The Government of Israel shall acquire and furnish, without cost to the Government of the United States or its contractors, and in accordance with the time sequence schedules for construction, all land, rights of way, and easements necessary for the construction of the required facilities, including land for on-site housing and other support facilities for DOD and contractor personnel and their dependents.

The Government of Israel will maintain and improve, as determined to be necessary by DOD and MOD, all existing roads to and from the construction sites and support facilities, it being understood that this obligation does not include access roads which will be constructed as part of the work.

8.3 The Government of Israel shall assure the availability of adequate port and freight handling facilities for the processing, forwarding and storage of materials, equipment and supplies for the work. The Government of Israel shall ensure that such materials, equipment and supplies receive

priority and expeditious treatment. Both governments shall exert their best efforts to prevent interruption in such treatment by strikes, labor unrest, or other causes.

8.4 The Government of Israel shall establish a central authority to assist the DOD, its contractors, DOD and contractor personnel and their dependents with customs clearances, exit and entry procedures, and all other matters related to activities covered by this agreement. The Government of Israel shall honor vehicle operating licenses issued by appropriate authorities of the Government of the United States or any subdivision thereof; including the DOD, and shall waive work permit requirements for all DOD and contractor personnel.

8.5 The Government of Israel will provide to the construction sites and support facilities, without charge to the Government of the United States, in a timely fashion and in sufficient quantities, all utilities, including water, sanitation facilities, electricity, telephone and communication services.

If the Government of Israel is unable to provide sufficient water, the work will be enlarged and DOD will make necessary connections to available sources or drill for, store, and operate its own water supply. Similarly, if adequate sanitation facilities are not available, such facilities will be included in the work and DOD will arrange for and operate a liquid and solid sanitary and general waste disposal system. Electricity will also be provided by DOD if not otherwise available. MOD will advise DOD of any of these requirements in sufficient time to allow inclusion in appropriate contracts and importation of needed equipment and materials.

8.6 The Government of Israel shall exert its best efforts to ensure that materials, equipment, supplies and services, including transportation and use of port unloading facilities, purchased by the DOD or its contractors in Israel to carry out their functions under this agreement, are furnished on a priority basis and at the lowest possible price.

ARTICLE 9SECURITY

9.1 The protection of the construction sites and the support facilities from external threats will be the responsibility of the MOD. The responsibilities for internal physical security of the construction sites and support facilities will be agreed between the DOD and the MOD. Upon any part of an airbase becoming operational, the MOD may impose additional security measures with respect to such part of the base.

9.2 In the event of hostilities, civil disturbance, or natural disaster, the Government of Israel shall use all reasonable means, including evacuation, if necessary, to assure the safety of DOD and contractor personnel and their dependents, together with the safety of their personal property.

9.3 DOD personnel will have United States security clearances equivalent to those required by the Government of Israel for MOD personnel in similar positions.

9.4 Each party will respect the other party's security regulations and will accord to the other party's classified information protection under

its own security regulations equivalent to that required by the originating party's security regulations. Distribution of classified information among persons with appropriate security clearances will be under the principle of "need to know".

9.5 DOD shall assure that contractors and their personnel are advised of all security measures applicable to them. DOD shall report to MOD any security violations which involve Israeli classified information.

ARTICLE 10

DOD ACTIVITIES

10.1 Except as provided in this agreement, the DOD shall exercise full administrative and operational control over activities at construction sites and support facilities.

10.2 For purposes of this agreement, the DOD and its contractors may operate within Israel communications systems, including radio, for communication within and without Israel. The Government of Israel shall allocate necessary frequencies.

10.3 The DOD and its contractors may operate ships and aircraft into, within, and out of Israel in connection with the implementation of this agreement. Such operations will be conducted in accordance with maritime and air traffic regulations of Israel generally applicable. The use of ports and airports by such ships and aircraft shall be free of all taxes, tolls, landing fees and other charges, except charges for actual services requested and received. In the event that the Government of Israel is unable to provide an exemption from a particular tax, fee, or similar charge, the MOD shall bear the cost involved.

10.4 The DOD and its contractors may bring into Israel nationals of the United States and third countries having diplomatic relations with Israel for employment in carrying out the work, without utilizing Israeli hiring hall procedures. The Government of Israel reserves the right, on the grounds of security and public order, to limit access to designated security areas and to refuse entry into and to require departure from Israel of specified individuals, in accordance with

Israeli law and practice. DOD and MOD shall agree on the nature of information to be provided the Government of Israel concerning the backgrounds of third country national employees in order to determine their eligibility for admission into Israel.

10.5 The Government of the United States may establish for the exclusive use of DOD and contractor personnel and their dependents those on-site support facilities which may be required for housing, health and welfare, including military postal and American or Israeli banking facilities. The MOD shall assist DOD in obtaining the approval of the Bank of Israel for the establishment of any banking facilities. The activities of such facilities shall be regulated exclusively by the DOD, which shall assure their proper use.

10.6 All salaries of DOD and contractor personnel in Israel may be paid in U.S. dollars, and DOD, its contractors and their personnel shall be exempt from restrictions on movement of currency into or out of Israel.

10.7 DOD and contractor personnel shall be exempt from the laws and regulations of the Government of Israel with respect to terms and conditions of employment, including restrictions on hours per day, hours per week, or days of the week that personnel may perform work.

ARTICLE 11

PRIVILEGES AND IMMUNITIES

11.1 Within the meaning of this agreement, "DOD Personnel" means military members of the United States Armed Forces and civilian employees of the United States Department of Defense. "Dependents" of DOD personnel means members of the families of DOD personnel forming part of their households.

11.2 DOD personnel and their dependents shall be accorded privileges and immunities no less than those accorded to members of the administrative and technical staff of the United States Diplomatic Mission in Israel.

11.3 All property of the DOD and its personnel shall be immune from attachment and seizure.

The Government of Israel shall exert its best efforts to prevent attachment or seizure of any property of DOD contractors whenever such attachment or seizure is likely to impede or delay completion of the work.

11.4 A All property and services imported into or procured in Israel by the DOD or its contractors for the implementation of this agreement, including property and services imported or purchased in Israel by DOD or its contractors for the support of DOD and contractor personnel and their dependents, shall be exempt from all duties, taxes, fees, bonds, deposits, other charges, or license or registration requirements. If necessary, rebate or reimbursement may be used to give effect to these exemptions.

11.4 B Without prejudice to para 11.2 above, household goods and personal effects imported for their personal use by DOD or contractor personnel and their dependents within six months of their first arrival in Israel for

permanent duty shall be entitled to the same exemptions provided in subparagraph 11.4 A above.

11.4 C Exemptions from import duties, however, shall be available only for directly imported items and shall not extend to imported items purchased from Israeli sources.

11.5 Non-military vehicles for use off the project sites or on public thoroughfares will be licensed, but without charge; military vehicles need not be licensed, but shall have appropriate identification markings. Key personnel of DOD contractors from the United States who have duties requiring the use of a motor vehicle in Israel off the project sites shall be issued the same fuel tax exemption coupons, through the United States Embassy, as are issued to Embassy personnel. Tax-free fuel for vehicles used only on the sites will be available only at the sites. Notwithstanding the foregoing, tax refunds for diesel fuel will be available regardless of where the fuel is obtained.

11.6 All personal or moveable property of DOD, its contractors, the personnel of both, and their dependents may at any time be removed from or disposed of in Israel free of any restrictions or charges, provided that the duty thereon shall be paid in the event of their sale or disposal in Israel to a person not enjoying duty-free import privileges.

11.7 The activities, income and transactions of the DOD and its contractors in Israel in connection with this agreement, including those of the service facilities established under paragraph 10.5 above, shall be exempt from all Israeli duties, taxes, fees, bonds, deposits, other charges or license or registration requirements. Notwithstanding the foregoing, corporations from third countries which are selected as DOD contractors shall be subject to Israeli corporate income taxes on their profits arising from activities in Israel under the DOD contract at a rate not to exceed 25% of such profits. If the corporate income tax rate in the home country of such a corporation is less than 25%, then the lesser rate

shall apply. If any part of Israeli income taxes on such profit is not given full tax credit in the home country of the corporation, then such part of Israeli income taxes shall be exempted or refunded by the Government of Israel. If, notwithstanding the foregoing, Israeli income taxes are found to have been included in the contract price to DOD, the MOD shall either pay such taxes directly or reimburse the DOD or the contractor, as the case may be.

11.8 The income of DOD and contractor personnel shall be exempt from all Israeli taxes, fees or other charges.

11.9 The privileges granted by this article are not available to persons normally resident within Israel or to third country corporations controlled by Israeli residents, or with respect to income derived from sources in Israel not associated with the performance of this agreement.

11.10 Administrative arrangements will be agreed between the parties establishing procedures for

facilitating the obtaining of exemptions from taxes, duties, charges, and other requirements provided in this article, while preventing abuses of these privileges. The arrangements will also include reasonable limitations on the number of items imported duty free by individuals to assure that such items are imported only for their personal use.

ARTICLE 12

CLAIMS

12.1 Each party waives all claims against the other party and its personnel for damage or loss of any kind to any property owned by it and arising in connection with activities covered by this agreement. Unless covered by the compulsory liability insurance referred to in paragraph 12.4 below, the waiver of such claims by the Government of Israel also extends to DOD contractors and their personnel.

12.2 Unless otherwise provided by this agreement or covered by insurance of the MOD, claims arising out of acts or omissions of DOD personnel done in

TIAS 9450

the performance of this agreement and causing damage to third parties in Israel or territories administered by Israel shall be settled by the appropriate authorities of Israel in accordance with the laws and regulations of Israel applicable to claims arising from activities of members of the Armed Forces of Israel. Any amount paid in settlement of claims under this paragraph shall be shared equally by the two governments.

12.3 Unless otherwise provided by this agreement, claims not covered by liability insurance which arise out of acts or omissions of DOD personnel not done in the performance of this agreement, for damage to third parties in Israel or territories administered by Israel, may be submitted to the DOD for consideration under United States foreign claims settlement procedures.

12.4 The privately owned motor vehicles of DOD and contractor personnel and their dependents shall be subject to the compulsory liability insurance law of Israel. The MOD shall pay directly or reimburse the premium or other charge for such insurance for vehicles owned by the DOD or its contractors.

ARTICLE 13
ENTRY INTO FORCE

- 13 1 This agreement shall enter into force upon signature by the parties
- 13 2 This agreement shall remain in force until four years from the date of entry into force of the treaty of peace between Israel and Egypt, except that it shall continue in force beyond that time if necessary for the purpose of completing activities under it, for closing out contracts awarded pursuant to it or claims which might arise in connection with it, or for such additional periods mutually agreed by the parties

ARTICLE 14
AMENDMENT

This agreement may be amended at any time by agreement of the parties

David E. McGiffert^[1] J. Weizman^[2]
Date April 6, 1979 Date 6 April 1979

¹ David E. McGiffert.
² J. Weizman.

ISRAEL
Funding of Airbase Construction

*Agreement signed at Tel Aviv April 6, 1979;
Entered into force April 6, 1979.*

Agreement
between the
Government of the United States
and the
Government of Israel
concerning
Funding of Airbase Construction

1. The Government of the United States, subject to the authorization and appropriation of funds, will provide as a grant to the Government of Israel defense articles and defense services in a total amount of \$800,000,000 to construct in Israel two airbase facilities, as provided in the agreement signed on 6 April 1979,^[1] (hereinafter: "The Airbase Agreement")
2. The Government of Israel shall fund all costs of completing the construction of the agreed airbase facilities beyond the grant of defense articles and services made available by the Government of the United States. The Government of Israel may provide the funds for which it is responsible (hereinafter: Government of Israel funds) from any source available to it, including direct credits and the proceeds of guaranteed loans available pursuant to the United States Arms Export Control Act.^[3]
3. Such Government of Israel funds will be made available in such amounts and at such times as may be required by the Government of the United States, normally quarterly in advance of the

¹ TIAS 9450; *ante*, p. 4107.

² 82 Stat. 1320; 22 U.S.C. § 2751 note.

quarter in which payments for United States obligations for the airbase construction are due. Such Government of Israel funds may be consolidated with, or credited to, the United States funds available for the defense articles and services referred to in paragraph 1 and may be administered by the Government of the United States in the same manner as it administers such United States funds.

4. In the expenditure of funds for construction of the two airbases the Government of the United States normally will first use funds available for the grant of defense articles and services in the total amount of \$800,000,000, then Government of Israel funds. In accordance with this principle the U.S. Army Corps of Engineers may execute purchase agreements with the Government of Israel to provide reimbursement when the Government of Israel contracts for articles and services for the airbase construction.

5. The Government of the United States will refund to the Government of Israel any payments made by the Government of Israel pursuant to paragraph 3 that are in excess of the final total costs incurred in the construction of the airbase facilities beyond the Government of the United States grant of defense articles and services in the amount of \$800,000,000.

6. This agreement shall come into force simultaneously with the Airbase Agreement.

Elamu S. McGiffert [1] J. Weizman [2]
Date April 6, 1973 Date 4-6-1973

¹ David E. McGiffert.

² J. Weizman.

CANADA

Whaling: International Observer Scheme

*Arrangement effected by exchange of notes
Dated at Ottawa April 3 and 4, 1979;
Entered into force April 4, 1979.*

The American Embassy to the Canadian Department of External Affairs

No. 70

The Embassy of the United States of America presents its compliments to the Department of External Affairs and, referring to the Department's aide-memoire of March 13, 1979,[¹] has the honor to propose that the two governments, being parties to the International Convention for the Regulation of Whaling (hereinafter referred to as "the Convention") signed at Washington on December 2, 1946,[²] cooperate in an observer scheme for the spring 1979 bowhead whaling season in Alaska, United States of America. The Embassy would propose that the scheme operate on the following basis:

1. For the spring 1979 bowhead whaling season in Alaska, which is expected to commence in April and continue until mid-June 1979, the Government of Canada will nominate an observer for appointment by the International Whaling Commission (hereinafter referred to as "the Commission"), for the spring 1979 bowhead whaling season in six Alaskan Eskimo coastal villages.
2. A. The observer will have the status of a senior official. Appropriate measures will be taken by the Government of the United States of America to provide every courtesy to the observer and to ensure his security and welfare in the performance of his duties.
B. The observer is not invested with any administrative power in regard to the activities of the Alaskan whalers and will have no authority to intervene in any way in those activities.
C. The observer will at all times be responsible to the Commission, and will neither seek nor receive instructions from any authority other than the Commission. The observer will be given the necessary facilities for carrying out his duties.

¹ Not printed.

² TIAS 1849, 4228; 62 Stat. 1716; 10 UST 952.

D. The Government of the United States of America will take steps to permit the observer to observe the operations of the bowhead whaling hunt so that he may verify the observance of the provisions of the Convention and its schedule in regard to the taking of bowhead whales and their utilization. In particular, efforts will be made to allow the observer to ascertain the species, size, sex and number of whales taken although geographic separation of villages may not permit the observer to see each whale taken.

E. The Government of the United States of America will ensure that all reports made, and all records kept or supplied in accordance with the schedule of the Convention and the relevant regulations of the United States of America will be made freely and immediately available to the observer for examination, and that the observer will be given all necessary explanations as regards such reports, records and data.

F. The national coordinators will supply all information necessary for the discharge of the observer's function.

G. Where the observer has reasonable grounds for believing that any infraction of the provisions of the Convention has taken place he will immediately notify in writing the senior national coordinator. The observer will, if he considers it sufficiently serious, inform the Commission of the said information as soon as possible and will at the same time report the explanation or comments of the senior national coordinator.

H. The observer will draw up a report covering his observations including possible infractions of the provisions of the Convention and schedule which have taken place during the season or part of the season in which he served as an observer, and will submit it to the senior national coordinator for information and such explanation or comments as the coordinator may wish to make. All such explanations and comments will be attached to the observer's report which will be transmitted to the Government of Canada. The Government of Canada will immediately forward the report, with any comments it considers appropriate, to the Secretariat of the International Whaling Commission.

3. A. The Government of Canada will pay the salary and other emoluments, travel to and from Anchorage, Alaska, and cable costs to the observer.

B. The Government of the United States of America will provide to the observer subsistence and accommodation appropriate to the status of the observer together with medical care and assistance where necessary while in Alaska.

C. The Government of the United States of America will also provide suitable local transport for the facilitation of the performance by the observer of his duties.

The Embassy has the honor to propose that, if the foregoing is acceptable to the Department of External Affairs, this note and the

Department's reply should constitute an arrangement between the two governments effective on the date of the Department's reply.

The Embassy of the United States of America avails itself of this opportunity to renew to the Department of External Affairs the assurances of its highest consideration.

EMBASSY OF THE UNITED STATES OF AMERICA
OTTAWA, *April 3, 1979.*

*The Canadian Department of External Affairs to the American
Embassy*

Department of External Affairs
Canada



Ministère des Affaires étrangères

Note No. FLO-1223

The Department of External Affairs presents its compliments to the Embassy of the United States of America and has the honour to refer to the Embassy's Note No. 70 of April 3, 1979, proposing that the two governments, being parties to the International Convention for the Regulation of Whaling signed at Washington on December 2, 1946, cooperate in an observer scheme for the spring 1979 bowhead whaling season in Alaska, United States of America. The Department of External Affairs accepts the scheme proposed by the Embassy and set out in its Note No. 70 of April 3, 1979.

The Department of External Affairs has the honour to inform the Embassy that it accepts the Embassy's proposal that its Note and this reply should constitute an arrangement between the two governments effective on the date of this reply.

The Department of External Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

ASW

OTTAWA, April 4, 1979.

MOROCCO
Nonformal Education for Women

*Agreement signed at Rabat August 14, 1978;
Entered into force August 14, 1978.*

A.I.D. Project Number 608-0139
Project Agreement No. 608-78-004

PROJECT
GRANT AGREEMENT
BETWEEN
THE KINGDOM OF MOROCCO
and the
UNITED STATES OF AMERICA
for
NONFORMAL EDUCATION FOR WOMEN

Dated: August 14, 1978

A.I.D. Project No. 608-0139

Project Grant Agreement

Dated: August 14, 1978

Between

The Kingdom of Morocco, acting through the Ministry of Youth and Sports ("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, has as its purpose, to strengthen the infrastructure of the Promotion Féminine (PF) program of the Grantee to enable it to develop and undertake a program to foster new training and employment opportunities for women throughout Morocco. The major features of this project are:

- (1) in-country training in organizational development and management for the managers of Promotion Féminine in the national office and in the 36 provinces and prefectures;
- (2) teacher training and retraining, both to upgrade the existing curriculum in the foyers and to integrate a vocational training component in the curriculum;
- (3) establishment of a job development unit within Promotion Féminine for the purpose of (a) identifying new income-producing opportunities for women throughout Morocco and specifying the training, credit, equipment, etc., necessary to take advantage of these opportunities;

- (b) coordinating the provision of technical assistance and seed money to individual foyers to develop these new areas of employment; and (c) developing job-related training programs in specific foyers;
- (4) participant training for six permanent staff of Promotion Féminine in preparation for their work on the staff of the Job Development Unit and the Royal Training Institute.

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. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

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, [¹] agrees to grant the Grantee under the terms of this Agreement not to exceed two million two hundred and ninety one thousand United States ("U.S.") Dollars (\$2,291,000) ("Grant").

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

SECTION 3.2. Grantee Resources for the Project

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

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S.\$800,000 including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is June 30, 1982, 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. an executed contract for technical advisory services for the Project acceptable to A.I.D. with a firm acceptable to A.I.D.

SECTION 4.2. Other Disbursements

(a) A.I.D. will finance the establishment of an entrepreneurial supply fund of \$300,000 local currency equivalent, to be disbursed in three annual installments of \$100,000 local currency equivalent each.

(b) Prior to disbursement of the first and second installments of the entrepreneurial supply fund, the Grantee shall furnish in form and substance satisfactory to USAID a plan for administering the fund, including the appropriate entity to administer the fund and the criteria for approval of activities to be financed by the fund.

(c) Prior to disbursement of the third installment of the entrepreneurial supply fund, the Grantee (1) shall make a contribution at least equivalent to the third installment to carry on the work of the Job Development Unit through the entrepreneurial supply fund, and (2) shall review and evaluate the desirability of institutionalizing the operation of the fund preferably on a loan basis beyond the life of the project.

SECTION 4.3. 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 4.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 4.1. have not been met within 180 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 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 of 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. Status of Promotion Féminine. To strengthen the role and authority of Promotion Féminine in furthering its program for the benefit of women, the Grantee will review and evaluate the desirability of elevating Promotion Féminine within the organizational structure of the Ministry of Youth and Sports.

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 (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such

goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, [1] Section C.1.(b) with respect to marine insurance.

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 Morocco.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs

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

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

SECTION 7.2. Disbursement for Local Currency Costs

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

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

(b) The local currency needed for such disbursements may be obtained by A.I.D. The U.S. Dollar equivalent of the local currency made available hereunder will be the amount of U.S. Dollars required by A.I.D. to obtain the local currency.

SECTION 7.3. Other Forms of Disbursements. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

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:

Mail Address: Ministere de la Jeunesse et des Sports
485 Charia Mohammed V
Rabat, Maroc

Alternate address for cables: telex 31972 Jensport

To USAID/Rabat:

Mail Address: Agency for International Development
137 avenue Allal Ben Abdallah
Rabat, Morocco

Alternate address for cables: 31005 M

Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID/Rabat Mission with a copy of each communication sent to A.I.D./Washington.

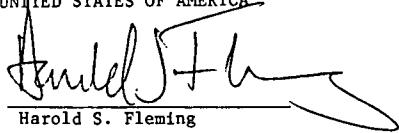
SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of the Minister of Youth and Sports and A.I.D. will be represented by the individual holding or acting in the office of the Mission Director, each 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 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

SECTION 8.4. Language of Agreement. This Agreement is prepared in both English and French. In the event of ambiguity between the two versions, the English Language version will control.

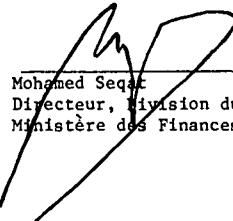
IN WITNESS WHEREOF, the Kingdom of Morocco and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names as of the day and year first above written.

UNITED STATES OF AMERICA



Harold S. Fleming
Director,
United States Agency for International
Development Mission to Morocco

KINGDOM OF MOROCCO



Mohamed Segat
Directeur, Division du Budget
Ministère des Finances

¹ See footnote 1, p. 4149.

ANNEX 1

AMPLIFIED DESCRIPTION OF THE PROJECT

The Moroccan Government has established an official women's division in the Ministry of Youth and Sports. This division is called Promotion Feminine. The expressed goals of Promotion Feminine are broad and rather general, but they may be summarized as an attempt to foster the social, cultural, and economic advancement of women through education, training, and employment. It has a staff of over 1,200 women civil servants who are stationed in all 33 provinces as well as at the central ministry. Seventy-five of these women are managers who implement the particular programs of Promotion Feminine and coordinate other official and non-official programs benefitting women. Another 1,100 are instructors (monitrices) who staff the 344 women's centers (foyers feminines) located throughout the country. The foyer program is essentially a home economics training program with some small efforts in handicrafts and job training for the modern sector: hairdressers, typists, and nursery school teachers. Some 45,000 women attend the foyers regularly.

The GOM is not satisfied with the limited effectiveness of this program and has requested AID's intervention in strengthening the infrastructure of Promotion Feminine by staff training and by revamping the program to make it more responsive to the training and employment needs of Moroccan women in both the rural and urban areas. This is the basis of the proposed project.

Although the proposed project is highly focussed and limited--when viewed in the context of Morocco's overall human resources needs--it is, nevertheless, somewhat complex in its organization. Recognizing the need for certain fundamental changes in Promotion Feminine's program directory, the project has adopted a phased approach. There are five interrelated activities: (1) development of baseline data; (2) organizational development; (3) job development; (4) curriculum development; (5) evaluation and dissemination of positive results and methods throughout the Promotion Feminine system.

The purpose of the program, therefore, is to strengthen the infrastructure of Promotion Feminine to enable it to develop and undertake a program to foster new training and employment opportunities for women throughout Morocco. The targeted beneficiaries are the 45,000 illiterate and semi-literate women clients (potentially 100,000 yearly) who regularly participate in the activities of Promotion Feminine.

The three phases of the project are described below.

A. Phase I

During the first phase of the project, necessary background information will be assembled for the major activities envisioned: organizational development, job development, and curriculum.

development. Much of the groundwork has been laid for the first of these activities. Promotion Feminine holds frequent regional and national level meetings of its staff. At these meetings, the staff has a chance to discuss problems they face in running their programs such as need for more staff and other resources, and their own needs for additional training. From these sessions, the central office of Promotion Feminine has formed a fairly clear picture, if somewhat broad in scope, of the skills upgrading its staff needs if it is to take on the new programs which it envisions. Broadly conceived, these skills might be characterized as applied social work, or perhaps community outreach. They involve improvement in techniques for working with other service organizations to meet those needs, and for planning, managing, and eventually evaluating new programs relating to specific local groups or even individuals.

At present, there are no opportunities for Promotion Feminine's administrative cadre to receive the specialized training it needs in Morocco. First, there is no school of social work. There certainly is no facility offering training equivalent to the practical or applied training suggested above. Second, although the administrative staff of Promotion Feminine is a talented and experienced cadre, most of them lack the academic degrees which are the prerequisite for entrance to advanced formal education programs in Morocco. Moreover, there is great variation in ages and experience among the staff, with the older and more experienced women generally having less formal schooling.

During the initial phase of the project, therefore, it will be necessary to canvass the national and provincial managerial staff of Promotion Feminine to determine the specific nature of their duties and responsibilities, to assess their receptivity to training, and to identify the managerial and organizational problems of the various provinces. There are distinct regional differences as well as urban/rural differences which will require different approaches as well as different instructional content. From the collection and analysis of this data will evolve the content and methodology to be used in upgrading the managerial skills of these women.

The second important feature of this phase involves the generation of data on employment and employment potentials for women with relatively little education. For this aspect of the project background data are also required. While there are a number of studies planned or underway that should help provide increased data concerning employment in Morocco, it is safe to predict that relatively few of these studies will address the question of employment opportunities for women at the level reached by Promotion Feminine, especially outside the several regional industrial centers.

A study is, therefore, required to establish baseline data on current and potential economic roles for these Moroccan women, including existing and potential employment opportunities for such women throughout the country, province by province. This information is essential to the establishment of a Job Development Unit within Promotion Feminine, and the study should be supervised by the persons responsible for establishing the Unit. Since one of the outcomes anticipated from the project is to make efforts such as the Job Development Unit a permanent feature of the program of Promotion Feminine, it will be necessary--during this preliminary stage of the project--to recruit two Moroccans to staff the Unit. (They will be given long-term training in such applied economic fields as job development, human resources development, research techniques, market analysis, cooperatives, et. al.)

The third and last feature of this phase of the project is an assessment of the existing curriculum of the Royal Training Center at Rabat used in training the monitrices and the curriculum in the 344 foyers feminines which are providing education and training for 45,000 women. Both of these curricula will be changed and greatly improved during the course of the project. Much will depend on the success of the organizational and job development aspects of the project. As the managers become more skilled in identifying problems and designing programs to resolve these problems, the curricula will be so affected. Likewise, as new job possibilities are developed in the various regions, the job training provided at the foyers and the teacher training at the RTC will become more pragmatic and relevant to the demonstrated needs.

Since the goal of this project is to leave behind not only a well trained staff, but also the capacity to continue such community outreach training in Morocco, it will also be necessary during the first months of the project to recruit four Moroccans (who eventually will be assigned permanently to the Royal Training Center as instructors) for long-term training in the United States in four important areas: (1) non-formal education; (2) vocational training; (3) sociology and community outreach; and (4) health, nutrition, and family planning.

In summary, then, the first phase of the project will result in the following conditions:

-- Development and analysis of baseline data on the operation of Promotion Feminine at the national and provincial levels, including information on the nature of individual job responsibilities, the capacity of the staff to handle the work, staff perception of its needs (for training, for additional staff and for other resources) and staff perception of the needs of women in the local community and opportunities for Promotion Feminine to expand its program to meet those needs.

-- Preparation of a schedule of training for the entire staff, including recommendations as to content and duration of training.

-- Development and analysis of baseline data on economic opportunities for women in Morocco, based on a province by province survey of (1) existing economic roles of women, (2) new employment opportunities, and (3) availability of or need for training programs, job counselling, and centers, credit facilities, etc., for women.

-- Recruitment and selection of six Moroccans (for long-term training in specific fields) for assignment to a Job Development Unit of Promotion Féminine and to the training staff of the Royal Training Center for Monitrices.

B. Phase II

The second phase of the project extends over a three-year period, and involves several different training programs. These include (1) long-term training in the United States in human resources economics for the two-person staff of the Job Development Unit; (2) long-term training in the United States for the four-person training program of the Royal Training Center in the areas of (a) non-formal and vocational education, (b) sociology and community outreach and (c) health, nutrition, and family planning; (3) in-country training in Rabat for women on the national and provincial-level staff of Promotion Féminine in techniques of program planning, analysis, management, and evaluation as they relate to non-formal education, vocational training, community outreach, and job development; (4) extensive instruction in the topics of non-formal education, health and nutrition, and sociology for the approximately 140 new monitrices who will undertake training at the Royal Training Center during the three years of the project; and (5) in-country training at regional seminars for the 1,052 monitrices currently teaching at the 344 foyers féminins, including the directresses.

While the staff of the Job Development Unit is receiving long-term training in the United States, two technicians will be assigned to Promotion Féminine (1) to undertake in collaboration with the Chief of Promotion Féminine the survey of employment opportunities for women, (2) to establish the Job Development Unit and launch the small grant program, (3) to provide guidance to the staff of the Unit following training, and (4) to work with the staff to evaluate the effectiveness of the small program and establish it on a continuing basis. It is important that the project technicians not only have a solid background in applied economics but also practical experience in establishing cooperatives and the like.

While the permanent staff of the Royal Training Center is receiving long-term training in the United States, a project training team will be assigned to the RTC to establish the non-formal and vocational education training program. The team will consist of four trainers with competence in the areas of: (a) non-formal

education and vocational training, (b) sociology and community outreach, and (c) health, nutrition, and family planning. (While the two languages of instruction at the RTC are French and Arabic, Arabic is the preferred means of communication.) The task of this Training Unit will be not only to teach the new monitrices who attend the RTC each year in preparation for joining the foyers feminines program, but also to develop special training material for the provincial staff of Promotion Feminine in important fields related to their on-going work (community outreach, program development and management, non-formal education, vocational training, and the like). The Training Unit will (1) run short-term modules for the management staff of Promotion Feminine and the instructional staff of the foyers feminines, both in Rabat and at regional seminars, (2) provide guidance to the permanent staff of the Training Unit following their retraining program in the United States, (3) work with the staff to evaluate the performance of the Promotion Feminine staff following training, and (4) undertake an evaluation of the effectiveness of the teaching and training modules developed, and revise those materials accordingly.

The goal of this project is to ensure that the Promotion Feminine has a well trained staff capable of taking on new and innovative programs for women in every province of the country. This managerial training has to be appropriate to the needs, abilities, and situations of the users. To assure its appropriateness and relevance, the training will be held in Rabat and in the provinces, and will be done on a continuous three-year basis. The training will be done in intensive blocks of four weeks at the Ministerial Training Centers in Rabat followed by on-the-job experience in the provinces. Follow-up by the joint American/Moroccan training staff will allow for application and feedback between the instructional sessions in the capital. The content of the training modules could then evolve with the abilities and needs of the participants.

This training is aimed at two levels. First the 70 managers of the Promotion Feminine program, located in Rabat and in all 33 provinces of the country; and second, the directors of the 344 foyers feminines located throughout Morocco. This training would include both management techniques and research techniques associated with program planning and evaluation. The training program is also expected to emphasize techniques of training, so that these managers and foyer directors can continue the training program with their staffs.

Another element of the training program involves the 22 months of training which all new monitrices receive at the Royal Training Center. In January 1979, 70 new monitrices will enter training. (Forty women now enrolled at the RTC will complete their training in December 1978. If possible, Promotion Feminine would like these women to benefit from the technical expertise of the project staff by means of accelerated seminars planned for October, November and December.) These women have 12 years of formal education and have

successfully passed a national competitive examination. These women are capable of college-level training. Unfortunately, too much of their training at RTC is focussed on homemaking, which, to date, constitutes the major feature of the foyers feminines program for which they are being prepared. The RTC would like to broaden and elevate its curriculum, but its permanent staff is small and its efforts at enlisting the instructional resources of the university and other GOM agencies have met with only partial success. On an irregular basis, the standard curriculum of homemaking and handicrafts is supplemented by courses in sociology, psychology, educational techniques, nutrition, family planning, and Islamic culture.

Promotion Feminine wants to create a greatly upgraded training program at the Royal Training Center with a permanent staff to teach as many of the courses mentioned above as possible. Beginning with this project, and the establishment of the training office at the Royal Training Center (first on a contract basis, later with permanent Moroccan staff), each new group of monitrices will be given a far superior training program to that which has been given in the past. As mentioned earlier, this curriculum will evolve as progress is made in the job development component of the project and as women managers learn to apply their newly learned managerial and analytical skills. Over the course of the project, more than 140 new monitrices will benefit directly from this new training capacity at RTC.

The final element of the training phase would be the provision of short-term in-service training for the instructional staff of the 344 foyers feminines serving 45,000 women. These 1,052 monitrices are all civil servants and have received an initial 11 months of training at the National Training Center. The project will attempt to recycle these instructors at regional seminars to upgrade their teaching skills and to heighten their awareness of the program goals and objectives of the new directions of the Promotion Feminine program.

To summarize, then, at the end of the second phase of this project, the following will have been achieved:

-- 70 provincial leaders in the Promotion Feminine program will have been given special managerial training in Morocco through programs specially tailored to their needs;

-- Approximately 140 new monitrices will have benefitted from the new expertise at the Royal Training Center, and will have received professional-level training in the areas of vocational training, non-formal education, educational methodologies, sociology, community outreach, nutrition, family planning, and health;

-- 1,052 monitrices and directresses responsible for the program at the 344 foyers feminines will receive in-service training at special regional seminars to upgrade their teaching skills and overall performance;

-- Four Moroccans will have received long-term training in the United States in (1) non-formal and vocational education, (b) sociology and community outreach, and (c) health, nutrition, and family planning and will be assigned permanently to the staff of the National Training Center; and

-- Two Moroccans will have received long-term training in the United States in applied economics fields and will be assigned permanently to the staff of the Job Development Unit of Promotion Feminine.

C. Phase III

Based in part upon the province-by-province study of economic opportunities for women, and in part upon already received stimuli, through initial training results, Promotion Feminine will undertake a series of innovative, pilot activities designed to open up income generating possibilities for the 45,000 girls and women participating in its program. Among these, but not limited to them, will be the creation of a Job Development Unit and an experimental small entrepreneurial supply fund program. Other potential activities include experimental revamping of critical portions of Promotion Feminine's curriculum in its community training centers, the Foyers Feminins, experimentation with home-based teaching, use of motivational and knowledge-increasing mass media for women, and response by Moroccan women. It is anticipated that short-term consultants will be utilized as required for certain of the experimental activities attempted.

This experimental program demands the collaboration of individual women at the local level, trained community development people at the provincial level, and a professional economic staff at the national level. The program is based on the premise that local people are in the best position to identify possible opportunities for new income-producing activity, and that they will seize whatever opportunities exist if given necessary technical information and capital. For example, the provincial staff of Promotion Feminine will provide the linkage between the local women and the experimental Job Development Unit. That staff will be expected to pursue ideas generated by the employment survey (as well as suggestions of local individuals) and will work with local individuals or groups to prepare sufficient information about the proposed activity to enable the Job Development Unit to make an assessment of the economic feasibility of the activity. The Provincial Staff is likely to request some technical expertise to investigate or establish a certain new economic activity.

One of the more innovative aspects will be the establishment on a pilot basis of a small-scale entrepreneurial supply fund (\$300,000). The basic concept is to permit Promotion Feminine to supply a limited number of women with a small amount of seed capital with which an individual could begin a very low-level business, such as selling small household products, the manufacture of which she has learned through Promotion Feminine.

While it will be difficult to make absolutely final assessments on the soundness of individual projects funded under the supply program, beginning approximately one year after the first grant is made, Promotion Feminine will begin preliminary assessments of the viability of particular projects. It will also assist those that appear particularly sound to obtain additional funding from other sources, presuming this is requested.

The Job Development Unit will manage the entrepreneurial supply fund. Under the best possible conditions, the supply fund should be swamped with good, economically feasible proposals; realistically, it is likely to have more proposals than it will be able to fund. In this situation, it can be expected that -- in addition to its function of stimulating employment opportunities for women -- the Job Development Unit might act as an intermediary for the local individuals or groups and would seek to find funding for such activities from other sources.

The entrepreneurial supply fund is to be used to initiate income-generating activities for women throughout the country on an experimental basis. In advance of preliminary market feasibility studies province by province, it is difficult to specify the nature and scope of the activities to be undertaken; at this point, it is even difficult to specify the procedures that will be followed in operating the fund. At the same time, it is important to ensure that the Job Development Unit will have the \$300,000 "venture capital" with which to work in developing its program.

The \$300,000 entrepreneurial supply fund will be a separate line item in the Project Agreement. The Job Development Unit will not have access to the fund until it has submitted to AID a detailed proposal for expenditure of the money — including both types of activities that will be initiated, province by province, and procedures for operating the fund. This plan can only be submitted after the preliminary market survey has been undertaken and an investigation of existing cooperative and credit lending institutions and procedures has been completed. These studies will be undertaken during the first 6-9 months of the project. Among the criteria that will be applied by AID in approving the use of the fund are: (1) involvement of Moroccan counterparts in administering

all aspects of the job development program, including the financial procedures in establishing and operating the entrepreneurial supply fund, technical evaluation of proposals, and monitoring of individual grant activities; (2) selection of project areas where credit is not generally available; (3) likely economic viability of activities; (4) prospects of employment for a number of women; (5) diversity of approach (since this activity is experimental, AID is looking for a variety of activities requiring a variety of skill levels and varying amounts of capital input); and (6) representation of all economic regions of the country, and both urban and rural locations.

D. Summary of Outputs

1. Senior staff of Promotion Féminine trained in modern techniques of management, program development, and community outreach.
2. Instructional staff of Promotion Féminine trained in modern techniques of vocational training and non-formal education for women.
3. Appropriate staff and program established at the Royal Training Center for 140 new monitrices.
4. Set up of Job Development Unit in Promotion Féminine on a continuing basis to identify and promote employment opportunities in rural and urban areas for women.
5. Revision of the institutional program of the 344 foyers féminines, to meet the job-specific training and basic education needs of the 45,000 women who participate in the program.

E. Summary of Inputs

1. Technical services of seven experts: one social scientist/educator as team leader; two job development experts; four trainers; and five short-term consultants. It is expected that technical assistance will be provided by a contract between the Kingdom of Morocco and a qualified contractor.

2. The contractor will arrange for graduate training in the United States for six Moroccan women, two of whom will serve in the Job Development Unit and four of whom will serve on the staff of the Royal Training Center for Monitrices; in-country training for 70 women managers and 1,262 women instructors (monitrices) of Promotion Féminine.

3. Entrepreneurial supply fund (\$300,000 local currency equivalent) to provide small grants for new entrepreneurial endeavors and other experimental job opportunities and business enterprises for women.

4. Commodities include technical training equipment and supplies, and two vehicles for the contract staff for follow-up training exercises and job development activities in the eight economic regions of Morocco. The contractor will be responsible for commodity procurement.

F. Job Descriptions of Contract Technicians

1. Team Leader -- (background in education, with field experience in developing world, familiarity with and sensitivity to "women-in-development" issues, and understanding of Moroccan cultural context for this program) in collaboration with her Moroccan counterpart

- provides overall direction for the project;
- responsible for identifying need for and recruiting of short-term technical assistance
- oversees work of the Job Development team
- oversees work of the management training team
- oversees work of the teacher-training team
- participates in recruitment of supplemental staff, as necessary
- establishes evaluation system to monitor management and teacher training, and oversees results
- works directly with counterparts in Promotion Féminine to review the work of the Office and to schedule training programs
- submits quarterly reports to USAID and Minister of Youth and Sports on progress of project.

2. Job Development Team (two individuals, one to concentrate on program in rural areas, the other in urban areas. Requires knowledge of vocational training field, experience in community development efforts in the developing world, and an understanding of economic feasibility analysis as related to small industries, cooperatives, and individual entrepreneurial ventures. Some experience in area of agro-business useful)

- undertakes study of job opportunities for women in urban and rural locales and evaluates job possibilities with greatest potential for success
- advises team leader on training and equipment needs to implement in-foyer training associated with specific job opportunities identified
- works with teacher training team in revising curriculum to include specific job skills training in specific foyers
- monitors results of individual employment opportunity projects, including advising on additional technical or material assistance needed (and financed under Job Development Sub-Grant)

- evaluates success of Job Development efforts in terms of profitability, numbers employed, and replicability.
- 3. Management Training Team -- (two individuals, one specialized in organizational development, the other in techniques of management training)
 - works with team leader and GOM counterparts to survey entire Promotion Feminine organization; outlines specific content of management training program for various levels of manager staff
 - establishes schedule for training for managers and foyer administrators that includes courses in Rabat, regional seminars, and supervises on-the-job management projects
 - advises team leader in cases where individualized, specialized training outside the country is required
 - participates in evaluation of effectiveness of management training program
 - works with staff of Royal Training Center and School of Public Administration to train staff to carry on similar training programs in the future, and supervises indigenous staff in development and management of these training programs.
- 4. Curriculum Development/Teacher Training Team --(two individuals, among whom the following skills are represented: non-formal education techniques, curriculum development, development of teaching materials, evaluation of training programs, and the following substantive fields: literacy, family health/family planning, basic quantitative skills)
 - evaluates training program as it is being presented at Royal Training Center and implemented in foyers throughout the country
 - provides assistance in improving course content of existing curriculum (literacy, health, etc.) as well as specific training in more effective teaching techniques
 - recommends to team leader need for short-term technical assistance for specific topics related to the foyer curriculum and training of monitrices (for instance, assistance in developing teaching materials for a literacy program)
 - supervises the integration of new curriculum and materials into the foyer system, and evaluates effectiveness of same
 - recommends modification of curriculum or teaching techniques to suit needs of women in particular regions of the country
 - works with job development team to integrate specific skills training programs into specific foyers
 - participates in planning and running of regional seminars for the managerial staff
 - participates in expanding and improving program of "recyclage" for the existing monitrice cadre.

Attachment 1 of Annex 1

PROJECT FINANCIAL PLAN
 (Source and Application of Funding - \$ Millions)

As of 14 August 1978

Project No 608-0139

<u>Project Inputs</u>	Amount for an Incrementally Funded Project				
	Cumulative Obligations/ Commitments as of 14 August 1978		Future Years Anticipated	Total	
	GOM	A.I.D.	GOM	A.I.D.	GOM
A.I.D.					
Technical services	1 832	0 858	2 690		
Training	0 279	0 559	0 838		
Job Development Fund	0 100	0 200	0 300		
Commodities	0 080	0 160	0 240		
Inflation/Contingency	-	0 267	0 267		
P F Operating Costs	800	800		1 600	
Total	2 291	800	2 044	800	4 335
					<u>1 600</u>

TIAS 9453

Projet de l'A.I.D. No. 608-0139

Accord de Projet No. 608-78-004

ACCORD DE DON POUR UN PROJET
ENTRE
LE ROYAUME DU MAROC
ET
LES ETATS-UNIS D'AMERIQUE
EN FAVEUR DE
L'INSTRUCTION NON-SCOLAIRE DES FEMMES

Rabat, le 14 Aout 1978

Projet de l'A.I.D. No. 608-0139

ACCORD DE DON POUR PROJET

En date du 14 Aout 1978

Entre

Le Royaume du Maroc, par l'intermédiaire du Ministère de la Jeunesse et des Sports ("Bénéficiaire")

Et

Les Etats-Unis d'Amérique, par l'intermédiaire de l'Agence pour le Développement International ("A.I.D.")

Article 1 : L'Accord

L'objet du présent Accord est de fixer les conditions que doivent remplir les parties susmentionnées ("Parties") quant à l'exécution par le Bénéficiaire du Projet décrit ci-dessous et quant au financement du Projet par les Parties.

Article 2 : Le Projet

SECTION 2.1. Définition du Projet. Le projet, qui est décrit plus en détail à l'Annexe 1, a pour objet de renforcer l'organisation et l'action de la Promotion Féminine au sein du pays Bénéficiaire, pour lui permettre de développer et mettre en oeuvre un programme visant à élargir les possibilités de formation et d'emploi pour les femmes à travers le Maroc. Les principales caractéristiques de ce projet sont les suivantes:

- (1) formation au Maroc des cadres de la Promotion Féminine au bureau central et dans les 36 provinces et préfectures en matière de gestion et d'organisation;
- (2) formation et recyclage des enseignants, à la fois pour améliorer les programmes d'études en vigueur dans les foyers et pour intégrer un élément de formation professionnelle dans ces programmes;
- (3) établissement d'une unité de développement de l'emploi au sein de la Promotion Féminine dans le but de : (a) identifier les possibilités d'emploi génératrices de revenus pour les femmes dans l'ensemble du Maroc et spécifier la formation, le crédit, l'équipement, etc., nécessaires pour promouvoir ces possibilités; (b) coordonner les crédits d'assistance

technique et les capitaux d'amorçage destinés aux foyers pour la création d'emplois; et (c) organiser des programmes de formation liés à l'emploi dans des foyers déterminés;

- (4) formation de six cadres permanents de la Promotion Féminine en vue de leur affectation à l'Unité de Développement de l'Emploi et à l'Institut Royal de Formation des Cadres de la Jeunesse et des Sports.

L'Annexe 1 ci-jointe explicite la définition du Projet susmentionné. Dans les limites de la définition précitée du Projet, les éléments de la description élargie énoncée à l'Annexe 1 peuvent être modifiés par accord écrit des représentants agréés des Parties nommées à la Section 8.2., sans amendement officiel du présent Accord.

SECTION 2.2. Modalités de décaissement du Don.

(a) La contribution de l'A.I.D. au projet se fera par tranches cumulatives, la première étant mise à disposition conformément à la Section 3.1. du présent Accord. Des tranches ultérieures seront sujettes à la disponibilité des fonds de l'A.I.D. à cette fin, ainsi qu'à l'accord mutuel des Parties de poursuivre le Projet, au moment de chaque nouvelle tranche.

(b) Dans la période allant jusqu'à la date d'achèvement d'assistance au Projet énoncée dans le présent Accord (cf. Section 3.3.a.), l'A.I.D., après consultation avec le Bénéficiaire, peut préciser dans les lettres d'exécution du Projet les périodes appropriées pour l'utilisation des fonds accordés par l'A.I.D. au titre de chaque tranche d'assistance.

Article 3 : Financement

SECTION 3.1. Le don. Pour aider le Bénéficiaire à financer les coûts de l'exécution du Projet, l'A.I.D., conformément à la loi 1961 sur l'aide étrangère telle qu'elle a été amendée, accepte d'accorder au Bénéficiaire aux termes du présent Accord un montant qui ne dépassera pas deux millions deux cent quatre vingt onze mille dollars des Etats-Unis ("E.U.") (\$2.291.000) ("Don").

Le don peut être utilisé pour financer les coûts en devises comme défini à la Section 6.1. et les coûts en monnaie locale comme défini à la Section 6.2., des biens et services nécessaires à l'exécution du Projet.

SECTION 3.2. Ressources du Bénéficiaire pour l'exécution du Projet

(a) Le Bénéficiaire accepte de fournir ou de faire fournir pour l'exécution du Projet, tous les fonds, outre le don et toutes les autres ressources requises pour exécuter efficacement et en temps voulu le Projet.

(b) Les ressources fournies par le Bénéficiaire pour le Projet ne seront pas inférieures à l'équivalent de dollars E.U. 800,000, y compris les coûts supportés sur une base "en nature".

SECTION 3.3. Date d'achèvement d'assistance au Projet

(a) La "date d'achèvement d'assistance au Projet" (DAAP), à savoir le 30 juin 1982 ou toute autre date dont les Parties peuvent convenir par écrit, est la date à laquelle les Parties estiment que tous les services financés au titre du Don auront été exécutés et que tous les biens financés au titre de ce Don auront été fournis pour l'exécution du Projet comme l'envisage le présent Accord.

(b) A moins que l'A.I.D. n'en convienne autrement par écrit, elle ne publiera ni n'approuvera des documents qui autoriseraient le décaissement du Don pour la prestation de services exécutés après la DAAP ou pour des biens fournis aux fins du Projet comme l'envisage le présent Accord, après cette date.

(c) Les demandes de décaissement, accompagnées des pièces justificatives nécessaires qu'indiquent les lettres d'exécution du Projet, doivent parvenir à l'A.I.D. ou à la banque mentionnée à la Section 7.1. au plus tard neuf (9) mois après la DAAP ou toute autre période dont l'A.I.D. convient par écrit. Après avoir envoyé avis écrit au Bénéficiaire, l'A.I.D. peut à n'importe quel moment réduire le montant du Don de tout ou partie de ce montant pour lequel les demandes de décaissement accompagnées des pièces justificatives nécessaires qu'indiquent les lettres d'exécution du Projet, n'ont pas été reçues avant l'arrivée à expiration de ladite période.

Article 4 : Conditions à remplir avant le décaissement

SECTION 4.1. Premier décaissement. Avant le premier décaissement effectué au titre du Don ou avant la publication par l'A.I.D. des documents en vertu desquels le décaissement sera fait, le Bénéficiaire, à moins que les Parties n'en décident autrement par écrit, fournira à l'A.I.D. sous une forme et dans un fond établis à la satisfaction de cette dernière un contrat de prestation de services techniques conseils pour l'exécution du Projet acceptable par l'A.I.D. avec un organisme agréé par celle-ci.

SECTION 4.2. Autres décaissements

(a) L'A.I.D. finaniera l'établissement d'un Fonds d'Avances réservé aux actions génératrices d'emplois, d'un équivalent en monnaie locale de Dollars E.U. 300,000 devant être décaissé en trois tranches annuelles chacune équivalente à Dollars E.U. 100,000 en monnaie locale.

(b) Avant le décaissement du Fonds d'Avances génératrice d'emplois, le Bénéficiaire fournira sous une forme et dans un fond jugés acceptables par l'A.I.D., un plan de gestion du Fonds indiquant notamment l'entité habilitée à gérer le Fonds ainsi que les critères relatifs à l'approbation des activités devant être financées par ce Fonds.

(c) Avant le décaissement de la troisième tranche en faveur du Fonds d'Avances génératrice d'emplois, le Bénéficiaire : (1) justifiera une participation financière d'un montant équivalent à celui du troisième versement pour permettre à l'Unité de Développement de l'Emploi d'exécuter ses fonctions par l'intermédiaire du Fonds d'Avances génératrice d'emplois et (2) examinera et envisagera l'institutionnalisation éventuelle des opérations du Fonds, de préférence sur une base de prêts au-delà de la durée du Projet.

SECTION 4.3. Notification. Lorsque l'A.I.D. aura établi que les conditions mentionnées à la Section 4.1. ont été remplies, elle le notifiera rapidement au Bénéficiaire.

SECTION 4.4. Dates finales d'accomplissement des conditions susmentionnées. Si toutes les conditions mentionnées à la Section 4.1. n'ont pas été remplies dans les 180 jours qui suivent la date de signature du présent Accord ou à une date ultérieure dont l'A.I.D. peut convenir par écrit, l'A.I.D. a la faculté de mettre fin au présent Accord par avis écrit envoyé au Bénéficiaire.

Article 5 : Conventions spéciales

SECTION 5.1. L'évaluation du Projet. Les parties décident d'établir un programme d'évaluation qui fera partie du Projet. Sauf indication contraire des parties par écrit, le programme comprendra pendant l'exécution du Projet et à un ou plusieurs moment(s) par la suite :

- (a) une évaluation de l'état d'avancement du Projet;
- (b) l'identification et l'évaluation des problèmes ou des contraintes qui peuvent entraver la réalisation des objectifs fixés;
- (c) l'évaluation de la manière dont ces observations peuvent être utilisées pour contribuer à surmonter ces problèmes; et
- (d) l'évaluation dans la mesure du possible de l'incidence globale du Projet sur le développement.

SECTION 5.2. Statut de la Promotion Féminine. Pour renforcer le rôle et l'autorité de la Promotion Féminine à travers l'amélioration de son programme d'instruction des femmes, le Bénéficiaire jugera s'il est souhaitable de relever la Promotion Féminine à l'intérieur de la structure administrative du Ministère de la Jeunesse et des Sports.

Article 6 : Source d'achat

SECTION 6.1. Coûts en devises. Conformément à la Section 7.1., les décaissements seront uniquement utilisés pour financer les coûts des biens et services requis pour l'exécution du Projet et ayant leur source et origine aux Etats-Unis (Code 000 du Code Géographique de l'A.I.D. tel qu'il est en vigueur à l'époque où les commandes sont placées et les marchés passés dans ces biens et services) ("Coûts en devises") à moins que l'A.I.D. n'en convienne autrement par écrit et à moins que la Section C.1.b. de l'Annexe sur les dispositions types du Don pour Projet n'en stipule autrement quant à l'assurance maritime.

SECTION 6.2. Coûts en monnaie locale. Conformément à la Section 7.2., les décaissements seront uniquement utilisés pour financer les coûts des biens et services nécessaires à l'exécution du Projet et ayant leur source et, à moins que l'A.I.D. n'en convienne autrement par écrit, leur origine au Maroc.

Article 7 : Décaissements**SÉCTION 7.1. Décaissement des coûts en devises**

(a) Après avoir rempli avec satisfaction les conditions sus-mentionnées, le Bénéficiaire peut obtenir le décaissement des fonds au titre du Don pour le financement des coûts en devises des biens et services nécessaires à l'exécution du Projet et ce, conformément aux termes du présent Accord, par le jeu des méthodes ci-après qui auront été convenues d'un commun accord :

(1) en présentant à l'A.I.D., accompagnées des pièces justificatives nécessaires comme le stipulent les lettres d'exécution du Projet, (A) les demandes de remboursement de ces biens et services ou (B) les demandes à l'A.I.D. d'achat des biens et services au nom du Bénéficiaire pour l'exécution du Projet; ou

(2) en demandant à l'A.I.D. d'émettre des lettres d'engagement pour des montants donnés (A) à une ou plusieurs banque(s) des Etats-Unis, acceptables par l'A.I.D., engageant l'A.I.D. à rembourser cette banque ou ces banques pour les paiements effectués par elle à des entrepreneurs ou fournisseurs, dans le cadre de lettres de crédit par exemple, pour l'achat de ces biens et services ou (B) directement à un ou plusieurs entrepreneurs ou fournisseurs engageant l'A.I.D. à payer ces entrepreneurs ou fournisseurs pour l'achat de ces biens et services.

(b) Les frais bancaires encourus par le Bénéficiaire pour ce qui est des lettres d'engagement et des lettres de crédit seront financés au titre du Don à moins que le Bénéficiaire n'instruise l'A.I.D. de faire le contraire. Les autres frais dont les Parties peuvent convenir peuvent également être financés dans le cadre du Don.

SECTION 7.2. Décaissement pour le financement des coûts en monnaie locale

(a) Après avoir rempli avec satisfaction les conditions susmentionnées, le Bénéficiaire peut obtenir les décaissements des fonds au titre du Don pour le financement des coûts en monnaie locale nécessaire à l'exécution du Projet conformément aux termes du présent Accord en soumettant à l'A.I.D. les demandes de financement de ces coûts accompagnées des documents justificatifs requis comme le stipulent les lettres d'exécution du Projet.

(b) La monnaie locale requise pour ces décaissements peut être obtenue par l'A.I.D. L'équivalent en dollars de la monnaie locale rendu disponible au titre du Don sera le montant en dollars E.U. requis par l'A.I.D. pour obtenir la monnaie locale.

SECTION 7.3. Autres formes de décaissement. Les décaissements du Don peuvent également s'effectuer par d'autres moyens dont les Parties peuvent convenir par écrit.

Article 8 : Divers

SECTION 8.1. Communications. Tout avis, demande, document ou autre communication présenté par une Partie à l'autre dans le cadre du présent Accord sera présenté par écrit, télégramme ou par câble et sera considéré comme remis ou envoyé lorsqu'il parviendra à la partie intéressée à l'adresse ci-après :

Au Bénéficiaire : Ministère de la Jeunesse et des Sports

Adresse: 485 Charia Mohammed V
Rabat, Maroc

Adresse télégraphique : Telex 31972 Jensport

A l'USAID/Rabat : Agency for International Development

Adresse: 137 avenue Allal Ben Abdallah
Rabat, Maroc

Adresse télégraphique : 31009 M

D'autres adresses peuvent remplacer les adresses ci-dessus sur avis des intéressés. De plus, le Bénéficiaire fournira à la Mission de l'USAID/Rabat une copie de chaque communication envoyée à l'A.I.D./Washington.

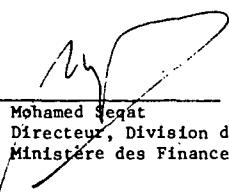
SECTION 8.2. Représentants. Aux fins du présent Accord, le Bénéficiaire sera représenté par une personne occupant le poste de ou agissant au nom du Ministère de la Jeunesse et des Sports et l'A.I.D. sera représentée par une personne occupant le poste de ou agissant pour le compte du Directeur de la Mission, chacun d'eux pouvant, par avis écrit, désigner d'autres représentants à toutes les fins autres que celles d'exercer le pouvoir au titre de la Section 2.1. de réviser les éléments de la description élargie à l'Annexe 1. Les noms des représentants du Bénéficiaire accompagnés des signatures spécimen seront communiqués à l'A.I.D. qui acceptera comme dûment agréé n'importe quel instrument signé par ces représentants en application du présent Accord jusqu'à réception de l'avis écrit de révocation de leur autorité.

SECTION 8.3. Annexe relative aux dispositions standard. Une "Annexe relative aux dispositions standard régissant le Don pour Projet" (Annexe 2) figure ci-joint au présent Accord et en fait partie.

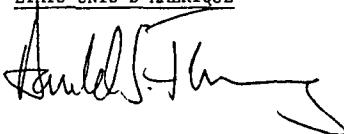
SECTION 8.4. Libellé de l'Accord. Le présent Accord est rédigé en anglais et en français. En cas d'ambiguité entre les deux versions, la version anglaise seule fera foi.

EN FOI DE QUOI, le Royaume du Maroc et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de son représentant dûment agréé, ont fait signer le présent Accord en leur nom à la date de l'année susmentionnée.

ROYAUME DU MAROC


Mohamed Segat
Directeur, Division du Budget
Ministère des Finances

ETATS-UNIS D'AMERIQUE


Harold S. Fleming
Director,
United States Agency for International
Development Mission to Morocco

Annex 1

DESCRIPTION AMPLIFIÉE DU PROJET

Le gouvernement du Maroc a créé un département de la Promotion Féminine au sein du Ministère de la Jeunesse et des Sports. Les objectifs de ce département englobent une large gamme d'activités d'ordre générale, mais peuvent être considérés cependant comme une tentative de promotion des femmes dans les domaines social, culturel et économique à travers l'éducation, la formation et l'emploi. Le personnel de la Promotion Féminine se compose de plus de 1.200 femmes ayant le statut de fonctionnaires et réparties dans les trente-trois provinces ainsi qu'au bureau central. Soixante-quinze de ces femmes sont des gestionnaires qui assurent la mise en œuvre des programmes spéciaux de la Promotion Féminine et la coordination des programmes officiels ou non, conçus pour l'amélioration de la condition féminine. Les 344 foyers féminins fonctionnant dans l'ensemble du pays sont pourvus de monitrices dont le nombre s'élève à 1.100. Ils offrent des programmes portant essentiellement sur l'économie domestique et s'orientant accessoirement vers la formation artisanale et professionnelle dans le secteur moderne: coiffure, dactylographie et puériculture. Quelques 45.000 femmes suivent régulièrement les cours organisés par ces foyers.

Le gouvernement marocain, désireux d'accroître l'efficacité du département de la Promotion Féminine, a fait appel à l'AID pour renforcer l'infrastructure existante par le biais de la formation du personnel et par le remaniement du programme d'activités exercées par la Promotion Féminine, de façon à mieux répondre aux exigences de formation et d'emploi des femmes marocaines dans les régions rurales et urbaines. Cette intervention constitue la base du projet envisagé.

Bien que le projet considéré corresponde à des objectifs précis et limités - quand on le place dans le contexte des besoins globaux du Maroc en ressources humaines - les problèmes soulevés par son organisation sont relativement complexes. Pour tenir compte de certaines modifications essentielles que nécessitent les programmes de la Promotion Féminine, le projet a été conçu en plusieurs phases. On distingue cinq activités interdépendantes: 1) mise au point des données fondamentales; 2) mise en place de l'organisation; 3) création d'emplois; 4) élaboration du programme d'études; et 5) évaluation et répercussion des résultats positifs et des méthodes efficaces sur l'ensemble du système de la Promotion Féminine.

L'objectif global du projet est donc de renforcer l'infrastructure de la Promotion Féminine pour lui permettre de mettre au point et de réaliser un programme destiné à favoriser la création de possibilités de formation et d'emploi pour les femmes dans tout le Maroc. Les bénéficiaires de ce programme seront les 45.000 femmes analphabètes et semi-analphabètes (s'élvant au nombre de 100.000 chaque année) qui participent régulièrement aux activités de la Promotion Féminine.

Les trois phases du projet font l'objet d'une description ci-après.

A. PLEASE I.

Durant la première phase du projet, il s'agira de rassembler les données de base nécessaires pour exercer les principales activités envisagées: mise au point de l'organisation, création d'emplois et élaboration de programmes d'études. Une grande partie des travaux préparatoires ont, en fait, été réalisés pour la première de ces activités. La Promotion Féminine organise fréquemment des réunions de personnel aux niveaux régional et national. Ces réunions donnent aux agents l'occasion de discuter des problèmes qu'ils rencontrent dans la fonctionnement de leurs programmes, tels que besoins en personnel et en autres ressources et leur propre besoin d'un complément d'instruction. Grâce à de semblables rencontres, le bureau central de la Promotion Féminine possède une idée relativement claire, même si quelque peu générale, de l'amélioration qu'il faudra apporter aux qualifications de son personnel, si elle veut entreprendre les programmes envisagés. Dans un sens assez large, on peut dire que ces qualifications concernent l'assistance sociale appliquée, voire les œuvres sociales. Elles comportent le renforcement et l'élargissement des services de collaboration avec les autres départements, pour répondre aux besoins exprimés ci-dessus et pour la planification, l'administration et enfin l'évaluation de nouveaux programmes relatifs à des groupes locaux spécifiques et même à des particuliers.

Il n'existe, à présent, aucune possibilité pour les cadres de la Promotion Féminine de recevoir au Maroc la formation spécialisée qu'ils requièrent. En premier lieu, il n'y a pas d'école dispensant des programmes d'assistance sociale. Aucun établissement n'offre actuellement une instruction équivalente à la formation pratique ou appliquée suggérée plus haut. En second lieu, bien que le personnel administratif de la Promotion Féminine fasse preuve de compétence et possède de l'expérience, il ne possède pas, d'établissements supérieurs et universitaires. En outre, les effectifs se caractérisent par une grande diversité; les femmes les plus âgées et possédant la plus grande expérience sont en général celles dont le niveau de scolarité est la plus faible.

Pendant la phase initiale du projet, il sera, par conséquent, nécessaire d'opérer des recherches au sein du personnel administratif de la Promotion Féminine tant à l'échelle des provinces, pour déterminer la nature spécifique de leurs fonctions et responsabilités, ceci en vue d'évaluer leur capacité à recevoir une formation et pour identifier les problèmes de gestion et d'organisation des diverses provinces. Les diversités que présentent les régions aussi bien que les particularités propres aux régions urbaines et rurales exigeront des approches différentes ainsi que de formes d'instruction spécifiques. La collecte et l'analyse de ces données feront apparaître la méthodologie qu'il conviendra d'utiliser pour rehausser les qualifications du personnel administratif.

L'établissement de données sur l'emploi effectif et potentiel des femmes possédant un niveau d'instruction relativement bas constitue un autre aspect essentiel de cette première phase. Dans cette perspective, des données de base seront également nécessaires. Même si un certain nombre d'enquêtes prévues ou déjà en cours devraient aider à l'élaboration de données supplémentaires concernant l'emploi au Maroc, on peut toutefois prévoir que peu d'entre elles traiteront du problème de l'emploi des femmes au niveau où opère la

Promotion Féminine, en particulier en dehors des centres industriels régionaux.

Il faudra donc procéder à une étude pour définir les données fondamentales quant aux rôles économiques actuel et potentiel que peuvent assumer les femmes marocaines, y compris les possibilités d'emploi existantes et éventuelles à travers le pays, dans chacune des provinces. Ces informations sont essentielles pour la création d'une Unité de Développement de l'Emploi au sein de la Promotion Féminine et il serait souhaitable que cette enquête soit dirigée par les personnes chargées de la création de l'Unité. L'un des résultats escomptés par le projet étant que des éléments tels que l'Unité de Développement de l'Emploi constitue une particularité définitive du programme de la Promotion Féminine, il sera nécessaire - durant cette phase initiale de projet - de recruter deux Marocaines qui seront responsables du fonctionnement de l'Unité (elles effectueront un stage de longue durée dans certains domaines d'économie appliquée, comme la création d'emplois, le développement des ressources humaines, les techniques de recherche, les analyses de marché, les coopératives, les programmes de prêts, etc.)

La troisième et dernière caractéristique de cette phase du projet réside dans l'estimation du programme de formation de monitrices, actuellement enseigné au centre Royal de Formation à Rabat, ainsi que dans l'évaluation du programme de formation et d'instruction en vigueur dans les 344 foyers féminins et concernant 45.000 Marocaines. Ces programmes seront respectivement modifiés et largement améliorés au cours de la réalisation du projet, selon les résultats obtenus en matière d'organisation et de création d'emplois. Les changements relatifs aux programmes d'études interviendront à mesure que le personnel de direction acquerra de l'expérience pour l'identification des problèmes et la conception de programmes visant à les résoudre. De même, en fonction des possibilités d'emploi développées dans les diverses régions, la formation professionnelle dispensée dans les foyers et la formation d'instructeurs assurée par le Centre Royal de Formation deviendront plus pragmatiques et mieux adaptées aux besoins mis en évidence.

Compte tenu que l'objectif de ce projet est de léguer non seulement un personnel convenablement formé, mais aussi les éléments requis pour continuer à dispenser une formation adéquate au personnel des œuvres sociales au Maroc, il conviendra durant les premiers mois de la réalisation du projet de recruter quatre Marocaines (qui seront ultérieurement affectées à titre permanent au Centre Royal de Formation en qualité de monitrices) pour leur faire, suivre une formation de longue durée, aux Etats-Unis, dans quatre domaines importants: 1) instruction non scolaire; 2) formation professionnelle; 3) sociologie et œuvres sociales; 4) santé, nutrition et planification familiale.

En résumé, la première phase du projet comportera les éléments suivants:

-Etablissement et analyse de données de base sur le fonctionnement de Promotion Féminine aux niveaux national et provincial, et notamment sur la nature des responsabilités individuelles dans le travail, la capacité du personnel à remplir ses fonctions, la perception qu'il a de ses besoins (formation, supplément de personnel et autres ressources), et sa sensibilité, aux besoins des femmes dans la communauté locale ainsi qu'aux possibilités pour la Promotion

Féminine d'élargir son programme de façon à répondre à ces besoins.

- Préparation d'un plan de formation destiné à l'ensemble du personnel et comprenant des recommandations quant au lieu et à la durée des stages.

- Elaboration et analyse de données de base sur les possibilités des femmes dans la vie économique au Maroc, en fonction d'une enquête conduite dans chaque province et portant sur : (1) le rôle actuellement joué par les femmes dans l'économie; (2) les nouvelles possibilités d'emploi; (3) l'existence ou le manque de programmes de formation, de conseils pour l'emploi, de bureaux de placement, de facilités de crédit, etc. en faveur des femmes.

- Recrutement et sélection de six Marocaines (pour les stages de longue durée dans des domaines spécifiques), en vue de leur affectation à une Unité de Développement de l'Emploi au sein de la Promotion Féminine ainsi qu'au personnel enseignant du Centre Royal de Formation des Monitrices.

B. PHASE II

La seconde phase du projet s'étend sur une période de trois ans et comporte plusieurs programmes de formation, c'est-à-dire : (1) un stage de longue durée aux Etats-Unis sur l'économie des ressources humaines, pour les deux responsables de l'Unité de Développement de l'Emploi; (2) un stage de longue durée aux Etats-Unis pour les quatre personnes destinées au Centre Royal de Formation en matière de : (a) instruction non scolaire et professionnelle, (b) sociologie et œuvres sociales, et (c) santé, nutrition et planification familiale; (3) un stage de formation à Rabat pour les responsables de la Promotion Féminine, aux échelles provinciale et nationale et concernant les techniques de planification, d'analyse, de gestion et d'évaluation des programmes liés à l'instruction non scolaire, à la formation professionnelle, aux œuvres sociales et à la création d'emplois; (4) une formation approfondie sur les questions d'enseignement non scolaire, de santé et de nutrition, ainsi que de sociologie, pour les quelques 140 nouvelles monitrices qui commenceront leur instruction au Centre Royal de Formation durant les trois années de réalisation du projet; et (5) des participations aux séminaires régionaux pour les 1.052 monitrices qui enseignent actuellement dans les 344 foyers féminins, y compris les directrices.

Tandis que le personnel de l'Unité de Développement de l'Emploi recevra une formation de longue durée aux Etats-Unis, deux agents seront affectés à la Promotion Féminine afin de : (1) entreprendre, en collaboration avec les responsables, l'étude sur les possibilités d'emploi pour les femmes; (2) instaurer l'Unité de Développement de l'Emploi et démarrer le programme de petits prêts; (3) guider le personnel de l'Unité une fois sa formation achevée; et enfin (4) travailler en liaison avec le personnel pour évaluer l'efficacité du programme de petits prêts et assurer son fonctionnement de façon permanente. Il est primordial que les agents du projet aient non seulement une solide formation en économie appliquée, mais aussi une expérience pratique en matière d'établissement de coopératives et autres institutions.

Pendant que le personnel titulaire du Centre Royal de Formation effectuera un stage de longue durée aux Etats-Unis, une équipe prévue par le projet sera affectée au Centre Royal de Formation pour y établir un programme d'enseignement non scolaire et professionnel. Elle se composera de quatre instructeurs possédant des connaissances dans les domaines suivantes: a) instruction non scolaire et formation professionnelle; b) sociologie et œuvres sociales; et c) santé, nutrition et planification familiale. (Bien que au RTC les deux langues admises pour les cours soient le Français et l'Arabe, l'Arabe demeura la langue la plus largement utilisée). La tâche de cette Unité d'instructeurs sera non seulement de former les nouvelles monitrices qui suivent, chaque années, les cours du Centre Royal de Formation en vue de s'associer aux programmes des foyers féminins, mais aussi de mettre au point un matériel pédagogique destiné au personnel de la Promotion Féminine à l'échelon provincial pour la poursuite de ses propres travaux (œuvres sociales, définition et gestion de programmes, instruction non scolaire, formation professionnelle, etc.). L'Unité de formation: 1) organisera des stages de courte durée pour le personnel de direction de la Promotion Féminine et pour le personnel enseignant des foyers féminins, tant à Rabat que lors des séminaires régionaux; 2) guidera le personnel titulaire de l'Unité de formation après son recyclage aux Etats-Unis; 3) travaillera en liaison avec le personnel pour évaluer les travaux exécutés par la Promotion Féminine à la suite des stages de formation; et 4) déterminera l'efficacité des méthodes éducatrices et de formation mises au point et effectuera les modifications requises.

Le but de ce projet est d'assurer à la Promotion Féminine un personnel bien préparé et capable de tracer des programmes innovateurs en faveur des femmes dans toutes les provinces du pays. Cette formation administrative doit correspondre aux besoins, compétences et conditions des utilisateurs. Pour répondre à ces exigences, la formation se déroulera à Rabat et dans les provinces, sur une période de trois ans. Une instruction intensive de quatre semaines aura lieu dans les Centres de Formation du Ministère à Rabat et sera suivie d'une expérience sur le tas dans les provinces. Le personnel américain et marocain facilitera l'application de la formation reçue et l'exploitation des enseignements tirés de cette application entre les séances d'instruction tenues dans la capitale. Le contenu des programmes de formation pourra varier en fonction des qualifications et des besoins des participants.

Cette formation se situera à deux niveaux: le premier s'adressera aux 70 cadres du programme de la Promotion Féminine, à Rabat et dans les 33 provinces; le second concernera des directrices des 344 foyers féminins répartis sur l'ensemble du territoire. Une telle formation inclura les techniques de gestion et de recherche associées à la planification et à l'évaluation de programmes. Elle devra également insister sur les techniques éducatives de façon que les cadres et les directrices de foyers puissent les mettre en pratique au sein de leur personnel.

Un autre élément du programme de formation portera sur les deux ans de stage qu'accomplissent les nouvelles monitrices au Centre Royal de Formation, 70 monitrices commencèrent leur stage au mois de Janvier 1979.

(Les 40 stagiaires actuellement inscrites au Centre Royal de Formation termineront leur formation en Décembre 1978. La Promotion Féminine aimerait, si possible, que ces stagiaires bénéficient de l'expertise technique de l'équipe du projet par le biais de séminaires accélérés prévus pour les mois d'Octobre, Novembre et Décembre). Ces femmes qui ont suivi un cycle de scolarité de douze (12) ans et passé avec succès les épreuves d'un concours national sont en mesure de recevoir un enseignement secondaire.

Malheureusement de trop nombreux cours du Centre Royal de Formation s'orientent vers les activités domestiques qui, à l'heure actuelle, représentent l'élément dominant du programme des foyers féminins auquel les femmes sont préparées. Le Centre Royal de Formation souhaiterait étendre ses programmes d'études et relever leur niveau mais il ne dispose que d'un personnel restreint et ses efforts pour recruter des effectifs d'instructeurs auprès de l'université et des autres institutions gouvernementales n'ont jusqu'ici rencontré qu'un faible succès. Occasionnellement, les programmes standards relatifs aux activités domestiques et artisanales sont complétés par des cours de sociologie, psychologie, techniques éducatives, nutrition, planification familiale et culture islamique.

La Promotion Féminine souhaite développer un programme de formation d'un niveau beaucoup plus élevé que celui des programmes actuels dispensés par le Centre Royal de Formation, à l'aide d'un personnel titulaire qui enseignerait le plus grand nombre possible de matières énumérées ci-dessus. Dans le cadre du projet proposé et en même temps que la création d'un programme de formation au Centre Royal de Formation (d'abord par des agents sous contrat et ultérieurement par un personnel Marocain fixe), chaque nouveau groupe de monitrices recevra un enseignement de loin supérieur à celui fourni dans le passé. Comme indiqué plus haut, ce programme sera modifié à mesure que progressera l'élément du projet création d'emplois et que les directrices apprendront à appliquer les techniques administratives et analytiques qui leur auront été inculquées. Au cours de l'exécution du projet, plus de 140 nouvelles monitrices tireront directement profit des programmes de formation mis au point par le Centre Royal de Formation.

Le dernier composant de la phase d'instruction prévoit un stage de courte durée en cours d'emploi destiné au personnel instructeur des 344 foyers féminins qui concernent 45.000 femmes. Les 1.052 monitrices ont toutes les statuts de fonctionnaires et ont suivi un stage préparatoire de 11 mois au Centre National de Formation. Le projet s'efforcera de recycler ces instructrices durant des séminaires régionaux, en vue d'améliorer leurs méthodes d'enseignement et d'accroître leur sensibilité aux objectifs des programmes organisés par les nouvelles directions de la Promotion Féminine.

En résumé, à l'achèvement de la deuxième phase du projet, les réalisations suivantes auront été accomplies:

- 70 dirigeantes provinciales du programme de la Promotion Féminine auront suivi un stage spécial de formation des cadres au Maroc parfaitement adapté à leurs besoins;

- environ 140 nouvelles monitrices auront bénéficié de connaissances nouvellement acquises au Centre Royal de Formation et auront reçu un enseignement de haut niveau dans les domaines de la formation professionnelle, de l'instruction non scolaire, des méthodes pédagogiques, de la sociologie, des œuvres sociales, de la nutrition, de la planification familiale et de la santé;

- 1052 monitrices et directrices responsables du programme des 344 foyers féminins auront complété leur formation en cours d'emploi en participant à des séminaires régionaux dans le but d'améliorer leurs méthodes éducatives et leur rendement général;

- quatre Marocaines auront reçu une formation de longue durée aux Etats-Unis en matière de: (a) instruction non scolaire et formation professionnelle; (b) sociologie et œuvres sociales; (c) santé, nutrition et planification familiale, et seront affectées à titre définitif au Centre National de Formation; et

- deux Marocaines auront effectué un stage de longue durée aux Etats-Unis dans le domaine de l'économie appliquée et seront assignées à l'Unité de Développement de l'Emploi au sein du département de la Promotion Féminine.

C. PHASE III

La Promotion Féminine entreprendra une série d'activités pilotes innovantes destinées à ouvrir des débouchés producteurs de revenus aux 45.000 jeunes filles et femmes participant à ces programmes. Dans cette optique, elle s'appuiera d'une part, sur l'enquête menée dans chaque province quant aux possibilités d'aide économique qui s'offrent aux femmes et, d'autre part, sur les encouragements déjà fournis par les premiers résultats de la formation.

L'une de ces activités se traduira par la création de l'Unité de Développement de l'Emploi ainsi que par l'application d'un programme expérimental de prêts aux petites entreprises. On peut également inscrire parmi ces activités: la modification de certaines sections particulièrement importantes du programme d'études offert par la Promotion Féminine dans ses centres socio-éducatifs, les foyers féminins, un programme pilote d'éducation dans les foyers, l'utilisation des mass media en faveur des femmes et leur réaction aux moyens mis en œuvre pour les atteindre. On prévoit de faire appel à des consultants pendant de courtes périodes, en fonction des besoins que feront naître certaines des expériences entreprises.

Ce programme expérimental exige la collaboration des femmes à l'échelle de la localité, des personnes familiarisées au développement de la communauté au niveau de la province et une équipe de spécialistes en économie sur le plan national. Le programme repose sur l'hypothèse que les habitants d'une localité donnée sont le plus à même d'identifier les possibilités d'activités génératrices de revenus et qu'il saisiront toutes les occasions existantes s'il peuvent disposer des informations techniques et du capital nécessaires. Par exemple, les cadres provinciaux de la Promotion Féminine fourniront le lien entre les femmes de la localité et l'unité expérimentale de développement de l'emploi. Ce personnel sera chargé de favoriser l'introduction des facteurs mis en lumière par l'enquête sur l'emploi (ainsi que des suggestions émises par les habitants) et s'associeront aux groupes ou individus de la localité pour rassembler

sur l'activité envisagée des données susceptibles de permettre à l'unité de développement de l'emploi d'évaluer la factibilité économique de cette activité. Il se peut que le personnel de direction de la province demande le concours d'experts pour développer, si nécessaire, une nouvelle activité économique.

L'un des aspects les plus nouveaux s'inscrivant dans le cadre du projet sera la création, à l'échelle pilote, d'un programme de prêts de faible envergure à l'égard des entreprises (300,000 dollars). Le concept original vise à permettre à la Promotion Féminine de fournir à un nombre limité de femmes un petit capital grâce auquel elles pourront démarrer une entreprise de dimensions restreintes, par exemple, la vente d'ustensiles ménagers qu'elles auront appris à fabriquer par le biais de la Promotion Féminine.

Bien qu'il soit difficile d'établir avec certitude la rentabilité de projets individuels financés au titre du programme de prêts, la Promotion Féminine procèdera, un an après le consentement du premier prêt, à des évaluations préliminaires sur la viabilité de projets particuliers. Elle facilitera également à ceux de ces projets lui paraissant sains l'octroi de fonds additionnels par voie d'autres sources, lorsque la demande en sera faite.

L'Unité de Développement de l'Emploi assurera la gestion des fonds attribués aux entreprises. Dans les meilleures conditions, des propositions économiquement saines et réalisables ne manqueront pas d'affluer et seront trop nombreuses pour pouvoir être toutes satisfaites. Dans ce cas, on peut envisager que - outre son rôle d'encouragement à la création d'emplois pour les femmes - l'unité de Développement de l'Emploi agisse en qualité d'intermédiaire auprès des particuliers ou groupes locaux et s'efforce de trouver d'autres sources de capitaux pour le financement d'activités données.

Les crédits réservés aux entreprises devront exclusivement financer des activités génératrices de revenus en faveur des femmes dans l'ensemble du pays, sur une base expérimentale. En l'absence d'études de marché préliminaires dans chacune des provinces, il est difficile de préciser la nature et l'étendue des activités à entreprendre; à ce jour, il est même malaisé de spécifier les procédures à suivre pour le fonctionnement du fonds de financement. Il est toutefois d'une importance majeure que l'Unité de Développement de l'Emploi dispose d'un fonds de roulement de 300,000 dollars lui permettant de mettre en oeuvre ses programmes.

Le fonds de financement de 300,000 dollars destiné aux entreprises constituera un élément distinct de l'Accord de Projet. L'Unité de Développement de l'Emploi n'aura accès à ce fonds qu'après avoir soumis à l'AID une proposition détaillée sur l'utilisation du prêt - notamment le genre d'activités qui seront entreprises dans chaque province et les procédures relatives à la gestion du fonds. Cette proposition sera soumise une fois l'enquête préalable achevée et après que les coopératives et les institutions de prêt existantes ainsi que les procédures en vigueur auront été passées en revue.

Ces études seront réalisées au cours des six ou neuf premiers mois du déroulement du projet. Parmi les critères qui seront appliqués par l'A.I.D. pour l'approbation de l'utilisation des fonds figurent : (1) la participation de personnel homologue Marocain à l'administration du programme de développement de l'emploi sous tous ses aspects, et en particulier les procédures de financement liées à la création et au fonctionnement du fonds d'avances génératrice d'emplois, l'évaluation technique des propositions et le contrôle des octrois de prêts aux particuliers, (2) la sélection des domaines couverts par le Projet pour lesquels le crédit est insuffisant, (3) la justification économique probable des activités envisagées, (4) les perspectives d'emploi pour les femmes, (5) la diversité des approches (étant donné le caractère expérimental de cet élément du projet, l'A.I.D. recherche des activités exigeant des niveaux de compétence différents et des apports de capitaux variables), et (6) la participation de toutes les régions économiques du pays, à la fois rurales et urbaines.

D. RESULTATS ESCOMPTE

1. Cadres supérieurs de la Promotion Féminine formés en matière de techniques de gestion, d'élaboration de programmes et d'oeuvres sociales;
2. Personnel instructeur de la Promotion Féminine préparé aux méthodes de formation professionnelle et d'instruction non scolaire en faveur des femmes;
3. Personnel adéquat et programme établi au Centre Royal de Formation pour l'instruction de 140 nouvelles monitrices;
4. Crédit d'une Unité de Développement de l'Emploi au sein de la Promotion Féminine en vue d'identifier et de promouvoir l'emploi des femmes dans les régions rurales et urbaines;
5. Révision du programme éducatif en vigueur dans les 344 foyers féminins pour répondre aux besoins liés à la formation professionnelle et à l'éducation de base exprimés par les 45,000 femmes qui participent au programme.

E. CONTRIBUTIONS DE L'A.I.D.

1. Services techniques de sept experts : un socio-pédagogue en qualité de chef d'équipe; deux experts en développement de l'emploi; quatre instructeurs; et cinq consultants à temps limité. Il est attendu que l'assistance technique sera fournie au titre d'un contrat passé entre le Gouvernement du Royaume du Maroc et un contractant qualifié.

2. Le contractant sera chargé d'organiser un stage avancé aux Etats-Unis de six femmes Marocaines; deux d'entre elles seront affectées à l'Unité de Développement de l'Emploi et les quatre autres joindront le personnel du Centre Royal de Formation des Monitrices; stage au Maroc de 70 cadres supérieurs et de 1,262 monitrices de la Promotion Féminine.

3. Fonds d'Avances à l'usage des entreprises (équivalent en monnaie locale de Dollars E.U. 300,000) pour l'octroi de petits prêts destinés à encourager la création d'entreprises et à développer les possibilités d'emploi pour les femmes, à titre expérimental.

4. Les facilités offertes incluent la fourniture de matériel pédagogique technique ainsi que la mise à disposition du personnel sous contrat de deux véhicules lui permettant de suivre les cours de formation et les activités relatives au développement de l'emploi dans 8 régions économiques du Maroc. Le contractant assumera la responsabilité de l'acquisition du matériel.

F. DESCRIPTION DES FONCTIONS DES TECHNICIENNES SOUS CONTRAT

1. Chef d'équipe (formation pédagogique, possédant une expérience pratique dans les pays en développement, familiarisée et sensible aux questions de la promotion des femmes et connaissant le contexte culturel Marocain dans le cadre de ce programme) en liaison avec son homologue Marocaine :

- assure la direction de l'ensemble du projet;
- est chargée d'identifier les besoins en assistance technique et de recruter si nécessaire des consultants pour de brèves périodes;
- supervise les travaux de l'équipe du Développement de l'Emploi;
- contrôle le travail exécuté par l'équipe de formation des cadres;
- supervise les fonctions de l'équipe de formation d'enseignantes;
- participe au recrutement de personnel supplémentaire, quand nécessaire;
- élabore un système d'évaluation pour contrôler la formation des cadres et des enseignantes ainsi que les résultats obtenus;
- travaille directement en liaison avec des homologues de la Promotion Féminine pour étudier les travaux de l'Office et planifier les programmes de formation;
- soumet des rapports trimestriels sur l'avancement du projet à l'USAID et au Ministère de la Jeunesse et des Sports.

2. Equipe du Développement de l'Emploi (deux personnes se consacrant l'une aux régions rurales, l'autre aux régions urbaines. Doit avoir des connaissances dans les domaines de la formation professionnelle, la mise en valeur dans les pays en développement, et enfin, de l'analyse de factibilité économique appliquée aux petites entreprises, aux coopératives et à l'exploitation d'entreprises par des particuliers - quelques connaissances en matière d'exploitation agricole utiles).

- réalise une étude sur les possibilités d'emploi pour les femmes dans les localités rurales et les centres urbains et évalue celles de ces possibilités qui sont les plus susceptibles de réussir;
- souligne au chef d'équipes les besoins relatifs à la formation et au matériel en vue d'instaurer une instruction dans les foyers en rapport avec les possibilités d'emploi spécifiques identifiées;
- travaille en collaboration avec l'équipe de formation d'enseignantes à la révision des programmes d'études pour que soit assurée une formation professionnelle spécifique dans des foyers déterminés;
- vérifie les résultats des projets individuels liés aux possibilités d'emploi et fournit notamment des recommandations sur le choix d'une assistance technique ou matérielle (et financée au titre d'un don subsidiaire pour le Développement de l'Emploi);
- évalue les résultats des mesures d'encouragement appliquées au Développement de l'Emploi en termes de rentabilité, nombre de demandes satisfaites et réplique éventuelle de ces mesures.

3. Equipe de Formation des Cadres (deux personnes, l'une spécialisée en organisation, l'autre dans les méthodes de formation des cadres).

- travaille en collaboration avec le chef d'équipe et avec ses homologues au sein du gouvernement Marocain pour superviser l'organisation de la Promotion Féminine dans son ensemble; définit le contenu spécifique des programmes de formation des cadres convenant à des niveaux de direction différents;
- établit une planification des programmes de formation des cadres et des directrices de foyers prévoyant des cours à Rabat et des séminaires régionaux et supervise les projets de gestion sur le terrain;
- conseille le chef d'équipe lorsqu'une formation individuelle et spécialisée à l'étranger est nécessaire;
- participe à l'évaluation de l'efficacité de programme de formation des cadres;
- collabore avec le Centre Royal de Formation et l'Ecole Nationale d'Administration pour former du personnel auquel sera ultérieurement confiée la responsabilité de programmes analogues et supervise le personnel autochtone chargé de réaliser et de gérer ces programmes de formation.

4. Equipe d'Elaboration de Programmes d'Etudes/Formations d'Enseignantes (deux personnes qualifiées dans les domaines suivants: techniques éducatives non scolaires, élaboration de programmes d'études, matériel pédagogique, évaluation de programmes de formation et en particulier: alphabétisation, santé et planification familiale, notions d'arithmétique élémentaires)

- évalue le programme de formation actuellement offert au Centre National de Formation et dispensé dans tous les foyers;
- fournit son concours pour améliorer les programmes d'études existantes (alphabétisation, santé, etc.) et pour accroître l'efficacité des méthodes éducatives;
- fait part au chef d'équipe des besoins en assistance technique pour des périodes limitées et ayant trait aux programmes des foyers ainsi qu'à la formation de monitrices (par exemple, utilisation de matériel pédagogique pour appuyer un programme d'alphabétisation);
- supervise l'insertion de nouveaux programmes et matériel au sein des foyers et en évalue l'efficacité;
- recommande les modifications à apporter aux programmes et aux méthodes éducatives pour répondre aux besoins des femmes dans des régions particulières;
- travaille avec l'équipe de développement de l'emploi afin de mettre en place des programmes de formation spécifiques dans des foyers déterminés;
- participe à la planification et au déroulement de séminaires régionaux organisés pour le personnel de direction;
- prend part à l'élargissement et à l'amélioration du programme de recyclage s'adressant aux monitrices déjà en fonction.

PROJET DE PLAN FINANCIER
(Source et demande de Financement - Million de dollars)

Le 14 Aout 1978

Project No 608-0139

Contributions au Projet	MONTANT AFFECTE A UN PROJET FINANCE PAR					
	Engagements cumulés		AUGMENTATIONS		Total	
	au 14 Aout 1978	Engagements anticipés	A.I.D.	GOM	A.I.D	GOM
Services techniques	1,832		0 858		2,690	
Formation	0,279		0,559		0,838	
Unité de Développement de l'Emploi	0,100		0,200		0,300	
Équipement	0,080		0,160		0,240	
Imprevus/inflation	-		0,267		0,267	
Coûts de fonctionnement de la Promotion Féminine	800		800		1,600	
Total	2,291	800	2,044	800	4,335	1,600

Annexe 1 - Attachement 1

DOMINICAN REPUBLIC
Trade in Textiles and Textile Products

*Agreement effected by exchange of notes
Signed at Washington August 7 and 8, 1979;
Entered into force August 8, 1979;
Effective June 1, 1979.*

The Secretary of State to the Dominican Ambassador

DEPARTMENT OF STATE
WASHINGTON

August 7, 1979

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with Annexes, done at Geneva on December 20, 1973 and extended by protocol adopted on December 14, 1977^[1] at Geneva (hereinafter referred to as the Arrangement).

I have also the honor to refer to recent discussions between representatives of the Government of the United States of America and the Government of the Dominican Republic, concerning exports to the United States of America of cotton, wool, and man-made fiber textiles and textile products manufactured in the Dominican Republic. As a result of these discussions, and in conformity with Article 4 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the United States of America and the Dominican Republic.

His Excellency

Francisco Augusto Lora,
Ambassador of the Dominican Republic.

^[1] TIAS 7840, 8939; 25 UST 1001; 29 UST 2287.

1. The term of this Agreement will be the four-year period from June 1, 1979 through May 31, 1983.

Each "Agreement Year" will commence on June 1 and end on May 31.

2. Commencing with the first Agreement Year, and during the subsequent term of this Agreement, the Government of the Dominican Republic shall limit annual exports from the Dominican Republic to the United States of America of cotton, wool, and man-made fiber textiles and textile products to the Specific Limits set out in Annex B, as such limits may be adjusted in accordance with paragraphs 3 and 4. Annual growth of 7 percent in Specific Limits is already included in all the Specific Limits listed in Annex B. In the case of Category 649, the Specific Limits were calculated by averaging the four-year total, starting with a first year base level of 1,350,000 dozen.

3. Any Specific Limit may be exceeded in any Agreement Year by not more than 7 percent of its square yards equivalent (SYE) total provided that the amount of the increase is compensated for by an equivalent decrease in one or more Specific Limits for the Agreement Year. Before using this provision, the Government of the Dominican Republic will indicate the Category or Categories to be increased and the Category or Categories to be decreased by commensurate quantities.

4. (a) In any Agreement Year, in addition to any adjustment pursuant to paragraph 3, exports may exceed by a maximum of 11 percent any Specific Limit by allocating to such Limit for that Agreement Year an unused portion of the corresponding Limit for the previous Agreement Year ("Carryover") or a portion of the corresponding Limit for the succeeding Agreement Year ("Carry Forward") subject to the following conditions:

(i) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's Specific Limits, provided, however, that no Carryover shall be available for application during the first Agreement Year;

(ii) The combination of Carryover and Carry Forward shall not exceed 11 percent of the receiving Agreement Year's applicable Specific Limit in any Agreement Year;

(iii) Carry Forward may be utilized up to 7.15 percent of the receiving Agreement Year's applicable Specific Limits and shall be charged against the immediately following Agreement Year's corresponding Limits; no Carry Forward shall be available for application during the Fourth Agreement Year.

(iv) Carryover of Shortfall (as defined in Subparagraph 4 (b)) shall not be applied to any Specific

Limits until the Governments of the United States of America and the Dominican Republic have consulted and resolved any differences related to the amounts involved.

(b) For purposes of this Agreement, a Shortfall occurs when exports of textiles or textile products of the Dominican Republic to the United States of America during an Agreement Year are below any applicable Specific Limit. In the Agreement Year following the Shortfall, such exports from the Dominican Republic to the United States of America may be permitted to exceed the Specific Limits subject to conditions of Subparagraph 4 (a), by Carryover of Shortfalls in the following manner:

(i) The Carryover shall not exceed the amount of Shortfall in any applicable Specific Limit;

(ii) The Shortfall shall be used in the Category in which the Shortfall occurred.

(c) The Limits referred to in Subparagraph 4 (a) and (b) are the Specific Limits as listed in Annex B.

(d) The total adjustment under this paragraph shall be in addition to adjustments to the Specific Limits permitted by paragraph 3.

(e) The total adjustment permissible under this paragraph for the first Agreement Year shall be 7.15 percent consisting solely of Carry Forward.

5. (a) In the event that the Government of the United States of America believes that imports from the Dominican Republic classified in any Category or Categories not covered by Specific Limits are, due to market disruption as defined in Annex A of the Arrangement, threatening to impede the orderly development of trade between the two countries, the Government of the United States of America may request consultations with the Government of the Dominican Republic with a view to avoiding such market disruption. The Government of the United States of America shall provide the Government of the Dominican Republic at the time of the request with the data which in the view of the Government of the United States of America show 1) the existence of market disruption and 2) the causal role of exports from the Dominican Republic in that disruption.

(b) The Government of the Dominican Republic agrees to consult with the Government of the United States of America within 30 days of receipt of the request for consultations. Both Governments agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of the request unless this period is extended by mutual agreement.

(c) Should such consultations not result in an Agreement, each country shall be free to exercise its rights under the Arrangement.

6. In accordance with Article 12, paragraph 3, of the Arrangement and subject to the establishment of a mutually agreed upon certification system, exports of products of the Dominican Republic of handloom fabrics of the cottage industry, or hand-made cottage industry products made of such handloom fabrics, or traditional folklore handicraft textile products will not be subject to the provisions of this Agreement.

7. The Government of the Dominican Republic shall use its best efforts to space exports from the Dominican Republic to the United States of America within each Category evenly throughout each Agreement Year, taking into consideration normal seasonal factors.

8. The Government of the United States of America shall promptly supply the Government of the Dominican Republic with data on monthly imports of textiles from the Dominican Republic and the Government of the Dominican Republic shall promptly supply the Government of the United States of America with monthly data on exports of textiles to the United States of America. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

9. (a) In implementing this Agreement the system of Categories and rate of conversion into square yards equivalent listed in the Annex A hereto shall apply.

(b) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibers, or blends thereof, in which any or all of those fibers in combination represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product, are included.

(c) For purposes of this Agreement, textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of any of these fibers. All other products described in Sub-paragraph (b) of this paragraph shall be classified as:

(i) Cotton textiles if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber component.

(ii) Wool textiles if not cotton, and the wool equals or exceeds 17 percent by weight of all component fibers.

(iii) Man-made fiber textiles if neither of the foregoing applies.

10. The Government of the United States of America and the Government of the Dominican Republic agree to consult on any question arising in the implementation of the Agreement. If the two Governments are unable to reach a mutually satisfactory resolution within a reasonable period of time on problems which have been the subject of consultations under this Agreement, either Government may, after notification to the other Government, refer such problems to the Textile Surveillance Body in accordance with Article 11 of the Arrangement.

11. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

12. If the Government of the Dominican Republic considers that, as a result of a limitation specified in this Agreement, the Dominican Republic is being placed in an inequitable position vis-a-vis a third country, the Government of the Dominican Republic may request consultation with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this Agreement.

13. The Government of the United States of America may, after advising the Government of the Dominican Republic in a timely manner, assist in implementing the limitation provisions of this Agreement by controlling imports of the specific Categories covered by this Agreement.

14. Either Government may terminate this Agreement effective at the end of any Agreement Year by written notice to the other Government to be given at least 90 days prior to the end of such Agreement Year. Either Government may at any time propose revisions in the terms of this Agreement.

If the foregoing conforms with the understanding of the Government of the Dominican Republic this note and Your Excellency's note of confirmation on behalf of the Government of the Dominican Republic shall constitute an Agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

A handwritten signature in cursive ink, appearing to read "Ernest Johnston". A small superscripted number "[1]" is located to the right of the signature.

¹ Ernest Johnston.

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
YARN			
	—Cotton		
300	Carded	4. 6	Lb.
301	Combed	4. 6	Lb.
	—Wool		
400	Tops and yarn	2. 0	Lb.
	—Man-made fiber		
600	Textured	3. 5	Lb.
601	Cont. cellulosic	5. 2	Lb.
602	Cont. noncellulosic	11. 6	Lb.
603	Spun cellulosic	3. 4	Lb.
604	Spun noncellulosic	4. 1	Lb.
605	Other yarns	3. 5	Lb.
FABRIC			
	—Cotton		
310	Gingham	1. 0	SYD
311	Velveteens	1. 0	SYD
312	Corduroy	1. 0	SYD
313	Sheeting	1. 0	SYD
314	Broadcloth	1. 0	SYD
315	Printcloths	1. 0	SYD
316	Shirtings	1. 0	SYD
317	Twills and Sateens	1. 0	SYD
318	Yarn-dyed	1. 0	SYD
319	Duck	1. 0	SYD
320	Other fabrics, n.k.	1. 0	SYD
	—Wool		
410	Woolens and worsted	1. 0	SYD
411	Tapestries and upholstery	1. 0	SYD
425	Knit	2. 0	Lb.
429	Other Fabrics	1. 0	SYD
	—Man-made fiber		
610	Cont. cellulosic, n.k.	1. 0	SYD
611	Spun cellulosic, n.k.	1. 0	SYD
612	Cont. noncellulosic, n.k.	1. 0	SYD
613	Spun noncellulosic, n.k.	1. 0	SYD
614	Other fabrics, n.k.	1. 0	SYD
625	Knit	7. 8	Lb.
626	Pile and tufted	1. 0	SYD
627	Specialty	7. 8	Lb.

Category	Description	Conversion Factor	Unit of Measure
APPAREL			
—Cotton			
330	Handkerchiefs	1. 7	Dz.
331	Gloves	3. 5	DPR
332	Hosiery	4. 6	DPR
333	Suit-type coats, M and B	36. 2	Dz.
334	Other coats, M and B	41. 3	Dz.
335	Coats, W, G and I	41. 3	Dz.
336	Dresses (inc. uniforms)	45. 3	Dz.
337	Playsuits, sunsuits, washsuits, creepers	25. 0	Dz.
338	Knit shirts, (inc. T-shirts, other and sweatshirts) M and B	7. 2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other and sweatshirts) W, G and I	7. 2	Dz.
340	Shirts, n.k.	24. 0	Dz.
341	Blouses, n.k.	14. 5	Dz.
342	Skirts	17. 8	Dz.
345	Sweaters	36. 8	Dz.
347	Trousers, slacks, and shorts (outer) M and B	17. 8	Dz.
348	Trousers, slacks and shorts (outer) W, G and I	17. 8	Dz.
349	Brassieres, etc.	4. 8	Dz.
350	Dressing gowns, inc. bathrobes, and beach robes, lounging gowns, house coats, and dusters	51. 0	Dz.
351	Pajamas and other nightwear	52. 0	Dz.
352	Underwear (inc. union suits)	11. 0	Dz.
359	Other apparel	4. 6	Lb.
—Wool			
431	Gloves	2. 1	DPR
432	Hosiery	2. 8	DPR
433	Suit-type coats, M and B	3. 0	No.
434	Other coats, M and B	4. 5	No.
435	Coats, W, G and I	4. 5	No.
436	Dresses	4. 1	No.
438	Knit shirts and blouses	15. 0	Dz.
440	Shirts and blouses, n.k.	24. 0	Dz.
442	Skirts	1. 5	No.
443	Suits, M and B	4. 5	No.
444	Suits, W, G and I	4. 5	No.
445	Sweaters, M and B	14. 88	Dz.
446	Sweaters, W, G and I	14. 88	Dz.
447	Trousers, slacks, and shorts (outer) M and B	1. 5	No.
448	Trousers, slacks and shorts (outer) W, G and I	1. 5	No.
459	Other wool apparel	2. 0	Lb.

Category	Description	Conversion Factor	Unit of Measure
—Man-made fiber			
630	Handkerchiefs	1. 7	Dz.
631	Gloves	3. 5	DPR
632	Hosiery	4. 6	DPR
633	Suit-type coats, M and B	36. 2	Dz.
634	Other coats, M and B	41. 3	Dz.
635	Coats, W, G and I	41. 3	Dz.
636	Dresses	45. 3	Dz.
637	Playsuits, sunsuits, washsuits, etc.	21. 3	Dz.
638	Knit shirts, (inc. T-shirts), M and B	18. 0	Dz.
639	Knit shirts and blouses (inc. T-shirts), W, G and I	15. 0	Dz.
640	Shirts, n.k.	24. 0	Dz.
641	Blouses, n.k.	14. 5	Dz.
642	Skirts	17. 8	Dz.
643	Suits, M and B	4. 5	No.
644	Suits, W, G and I	4. 5	No.
645	Sweaters, M and B	36. 8	Dz.
646	Sweaters W, G and I	36. 8	Dz.
647	Trousers, slacks, and shorts (outer), M and B	17. 8	Dz.
648	Trousers, slacks and shorts (outer), W, G and I	17. 8	Dz.
649	Brassieres, Etc.	4. 8	Dz.
650	Dressing gowns, inc. bath and beach robes	51. 0	Dz.
651	Pajamas and other nightwear	52. 0	Dz.
652	Underwear	16. 0	Dz.
659	Other apparel	7. 8	Lb.
MADE-UPS AND MISC.			
—Cotton			
360	Pillowcases	1. 1	No.
361	Sheets	6. 2	No.
362	Bedspreads and quilts	6. 9	No.
363	Terry and other pile towels	0. 5	No.
369	Other cotton manufactures	4. 6	Lb.
—Wool			
464	Blankets and auto robes	1. 3	Lb.
465	Floor covering	0. 1	SFT
469	Other wool manufactures	2. 0	Lb.
—Man-made fiber			
665	Floor coverings	0. 1	SFT
666	Other furnishings	7. 8	Lb.
669	Other man-made manufactures	7. 8	Lb.

ANNEX B

<u>CATEGORY</u>	<u>DESCRIPTION</u>	<u>SPECIFIC LIMITS</u>			
		<u>1st Agreement Year</u>	<u>2nd Agreement Year</u>	<u>3rd Agreement Year</u>	<u>4th Agreement Year</u>
340	Cotton shirts, not knit	122,000 doz. 2,928,000 SYE	130,540 doz. 3,132,960 SYE	139,678 doz. 3,352,272 SYE	149,455 doz. 3,586,920 SYE
351	Cotton nightwear	163,462 doz. 8,500,000 SYE	174,904 doz. 9,095,008 SYE	187,147 doz. 9,731,644 SYE	200,247 doz. 10,412,844 SYE
639	Man-made fiber shirts and blouses, women's, girls' and infants',	275,000 doz. 4,125,000 SYE	294,250 doz. 4,413,750 SYE	314,848 doz. 4,722,720 SYE	336,887 doz. 5,053,305 SYE
649	Man-made fiber brassieres	1,500,000 doz. 7,200,000 SYE	1,500,000 doz. 7,200,000 SYE	1,500,000 doz. 7,200,000 SYE	1,500,000 doz. 7,200,000 SYE

The Dominican Ambassador to the Secretary of State

EMBAJADA DE LA REPUBLICA DOMINICANA
WASHINGTON

241

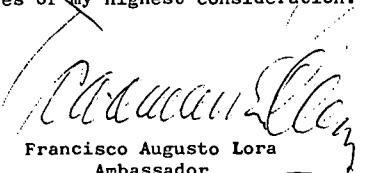
August 8, 1979

Excellency:

I have the honor to acknowledge receipt of Your Excellency's note dated August 7, 1979, proposing an Agreement relating to trade in cotton, wool and man-made fiber textiles between the Dominican Republic and the United States of America.

On behalf of the Government of the Dominican Republic, I should like to confirm that the terms expressed in Your Excellency's note conform with the understandings reached during the discussions to which Your Excellency refers and are acceptable to my Government. Therefore, Your Excellency's note and this note of confirmation shall constitute an Agreement between our two Governments on this matter.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.


Francisco Augusto Lora
Ambassador

His Excellency
Cyrus P. Vance
Secretary of State
Washington, D.C.

MOROCCO

Industrial and Commercial Job Training for Women

*Agreement signed at Rabat August 14, 1978;
Entered into force August 14, 1978.*

A.I.D. Project Number 608-0147
Project Agreement No. 608-78-005

PROJECT
GRANT AGREEMENT
BETWEEN
THE KINGDOM OF MOROCCO
AND
THE UNITED STATES OF AMERICA
FOR
INDUSTRIAL AND COMMERCIAL JOB TRAINING
FOR WOMEN

Dated: August 14, 1978

A.I.D. Project No. 608-0147

Project Grant Agreement

Dated: August 14, 1978

Between

The Kingdom of Morocco, acting through the Ministry of Labor
and Professional Training ("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, has as its purpose to integrate women
trainees into the Labor Ministry's industrial and commercial training
centers (OFPPT), to prepare them with marketable skills, and to assist
them in job placement appropriate to their training. There are three
interrelated elements of the project:

- (a) the opening of pilot training programs for women at the OFPPT
centers at Fes and Casablanca;
- (b) the upgrading of the program by introducing practical skills
training; and
- (c) assistance to the Labor Ministry in those matters concerning
the employment of the trainees and the evaluation of their
on-the-job training.

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. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by AID 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,^[1] agrees to grant the Grantee under the terms of this Agreement not to exceed two million four hundred thousand United States ("U.S.") Dollars (\$2,400,000) ("Grant")

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

SECTION 3.2. Grantee Resources for the Project

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

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$800,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1982, 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

¹ 75 Stat. 424, 22 U.S.C. § 2151 note.

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) Evidence that classrooms and dormitories are available at each pilot center sufficient to accommodate the numbers of women specified in the project description;

(b) Evidence that appropriate Moroccan staff, qualified in the technical areas specified in the project description, are assigned to the pilot training centers to train women during the first year of the project;

(c) Evidence that the Grantee has budgeted for all of its Moroccan Dirham contribution to the Project for the first year of Project Implementation; and

(d) An executed contract for technical advisory services for the Project acceptable to AID with a firm acceptable to A.I.D.

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 Dates for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 180 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 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 of 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. Project Implementation. The Grantee agrees to carry out the following covenants:

- (a) to provide in a timely fashion any and all Moroccan Dirhams that may be required to carry out the Project;
- (b) to provide in a timely fashion all qualified administrative personnel for the training centers and the national headquarters who may be determined to be required for the proper execution of the Project;
- (c) if the project evaluations indicate success of the pilot project, to extend the project to additional centers following completion of this pilot project, and to utilize therefor the experience gained in this pilot project;
- (d) to participate with A.I.D. in the Project evaluations of the pilot project that will be conducted in accordance with the schedule set forth in this agreement and at the conclusion of two training cycles following completion of this Project;
- (e) to consult with A.I.D. from time to time concerning progress of the Project and any necessary modifications thereto, and specifically prior to any possible changes to the expatriate technical advisory staff; and
- (f) to hire and place in appropriate professional positions within the office of professional training the six participants recruited and sent for long-term training in the United States under this Project upon their return to Morocco.

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 (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs") except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex,^[1] Section C.1(b) with respect to marine insurance.

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 Morocco.

Article 7. DisbursementSECTION 7.1. Disbursement for Foreign Exchange Costs

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

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

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

SECTION 7.2. Disbursement for Local Currency Costs.

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

(b) The local currency needed for such disbursements may be obtained by A.I.D. The U.S. Dollar equivalent of the local currency made available hereunder will be 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.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communications 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: Ministere du Travail et de la Formation Professionnelle
Quartier Administratif
Rabat, Maroc

Alternate address for cables: 31614 Travail/Maroc

To USAID: Mail Address: Agency for International Development
137 Avenue Allal Ben Abdellah
Rabat, Maroc

Alternate address for cables: 31005M

Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID/Rabat Mission with a copy of each communication sent to A.I.D./Washington.

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 the Minister of Labor and Professional Training and A.I.D. will be represented by the individual holding or acting in the office of the 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 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

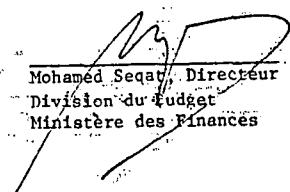
SECTION 8.4. Language of Agreement. This Agreement is prepared in both English and French. In the event of ambiguity between the two versions, the English language version will control.

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

UNITED STATES OF AMERICA

KINGDOM OF MOROCCO


Harold S. Fleming
Director
United States Agency for International Development Mission to Morocco


Mohamed Seqati, Directeur
Division du Budget
Ministère des Finances

¹ See footnote 1, p. 4209.

Annex 1

Amplified Description of the ProjectSummary Overview of Project

This project will provide increased opportunity for Moroccan women to secure employment as skilled workers in the industrial and commercial sectors of the economy. This will be accomplished through a targeted skills training program and concentrated job development activities. The implementing agency will be the Labor Ministry's Office of Technical Training and Job Development (OFPPT) which already operates a vocational skills training program for men. The project will assist the GOM in integrating women trainees and workers into this service.

Initially, two training centers will recruit women applicants for the two-year course in various industrial and commercial occupational skills. Casablanca will start with 90 women; Fez will have 55. The trade skills chosen for this pilot effort are drafting, electricity, electronics, accounting, and secretarial. The two pilot centers will be integrated for both men and women except for the dormitory facilities which will be segregated.

Because of the close professional relationship between OFPPT and private industry and business, the training program is job-specific, and the rate of job placement is very high. Women graduates are expected to enter the labor market with the same advantages as male graduates, and OFPPT will assist in their placement.

To facilitate the integration of women into the pilot centers and by gradual replication, throughout the OFPPT system, the project will provide technical assistance, participant training, and training equipment over a 3-1/2 year period. The 6 technicians for the first year of the project will consist of:

-- one educator/administrator with expertise in vocational skills training who will serve as team leader;

-- one human resources economist who will collaborate with OFPPT and employers in job development and job placement activities;

-- one social psychologist who will provide guidance counseling for the women as trainees and as workers;

-- two training experts in technical training (electronics/electricity and drafting) and 1 expert in commercial training (accounting/secretarial skills) who will be responsible for the supervision of the instructional program of the women trainees at the two centers at Ain Borja and Fez.

These trainers will function during the first year of the project, since the technical fields in which women are to be trained initially have been identified. However, at the conclusion of the first year, other or substitute technical areas may have surfaced (as the result of activities of the employment advisor and other project members). Requirements for technical advisors will be reviewed by project team members and OFPPT personnel at that time, and adjustments in the composition of technical advisors made accordingly.

To institutionalize the pilot activity, the project will provide training for women who will join the supervisory and professional staff of OFPPT. Six women will undertake university studies in the United States in human resources economics, industrial psychology, and vocational education. In addition, OFPPT will actively recruit and accept women in the three teacher training institutes in Casablanca: INFCT (industrial), IMB (construction), and INFCCS (commercial). While it is not the goals of this project to effect a total integration of women in OFPPT's training staff, it is necessary to have some permanent women staff members both to support the goals of this project and to serve as role models for the women students.

By the end of the pilot project in 1982, 435 women workers will have completed training and will have been placed in appropriate jobs. (An equal number of men workers will also benefit from this project because of the integrated nature of the training) Plans will have been completed by OFPPT for the replication of the integrated program in other CQPs with areas of training selected with a view to the specific requirements of the respective regions. The training of women as skilled workers in industrial and commercial trades will become a standard feature of OFPPT.

Detailed Description

This project has been under consideration by AID since January 1977. It is a specific outgrowth of previous studies and analyses of Moroccan women's employment needs and is based on the conclusion that specialized training in non-traditional skills for women is necessary. These studies also recognized that the Office de la Formation Professionnelle et de la Promotion du Travail (OFPPT) is the most viable organization through which such training can be provided.

A. The OFPPT

The OFPPT provides training for Moroccan men and women in areas related to the needs of the industrial and commercial sectors. Currently, there are 75 Centres de Formation et de Qualification Professionnelle (CQP) in Morocco. During the 1977-1978 academic year, the number of trainees enrolled in these centers totaled 8,822.

In the industrial field, specialized training is provided in 30 areas. Admission is competitive, and the equivalent of the fourth year of secondary education (approximately nine years of schooling) is required. Those students who complete the two-year course are graduated as qualified workers. A higher level of commercial specialization is provided in a two-year training course in stenography and accounting. A minimum of seven years of secondary school is required for admission.

The directors of the centers help place the graduates with industrial and commercial firms.

B. The Problem

In December 1976, AID evaluated training programs for women and found that women were effectively excluded from OFPPT's industrial training programs. Women were restricted to training in the commercial sectors: typing, shorthand, bookkeeping, and accounting. In fact, commercial training in all but the last is exclusively female; and accounting, although mixed, is heavily dominated by males. Other factors that served to limit female access to training included the lack of dormitory facilities for women and limited attention to the placement of female graduates in jobs.

The Ministry of Labor, under whose jurisdiction OFPPT falls, stated that the current training programs did not purposefully exclude women but resulted from a lack of interest or reluctance on the part of Moroccan women themselves to seek admission to the industrial training courses. In principle, the GOM favors the integration of the sexes in the training program and also in the labor market itself.

Nevertheless, the Labor Ministry recognized its problem in recruiting and training women and requested AID to collaborate with OFPPT in establishing a pilot program for the training of women in industry-related areas. This special intervention would serve as a model for the promotion of industrial training and employment for women. Eventually, the pilot program would be replicated throughout the OFPPT system.

C. The Purpose

The purpose, then, of this project is to integrate women trainees into the Labor Ministry's industrial and commercial training centers, to provide them with marketable skills, and to assist them in job placement appropriate to their training.

D. Job Training

In October 1979, the first group of Moroccan women will begin a two-year course of industrial or commercial training on a pilot basis at the CQPs at Fes and Casablanca. Casablanca was selected since 70% of industry in Morocco is currently located there, as are the major architectural and construction firms, and the facilities for teacher training are available. In addition, OFPPT headquarters are in Casablanca. Fes, a newly industrializing province in an entirely different economic region of the country, is the site of the second pilot program.

Each center will have both men and women students, although a separate dormitory unit will be reserved for those women students who will be interns. The selection criteria for the women students will be the same as for men, and women will compete with men on a national examination which is given each July. Special efforts will be made to inform women of the examination and encourage them to apply. For example, the official announcements will specifically state that women may apply. The notification will be published in the French and Arabic newspapers, and all secondary schools with female students will be suitably informed. The OFPPT has previously utilized the state-owned radio and television to announce the entrance examination; the announcement, henceforth, will clearly indicate the eligibility of women candidates.

E. Course Selection

USAID and OFPPT are in agreement that initially the areas of specialized industrial training for women with nine years of formal schooling will be drafting, electricity, and electronics. In addition, the pilot program will offer commercial courses in accounting and secretarial skills for women who have completed 12 years of schooling. The selection of these areas was made in view of existing demands for such skills as articulated by private and public industrial and commercial firms. Other specialized areas of training for women will be considered as the project progresses and as the economy expands.

F. The CQP at Fes

For the first year at Fes, 55 of the 300 students will be women. Non-residents of Fes will be interns living in one of the four completely independent dormitory units. All interns will take their meals in a common refectory. Room and board is provided for both male and female students. A projection of the two-year courses of study and class enrollment for the women trainees for the life-of-the-project will be as follows:

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
Drafting (construction)	10	20	20	20
Electricity	15	30	30	30
Accounting	10	20	20	20
Secretarial skills	<u>20</u>	<u>40</u>	<u>40</u>	<u>40</u>
Total Number of Women	55	110	110	110
	---	---	---	---

Following these enrollment projections, the number of women completing training at Fes and entering the labor market would be 55 in 1980, 55 in 1981, and 55 in 1982.

G. The Industrial and Commercial Training Institutes in Casablanca

At Casablanca, 90 women students will join 330 men in October 1979 for the start of their industrial or commercial training. Non-residents of Casablanca will be provided with dormitory facilities; in the second year, dormitory space will be increased as needed for women students. A projection of the two-year course of study and class enrollment for these women for the 3-1/2 year life-of-project follows:

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
Industrial drafting	15	30	30	30
Construction drafting	15	30	30	30
Electricity	15	30	30	30
Electronics	15	30	30	30
Accounting	10	20	20	20
Secretarial Skills	<u>20</u>	<u>40</u>	<u>40</u>	<u>40</u>
Total Number of Women	90	180	180	180
	---	---	---	---

Following these enrollment projections, the number of women completing training in Casablanca and entering the labor market would be 90 in 1980, 90 in 1981, and 90 in 1982.

H. Instructional Staff

All of the training centers (CQP's) of OFPPT are directed by Moroccan nationals; all of the instructors are Moroccans. The feasibility study observed that OFPPT had a good instructor base, but with instructor quality

in need of improvement. For example, it noted that almost all the instructors were young graduates from OFPPT's own teacher training institutes or from technical lycees who were lacking in industrial work experience. The instructional content and methodology used in the classroom reflected this lack of practical experience. The standarized courses of study have been designed for use by instructors who have not had industrial working experience, but have simply been trained in the same courses that they are passing on to the trainees. Even though the written lesson plans have a fair balance between theory and "hands on practice", the Moroccan instructors, due to their lack of industrial experience and limited teaching experience, just "follow the book" without being able to provide additional inputs needed in a learning experience.

More specifically, there is a notable deficiency in the quality of instruction in the technical fields (noted in the preceding sections) in which the women are to be trained. The relative lack of articulation between what actually is expected from, for instance, a beginning draftsman (or draftswoman) and what currently is taught in drafting courses, has been a cause for complaint by employers. For purposes of this project, it is vital that the quality of technical instruction improve -- the women who enter the market in the specific technical specialties not only must have the requisite skills assuring their own livelihood; they also will be looked at as "test" examples of women's capacity to perform effectively as technicians.

The project, therefore, in addition to assisting the GOM in introducing women into the OFPPT system will also assist in providing them with the practical and effective kind of skills training needed in the labor market for the several trades selected for this pilot project. The project will provide three trainers with practical experience and professional expertise in the respective fields of electricity/electronics, drafting, and accounting/secretarial skills. These technicians will introduce into the training program a more practical experience-oriented approach and will transmit these methods to the Moroccan teaching staff. In collaboration with the directional and instructional staff of the two pilot centers and the teacher training institutes these technicians will demonstrate appropriate teaching techniques, teach model units using such techniques, assist in the preparation of teaching plans and instructional materials, review curriculum in the areas specified above and supplement their contents, where necessary, to match the skills required for employment, and devise and implement plans for in-service training in the new methods and knowledge required to improve the quality of instruction at the pilot centers.

This enhancement of the instructional program provided by the advisory and supervisory role of the three technicians will assure the women trainees of the appropriate skills training essential for future work success. Besides the two pilot centers the consultants' services will also be available to the teacher training institutes.

I. Technical Assistance

In addition to the three training experts the contractor will also provide the services of three other advisors in the areas of educational administration, student counseling, and job development. These functions will be performed by (1) a professional educator (team leader) expert in managing vocational training programs for industry and commerce; (2) a social scientist experienced in guidance counseling, psychological testing, and job-related counseling; and (3) a human resources economist experienced in job identification and job placement activities for skilled industrial workers.

Overall project management at Casablanca and Fes will be the responsibility of the team leader who will be based at OFPPT headquarters but will be in contact with the two centers. Her counterpart will be the Head of Technical Training, and both will collaborate on all project activities. The team leader will be an educator, expert in vocational technical training. Her expertise should include administration, planning, supervision, and curriculum development.

Also based at the OFPPT headquarters will be a project social-psychologist. She too will keep in close touch with both training sites. She will be responsible for orientation classes for new women students, guidance counseling during training, and career counseling for graduates who have entered the labor market. During the first year she will also be expected to complete an attitudinal survey of students, employers, officials, parents, et al, relative to women working in the industrial sector. Such a study would be used for curriculum development and job placement.

The last member of the project team will be a job development expert who will be working closely with the Conseils de Perfectionnement at Fes and Casablanca. These are Councils of local employers and workers which advise the CQP directors on appropriate skills training and which assist in job placement. This technician will use her expertise to improve the effectiveness of the Councils and will be working on her own for job development for women workers, first in Fes and Casablanca and later in the regions chosen for the first stage of replication. She will also be involved in identifying new job opportunities for women and for undertaking a program of evaluation of trainees' performance on the job.

At the conclusion of the first year of training under the project (as well as after the second year), the requirements for advisory assistance in technical training fields will be reviewed. This review will be performed initially by three "core" team members shown above and appropriate counterpart personnel from OFPPT. This review will determine the anticipated requirements (for the following year) for advisors in technical areas. As also noted, job market analysis by that time may have pointed up other or "substitute" technical areas in which there are immediate needs for trained women. If so, it may be desirable to change the "mix" of technical advisors. It also may be advisable to utilize several short-term advisors "in place of" one or two of the initial long-term technical advisors. While

it is anticipated currently that the technical fields initially designated for upgrading -- and hence production of adequately trained women ---are not likely to change within that relatively short-time, it is believed that this potential for flexible project response can operate to the benefit of the overall program. In any case, the cost of the future "mix" of technical advisors is to remain within the budget figures shown for such personnel. The requirements analysis must be reviewed and approved by USAID before any changes in project personnel are undertaken.

J. Teacher Training

OFPPT has agreed to accept women candidates in its teacher training institutes beginning in 1979. There are three teacher training institutes in Casablanca operated by OFPPT: Institut National de Formation des Cadres Techniques (INFCT), Institut des Metiers du Batiments (IMB), and Institut National de Formation des Cadres en Comptabilite et Secretariat (INFCCS) At INFCT, there are 113 student-teachers training in various industrial skills; at IMB, there are 18 student-teachers; and at INFCCS, there are 61 student-teachers learning accounting or secretarial skills. The women who are accepted by these institutes must have completed secondary school. In addition to free tuition and dormitory facilities for interns, the student-teacher receives a monthly stipend.

K. Participant Training

The contractor will arrange for university training in the United States for six Moroccans who will be trained to carry on the supervisory activities of the project staff once the project has been completed.

Two candidates will study human resources economics. Upon their return, they will work closely with the Councils in the various regions, to analyze the labor market as it affects women workers, to promote job opportunities for women, to assist in job placement, etc.

Two Moroccan women will eventually replace the project social psychologists and perform the same function of counseling the women trainees and the women workers. They will pursue a degree in counseling in the United States.

Two more candidates will do university work in vocational education. One will concentrate on industrial skills training, and the other on business skills training. They will serve on the central staff of OFPPT.

These six participants will spend three years in the United States, including five months of language training. When they return from the United States, there will be a six-month overlap with the project team.

L. Employment

It is clear that this pilot project for training women within the OFPPT system will be of value only to the extent that it can effectively demonstrate the employability of women trained in non-traditional skills.

The success of the training rests with the application of the learned skills in the labor market. Unless the women find remunerative employment appropriate to their training, the investment will not have fully achieved its goal.

The project team will keep the training job-specific. Only those areas which have a proven outlet in the labor market of the particular region will be taught. The team leader and the economist will keep in close touch with each Council. Students will benefit from practical apprenticeships and on-the-job training. After commencing work, the woman worker will retain a link with the center through the counselor, the director, and the instructors. The centers will maintain contact and follow-up of all graduates at the job sites.

M. Replication

It is obvious that the pilot project concept of innovative change must not ignore the question of replicability. The pilot project for women must provide a type of technical assistance and project design which can readily be absorbed within the OFPPT system. From the start, the women students are not isolated in separate centers reserved for females. Instead, they are admitted to existing centers where men are in training. The latter model is easier to imitate in other CQPs once success has been demonstrated. It requires less capital investment; it eliminates the delay of new construction; and it avoids the burden and reluctance of catering to a privileged group.

Before the end of the third year, the OFPPT and the contract team will make definite plans for introducing women students to new CQPs after the pilot models. Likely sites for the first phase of replication are Kenitra, Meknes, Rabat, and Tangiers.

N. Summary of Outputs

Two pilot centers at OFPPT will provide job training for women in industrial and commercial skills. A system of job placement and performance evaluation will be functioning. Women professionals will be included on the central headquarters staff of OFPPT.

O. Summary of Inputs

The GOM is responsible for providing (1) the buildings, the furniture, and equipment; (2) salaries of local instructors; (3) all the administrative/managerial expenses; (4) dormitory space for some women students; and (5) international travel for participant training.

AID will provide the contract services of an educator/administrator, a job development expert, a counselor, and vocational training experts, all for 3-1/2 years. AID will sponsor participant training for six Moroccans to study social psychology, human resources economics, and vocational education for a three-year period.

Commodities needed for the success of the project include technical training equipment and supplies. One vehicle for the contract team is included because of the transportation requirements between the two pilot locations and the efficient and equitable use of the project staff in implementing the project at Fes, and in Casablanca.

P Description of Technical Services Required

The contractor will advise the Directors of the pilot program centers and consult with the training staff of these centers on the design and implementation of plans to: (1) increase the number of women students graduated from the Centers' training programs; (2) increase the efficiency of job identification and placement services available to women enrolled in the training programs of the Centers; and (3) improve the teaching techniques and subject knowledge of the trainers in the following subjects: drafting, electricity, electronics, accounting, and secretarial skills. In connection with point (1) above, the contractor will be expected to devise programs to expand the recruitment of women, provide counseling and guidance services to them during training and the early months of employment, and sensitize trainers and employers to the special needs of employed women. In connection with point (2) above, the contractor will be expected to develop strategies to encourage individual employers to (a) review job descriptions and skill requirements and compare these to the capabilities of women graduates from the pilot centers' training programs and (b) participate in programs which systematically project future employment needs. Similarly, the contractor will be expected to initiate a system to monitor on-the-job performance and problems of women graduates. In connection with point (3) above, the contractor will be expected to demonstrate appropriate teaching techniques, teach model units using such techniques, assist in the preparation of teaching plans and instructional materials, review curriculum in the areas specified above and supplement their contents, where necessary, to match the skills required for employment, and devise and implement plans for in-service training in the new methods and knowledge required to improve the quality of instruction at the pilot centers.

Q. Job Description of Contract Technicians

1. Team Leader -- (Background in development of vocational training programs, particularly as those are related to women, with understanding of vocational education theory and application, requirements for articulation with anticipated overall manpower needs and flexibility of program response, familiarity with and sensitivity to women in development issues and general understanding of Moroccan cultural context affecting this program.)
 - provides overall direction for project and for team in collaboration with her counterpart.
 - serves as direct liaison for team with executive staff of OFPPT in analyzing and formulating general direction of project
 - works with directors of both centers in developing overall direction and implementation of project.

- oversees work of all other team members
 - responsible for recruitment of supplemental staff, as necessary
 - establishes evaluation system to monitor project progress from team standpoint
 - serves as liaison to USAID Morocco for team
2. Job Development Expert.--(Background - practical experience as well as extensive theoretical knowledge of job development and job placement; understanding of need for and familiarity with means of securing articulation of training and employment needs of industrial/commercial sector, especially as this applies to "new" fields and groups, particularly women in circumstances such as Morocco)
- will serve as liaison to councils of directors of the two (and eventually more) centers for purpose of analyzing job market and potential placement of trained women;
 - works closely with officials from the Ministry of Labor, Ministry of Plan, Ministry of Education and other appropriate entities, to establish reliable means and methods for assessing future work force requirements, especially as these relate to women.
 - establishes and strengthens direct, immediate ties to private and semi-private sector employees (and potential employers) in areas surrounding the two centers (and eventually in other areas) to help ascertain, as a continuing strategy, actual needs and potentials for employment of women, both on individual and on group basis. As part of this responsibility, will establish program to help employers review and adjust job requirement descriptions and content
 - analyzes training needs and indicated adjustments of programs to respond to employment potentials, and makes recommendations to appropriate MOL and project team personnel in this regard;
 - train Moroccan counterparts following training in the U.S., in actual carrying out such responsibilities in continuing and expanding activities, to assure that the project-instigated program will institutionalize both the analytic capability and directional flexibility to respond to employment requirements for women in indicated areas.
3. Guidance Counselor -- (Background - experience and professional background in providing job and social counseling for women -- particularly in developing countries and in the Near East if possible --, sensitivity to and familiarity with "women in development" issues, understanding of Moroccan cultural context as affecting this program)

- will study and analyze social-cultural-economic constraints involved in increasing the employability of training women in Morocco and will employ results of such study and analysis in working as counselor in this area;
 - will provide policy advice and recommendations to appropriate officials in the MOL and especially Formation Professionnelle on special requirements associated with increasing employability of women;
 - acts as individual job and guidance counselor for women trainees at centers at Fes and Casablanca (and possibly other location as program expands) during overall project; will maintain that responsibility for graduates of program; will perform study and analysis of developmental graduate trainees, their job problems solutions and responses; and will develop recommendations for program adjustment based on such study and analyses;
 - when individual(s) available, i.e., following training in U.S., will work closely with Moroccan counterparts to assure gradual replacement and institutional capacity to carry out on-going (and expanded) responsibilities for this portion of project.
4. Vocational Training Expert (Drafting) -- (broad background for practical experience in teaching drafting as vocational skill, both for industrial and construction; familiarity with this type of vocational training in developing countries, especially in the Near East if possible; awareness of "socio-cultural" circumstances of Morocco)
- will work closely with Moroccan trainers (and teachers of teachers) who are teaching industrial drafting and construction drafting at Casablanca, and with the teachers teaching drafting at Fes, to analyze and review content and methodology of teaching of drafting skills at both centers. Will advise such teachers, on continuing basis, of need and appropriate means for improving such instruction, from both points of view (i.e., curriculum content and methodology).
 - At each location, will develop and maintain close practical contact with these trades, including both employees and employers, and from actual hands-on knowledge, will advise on improving content and methodology of courses; will assist teachers in development of improved curriculum, lesson plans, micro-teaching techniques, using modern teaching aids, including programmed material, and increased student participation and joint student-faculty evaluation.
 - will follow closely employment careers of training graduates of program in these trades, and, based upon analysis of means to improve the instruction. Will incorporate needed revisions into advice and suggestion to teachers.

-- on continuing basis, will provide technical advice and recommendation on these technical areas (drafting) to project team, officials of MOL, and other appropriate parties.

5. Vocational Training Expert

(Electricity and Electronics)

6. (Commercial Accounting)

These two experts should have similar backgrounds in their respective skills training areas as the V.T.E. in drafting. They will bear similar responsibilities for improvement of course, content, methodology and relevance, in their respective technical areas, at both centers (and other locations as required). Toward that end, they also will be expected to interact in similar fashion with the teachers, trainees, members of the technical trades, employers, training graduates, and counterparts, to help institutionalize the analysis, response and improvement process in their respective technical skills training areas.

Attachment I of Annex I

PROJECT FINANCIAL PLAN
 (Source and Application of Funding - \$ Millions)

As of August 14, 1978

Project No. 608-0147

PROJECT INPUTS	AMOUNT FOR AN INCREMENTALLY FUNDED PROJECT				
	Cumulative Obligations / Commitments as of August 14, 1978		Future Years Anticipated	Total	
	A.I.D.	GOM			
Technical Services	1 686	0 836		2 522	
Training	0 312	—		0 312	
Commodities	0 402	—		0 402	
OFPT operating costs	0 800	—	0 400	1 200	
TOTAL:	2 400	0 800	0 836	0 400	3 236
					1 200

Projet de l'A.I.D. No. 609-0147

Accord de Projet No. 608-78-005

ACCORD DE DON POUR UN PROJET

ENTRE

LE ROYAUME DU MAROC

ET

LES ETATS-UNIS D'AMERIQUE

EN FAVEUR

DE LA FORMATION PROFESSIONNELLE

DES FEMMES

DANS L'INDUSTRIE ET LE COMMERCE

DATE: Le 14 Aout 1978

Projet de l'A.I.D. No. 608-0147

ACCORD DE DON POUR PROJET

En date du 14 Aout 1978

Entre

Le Royaume du Maroc, par l'intermédiaire du Ministère du Travail et de la Formation Professionnelle, ("Bénéficiaire")

Et

Les Etats-Unis d'Amérique, par l'intermédiaire de l'Agence pour le Développement International ("A.I.D.")

Article 1 l'Accord

L'objet du présent Accord est de fixer les conditions que doivent remplir les parties susmentionnées ("Parties") quant à l'exécution par le Bénéficiaire du Projet décrit ci-dessous et quant au financement du Projet par les Parties.

Article 2 Le Projet

SECTION 2.1. Définition du Projet. Le Projet qui est décrit plus en détail à l'Annexe 1, a pour but d'intégrer des stagiaires femmes dans les centres de formation industrielle et commerciale du Ministère du Travail (OFPPT), pour leur permettre d'acquérir des qualifications professionnelles appropriées et les aider à trouver un emploi correspondant à leur formation. Le Projet comprend trois éléments interdépendants:

- (a) l'ouverture de programmes de formation pilotes pour les femmes, auprès des centres de l'OFPPT à Fez et Casablanca;
- (b) l'amélioration des programmes par l'introduction de spécialisations techniques dans les cours de formation; et
- (c) l'assistance au Ministère du Travail et de la Formation Professionnelle en ce qui concerne l'emploi des stagiaires et l'évaluation de leurs aptitudes sur le lieu du travail.

L'Annexe 1 ci-jointe explicite la définition susmentionnée du Projet. Dans les limites de la définition précitée du Projet, les

éléments de la description élargie énoncée à l'Annexe 1 peuvent être modifiés par accord écrit des représentants agréés des Parties nommées à la Section 8.2., sans amendement officiel du présent Accord.

SECTION 2.2. Modalités de décaissement du Don

(a) La contribution de l'A.I.D. au Projet se fera par tranches cumulatives, la première étant mise à disposition conformément à la Section 3.1. du présent Accord. Des tranches ultérieures seront sujettes à la disponibilité des fonds de l'A.I.D. à cette fin, ainsi qu'à l'Accord mutuel des Parties de poursuivre le Projet, au moment de chaque nouvelle tranche.

(b) Dans la période allant jusqu'à la date d'achèvement d'assistance au Projet énoncée dans le présent Accord (cf Section 3.3.a.), l'A.I.D., après consultation avec le Bénéficiaire, peut préciser dans les lettres d'exécution du Projet, les périodes appropriées pour l'utilisation des fonds accordés par l'A.I.D. au titre de chaque tranche d'assistance.

Article 3 Financement

SECTION 3.1. Le Don. Pour aider le Bénéficiaire à financer les coûts de l'exécution du Projet, l'A.I.D., conformément à la loi 1961 sur l'Aide étrangère telle qu'elle a été amendée, accepte d'accorder au Bénéficiaire aux termes du présent Accord un montant qui ne dépassera pas deux millions quatre cent mille dollars des Etats-Unis ("E.U.") (\$2.400.000) ("Don")

Le Don peut être utilisé pour financer les coûts en devises comme défini à la section 6.1. et les coûts en monnaie locale comme défini à la section 6.2. des biens et services nécessaires à l'exécution du Projet.

SECTION 3.2. Ressources du Bénéficiaire pour l'exécution du Projet

(a) Le Bénéficiaire accepte de fournir ou de faire fournir pour l'exécution du Projet, tous les fonds, outre le Don et toutes les autres ressources requises pour exécuter efficacement et en temps voulu le Projet.

(b) Les ressources fournies par le Bénéficiaire pour le Projet ne seront pas inférieures à l'équivalent de dollars E.U. 800.000, y compris les coûts supportés sur une base "en nature"

SECTION 3.3. Date d'achèvement d'assistance pour le Projet

(a) La "date d'achèvement d'assistance pour le Projet" (DAAP) à savoir le 30 Septembre 1982 ou toute autre date dont les Parties

peuvent convenir par écrit, est la date à laquelle les Parties estiment que tous les services financés au titre du Don auront été exécutés et que tous les biens financés au titre de ce Don auront été fournis pour l'exécution du Projet comme l'envisage le présent Accord.

(b) A moins que l'A.I.D. n'en convienne autrement par écrit, elle ne publiera ni n'approvera les documents qui autoriseraient le décaissement du Don pour la prestation de services exécutés après la DAAP ou pour les biens fournis aux fins du Projet comme l'envisage le présent Accord, après cette date.

(c) Les demandes de décaissement, accompagnées des pièces justificatives nécessaires qu'indiquent les lettres d'exécution du Projet, doivent parvenir à l'A.I.D. ou à la banque mentionnée à la section 7.1. au plus tard neuf (9) mois après la DAAP ou toute autre période dont l'A.I.D. convient par écrit. Après cette période, l'A.I.D., après avoir envoyé avis écrit au Bénéficiaire, peut à n'importe quel moment réduire le montant du Don de tout ou partie de ce montant pour lequel les demandes de décaissement accompagnées des pièces justificatives nécessaires qu'indiquent les lettres d'exécution du Projet, n'ont pas été reçues avant l'arrivée à expiration de ladite période.

Article 4 Conditions à remplir avant le décaissement

SECTION 4.1. Premier décaissement. Avant le premier décaissement effectué au titre du Don ou avant la publication par l'A.I.D. des documents en vertu desquels le décaissement sera fait, le Bénéficiaire, à moins que les Parties n'en décident autrement par écrit, fournira à l'A.I.D. sous une forme et dans un fond établis à la satisfaction de cette dernière:

(a) l'engagement de la part du Ministère du Travail que les salles de classes et les dortoirs nécessaires seront mis à la disposition du Projet dans chacun des Centres Pilotes au moment du démarrage du Projet;

(b) l'assurance que des effectifs marocains compétents dans les domaines techniques spécifiés dans la description du Projet, seront affectés au centres de formation pilote pour instruire les femmes durant la première année du Projet;

(c) l'attestation que la totalité de sa contribution au Projet en dirhams pour la première année de la réalisation du Projet est incluse dans les prévisions budgétaires par le Bénéficiaire; et

(d) un contrat de prestation de services conseils pour l'exécution du projet acceptable par l'A.I.D. avec un organisme agréé

par celle-ci.

SECTION 4.2. Notification. Lorsque l'A.I.D. aura établi que les conditions mentionnées à la Section 4.1. ont été remplies, elle en notifiera rapidement le Bénéficiaire.

SECTION 4.3. Dates finales d'accomplissement des conditions susmentionnées. Si toutes les conditions mentionnées à la Section 4.1. n'ont pas été remplies dans les 180 jours qui suivent la date de signature du présent Accord ou à une date ultérieure dont l'A.I.D. peut convenir par écrit, l'A.I.D. a la faculté de mettre fin au présent Accord par avis écrit envoyé au Bénéficiaire.

Article 5 Conventions spéciales

SECTION 5.1. L'évaluation du Projet. Les Parties décident d'établir un programme d'évaluation qui fera partie du Projet. Sauf indication contraire des Parties par écrit, le programme comprendra pendant l'exécution du Projet et après son achèvement:

- (a) une évaluation de l'état d'avancement du Projet;
- (b) l'identification et l'évaluation des problèmes ou des contraintes qui peuvent entraver la réalisation des objectifs fixés;
- (c) l'évaluation de la manière dont ces observations peuvent être utilisées pour contribuer à surmonter ces problèmes; et
- (d) l'évaluation, dans la mesure du possible, de l'incidence globale du Projet sur le développement.

SECTION 5.2. Réalisation du Projet. Le Bénéficiaire s'engage à remplir les obligations suivantes:

- (a) financer au moment approprié les coûts en dirhams liés à la mise en oeuvre du Projet;
- (b) fournir dans un temps adéquat le personnel administratif qualifié pour les centres de formation et les services centraux, lorsque nécessaire pour l'exécution du Projet;
- (c) si les évaluations effectuées mettent en évidence le succès du projet pilote, envisager l'extension de développement du Projet dans d'autres centres après l'achèvement de ce projet pilote, et utiliser à cet effet l'expérience acquise pendant le projet;

- (d) participer avec l'A.I.D. aux évaluations du projet pilote qui seront conduites conformément au calendrier établi dans le présent Accord 2 ans après l'achèvement du Projet.
- (e) se concertera périodiquement avec l'A.I.D. quant à l'avancement du Projet et toute modification nécessaire y afférente, et en particulier, avant tout changement éventuel au sein du personnel d'assistance technique;
- (f) recruter et placer à des postes appropriés au sein des services de la formation professionnelle les six candidates sélectionnées et envoyées aux Etats-Unis pour une formation de longue durée au titre du présent Projet, à leur retour au Maroc.

Article 6 Source d'achat

SECTION 6.1. Coûts en devises. Conformément à la Section 7.1., les décaissements seront uniquement utilisés pour financer les coûts des biens et services requis pour l'exécution du Projet et ayant leur source et origine aux Etats-Unis (Code 000 du Code Géographique de l'A.I.D. tel qu'il est en vigueur à l'époque où les commandes sont placées et les marchés passés dans ces biens et services) ("Coûts en devises") à moins que l'A.I.D. n'en convienne autrement par écrit et à moins que la Section C.1.b. de l'Annexe sur les dispositions types du Don pour projet n'en stipule autrement quant à l'assurance maritime.

SECTION 6.2. Coûts en monnaie locale. Conformément à la Section 7.2. les décaissements seront uniquement utilisés pour financer les coûts de biens et services nécessaires à l'exécution du Projet et ayant leur source et, à moins que l'A.I.D. n'en convienne autrement par écrit, leur origine au Maroc.

Article 7 Décaissements

SECTION 7.1. Décaissement des coûts en devises

(a) Après avoir rempli avec satisfaction les conditions susmentionnées, le Bénéficiaire peut obtenir le décaissement des fonds au titre du Don pour le financement des coûts en devises des biens et services nécessaires à l'exécution du Projet, et ce, conformément aux termes du présent Accord, par le jeu des méthodes ci-après qui auront été convenues d'un commun accord:

(1) en présentant à l'A.I.D., accompagnées des pièces justificatives nécessaires comme le stipulent les lettres d'exécution du Projet, (A) les demandes de remboursement de ces biens et services ou (B) les demandes à l'A.I.D. d'achat des biens et services au nom du Bénéficiaire pour l'exécution du Projet; ou

(2) en demandant à l'A.I.D. d'émettre des lettres d'engagement pour des montants donnés (A) à une ou plusieurs banque(s) des États-Unis, acceptables par l'A.I.D., engageant l'A.I.D. à rembourser cette banque ou ces banques pour les paiements effectués par elles à des entrepreneurs ou fournisseurs, dans le cadre de lettres de crédit par exemple, pour l'achat de ces biens et services ou (B) directement à un ou plusieurs entrepreneur(s) ou fournisseur(s) engageant l'A.I.D. à payer ces entrepreneurs ou fournisseurs pour l'achat de ces biens et services.

(b) les frais bancaires encourus par le Bénéficiaire pour ce qui est des lettres d'engagement et des lettres de crédit seront financés au titre du Don à moins que le Bénéficiaire n'instruise l'A.I.D. de faire le contraire. Les autres frais dont les Parties peuvent convenir peuvent également être financés dans le cadre du Don.

SECTION 7.2. Décaissement pour le financement des coûts en monnaie locale

(a) Après avoir rempli avec satisfaction les conditions susmentionnées, le Bénéficiaire peut obtenir les décaissements des fonds au titre du Don pour le financement des coûts en monnaie locale nécessaires à l'exécution du Projet conformément aux termes du présent Accord en soumettant à l'A.I.D. les demandes de financement de ces coûts accompagnées des documents justificatifs requis comme le stipulent les lettres d'exécution du Projet.

(b) La monnaie locale requise pour ces décaissements peut être obtenue par l'A.I.D. L'équivalent en dollars de la monnaie locale rendu disponible au titre du Don sera le montant en dollars E.U. requis par l'A.I.D. pour obtenir la monnaie locale.

SECTION 7.3. Autres formes de décaissement. Les décaissements du Don peuvent également s'effectuer par d'autres moyens dont les Parties peuvent convenir par écrit.

Article 8 Divers

SECTION 8.1. Communication. Tout avis, demande, document ou autre communication présenté par une Partie à l'autre dans le cadre du présent Accord sera présenté par écrit, télégramme ou par câble et sera considéré comme remis ou envoyé lorsqu'il parviendra à la partie intéressée à l'adresse ci-après:

Au Bénéficiaire: Ministère du Travail et de la Formation Professionnelle

Adresse: Quartier Administratif
Rabat, Maroc

Adresse Télégraphique: 31614 Travail/Maroc

A U.S.A.I.D./Rabat: Agency for International Development

Adresse: 137, Avenue Allal Ben Abdellah
Rabat, Maroc

Adresse télégraphique: 31005M

D'autres adresses peuvent remplacer l'adresse ci-dessus sur avis de l'intéressé. De plus, le Bénéficiaire fournira à la Mission de l'U.S.A.I.D. à Rabat une copie de chaque communication envoyée à l'A.I.D./Washington.

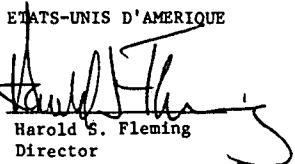
SECTION 8.2. Représentants. Aux fins du présent Accord, le Bénéficiaire sera représenté par une personne occupant le poste de ou agissant au nom du Ministre du Travail et de la Formation Professionnelle, et l'A.I.D. sera représentée par une personne occupant le poste de ou agissant pour le compte du Directeur de Mission, chacun d'eux pouvant par avis écrit désigner d'autres représentants à toutes fins autres que celles d'exercer le pouvoir au titre de la Section 2.1. de réviser les éléments de la description élargie à l'Annexe 1. Les noms des représentants du Bénéficiaire accompagnés des signatures spécimen seront communiqués à l'A.I.D. qui acceptera comme dûment agréé n'importe quel instrument signé par ces représentants en application du présent Accord jusqu'à réception de l'avis écrit de révocation de leur autorité.

SECTION 8.3. Annexe relative aux dispositions standard. Une "Annexe relative aux dispositions standard régissant le Don pour Projet" (Annexe 2) figure ci-joint au présent Accord et en fait partie.

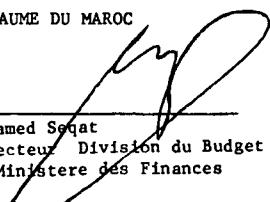
SECTION 8.4. Libellé de l'Accord. Le présent Accord est rédigé en anglais et en français. En cas d'ambiguité entre les deux versions, la version anglaise seule fera foi.

EN FOI DE QUOI, le Royaume du Maroc et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de son représentant dûment agréé, ont fait signer le présent Accord en leur nom à la date de l'année susmentionnée.

ETATS-UNIS D'AMERIQUE


Harold S. Fleming
Director
United States Agency for International
Development Mission to Morocco

ROYAUME DU MAROC


Mohamed Sebat
Directeur Division du Budget
Ministère des Finances

Annexe 1

Description amplifiée du projetVue d'ensemble du projet

Le projet fournira aux femmes Marocaines des possibilités accrues de trouver un travail en tant qu'ouvrières qualifiées ou employées dans les secteurs industriel et commercial de l'économie. Cet objectif sera réalisé par le biais d'un programme de formation axé sur les spécialisations et centré sur le développement du travail. L'organisme d'exécution sera l'Office de la Formation Professionnelle et de la Promotion du travail du Ministère du Travail (OFPPT), qui assure déjà un programme de formation professionnelle pour les hommes. Le présent projet aidera le Gouvernement Marocain à intégrer les femmes stagiaires et employées au sein des activités de cet Office.

Pour commencer, deux centres de formation recruteront des candidates pour une participation de deux ans à des cours portant sur diverses spécialisations industrielles et commerciales. Casablanca débutera avec 0 femmes; Fes en accueillera 55. Les compétences choisies pour cette entreprise pilote sont le dessin industriel, l'électricité, l'électronique, la comptabilité et le secrétariat. Les deux centres pilotes seront mixtes, et les installations offertes s'adresseront tant aux hommes qu'aux femmes, l'exclusion des dortoirs qui seront séparés.

Grâce à l'étroite relation entre l'OFPPT et l'industrie ou le commerce privés, le programme de formation est spécialisé en fonction de l'offre d'emplois et le taux de placement est très élevé. Les femmes diplômées pourront entrer dans le marché du travail avec les mêmes avantages que les hommes possédant un diplôme analogue et l'OFPPT les aidera à trouver un emploi.

Pour faciliter l'intégration des femmes dans les centres pilotes et, par conséquent, dans le système de l'OFPPT, le projet fournira une assistance technique, un matériel de formation et des services de formation, sur une période de trois ans et demi. Les six techniciennes prévues pour la première année du projet se répartiront de la manière suivante:

une pédagogue/directrice de programme, expérimentée en matière de formation professionnelle et assumant les fonctions de chef d'équipe;

une économiste des ressources humaines qui collaborera avec l'OFPPT et les employeurs dans le domaine du développement de l'emploi et des activités de placement;

une psycho-sociologue qui servira de conseillère auprès des stagiaires et employées;

deux spécialistes de la formation technique (électronique/électricité et dessin industriel) et une spécialiste de la formation commerciale (comptabilité/secrétariat), qui seront responsables de la supervision du programme d'instruction dispensé aux stagiaires dans les deux centres d'Aïn Borja et de Fes.

Ces spécialistes exercent leurs fonctions durant la première année du projet, les domaines techniques dans lesquels les femmes doivent être initialement formées ayant déjà été identifiées. Il n'est cependant pas exclu qu'à la fin de la première année, l'élargissement à d'autres activités techniques apprécie justifié (à la lumière des activités de la conseillère en matière d'emploi et d'autres membres du projet). Les besoins en conseillers techniques seront alors revus par l'équipe du projet et le personnel de l'OFPPT et des ajustements dans la composition du personnel d'assistance technique seront effectués en conséquence.

De manière à institutionaliser les activités pilotes, le projet prévoira la formation des femmes qui se joindront au personnel professionnel et de contrôle de l'OFPPT. Six Marocaines poursuivront des études aux Etats-Unis, en économie des ressources humaines, psychologie industrielle et formation professionnelle. En outre, l'OFPPT s'efforcera d'intéresser les femmes aux programmes de formation de professeurs enseignés dans trois instituts à Casablanca l'INFCT (industrie), l'IMB (construction) et l'INFCCS (commerce). Même si le projet ne se propose pas d'assurer l'intégration totale des femmes dans le personnel de formation de l'OFPPT, il importe de disposer de certains effectifs féminins permanents au sein de cet Office, tant pour favoriser la réalisation des buts du projet que pour servir de modèles aux femmes étudiantes.

A l'achèvement du projet pilote en 1982, 435 femmes auront terminé leur formation et seront placées dans des emplois appropriés (un nombre égal d'hommes bénéficieront de ce projet puisque la formation sera mixte). L'OFPPT aura élaboré des propositions portant sur l'application du programme à d'autres centres de formation et qui tiendront compte des besoins spécifiques des régions pour le choix des matières à enseigner. La formation des femmes au titre de main d'œuvre spécialisée dans les secteurs industriel et commercial deviendra l'une des tâches régulières de l'OFPPT.

Description détaillée

Le présent projet est envisagé par l'AID depuis le mois de janvier 1977. Il représente l'aboutissement d'études et d'analyses relatives aux besoins en matière d'emplois des femmes Marocaines et repose sur la conclusion selon laquelle une formation spécialisée dans des domaines non traditionnels est devenue une nécessité. Ces études reconnaissent également que l'Office de la Formation Professionnelle et de la Promotion du Travail (OFPPT) constitue l'organisme le plus en mesure d'assurer ce genre de formation.

A. L'OFPPT

L'OFPPT assure la formation de femmes et d'hommes Marocains dans des domaines liés aux besoins des secteurs industriel et commercial. Il existe actuellement 75 centres de Formation et de Qualification professionnelle (CQP) au Maroc. Durant l'année scolaire 1977/78, le nombre de stagiaires inscrits dans ces centres s'est élevé à 8,822.

Dans le domaine industriel, la formation spécialisée concerne 30 branches spécialisées. L'admission se fait par voie de concours et l'équivalent de la 4ème année d'études secondaires (environ 9 ans de scolarité) est exigé. Les étudiants qui terminent le cours de deux ans sont diplômés en qualité d'ouvriers qualifiés. Un niveau plus élevé de spécialisation commerciale

est assuré par un cours de deux ans en sténographie et comptabilité. Un minimum de sept ans d'études secondaires est requis pour l'admission.

Les directeurs des centres aident au placement des stagiaires diplômées dans les entreprises industrielles et commerciales.

B. Le problème

L'AID a procédé en décembre 1976 à l'évaluation des programmes de formation destinés aux femmes et cette évaluation a révélé que dans la pratique, les femmes étaient exclues des programmes de formation industrielle mis en oeuvre par l'OFPPT. Leur formation se réduisait au secteur commercial dactylographie, sténographie, tenue des livres et comptabilité. En fait, la formation commerciale, à l'exception de cette dernière branche, s'adressait uniquement aux femmes et la comptabilité, si elle comprenait des femmes et des hommes, était suivie par ceux-ci dans une très forte proportion. Le manque de dortoirs et la faible attention accordée au placement des femmes ayant obtenu leur diplôme contribuaient par ailleurs à limiter l'accès des femmes à la formation.

Le Ministère du Travail, sous la juridiction duquel tombe l'OFPPT, a fait valoir que les programmes de formation n'excluaient pas intentionnellement les femmes, mais que les Marocaines elles-mêmes hésitaient à demander leur admission aux cours de formation industrielle ou n'étaient que très peu intéressées. En principe, le gouvernement Marocain favorise la participation des deux sexes aux programmes de formation de même que leur accès au marché du travail.

Toutefois, le Ministère du Travail a reconnu l'existence de difficultés rencontrées à l'égard du recrutement et de la formation des femmes et a demandé à l'AID de collaborer avec l'OFPPT à l'établissement d'un programme pilote pour la formation des femmes dans les secteurs liés à l'industrie. Cette intervention spéciale servirait de schéma type en matière de promotion de la formation industrielle et d'emploi des femmes, et le programme pilote mis en oeuvre serait reproduit par le système de l'OFPPT dans son ensemble.

C. Le but

Le but du présent projet est d'intégrer les femmes stagiaires dans les centres de formation industrielle et commerciale du Ministère du Travail, pour leur permettre d'acquérir des qualifications professionnelles valables et pour les aider à obtenir un emploi approprié à leur formation.

D. Formation de l'emploi

En Octobre 1979, le premier groupe de femmes Marocaines commencera un cours de formation industrielle ou commerciale de deux ans, sur une base expérimentale, dans les centres de Fes et de Casablanca. Casablanca a été sélectionnée du fait que 70% de l'industrie au Maroc sont actuellement concentrés à cet endroit où, par suite, les plus importantes sociétés de construction et d'architecture, ainsi que l'infrastructure nécessaire pour la formation d'enseignants sont implantées. En outre, le siège central de l'OFPPT se trouve à Casablanca. Le deuxième programme pilote sera réalisé à Fes, une province en voie d'industrialisation située dans une région économique entièrement différente.

Chaque centre accueillera des étudiants hommes et femmes. Un dortoir particulier sera réservé aux étudiantes qui opteront pour l'internat. Les critères de sélection seront identiques pour les femmes et les hommes, et seront appliqués lors de l'examen annuel du mois de juillet. Des efforts seront déployés pour informer les femmes du déroulement de l'examen et les encourager à s'y présenter. Il sera, par exemple, officiellement annoncé et spécifié que les femmes sont admises à se présenter, par voie de publication dans les journaux arabes et français, et toutes les écoles secondaires fréquentées par des étudiantes seront informées de manière appropriée. L'OFFPT a déjà utilisé la radio et la télévision nationales pour annoncer l'examen d'admission et à cette occasion, mention sera faite clairement de l'acceptation des femmes candidates.

E. Sélection des cours

L'USAID et l'OFFPT sont convenus que les secteurs de formation spécialisée industrielle pour les femmes ayant suivi un cycle de scolarité de neuf ans comprendront le dessin, l'électricité et l'électronique. De plus, le programme pilote offrira des cours commerciaux de comptabilité et de secrétariat pour les femmes ayant terminé leur 12ème année scolaire. La sélection de ces branches a été opérée en tenant compte de la demande exprimée par les sociétés industrielles et commerciales, tant du secteur public que du secteur privé, à l'égard de ces spécialisations. D'autres domaines de formation spécifiques en faveur des femmes seront examinés à mesure de l'avancement du projet et du développement de l'économie.

F. Le CQP de Fez

Durant la première année, 60 des 300 étudiants accueillis par le centre de Fez seront des femmes. (Celles qui ne résident pas à Fez seront internes et logées dans l'un des quatre dortoirs indépendants. Tous les internes prendront leurs repas dans un réfectoire commun. Le logement et la nourriture seront fournis à tous les étudiants, hommes et femmes. L'estimation établie pour le programme de cours de deux ans et pour l'inscription des femmes pendant toute la durée du projet se résume comme suit :

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
Dessin de bâtiment	10	20	20	20
Électricité	15	30	30	30
Comptabilité	10	20	20	20
Secrétariat	<u>20</u>	<u>40</u>	<u>40</u>	<u>40</u>
Nombre total de femmes ...	55	110	110	110

En fonction des prévisions relatives aux inscriptions, le nombre de femmes qui achèveront leur formation à Fez et entreront dans le marché du travail s'élèverait à 55 en 1980, 55 en 1981 et 55 en 1982.

G. L'INFCT et l'INFCOS à Casablanca

Aux instituts à Casablanca, 90 étudiantes se joindront à 380 étudiants en octobre 1979 pour commencer leur formation commerciale ou industrielle. Les étudiantes qui ne résident pas à Casablanca logeront dans des dortoirs; lors de la deuxième année, le nombre de places disponibles pourra être augmenter en cas de besoin. L'estimation établie pour le programme de cours de deux ans et pour l'inscription des femmes pendant les trois ans et demi que durera le projet se résume comme suit

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
Dessin industriel	15	30	30	30
Dessin de bâtiment	15	30	30	30
Électricité	15	30	30	30
Électronique	15	30	30	30
Comptabilité	10	20	20	20
Secrétariat	<u>20</u>	<u>40</u>	<u>40</u>	<u>40</u>
Nombre total de femmes	90	180	180	180

En fonction des prévisions d'inscription qui précèdent, le nombre de femmes qui achèveront leur formation à Casablanca et entreront dans le marché du travail s'élèverait à 90 en 1980, 90 en 1981 et 90 en 1982.

H. Personnel enseignant

La totalité des centres de formation (CQP) de l'OFPPT sont dirigés par des Marocains, tous les instructeurs sont Marocains. L'étude de factibilité a montré que l'OFPPT disposait d'un personnel enseignant satisfaisant, mais que la compétence des instructeurs demandait toutefois à être améliorée. Cette étude indiquait, par exemple, que la plupart des instructeurs étaient de jeunes diplômés des instituts de formation d'instructeurs encadrés par l'OFPPT ou provenant de lycées techniques et qui manquaient d'expérience dans le domaine industriel. Le contenu des programmes et les méthodes utilisées dans les salles de cours reflétaient cette absence d'expérience pratique. Les cours standardisés ont été conçus pour des instructeurs n'ayant aucune pratique du travail industriel et qui ont simplement suivi les mêmes cours que ceux qu'ils enseignent à leurs stagiaires. Même si les programmes de cours font état d'un juste équilibre entre la théorie et la pratique, les instructeurs Marocains, en raison de leur manque d'expérience industrielle et professionnelle se contentent de "suivre le livre" et sont dans l'incapacité d'apporter aux étudiants les éléments supplémentaires requis pour leur formation.

La qualité de l'instruction s'avère particulièrement insuffisante dans les domaines techniques sur lesquels devra porter la formation des femmes (comme indiqué dans les sections précédentes du présent rapport). Le manque relatif d'articulation entre ce qui est réellement attendu, par exemple, d'un dessinateur débutant (ou d'une dessinatrice) et ce qui est actuellement enseigné dans les cours de dessin industriel a suscité de

nombreuses observations de la part des employeurs. Pour que le projet puisse être mené à bien, l'amélioration de la qualité de l'enseignement technique constitue un point fondamental - les femmes qui accèdent au marché du travail et sont spécialisées dans des branches techniques précises, ne doivent pas seulement posséder les compétences requises pour subvenir à leur propre subsistance , elles doivent également faire la preuve de la capacité des femmes à travailler comme techniciennes et seront considérées à ce titre comme des exemples-tests.

C'est pourquoi le projet, outre l'assistance qu'il apportera au gouvernement Marocain pour l'introduction des femmes dans le système de l'ORPPT, contribuera à fournir aux femmes une formation pratique et spécialisée liée à la situation du marché du travail, dans les différentes branches sélectionnées dans le cadre de ce projet pilote. Le projet prévoit la mise à disposition de trois spécialistes ayant une expérience pratique et des compétences professionnelles dans les domaines respectifs de l'électricité/électronique, dessin et comptabilité/secrétariat. Ces techniciennes introduiront dans les programmes de formation un aspect orienté vers la pratique et transmettront leurs méthodes au personnel enseignant Marocain. Par ailleurs, en collaboration avec le personnel de direction et instructeur des deux centres pilotes et avec les instituts de formation d'enseignants, elles développeront des techniques de formation appropriées, instruiront les unités utilisant de telles techniques, participeront à la préparation de programmes d'enseignement et à la mise au point du matériel de formation, réviseront les programmes de cours dans les domaines spécifiés plus haut et leur apporteront d'éventuels compléments en vue de les adapter aux besoins du marché et enfin, concevront et mettront en oeuvre des programmes visant à enseigner en cours d'emploi les nouvelles méthodes et connaissances requises pour l'amélioration de l'instruction dans les centres pilotes.

Le rôle consultatif et de contrôle joué par les trois techniciennes contribuera au renforcement du programme de formation et permettra aux femmes stagiaires d'acquérir des qualifications appropriées et de nature à assurer leur réussite sur le plan du travail. Les conseillères offriront leurs services non seulement aux deux centres pilotes, mais également aux instituts de formation d'enseignants.

I. Assistance technique

Outre les services des trois spécialistes de la formation, le contractant fournira ceux de trois autres conseillères dans les domaines de l'administration, de l'assistance aux étudiantes et du développement de l'emploi. Ces fonctions seront exercées par 1) une conseillère pédagogique (chef d'équipe), expérimentée dans la gestion de programmes de formation professionnelle dans les secteurs de l'industrie et du commerce; 2) une socio-psychologue, expérimentée en matière d'orientation professionnelle et d'application de tests psychologiques; et 3) une économiste des ressources humaines ayant de l'expérience quant à l'identification des emplois et au placement des ouvriers qualifiés dans le secteur industriel..

Le responsable de la gestion du projet à Casablanca et à Fez sera le chef d'équipe qui sera attaché au bureau central de l'OFPPT mais restera en contact avec les deux centres. Son homologue sera le responsable de la Formation Technique et tous deux collaboreront aux activités du projet. Le chef d'équipe sera une pédagogue spécialisée dans la formation professionnelle et dont les compétences devront inclure l'administration, la planification, le contrôle et le développement de programmes d'études.

Une socio-psychologue sera également affectée au bureau central de l'OFPPT. Elle maintiendra des contacts permanents avec les deux centres de formation et sera responsable des classes d'orientation destinées aux nouvelles étudiantes, agira en qualité de conseillère pendant le stage et poursuivra ce rôle auprès des diplômées entrant dans le marché du travail. Durant la première année du projet, elle devra aussi préparer une étude sur le comportement des étudiantes, des employeurs, des fonctionnaires responsables, des parents et surtout ce qui concerne le travail des femmes dans le secteur industriel. Cette étude pourra être utilisée pour la conduite des activités relatives au développement de l'emploi et au placement des diplômées.

Le dernier membre de l'équipe du projet sera une spécialiste en matière de développement de l'emploi et travaillera en étroite relation avec les Conseils de Perfectionnement situés à Fez et à Casablanca. Ces conseils sont formés par les employeurs et employés locaux qui, d'une part, fournissent des recommandations aux directeurs des CQP quant aux besoins spécifiques en qualifications et, d'autre part, aident au placement sur le marché du travail. Cette technicienne utilisera ses compétences pour améliorer l'efficacité de ces conseils et s'efforcera de trouver des débouchés pour les femmes, d'abord à Fez et à Casablanca et ultérieurement dans les régions choisies pour la mise en application de la première phase d'un programme identique. Elle participera enfin à l'identification de nouvelles possibilités d'emploi pour les femmes et à la préparation d'un programme d'évaluation des aptitudes des stagiaires.

Il sera procédé, à la fin de la première année de formation prévue par le projet (de même qu'à l'achèvement de la deuxième année), à la réévaluation des besoins en assistance technique dans d'autres domaines. Cette étude sera effectuée en premier lieu par les trois membres du projet désignés plus haut et par leurs homologues au sein de l'OFPPT et prévoir pour l'année suivante le recrutement d'autres conseillers techniques. Ainsi qu'il a également été mentionné, l'analyse du marché du travail aura pu faire apparaître à cette époque l'existence de branches techniques de "remplacement" requérant l'emploi immédiat de femmes ayant suivi des stages de formation professionnelle. Il serait souhaitable, dans ce cas, de modifier la composition du personnel d'assistance technique. Il pourrait, en outre, être préférable de faire appel à plusieurs conseillers techniques prévus pour un engagement à long terme. Même si les domaines techniques sélectionnés pour

l'amélioration de la formation des femmes - et partant de leur production - sont peu susceptibles de changer dans un laps de temps relativement bref, le maintien d'une certaine souplesse dans les orientations du projet ne peut que contribuer au succès du programme dans son ensemble. Le coût de cette éventuelle redistribution des services des conseillers techniques devra rester dans les limites du budget affecté aux effectifs d'assistance technique. Les besoins mis en évidence par l'analyse du marché du travail seront examinés par l'USAID et tout changement de personnel n'interviendra qu'après son approbation.

J. Formation des enseignants

L'OPPPT a donné son accord pour l'admission de candidates dans ses instituts de formation d'enseignants, à partir de 1978. Trois instituts pour la formation d'enseignants sont actuellement dirigés par l'OPPPT à Casablanca : l'Institut de Formation des Cadres Techniques (INFCT), l'Institut des Métiers du Bâtiment (IMB) et l'Institut National de Formation des Cadres en Comptabilité et Secrétariat (INFCCS). A l'INFCT, 113 élèves-instructeurs reçoivent un enseignement portant sur diverses spécialisations industrielles; l'IMB compte 18 élèves-instructeurs; enfin, à l'INFCCS, 61 de ces étudiants se spécialisent en comptabilité ou secrétariat. Les candidates acceptées par ces instituts doivent avoir achevé leurs études secondaires. L'enseignement et les installations de logement pour les internes sont gratuits et les élèves perçoivent une allocation mensuelle.

K. Formation des participantes

Le contractant sera chargé d'organiser la formation universitaire aux Etats-Unis de six Marocaines, afin qu'elles puissent poursuivre les activités de supervision exercées par le personnel affecté au projet, une fois ce dernier achevé. Deux candidates étudieront l'économie des ressources humaines. A leur retour, elles travailleront en étroite relation avec les Conseils de différentes régions, afin d'analyser l'influence du marché du travail sur les ouvrières et employées, de promouvoir les possibilités d'emploi pour les femmes, d'aider au placement, etc.

Deux Marocaines remplaceront la psycho-sociologue en fin de projet et rempliront à cet effet les fonctions de conseillères auprès des femmes stagiaires et employées. Elles poursuivront leurs études aux Etats-Unis. Deux autres suivront des cours d'enseignement dans le domaine de la formation professionnelle. L'une s'orientera particulièrement vers la formation spécialisée industrielle et l'autre vers la formation commerciale; elles seront intégrées au sein du personnel de l'OPPPT.

Ces six candidates passeront trois années aux Etats-Unis, y compris cinq mois de cours de langue. A leur retour, leurs fonctions chevaucheront avec celles de l'équipe du projet pendant une période de six mois.

L. Emploi

Il est clair que le présent projet pilote pour la formation des femmes à l'intérieur de l'organisation de l'OPPPT ne peut avoir de valeur que s'il prouve la capacité des femmes à occuper des emplois dans des

branches non traditionnelles. Le succès de la formation envisagée repose sur la mise en pratique des spécialisations étudiées dans le monde du travail. L'objectif du projet n'aura été que partiellement atteint si les femmes ne parviennent pas à trouver des emplois rémunérés correspondant à leur formation.

L'équipe du projet assurera une formation orientée vers des emplois spécifiques. Les programmes de formation ne seront appliqués que dans les régions où existeront des débouchés sur le marché du travail. Le chef d'équipe et l'économiste maintiendront d'étroits contacts avec chacun des Conseils de Perfectnement. Les étudiantes bénéficieront pendant leur formation de stages au sein des entreprises. Une fois placées, les employées ou ouvrières resteront en liaison avec le centre par l'intermédiaire de la conseillère, du directeur et des instructeurs. Les centres conserveront des contacts avec toutes les diplômées sur les lieux de leur travail.

M. Reproduction du programme

Il est bien évident que le projet pilote, conçu dans un esprit d'innovation, ne doit pas négliger l'aspect relatif à la reproduction du programme. Le projet pilote qui s'adresse aux femmes doit fournir un type d'assistance technique et de programme qui puisse aisément être intégré au sein de l'organisation de l'OFPPT. Dès le départ, les étudiantes ne seront pas isolées dans des centres exclusivement réservés aux femmes. Au contraire, elles seront admises dans des centres où des hommes suivent déjà des cours de formation. Une fois le succès de cette entreprise démontré, il sera plus facile de faire admettre la participation des femmes dans les autres centres de formation. L'enseignement mixte nécessite un investissement moindre; il élimine les retards engendrés par de nouvelles constructions; et aussi, il supprime le malaise que l'on peut ressentir à s'occuper d'un groupe privilégié.

Avant que s'achève la troisième année, l'OFPPT et l'équipe sous contrat planifieront de façon précise l'introduction des femmes étudiantes dans d'autres centres de formation, conformément aux schémas suivis dans les centres pilotes. Kénitra, Meknes, Rabat et Tanger seraient vraisemblablement les sites choisis pour la mise en œuvre de la première étape de reproduction du programme.

N. Résumé des résultats attendus

Deux centres-pilotes appartenant à l'OFPPT offriront aux femmes la possibilité de recevoir une formation industrielle ou commerciale. Un système de placement et d'évaluation du travail exécuté aura été mis en place et fonctionnera de façon permanente. Des cadres féminins seront intégrés au sein du personnel travaillant au bureau central de l'OFPPT.

O. Résumé des contributions

Le Gouvernement du Maroc assumera la responsabilité des éléments suivants :

- (1) les bâtiments, le mobilier et une partie de l'équipement;
- (2) les salaires des instructeurs locaux;
- (3) la totalité des dépenses administratives et de gestion;
- (4) les dortoirs pour certaines des étudiantes; et
- (5) les voyages internationaux entrepris par les participantes au programme de formation.

L'AID fournira les services sous contrat d'une pédagogue/directrice des programmes, d'une spécialiste en matière de développement de l'emploi, d'une conseillère, ainsi que des spécialistes en formation professionnelle pour une durée de trois ans et demi. L'USAID subventionnera la formation de six Marocaines qui étudieront aux Etats-Unis la socio-psychologie, l'économie des ressources humaines et la formation professionnelle pendant une période de trois ans. Il est attendu que l'assistance technique sera fournie au titre d'un contrat passé directement entre le Gouvernement du Royaume du Maroc et un contractant qualifié.

La bonne marche du projet nécessite également un équipement et du matériel de formation technique. L'équipe sous contrat aura une voiture à sa disposition pour lui permettre de circuler entre les deux sites pilotes et d'assurer le bon déroulement du programme tant à Fes qu'à Casablanca. Le contractant assumera la responsabilité de l'acquisition du matériel.

P Description des services techniques

Le contractant soumettra des recommandations aux directeurs des centres pilotes et se concertera avec le personnel de formation en fonction dans ces centres quant à la conception et à l'exécution des objectifs suivants

- (1) augmentation du nombre de femmes diplômées des centres de formation;
- (2) renforcement de l'efficacité des services d'emploi et de placement ouverts aux femmes inscrites aux programmes de formation des centres; et
- (3) amélioration des méthodes d'enseignement et des connaissances des professeurs en matière de dessin, électricité, électronique, comptabilité et secrétariat.

En liaison avec le point (1) mentionné ci-dessus, il sera attendu du contractant qu'il élaborera des programmes visant à étendre le recrutement des femmes, qu'il leur fournisse des conseils pendant la période de formation et durant les premiers mois de travail et qu'il sensibilise les éducateurs et les employeurs aux besoins spécifiques des femmes qui travaillent. En ce qui concerne le point (2), le contractant devra élaborer des stratégies visant à encourager les employeurs individuels à (a) étudier les tâches et les besoins en spécialisations et les comparer aux qualifications des femmes diplômées des centres pilotes, et (b) participer aux programmes qui prévoient de façon systématique les futurs besoins d'emploi. Il devra en outre concevoir un système permettant de contrôler les fonctions exercées au travail et d'identifier les problèmes que rencontreront les diplômées. A l'égard du point (3), le contractant sera chargé de développer des méthodes de formation appropriées, d'instruire les unités utilisant de telles méthodes, de participer à la préparation de programmes de cours et à la mise au point de matériel de formation, de réviser les

- analysera les besoins en formation et les modifications de programmes souhaitables pour répondre aux possibilités d'emploi, et formulera des recommandations dans ce sens au personnel du projet et du Ministère du Travail concerné;
- après formation aux Etats-Unis, informera ses homologues Marocains sur la façon d'assumer les responsabilités afférentes à la continuation et à l'expansion des activités développées pour faire en sorte que le programme mis en place par le projet encourage les institutions à établir des analyses systématiques et à assouplir l'orientation de leurs activités, pour répondre aux besoins d'emploi à l'égard des femmes dans les domaines indiqués.

3. Socio-psychologue (possédant une expérience professionnelle quant à l'assistance aux femmes sur les plans social et du travail - en particulier dans les pays en développement et au Proche-Orient si possible - réceptive et sensible aux problèmes de la promotion des femmes, comprenant le contexte culturel Marocain dans lequel se situe ce programme.)

- étudiera et analysera les contraintes sociales, culturelles et économiques qui affectent l'emploi des femmes diplômées au Maroc et se basera sur les résultats de son étude pour exercer ses fonctions de conseillère dans ce domaine,
- fournira des recommandations et suggérera des principes d'action aux fonctionnaires responsables du Ministère du Travail et en particulier de la Formation Professionnelle à l'égard des besoins spécifiques liés à l'augmentation de l'emploi des femmes;
- agira en qualité de conseillère auprès des femmes étudiant dans les centres de Fes et de Casablanca (et éventuellement dans d'autres centres à mesure de l'expansion du programme), pendant toute la durée du projet; maintiendra cette fonction vis-à-vis des diplômées du programme, étudiera et analysera les problèmes d'emploi et les solutions et réponses qui leur sont apportées, et formulera des recommandations visant à modifier le programme en fonction des conclusions de son étude;
- après le retour des stagiaires des Etats-Unis, travaillera en collaboration avec ses homologues Marocaines pour assurer le transfert progressif des responsabilités afférentes à l'exécution de cette partie du projet.

4. Spécialiste de la formation professionnelle (dessin) (ayant une grande expérience pratique de l'enseignement du dessin en tant que spécialisation professionnelle (dessin industriel et de bâtiment), familiarisée à ce type de formation professionnelle dans les pays en développement et au Proche-Orient si possible; consciente de la situation socio-culturelle au Maroc.)

- travaillera étroitement avec les éducateurs Marocains (ainsi qu'avec les professeurs de la formation d'enseignants) qui enseignent le dessin industriel et du bâtiment à Casablanca de même qu'à Fes, afin d'analyser le contenu des cours et des

- méthodes utilisées pour l'enseignement du dessin dans les deux centres; soumettra régulièrement aux professeurs des suggestions portant sur les moyens appropriés à mettre en oeuvre pour l'amélioration de l'enseignement (contenu des programmes d'études et méthodes de formation),
- établira et maintiendra des contacts étroits avec le milieu professionnel (employeurs et employés) et à partir des informations recueillies, formulera des recommandations pour l'amélioration des programmes de cours et des méthodes d'enseignement; aidera les professeurs à élaborer des programmes d'études améliorés, des plans de cours et des techniques de micro-enseignement, en utilisant du matériel didactique et notamment du matériel programmé, et à organiser avec les élèves des séances critiques;
 - suivra dans leur carrière les diplômées des centres de formation; s'appuyant sur les résultats de l'analyse relative aux moyens applicables pour l'amélioration de l'enseignement, elle proposera aux professeurs des révisions susceptibles de concourir à une telle amélioration;
 - fournira sur une base régulière des conseils techniques et des recommandations à l'équipe du projet, aux responsables du Ministère du Travail et aux autres organismes concernés.

5. Spécialiste de la formation professionnelle (électricité/électronique)

6. Spécialiste de la formation professionnelle (comptabilité commerciale)

Ces deux spécialistes devront posséder des connaissances identiques dans leurs domaines respectifs à celles de la spécialiste en dessin. Elles seront chargées d'améliorer les programmes d'études, le contenu des cours et les méthodes d'enseignement dans les deux centres (et autres si nécessaire). A cet effet, elles devront maintenir des contacts avec les professeurs, les stagiaires, les membres du milieu professionnel, les employeurs, les diplômées des programmes de formation ainsi qu'avec leurs homologues, afin d'aider à mettre en place un système d'analyse et de procédures permettant de relever le niveau de la formation technique dans les domaines de l'électricité/électronique et de la comptabilité commerciale.

PROJET DE PLAN FINANCIER
(Source et Demande de Financement - Millions de Dollars)

Au 14 Aout 1978

Projet No 608-0147

Contributions au Projet	MONTANT AFFECTÉ A UN PROJET FINANCE PAR AUGMENTATIONS Engagements cumulés au 1/4 Aout 1978					
	A I D	GOM	A I D	GOM	A I D	GOM
Services techniques	1 686		0 836		2 522	
Formation	0 312		-		0 312	
Équipement	0 402		-		0 402	
Coûts d'opération de l'OPPT		0 800		0 400		1 200
Total	2 400	0 800	0 836	0 400	3 236	1 200

Annexe 1 -
Annex 1

HAITI

Alien Amateur Radio Operators

*Agreement effected by exchange of notes
Signed at Port-au-Prince April 17 and May 17, 1979;
Entered into force May 17, 1979.*

The Haitian Secretary of State for Foreign Affairs to the American Ambassador

*Département
des
Affaires Etrangères*
EC/261

République d'Haïti

Port-au-Prince, le 17 Avril 1979

Monsieur l'Ambassadeur,

J'ai l'honneur de me référer aux conversations que des représentants du Gouvernement de la République d'Haïti ont eues avec des représentants du Gouvernement des Etats-Unis d'Amérique en vue de la conclusion éventuelle d'un accord entre les deux Gouvernements permettant de donner à des amateurs radio possédant une licence dans l'un des deux pays la faculté de se servir de leur poste dans l'autre pays, conformément aux dispositions de l'Article 41 du Règlement des radiocommunications de Genève de 1959. Il est proposé qu'un accord à cet égard soit conclu dans les termes suivants :

1. Une personne possédant une licence de radio-amateur délivrée par son Gouvernement et se servant d'un poste émetteur d'amateur autorisé par ce même Gouvernement obtiendra la permission de l'autre Gouvernement d'utiliser ce poste sur le territoire relevant de ce Gouvernement, à charge de réciprocité et aux conditions énumérées ci-dessous.

Son Excellence
Monsieur Williams Jones
Ambassadeur des Etats-Unis en Haïti
En ses Bureaux.-

2. Une personne possédant une licence de radio-amateur délivrée par son Gouvernement devra, avant qu'il lui soit permis de se servir de son poste dans les conditions fixées au premier paragraphe, obtenir de l'administration compétente de l'autre Gouvernement une autorisation à cette fin.

3. L'administration compétente de chaque Gouvernement peut accorder l'autorisation, prévue au deuxième paragraphe, aux conditions et suivant les modalités qu'elle prescrira, tout en conservant le droit discrétionnaire de la révoquer à tout moment.

Après réception de votre réponse indiquant l'assentiment du Gouvernement des Etats-Unis d'Amérique, cette note et votre réponse seront considérées comme constituant un accord entre nos deux Gouvernements. Cet accord entrera en vigueur à la date de votre réponse et pourra être dénoncé par l'un ou l'autre des Gouvernements en donnant par écrit un préavis de six mois.

Je saisisis cette occasion pour vous renouveler, Monsieur l'Ambassadeur, les assurances de ma très haute considération.

Gérard Dorcely
Gérard Dorcely
Secrétaire d'Etat

TRANSLATION

REPUBLIC OF HAITI

Department of Foreign Affairs
EC/261

Port-au-Prince, April 17, 1979

Mr. Ambassador:

I have the honor to refer to conversations between representatives of the Government of the Republic of Haiti and representatives of the Government of the United States of America on the possibility of concluding an agreement between the two Governments to permit authorization for licensed amateur radio operators of either country to operate their stations in the other country, in accordance with the provisions of Article 41 of the Geneva Radio Regulations, 1959.^[1] An agreement with respect to this matter is proposed as follows:

1. An individual who is licensed by his Government as an amateur radio operator and who operates an amateur radio station authorized by such Government shall be permitted by the other Government to operate such station in the territory of such other Government on a reciprocal basis and subject to the conditions stated below.

^[1] TIAS 4893; 12 UST 2633.

2. An individual who is licensed by his Government as an amateur radio operator must, before being permitted to operate his station as provided in paragraph 1, obtain from the competent administration of the other Government an authorization for that purpose.

3. The competent administration of each Government may issue the authorization provided for in paragraph 2, under such conditions and terms as it may prescribe, while retaining the discretionary right to cancel the authorization at any time.

Upon receipt of your reply indicating the concurrence of the Government of the United States of America, this note and your reply shall be considered as constituting an agreement between our two Governments. Such agreement shall enter into force on the date of your reply and may be terminated by either Government by notifying the other Government to that effect, in writing, six months in advance.

Accept, Mr. Ambassador, the renewed assurances of my very high consideration.

Gerard Dorcely
Gerard Dorcely
Secretary of State

His Excellency,
William Jones,
Ambassador of the
United States in Haiti,
Port-au-Prince.

The American Ambassador to the Haitian Secretary of State for Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 135

Port-au-Prince, May 17, 1979

Excellency:

I have the honor to acknowledge the receipt of your Excellency's note No. EC/261 of April 17, 1979, which refers to conversations between representatives of the Government of the United States of America and representatives of the Government of the Republic of Haiti relating to the possibility of concluding an agreement between the two Governments with a view to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, in accordance with the provisions of Article 41 of the Radio Regulations, Geneva, 1959.

The Government of the United States of America is prepared to conclude an agreement with respect to this matter as follows:

His Excellency

Gerard Dorcely,

Secretary of State for Foreign Affairs,

Port-au-Prince.

1. An individual who is licensed by his Government as an amateur radio operator and who operates an amateur radio station licensed by such Government shall be permitted by the other Government, on a reciprocal basis and subject to the conditions stated below, to operate such station in the territory of such other Government.
2. The individual who is licensed by his Government as an amateur radio operator shall, before being permitted to operate his station as provided for in paragraph 1, obtain from the appropriate administrative agency of the other Government an authorization for that purpose.
3. The appropriate administrative agency of each Government may issue an authorization, as prescribed in paragraph 2, under such conditions and terms as it may prescribe, including the right of cancellation at the convenience of the issuing Government at any time.

In accordance with the suggestion made in your Excellency's note, that note and this reply note indicating the concurrence of the Government of the United States of America are considered as constituting an agreement between the two Governments, such agreement to be in force as of the date of this reply note and to be subject to termination by either Government giving six months' notice, in writing, of its intention to terminate.

Accept, Excellency, the renewed assurances of my highest
consideration.

¹ William Jones.

INDONESIA

Satellites: Furnishing of Launching and Associated Services

*Agreement effected by exchange of notes
Signed at Washington April 11, 1979;
Entered into force April 11, 1979.*

The Secretary of State to the Indonesian Ambassador

April 11, 1979

Excellency:

I have the honor to refer to the Memorandum of Understanding between the National Aeronautics and Space Administration (NASA) of the United States and the Directorate General of Posts and Telecommunications of the Republic of Indonesia dated April 9, 1979 concerning the terms and conditions under which NASA will furnish launching and associated services to the Directorate General of Posts and Telecommunications of the Republic of Indonesia and the related obligations and responsibilities of the parties.

This Memorandum of Understanding, which is set forth as an Annex to this Note, provides in part that it and any mutually agreed amendments thereto shall be subject to confirmation by the Government of the United States and the Government of the Republic of Indonesia through an exchange of diplomatic notes.

In consideration of the continuing, mutually beneficial relationships between agencies of the

His Excellency

D. Ashari,

Ambassador of the Republic of Indonesia.

United States Government and agencies of the Government of the Republic of Indonesia in the peaceful uses of outer space, I have the honor to inform you that the Government of the United States confirms that the provisions of the aforementioned Memorandum of Understanding are acceptable.

If you would also confirm that the provisions of the Memorandum of Understanding and this Note are acceptable to your Government, I have the honor to propose that this Note, and Your Excellency's reply to that effect, together with the annexed Memorandum of Understanding, shall constitute an agreement between our two Governments regarding this matter which shall enter into force on the date of your reply.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

A handwritten signature in cursive ink, appearing to read "Thomas R. Pickering". A small superscript "[1]" is located to the right of the signature.

Enclosure:

Annex: Memorandum of Understanding

¹ Thomas R. Pickering.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
DIRECTORATE GENERAL OF POSTS AND TELECOMMUNICATIONS
OF THE REPUBLIC OF INDONESIA
AND THE
UNITED STATES NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
CONCERNING THE FURNISHING OF
LAUNCHING AND ASSOCIATED SERVICES
FOR
PALAPA-B SPACECRAFT

The Directorate General of Posts and Telecommunications of the Republic of Indonesia (hereinafter referred to as Ditjen Postel) and the National Aeronautics and Space Administration of the United States of America (hereinafter referred to as NASA) set forth in this Memorandum of Understanding their general understandings as to the terms and conditions under which NASA will furnish space vehicle launchings and associated services for the Second Generation of Indonesian Domestic Communications Satellites (hereinafter referred to as PALAPA-B) spacecraft on a reimbursable basis and the general responsibilities of the parties.

Ditjen Postel or its designee, Perusahaan Umum Telekomunikasi, (hereinafter referred to as PERUMTEL), a public corporation for telecommunications owned by the Government of the Republic of Indonesia, will negotiate with NASA and enter into a Launch Services Agreement. Such agreement will express the specific terms and conditions under which NASA will furnish launchings and associated services for the PALAPA-B program consistent with the general understandings set forth in this Memorandum of Understanding.

In accordance with the United States policy governing the provision of launch assistance announced October 9, 1972, NASA will provide launch services for those satellite projects and payloads which are for peaceful purposes

and are consistent with obligations under relevant international agreements and arrangements and applicable laws and regulations.

PALAPA-B spacecrafts are destined for geostationary orbit for the purpose of extending the services of the existing PALAPA-A communications satellite services.

ARTICLE I

RESPONSIBILITIES

A. Ditjen Postel will undertake the following responsibilities:

1. The design, fabrication and testing of its PALAPA-B spacecraft.

2. Furnishing information to NASA of its requirements for a particular PALAPA-B launching, or series of launchings, at as early a date as possible and in any event sufficiently in advance of the target date of the launching, or of the initial launching in a series, to accommodate financial, procurement and operational requirements of both parties. Such information will include details as to the PALAPA-B spacecraft mission, payload description, orbital characteristics, environmental constraints, approximate launching dates and back-up launching requirements, tracking and data acquisition requirements, and such other information required by NASA for planning purposes.

3. Incorporating provisions in the PALAPA-B spacecraft design, specifications and test programs to assure and demonstrate PALAPA-B spacecraft compatibility with the appropriate launch vehicle physical constraints, safety requirements and in-flight environment and with tracking and data acquisition facilities.

4. Providing flight-ready PALAPA-B spacecraft at the Eastern Test Range (ETR), in accordance with the time schedules agreed upon under the Launch Services Agreement.

5. Furnishing all ground support equipment (GSE) peculiar to a PALAPA-B mission and personnel required for its operation, except for those items of GSE which NASA may specifically agree to provide and/or operate.

6. Performing all necessary analyses and implementing mission operation plans required for the placement of PALAPA-B spacecraft into geostationary orbit after separation of the respective spacecraft from the launch vehicle in low-earth orbit.

7. Requesting reimbursable tracking and data acquisition support from specific NASA tracking stations, if it is deemed necessary in connection with placement by Ditjen Postel or its contractors of PALAPA-B spacecraft from low-earth orbit into geostationary orbit. If NASA agrees to provide such support, Ditjen Postel will furnish any additional or unique equipment as may be required at such stations and provide for its operations. This responsibility applies to such equipment as may be required after separation of a spacecraft from the launch vehicle in low-earth orbit.

B. NASA will undertake the following responsibilities:

1. Furnishing Space Transportation System (STS) specifications, mutually agreed technical consultation and information regarding NASA tracking and data acquisition station equipment as may be necessary for Ditjen Postel to carry out its responsibilities under Article I, A.3 above.

2. Make best efforts to schedule the PALAPA-B launchings within the general time periods requested by Ditjen Postel.

3. Provide appropriate U.S. launch vehicles capable of meeting PALAPA-B mission requirements. Launchings will be conducted from the Eastern Test Range (ETR) of the United States. It is intended that launchings will be conducted using the STS.

4. Providing necessary facilities and support, including launch crew services, for pre-launch integration of the PALAPA-B spacecraft at the ETR, and for Ditjen Postel checkout of the spacecraft.

5. Calculating the orbit achieved for PALAPA-B spacecraft separation from the STS, based on vehicle telemetry and tracking data.

6. Providing such additional Spaceflight Tracking and Data Network (STDN) support as may be requested by Ditjen Postel under Article I, A.7 above and agreed to by NASA.

7. Providing mutually agreed GSE support of specific or general Ditjen Postel requirements as requested under Article I, A.5 above.

ARTICLE II

REIMBURSEMENT PROVISIONS

Reimbursement provisions for launch services provided by the STS will be specified in the Launch Services Agreement and will be in accordance with the terms of NASA Management Instruction (NMI) 8610.8. Any revisions in reimbursement provisions published after the signature of the Launch Services Agreement will not be retroactively applied to such agreement.

ARTICLE III

LIMITATIONS OF LIABILITY

The Launch Services Agreement to be entered into shall state the allocation of liability arising out of the launch and associated services to be provided by the United States and by its contractors and subcontractors under this Memorandum of Understanding.

ARTICLE IV

DOCUMENTATION AND REPORTS

A. NASA and Ditjen Postel will exchange, through their respective Project Managers, all documents and information required for successful accomplishment of PALAPA-B missions,

TIAS 9457

and such documents and information will be used as provided for in the Launch Services Agreement.

B. In using data passed to NASA under paragraph A.2 of Article I, and paragraph A of this Article, NASA will respect and protect, consistent with applicable U.S. laws, the confidentiality of proprietary information designated as such by Ditjen Postel, as provided for in the Launch Services Agreement.

ARTICLE V

REGISTRATION OF SPACE OBJECTS

A. The Government of the Republic of Indonesia as the State of Registry shall register each PALAPA-B space object separated into earth orbit from the STS and shall furnish appropriate information regarding the space object to the Secretary General of the United Nations. The Government of the Republic of Indonesia shall have jurisdiction and control over PALAPA-B space objects upon separation from their respective launch vehicles into earth orbit.

B. The Government of the United States will register the STS and those components of PALAPA-B spacecraft not separated from the STS, as a single space object.

ARTICLE VI

DURATION AND AMENDMENT

A. This Memorandum of Understanding shall terminate on December 31, 1984, except with respect to launching and associated services provided after that date under a launch agreement executed on or before that date.

B. This Memorandum of Understanding may be amended by mutual consent of the parties.

C. This Memorandum of Understanding may be terminated by either party upon six-months written notice, except with respect to launching and associated services provided after that date under a launch agreement executed on or before that date.

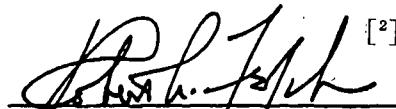
ARTICLE VII

ENTRY INTO FORCE

This Memorandum of Understanding, and any mutually agreed amendments thereto, will not enter into force until signed by both parties and confirmed by the Government of the United States and the Government of the Republic of Indonesia through an exchange of diplomatic notes.

[¹]

For the Directorate General
of Posts and Telecommunications
of the Republic
of Indonesia

[²]

For the U.S. National
Aeronautics and Space
Administration

DATE:

April -9- 1979

DATE:

April 9, 1979

¹ W. Moenandir M.

² Robert Frosch.

The Indonesian Ambassador to the Secretary of State



EMBASSY OF THE REPUBLIC OF INDONESIA
WASHINGTON, D. C. 20036

April 11, 1979

Sir :

I have the honor to acknowledge receipt of your note dated April 11, 1979, with the attached Memorandum of Understanding, which reads as follows:

Excellency :

I have the honor to refer to the Memorandum of Understanding between the National Aeronautics and Space Administration (NASA) of the United States and the Directorate General of Posts and Telecommunications of the Republic of Indonesia dated April 9, 1979 concerning the terms and conditions under which NASA will furnish launching and associated services to the Directorate General of Posts and Telecommunications of the Republic of Indonesia and the related obligations and responsibilities of the parties.

The Honorable
Cyrus Vance
Secretary of State
Washington, D.C.

This Memorandum of Understanding which is set forth as an Annex to this Note, provides in part that it and any mutually agreed amendments thereto shall be subject to confirmation by the Government of the United States and the Government of the Republic of Indonesia through an exchange of diplomatic notes.

In consideration of the continuing, mutually beneficial relationships between agencies of the United States Government and agencies of the Government of the Republic of Indonesia in the peaceful uses of outer space, I have the honor to inform you that the Government of the United States confirms that the provisions of the aforementioned Memorandum of Understanding are acceptable.

If you would also confirm that the provisions of the Memorandum of Understanding and this Note are acceptable to your Government, I have the honor to propose that this Note, and Your Excellency's reply to that effect, together with the annexed Memorandum of Understanding, shall constitute an agreement between our two Governments regarding this matter which shall enter into force on the date of your reply.

Accept, Excellency, the renewed assurances
of my highest consideration.

For the Secretary of State:

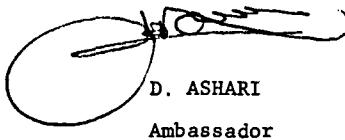
THOMAS R. PICKERING

Enclosure:

Annex : Memorandum of Understanding.

I have the honor to state that the Government of the Republic of Indonesia confirms the provisions of the Memorandum of Understanding and concurs in the proposals in your note. The Government of the Republic of Indonesia therefore agrees that your note, together with the Memorandum of Understanding and this reply, shall constitute an agreement between our two Governments regarding this matter, which shall enter into force on the date of this reply.

Accept, Sir, the renewed assurances of my highest consideration.



D. ASHARI
Ambassador

EGYPT

Canal Maintenance and Restoration

*Agreement signed at Cairo September 27, 1977;
Entered into force September 27, 1977.*

A.I.D. Loan Number 263-K-040
Project Number 263-0035

**PROJECT
LOAN AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
THE UNITED STATES OF AMERICA
AND THE
MINISTRY OF IRRIGATION
FOR
CANAL MAINTENANCE**

Dated: SEPTEMBER 27, 1977

TABLE OF CONTENTS

Project Loan Agreement

	<i>[Page herein]</i>
ARTICLE 1: The Agreement	1 4268
ARTICLE 2: The Project	2 4268
Section 2.1. Definition of Project	2 4268
ARTICLE 3: Financing	2 4268
Section 3.1. The Loan	2 4268
Section 3.2. Borrower Resources for the Project	3 4268
Section 3.3. Project Assistance Completion Date	4 4269
ARTICLE 4: Loan Terms	5 4269
Section 4.1. Interest	5 4269
Section 4.2. Repayment	5 4269
Section 4.3. Application, Currency, and Place of Payment	5 4269
Section 4.4. Prepayment	6 4270
Section 4.5. Renegotiation of Terms	6 4270
Section 4.6. Termination on Full Payment	7 4270
ARTICLE 5: Conditions Precedent to Disbursement	7 4270
Section 5.1. Conditions Precedent to Disburse- ment	7 4270
Section 5.2. Additional Disbursement	8 4271
Section 5.3. Notification	10 4271
Section 5.4. Terminal Dates for Conditions Prece- dent	10 4271
ARTICLE 6: Special Covenants	10 4271
Section 6.1. Project Evaluation	10 4271
ARTICLE 7: Procurement Source	13 4272
Section 7.1. Foreign Exchange Costs	13 4272
ARTICLE 8: Disbursements	13 4272
Section 8.1. Disbursement for Foreign Exchange Costs	13 4272
ARTICLE 9: Miscellaneous	14 4273
Section 9.1. Communications	14 4273
Section 9.2. Representatives	13 4273
Section 9.3. Standard Provisions Annex	16 4273

TABLE OF CONTENTS
Project Loan Standard Provisions Annex

	Page	[Pages herein]
ARTICLE A: Project Implementation Letters	1	4276
ARTICLE B: General Covenants	1	4276
Section B.1. Consultation	1	4276
Section B.2. Execution of Project	1	4276
Section B.3. Utilization of Goods and Services	2	4277
Section B.4. Taxation	2	4277
Section B.5. Reports, Records, Inspections, Audit	2	4277
Section B.6. Completeness of Information	3	4278
Section B.7. Other Payments	3	4278
Section B.8. Information and Marking	3	4278
ARTICLE C: Procurement Provisions	4	4279
Section C.1. Special Rules	4	4279
Section C.2. Eligibility Date	4	4279
Section C.3. Plans, Specifications, and Contracts	4	4279
Section C.4. Reasonable Price	5	4280
Section C.5. Notification to Potential Suppliers	5	4280
Section C.6. Shipping	5	4280
Section C.7. Insurance	6	4281
Section C.8. U.S. Government-Owned Excess Property	7	4282
ARTICLE D: Termination; Remedies	7	4282
Section D.1. Cancellation by Borrower	7	4282
Section D.2. Events of Default; Acceleration	7	4282
Section D.3. Suspension	8	4283
Section D.4. Cancellation by A.I.D.	9	4284
Section D.5. Continued Effectiveness of Agreement	9	4284
Section D.6. Refunds	9	4284
Section D.7. Nonwaiver of Remedies	10	4285

A.I.D. Project No. 263-0035

**PROJECT LOAN AGREEMENT DATED: SEPTEMBER 27, 1977
AMONG THE ARAB REPUBLIC OF EGYPT ("ARE"), THE
MINISTRY OF IRRIGATION OF THE ARE ("MINISTRY")
AND THE UNITED STATES OF AMERICA, ACTING
THROUGH THE AGENCY FOR INTERNATIONAL DEVELOP-
MENT ("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 Borrower 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 assistance to provide the foreign exchange costs of materials, equipment and services in order to improve the capacity to restore and maintain agricultural irrigation canals (hereinafter referred to as 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 9.2 without formal amendment of this Agreement.

ARTICLE 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Twenty-Six Million United States ("U.S.") Dollars (\$26,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project. (a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(a) The resources provided by Borrower for the Project will be not less than Three Million Seventy-Three Thousand Egyptian Pounds (L. E. 3,073,000), including costs borne on an "in-kind" basis.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is February 28, 1980, 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 Loan will have been performed and all goods financed under the Loan 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 Loan (1) in response to requests received by A.I.D. after June 30, 1979, or (2) 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 8.1 no later than four (4) 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and

then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. documentation pursuant to which disbursement will be made, the Borrower 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) An opinion of the Minister of Justice or of other counsel acceptable to A.I.D. that this Agreement and the Reloan Agreement have been duly authorized and/or ratified by, and executed on behalf of, the Borrower and the Ministry, and that they constitute valid and

legally binding obligations of the Borrower and the Ministry in accordance with all of their terms;

(b) A statement of the names of the persons holding or acting in the offices of the Borrower specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) Evidence that the loan proceeds will be made available to the Ministry on terms and conditions acceptable to AID, in the form of a Reloan Agreement conforming to Section 6.2;

(d) Evidence that all Egyptian currency required for the first fiscal year in which funds will be required, in an amount based on the estimate of the project, have been budgeted by the Borrower and are available for expenditure by the Ministry;

(e) An executed contract acceptable to AID with a consulting engineering firm acceptable to AID for services relating to the project; and

(f) Such other documentation as A.I.D. may require.

SECTION 5.2. Additional Disbursement.

Prior to any disbursement, or to the issuance of any commitment documents under the Project Agreement for procurement of materials or equipment, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D. a contract for such procurement acceptable to A.I.D. with a firm acceptable to A.I.D.

SECTION 5.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1 and 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Dates for Conditions Precedent.

If all of the conditions specified in Section 5.1 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 Borrower.

ARTICLE 6: Special Covenants.

SECTION 6.1. 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 6.2. Reloan by Borrower to Ministry. In order to assist the Ministry in carrying out the Project, the Borrower shall relend to the Ministry the proceeds of the Loan under a reloan agreement ("Reloan Agreement") to be entered into between the Borrower and

the Ministry under terms and conditions satisfactory to A.I.D. Such terms and conditions shall include, but not be limited to, repayment by the Ministry within twenty-five (25) years, including a five (5) year grace period, and an interest rate of eight and one-half percent (8½%) per annum.

SECTION 6.3. Work Assignments. The Borrower agrees to make its best efforts, through appropriate allocation of public and private sector construction resources, to satisfy fully annual requirements for restoration and maintenance of existing public irrigation canals and drains.

ARTICLE 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 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 (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

ARTICLE 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 Borrower'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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

ARTICLE 9: Miscellaneous:

SECTION 9.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To THE BORROWER:

Ministry of Irrigation
Kasr El Eini St.
Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

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 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Minister of Irrigation and First Undersecretary of State for Economy and Economic Cooperation and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., 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 Borrower, 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 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) is attached and forms part of this Agreement.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have

caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By: MAHMOUD SALEH EL-
DIN HAMED

Name: Dr. Mahmoud Saleh el
Din Hamed

Title: *Minister of Finance and
Acting Minister of
Economy and Economic
Cooperation*

UNITED STATES OF AMERICA

By: H. FREEMAN
MATTHEWS, JR.

Name: H. Freeman Matthews,
Jr.

Title: *Charge d'Affaires a.i.*

MINISTRY OF IRRIGATION

By: A. A. ATTA

Name: A. A. Atta

Title: *Minister of Irrigation*

ANNEX 1

Project Description

The purpose of the Project is to assist the Government of Egypt restore and maintain the irrigation supply and drainage canals which are crucial to maintaining required levels of agricultural productivity throughout the country. The Project provides funding to enhance the canal maintenance capability of the two principal public sector companies engaged in this work under the aegis of the GOE Ministry of Irrigation.

Loan funds will be used for procurement of earthmoving equipment, principally draglines, backhoes, scrapers and hydraulic dredges, supporting transportation equipment, and shop and field repair and maintenance equipment. Funding provisions are also made for related engineering and management consulting services and for the training of Egyptian operating staffs.

Equipment provided will be assigned to the Egyptian Dredging Company and to the General Irrigation Company for Mechanical Dredging by the Ministry of Irrigation for utilization on irrigation canal maintenance projects throughout Egypt.

Attachment A to Annex 1

Project Financial Plan**(Source and Application of Funding)**

As of September, 1977

Project No. 263-0035

Project Inputs	Amount for a Fully Funded Project		
	Loan (US \$)	Grant	Borrower/ Grantee (L.E.)
Equipment	25, 147, 581		2, 672, 005
Training Services	33, 000		0
Consultant Services	500, 000		0
Contingency and Escalation	3, 852, 087		400, 801
Total Project Costs	29, 532, 668		3, 072, 806

Note: The Loan is only for \$26 million. The Project contains some equipment elements whose purchase is not essential to the Project. Some of these could be still purchased if any contingency funds are not requested.

TIAS 9458

Annex 2

Project Loan StandardProvisions Annex

Definitions: As used in this Annex, the "Agreement" refers to the Project Loan 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 Borrower 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 Borrower 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.

SECTION B.3. Utilization of Goods and Services.

(a) Any resources financed under the Loan 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 Loan, 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.

SECTION B.4. Taxation.

(a) This Agreement and the Loan will be free from, and the Principal and interest will be paid free from, any taxation or fees imposed under laws in effect in the territory of the Borrower.

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Loan, and any property or transactions relating to such contracts and (2) any commodity procurement transaction financed under the Loan are not exempt from identifiable taxes, tariffs, duties, or other levies imposed under laws in effect in the territory of the Borrower, the Borrower 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 Loan.

SECTION B.5. Reports, Records, Inspections, Audit.

The Borrower 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

SECTION B.5.(b)

under the Loan. 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

(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 Loan.

SECTION B.6. Completeness of Information. The Borrower 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 Loan, 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. Borrower affirms that no payments have been or will be received by any official of the Borrower in connection with the procurement of goods or services financed under the Loan except fees, taxes, or similar payments legally established in the country of the Borrower.**SECTION B.8. Information and Marking. The Borrower will give appropriate publicity to the Loan 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 Borrower will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Loan will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

SECTION C.2. Eligibility Date. No goods or services may be financed under the Loan 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 Borrower 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 Loan, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services which, though not financed under the Loan, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a) (2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Loan will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements;

SECTION C.3.

(c) Contracts and contractors financed under the Loan 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

(d) Consulting firms used by the Borrower for the Project but not financed under the Loan, 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 Borrower for the Project but not financed under the Loan 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 Loan. Such items will be procured 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 Loan, the Borrower 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 Borrower may not be financed under the Loan 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 Borrower 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 Loan, if such goods or persons are carried:

SECTION C.6.

(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

(2) on an ocean vessel which A.I.D., by written notice to the Borrower, 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 by A.I.D. and transported to the territory of the Borrower 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 subsection must be achieved with respect to any cargo transported from U.S. ports and also 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 Borrower may be financed as a Foreign Exchange Cost under this Agreement provided,

(1) such insurance is placed at the lowest available competitive rate, and

SECTION C.7.

(2) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the Borrower (or government of Borrower), 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 Borrower 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 Borrower will insure, or cause to be insured, goods financed under the Loan 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 Borrower 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 Borrower 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, ahd, 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 Borrower agrees that wherever practicable United States Government-owned excess personal property, in lieu of new items financed under the Loan, should be utilized. Funds under the Loan may be used to finance the costs of obtaining such property for the Project.

Article D: Termination; Remedies.

SECTION D.1. Cancellation by Borrower. The Borrower may, by giving A.I.D. 30 days written notice, cancel any part of the Loan which has not been disbursed or committed for disbursement to third parties.

SECTION D.2. Events of Default; Acceleration. It will be an "Event of Default" if Borrower shall have failed:

(a) to pay when due any interest or installment of Principal required under this Agreement, or

SECTION D.2.

(b) to comply with any other provision of this Agreement, or
(c) to pay when due any interest or installment of Principal or other payment required under any other loan, guaranty or other agreement between the Borrower or any of its agencies and A.I.D. or any of its predecessor agencies. If an Event of Default shall have occurred, then A.I.D. may give the Borrower notice that all or any part of the unpaid Principal will be due and payable sixty (60) days thereafter, and, unless such Event of Default is cured within that time:

(1) such unpaid Principal and accrued interest hereunder will be due and payable immediately, and

(2) the amount of any further disbursements made pursuant to then outstanding commitments to third parties or otherwise will become due and payable as soon as made.

SECTION D.3. Suspension. If at any time:

(a) An Event of Default has occurred; or

(b) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that the Borrower will be able to perform its obligations under this Agreement; or

(c) Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.; or

(d) The Borrower shall have failed to pay when due any interest, installment of principal or other payment required under any other loan, guaranty, or other agreement between the Borrower or any of its agencies and the Government of the United States or any of its agencies;

Then A.I.D. may:

(1) suspend or cancel outstanding commitment documents to the extent they have not been utilized through irrevocable commitments to third parties or otherwise, giving prompt notice thereof to the Borrower;

(2) decline to issue additional commitment documents or to make disbursements other than under existing ones; and

SECTION D.3.

(3) at A.I.D.'s expense, direct that title to goods financed under the Loan be transferred to A.I.D. if the goods are from a source outside Borrower's country, are in a deliverable state and have not been offloaded in ports of entry of Borrower's country. Any disbursement made under the Loan with respect to such transferred goods will be deducted from Principal.

SECTION D.4. Cancellation by A.I.D. If, within sixty (60) days from the date of any suspension of disbursements pursuant to Section D.3, the cause or causes thereof have not been corrected, A.I.D. may cancel any part of the Loan that is not then disbursed or irrevocably committed to third parties.

SECTION D.5. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursements, or acceleration of repayment, the provisions of this Agreement will continue in effect until the payment in full of all Principal and accrued interest hereunder.

SECTION D.6. 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 provided for under this Agreement, may require the Borrower to refund the amount of such disbursement in United States Dollars to A.I.D. within sixty (60) days after receipt of a request therefor. The right to require such a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three (3) years from the date of the last disbursement under this Agreement.

(b)

(1) Any refund under the preceding subsection, 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 Loan, 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,

SECTION D.6(b)(2)

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 the installments of Principal in the inverse order of their maturity and the amount of the Loan reduced by the amount of such remainder.

SECTION D.7. 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.

MULTILATERAL

International Wheat Agreement, 1971: Modification and Extension of Wheat Trade Convention and Food Aid Convention

*Protocols open for signature at Washington April 26 through
May 17, 1978.*

*Declarations of provisional application of the United States of
America deposited June 20, 1978;*

*Ratification advised by the Senate of the United States of America
June 26, 1979;*

*Ratified by the President of the United States of America July 17,
1979;*

*Ratifications of the United States of America deposited July 20,
1979;*

*Proclaimed by the President of the United States of America
August 8, 1979;*

*Entered into force provisionally for the United States of America
with respect to certain parts June 24, 1978; and with respect
to the remaining parts July 1, 1978;*

*Entered into force definitively for the United States of America
July 20, 1979.*

CONTENTS

[Added by the Department of State]

	<i>Page</i>
Proclamation by the President of the United States of America.	4289
Wheat Trade Convention:	
English text	4291
French text	4298
Russian text	4305
Spanish text	4312
Food Aid Convention:	
English text	4319
French text	4325
Russian text	4331
Spanish text	4337
List of signatures to the Wheat Trade Convention	4344
List of signatures to the Food Aid Convention	4348

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Protocols for the Fourth Extension of the Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, were open for signature in Washington from April 26 through May 17, 1978, and each of the two Protocols was signed during that period by the respective plenipotentiaries of the Government of the United States of America and certain other Governments;

The texts of the Protocols, in the English, French, Russian, and Spanish languages, are hereto annexed;

The Senate of the United States of America by its resolution of June 26, 1979, two-thirds of the Senators present concurring therein, gave its advice and consent to the ratification of the Protocols;

The President of the United States of America ratified the Protocols on July 17, 1979, in pursuance of the advice and consent of the Senate;

The Government of the United States of America deposited declarations of provisional application of the Protocols on June 20, 1978, and deposited its instruments of ratification on July 20, 1979;

Pursuant to Article 8 and paragraph (1) of Article 9, the Protocol for the Further Extension of the Wheat Trade Convention, 1971, became provisionally applicable for the Government of the United States of America as follows: on June 24, 1978, with respect to all provisions of the Convention other than Articles 3 to 9 inclusive and Article 21; and on July 1, 1978, with respect to Articles 3 to 9 inclusive, and Article 21 of the Convention;

Pursuant to Article VIII and paragraph (1) of Article IX, the Protocol for the Further Extension of the Food Aid Convention, 1971, became provisionally applicable for the Government of the United States of America as follows: on June 24, 1978, with respect to all provisions other than Article II of the Convention and Article III of the Protocol; and on July 1, 1978, with respect to Article II of the Convention and Article III of the Protocol;

Pursuant to paragraph (2) of Article 9 of the Protocol for the Further Extension of the Wheat Trade Convention, 1971, and paragraph (1) of Article IX of the Protocol for the Further Extension of the Food Aid Convention, 1971, the two Protocols entered into force definitively for the United States of America on July 20, 1979;

Now, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Protocols for the Further Extension of the Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, to the end that they shall be observed and fulfilled with good faith by the United States of America and by the citizens of the United

States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this eighth day of August in the
[SEAL] year of our Lord one thousand nine hundred seventy-nine
and of the Independence of the United States of America
the two hundred fourth.

JIMMY CARTER

By the President:

CYRUS VANCE

Secretary of State

1978 PROTOCOLS FOR THE FOURTH EXTENSION OF THE
WHEAT TRADE CONVENTION AND FOOD AID CONVENTION CONSTITUTING
THE INTERNATIONAL WHEAT AGREEMENT, 1971

PREAMBLE

The Conference to establish the texts of the 1978 Protocols for the fourth extension of the Conventions constituting the International Wheat Agreement, 1971^[1]

Considering that the International Wheat Agreement of 1949 was revised, renewed or extended in 1953, 1956, 1959, 1962, 1965, 1966, 1967, 1968, 1971, 1974, 1975 and 1976,^[2]

Considering that the International Wheat Agreement, 1971, consisting of two separate legal instruments, the Wheat Trade Convention, 1971 and the Food Aid Convention, 1971, both of which were further extended by Protocol in 1976, will expire on 30 June 1978,

Has established the texts of the 1978 Protocols for the fourth extension of the Wheat Trade Convention, 1971 and for the fourth extension of the Food Aid Convention, 1971.

¹ TIAS 7144; 22 UST 820, 971.

² TIAS 1957, 2799, 3709, 4302, 5115, 5844, 6057, 6315, 6537, 7988, 8227, 8902; 63 Stat. 2173; 4 UST 944; 7 UST 3275; 10 UST 1477; 13 UST 1571; 16 UST 1010; 17 UST 948; 18 UST 1699; 19 UST 5499, 5772; 25 UST 3261, 3272; 27 UST 97, 108; 29 UST 1715.

TIAS 9450

1978 PROTOCOL FOR THE FOURTH EXTENSION OF
THE WHEAT TRADE CONVENTION, 1971

The Governments party to this Protocol:

Considering that the Wheat Trade Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was further extended by Protocol in 1976, expires on 30 June 1978,

Have agreed as follows:

ARTICLE 1

Extension, expiry and termination of the Convention

Subject to the provisions of Article 2 of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1979 provided that, if a new international agreement covering wheat enters into force before 30 June 1979 this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE 2

Inoperative provisions of the Convention

The following provisions of the Convention shall be deemed to be inoperative with effect from 1 July 1978:

- (a) paragraph (4) of Article 19;
- (b) Articles 22 to 26 inclusive;
- (c) paragraph (1) of Article 27;
- (d) Articles 29 to 31 inclusive.

ARTICLE 3

Definition

Any reference in this Protocol to a "Government" or "Governments" shall be construed as including a reference to the European Economic Community (hereinafter referred to as "the Community"). Accordingly, any reference in this Protocol to "signature" or to the

"deposit of instruments of ratification, acceptance, approval or conclusion" or "an instrument of accession" or "a declaration of provisional application" by a Government shall, in the case of the Community, be construed as including signature or declaration of provisional application on behalf of the Community by its competent authority and the deposit of the instrument required by the institutional procedures of the Community to be deposited for the conclusion of an international agreement.

ARTICLE 4

Finance

The initial contribution of any exporting or importing member acceding to this Protocol under paragraph (1)(b) of Article 7 thereof, shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing members for the current crop year shall not be altered.

ARTICLE 5

Signature

This Protocol shall be open for signature in Washington from 26 April 1978 until and including 17 May 1978 by Governments of countries party to the Convention as further extended by the 1976 Protocol, or which are provisionally regarded as party to the Convention as further extended by the 1976 Protocol, on 23 March 1978, or which are members of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, and are listed in Annex A or Annex B to the Convention.

ARTICLE 6

Ratification, acceptance, approval or conclusion

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory Government in accordance with its respective constitutional or institutional procedures. Instruments

of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 23 June 1978, except that the Council may grant one or more extensions of time to any signatory Government that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE 7

Accession

- (1) This Protocol shall be open for accession
 - (a) until 23 June 1978 by the Government of any member listed in Annex A or B to the Convention as of that date, except that the Council may grant one or more extensions of time to any Government that has not deposited its instrument by that date, and
 - (b) after 23 June 1978 by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, upon such conditions as the Council considers appropriate by not less than two thirds of the votes cast by exporting members and two thirds of the votes cast by importing members.
- (2) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.
- (3) Where, for the purposes of the operation of the Convention and this Protocol, reference is made to members listed in Annex A or B to the Convention, any member the Government of which has acceded to the Convention on conditions prescribed by the Council, or to this Protocol in accordance with paragraph (1)(b) of this Article, shall be deemed to be listed in the appropriate Annex.

ARTICLE 8

Provisional application

Any signatory Government may deposit with the Government of the United States of America a declaration of provisional application of this Protocol. Any other Government eligible to sign this Protocol or whose application for accession is approved by the Council may also deposit with the Government of the United States of America a declaration of provisional application. Any Government depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE 9

Entry into force

(1) This Protocol shall enter into force among those Governments which have deposited instruments of ratification, acceptance, approval conclusion or accession, or declarations of provisional application, in accordance with Articles 6, 7 and 8 of this Protocol by 23 June 1978 as follows:

(a) on 24 June 1978 with respect to all provisions of the Convention other than Articles 3 to 9 inclusive and Article 21, and

(b) on 1 July 1978 with respect to Articles 3 to 9 inclusive, and Article 21 of the Convention,

if such instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application have been deposited not later than 23 June 1978 on behalf of Governments representing exporting members which held at least 60 per cent of the votes set out in Annex A and representing importing members which held at least 50 per cent of the votes set out in Annex B, or would have held such votes respectively if they had been parties to the Convention on that date.

(2) This Protocol shall enter into force for any Government that deposits an instrument of ratification, acceptance, approval, conclusion or accession after 23 June 1978 in accordance with the relevant provisions of this Protocol, on the date of such deposit except that no part of it shall enter into force for such a Government until that part enters into force for other Governments under paragraph (1) or (3) of this Article.

(3) If this Protocol does not enter into force in accordance with paragraph (1) of this Article, the Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, may decide by mutual consent that it shall enter into force among those Governments that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application.

ARTICLE 10

Notification by depositary Government

The Government of the United States of America as the depositary Government shall notify all signatory and acceding Governments of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to, this Protocol as well as of each notification and notice received under Article 27 of the Convention and each declaration and notification received under Article 28 of the Convention.

ARTICLE 11

Certified copy of the Protocol

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations.^[1] Any amendments to this Protocol shall likewise be communicated.

^[1] TS 993; 59 Stat. 1052.

ARTICLE 12

Relationship of Preamble to Protocol

This Protocol includes the Preamble to the 1978 Protocols for the fourth extension of the International Wheat Agreement, 1971.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall be equally authentic. The originals shall be deposited with the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party and to the Executive Secretary of the Council.

- - - - -

PROTOCOLES DE 1978 PORTANT QUATRIÈME PROROGATION
DE LA CONVENTION SUR LE COMMERCE DU BLE ET DE LA
CONVENTION RELATIVE A L'AIDE ALIMENTAIRE
CONSTITUANT L'ACCORD INTERNATIONAL SUR LE BLE DE 1971

PREAMBULE

La Conférence chargée d'établir les textes des Protocoles de 1978 portant quatrième prorogation des Conventions constituant l'Accord international sur le blé de 1971,

Considérant que l'Accord international sur le blé de 1949 a été révisé, renouvelé ou prorogé en 1953, 1956, 1959, 1962, 1965, 1966, 1967, 1968, 1971, 1974, 1975 et 1976,

Considérant que l'Accord international sur le blé de 1971, composé de deux instruments juridiques distincts, la Convention sur le commerce du blé de 1971, d'une part, et la Convention relative à l'aide alimentaire de 1971, d'autre part, qui ont été toutes deux prorogées à nouveau par Protocole en 1976, prend fin le 30 juin 1978,

A établi les textes des Protocoles de 1978 portant quatrième prorogation de la Convention sur le commerce du blé de 1971 et portant quatrième prorogation de la Convention relative à l'aide alimentaire de 1971.

PROTOCOLE DE 1978 PORTANT QUATRIEME PROROGATION
DE LA CONVENTION SUR LE COMMERCE DU BLE DE 1971

Les Gouvernements parties au présent Protocole,

Considérant que la Convention sur le commerce du blé de 1971
(ci-après dénommée "la Convention") de l'Accord international
sur le blé de 1971, qui a été prorogé à nouveau par Protocole
en 1976, vient à expiration le 30 juin 1978,

Sont convenus de ce qui suit :

ARTICLE PREMIER

Prorogation, venue à expiration et résiliation de la Convention

Sous réserve des dispositions de l'article 2 du présent Protocole, la Convention demeurera en vigueur entre les parties au présent Protocole jusqu'au 30 juin 1979 étant entendu toutefois que, si un nouvel accord international en matière de blé entre en vigueur avant le 30 juin 1979, ledit Protocole demeurera en vigueur jusqu'à la date d'entrée en vigueur du nouvel accord seulement.

ARTICLE 2

Dispositions de la Convention rendues inopérantes

Les dispositions suivantes de la Convention sont considérées comme inopérantes à compter du 1er juillet 1978 :

- a) le paragraphe 4 de l'article 19 ;
- b) les articles 22 à 26 inclus ;
- c) le paragraphe 1 de l'article 27 ;
- d) les articles 29 à 31 inclus.

ARTICLE 3

Définition

Toute mention, dans le présent Protocole, du "Gouvernement" ou des "Gouvernements" est réputée valoir aussi pour la Communauté économique européenne (ci-après dénommée "la Communauté"). En conséquence, toute mention, dans le présent Protocole, de "la signature" ou du "dépôt des instruments de ratification, d'acceptation, d'approbation ou de conclusion" ou d'un "instrument d'adhésion" ou d'une "déclaration d'application provisoire" par un Gouvernement est, dans le cas de la Communauté, réputée valoir aussi pour la signature ou pour la déclaration d'application provisoire au nom de la Communauté par son autorité compétente ainsi que pour le dépôt de l'instrument requis par la procédure institutionnelle de la Communauté pour la conclusion d'un accord international.

ARTICLE 4

Dispositions financières

La cotisation initiale de tout membre exportateur ou de tout membre importateur qui adhère au présent Protocole conformément aux dispositions de l'alinéa b du paragraphe 1 de l'article 7 dudit Protocole est fixée par le Conseil en fonction du nombre des voix qui lui seront attribuées et de la période restant à courir dans l'année agricole ; toutefois, les cotisations fixées pour les autres membres exportateurs et pour les autres membres importateurs au titre de l'année agricole en cours ne sont pas modifiées.

ARTICLE 5

Signature

Le présent Protocole sera ouvert, à Washington, du 26 avril 1978 au 17 mai 1978 inclus, à la signature des Gouvernements des pays parties à la Convention prorogée à nouveau par le Protocole de 1976, ou provisoirement considérés comme étant parties à celle-ci, au 23 mars 1978, ou qui sont membres de l'Organisation des Nations Unies, de ses institutions spécialisées ou de l'Agence internationale de l'énergie atomique et sont énumérés à l'annexe A ou à l'annexe B de la Convention.

ARTICLE 6

Ratification, acceptation, approbation ou conclusion

Le présent Protocole est soumis à la ratification, à l'acceptation, à l'approbation ou à la conclusion de chacun des Gouvernements signataires conformément à ses procédures constitutionnelles ou institutionnelles. Les instruments de ratification, d'acceptation, d'approbation ou de conclusion seront déposés auprès du Gouvernement des Etats-Unis d'Amérique au plus tard le 23 juin 1978, étant entendu toutefois que le Conseil peut accorder une ou plusieurs prolongations de délai à tout Gouvernement signataire qui n'aura pas déposé son instrument de ratification, d'acceptation, d'approbation ou de conclusion à cette date.

ARTICLE 7

Adhésion

- 1) Le présent Protocole sera ouvert :
 - a) jusqu'au 23 juin 1978, à l'adhésion du Gouvernement de tout membre énuméré à cette date aux annexes A ou B de la Convention, étant entendu toutefois que le Conseil peut accorder une ou plusieurs prolongations de délai à tout Gouvernement n'ayant pas déposé son instrument à la date en question, et
 - b) après le 23 juin 1978, à l'adhésion du Gouvernement de tout membre de l'Organisation des Nations Unies, de ses institutions spécialisées ou de l'Agence internationale de l'énergie atomique aux conditions que le Conseil jugera appropriées à la majorité des deux tiers au moins des voix exprimées par les membres exportateurs et des deux tiers au moins des voix exprimées par les membres importateurs.
- 2) L'adhésion a lieu par le dépôt d'un instrument d'adhésion auprès du Gouvernement des Etats-Unis d'Amérique.

3) Lorsqu'il est fait mention, aux fins de l'application de la Convention et du présent Protocole, des membres énumérés aux annexes A ou B de la Convention, tout membre dont le Gouvernement a adhéré à la Convention dans les conditions prescrites par le Conseil ou au présent Protocole conformément à l'alinéa b du paragraphe 1 du présent article sera réputé énuméré dans l'annexe appropriée.

ARTICLE 8

Application provisoire

Tout Gouvernement signataire peut déposer auprès du Gouvernement des Etats-Unis d'Amérique une déclaration d'application provisoire du présent Protocole. Tout autre Gouvernement remplissant les conditions nécessaires pour signer le présent Protocole ou dont la demande d'adhésion est approuvée par le Conseil peut aussi déposer auprès du Gouvernement des Etats-Unis d'Amérique une déclaration d'application provisoire. Tout Gouvernement déposant une telle déclaration applique provisoirement le présent Protocole et il est considéré provisoirement comme y étant partie.

ARTICLE 9

Entrée en vigueur

1) Le présent Protocole entrera en vigueur, entre les Gouvernements qui auront déposé des instruments de ratification, d'acceptation, d'approbation, de conclusion ou d'adhésion, ou des déclarations d'application provisoire, conformément aux articles 6, 7 et 8 du présent Protocole avant le 23 juin 1978, dans les conditions suivantes :

- a) le 24 juin 1978, pour toutes les dispositions de la Convention autres que les articles 3 à 9 compris et 21, et
- b) le 1er juillet 1978, pour les articles 3 à 9 compris et 21 de la Convention,

pourvu que ces instruments de ratification, d'acceptation, d'approbation, de conclusion ou d'adhésion, ou ces déclarations d'application provisoire, soient été déposés au plus tard le 23 juin 23 juin 1978 au nom des Gouvernements représentant les membres exportateurs qui détiennent au moins 60 pour cent des voix dénombrées dans l'annexe A et représentant les membres importateurs qui détiennent au moins 50 pour cent des voix dénombrées dans l'annexe B, ou qui détiendraient ces pourcentages de voix respectifs s'ils étaient parties à la Convention à cette date.

2) Le présent Protocole entre en vigueur, pour tout Gouvernement qui dépose un instrument de ratification, d'acceptation, d'approbation, de conclusion ou d'adhésion après le 23 juin 1978, conformément aux dispositions pertinentes du présent Protocole, à la date dudit dépôt, étant entendu qu'aucune des parties dudit Protocole n'entrera en vigueur pour ce Gouvernement avant qu'elle n'entre en vigueur pour d'autres Gouvernements en vertu des paragraphes 1 ou 3 du présent article.

3) Si le présent Protocole n'entre pas en vigueur conformément aux dispositions du paragraphe 1 du présent article, les Gouvernements qui auront déposé des instruments de ratification, d'acceptation, d'approbation, de conclusion ou d'adhésion, ou des déclarations d'application provisoire, pourront décider d'un commun accord qu'il entrera en vigueur entre les Gouvernements qui auront déposé des instruments de ratification, d'acceptation, d'approbation, de conclusion ou d'adhésion, ou des déclarations d'application provisoire.

ARTICLE 10

Notification par le Gouvernement dépositaire

Le Gouvernement des Etats-Unis d'Amérique, en qualité de Gouvernement dépositaire, notifiera à tous les Gouvernements signataires et adhérents toute signature, ratification, acceptation, approbation, conclusion, application provisoire du présent Protocole et toute adhésion, ainsi que toute notification et tout préavis reçus conformément aux dispositions de l'article 27 de la Convention et toute déclaration et notification reçues conformément aux dispositions de l'article 28 de la Convention.

ARTICLE 11

Copie certifiée conforme du Protocole

Le plus tôt possible après l'entrée en vigueur définitive du présent Protocole, le Gouvernement dépositaire adressera une copie certifiée conforme dudit Protocole en langues anglaise, espagnole, française et russe au Secrétaire général de l'Organisation des Nations Unies pour enregistrement conformément à l'Article 102 de la Charte des Nations Unies. Tout amendement au présent Protocole sera pareillement communiqué au Secrétaire général de l'Organisation des Nations Unies.

ARTICLE 12

Rapports entre le Préambule et le Protocole

Le présent Protocole comprend le Préambule des Protocoles de 1978 portant quatrième prorogation de l'Accord international sur le blé de 1971.

EN FOI DE QUOI, les soussignés, dûment autorisés à cet effet par leurs Gouvernements ou leurs autorités respectifs, ont signé le présent Protocole à la date figurant en regard de leur signature.

Les textes du présent Protocole en langue anglaise, espagnole, française et russe font également foi. Les textes originaux seront déposés auprès du Gouvernement des Etats-Unis d'Amérique, qui en transmettra des copies certifiées conformes à chaque partie signataire et adhérente ainsi qu'au Secrétaire exécutif du Conseil.

ПРОТОКОЛЫ 1978 г.О ЧЕТВЁРТОМ ПРОДЛЕНИИ СРОКА ДЕЙСТВИЯ КОНВЕНЦИИ
О ТОРГОВЛЕ ПШЕНИЦЕЙ И КОНВЕНЦИИ ОБ ОКАЗАНИИ
ПРОДОВОЛЬСТВЕННОЙ ПОМОЩИ, СОСТАВЛЯЮЩИХ
МЕЖДУНАРОДНОЕ СОГЛАШЕНИЕ ПО ПШЕНИЦЕ 1971 ГОДА

Конференция по составлению текстов Протоколов 1978 г. о четвёртом продлении срока действия Конвенций, составляющих Международное соглашение по пшенице 1971 года,

Принимая во внимание, что Международное соглашение по пшенице 1949 года пересматривалось, возобновлялось или продлевалось в 1953, 1956, 1959, 1962, 1965, 1966, 1967, 1968, 1971, 1974, 1975 и 1976 г.г.

Принимая во внимание, что срок действия Международного соглашения по пшенице 1971 года, состоящего из двух самостоятельных юридических актов, Конвенции о торговле пшеницей 1971 г. и Конвенции об оказании продовольственной помощи 1971 г., срок действия каждой из них был продлён Протоколом в 1976 г., истекает 30 июня 1978 г.,

Составила тексты Протоколов 1978 г. о четвёртом продлении срока действия Конвенции о торговле пшеницей 1971 г. и четвёртом продлении срока действия Конвенции об оказании продовольственной помощи 1971 года.

ПРОТОКОЛ 1978 ГОДА
О ЧЕТВЕРТОМ ПРОДЛЕНИИ СРОКА ДЕЙСТВИЯ КОНВЕНЦИИ
О ТОРГОВЛЕ ПШЕНИЦЕЙ 1971 ГОДА

Правительства - Стороны настоящего Протокола:

Принимая во внимание, что срок действия Конвенции о тор-
говле пшеницей 1971 года (именуемой в дальнейшем
"Конвенция") Международного соглашения по пшенице
1971 года, продлённый Протоколом 1976 года, истека-
ет 30 июня 1978 года,

Согласились о следующем:

СТАТЬЯ 1

Продление, истечение и прекращение срока
действия Конвенции

Согласно положениям статьи 2 настоящего Протокола,
Конвенция останется в силе для Сторон настоящего Протокола
до 30 июня 1979 года, предусматривая, что, если новое между-
народное соглашение по пшенице вступит в силу до 30 июня
1979 года, действие настоящего Протокола останется в силе
только до момента вступления в силу нового соглашения.

СТАТЬЯ 2

Неоперативные положения Конвенции

С 1 июля 1978 года следующие положения Конвенции
будут считаться неоперативными:

- (а) параграф (4) статьи 19;
- (б) статьи с 22 по 26 включительно;
- (с) параграф (1) статьи 27;
- (д) статьи с 29 по 31 включительно.

СТАТЬЯ 3

Определение

Любую ссылку в настоящем Протоколе на "Правительство" или "Правительства" следует понимать как включающую ссылку на Европейское экономическое сообщество (именуемое в дальнейшем "Сообщество"). Следовательно, любую ссылку в настоящем Протоколе на "подписание" или на "депонирование ратификационных грамот, принятие, одобрение или заключение" или на "акт о присоединении" или на "декларацию о временном применении" Правительством следует, применительно к Сообществу, понимать как включающую подписание или декларацию о временном применении от имени Сообщества её компетентными органами и депонирование акта, который, согласно уставной процедуре Сообщества, сдаётся на хранение при заключении международного соглашения.

СТАТЬЯ 4

Финансовые вопросы

Первоначальный взнос любого участника-экспортёра или импортёра, присоединяющегося к настоящему Протоколу, согласно параграфу (1) (ь) статьи 7, устанавливается Советом на основании голосов, которыми этот участник будет располагать, и срока, остающегося до истечения текущего сельскохозяйственного года, причём взносы, установленные для других участников-экспортёров и импортёров на текущий сельскохозяйственный год, остаются без изменения.

СТАТЬЯ 5

Подписание

Настоящий Протокол открыт для подписания в Вашингтоне с 26 апреля по 17 мая 1978 года включительно Правительствами стран – Сторон Конвенции, продлённой далее Протоколом 1976 года, или временно считающимися стороной Конвенции, продлённой Протоколом 1976 года на 23 марта 1978 г., или которые являются членами Организации Объединённых Наций, её специализированных учреждений либо Международного агентства по атомной энергии и поименованных в Приложении А или Приложении В к Конвенции.

СТАТЬЯ 6

Ратификация, принятие, одобрение
или заключение

Настоящий Протокол подлежит ратификации, принятию, одобрению или заключению каждым подписавшим его Правительством в соответствии с их надлежащими конституционными или установленными процедурами. Акты о ратификации, принятии, одобрении или заключении сдаются на хранение Правительству Соединённых Штатов Америки не позднее 23 июня 1978 года, за исключением случаев, когда Совет может предоставить одну или более отсрочек любому подписавшему Правительству, которое не сдало на хранение к указанному сроку акт о ратификации, принятии, одобрении или заключении.

СТАТЬЯ 7

Присоединение

(1) Настоящий Протокол открыт для присоединения:

- (а) до 23 июня 1978 года Правительством любой страны-участницы, поименованной к этой дате в Приложении А или Приложении В к Конвенции, за исключением случаев, когда Совет может предоставить одну или более отсрочек любому Правительству, которое не сдало на хранение к этому времени акт о присоединении, и
- (б) после 23 июня 1978 года Правительством любой страны-члена Организации Объединённых Наций, её специализированных учреждений или Международного агентства по атомной энергии на таких условиях, которые Совет сочтёт целесообразными, по крайней мере большинством не менее чем в две трети голосов участников-экспортёров и не менее чем в две трети голосов участников-импортёров.

(2) Присоединение осуществляется путём сдачи на хранение акта о присоединении Правительству Соединенных Штатов Америки.

(3) В тех случаях, когда для целей действия данной Конвенции и настоящего Протокола делается ссылка на участников, перечисленных в Приложении А или в Приложении В, любой участник, Правительство которого присоединилось к Конвенции на условиях, установленных Советом, или к настоящему Протоколу в соответствии с параграфом (1) (б) настоящей статьи, считается внесённым в соответствующее Приложение.

СТАТЬЯ 8

Временное применение

Любое подписавшее Правительство может сдать на хранение Правительству Соединённых Штатов Америки декларацию о временном применении настоящего Протокола. Любое другое Правительство, имеющее право подписать настоящий Протокол, или чьё обращение о присоединении одобрено Советом, может также сдать на хранение Правительству Соединённых Штатов Америки декларацию о временном применении. Любое Правительство, сдающее на хранение такую декларацию, временно применяет этот Протокол и временно считается его стороной.

СТАТЬЯ 9

Вступление в силу

(1) Настоящий Протокол вступает в силу для тех правительств, которые сдали на хранение акты о ратификации, принятии, одобрении, заключении или присоединении или декларации о временном применении в соответствии со статьями 6, 7 и 8 настоящего Протокола к 23 июня 1978 года в следующем порядке:

- (а) с 24 июня 1978 года в отношении всех положений Конвенции, за исключением статей 3-9 включительно и статьи 21, и
(б) с 1 июля 1978 года в отношении статей 3-9 включительно и статьи 21 Конвенции,

если данные акты о ратификации, принятии, одобрении, заключении или присоединении или декларации о временном применении были сданы на хранение не позднее чем 23 июня 1978 года от имени Правительств, представляющих участников-экспортёров, которые располагают по крайней мере 60% голосов, указанных в Приложении А, и представляющих участников-импортёров,

располагающих по крайней мере 50% голосов, указанных в Приложении В, или если бы они располагали соответственно таким количеством голосов, являясь к тому времени сторонами Конвенции.

(2) Настоящий Протокол вступает в силу для любого Правительства, которое сдаст на хранение акты о ратификации, принятии, одобрении, заключении или присоединении после 23 июня 1978 года, согласно соответствующим положениям настоящего Протокола с даты такой сдачи, за исключением того, что ни одна из его частей не вступит в силу для такого Правительства до того, как эта часть не вступит в силу для других Правительств в соответствии с параграфами (1) или (3) настоящей статьи.

(3) Если настоящий Протокол не вступит в силу в соответствии с параграфом (1) настоящей статьи, Правительства, которые сдали на хранение акты о ратификации, принятии, одобрении, заключении или присоединении или декларации о временном применении, могут с общего согласия решить, что Протокол вступает в силу для тех Правительств, которые сдали акты о ратификации, принятии, одобрении, заключении или присоединении или декларации о временном применении.

СТАТЬЯ 10

Извещение Правительством страны-депозитария

Правительство Соединённых Штатов Америки как Правительство страны-депозитария будет извещать все Правительства, подписавшие Протокол и присоединившиеся к нему, о каждом случае подписания, ратификации, принятия, одобрения, заключения, временного применения и присоединения к настоящему Протоколу, так же как и о каждом извещении и уведомлении, полученных в соответствии со статьёй 27 Конвенции и о каждой декларации и извещении, полученных в соответствии со статьей 27 Конвенции, и о каждой декларации и извещении, полученных в соответствии со статьей 28 Конвенции.

СТАТЬЯ 11

Заверенная копия Протокола

В возможно ближайшее время после окончательного вступления в силу настоящего Протокола Правительство страны-депозитария посыпает Генеральному секретарю Организации Объединённых Наций заверенную копию настоящего Протокола на английском, французском, русском и испанском языках для регистрации в соответствии со статьёй 102 Устава Организации Объединённых Наций. Любые изменения к настоящему Протоколу сообщаются в таком же порядке.

СТАТЬЯ 12

Взаимосвязь Преамбулы и Протокола

Настоящий Протокол включает Преамбулу к Протоколам 1978 года о четвёртом продлении срока действия Международного соглашения по пшенице 1971 года.

В ДОКАЗАТЕЛЬСТВО ЧЕГО нижеподписавшиеся, будучи надлежащим образом на то уполномочены своими соответствующими Правительствами или органами власти, подписали настоящий Протокол датами, указанными противих подписей.

Тексты настоящего Протокола на английском, французском, русском и испанском языках являются равно аутентичными. Подлинники сдаются на хранение Правительству Соединённых Штатов Америки, которое рассыпает заверенные копии каждому подписавшему Правительству, каждой присоединившейся Стороне и Исполнительному секретарю Совета.

PROTÓCOLOS, 1978, PARA LA CUARTA PRORROGA DEL
CONVENIO SOBRE EL COMERCIO DEL TRIGO
Y DEL CONVENIO SOBRE LA AYUDA ALIMENTARIA
QUE CONSTITUYEN EL CONVENIO INTERNACIONAL DEL TRIGO, 1971

PREAMBULO

La Conferencia para fijar los textos de los Protocolos, 1978,
para la cuarta prórroga de los Convenios que constituyen el Convenio
Internacional del trigo, 1971

Considerando que el Convenio Internacional del Trigo de 1949 fué revisado,
renovado o prorrogado en 1953, 1956, 1959, 1962, 1965, 1966, 1967,
1968, 1971, 1974, 1975 y 1976.

Considerando que el Convenio Internacional del Trigo, 1971, que comprende
dos instrumentos jurídicos independientes, el Convenio sobre el
Comercio del Trigo, 1971, y el Convenio sobre la Ayuda Alimentaria,
1971, ambos prorrogados por virtud de Protocolo en 1976, expire el
30 de junio de 1978.

Ha fijado los textos de los Protocolos, 1978, para la cuarta prórroga del
Convenio sobre el Comercio del Trigo, 1971, y para la cuarta prórroga
del Convenio sobre la Ayuda Alimentaria, 1971.

PROTOCOLO, 1978, PARA LA CUARTA PRORROGA DEL
CONVENIO SOBRE EL COMERCIO DEL TRIGO, 1971

Los Gobiernos partes en el presente Protocolo,

Considerando que el Convenio sobre el Comercio del Trigo, 1971 (en adelante llamado "el Convenio") del Convenio Internacional del Trigo, 1971, que fué prorrogado de nuevo por virtud de Protocolo en 1976, expira el 30 de junio de 1978,

Han convenido lo siguiente:

ARTICULO 1

Prórroga, expiración y rescisión del Convenio

A reserva de lo dispuesto en el Artículo 2 del presente Protocolo, el Convenio permanecerá en vigor entre las partes integrantes del presente Protocolo hasta el 30 de junio de 1979, quedando entendido que si, antes del 30 de junio de 1979, entrase en vigor un nuevo convenio internacional comprendiendo trigo, el presente Protocolo solo permanecería vigente hasta la fecha de entrada en vigor del nuevo convenio.

ARTICULO 2

Disposiciones inoperantes del Convenio

A partir del 1 de julio de 1978, se considerarán derogadas las siguientes disposiciones del Convenio:

- a) el párrafo 4) del Artículo 19;
- b) los Artículos 22 al 26 inclusive;
- c) el párrafo 1) del Artículo 27;
- d) los Artículos 29 al 31 inclusive.

ARTICULO 3

Definición

Toda referencia en el presente Protocolo a un "gobierno" o "gobiernos" será de aplicación a la Comunidad Económica Europea (en adelante llamada "la Comunidad"). Por consiguiente, toda referencia en el presente Protocolo a "firma", "deposito de instrumentos de ratificación, aceptación, aprobación o conclusión", "instrumento de adhesión" o "declaración de aplicación provisional" por un gobierno, comprende, en el caso de la Comunidad, la firma o declaración de aplicación provisional en nombre de la Comunidad por su autoridad competente y el depósito del instrumento que, con arreglo a los procedimientos institucionales de la Comunidad, deba depositar para la conclusión de un convenio internacional.

ARTICULO 4

Disposiciones financieras

La contribución inicial de todo miembro exportador o importador, que efectúe su adhesión al presente Protocolo con arreglo al apartado b) del párrafo 1) del Artículo 7 del mismo, será determinada por el Consejo tomando como base los votos que se le hayan asignado y el período que quede por transcurrir del año agrícola en curso, pero no se modificarán las contribuciones de los demás exportadores e importadores ya determinadas para dicho año agrícola.

ARTICULO 5

Firme

El presente Protocolo estará abierto en Washington, desde el 26 de abril de 1978 hasta el 17 de mayo de 1978 inclusive, a la firma de los Gobiernos de los países partes en el Convenio en su forma prorrogado de nuevo por virtud del Protocolo, 1976, o que el 23 de marzo de 1978, son provisionalmente considerados partes en el Convenio en su forma prorrogado de nuevo por virtud del Protocolo, 1976, o que son miembros de las Naciones Unidas, de sus organismos especializados o del Organismo Internacional de Energía Atómica, y están comprendidos en los Anexos A y B del Convenio.

ARTICULO 6

Ratificación, aceptación, aprobación o conclusión

El presente Protocolo quedará sujeto a la ratificación, aceptación, aprobación o conclusión de cada Gobierno signatario, de acuerdo con sus respectivos procedimientos constitucionales o institucionales. Los instrumentos de ratificación, aceptación, aprobación o conclusión se depositarán ante el Gobierno de los Estados Unidos de América, a más tardar el 23 de junio de 1978, quedando entendido que el Consejo podrá conceder una o más prórrogas a todo Gobierno signatario que no haya depositado su instrumento de ratificación, aceptación, aprobación o conclusión en la fecha indicada.

ARTICULO 7

Adhesión

- 1) El presente Protocolo quedará abierto a la adhesión:
 - a) hasta el 23 de junio de 1978, del Gobierno de todo miembro que figure en el Anexo A o B del Convenio en dicha fecha, quedando entendido que el Consejo podrá conceder una o más prórrogas del plazo a todo Gobierno que no haya depositado su instrumento en dicha fecha, y
 - b) después del 23 de junio de 1978, del Gobierno de todo miembro de las Naciones Unidas, o sus organismos especializados o del Organismo Internacional de Energía Atómica, con arreglo a las condiciones que el Consejo estime oportuno establecer por una mayoría no inferior a los dos tercios de los votos emitidos por los miembros exportadores y a los dos tercios de los votos emitidos por los miembros importadores.
- 2) La adhesión se efectuará mediante el depósito de un instrumento de adhesión ante el Gobierno de los Estados Unidos de América.

- 3) Cuando, para los fines de aplicación del Convenio del presente Protocolo, se haga referencia a miembros que figuran en los Anexos A o B del Convenio, se estimará que los miembros cuyos Gobiernos se hayan adherido al Convenio en las condiciones establecidas por el Consejo, o al presente Protocolo según dispone el apartado b) del párrafo 1) del presente Artículo, figuran en el Anexo correspondiente.

ARTICULO 8

Aplicación provisional

Todo Gobierno signatario podrá depositar ante el Gobierno de los Estados Unidos de América una declaración de aplicación provisional del presente Protocolo. Cualquier otro Gobierno en situación de firmar el presente Protocolo, o cuya solicitud de adhesión la haya aprobado el Consejo, podrá asimismo depositar ante el Gobierno de los Estados Unidos de América una declaración de aplicación provisional. Todo Gobierno que deposite tal declaración, aplicará provisionalmente el presente Protocolo y será considerado, provisionalmente, como parte en el mismo.

ARTICULO 9

Entrada en vigor

- 1) El presente Protocolo entrará en vigor entre aquellos Gobiernos que, el 23 de junio de 1978, hayan depositado sus instrumentos de ratificación, aceptación, aprobación, conclusión o adhesión o declaraciones de aplicación provisional, de acuerdo con los Artículos 6, 7 y 8 del presente Protocolo, de la manera siguiente:
- a) el 24 de junio de 1978, con respecto a todas las disposiciones del Convenio, que no sean las comprendidas en los Artículos 3 al 9, ambos inclusive, y el Artículo 21; y
 - b) el 1 de julio de 1978, con respecto a los Artículos 3 al 9, ambos inclusive, y el Artículo 21 del Convenio.

siempre que se hayan depositado tales instrumentos de ratificación, aceptación, aprobación, conclusión, o adhesión, o declaraciones de aplicación provisional, no más tarde del 23 de junio de 1978, en nombre de Gobiernos que representen a miembros exportadores que poseen por lo menos el 60% de los votos indicados en el Anexo A y miembros importadores que poseen por lo menos el 50% de los votos indicados en el Anexo B, o que hubiesen tenido, respectivamente, tales votos si hubiesen sido partes en el Convenio en dicha fecha.

2) El presente Protocolo entrará en vigor, para todo gobierno que deposite el instrumento de ratificación, aceptación, aprobación, conclusión o adhesión después del 23 de junio de 1978, de conformidad con las disposiciones pertinentes del presente Protocolo, en la fecha en que se efectúe tal depósito, quedando entendido que ninguna parte del mismo entrará en vigor para tal Gobierno hasta que esa parte entre en vigor para los demás Gobiernos de conformidad con lo dispuesto en los párrafos 1) ó 3) del presente Artículo.

3) Si el presente Protocolo no entrase en vigor de acuerdo con lo dispuesto en el párrafo 1) del presente Artículo, los Gobiernos que hayan depositado instrumentos de ratificación, aceptación, aprobación, conclusión o adhesión, o declaraciones de aplicación provisional, podrán decidir de común acuerdo que el Protocolo entrará en vigor entre aquellos Gobiernos que hayan depositado instrumentos de ratificación, aceptación, aprobación, conclusión o adhesión o declaraciones de aplicación provisional.

ARTICULO 10

Notificación del Gobierno depositario

El Gobierno de los Estados Unidos de América, en su calidad de Gobierno depositario, deberá notificar a todos los Gobiernos signatarios y a todos los Gobiernos que se hayan adherido, toda firma, ratificación, aceptación, aprobación, conclusión, aplicación provisional del presente Protocolo, y toda adhesión al mismo, así como toda notificación y comunicado que reciba en virtud del Artículo 27 del Convenio y toda declaración y notificación que reciba con arreglo al Artículo 28 del Convenio.

ARTICULO 11

Copia certificada del Convenio

Tan pronto como sea posible después de la entrada en vigor definitiva del presente Protocolo, el Gobierno depositario enviará copia certificada del presente Protocolo, en los idiomas español, francés, inglés y ruso, al Secretario General de las Naciones Unidas para que lo registre con arreglo a lo dispuesto en el Artículo 102 de la Carta de las Naciones Unidas. Toda enmienda al presente Protocolo se comunicará en la misma forma al Secretario General de las Naciones Unidas.

ARTICULO 12

Relación entre el Preámbulo y el Protocolo

El presente Protocolo comprende el Preámbulo a los Protocolos, 1978, instituidos para la cuarta prórroga del Convenio Internacional del Trigo, 1971.

EN FE DE LO CUAL, los infrascritos, debidamente autorizados al efecto por sus respectivos Gobiernos o autoridades, han firmado el presente Protocolo en las fechas que figuran junto a sus firmas.

Los textos del presente Protocolo en los idiomas español, francés, inglés y ruso serán igualmente auténticos. Los originales serán entregados en depósito al Gobierno de los Estados Unidos de América, el cual remitirá copia certificada de los mismos a cada parte signataria o que se adhiere, y al Secretario Ejecutivo del Consejo.

1978 PROTOCOL FOR THE FOURTH EXTENSION
OF THE FOOD AID CONVENTION, 1971

The parties to this Protocol,

Considering that the Food Aid Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was further extended by Protocol in 1976, expires on 30 June 1978,

Have agreed as follows:

ARTICLE I

Extension, expiry and termination of the Convention

Subject to the provisions of Article II of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1979 provided that, if a new agreement covering food aid enters into force before 30 June 1979 this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE II

Inoperative provisions of the Convention

The provisions of paragraphs (1), (2) and (3) of Article II, of paragraph (1) of Article III, and of Articles VI to XIV, inclusive, of the Convention shall be deemed to be inoperative with effect from 1 July 1978.

ARTICLE III

International food aid

(1) The parties to this Protocol agree to contribute as food aid to the developing countries, wheat, coarse grains or products derived therefrom, suitable for human consumption and of an acceptable type and quality, or the cash equivalent thereof, in the minimum annual amounts specified in paragraph (2) below:

(2) The minimum annual contribution of each party to this Protocol is fixed as follows:

	<u>Metric tons</u>
Argentina	23,000
Australia	225,000
Canada	495,000
European Economic Community	1,287,000
Finland	14,000
Japan	225,000
Sweden	35,000
Switzerland	32,000
United States of America	1,890,000

(3) For the purpose of the operation of this Protocol, any party which has signed this Protocol pursuant to paragraph (2) of Article V thereof, or which has acceded to this Protocol pursuant to paragraph (2) or (3) of Article VII thereof, shall be deemed to be listed in paragraph (2) of Article III of this Protocol together with the minimum contribution of such party as determined in accordance with the relevant provisions of Article V or Article VII of this Protocol.

ARTICLE IV

Food Aid Committee

There shall be established a Food Aid Committee whose membership shall consist of the parties listed in paragraph (2) of Article III of this Protocol and of those others that become parties to this Protocol. The Committee shall appoint a Chairman and a Vice-Chairman.

ARTICLE V

Signature

(1) This Protocol shall be open for signature in Washington from 26 April 1978 until and including 17 May 1978 by the Governments of Argentina, Australia, Canada, Finland, Japan, Sweden, Switzerland and the United States of America, and by the European Economic Community and its member States, provided that they sign both this Protocol and the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971.

(2) This Protocol shall also be open for signature, on the same conditions, to any party to the Food Aid Convention, 1967 which is not enumerated in paragraph (1) of this Article, provided that its contribution is at least equal to that which it agreed to make in the Food Aid Convention, 1967.

ARTICLE VI

Ratification, acceptance, approval or conclusion

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory in accordance with its constitutional or institutional procedures, provided that it also ratifies, accepts, approves or concludes the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 23 June 1978, except that the Food Aid Committee may grant one or more extensions of time to any signatory that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE VII

Accession

(1) This Protocol shall be open for accession by any party referred to in Article V of this Protocol, provided it also accedes to the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971 and provided further that in the case of any party referred to in paragraph (2) of Article V its contribution is at least equal to that which it agreed to make in the Food Aid Convention, 1967. Instruments of accession under this paragraph shall be deposited not later than 23 June 1978, except that the Food Aid Committee may grant one or more extensions of time to any party that has not deposited its instrument of accession by that date.

(2) The Food Aid Committee may approve accession to this Protocol, as a donor, by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, on such conditions as the Food Aid Committee considers appropriate, provided that the Government also accedes at the same time to the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971, if not already a party to it.

(3) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

ARTICLE VIII

Provisional application

Any party referred to in Article V of this Protocol may deposit with the Government of the United States of America a declaration of provisional application of this Protocol, provided it also deposits a declaration of provisional application of the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971. Any other party whose application for accession is approved may also deposit with the Government of the United States of America a declaration of provisional application, provided that the party also deposits a declaration of provisional application of the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971, unless it is already a party to that Protocol or has already deposited a declaration of provisional application of that Protocol. Any such party depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE IX

Entry into force

(1) This Protocol shall enter into force for those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession

- (a) on 24 June 1978 with respect to all provisions other than Article II of the Convention and Article III of the Protocol, and
- (b) on 1 July 1978 with respect to Article II of the Convention and Article III of the Protocol

provided that all parties listed in paragraph (1) of Article V of this Protocol have deposited such instruments or a declaration of provisional application by 23 June 1978 and that the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971 is in force. For any other party that deposits an instrument of ratification, acceptance, approval, conclusion or accession after the entry into force of the Protocol, this Protocol shall enter into force on the date of such deposit.

(2) If this Protocol does not enter into force in accordance with the provisions of paragraph (1) of this Article, the parties which by 24 June 1978 have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application may decide by mutual consent that it shall enter into force among those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, provided that the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971 is in force, or they may take whatever other action they consider the situation requires.

ARTICLE X

Notification by depositary Government

The Government of the United States of America as the depositary Government shall notify all signatory and acceding parties of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to this Protocol.

TIAS 9450

ARTICLE XI

Certified copy of the Protocol

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE XII

Relationship of Preamble to Protocol

This Protocol includes the Preamble to the 1978 Protocols for the fourth extension of the International Wheat Agreement, 1971.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited with the Government of the United States of America which shall transmit certified copies thereof to each signatory and acceding party.

PROTOCOLE DE 1978 PORTANT QUATRIÈME PROROGATION
DE LA CONVENTION RELATIVE À L'AIDE ALIMENTAIRE DE 1971

Les parties au présent Protocole,

Considérant que la Convention relative à l'aide alimentaire de 1971
(ci-après dénommée "la Convention") de l'Accord international
sur le blé de 1971, qui a été prorogé à nouveau par Protocole
en 1976, vient à expiration le 30 juin 1978,

Sont convenus de ce qui suit :

ARTICLE I

Prorogation, venue à expiration et résiliation de la Convention

Sous réserve des dispositions de l'article II du présent Protocole, la Convention demeurera en vigueur entre les parties audit Protocole jusqu'au 30 juin 1979, étant entendu toutefois que, si un nouvel accord en matière d'aide alimentaire entre en vigueur avant le 30 juin 1979, le présent Protocole demeurera en vigueur jusqu'à la date d'entrée en vigueur du nouvel accord seulement.

ARTICLE II

Dispositions de la Convention rendues inopérantes

Les dispositions des paragraphes 1, 2 et 3 de l'article II, du paragraphe 1 de l'article III et des articles VI à XIV inclus de la Convention sont considérées comme inopérantes à compter du 1er juillet 1978.

ARTICLE III

Aide alimentaire internationale

- 1) Les parties au présent Protocole sont convenues de fournir, à titre d'aide alimentaire aux pays en voie de développement, du blé, des céréales secondaires ou leurs produits dérivés, propres à la consommation humaine et d'un type et d'une qualité acceptables, ou l'équivalent en espèces pour les montants annuels minimaux spécifiés au paragraphe 2 ci-après.

2) La contribution annuelle minimale de chaque partie au présent Protocole est fixée comme suit :

	<u>Tonnes métriques</u>
Argentine	23.000
Australie	225.000
Canada	495.000
Communauté économique européenne	1.287.000
Etats-Unis d'Amérique	1.690.000
Finlande	14.000
Japon	225.000
Suède	35.000
Suisse	32.000

3) Aux fins de l'application du présent Protocole, toute partie qui aura signé ledit Protocole conformément aux dispositions du paragraphe 2 de l'article V ou qui y aura adhéré conformément aux dispositions des paragraphes 2 et 3 de l'article VII sera réputée énumérée au paragraphe 2 de l'article III, avec la contribution minimale qui lui sera assignée conformément aux dispositions pertinentes de l'article V ou de l'article VII de ce Protocole.

ARTICLE IV

Comité de l'aide alimentaire

Il sera institué un Comité de l'aide alimentaire qui sera composé des parties énumérées au paragraphe 2 de l'article III du présent Protocole et des autres qui deviendront parties audit Protocole. Le Comité désignera un président et un vice-président.

ARTICLE V

Signature

1) Le présent Protocole sera ouvert, à Washington, du 26 avril 1978 au 17 mai 1978 inclus, à la signature des Gouvernements de l'Argentine, de l'Australie, du Canada, des Etats-Unis d'Amérique, de la Finlande, du Japon, de la Suède et de la Suisse, ainsi que de la Communauté économique européenne et de ses Etats membres, sous réserve qu'ils signent aussi bien le présent Protocole que le Protocole de 1978 portant quatrième prorogation de la Convention sur le commerce du blé de 1971.

2) Le présent Protocole sera également ouvert, dans les mêmes conditions, à la signature de toute partie à la Convention relative à l'aide alimentaire de 1967 qui n'est pas énumérée au paragraphe 1 du présent article, pourvu que sa contribution soit au moins égale à celle qu'elle avait souscrite dans la Convention relative à l'aide alimentaire de 1967.

ARTICLE VI

Ratification, acceptation, approbation ou conclusion

Le présent Protocole est soumis à la ratification, à l'acceptation, à l'approbation ou à la conclusion de chacune des parties signataires conformément à leurs procédures constitutionnelles ou institutionnelles, sous réserve que chacune d'elles ratifie, accepte, approuve ou conclue également le Protocole de 1978 portant quatrième prorogation de la Convention sur le commerce du blé de 1971. Les instruments de ratification, d'acceptation, d'approbation ou de conclusion seront déposés auprès du Gouvernement des Etats-Unis d'Amérique au plus tard le 23 juin 1978, étant entendu que le Comité de l'aide alimentaire peut accorder une ou plusieurs prolongations de délai à tout signataire qui n'aura pas déposé son instrument de ratification, d'acceptation, d'approbation ou de conclusion à cette date.

ARTICLE VII

Adhésion

1) Le présent Protocole est ouvert à l'adhésion de toutes parties visées à l'article V dudit Protocole, sous réserve que chacune d'elles adhère également au Protocole de 1978 portant quatrième prorogation de la Convention sur le commerce du blé de 1971 et sous réserve aussi, dans le cas de toute partie visée au paragraphe 2 de l'article V, que sa contribution soit au moins égale à celle qu'elle avait souscrite dans la Convention relative à l'aide alimentaire de 1967. Les instruments d'adhésion prévus au présent paragraphe seront déposés au plus tard le 23 juin 1978, étant

entendu que le Comité de l'aide alimentaire peut accorder une ou plusieurs prolongations de délai à toute partie qui n'aura pas déposé son instrument d'adhésion à cette date.

- 2) Le Comité de l'aide alimentaire peut approuver l'adhésion au présent Protocole, en tant que donateur, du Gouvernement de tout membre de l'Organisation des Nations Unies, de ses institutions spécialisées ou de l'Agence internationale de l'énergie atomique aux conditions que le Comité de l'aide alimentaire jugera appropriées, sous réserve que ce Gouvernement adhère aussi en même temps au Protocole de 1978 portant quatrième prorogation de la Convention sur le commerce du blé de 1971, s'il n'est pas déjà partie à ce Protocole.
- 3) L'adhésion a lieu par le dépôt d'un instrument d'adhésion auprès du Gouvernement des Etats-Unis d'Amérique.

ARTICLE VIII

Application provisoire

Toute partie visée à l'article V du présent Protocole peut déposer auprès du Gouvernement des Etats-Unis d'Amérique une déclaration d'application provisoire du présent Protocole, sous réserve qu'elle dépose aussi une déclaration d'application provisoire du Protocole de 1978 portant quatrième prorogation de la Convention sur le commerce du blé de 1971. Toute autre partie dont la demande d'adhésion est approuvée peut aussi déposer auprès du Gouvernement des Etats-Unis d'Amérique une déclaration d'application provisoire sous réserve qu'elle dépose aussi une déclaration d'application provisoire du Protocole de 1978 portant quatrième prorogation de la Convention sur le commerce du blé de 1971, à moins qu'elle ne soit déjà partie audit Protocole ou qu'elle n'ait déjà déposé une déclaration d'application provisoire dudit Protocole. Toute partie déposant une telle déclaration applique provisoirement le présent Protocole et est considérée provisoirement comme y étant partie.

ARTICLE IX

Entrée en vigueur

- 1) Le présent Protocole entre en vigueur, pour les parties qui auront déposé des instruments de ratification, d'acceptation, d'approbation, de conclusion ou d'adhésion,
 - a) le 24 juin 1978 pour toutes les dispositions autres que l'article II de la Convention et l'article III du Protocole, et
 - b) le 1er juillet 1978 pour l'article II de la Convention et l'article III du Protocole,sous réserve que toutes les autres parties nommées au paragraphe 1 de l'article V du présent Protocole aient déposé de tels instruments ou une déclaration d'application provisoire au 23 juin 1978 et que le Protocole de 1978 portant quatrième prorogation de la Convention sur le commerce du blé de 1971 soit en vigueur. Le présent Protocole entre en vigueur, pour toute autre partie qui dépose un instrument de ratification, d'acceptation, d'approbation, de conclusion ou d'adhésion après l'entrée en vigueur du Protocole, à la date dudit dépôt.
- 2) Si le présent Protocole n'entre pas en vigueur conformément aux dispositions du paragraphe 1 du présent article, les parties qui, au 24 juin 1978, auront déposé des instruments de ratification, d'acceptation, d'approbation, de conclusion ou d'adhésion, ou des déclarations d'application provisoire, pourront décider d'un commun accord qu'il entrera en vigueur entre les parties qui ont déposé des instruments de ratification, d'acceptation, d'approbation, de conclusion ou d'adhésion, ou des déclarations d'application provisoire, à condition que le Protocole de 1978 portant quatrième prorogation de la Convention sur le commerce du blé de 1971 soit en vigueur, ou bien pourront prendre toutes autres mesures que la situation leur paraîtra exiger.

ARTICLE X

Notification par le Gouvernement dépositaire

Le Gouvernement des Etats-Unis d'Amérique, en qualité de Gouvernement dépositaire, notifiera à toutes les parties signataires et adhérentes toute signature, toute ratification, toute acceptation, toute approbation, toute conclusion, toute application provisoire du présent Protocole et toute adhésion audit Protocole.

ARTICLE XI

Copie certifiée conforme du Protocole

Le plus tôt possible après l'entrée en vigueur définitive du présent Protocole, le Gouvernement dépositaire adressera une copie certifiée conforme dudit Protocole en langues anglaise, espagnole, française et russe au Secrétaire général de l'Organisation des Nations Unies pour enregistrement conformément à l'Article 102 de la Charte des Nations Unies. Tout amendement au présent Protocole sera pareillement communiqué au Secrétaire général de l'Organisation des Nations Unies.

ARTICLE XII

Rapports entre le Préambule et le Protocole

Le présent Protocole comprend le Préambule des Protocoles de 1978 portant quatrième prorogation de l'Accord international sur le blé de 1971.

EN FOI DE QUOI les soussignés, dûment autorisés à cet effet par leurs Gouvernements ou leurs autorités respectifs, ont signé le présent Protocole à la date figurant en regard de leur signature.

Les textes du présent Protocole en langues anglaise, espagnole, française et russe font également foi. Les originaux seront déposés dans les archives du Gouvernement des Etats-Unis d'Amérique, qui en transmettra des copies certifiées conformes à toutes les parties signataires et adhérentes.

ПРОТОКОЛ 1978 ГОДАО ЧЕТВЁРТОМ ПРОДЛЕНИИ СРОКА ДЕЙСТВИЯ КОНВЕНЦИИ
ОБ ОКАЗАНИИ ПРОДОВОЛЬСТВЕННОЙ ПОМОЩИ 1971 ГОДА

Стороны настоящего Протокола,

Принимая во внимание, что срок действия Конвенции об оказании продовольственной помощи 1971 г. (именуемой в дальнейшем "Конвенция") Международного соглашения по пшенице 1971 г., продлённой Протоколом 1976 г., истекает 30 июня 1978 г.,

Согласились о следующем:

СТАТЬЯ 1Продление, истечение и прекращение срока
действия Конвенции

Согласно положениям статьи II настоящего Протокола, Конвенция останется в силе для Сторон настоящего Протокола до 30 июня 1979 г., предусматривая, что, если новое соглашение об оказании продовольственной помощи вступит в силу до 30 июня 1979 г., Протокол останется в силе только до момента вступления в силу нового соглашения.

СТАТЬЯ IIНеоперативные положения Конвенций

С 1-го июля 1978 года положения параграфа (1), (2) и (3) статьи II, параграфа (1) статьи III и статей У1—Х1У включительно данной Конвенции считаются как не имеющие силу.

СТАТЬЯ IIIМеждународная продовольственная помощь

(1) Стороны настоящего Протокола соглашаются предложить в качестве продовольственной помощи развивающимся странам пшеницу, кормовое зерно или продукты из него, пригодные для пищевых нужд и приемлемого класса и качества, либо их эквивалент в валюте, в минимальном годовом объёме, указанном в параграфе (2), ниже:

(2) Минимальный годовой взнос каждой Стороны настоящего Протокола устанавливается в следующем размере:

	<u>Метрические тонны</u>
Австралия	225 000
Аргентина	23 000
Европейское Экономическое Сообщество	1 287 000
Канада	495 000
Соединённые Штаты Америки	1 870 000
Финляндия	14 000
Швеция	35 000
Швейцария	32 000
Япония	225 000

(3) В целях осуществления настоящего Протокола, любая Сторона, подписавшая настоящий Протокол в соответствии с пунктом (2) статьи У, или присоединившаяся к настоящему Протоколу, в соответствии с пунктом 2 или 3 статьи УП, считается поименованной в пункте (2) статьи III настоящего Протокола с указанием минимального взноса этой Стороны, определённого согласно соответствующим положениям статьи У или статьи УП настоящего Протокола.

СТАТЬЯ 1У

Комитет по продовольственной помощи

Учреждается Комитет по продовольственной помощи, в составе представителей Сторон, поименованных в параграфе (2) статьи III настоящего Протокола, и других Сторон, которые становятся Сторонами Протокола. Комитет назначает председателя и заместителя председателя.

СТАТЬЯ У

Подписание

(1) Настоящий Протокол открыт для подписания в Вашингтоне с 26 апреля 1978 г. по 17 мая 1978 г. включительно Правительствами Австралии, Аргентины, Европейского Экономического Сообщества и его государствами-членами, Канады, Соединённых Штатов Америки, Финляндии, Швеции, Швейцарии и Японии при условии подписания ими настоящего Протокола и Протокола 1978 г. о четырёхтомном продлении срока действия Конвенции о торговле пшеницей 1971 г.

(2) Настоящий Протокол также открыт для подписания на тех же условиях любой Стороной Конвенции об оказании продовольственной помощи 1967 г., которая не перечислена в параграфе (1) настоящей статьи, если её взносы будут по крайней мере равны взносам, которые они обязались внести, согласно Конвенции об оказании продовольственной помощи 1967 г.

СТАТЬЯ У1

Ратификация, принятие, одобрение или заключение

Настоящий Протокол подлежит ратификации, принятию, одобрению или заключению каждой из подписавших его Сторон в соответствии с её конституционными или административными процедурами при условии, что она также ратифицирует, примет, одобрит или заключит Протокол 1978 г. о четвёртом продлении срока действия Конвенции о торговле пшеницей 1971 г. Акты о ратификации, принятии, одобрении или заключении сдаются на хранение Правительству Соединённых Штатов Америки не позднее 23 июня 1978 г., за исключением тех случаев, когда Комитет по продовольственной помощи может предоставить одну или более отсрочек любой подписавшей Стороне, которая не сдала на хранение к этому сроку акт о ратификации, принятии, одобрении или заключении.

СТАТЬЯ УП

Присоединение

(1) Настоящий Протокол открыт для присоединения к нему любой Стороны, упомянутой в статье У настоящего Протокола, при условии, что она также присоединится к Протоколу 1978 г. о четвёртом продлении срока действия Конвенции о торговле пшеницей 1971 г., а также при условии, что взносы любой Стороны, упомянутой в параграфе (2) статьи У, будут по крайней мере равны взносам, которые она обязалась внести, согласно Конвенции об оказании продовольственной помощи 1967 г. Согласно этому параграфу, акты о присоединении сдаются на хранение не позднее 23 июня 1978 г., за исключением тех случаев, когда Комитет по продовольственной помощи может предоставить одну или более отсрочек любой Стороне, которая к этому срок не сдала на хранение акт о присоединении.

(2) Комитет по продовольственной помощи может одобрить присоединение к настоящему Протоколу в качестве донора Правительства любой страны - члена Организации Объединённых Наций, её специализированных учреждений или Международного агентства по атомной энергии на условиях, которые он сочтёт приемлемыми, при условии, что такое Правительство также присоединяется в то же самое время к Протоколу 1978 г. о четвёртом продлении срока действия Конвенции о торговле пшеницей 1971 г., если сно уже не является его Стороной.

(3) Присоединение осуществляется путём сдачи на хранение акта с присоединением Правительству Соединённых Штатов Америки.

СТАТЬЯ VIII

Временное применение

Любая Сторона, упомянутая в статье У настоящего Протокола, может сдать на хранение Правительству Соединённых Штатов Америки декларацию о временном применении настоящего Протокола при условии, если она также сдаст на хранение декларацию о временном применении Протокола 1978 г. о четвёртом продлении срока действия Конвенции о торговле пшеницей 1971 г. Любая другая Сторона, чьяя декларация одобрена, может также сдать на хранение Правительству Соединённых Штатов Америки декларацию о временном применении при условии, что сторона также сдаст на хранение декларацию о временном применении Протокола 1978 г. о четвёртом продлении срока действия Конвенции о торговле пшеницей 1971 г. если она уже не является Стороной данного Протокола или уже сдала на хранение декларацию о временном применении настоящего Протокола. Любая такая Сторона, депонирующая такую декларацию, временно применяет настоящий Протокол и временно считается его стороной.

СТАТЬЯ IX

Вступление в силу

(1) Настоящий Протокол вступает в силу для тех Сторон, которые сдали на хранение акты о ратификации, принятии, одобрении, заключении или присоединении в следующем порядке:

- (а) 24 июня 1978 г. в отношении всех положений, кроме положений статьи II Конвенции и статьи III Протокола, и
(б) 1 июля 1978 г. в отношении статьи II настоящей Конвенции и статьи III Протокола,

при условии, что все Стороны, поименованные в параграфе (1) статьи У настоящего Протокола, сдали на хранение к 23 июня 1978 г. такие акты или декларацию о временном применении и при условии нахождения в силе Протокола 1978 г. о четвёртом продлении срока действия Конвенции о торговле пшеницей 1971 г. Для любой другой Стороны, которая сдаёт на хранение акт о ратификации, принятии, одобрении, заключении или присоединении после вступления в силу настоящего Протокола, такой Протокол вступит в силу с момента сдачи на хранение указанных актов.

(2) Если настоящий Протокол не вступит в силу в соответствии с положениями параграфа (1) настоящей статьи, то Стороны, которые к 24 июня 1978 г. сдали на хранение акты о ратификации, принятии, одобрении, заключении или присоединении или декларацию о временном применении, могут решить по взаимной договорённости, что Протокол вступает в силу для тех Сторон, которые сдали на хранение акты о ратификации, принятии, одобрении, заключении или присоединении или декларации о временном применении при условии нахождения в силе Протокола 1978 г. о четвёртом продлении срока действия Конвенции о торговле пшеницей 1971 г. или они могут принять другие меры, которых, по их мнению, требует обстановка.

СТАТЬЯ X

Извещение Правительством страны-депозитария

Правительство Соединённых Штатов Америки как Правительство страны-депозитария, извещает все подписавшие и присоединившиеся Стороны о каждом случае подписания, ратификации, принятия, одобрения, заключения, временного применения или присоединения к настоящему Протоколу.

СТАТЬЯ XI

Заверенная копия Протокола

В возможно ближайшее время после окончательного вступления в силу настоящего Протокола Правительство-депозитарий посыпает Генеральному секретарю Организации Объединённых Наций заверенную копию настоящего Протокола на английском, испанском, русском и французском языках для регистрации в соответствии со статьёй 102 Устава Организации Объединённых Наций. Любые изменения к настоящему Протоколу сообщаются в таком же порядке.

СТАТЬЯ ХП

Взаимосвязь Преамбулы и Протокола

Настоящий Протокол включает Преамбулу к Протоколам 1978 г. о четвёртом продлении срока действия Международного соглашения по пшенице 1971 г.

В ДОКАЗАТЕЛЬСТВО ЧЕГО нижеподписавшиеся, будучи на то надлежащим образом уполномочены своими Правительствами или органами власти, подписали настоящий Протокол датами, указанными против их подписей.

Тексты настоящего Протокола на английской, испанской, русской и французской языках являются равно аутентичными. Подлинники сдаются на хранение Правительству Соединённых Штатов Америки, которое рассыпает заверенные копии каждой подписавшей и присоединившейся Стороне.

PROTOCOLO, 1978, PARA LA CUARTA PRORROGA DEL
CONVENIO SOBRE LA AYUDA ALIMENTARIA, 1971

Las partes en el presente Protocolo,

Considerando que el Convenio sobre la Ayuda Alimentaria, 1971 (en adelante llamado "el Convenio") del Convenio Internacional del Trigo, 1971, que fué prorrogado de nuevo por virtud de Protocolo en 1976, expira el 30 de junio de 1978,

Han convenido lo siguiente:

ARTICULO I

Prórroga, expiración y rescisión del Convenio

A reserva de lo dispuesto en el Artículo II del presente Protocolo, el Convenio permanecerá en vigor entre las partes integrantes del presente Protocolo hasta el 30 de junio de 1979, quedando entendido que, si antes del 30 de junio de 1979, entrase en vigor un nuevo convenio sobre la ayuda alimentaria, el presente Protocolo solo permanecerá vigente hasta la fecha de entrada en vigor del nuevo Convenio.

ARTICULO II

Disposiciones inoperantes del Convenio

A partir del 1 de julio de 1978, se considerarán derogadas las disposiciones del Convenio correspondientes a los párrafos 1), 2) y 3) del Artículo II, del párrafo 1) del Artículo III y de los Artículos VI y XIV, inclusive.

ARTICULO III

Ayuda alimentaria internacional

1) Las partes en el presente Protocolo se comprometen a hacer aportaciones como ayuda alimentaria a los países en desarrollo, de trigo, cereales secundarios o sus productos derivados, adecuados para el consumo humano y de un tipo y calidad aceptables, o su equivalente en efectivo, en las cantidades anuales mínimas especificadas en el párrafo 2) a continuación.

2) La aportación anual mínima de cada una de las partes que integran el presente Protocolo se fija del modo siguiente:

Toneladas métricas

Argentina	23.000
Australia	225.000
Canadá	495.000
Comunidad Económica Europea	1.287.000
Estados Unidos de América	1.890.000
Finlandia	14.000
Japón	225.000
Suecia	35.000
Suiza	32.000

3) A los efectos de la aplicación del presente Protocolo, toda parte en el mismo que lo firme en virtud del párrafo 2) del Artículo V, o que se adhiera a él en virtud de las disposiciones contenidas en el párrafo 2) ó 3) del Artículo VII, se considerará enumerada en el párrafo 2) del Artículo III del presente Protocolo junto con la aportación mínima que se le asigne con arreglo a las disposiciones pertinentes del Artículo VII del presente Protocolo.

ARTICULO IV

Comité de Ayuda Alimentaria

Se constituirá un Comité de Ayuda Alimentaria que estará integrado por cada una de las partes que figuran en el párrafo 2) del Artículo III del presente Protocolo y por cualesquiera otras que pasen a ser partes del presente Protocolo. El Comité nombrará su presidente y vicepresidente.

ARTICULO V

Firme

- 1) El presente Protocolo quedará abierto a la firma en Washington, desde el 26 de abril de 1978 hasta el 17 de mayo de 1978 inclusive, de los Gobiernos de Argentina, Australia, Canadá, Estados Unidos de América, Finlandia, Japón, Suecia y Suiza, así como de la Comunidad Económica Europea y sus Estados miembros, siempre y cuando firmen tanto el presente Protocolo como el Protocolo, 1978, para la cuarta prórroga del Convenio sobre el Comercio del Trigo, 1971.
- 2) El presente Protocolo quedará igualmente abierto, en las mismas condiciones, a la firma de toda parte signataria del Convenio sobre la Ayuda Alimentaria, 1967, no enumerada en el párrafo 1) del presente Artículo, siempre y cuando su aportación sea, por lo menos, igual a la que convino efectuar en el Convenio sobre la Ayuda Alimentaria, 1967.

ARTICULO VI

Ratificación, aceptación, aprobación o conclusión

El presente Protocolo estará sujeto a la ratificación, aceptación, aprobación o conclusión de cada uno de los signatarios, de conformidad con sus respectivos procedimientos constitucionales o institucionales siempre y cuando ratifique, acepte, apruebe o concluya así mismo el Protocolo, 1978, instituido para la cuarta prórroga del Convenio sobre el Comercio del Trigo, 1971. Los instrumentos de ratificación, aceptación, aprobación o conclusión se depositarán ante el Gobierno de los Estados Unidos de América, a más tardar, el 23 de junio de 1978, quedando entendido que el Comité de Ayuda Alimentaria podrá conceder una o más prórrogas a todo signatario que no haya depositado su instrumento de ratificación, aceptación, aprobación o conclusión en la fecha indicada

ARTICULO VII

Adhesión

- 1) El presente Protocolo quedará abierto a la adhesión de toda parte mencionada en el Artículo V del presente Protocolo, siempre y cuando se adhiera también al Protocolo, 1978, instituido para la cuarta prórroga del Convenio sobre el Comercio del Trigo, 1971, y siempre y cuando además, en el caso de cada una de las partes mencionadas en el párrafo 2) del Artículo V, su aportación sea por lo menos igual a la que convino efectuar en el Convenio sobre la Ayuda Alimentaria, 1967. Los instrumentos de adhesión relacionados con este párrafo se depositarán, a más tardar, el 23 de junio de 1978, quedando entendido que el Comité de Ayuda Alimentaria podrá conceder una o más prórrogas a cualesquiera de las partes que no haya depositado su instrumento de adhesión en la fecha indicada.
- 2) El Comité de Ayuda Alimentaria podrá aprobar la adhesión al presente Protocolo, como donante, del Gobierno de todo miembro de las Naciones Unidas, así como de sus organismos especializados o del Organismo Internacional de Energía Atómica, en las condiciones que el Comité de Ayuda Alimentaria considere pertinentes, siempre y cuando el Gobierno de que se trate, a su vez, se adhiera también al Protocolo, 1978, instituido para la cuarta prórroga del Convenio sobre el Comercio del Trigo, 1971, si no formará ya parte del mismo.
- 3) La adhesión se llevará a efecto depositando el instrumento de adhesión pertinente ante el Gobierno de los Estados Unidos de América.

ARTICULO VIII

Aplicación provisional

Toda parte que esté mencionada en el Artículo V del presente Protocolo podrá depositar ante el Gobierno de los Estados Unidos de América una declaración de aplicación provisional del presente Protocolo, siempre y cuando deposite también una declaración de aplicación provisional del Protocolo, 1978, instituido para la cuarta prórroga del

Convenio sobre el Comercio del Trigo, 1971. Toda otra parte cuya solicitud de adhesión al presente Protocolo sea aprobada podrá así mismo depositar ante el Gobierno de los Estados Unidos de América una declaración de aplicación provisional, siempre y cuando la parte de que se trate deposite también una declaración de aplicación provisional del Protocolo, 1978, instituido para la cuarta prórroga del Convenio sobre el Comercio del Trigo, 1971, a menos que sea ya parte en dicho Protocolo o haya depositado ya una declaración de aplicación provisional del mismo. Toda parte que así deposite tal declaración, aplicará provisionalmente el presente Protocolo y será considerada provisionalmente como parte en él mismo.

ARTICULO IX

Entrada en vigor

1) El presente Protocolo entrará en vigor para aquellas partes que hayan depositado sus instrumentos de ratificación, aceptación, aprobación, conclusión o adhesión

- a) el 24 de junio de 1978, con respecto a todas las disposiciones, salvo las comprendidas en el Artículo II del Convenio y Artículo III del Protocolo, y
- b) el 1 de julio de 1978, con respecto al Artículo II del Convenio y Artículo III del Protocolo,

siempre y cuando todas las partes mencionadas en el párrafo 1) del Artículo V del presente Protocolo hayan depositado dichos instrumentos o una declaración de aplicación provisional, a más tardar, el 23 de junio de 1978, y que el Protocolo, 1978, instituido para la cuarta prórroga del Convenio sobre el Comercio del Trigo, 1971, esté en vigor. Para toda otra parte que deposite el instrumento de ratificación, aceptación, aprobación, conclusión o adhesión, después de que el Protocolo haya entrado en vigor, el presente Protocolo entrará en vigor en la fecha en que se efectúe tal depósito.

2) Si el presente Protocolo no entrase en vigor de acuerdo con lo dispuesto en el párrafo 1) del presente Artículo, las partes que, para el 24 de junio de 1978, hayan depositado instrumentos de ratificación, aceptación, aprobación, conclusión o adhesión o declaraciones de aplicación provisional, podrán decidir de común acuerdo que el mismo entrará en vigor entre aquellas partes que hayan depositado instrumentos de ratificación, aceptación, aprobación, conclusión o adhesión, siempre que el Protocolo, 1978, instituido para la cuarta prórroga del Convenio sobre el Comercio del Trigo, 1971, esté en vigor, o podrán tomar toda otra decisión que, a su parecer, requiera la situación.

ARTICULO X

Ratificación del Gobierno depositario

El Gobierno de los Estados Unidos de América, en su calidad de Gobierno depositario, notificará a todas las partes signatarias y a todas las partes que se hayan adherido, toda firma, ratificación, aceptación, aprobación, conclusión o aplicación provisional del presente Protocolo, y toda adhesión al mismo.

ARTICULO XI

Copia certificada del Protocolo

Tan pronto como sea posible, después de la entrada en vigor definitiva del presente Protocolo, el Gobierno depositario enviará copia certificada del mismo, en los idiomas español, francés, inglés y ruso al Secretario General de las Naciones Unidas para que lo registre con arreglo a lo dispuesto en el Artículo 102 de la Carta de las Naciones Unidas. Toda enmienda al presente Protocolo se comunicará de la misma manera al Secretario General de las Naciones Unidas.

ARTICULO XII

Relación entre el Preámbulo y el Protocolo

El presente Protocolo comprende el Preámbulo a los Protocolos, 1978, instituidos para la cuarta prórroga del Convenio Interacional del Trigo, 1971.

EN FE DE LO CUAL, los infrascritos, debidamente autorizados a este efecto por sus respectivos Gobiernos o autoridades, han firmado este Protocolo en las fechas que aparecen junto a sus firmas.

Los textos del presente Protocolo, en los idiomas español, francés, inglés y ruso, serán todos igualmente auténticos. Los originales serán entregados en depósito al Gobierno de los Estados Unidos de América, el cual remitirá copia certificada de los mismos a cada uno de los Gobiernos signatarios o que se adhieran al Protocolo.

Note by the Department of State

**Signatories to the
Protocol for the Fourth Extension
of the Wheat Trade Convention 1971**

**Open for signature at Washington
from April 26 to May 17, 1978**

FOR ALGERIA:

FOR ARGENTINA:

JORGE A. AJA ESPIL

May 17, 1978

FOR AUSTRALIA:

FOR AUSTRIA:

K H SCHOBER

May 11, 1978

FOR BARBADOS:

FOR BELGIUM:

W VAN CAUWENBERG

May 17, 1978

FOR BOLIVIA:

FOR BRAZIL:

JOAO PINHEIRO

May 17th 1978

FOR BULGARIA:

FOR CANADA:

P M TOWE

May 17, 1978

FOR CHINA:

(Fourth Extension of Wheat Trade signature list)

FOR COLOMBIA:

FOR COSTA RICA:

FOR CUBA:

FOR DENMARK:

OTTO BORCH

May 17, 1978

FOR THE DOMINICAN REPUBLIC:

FOR ECUADOR:

GUSTAVO YCAZA BORJA

May 16, 1978

TIAS 9459

FOR EGYPT:

ASHRAF GHORBAL

16 May 1978

FOR EL SALVADOR:

FOR THE EUROPEAN ECONOMIC COMMUNITY:

JEAN-PIERRE LENG

le 17 Mai

FOR FINLAND:

JAAKKO ILONIEMI

May 12th 1978

FOR FRANCE:

F. LABOULAYE

May 17th 1978

FOR THE FEDERAL REPUBLIC OF GERMANY:

B VON STADEN

May 17th 1978

FOR GREECE:

MENELAS ALEXANDRAKIS

May 17th 1978.

FOR GUATEMALA:

FOR INDIA:

N A PALKHIVALA

May 16, 1978

FOR INDONESIA:

FOR IRAN:

FOR IRAQ:

MOUHYI AL-KHATEEB

5. 9. 1978

FOR IRELAND:

JOHN MOLLOY

May 17, 1978

FOR ISRAEL:

FOR ITALY:

PAULO PANSA

17 May 1978

FOR JAPAN:

FUMIHIKO TOGO

May 16, 1978

FOR KENYA:

FOR THE REPUBLIC OF KOREA:

YONG SHIK KIM

5. 11. 1978

FOR KUWAIT:

FOR LEBANON:

N. KABBANI

May 15, 1978

FOR LIBYA:

FOR LUXEMBOURG:

A MEISCH

May 17, 1978

FOR MALTA:

FOR MAURITIUS:

P. G. GUY BALANCY

May 9, 1978

FOR MEXICO:

FOR MOROCCO:

FOR THE KINGDOM OF THE NETHERLANDS:

E. TYDEMAN.

May 17, 1978

FOR NIGERIA:

FOR NORWAY:

S CHR SOMMERFELT

May 16th - 1978

FOR PAKISTAN:

YAQUB-KHAN

May 11th, 1978

FOR PANAMA:

FOR PERU:

CARLOS GARCIA-BEDOYA

May 17, 78

FOR PORTUGAL:

JOÃO HALL THEMIDO

May 17, 78

FOR SAUDI ARABIA:

FOR SOUTH AFRICA:

D. B. SOLE

2nd May 1978

FOR SPAIN:

JUAN JOSE ROVIRA

May 17, 1978.

FOR SRI LANKA:

FOR SWEDEN

W WACHTMEISTER

May 17 1978

FOR SWITZERLAND:

RAYMOND PROBST

May 15, 1978.

FOR THE SYRIAN ARAB REPUBLIC:

FOR TRINIDAD AND TOBAGO:

FOR TUNISIA:

FOR TURKEY:

FOR THE UNION OF SOVIET SOCIALIST REPUBLICS:

A. DOBRYNIN

15/V78

[*May 15, 1978*]

FOR THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND:

J A ROBINSON

17 May 1978

FOR THE UNITED STATES OF AMERICA:

CAROL TUCKER FORMAN

May 17, 1978

FOR URUGUAY:

FOR THE VATICAN CITY STATE:

+ JEAN JADOT

May 5. 1978.

FOR VENEZUELA:

**Signatories to the
Protocol for the Fourth Extension
of the Food Aid Convention 1971**

**Open for signature at Washington
from April 26 to May 17, 1978**

FOR ARGENTINA.

JORGE A. AJA ESPIL

May 17/1978

FOR AUSTRALIA.

FOR BELGIUM.

W VAN CAUWENBERG

May 17, 1978

FOR CANADA.

P M TOWE

May 17, 1978

FOR DENMARK.

OTTO BORCH

May 17, 1978

FOR THE EUROPEAN ECONOMIC COMMUNITY

JEAN-PIERRE LENG

le 17 Mar

FOR FINLAND.

JAAKKO ILONIEMI

May 12th 1978

FOR FRANCE:

F LABOULAYE

May 17th 1978

FOR THE FEDERAL REPUBLIC OF GERMANY

B VON STADEN

May 17th 1978

FOR IRELAND.

JOHN MOLLOY

May, 17, 1978

FOR ITALY

PAULO PANSA

17 May 1978

FOR JAPAN

FUMIHIKO TOGO

*With a reservation to
Article III
May 16, 1978*

(Fourth Extension of Food Aid signature list)

FOR LUXEMBOURG:

A MEISCH

May 17, 1978

FOR THE KINGDOM OF THE NETHERLANDS:

E. TYDEMAN.

May 17, 1978

FOR NORWAY

FOR SWEDEN

W Wachtmeister

May 17, 1978

FOR SWITZERLAND

RAYMOND PROBST

May 15, 1978.

FOR THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND

J A ROBINSON

17 May 1978

FOR THE UNITED STATES OF AMERICA.

CAROL TUCKER FORMAN

May 17, 1978

SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

Nonscheduled Air Services

Agreement amending the agreement of September 27, 1973.

Effectuated by exchange of notes

Signed at Washington December 15, 1977,

Entered into force December 15, 1977

The Secretary of State to the Yugoslav Ambassador

DECEMBER 15, 1977

EXCELLENCY.

I have the honor to refer to recent discussions between representatives of our two Governments with regard to the conclusion of appropriate arrangements for the provision of scheduled and nonscheduled air services by the airlines of both countries. These representatives recommended that diplomatic notes be exchanged to bring into effect the following amendments of the United States-Yugoslavia Nonscheduled Air Services Agreement of 1973:¹

1. Amend paragraph (A)(3) of Article 4 to read, in its entirety as follows. "(3) in the case of the Government of the United States, it is not satisfied that the Yugoslav designated airline, as a Yugoslav organization of associated labor in the domain of air transportation, effectively controls the social property of the airline, or, in the case of the Government of the Socialist Federal Republic of Yugoslavia, it is not satisfied that substantial ownership and effective control of the United States designated airline are vested in United States nationals."

2. Amend paragraph (E) of Article 11 to read, in its entirety, as follows. "In the event that the complaint is not resolved pursuant to paragraphs (C) and (D), each Party may take whatever steps it considers necessary to prevent the inauguration or continuation of the objectionable rates or practices with respect only to traffic enplaned in its territory"

3. Amend Article 15 by deleting in the first sentence of paragraph (B) the words. "Provisionally on the date it is signed and definitively"

4. Amend Article 16 by adding the following sentence at the end of

¹ TIAS 7819; 25 UST 659.

paragraph (B)(2) "If the President of the Council of the International Civil Aviation Organization is a national of either Contracting Party, the most senior Vice President of the Council who is a national of a third State shall be requested to designate the above-mentioned arbitrator or arbitrators."

5. Amend subparagraph (c) of paragraph (A)(3) of Section II of Annex A by deleting the period at the end of the sentence and adding after the word "Detroit" the words "and Los Angeles."

6. Delete subparagraph (d) of paragraph (A)(3) of Section II of Annex A and redesignate subparagraphs (e) and (f) as (d) and (e).

7 Add a new subparagraph (f) to paragraph (A)(3) of Section II of Annex A to read as follows "(f) The Yugoslav carriers may operate no more than 130 one-way revenue charter aircraft movements to or from the United States during 1978, 150 during 1979, and 170 during 1980, unless prior approval to operate a specific higher number of revenue charter aircraft movements is obtained from the United States aeronautical authorities."

8. Amend Section III of Annex A to read in its entirety, as follows. "Annex A shall enter into effect on the date the Agreement is signed and shall remain in effect as long as the Route Schedule attached to the Air Transport Agreement and Section A of the related Memorandum of Understandings, both signed on December 15, 1977,[1] remain in effect."

9. Amend Section II of Annex B to read, in its entirety, as follows. "The charter air services which may be performed pursuant to the subsections of Annex A are those in conformity with the charterworthiness rules and regulations of the country in which the traffic is enplaned."

The representatives also recommended that both Governments allow cargo charter flights on a liberal basis consistent with the concepts set forth in the Nonscheduled Air Services Agreement.

These amendments and arrangements are acceptable to the United States Government. If these amendments and arrangements are also acceptable to your Government, I have the honor to propose that this note and your reply to that effect constitute an agreement between our two Governments which shall enter into force on the date of your reply

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State

JULIUS L. KATZ

His Excellency

DIMCE BELOVSKI,

Ambassador of the Socialist

Federal Republic of Yugoslavia.

¹ TIAS 9364, ante, p. 2817.

The Yugoslav Ambassador to the Assistant Secretary of State

EMBASSY OF THE SOCIALIST FEDERAL
REPUBLIC OF YUGOSLAVIA
WASHINGTON

DECEMBER 15, 1977

EXCELLENCY,

I have the honor to acknowledge the receipt of Your Excellency's Note, dated December 15, 1977, regarding the amendments of the United States-Yugoslavia Nonscheduled Air Services Agreement of 1973, which reads as follows.

"EXCELLENCY.

I have the honor to refer to recent discussions between representatives of our two Governments with regard to the conclusion of appropriate arrangements for the provision of scheduled and non-scheduled air services by the airlines of both countries. These representatives recommended that diplomatic notes be exchanged to bring into effect the following amendments of the United States-Yugoslavia Nonscheduled Air Services Agreement of 1973

1. Amend paragraph (A)(3) of Article 4 to read, in its entirety as follows. "(3) in the case of the Government of the United States, it is not satisfied that the Yugoslav designated airline, as a Yugoslav organization of associated labor in the domain of air transportation, effectively controls the social property of the airline; or, in the case of the Government of the Socialist Federal Republic of Yugoslavia, it is not satisfied that substantial ownership and effective control of the United States designated airline are vested in United States nationals."

2. Amend paragraph (E) of Article 11 to read, in its entirety, as follows: "In the event that the complaint is not resolved pursuant to paragraphs (C) and (D), each Party may take whatever steps it considers necessary to prevent the inauguration or continuation of the objectionable rates or practices with respect only to traffic enplaned in its territory"

3. Amend Article 15 by deleting in the first sentence of paragraph (B) the words. "Provisionally on the date it is signed and definitively"

4. Amend Article 16 by adding the following sentence at the end of paragraph (B)(2) "If the President of the Council of the International Civil Aviation Organization is a national of either Contracting Party, the most senior Vice President of the Council who is a national of a third State shall be requested to designate the above-mentioned arbitrator or arbitrators."

5. Amend subparagraph (c) of paragraph (A)(3) of Section II of Annex A by deleting the period at the end of the sentence and adding after the word "Detroit" the words "and Los Angeles."

6. Delete subparagraph (d) of paragraph (A)(3) of Section II of Annex A and redesignate subparagraphs (e) and (f) as (d) and (e).

7 Add a new subparagraph (f) to paragraph (A) (3) of Section II of Annex A to read as follows. "(f) the Yugoslav carriers may operate no more than 130 one-way revenue charter aircraft movements to or from the United States during 1978, 150 during 1979, and 170 during 1980, unless prior approval to operate a specific higher number of revenue charter aircraft movements is obtained from the United States aeronautical authorities."

8. Amend Section III of Annex A to read in its entirety, as follows. "Annex A shall enter into effect on the date the Agreement is signed and shall remain in effect as long as the Route Scheduled attached to the Air Transport Agreement and Section A of the related Memorandum of Understandings, both signed on December 15, 1977, remain in effect."

9. Amend Section II of Annex B to read, in its entirety, as follows "The charter air services which may be performed pursuant to the subsections of Annex A are those in conformity with the charterworthiness rules and regulations of the country in which the traffic is enplaned."

The representatives also recommended that both Governments allow cargo charter flights on a liberal basis consistent with the concepts set forth in the Nonscheduled Air Services Agreement.

These amendments and arrangements are acceptable to the United States Government. If these amendments and arrangements are also acceptable to your Government, I have the honor to propose that this Note and your reply to that effect constitute an agreement between our two Governments which shall enter into force on the date of your reply

Accept, Excellency, the renewed assurances of my highest consideration."

I wish to confirm that the foregoing amendments and arrangements are acceptable to my Government and that Your Excellency's Note and this Note in reply to it constitute the agreement between the two Governments.

Please accept, Your Excellency, the assurances of my highest consideration.

Dimce Belovski,

DIMCE BELOVSKI

Ambassador of the S.F.R.

of Yugoslavia

His Excellency

JULIUS L. KATZ

Assistant Secretary

Department of State

Washington, D.C.

IRAN

Technical Assistance for Civil Emergency Preparedness

*Memorandum of understanding signed at Tehran
January 26, 1977;
Entered into force January 26, 1977.*

Memorandum of Understanding
Between the
Imperial Government of Iran
Deputy Minister of War
and the
Government of the
United States of America
General Services Administration
Federal Preparedness Agency

I. PURPOSE

The Government of the United States of America, General Services Administration, Federal Preparedness Agency (FPA), will provide advisory technical assistance to the Imperial Government of Iran (GOI), Office of National Preparedness and Civil Mobilization (ONPCM), to assist in the development of several national civil emergency preparedness (CEP) programs/plans to include an industrial mobilization program, manpower program, transportation program, continuity of government program, food stockpile program, public shelter and warning study, and a Tehran disaster response plan.

II. SERVICES TO BE PROVIDED

The FPA will share its experience with the ONPCM through the medium of consultative personnel. These advisors/consultants will provide advice and assistance in developing the specific GOI-approved priority work programs.

III. PERSONNEL

To provide the foregoing services, the FPA expects to furnish the following designated personnel to the ONPCM:

(1) One generalist consultant, familiar with overall U.S. CEP operations, will work primarily with the ONPCM to serve as the senior advisor on national CEP matters. He will provide the overall direction and monitorship of the U.S. consultant effort; will advise and assist the ONPCM in carrying out its assigned missions; and in order to supervise the general progress of program implementation, will advise and assist the ONPCM in establishing an appropriate reporting system. He will be specifically charged with providing advice and assistance in the priority area of continuity of government.

(2) Specialist consultants in the priority areas of industrial mobilization, manpower, transportation, food stockpiles, civil defense and disaster response will work within the appropriate offices, ministries, and agencies designated by the GOI to develop the plans

TIAS 9461

for implementing the aforementioned approved programs

Each individual consultant is expected to provide the necessary advisory services until his specific task has been completed when he will return to the United States. Tasks are currently estimated to be less than six months in duration; however, it is recognized that unforeseen circumstances may require extensions in specific program areas. All reasonable efforts will be made by the GOI and the consultants to minimize the duration of each assignment.

Consultants will be assigned to the ONPCM and accredited to the entire Iranian CEP structure, however, it is recognized that their specific duties will require their primary efforts to be expended within the appropriate office, ministry, or agency charged with developing the specific GOI-approved program.

In addition to the foregoing, the FPA expects to hire necessary project support personnel to administer the program in Washington, DC. This is estimated to include one consultant and necessary clerical services.

All U.S. personnel hired under this agreement will have U.S. security clearances

IV REIMBURSABLE COSTS

Estimated costs associated with the advisory technical assistance requested by the ONPCM are difficult to determine due to the present uncertainties regarding the timing and duration of the project.

Advisory personnel to be hired by FPA will be hired as FPA consultants. Remuneration will include salary plus the post differential applicable at the time of payment of same, per diem as prescribed by applicable United States statutes and regulations in force at the time of payment of same, travel expenses from point of residence to Iran and return, and in-country travel expenses to and from place of employment.

All other expenses incurred in the performance of services in connection with the advisory technical assistance program which are to be performed by the FPA will also be paid for or reimbursed by the Deputy Minister of War. Such expenses shall include costs of recruiting, security clearance fees, compensation for consultants and Washington-based administrative personnel, official transportation and traveling expenses for consultants and involved Washington personnel, and all other properly reimbursable expenses incurred in the performance

of such services in the United States and Iran. All such expenses incurred and reimbursement claimed will be in accordance with applicable United States statutes and regulations.

In addition to the aforementioned reimbursable costs, any other official expenditures, such as office expenses or secretarial and translation help incurred by the U.S. Government or by the consultants in the implementation of this Memorandum of Understanding, will be defrayed by the Deputy Minister of War through either the provision of services or reimbursement of costs incurred.

V METHOD OF REIMBURSEMENT FOR COSTS

The compensation for all services provided to the ONPCM in connection with the Memorandum of Understanding will be paid by the FPA from funds advanced by the Deputy Minister of War. The Deputy Minister of War will provide an initial advance immediately upon signature of this Memorandum of Understanding by means of a bank draft in U.S. dollars, payable to the Federal Preparedness Agency, General Services Administration. The FPA will create a dollar working fund in this amount and will control disbursements from this fund. The FPA will also provide the Deputy Minister of War with periodic reports on the status of the account.

Based upon current FPA estimates of the direct personnel costs in Iran and the U.S. and the other expenses expected to be incurred at both locations, the initial advance will total \$350,000. It is recognized by both signatories that this is the best cost estimate that can be developed at this time, however, it may be more or less than the actual expenses which the USG and the consultants may entail as part of the Iranian-directed planning effort.

The Deputy Minister of War will replenish the working fund, upon the request of the FPA and the agreement of the ONPCM, should costs incurred plus estimated costs required for the completion of the advisory technical assistance program exceed the amount already advanced by the Deputy Minister of War.

Any such requests will be accompanied by itemized statements setting forth all expenditures made from the fund which have not been reported in any previous itemized statement and by such supporting documents as the Deputy Minister of War may reasonably request. The amount of any such replenishment shall equal the amount by which the total of costs to date plus estimated costs to completion exceeds the amount previously advanced. If the Deputy Minister of War does not agree to a requested replenishment, the FPA is not obliged to provide the services estimated to be necessary to complete the

advisory technical assistance program and will be reimbursed for any uncovered costs incurred prior to or because of termination.

VI. EXEMPTIONS FROM LIABILITIES

The GOI agrees to hold the FPA and the Government of the United States of America harmless against any and all claims that may arise as a result of the technical services furnished under this Memorandum of Understanding.

American employees of the Federal Preparedness Agency and employees of establishments or corporations under contract to the Government of the United States who are: (1) assigned to perform services under this Memorandum of Understanding or (2) assigned to provide support for such personnel shall be accorded exemptions designated under the Government of Iran's legislative regulations on the privileges and exemptions of foreign experts, dated 23 Tir 1345 (14 July 1966). Furthermore, the Deputy Minister of War agrees that the cost of this contract does not include any Iranian taxes and in the event that Iranian taxes or fees are levied, the Deputy Minister of War will accept the liability for such taxes or fees.

VII. LOCAL SERVICES IN IRAN

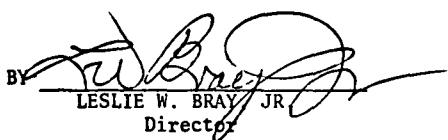
The ONPCM will provide the following local services, to the extent necessary for the performance of the services envisioned in this Memorandum of Understanding, to personnel assigned in Iran in connection with the advisory technical services program: necessary office space and facilities; secretarial-clerical, translating, and other local office help; transportation for official business; travel expenses for official business outside Tehran; assistance in obtaining any necessary local permits, licenses, et cetera; and other logistical support.

VIII. EFFECTIVE DATE

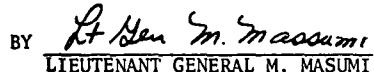
This Memorandum of Understanding shall enter into effect on the date upon which it has been signed by the Deputy Minister of War and the Director of the Federal Preparedness Agency, General services Administration, and will remain in force until the project is completed or terminated. It may be renewed, amended, or extended by the mutual consent of the parties thereto. This Memorandum of Understanding may be terminated by either party thereto on sixty days written notice;

such termination will not, however, impair any obligations or commitments properly incurred under it by either party up to and including the effective date of termination.

United States of America
General Services Administration
Federal Preparedness Agency

By 
LESLIE W. BRAY JR.
Director

Imperial Government of Iran
Deputy Minister of War

BY 
LIEUTENANT GENERAL M. MASUMI
Deputy Minister of War
for Armaments

DATE: Jan 26, 1977

THAILAND

Trade in Textiles and Textile Products

Agreement amending the agreement of October 4, 1978, as amended.

Effectuated by exchange of letters signed at Bangkok April 1 and May 8, 1979;

Entered into force May 8, 1979.

*The American First Secretary to the Thai Deputy Director General,
Department of Foreign Trade, Ministry of Commerce*



EMBASSY OF THE
UNITED STATES OF AMERICA
Bangkok, Thailand

April 1, 1979

Khun Danai Tulalamba
Deputy Director General.
Department of Foreign Trade
Ministry of Commerce
Bangkok

Dear Khun Danai

I refer to the arrangement regarding international trade in textiles, with annexes, done at Geneva on December 20, 1973, and extended by protocol adopted on December 14, 1977 at Geneva^[1](hereinafter referred to as the Arrangement)

I also refer to our Bilateral Agreement Relating to Trade in Cotton, Wool and Man-Made Fiber Textiles and Textile Products, with annexes, effected by exchange of notes October 4, 1978 as amended^[2](the Agreement) and to recent discussions between representatives of our governments. As a result of these discussions and in conformity with Article 4 of the Arrangement, I propose that the Agreement be modified as follows

1. A) Annex B shall be modified to include Category 638 and to adjust the limits for Categories 639 and 647/648 for the 1979, 1980, 1981 and 1982 Agreement years as follows

<u>Category</u>	<u>Units</u>	<u>1979</u>	<u>1980</u>
638 knit shirts, M&B	Doz	100,000	107,000
639 knit shirts and blouses W, G & I	Doz	1,047,888	1,121,240
647/648 trousers	Dpz	342,962	366,969
<u>Category</u>	<u>Units</u>	<u>1981</u>	<u>1982</u>
638 knit shirts, M&B	Doz	114,490	122,504

^[1]TIAS 7840, 8939, 25 UST 1001, 29 UST 2287.

^[2]TIAS 9215, *ante*, p. 718.

639 knit shirts and blouses W, G & I	Doz	1,199,727	1,283,708
647/648 trousers	Doz	392,657	420,143

B) Annex B shall be corrected by removing the "M&B" which follows "334/335 coats "

2 No carryover shall be available for application to Category 638 during the 1979 Agreement year

3 A) Annex C, as it applies to the 1979, 1980, 1981 and 1982 Agreement years, shall be modified to read as follows

Designated Consultation Levels

<u>Category</u>	<u>Description</u>	<u>Level</u> (Square Yards Equivalent)
313	Sheeting	10,000,000
314	Broadcloth	7,000,000
315	Printcloth	5,860,000
317	Twills and Sateens	5,600,000
319	Duck	5,000,000
320	Other fabric, N E S	8,000,000
336	Dresses	1,000,000
613	Fabric, spun non-cell not knit	9,500,000
640	Shirts	1,000,000
659	Other Apparel	2,260,000

B) Annex C, as it applies to the 1978 Agreement year, shall be modified so as to establish a new level of 1,400,000 square yards equivalent for Category 659

4 A visa and certification system shall be instituted by our Governments as soon as practicable to facilitate implementation of the Agreement

If the foregoing is acceptable to your Government, this letter and your letter of confirmation serve to modify our Agreement accordingly

Sincerely yours,

Don R. Kienzle
First Secretary of Embassy

*The Thai Deputy Director General, Department of Foreign Trade,
Ministry of Commerce, to the American First Secretary*



No.0304/ 2407

Department of Foreign Trade
Ministry of Commerce
Bangkok, Thailand

8 May, 1979

Mr. Don R. Kienzle
First Secretary
Embassy of the United States of America
Bangkok

Dear Mr. Kienzle,

I refer to your letter of April 1, 1979 regarding our Bilateral Textile Agreement which reads as follows:

" I refer to the arrangement regarding international trade in textiles, with annexes, done at Geneva on December 20, 1973, and extended by protocol adopted on December 14, 1977 at Geneva (hereinafter referred to as the Arrangement).

I also refer to our Bilateral Agreement Relating to Trade in Cotton, Wool and Man - Made Fiber Textiles and Textile Products, with annexes, effected by exchange of notes October 4, 1978 as amended (the Agreement) and to recent discussions between representatives of our governments. As a result of these discussions and in conformity with Article 4 of the Arrangement, I propose that the Agreement be modified as follows:

1. A) Annex B shall be modified to include Category 638 and to adjust the limits for Categories 639 and 647/648 for the 1979, 1980, 1981 and 1982 Agreement years as follows.

<u>Category</u>	<u>Units</u>	<u>1979</u>	<u>1980</u>
638 knit shirts, M&B	Doz	100,000	107,000
639 knit shirts and blouses W, G & I	Doz	1,047,888	1,121,240
647/648 trousers	Doz	342,962	366,969
<u>Category</u>	<u>Units</u>	<u>1981</u>	<u>1982</u>
638 knit shirts, M&B	Doz	114,490	122,504
639 knit shirts and blouses W, G & I	Doz	1,199,727	1,283,708
647/648 trousers	Doz	392,657	420,143

B) Annex B shall be corrected by removing the "M&B" which follows "334/335 coats."

2. No carryover shall be available for application to Category 638 during the 1979 Agreement year.

TIAS 9462

3. A) Annex C, as it applies to the 1979, 1980, 1981 and 1982 Agreement years, shall be modified to read as follows:

<u>Designated Consultation Levels</u>		
<u>Category</u>	<u>Description</u>	<u>Level</u> (Square Yards Equivalent)
313	Sheeting	10,000,000
314	Broadcloth	7,000,000
315	Printcloth	5,860,000
317	Twills and Sateens	5,600,000
319	Duck	5,000,000
320	Other fabric, N.E.S.	8,000,000
336	Dresses	1,000,000
613	Fabric, spun non - cell not knit	9,500,000
640	Shirts	1,000,000
659	Other Apparel	2,260,000

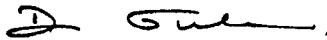
B) Annex C, as it applies to the 1978 Agreement year, shall be modified so as to establish a new level of 1,400,000 square yards equivalent for Category 659.

4. A visa and certification system shall be instituted by our Governments as soon as practicable to facilitate implementation of the Agreement.

If the foregoing is acceptable to your Government, this letter and your letter of confirmation serve to modify our Agreement accordingly."

I have great pleasure to confirm that the foregoing is acceptable.

Yours Sincerely,



(DANAI TULALAMBA)
Deputy Director-General

JAPAN
Energy Research and Development

*Agreement signed at Washington May 2, 1979;
Entered into force May 2, 1979.
With exchange of notes.*

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF JAPAN
ON COOPERATION IN RESEARCH
AND DEVELOPMENT IN ENERGY AND RELATED FIELDS

The Government of the United States of America and the
Government of Japan,

Desiring to further strengthen cooperative relations
between the two Governments, looking toward the twenty-
first century,

Recognizing that the energy problem is one of the
most important questions to be resolved for world
prosperity in this century and in the twenty-first
century,

Determined to play a constructive role in resolving
this problem through close cooperation,

Believing that cooperation between the two Governments
in research and development in energy and related fields
is of mutual advantage in insuring a stable supply of
energy resources to meet the rapidly growing requirements
of not only their own peoples, but all the peoples of the
world,

Recognizing the contribution such research and develop-
ment can make to improvement of the environment, and

Desiring to complement cooperation in energy research
and development in appropriate international organizations,
including the International Energy Agency,

Have agreed as follows:

ARTICLE I

The two Governments will maintain and intensify their cooperation in research and development in energy and related fields on the basis of equality and mutual benefit.

ARTICLE II

1. Cooperation may be undertaken in the following areas:

(a) Areas of initial emphasis:

- (i) Fusion;
- (ii) Coal conversion;

(b) Additional areas:

- (i) Solar energy conversion by means of photosynthesis;
- (ii) Geothermal energy;
- (iii) High energy physics;
- (iv) Other areas in energy and energy-related research and development as may be mutually agreed.

2. Cooperation in the areas referred to in paragraph 1 above will be undertaken on the basis of equitable sharing of costs and benefits and, with regard to the areas of initial emphasis referred to in paragraph 1(a) above, also in accordance with the principle of balance between areas.

ARTICLE III

Cooperation in the areas referred to in Article II may take the following forms:

- (a) Conduct of joint projects and programs, and other cooperative projects and programs;
- (b) Meetings of various forms, such as those of experts, to discuss and exchange information on scientific and technological aspects of general or specific subjects and to identify research and development projects and programs which may be usefully undertaken on a cooperative basis;
- (c) Exchange of information on activities, policies, practices, and legislation and regulations concerning energy research and development;
- (d) Visits and exchanges of scientists, technicians or other experts on general or specific subjects; and
- (e) Other forms of cooperation as may be mutually agreed.

ARTICLE IV

Implementing arrangements specifying the details and procedures of cooperative activities in the areas referred to in Article II will be made between the two Governments or their agencies, whichever is appropriate.

ARTICLE V

1. The two Governments will establish a United States-Japan Joint Committee on Energy Research and Development (hereinafter referred to as "the Joint Committee") to review

activities and accomplishments under this Agreement and to give appropriate advice to the two Governments regarding future cooperation.

2. The Joint Committee will consist of six members, three of whom will be designated by the Government of the United States of America and three of whom will be designated by the Government of Japan.

3. The Joint Committee will meet at least once each year, at a mutually agreed time, in the United States of America and Japan alternately.

4. Subordinate committees to facilitate implementation of cooperation in the areas referred to in Article II will be established in accordance with the implementing arrangements referred to in Article IV or as otherwise mutually agreed.

ARTICLE VI

Each Government will notify the other Government of the internal administrative arrangements it has made to insure effective implementation of this Agreement.

ARTICLE VII

1. Scientific and technological information of a non-proprietary nature arising from the cooperative activities under this Agreement may be made available to the public by either Government through customary channels and in accordance with the normal procedures of the participating agencies.

2. The two Governments will give due consideration to the equitable distribution of industrial property resulting from the cooperative activities under this Agreement and of licenses thereof and to the licensing of other related industrial property necessary for the utilization of the results of such cooperative activities, and will consult each other for this purpose as necessary.

ARTICLE VIII

Nothing in this Agreement shall be construed to prejudice existing or future arrangements for cooperation between the two Governments, except as provided in paragraph 3 of Article XI.

ARTICLE IX

Activities under this Agreement shall be subject to budgetary appropriations and to the applicable laws and regulations in each country.

ARTICLE X

The termination of this Agreement shall not affect the carrying out of any project or program undertaken in accordance with the implementing arrangements referred to in Article IV and not fully executed at the time of the termination of this Agreement.

ARTICLE XI

1. This Agreement shall enter into force upon signature and remain in force for ten years.

However, either Government may at any time give written notice to the other Government of its intention to terminate this Agreement, in which case this Agreement shall terminate six months after such notice has been given.

2. This Agreement may be extended by mutual agreement of the two Governments.

3. The Agreement between the Government of the United States of America and the Government of Japan on Cooperation in the Field of Energy Research and Development, signed on July 15, 1974, [¹] is superseded by this Agreement.

DONE at Washington on May 2, 1979, in duplicate in the English and Japanese languages, both being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

A handwritten signature in cursive ink, appearing to read "James R. Schlesinger". A small square bracket containing the number "[²]" is positioned to the right of the signature.

FOR THE GOVERNMENT OF JAPAN:

A handwritten signature in cursive ink, appearing to read "Sunao Sonoda". A small square bracket containing the number "[³]" is positioned to the right of the signature.

¹ TIAS 7905; 25 UST 1679.

² James R. Schlesinger.

³ Sunao Sonoda.

る英語及び日本語により本書一一通を作成した。

アメリカ合衆国政府のために

Dans R. Schlesinger

日本国政府のために

(印)

(印)

千葉一

1

この協定は、署名により効力を生じ、十年間効力を有する。もつとも、いすれの政府も、他方の政府に対し、いつでもこの協定を終了させる意思を書面により通告することができるものとし、その場合には、この協定は、そのような通告が行われた後六箇月で終了する。

2 この協定は、両政府間の相互の合意により延長することができる。

3 千九百七十四年七月十五日に署名されたエネルギーの研究開発の分野における協力のためのアメリカ合衆国政府と日本国政府との間の協定は、この協定によつて代替される。

千九百七十九年五月二日にワシントンで、ひとしく正文であ

第九条

この協定に基づく活動は、各國の予算及び関係法令に従うことを条件とする。

第十条

この協定の終了は、第四条にいう実施取極に従つて行われ、かつ、この協定の終了の時までに履行を完了していないいかなる計画の実施にも影響を及ぼすものではない。

第十一條

2 することができる。

両政府は、この協定に基づく協力活動から生ずる工業所有権及びその実施権の公正な配分並びにこのような協力活動の成果を利用するためには必要な関連する他の工業所有権の実施権の設定につき十分な考慮を払うものとし、必要に応じ、この目的のために相互に協議する。

第八条

第十一條3に規定する場合を除くほか、この協定のいかなる規定も、両政府間の協力に関する現在の取極又は将来の取極に影響を及ぼすものと解してはならない。

四条にいう実施取極に従い又は他に合意されるところに従つて小委員会が設置される。

第六条

各政府は、この協定の効果的な実施を確保するためにとつた国内の行政的措置を他方の政府に通報する。

第七条

- 1 この協定に基づく協力活動から生ずる非所有権的性格の科学的情報は、通常の経路を通じ、かつ、参加機関の一般的な手続に従い、双方の政府により、一般の利用に供

第五条

- 1　両政府は、この協定に基づく活動及び成果を検討し並びに将来の協力に関する両政府に適切な助言を与えるためエネルギーの研究開発に関する米日合同委員会（以下「合同委員会」という。）を設置する。
- 2　合同委員会は、六人の委員で構成するものとし、そのうち、三人はアメリカ合衆国政府によつて指名され、三人は日本国政府によつて指名される。
- 3　合同委員会は、少なくとも年一回相互に合意する時期にアメリカ合衆国及び日本国において交互に会合する。
- 4　第二条にいう分野における協力の実施を容易にするため第

- 有益に実施することができる研究開発に関する計画を識別するための専門家の会合のような各種の形態の会合
- (c) エネルギーの研究開発に関する活動、政策、慣行及び法令に関する情報の交換
- (d) 一般的な又は特定の問題に関する科学者、技術者その他の専門家の訪問及び交流
- (e) 相互に合意されるその他の形態の協力

第四条

第二条にいう分野における協力活動の細目及び手続を定める実施取極が、両政府又は両政府の機関のいずれか適当な方を当事者として行われる。

2

1にいう分野における協力は、費用及び利益の公平な分配の原則に基づいて行われるものとし、1(a)にいう当初の重点分野については、更に、分野間の均衡の原則に従つて行われる。

第三条

第二条にいう分野における協力は、次の形態により行うことができる。

- (a) 共同計画その他の協力計画の実施
- (b) 一般的な又は特定の問題の科学的及び技術的側面に関する討議及び情報の交換を行うため並びに協力を基礎として

かつ、強化する。

第二条

1 協力は、次の分野において行うことができる。

(a) 当初の重点分野

核融合

石炭転換

その他の分野

光合成による太陽エネルギー転換

地熱エネルギー

高エネルギー物理学

エネルギー及びエネルギー関連の研究開発に係る他の

の両政府間の協力が両国の国民のみならず世界のすべての国民の急増する需要を満たすためのエネルギー資源の安定的供給の確保について相互の利益となることを信じ、

このような研究開発が環境の改善に貢献することができるものであることを認め、

国際エネルギー機関を含む適当な国際機関におけるエネルギーの研究開発のための協力を補完することを希望して、

次のとおり協定した。

第一条

両政府は、平等及び相互利益の原則に基づき、エネルギー及びこれに関連する分野における研究開発のための協力を維持し、

エネルギー及びこれに関連する分野における研究開発のための協力に関するアメリカ合衆国政府と日本国政府との間の協定

アメリカ合衆国政府及び日本国政府は、
二十一世紀に向かつて両政府間の協力関係を一層強化することを希望し、

エネルギー問題が今世紀及び二十一世紀における世界の繁栄のために解決されなければならない最も重要な問題の一つであることを認め、

緊密な協力により、この問題を解決するために建設的な役割を果たすことを決意し、

エネルギー及びこれに関連する分野における研究開発のため

[EXCHANGE OF NOTES]

Washington, May 2, 1979

Excellency:

I have the honor to refer to the Agreement between the Government of Japan and the Government of the United States of America on Cooperation in Research and Development in Energy and Related Fields, signed today, (hereinafter referred to as "the New Agreement") and the Agreement between the Government of Japan and the Government of the United States of America on Cooperation in the Field of Energy Research and Development, signed on July 15, 1974 (hereinafter referred to as "the Superseded Agreement"), and to confirm on behalf of the Government of Japan the following understanding:

1. Pursuant to the provisions of paragraph 1 (b) (iv) of Article II of the New Agreement, the two Governments agree that cooperation may be undertaken in the following additional areas referred to in Article III of the Superseded Agreement:

- (a) Solar energy applications (excluding "solar energy conversion by means of photosynthesis");
- (b) Storage batteries;
- (c) Energy applications of hydrogen;

The Honorable
James R. Schlesinger,
Secretary of Energy of
the United States of America.

- (d) Magnetohydrodynamic conversion;
- (e) Fuel cells;
- (f) Electrical energy transmission by superconduction or microwaves;
- (g) Advanced propulsion systems;
- (h) Energy conservation;
- (i) Utilization of waste materials and waste heat.

2. The Implementing Arrangement between the United States Department of Energy and the Agency of Industrial Science and Technology of Japan in the Field of Geothermal Energy Applications, concluded on June 15, 1978 pursuant to the provisions of Article IV of the Superseded Agreement, shall be deemed to be an implementing arrangement made pursuant to the provisions of Article IV of the New Agreement.

I should be grateful if Your Excellency would be good enough to confirm the foregoing understanding on behalf of the Government of the United States of America.

Accept, Excellency, the assurances of my highest consideration.

A handwritten signature in black ink, appearing to read "Sunao Sonoda". The signature is fluid and cursive, with "Sunao" on top and "Sonoda" below it, both starting with a large, stylized letter "S".

Minister for Foreign Affairs
of Japan

May 2, 1979

Excellency:

I have the honor to refer to Your Excellency's Note of today's date which reads as follows:

"I have the honor to refer to the Agreement between the Government of Japan and the Government of the United States of America on Cooperation in Research and Development in Energy and Related Fields, signed today, (hereinafter referred to as 'the New Agreement') and the Agreement between the Government of Japan and the Government of the United States of America on Cooperation in the Field of Energy Research and Development, signed on July 15, 1974 (hereinafter referred to as 'the Superseded Agreement'), and to confirm on behalf of the Government of Japan the following understanding:

"1. Pursuant to the provisions of paragraph 1 (b)(iv) of Article II of the New Agreement, the two Governments agree that cooperation may be undertaken in the following additional areas referred to in Article III of the Superseded Agreement:

His Excellency

Mr. Sunao Sonoda,
Minister for Foreign Affairs
of Japan.

- "(a) Solar energy applications (excluding 'solar energy conversion by means of photosynthesis');
- (b) Storage batteries;
- (c) Energy applications of hydrogen;
- (d) Magnetohydrodynamic conversion;
- (e) Fuel cells;
- (f) Electrical energy transmission by superconduction or microwaves;
- (g) Advanced propulsion systems;
- (h) Energy conservation;
- (i) Utilization of waste materials and waste heat.

"2. The Implementing Arrangement between the United States Department of Energy and the Agency of Industrial Science and Technology of Japan in the Field of Geothermal Energy Applications, concluded on June 15, 1978 pursuant to the provisions of Article IV of the Superseded Agreement, shall be deemed to be an implementing arrangement made pursuant to the provisions of Article IV of the New Agreement.

"I should be grateful if Your Excellency would be good enough to confirm the foregoing understanding on behalf of the Government of the United States of America."

I have further the honor to confirm on behalf of the Government of the United States of America the understanding set forth in Your Excellency's Note.

Accept, Excellency, the assurances of my highest consideration.



James R. Schlesinger
Secretary of Energy

of the United States

of America:

TIAS 9463

EGYPT
Economic Assistance

*Agreement signed at Cairo September 28, 1977;
Entered into force September 28, 1977.*

A.I.D. Loan Number 263-K-041
Project Number 263-0037

**PROJECT
LOAN AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
and the
UNITED STATES OF AMERICA
for
GRAIN, TALLOW, OIL AND FATS PROJECT**

Dated: SEPTEMBER 28, 1977

TABLE OF CONTENTS

Project Loan Agreement

	<i>Page</i>	<i>[Pages herein]</i>
ARTICLE 1: The Agreement	1	4391
ARTICLE 2: The Project	2	4391
Section 2.1. Definition of Project	2	4391
ARTICLE 3: Financing	2	4391
Section 3.1. The Loan	2	4391
Section 3.2. Borrower Resources for the Project	3	4392
Section 3.3. Project Assistance Completion Date	4	4392
ARTICLE 4: Loan Terms	5	4392
Section 4.1. Interest	5	4392
Section 4.2. Repayment	5	4393
Section 4.3. Application, Currency, and Place of Payment	5	4393
Section 4.4. Prepayment	6	4393
Section 4.5. Renegotiation of Terms	6	4393
Section 4.6. Termination on Full Payment	7	4393
ARTICLE 5: Conditions Precedent to Disbursement	7	4394
Section 5.1. Conditions Precedent to Disburse- ment	7	4394
Section 5.2. Additional Disbursement	9	4394
Section 5.3. Notification	12	4395
Section 5.4. Terminal Dates for Conditions Precedent	12	4395
ARTICLE 6: Special Covenants	12	4395
Section 6.1. Project Evaluation	12	4395
Section 6.2. Availability of Equipment and Materials	13	4396
ARTICLE 7: Procurement Source	14	4396
Section 7.1. Foreign Exchange Costs	14	4396
ARTICLE 8: Disbursements	14	4396
Section 8.1. Disbursement for Foreign Exchange Costs	14	4396
Section 8.2. Other Forms of Disbursement	15	4397
Section 8.3. Date of Disbursement	15	4397

	<i>Page</i>	[<i>Pages herein</i>]
ARTICLE 9: Miscellaneous	16	4397
Section 9.1. Investment Guaranty Project		
Approval	16	4397
Section 9.2. Communications	16	4397
Section 9.3. Representatives	17	4397
Section 9.4. Standard Provisions Annex [¹]	17	4398

^¹ Not printed herein. For text, see TIAS 9458; *ante*, p. 4265.

A.I.D. Project No. 263-0037

PROJECT LOAN AGREEMENT DATED: SEPTEMBER 28, 1977 AMONG THE ARAB REPUBLIC OF EGYPT (“ARE”), THE ARE MINISTRY OF TRADE AND SUPPLY (“MINISTRY”) 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 Borrower 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 assistance to the Government of the Arab Republic of Egypt to develop an effective and economically-efficient system for the receipt, storage and distribution of food grains, tallow, oils, and fats (TOF).

The loan will finance the foreign exchange costs of several needed facility improvements as follows:

- a. Tallow, Oil and Fat Storage Facility – Alexandria
- b. Bagging System Pier 81/82 – Alexandria
- c. Conveyors for Bagged Grain
- d. 50,000 MT Grain Silo – Safaga
- e. Lab Equipment for Grain Testing

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 9.3 without formal amendment of this Agreement.

ARTICLE 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,¹] agrees to lend the Borrower under the terms of this Agreement not to exceed Forty-Two Million United States (“U.S.”) dollars (\$42,000,000) (“Loan”). The aggregate

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

amount of disbursements under the Loan is referred to as "Principal."

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project. (a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner. Without affecting the generality of the foregoing, the Borrower shall provide on a timely basis all necessary Egyptian Pound funds and local logistic support as may be required to ensure effective utilization of services and goods financed under the Loan.

(b) The resources provided by Borrower for the Project will be not less than Fifteen Million Egyptian Pounds (L.E. 15,000,000).

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1981 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 Loan will have been performed and all goods financed under the Loan 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 Loan 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 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C., 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower 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) An opinion of the Minister of Justice or of other counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;
- (b) A statement of the names of the persons holding or acting in the offices of the Borrower specified in Section 9.3, and of any additional representatives, together with a specimen signature of each person specified in such statement; and
- (c) Such other documentation as A.I.D. may require.

SECTION 5.2. Additional Disbursement.**(a) Disbursement for Design and Construction Supervision.**

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement for procurement of Design and Construction Supervision services, Borrower shall, except as A.I.D. may otherwise agree in writing furnish in form and substance satisfactory to A.I.D. a contract for design and construction supervision acceptable to A.I.D. with a firm acceptable to A.I.D.

(b) Disbursement for Procurement of Conveyors, Laboratory Equipment and Pier 81/82 Equipment and Materials.

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement for procurement of Conveyors, Laboratory Equipment and Pier 81/82 Equipment and Materials, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish evidence that detailed design has been completed and specifications prepared to permit procurement.

(c) Disbursement for Construction and Equipment and Materials Procurement – TOF Facility.

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement for Construction and Equipment and Materials Procurement for the TOF Facility, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

- (1) Evidence that the Ministry of Trade and Supply (or its subordinate agency) has obtained legal title to or full rights to the use of the site for construction of the TOF facility;

(2) A contract for construction services satisfactory to A.I.D. with a construction firm satisfactory to A.I.D.;

(3) Evidence satisfactory to A.I.D. that necessary rail spurs, roads and utilities will be provided as required by the construction schedule; and

(4) Evidence that detailed design has been completed sufficient to permit commencement of construction, including a reasonably firm detailed construction schedule.

(d) Disbursement for Construction and Equipment and Material Procurement—Safaga Silos.

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement for construction and equipment and material procurement for the Safaga silos, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(1) Evidence that the Ministry of Trade and Supply (or its subordinate agency) has obtained legal title to or full rights to the use of the site for construction of the Safaga silo complex;

(2) A contract for construction services satisfactory to A.I.D. with a construction firm satisfactory to A.I.D.;

(3) Evidence satisfactory to A.I.D. that necessary rail spurs, roads and utilities will be provided as required by the construction schedule; and

(4) Evidence that detailed design has been completed sufficient to permit commencement of construction, including a reasonably firm detailed construction schedule.

SECTION 5.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1 and 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 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 Borrower.

ARTICLE 6: Special Covenants.

SECTION 6.1. 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 6.2. Availability of Equipment and Materials. The Borrower agrees that it shall take all necessary steps to assure that the General Authority for Supply Commodities ("GASC") and/or its contractors shall be allocated, on a priority basis, the local equipment and materials necessary to facilitate expeditious construction of the project.

ARTICLE 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 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 (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

ARTICLE 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 Borrower'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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

ARTICLE 9: Miscellaneous:

SECTION 9.1. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by the Arab Republic of Egypt pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by the Arab Republic of Egypt will be required to permit the United States to issue investment guaranties under that agreement covering a contractor's investment in that project.

SECTION 9.2. Communications. Any notice, request, document, or other communication submitted by either party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

TO THE BORROWER:

Ministry of Trade and Supply
99, Ksar El-Eini St.
Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

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 9.3. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Minister of Trade and Supply and First Undersecretary of State for Economy and Economic Cooperation and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., 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 Borrower, 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 9.4. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached and forms part of this Agreement.

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

ARAB REPUBLIC OF EGYPT

By: MAHMOUD SALAH EL-DIN HAMED
 Name: Dr. Mahmoud Salah el Din Hamed
 Title: *Minister of Finance and Acting Minister of Economy and Economic Cooperation*

UNITED STATES OF AMERICA

By: H. FREEMAN MATTHEWS, JR.
 Name: H. Freeman Matthews, Jr.
 Title: *Charge d'Affaires a.i.*

MINISTRY OF TRADE AND SUPPLY

By: EL SAYED ZAKARIA TEWFIK
 Name: El Sayed Zakaria Tewfik
 Title: *Minister*

ANNEX 1

PROJECT DESCRIPTION

The project consists of a number of individual activities or sub-projects aimed at addressing both Egypt's long-term needs and at alleviating some of the immediate constraints within the existing grain/TOF storage and distribution system. The priority sub-projects included are: (1) a tallow, oil and fats storage terminal, with associated facilities, at the Port of Alexandria having a total capacity of 40,000 MT; (2) a temporary combination grain-receiving and bagging system with a base annual throughput of 750,000 MT simultaneously at Piers 81 and 82, also at Alexandria Port; (3) procurement of approximately 100 portable belt bag grain conveyors to be assigned to various ports and inland open area grain storage locations; (4) construction of a 50,000 MT silo complex at the Port of Safaga complete with pneumatic ship unloading equipment which transports bulk grain directly to the silo for short-term storage or outtransport by truck or rail; and (5) procurement of specialized grain testing equipment for improved laboratory control.

^[1] See footnote 1, p. 4390.

Attachment A to Annex 1**PROJECT FINANCIAL PLAN
(Source and Application of Funding)**

As of September 6, 1977

Project No. 263-0037

Project Inputs	Amount for a Fully Funded Project		
	Loan (US \$)	Grant	Borrower/ Grantee (L.E.)
Safaga Silo-----	24, 126, 812		10, 687, 126
Bag Conveyors-----	572, 400		6, 996
Laboratory Equipment-----	63, 000		2, 120
Pier 81/82 Baggage System-----	6, 769, 669		1, 537, 917
TOF Facility-----	9, 323, 540		2, 655, 004
Unallocated-----	1, 144, 579		0
Total Project Costs-----	42, 000, 000		14, 889, 163

EGYPT
Alexandria Sewage Project

*Agreement signed at Cairo September 29, 1977,
Entered into force September 29, 1977.*

A.I.D. Loan Number 263-K- 044Project Number 263-0088

PROJECT
LOAN AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
THE UNITED STATES OF AMERICA,
THE MINISTRY OF HOUSING AND RECONSTRUCTION
AND
THE GENERAL ORGANIZATION FOR SEWERAGE AND SANITARY DRAINAGE
FOR
ALEXANDRIA SEWAGE PROJECT

Dated: September 29, 1977

Table of ContentsProject Loan Agreement

	<u>Page</u>	[<u>Pages</u> <i>herein</i>]
Article 1. The Agreement	1	4405
Article 2. The Project	2	4406
SECTION 2.1. Definition of Project	2	4406
ARTICLE 3 Financing	2	4406
SECTION 3.1. The Loan	2	4406
SECTION 3.2. Borrower Resources for the Project	3	4407
SECTION 3.3. Project Assistance Completion Date	4	4408
Article 4 Loan Terms	5	4409
SECTION 4.1. Interest	5	4409
SECTION 4.2. Repayment	5	4409
SECTION 4.3. Application, Currency, and Place of Payment	5	4409
SECTION 4.4 Prepayment	6	4410
SECTION 4.5. Renegotiation of Terms	6	4410
SECTION 4.6. Termination on Full Payment	7	4411
Article 5. Conditions Precedent to Disbursement	7	4411
SECTION 5.1. First Disbursement	7	4411
SECTION 5.2. Additional Disbursement	9	4413
SECTION 5.3. Notification	11	4415
SECTION 5.4 Terminal Dates for Conditions Precedent	11	4415
Article 6 Special Covenants	12	4416
SECTION 6.1 Project Evaluation	12	4416
SECTION 6.2. Training	12	4416
SECTION 6.3. Fixed Assets	12	4416
SECTION 6.4 Sewer Use Law	12	4416
Article 7 Procurement Source	13	4417
SECTION 7.1 Foreign Exchange Costs	13	4417
Article 8: Disbursements	13	4417
SECTION 8.1 Disbursement for Foreign Exchange Costs	13	4417
SECTION 8.2. Other Forms of Disbursement	14	4418
SECTION 8.3. Date of Disbursement	14	4418

	<u>Page</u>	[<i>Pages herein</i>]
Article 9 Miscellaneous	15	4419
SECTION 9.1 Investment Guaranty Project Approval	15	4419
SECTION 9.2 Communications	15	4419
SECTION 9.3. Representatives	16	4420
SECTION 9.4 Standard Provisions Annex ^[1]	17	4421

^[1] Not printed herein. For text, see TIAS 9458, *ante*, p. 4265.

A.I.D. Project No. 263-0088

Project Loan Agreement

Dated. September 29, 1977

Among

The Arab Republic of Egypt ("Borrower"), the Ministry
for Housing and Reconstruction ("MOHR"), the General Organiza-
tion for Sewerage and Sanitary Drainage ("GOSSD")

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 under-
standings of the Parties named above ("Parties") with respect
to the undertaking by the Borrower 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 providing the equipment and materials for the rehabilitation of the existing wastewater system in Alexandria. The Project will include (1) the establishment of an improved collection and disposal system for solid wastes and toxic materials, together with the cleaning of existing sewers; (2) the repair and replacement of sewer lines now in disrepair; and (3) the extension of sewer service into the Ras El Soda area presently unsewered.

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 9.3 without formal amendment of this Agreement.

Article 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to

^[1] 75 Stat. 424, 22 U.S.C. § 2151 note.

lend the Borrower under the terms of this Agreement not to exceed Fifteen Million United States ("U.S.") Dollars (\$15,000,000) ("Loan") The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used only to finance foreign exchange costs, as defined in Section 7 1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project. (a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner

(b) The resources provided by Borrower for the Project will be not less than Forty-Three Million Eight Hundred Fifty-Two Thousand Egyptian Pounds (L.E. 43,852,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1981, 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 Loan will have been performed and all goods financed under the Loan 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 Loan (1) in response to requests received by A.I.D. after February 28, 1981 , or (2) 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 8.1 no later than five (5) 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 Borrower, may at any time or times reduce the amount of the Loan 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 Loan Terms.

SECTION 4 1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2 Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4 3. Application, Currency, and Place of Payment.

All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment

of interest due and then to the repayment of Principal Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4 4 Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity

SECTION 4 5 Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9 2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4 6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5. Conditions Precedent to Disbursement.

SECTION 5 1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of

documentation pursuant to which disbursement will be made, the Borrower 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) An opinion of the Egyptian Minister of Justice, or other legal counsel satisfactory to A.I.D., that the Loan Agreement has been authorized and/or ratified by, and executed on behalf of, the Arab Republic of Egypt, and that it constitutes a valid and legally binding obligation in accordance with its terms;

(b) A statement of the names of the persons holding or acting in the offices of the Borrower specified in Section 9 3, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) An executed contract for consulting engineering services for the Project with a firm acceptable to A.I.D.;

(d) Evidence that a full time Director and Deputy Director of GOSSD Alexandria have been appointed;

(e) Evidence that a Project Unit with adequate authority has been established in GOSSD Alexandria whose full time functions will be the monitoring and implementation of this Project, and

SECTION 5.2. Additional Disbursement.

(a) Disbursement for Sub-project for Solid Waste

Collection and Disposal. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for goods and services for the Sub-project, the Borrower will, 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 detailed plan of a solid waste collection and disposal system for Alexandria, including the cost of such a system and its effect upon the environment.

(2) A detailed implementation plan for the total Project in either Critical Path Method or Project Evaluation Review Technique format; and

(3) Evidence that all Egyptian currency required for the first fiscal year in which funds will be required for the Sub-project, in an amount based on the estimate by the Consulting Engineer, and as approved by GOSSD, has been budgeted by the Borrower and is available for expenditure by GOSSD.

(b) Disbursement for Sub-project for Reconstruction and Rehabilitation of Existing Wastewater System. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for goods and services for the Sub-project, the Borrower will,

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 detailed plan for the execution of the Sub-project, including a schedule, items and services to be procured and the proposed contracting procedures, and

(2) Evidence that all Egyptian currency required for the first fiscal year in which funds will be required for the Sub-project, in an amount based on the estimate of the Consulting Engineer, and as approved by GOSSD, has been budgeted by the Borrower and is available for expenditure by GOSSD.

(c) Disbursement for Sub-project for Extension of Service to the Ras El Soda area. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for goods and services for the Sub-project, the Borrower will, 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 detailed plan for the execution of the Sub-project including a schedule, goods and services to be procured and the proposed contracting procedure;

(2) A listing of the proposed beneficiaries of new sewage service including the costs to be borne by the beneficiaries, and

(3) Evidence that all Egyptian currency required for the first fiscal year in which funds will be required for the Sub-project, in an amount based on the estimate by the Consulting Engineer, and as approved by GOSSD, has been budgeted by the Borrower and is available for expenditure by GOSSD.

SECTION 5.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1 and 5.2 have been met, it will promptly notify the Borrower

SECTION 5.4. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1 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 Borrower

(b) If all of the conditions specified in Section 5.2 have not been met within 240 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 cancel the then undisbursed balance of the Loan, to the extent not irrevocably committed to third Parties, and may terminate this Agreement by written notice to the Borrower. In the event of such termination, the Borrower will repay immediately the Principal then outstanding and any accrued interest, on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate.

Article 6. Special Covenants.

SECTION 6.1. 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 6.2. Training: Within one year from the date of this Agreement the Borrower shall prepare a comprehensive staff training program to be implemented in the next succeeding year

SECTION 6.3. Fixed Assets. Within one year from the date of this Agreement the Borrower shall prepare an inventory of all GOSSD's plant and equipment located in Alexandria, which inventory will show the dates of acquisition, acquisition costs and current condition.

SECTION 6.4. Sewer Use Law. Within one year from the date of this Agreement, the Borrower shall develop a plan for the enforcement of the sewer use law, including a system of permits, inspections, tests, and legal procedures.

Article 7 Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 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 (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

Article 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 Borrower'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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8 2 Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8 3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order

Article 9. Miscellaneous.

SECTION 9.1. Investment Guaranty Project Approval.

Construction work to be financed under this Agreement is agreed to be a project approved by the Arab Republic of Egypt pursuant to the agreement between it and the United States of America on the subject of investment guarantees, and no further approval by the Arab Republic of Egypt will be required to permit the United States to issue investment guarantees under that agreement covering a contractor's investment in that Project.

SECTION 9.2. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address

To the Borrower.

General Organization for Sewerage and Sanitary Drainage (GOSSD)
Mogaama Bldg.
Midan El Tahrir, 6th Floor
Cairo, Egypt

To AID:

A.I.D.
U.S. Embassy
Cairo, Egypt

TIAS 9485

SECTION 9.3. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Minister of Housing and Reconstruction, First Undersecretary of State for Economy and Economic Cooperation and Chairman GOSSD, and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., 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 Borrower, 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 9 4 Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached and forms part of this Agreement.

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

ARAB REPUBLIC OF EGYPT:

BY Mahmoud Saleh El-Din Hamed

NAME Mahmoud Saleh El-Din Hamed

TITLE: Minister of Finance and
Acting Minister of
Economy and Economic
Cooperation

UNITED STATES OF AMERICA:

BY H. Freeman Matthews, Jr.

NAME H. Freeman Matthews, Jr.

TITLE. Charge d'Affaires a.i.

GENERAL ORGANIZATION FOR SEWERAGE AND SANITARY DRAINAGE:

BY A. M. Ashmawy

NAME A. M. Ashmawy

TITLE: Chairman

MINISTRY OF HOUSING AND RECONSTRUCTION

BY H. M. Hassan

NAME Hassan Mohamed Hassan

TITLE: Minister

¹ See footnote 1, p. 4404.

Annex 1

PROJECT DESCRIPTION

The project provides for the rehabilitation of the existing wastewater system in Alexandria. The major elements of the project include (1) establishment of an improved collection and disposal system for solid wastes and toxic materials, together with the cleaning of existing sewers, (2) repair and replacement of sewer lines now in disrepair and (3) extension of sewerage service into the Ras el Soda area which is presently unsewered.

Regarding the waste disposal system, the primary objective will be to assist the General Organization for Sewerage and Sanitary Drainage (COSSD) to develop and implement a solid waste disposal system. The system will function in poorer neighborhoods where solid waste has little salvage value and in industrial areas where most waste has no salvage value. This portion of the project will provide for the system, collection, depots, vehicles for transporting solid waste and disposal facilities. Also included will be the cleaning of the existing wastewater system which is clogged due to improper disposal of solid waste.

The state of the existing system is poor, many pumps are inoperative and most do not work to design capacity. Sewers have collapsed and manhole covers are missing. The project will include the design and engineering necessary to correct the system as well as new equipment and construction services.

Many areas are not serviced by any system. Ras El Soda, the area selected for the equipping of service, is densely populated. This sub-project will consist of design and engineering, furnishing of equipment and the construction of street sewers, collection mains and force pumps in that area.

Attachment A to Annex 1

PROJECT FINANCIAL COSTS
(Source and Application of Funding - \$ Thousands)

As of September , 1977		Project No 263-0038	
<u>Project Inputs</u>		<u>Amount for a Fully Funded Project</u> <u>Borrower/Grantee</u> <u>(L.E.)</u>	
	<u>Loan (US \$)</u>	<u>Grant</u>	
Solid Waste Program	1,940	972	
Repair of Existing System	8,733	27,666	
Repair to Ras El Soda	<u>3,463</u>	<u>11,227</u>	
Sub-Total	14,136	39,865	
Extra Contingency	<u>864</u>	<u>3,987</u>	
Total Project Costs	<u>15,000</u>	<u>43,852</u>	

EGYPT

Cairo Water Supply

*Agreement signed at Cairo September 29, 1977;
Entered into force September 29, 1977.*

A.I.D. Loan No. 263-K-042
Project No. 263-0038

**PROJECT LOAN AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
UNITED STATES OF AMERICA,
THE MINISTRY FOR HOUSING AND RECONSTRUCTION
AND
THE GENERAL ORGANIZATION FOR GREATER CAIRO
WATER SUPPLY
FOR
CAIRO WATER SUPPLY**

Dated: SEPTEMBER 29, 1977

TABLE OF CONTENTS**Project Loan Agreement**

	<i>Page</i>	[<i>Pages herein</i>]
ARTICLE 1: The Agreement	1	4426
ARTICLE 2: The Project	2	4426
Section 2.1. Definition of Project	1	4426
ARTICLE 3: Financing	2	4426
Section 3.1. The Loan	2	4426
Section 3.2. Borrower Resources for the Project	3	4426
Section 3.3. Project Assistance Completion Date	4	4427
ARTICLE 4: Loan Terms	5	4427
Section 4.1. Interest	5	4427
Section 4.2. Repayment	5	4427
Section 4.3. Application, Currency, and Place of Payment	5	4428
Section 4.4. Prepayment	6	4428
Section 4.5. Renegotiation of Terms	6	4428
Section 4.6. Termination on Full Payment	7	4428
ARTICLE 5: Conditions Precedent to Disbursement	7	4428
Section 5.1. First Disbursement	7	4428
Section 5.2. Additional Disbursement	9	4429
Section 5.3. Notification	10	4429
Section 5.4. Terminal Dates for Conditions Prec- edent	10	4429
ARTICLE 6: Special Covenants	10	4429
Section 6.1. Project Evaluation	10	4429
Section 6.2. Reloan by Borrower to GOGCWS	11	4430
Section 6.3. Financial Covenants	11	4430
ARTICLE 7: Procurement Source	12	4430
Section 7.1. Foreign Exchange Costs	12	4430
ARTICLE 8: Disbursements	12	4430
Section 8.1. Disbursement for Foreign Exchange Costs	12	4430
Section 8.2. Other Forms of Disbursement	13	4431
Section 8.3. Date of Disbursement	13	4431
ARTICLE 9: Miscellaneous	14	4431
Section 9.1. Communications	14	4431
Section 9.2. Representatives	15	4431
Section 9.3. Standard Provisions Annex [¹]	16	4432

¹ Not printed herein. For text, see TIAS 9458; *ante*, p. 4265.

A.I.D. Project No. 263-0038

**PROJECT LOAN AGREEMENT DATED: SEPTEMBER 29,
1977 AMONG THE ARAB REPUBLIC OF EGYPT
("BORROWER"), THE MINISTRY FOR HOUSING AND RE-
CONSTRUCTION ("MOHR"), GENERAL ORGANIZATION
FOR GREATER CAIRO WATER SUPPLY ("GOGCWS") 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 Borrower 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 assistance to the Government of the Arab Republic of Egypt for (1) rehabilitation and expansion of the Rod El Farag Water Treatment Plant in Cairo and (2) extension of the existing Cairo water distribution system through installation of water connections in 40,000 homes (hereinafter referred to as the "Project"). The funds made available under the Loan will be reloaned to GOGCWS, which will be the implementing agency for 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 9.2 without formal amendment of this Agreement.

ARTICLE 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Thirty Million United States ("U.S.") Dollars (\$30,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project. (a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Borrower for the Project will be not

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

less than Twelve Million Egyptian Pounds (L.E. 12,000,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is January 31, 1982 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 Loan will have been performed and all goods financed under the Loan 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 Loan (1) in response to requests received by A.I.D. after July 31, 1981, or (2) 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 8.1 no later than seven (7) 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be repayable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower 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) An opinion of the Minister of Justice or of other counsel acceptable to A.I.D. that this Agreement and the Reloan Agreement have been duly authorized and/or ratified by, and executed on behalf of, the Borrower and GOGCWS, and that they constitute valid and legally binding obligations of the Borrower and GOGCWS in accordance with all of their terms;

(b) A statement of the names of the persons holding or acting in the offices of the Borrower specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) Evidence that the loan proceeds will be made available to GOGCWS on terms and conditions acceptable to A.I.D., in the form of a Reloan Agreement conforming to Section 6.2;

(d) An executed contract for the services of a U.S. engineering consulting firm for the preparation of detailed designs for project execution; and

(e) Such other documentation as A.I.D. may require.

SECTION 5.2. Additional Disbursement. Prior to any disbursement, or to the issuance of any commitment documents under the Project Agreement for procurement of plant and equipment for the Rod El Farag Plant and for the installation of house connections, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(a) A financial and physical plan for the installation of distribution lines;

(b) A plan for the house connections, acceptable to A.I.D., which shows at a minimum, the criteria for selecting customers and the financing to be made available to customers; and

(c) A detailed implementation plan, using either the Critical Path Method or the Project Evaluation Review Technique, for the rehabilitation and expansion of the Rod El Farag Plant.

SECTION 5.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1 and 5.2, have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 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 Borrower.

ARTICLE 6: Special Covenants.

SECTION 6.1. 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 6.2. Reloan by Borrower to GOGCWS. In order to assist GOGCWS in carrying out the Project, the Borrower shall relend to GOGCWS the proceeds of the Loan under a reloan agreement ("Re-loan Agreement") to be entered into between the Borrower and GOGCWS under terms and conditions satisfactory to A.I.D. Such terms and conditions shall include, but not be limited to, repayment by GOGCWS within twenty-five (25) years, including a five (5) year grace period, and an interest rate of six percent (6%) per annum.

SECTION 6.3. Financial Covenants. Except as A.I.D. may otherwise agree in writing, the Borrower shall assure adequate long-term financing for GOGCWS's authorized expansion program and any modifications and adaptions to such program. No later than December 31, 1979: (1) the financing so provided will be divided between equity contributions and loans in such a manner that the debt to equity ratio will be no greater than 1.5:1, and (2) tariffs shall be set at a level high enough to produce an annual rate of return of six percent (6%) per annum on average net fixed assets in operation, appropriately valued and revalued from time to time.

ARTICLE 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 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 (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

ARTICLE 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 Borrower'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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

ARTICLE 9: Miscellaneous:

SECTION 9.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

TO THE BORROWER:

General Organization Greater Cairo Water Supply
42 Ramses St.
Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

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 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Minister of Housing and Reconstruction, Chairman GOGCWS and First Undersecretary of State for Economy and Economic Cooperation and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., 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 Borrower, 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 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) [¹] is attached and forms part of this Agreement.

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

ARAB REPUBLIC OF EGYPT UNITED STATES OF AMERICA

By: MAHMOUD SALAH EL-DIN HAMED	By: H. FREEMAN MATTHEWS, JR.
Name: Dr. Mahmoud Salah El Din Hamed	Name: H. Freeman Matthews, Jr.
Title: <i>Minister of Finance and Acting Minister of Economy and Economic Cooperation</i>	Title: <i>Chargé d'Affaires a.i.</i>

GOGCWS	MÖHR
By: Ezz FARAOQ	By: H. M. HASSAN
Name: Eng. Ezz El Din Faraq	Name: Hassan Mohamed Hassan
Title: <i>Chairman</i>	Title: <i>Minister</i>

ANNEX 1

PROJECT DESCRIPTION

The Project consists of two elements: (1) the design and construction of an expansion and rehabilitation of the Cairo Rod El Farag Water Treatment Plant, including interconnecting transmission lines; and (2) the installation of approximately 40,000 house-service connections with means of disposing of the generated wastewater. The proposed A.I.D. assistance will finance the foreign exchange costs estimated at \$20 million for the plant expansion and lines and \$10 million for the house connections. The Rod El Farag project more specifically consists of new raw water intake facilities, new mixing basins, modification of the existing clarifiers and sedimentation basins,

¹ See footnote 1, p. 4425.

a new electric motor-driven filtered water pumping station, a new chemical mixing facility, 2.4 km of 1200 MM diameter ductile iron, and cement lined transmission lines with necessary valves and fittings.

The house connection project consists of installing water connections in approximately 40,000 residences not presently serviced. A typical installation will be a half inch connection pipeline, a buried corporation cock, a lockable corporation cock, a meter and hose babb. The installation will include a floor sink and drain line to collect and transfer waste and spilled water to existing disposal points. In selecting the residences in which to install water connections the GOGCWS will give priority to the Khalifa, Shoubra, Matareya, Masr El-Kadima, Sahel and Rod El Farag districts of the city.

Attachment A to Annex 1

PROJECT FINANCIAL PLAN

(Source and Application of Funding)

As of September 19, 1977

Project No. 263-0038

<u>Project Inputs</u>	<u>Amount for a Fully Funded Project</u>		
	<u>Loan (U.S. \$)</u>	<u>Grant</u>	<u>(L.E.)</u>
Rod El Farag Plant	20,000,000		4,500,000
House Connections	10,000,000		7,500,000
Total Project Costs	<u>30,000,000</u>		<u>12,000,000</u>

FEDERAL REPUBLIC OF GERMANY

Narcotic Drugs

*Agreement effected by exchange of notes
Signed at Bonn and Bonn-Bad Godesberg June 9, 1978;
Entered into force June 9, 1978.*

*The German State Secretary of Foreign Affairs to the American
Ambassador*

DER STAATSSEKRETÄR
DES AUSWÄRTIGEN AMTS
510-511.22 USA

BONN, den 9.Juni 1978

Herr Botschafter,

ich beehe mich, Ihnen eine Vereinbarung über Richtlinien für die künftige Zusammenarbeit auf dem Gebiet der Bekämpfung des Drogen- und Rauschmittelmißbrauchs zwischen der Bundesrepublik Deutschland und den Vereinigten Staaten von Amerika vorzuschlagen, deren deutsche Fassung wie folgt lautet:

Das deutsch-amerikanische Programm soll die gemeinsamen Anstrengungen für die Kontrolle des Mißbrauchs von Drogen und Rauschmitteln unterstützen. Im Rahmen dieses Programms werden die beteiligten Regierungen alle gemeinsam interessierenden Fragen auf dem Gebiet der Bekämpfung des Drogen- und Rauschmittelmißbrauchs erörtern und damit zur Lösung dieses internationalen Problems beitragen. Das Programm wird in dem Bewußtsein aufgestellt, daß die Gefährdung des Einzelnen durch den Drogenmißbrauch am besten durch eine internationale Zusammenarbeit auf breiter Grundlage verringert werden kann. Dieses bilaterale Programm soll daher diejenigen internationalen Übereinkommen und Aktivitäten berücksichtigen, die im Rahmen der Zusammenarbeit auf diesem Gebiet zwischen den Mitgliedern der Europäischen Gemeinschaft erörtert und gebilligt werden.

1. Es wird eine zentrale Arbeitsgruppe geschaffen, zu deren Mitgliedern Vertreter der beteiligten Ministerien der Bundesrepublik Deutschland und für die Regierung der USA von der Amerikanischen Botschaft benannte Sachverständige, einschließlich der Mitglieder der Verwaltung für die Durchführung der Suchtstoffvorschriften der USA sowie Vertreter der Streitkräfte der USA, gehören.

TIAS 9407

Die Zentrale Arbeitsgruppe wird mindestens zweimal im Jahr unter deutscher Leitung zusammenentreten und wird ein allgemeines Programm mit Angaben für die Festsetzung von Prioritäten erarbeiten. Besonders zu achten ist auf:

- 1.1. Die Verbesserung der operativen Möglichkeiten für die Durchführung der internationalen Suchtstoffvorschriften bei gemeinsamen Vorhaben; und
 - 1.2. die Untersuchung der Möglichkeit gemeinsamer Programme, die sich der Forschung und Technologie widmen.
 - 1.3. Jede Regierung wird einen Vertreter benennen, der das deutsch-amerikanische Programm laufend koordinieren wird.
2. Die zentrale Arbeitsgruppe wird ständige Unterausschüsse für besondere Fachgebiete einsetzen, die ihre Arbeit koordinieren und sicherstellen, daß sie sich untereinander über verwandte Zuständigkeitsgebiete einigen. Sie treten auf Beschuß der zentralen Arbeitsgruppe und nach Bedarf zusammen. Für jeden einzelnen Unterausschuß werden Berichterstatter benannt; diese werden die für die Arbeit der Unterausschüsse erforderliche Unterstützung der Verwaltung in die Wege leiten.
 3. Die Arbeit folgender ständiger Unterausschüsse wird von der zentralen Arbeitsgruppe, an die sie zu berichten haben, koordiniert werden.
 - 3.1. Unterausschuß für Prävention und Medizin, der sich mit allen beiden Regierungen interessierenden Fragen der Behandlung und Nachbehandlung von Suchtstoffwirkungen, der frühzeitigen Diagnose, der gesundheitlichen Aufklärung usw. befassen wird. Dieser Unterausschuß soll abwechselnd unter der Leitung eines Beamten des Bundesministeriums für Jugend, Familie und Gesundheit bzw. eines amerikanischen Sachverständigen zusammentreten.
 - 3.2. Unterausschuß für Rechtsfragen, der alle für den gemeinsamen Kampf gegen den Mißbrauch von Drogen und Rauschmitteln einschlägigen Rechtsfragen erörtern wird. Dieser Unterausschuß soll abwechselnd unter der Leitung

eines Beamten des Bundesministeriums für Jugend, Familie und Gesundheit bzw. eines amerikanischen Sachverständigen zusammenentreten.

3.3. Unterausschuß repressive Maßnahmen, in dem alle Fragen der Koordinierung der Bekämpfung des illegalen Rauschgiftshandels in der Bundesrepublik Deutschland in Zusammenarbeit mit ausländischen, insbesondere amerikanischen Dienststellen bearbeitet werden. Seine Aufgabe besteht in der Informationssammlung und in der Erarbeitung präventiver und repressiver Bekämpfungsmethoden, wie Aus- und Weiterbildung von Rauschgiftsachbearbeitern der Polizei-, Zoll- und Grenzschutzorgane, der kriminaltechnischen Ermittlungsmethoden, des Austausches kriminalpolizeilicher Erkenntnisse und anderer einschlägiger Informationen, ohne in die Exekutivbefugnisse der jeweils zuständigen Behörden einzutreten.

Die Verantwortlichkeiten des Unterausschusses werden von der Ständigen Arbeitsgruppe "Rauschgift" beim BKA übernommen werden, in der auch die amerikanische Seite durch ständige Mitglieder vertreten ist. Die Stellung und die sonstigen Aufgaben der Ständigen Arbeitsgruppe Rauschgift bleiben unberührt.

3.4. Unterausschuß - Streitkräfte -, in dem alle mit der Bekämpfung des Drogen- und Rauschmittelmisbrauchs zusammenhängenden Angelegenheiten, die für die amerikanischen und deutschen Streitkräfte bedeutsam und von allgemeinem Interesse sind, behandelt werden. Zu dem Unterausschuß sollen insbesondere Truppenkommandeure, Ärzte und Psychologen gehören. Der Unterausschuß wird abwechselnd unter der Leitung eines (Sanitäts)-Offiziers des Bundesministeriums der Verteidigung bzw. der amerikanischen Streitkräfte zusammenentreten.

4. Fragen der Unterlagensammlung, -speicherung und -dokumentation, soweit sie nicht zur Polizei- und Zollkontrolle gehören, sollen unter die Zuständigkeit der entsprechenden Stellen fallen.

5. Die Kosten für die Teilnehmer an Tagungen der zentralen Arbeitsgruppe und der Unterausschüsse sollen von der entsprechenden Regierung übernommen werden; alle anderen mit den Tagungen und ihrer Vorbereitung verbundenen Kosten sollen von der als Gastgeber für die besagten Tagungen tätig werden- den Regierung getragen werden; die zentrale Arbeitsgruppe wird die Finanzierung der gemeinsamen Aktivitäten von Fall zu erörtern.
6. Diese Richtlinien gelten außer Ziffer 3.4 auch für das Land Berlin, sofern nicht die Regierung der Bundesrepublik Deutschland gegenüber der Regierung der Vereinigten Staaten von Amerika innerhalb von drei Monaten nach Inkrafttreten dieser Richtlinien eine gegenteilige Erklärung abgibt.

Für eine Bestätigung dieser Note wäre ich Ihnen dankbar. Diese Note und die das Einverständnis ausdrückende Note Eurer Exzellenz werden sodann eine Vereinbarung zwischen unseren beiden Regierungen bilden, die mit dem Datum Ihrer Antwortnote Wirksamkeit erlangt.

Genehmigen Sie, Herr Botschafter, die Versicherung meiner ausgezeichnetsten Hochachtung.



(Günther van Well)

Seiner Exzellenz
dem Botschafter
der Vereinigten Staaten von Amerika
Herrn Walter J. Stoessel, Jr.
Bonn-Bad Godesberg

TRANSLATION

STATE SECRETARY
OF FOREIGN AFFAIRS
510-511.22 USA

BONN, June 9, 1978

Mr. Ambassador:

I have the honor to propose to you an agreement on Guidelines for the Future Cooperation between the Federal Republic of Germany and the United States of America in the Field of Control of Drug and Narcotics Abuse which, in German, reads as follows:

[For the English language text, see pp. 4440-4442.]

I should appreciate your confirmation of this note. This note and your Excellency's note of confirmation shall then constitute an Agreement between our two Governments which shall become effective on the date of your reply.

Accept, Mr. Ambassador, the assurances of my highest consideration.

"Gunther van Well

His Excellency
Walter J. Stoessel, Jr.
Ambassador of the United
States of America
Bonn-Bad Godesberg

The American Ambassador to the German State Secretary of Foreign Affairs

BONN-BAD GODESBERG

June 9, 1978

The Honorable
GUENTHER VAN WELL
State Secretary of Foreign Affairs
5 Woerthstrasse
5300 Bonn 1

MR. STATE SECRETARY:

I have the honor to acknowledge the receipt of your letter of June 9, 1978 by which you propose the agreement on Guidelines for the Future Cooperation in the Field of Control of Drug and Narcotics Abuse.

Your Letter reads as follows:

II. English Version

The German-American joint program is designed to support mutual efforts to check drug and narcotics abuse. Under this program the participating Governments will consider all questions of common interest in the field of drug and narcotics abuse and thereby contribute to a solution of this international problem. The program is established in the awareness that the danger to individuals through the abuse of drugs can best be diminished through broad-based international cooperation. This dilateral program shall, therefore, take into account those international agreements and activities that are discussed and agreed upon in the framework of cooperation in this field among the members of the European Community.

1. A central Working Group will be set up, the membership of which will include representatives of participating ministries of the Federal Republic of Germany, and, for the U.S. Government, specialists named by the American Embassy, including members of the U.S. Drug Enforcement Administration and representatives of the U.S. Forces. The Central Working Group will meet at least twice a year under German chairmanship and will formulate an overall program in sufficient detail to establish priorities. Particular attention shall be given to:

- 1.1. Improving the operational possibilities of implementing international drug regulations in cooperative efforts; and
- 1.2. Investigating the possibility of joint programs devoted to research and technology.
- 1.3. Each Government will designate one representative who will continuously coordinate the German-American program.

2. The Central Working Group will establish permanent sub-committees for special subject areas which shall coordinate their work and ensure that they agree among themselves concerning related areas of responsibility. They will meet as decided by the Central Working Group and as required. Rapporteurs will be named for each sub-committee; they will arrange the administrative support required for the work of the sub-committees.

3. The work of the following permanent sub-committees will be coordinated by the Central Working Group, to which they will report.

3.1. Sub-committee on Prevention and Medicine, which will be concerned with all questions of treatment and post-treatment of drug effects, early diagnosis, "drug education", etc., which are of interest to both Governments. This sub-committee shall meet under the alternate chairmanship of an official of the Federal Ministry of Youth, Family Affairs and Health, and an American expert.

3.2. Sub-committee on Legal Questions, which will discuss all legal questions relevant to the common fight against drug and narcotics abuse. This sub-committee shall meet under the alternate chairmanship of an official of the Federal Ministry of Youth, Family Affairs and Health and an American expert.

3.3. Sub-committee for Police and Customs Enforcement Measures, which will be concerned with the coordination of all measures against illegal drug trafficking in the Federal Republic of Germany in cooperation with foreign, particularly American, authorities. Without infringing on the executive powers of the competent authorities, the sub-committee will collect information and develop preventive and enforcement control measures such as the education and further training of narcotics specialists of the police, customs, and border protection agencies, technical criminal investigation methods, and the exchange of criminal police information as well as other relevant information. The responsibilities of the sub-committee will be assumed by the Permanent Working Group on Narcotics of the Bundeskriminalamt, in which the American side is permanently represented. The position and other functions of this Working Group will remain unaffected.

3.4. Sub-committee—Military, in which all matters related to drug control of significance and common interest to U.S. and German military forces will be considered. In particular troop commanders, medical officers and psychologists shall belong to the sub-committee. The sub-committee will meet under the alternate chairmanship of an (medical) officer of the Federal Ministry of Defense and of the U.S. Forces.

4. Questions of data collection, storage, and documentation, in so far as they are not the responsibility of police and customs, shall come under the jurisdiction of the appropriate agencies.

5. The costs for participants in Central Working Group and sub-committee meetings shall be assumed by the sending Government;

all other costs associated with meetings and their preparation shall be borne by the Government acting as host for said meetings; the Central Working Group will consider the financing of joint activities on a case-by-case basis.

6. These guidelines, with the exception of paragraph 3.4., shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the United States of America within three months of the date of entry into force of these guidelines.

I have the honor to confirm to you that my Government agrees with the content of your Letter. Your Letter and this Letter of Confirmation thus constitute an Agreement between our two Governments, which becomes effective on the date of this reply.

Accept, Sir, the renewed assurances of my highest consideration.

Sincerely,

WALTER J. STOESSEL, JR.

Walter J. Stoessel, Jr.
American Ambassador

MEXICO
Tourism

*Agreement signed at México May 4, 1978;
Entered into force February 20, 1979.*

UNITED STATES-MEXICO TOURISM AGREEMENT

Considering:

The value of strengthening United States-Mexican friendship and taking full advantage of the possibilities offered by the geographical proximity of their extended border;

That both countries face an historic opportunity for creating a new concept of neighborly relations, manifest by the interest which Mrs. Rosalyn Carter and Mrs. Carmen Romano de López Portillo have expressed in the enrichment of human and cultural resources along the common border;

That international cooperation and economic exchange should serve to foster man's development, to enhance mutual respect for human dignity, and to promote shared well-being;

That tourism, because of its socio-cultural and economic dynamics, is an excellent instrument for promoting understanding, goodwill, and close relations between people;

That a valuable structure for tourism, already existing between both countries, stands ready for further development;

The Governments of the United States of America and of the United Mexican States agree to conclude a Tourism Agreement which, within their respective legal frameworks, will promote objectives inspired in the following provisions:

ARTICLE I

Development of the Tourism Industry and Infrastructure

1. The Parties will facilitate, within their respective territories, the establishment and operation by the other Party of official travel promotion offices.

2. The Parties, subject to their laws, will facilitate and encourage the activities of travel agents, tour operators, airlines, railroads, motor coach operators, and steamship companies generating two-way tourism between their countries.

3. Each Party will:

a. Permit air and surface carriers of the other Party, whether public or private, to appoint sales representatives in its territory in order to market their services;

b. Encourage the carriers of the other Party to develop and promote, through designated and authorized sales outlets in its territory, special or excursion fares designed to encourage reciprocal tourist travel;

c. Permit the sale of promotional railway tickets by carriers of the other Party through appropriate outlets in its territory; and

d. Expedite, to the extent possible, the award to the carriers of new air routes established under the bilateral Air Transport Agreement signed by both countries.^[1]

4. To the extent that either Party is subject to statutes imposing duties on the entrance of ticket stock or sales materials of the carriers or tourism enterprises of the other, that Party shall review those statutes with the objective of providing for the eventual duty-free entry of such materials on a reciprocal basis.

^[1] TIAS 4675, 7167, 8916; 12 UST 75; 22 UST 1492; 29 UST 2000.

ARTICLE II

Facilitation and Documentation

1. The Parties will endeavor to reduce, simplify, or eliminate, as appropriate, barriers to entry of tourists into both countries.
2. The Parties will consult on the opening of additional border crossing points and on the designation of such points as high priority based on the needs of touristic development of each area.
3. The Parties will encourage the training of personnel at ports of entry and elsewhere within their respective territories so that tourists' rights are respected and tourists of both countries are extended all appropriate courtesies.
4. The Parties shall consider, on the basis of reciprocity, and on official request, waiving applicable visa fees for the entry and exit of teachers of and experts in tourism.
5. Aware of the importance of automobile collision and liability coverage to automobile tourism between the two countries, the Parties agree to publicize the automobile insurance requirements of their respective territories in the territory of the other, either by distributing information through their respective national tourist offices or by other appropriate means, in accordance with applicable regulations in each country.

6. Both Parties recognize the necessity of promoting, within their respective capabilities and administrative faculties, the health and safety of tourists from the other country, whether traveling by automobile or any other means of transportation, and will either provide information about available medical services or encourage other organizations or agencies to do so as needed.

ARTICLE III

Border, Cultural, and Tourism Programs

1. The Parties regard it appropriate to establish in the near future a program of tourist and cultural activities designed to strengthen gradually the ties between the peoples of the border area and to improve the overall quality of life of the inhabitants of both countries and will consider parallel programs which are consistent with the cultural heritage and economic level of each country, facilitate the exchange of ideas and human experiences, and convert this region into an attractive zone for visitors.

2. The Parties will consider it of high priority to promote travel to areas characterized by incipient development which contain examples of the native culture of each country, and to develop and improve tourist facilities and attractions in those areas.

3. The Parties will encourage the balanced and objective presentation of their respective historic and socio-cultural heritages, promoting respect for human dignity and conservation of the cultural and ecological environment and, in their role of receiving tourists, will endeavor to be better hosts.

4. The Parties will exchange information concerning the use of facilities for shows and exhibitions in their countries.

ARTICLE IV

Development of Tourism from Third Countries

1. The Parties will establish joint promotional programs in other countries to encourage travel to the United States and Mexico as a common tourist destination.

2. The Parties consider it desirable to operate familiarization and itinerary planning tours for tour wholesalers and operators, travel agents and travel writers from third countries. The purpose of such tours will be to facilitate the development and marketing in third countries of tour packages featuring destinations in both countries.

3. Each Party shall be responsible for the planning, financing, and operation of that portion of any familiarization or itinerary planning tour which is carried out within its own territory.

4. The Parties agree that any reduction in transportation rates for participants of jointly operated tours will be authorized at the discretion of their respective authorities.

ARTICLE V

Tourism Training

1. The Parties consider it desirable to encourage their respective experts to exchange technical information and/or documents in the following fields:

a. Systems and methods to prepare teachers and instructors on technical matters, particularly with regard to hotel operation and administration, food preparation, food and beverage costs, maintenance, marketing, entertainment, and hosting;

b. Scholarships for teachers, instructors, and students;

c. Curricula and study programs to train personnel who provide tourism services, especially in the border area; and

d. Curricula and study programs for hotel schools.

2. The Parties will encourage the publication of an English-Spanish dictionary of tourism terms, taking into account the Dictionary of Tourism Terms published in Spanish in Mexico.

3. Each Party will encourage their respective students and professors of tourism to take advantage of fellowships offered by colleges, universities, and training centers of the other.

ARTICLE VI

Tourism Statistics

1. Both Parties will do what is possible to improve the reliability and compatibility of statistics on tourism between the two countries, both in the border and interior regions.

2. The Parties agree to establish a technical committee on tourism statistics in which the competent agencies of both countries shall participate.

3. This committee shall address itself to the exchange and reconciliation of statistical data measuring tourism between the two countries and to the improvement of methods of collecting such data.

4. The committee shall meet at least twice a year, once in the United States, once in Mexico, or as often as may be necessary.

5. The Parties consider it desirable to exchange information on the size and characteristics of the actual and potential tourism markets in their two countries.

ARTICLE VII

Consultations

The Parties agree that tourism and tourism matters shall be discussed, as appropriate, in bilateral consultations attended by representatives of their official tourism organizations. These meetings shall occur at least once every two years, the site of which shall alternate between the two countries.

ARTICLE VIII

Period of Effectiveness

1. Each Party shall inform the other by way of diplomatic note of the completion of the necessary legal requirements for the entry into force of the present Agreement in its country. The Agreement shall enter into force upon receipt of such notification by the second Party.^[1]

2. Upon entry into force, this Agreement shall be valid for a period of five years and may be renewed for additional periods of five years if neither Party expresses objection.

3. The Agreement may be terminated by either of the Parties thirty days after that Party transmits written notice of intention to terminate to the other Party.

¹ Feb. 20, 1979.

DONE in duplicate at Mexico on May 4, 1978, in English
and Spanish, both versions being equally authentic.

Cyrus Vance [1]
FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

S. Roel [2]
FOR THE GOVERNMENT OF THE
UNITED MEXICAN STATES:

¹ Cyrus Vance.
² S. Roel.

CONVENIO DE TURISMO ENTRE LOS ESTADOS UNIDOS DE AMERICA
Y LOS ESTADOS UNIDOS MEXICANOS

CONSIDERANDO:

La conveniencia de robustecer la amistad entre los Estados Unidos de América y los Estados Unidos Mexicanos y de aprovechar al máximo las posibilidades que les brinda la proximidad geográfica resultante de su extensa frontera común;

Que ambos países tienen la oportunidad histórica de crear un nuevo concepto de la convivencia en la vecindad, manifiesto en el interés que las Sras. Rosalyn Carter y Carmen Romano de López Portillo han mostrado por el enriquecimiento de los recursos humanos y culturales del área fronteriza;

Que la cooperación internacional y el intercambio económico deben procurar el desarrollo humano, alentar el respeto mutuo a la dignidad del hombre y promover el bienestar compartido;

Que en razón de su dinámica sociocultural y económica el turismo es excelente instrumento para promover la comprensión, la buena voluntad y relaciones estrechas entre los pueblos;

Que entre ambos países ya opera una estimable estructura de intercambio turístico susceptible de ser ampliada;

Los Gobiernos de los Estados Unidos de América y de los

Estados Unidos Mexicanos convienen en celebrar un Convenio de Turismo que, dentro de los respectivos marcos legales de cada país, atenderán objetivos inspirados en las siguientes disposiciones:

ARTICULO 1

DESARROLLO DE LA INFRAESTRUCTURA Y LA INDUSTRIA TURÍSTICA.

- 1.- Las partes facilitarán, en sus territorios respectivos, el establecimiento y el funcionamiento de oficinas promotoras de viajes del sector público de la otra parte.
- 2.- Las partes, sujetas a lo que estipulen sus leyes respectivas, otorgarán facilidades y estimularán las actividades de los agentes de viajes, operadores de excursiones, aerolíneas, ferrocarriles, compañías de autobuses y navieras que generen turismo bilateral entre ambos países.
- 3.- Cada parte:
 - a) Permitirá a los transportistas aéreos o terrestres, públicos o privados de la otra parte, designar representantes de ventas en su territorio para hacer llegar al mercado la oferta de sus servicios.
 - b) Estimulará a los transportistas del otro país a desarrollar y promover tarifas especiales o de excusión a través de las representaciones designadas y autorizadas en su territorio, con el propósito de alentar el turismo en forma recíproca.

- c) Permitirá la venta de boletos promocionales de ferrocarril de los operadores de la otra parte, a través de los canales adecuados establecidos en su territorio.
 - d) Agilizará en lo posible el otorgamiento de concesiones a transportistas, sobre nuevas rutas aéreas establecidas en el Convenio Bilateral Aéreo firmado por ambos países.
- 4.- En la medida en que cada una de las partes esté sujeta a su legislación fiscal que fija impuestos a la importación de boletaje y material promocional de los transportistas y de las empresas turísticas de la otra, cada parte revisará dichos ordenamientos con el objeto de que la importación de dichos materiales pueda, en el futuro, ser libre de impuesto, en forma reciproca.

ARTICULO II

FACILITACION Y DOCUMENTACION

- 1.- Las partes se esforzarán por reducir, simplificar o eliminar, en su caso, los obstáculos para la internación de los turistas en ambos países.
- 2.- Las partes se consultarán respecto de la apertura de puertos fronterizos adicionales y la designación de tales puertos como de alta prioridad en base a las necesidades de

desarrollo turístico de cada área.

- 3.- Las partes promoverán la capacitación del personal en los puertos de entrada y en el resto de sus territorios para que se respeten los derechos y se otorguen las cortesías apropiadas a los turistas de ambos países.
- 4.- Las partes procurarán, sobre la base de la reciprocidad y a petición oficial, el otorgamiento de los permisos de cortesía para la entrada y salida de catedráticos y expertos en turismo.
- 5.- Conscientes de la importancia de disponer de un seguro que cubra accidentes automovilísticos, así como daños a terceros, para turistas que viajen por vía terrestre entre ambos países, las partes acuerdan difundir los requerimientos de las pólizas de seguro correspondientes en sus respectivos territorios y en el de la otra parte, ya sea distribuyendo la información a través de sus oficinas de turismo respectivas o a través de otros medios apropiados de acuerdo con las disposiciones reglamentarias de cada país.
- 6.- Ambas partes reconocen la necesidad de promover, dentro de sus respectivas competencias y facultades administrativas, la salud y la seguridad de los turistas del otro país que viajen en automóvil o en cualquier otro medio de transporte, y facilitarán la información de los servi-

ciones u organismos a hacerlo cuando sea necesario.

ARTICULO III

PROGRAMAS TURISTICOS, CULTURALES Y FRONTERIZOS.

- 1.- Ambas partes estiman conveniente establecer a breve plazo un programa de acciones turísticas y culturales que contemple un gradual estrechamiento de vínculos entre los habitantes de la franja fronteriza y un mejoramiento global en la calidad de la vida de los habitantes de ambos países, y considerarán acciones paralelas que respondan a los niveles económicos y a la tradición cultural de cada país, faciliten el intercambio de ideas y de experiencias humanas, y conviertan a esa región, en un cinturón de atractivos para sus visitantes.
- 2.- Ambas partes considerarán prioritario promover turismo hacia aquellas áreas de desarrollo incipiente que alberguen manifestaciones culturales características de cada país y, en esas áreas desarrollar y mejorar los atractivos turísticos.
- 3.- Ambas partes fomentarán la presentación equilibrada y objetiva de sus patrimonios históricos y socioculturales respectivos, alentando el respeto a la dignidad humana y a la preservación del ambiente cultural y ecológico.

co; y procurarán, en su función de receptores turísticos, ser mejores anfitriones.

- 4.- Ambas partes se orientarán mutuamente acerca de la utilización de instalaciones para espectáculos y exposiciones en sus países.

ARTICULO IV

DESARROLLO DEL TURISMO DE TERCEROS PAISES.

- 1.- Las partes implementarán programas promocionales conjuntos en terceros países, buscando incrementar los viajes a México y Estados Unidos como destino turístico común.
- 2.- Las partes consideran deseable operar viajes de familiarización y de planeación de itinerarios para mayoristas, operadores de viajes, agentes y escritores de viajes de terceros países. El propósito de estos viajes será facilitar el desarrollo y la comercialización en terceros países de paquetes de viaje que comprendan destinos turísticos de ambos países.
- 3.- Cada parte será responsable de la planeación, financiamiento y operación de la porción de cualquier viaje de familiarización de itinerarios que se lleve a cabo en su territorio.
- 4.- Las partes acuerdan que cualquier reducción en las ta-

rifas de transporte para los participantes de viajes operados conjuntamente, será autorizada a discreción de las autoridades respectivas de cada país.

ARTICULO V

CAPACITACION TURISTICA.

- 1.- Ambas partes consideran deseable alentar a sus respectivos expertos para que participen en un intercambio de documentación técnica que se refiera a los siguientes temas:
 - a) Sistemas y métodos para la preparación de maestros e instructores en materias técnicas, particularmente en operación y administración hotelera, preparación de alimentos, costos de alimentación y bebidas, mantenimiento, mercadotecnia, recreación y anfitrionería.
 - b) Becas para maestros, instructores y estudiantes.
 - c) Planes y programas de estudio para capacitar profesionales de servicios turísticos especialmente los que operan en el área fronteriza.
 - d) Planes y programas de estudio de escuelas-hoteles.
- 2.- Ambas partes alentarán la publicación de un diccionario Español-Inglés de voces turísticas, tomando en cuenta

sideración el "Diccionario de Términos Turísticos"
editado en español en México.

- 3.- Cada parte alentará a sus respectivos estudiantes y maestros de turismo a hacer uso de becas ofrecidas por escuelas, universidades, y centros de capacitación de la otra parte.

ARTICULO VI

ESTADISTICA TURISTICA.

- 1.- Ambas partes harán lo posible para mejorar la confiabilidad y compatibilidad de las estadísticas sobre el turismo entre los dos países, tanto el fronterizo como el que se dirige al interior.
- 2.- Los países acuerdan integrar un comité técnico de estadística en materia de turismo, en el cual participarán las entidades competentes de ambos países.
- 3.- Este comité tendrá a su cargo el intercambio y compatibilización de datos estadísticos que midan el flujo turístico entre los dos países y al mejoramiento de los métodos de recolección de dichos datos.
- 4.- Este comité sesionará, a visita recíproca, por lo menos dos veces al año, o tan frecuentemente como sea necesario.
- 5.- Las partes consideran deseable intercambiar informa-

ción respecto al volumen y características de los mercados turísticos reales y potenciales de ambos países.

ARTICULO VII

CONSULTAS

Ambos países convienen en que el turismo y los temas relacionados con la actividad turística serán discutidos, cuando sea conveniente, en consultas bilaterales a las que asistirán representantes de sus organismos oficiales de turismo. Estas reuniones se efectuarán por lo menos cada dos años en visita recíproca.

ARTICULO VIII

PERIODO DE VIGENCIA

Cada una de las partes informará a la otra, por nota diplomática, de que se completaron los requisitos legales necesarios para la entrada en vigor del presente convenio en su respectivo país.

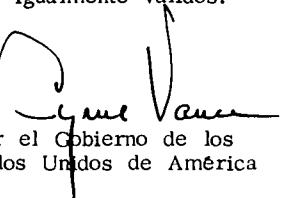
El acuerdo entrará en vigor al recibir la segunda parte tal notificación.

Al entrar en vigor, este convenio tendrá validez por un período de 5 años y podrá ser renovado por períodos adicionales de 5 años si ninguna de las partes expresa objeción alguna.

El convenio puede ser terminado por cualquiera de las par-

tes, 30 días después de que esa parte haya notificado por escrito a la otra parte, su intención de darlo por terminado.

Hecho por duplicado en la Ciudad de México el día cuatro del mes de mayo de 1978 en inglés y español siendo ambos textos igualmente válidos.


Por el Gobierno de los
Estados Unidos de América


Por el Gobierno de los
Estados Unidos Mexicanos

EGYPT

Irrigation Pumping

*Agreement signed at Cairo September 27, 1977;
Entered into force September 27, 1977.*

A.I.D. Loan Number 263-K-039
Project Number 263-0040

**PROJECT
LOAN AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF IRRIGATION
FOR
IRRIGATION PUMPING**

Dated: SEPTEMBER 27, 1977

TABLE OF CONTENTS

Project Loan Agreement

	<i>Page</i>	<i>[Pages herein]</i>
ARTICLE 1: The Agreement	1	4464
ARTICLE 2: The Project	2	4464
Section 2.1. Definition of Project	2	4464
ARTICLE 3: Financing	2	4464
Section 3.1. The Loan	2	4464
Section 3.2. Borrower Resources for the Project	3	4464
Section 3.3. Project Assistance Completion Date	4	4465
ARTICLE 4: Loan Terms	5	4465
Section 4.1. Interest	5	4465
Section 4.2. Repayment	5	4465
Section 4.3. Application, Currency, and Place of Payment	5	4465
Section 4.4. Prepayment	6	4466
Section 4.5. Renegotiation of Terms	6	4466
Section 4.6. Termination on Full Payment	7	4466
ARTICLE 5: Conditions Precedent to Disbursement	7	4466
Section 5.1. Conditions Precedent to Disbursement	7	4466
Section 5.2. Additional Disbursement	9	4467
Section 5.3. Notification	10	4467
Section 5.4. Terminal Dates for Conditions Precedent	10	4467
ARTICLE 6: Special Covenants	10	4467
Section 6.1. Project Evaluation	10	4467
ARTICLE 7: Procurement Source	11	4467
Section 7.1. Foreign Exchange Costs	11	4467
ARTICLE 8: Disbursements	11	4468
Section 8.1. Disbursement for Foreign Exchange Costs	11	4468
Section 8.2. Other Forms of Disbursement	12	4468
Section 8.3. Date of Disbursement	12	4468
ARTICLE 9: Miscellaneous	13	4468
Section 9.1. Communications	13	4468
Section 9.2. Representatives	14	4469
Section 9.3. Standard Provisions Annex ^[1]	15	4469

^[1] Not printed herein. For text, see TIAS 9458; *ante*, p. 4265.

A.I.D. Project No. 263-0040

**PROJECT LOAN AGREEMENT DATED: SEPTEMBER 27,
1977 AMONG THE ARAB REPUBLIC OF EGYPT ("ARE"),
AND THE MINISTRY OF IRRIGATION ("MINISTRY") 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 Borrower 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 installation of irrigation water pumping facilities at 34 sites in Middle and Upper Egypt, and will provide financing for the necessary equipment and supplies for the installation of new or replacement pumps. 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 9.2, without formal amendment of this Agreement.

ARTICLE 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Eleven Million United States ("U.S.") Dollars (\$11,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1 of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

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

(b) The resources provided by Borrower for the Project will not be less than Five Million Twenty-Eight Thousand Nine Hundred Egyptian Pounds (L.E. 5,028,900), including costs borne on an "in-kind" basis.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is February 28, 1981 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 Loan will have been performed and all goods financed under the Loan 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 Loan (1) in response to requests received by A.I.D. after January 31, 1980, or (2) 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 8.1 no later than five (5) 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and

then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower 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) An opinion of the Minister of Justice or of other counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower and the Ministry,

and it constitutes a valid and legally binding obligation of the Borrower and the Ministry in accordance with all of its terms;

(b) A statement of the names of the persons holding or acting in the offices of the Borrower specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) Evidence that the loan proceeds will be made available to the Ministry on terms and conditions acceptable to A.I.D.;

(d) An executed contract approved by A.I.D. with a U.S. consulting engineering firm acceptable to A.I.D. for project-related services; and

(e) Such other documentation as A.I.D. may require.

SECTION 5.2. Additional Disbursement. Prior to any disbursement, or to the issuance of any commitment documents under the Project Agreement for procurement of pumping, shop or transport equipment, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D. evidence of satisfactory arrangements with the Rural Electric Authority for installation of distribution lines, and with the Ministry of Transportation for provision of access roads to the project sites.

SECTION 5.3. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 5.1 and 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 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 Borrower.

ARTICLE 6: Special Covenants.

SECTION 6.1. 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.

ARTICLE 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 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 (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise

agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

ARTICLE 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 Borrower'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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

ARTICLE 9: Miscellaneous:

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To THE BORROWER:

Ministry of Irrigation
Kasr El Eini St.
Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

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 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Minister of Irrigation and First Undersecretary of State for Economy and Economic Cooperation and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., 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 Borrower, 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 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached and forms part of this Agreement.

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

ARAB REPUBLIC OF EGYPT

By: MAHMOUD SALEH EL-
DIN HAMED

Name: Dr. Mahmoud Saleh el
Din Hamed

Title: *Minister of Finance and
Acting Minister of
Economy and Economic
Cooperation*

UNITED STATES OF AMERICA

By: H. FREEMAN MAT-
THEWS, JR.

Name: H. Freeman Matthews,
Jr.

Title: *Charge d'Affaires a.i.*

MINISTRY OF IRRIGATION

By: A. A. ATTA

Name: A. A. Atta

Title: *Minister of Irrigation*

¹ See footnote 1, p. 4463.

ANNEX I**PROJECT DESCRIPTION**

This Project involves the replacement of 17 existing pump stations in Aswan and Qena Governorates and the installation of 17 new stations in Beni Suef, Minia and Sohog Governorates.

The Project also provides support equipment for pump station installation and maintenance and shop equipment to upgrade the maintenance and rebuild capability of existing shops. Funding is also being provided for consulting engineering services required for finalization of bidding documents, review of bids, award recommendations and monitoring of procurement and project implementation.

Attachment A to Annex 1

PROJECT FINANCIAL PLAN
(Source and Application of Funding)

As of September , 1977

Project No. 263-0040

Project Inputs	Loan (US \$)	Amount for a Fully Funded Project	
		Grant	Borrower/ Grantee (L.E.)
Pumping Stations-----	7,029,915		3,545,220
Support Equipment-----	1,378,685		360,930
Consultant Services-----	350,000		117,000
Contingencies			
Physical 10%-----	875,860		402,320
Price-----	1,365,540		603,430
Total Project Costs..	11,000,000		5,028,900

PEOPLE'S REPUBLIC OF CHINA
Trade Exhibitions

*Agreement signed at Beijing May 10, 1979;
Entered into force May 10, 1979.*

AGREEMENT BETWEEN

THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA

ON TRADE EXHIBITIONS

The Government of the United States of America and the Government of the People's Republic of China (hereinafter referred to as the two Parties);

Having agreed that commercial and economic ties are an important element in the general strengthening of relations between the two countries;

Noting the friendly talks held between Juanita M. Kreps, Secretary of Commerce of the United States of America, and Li Qiang, Minister of Foreign Trade of the People's Republic of China, on May 7, 1979, concerning the staging of trade exhibitions;

Believing that holding such exhibitions will substantially contribute to the development of bilateral commercial ties;

Have agreed as follows:

ARTICLE 1

The two Parties agree to stage trade exhibitions in each other's country. The United States agrees that the People's Republic of China may hold "the Economic and Trade Exhibition of the People's Republic of China" from May to October, 1980, in the cities of New York, Chicago, and San Francisco, and exhibitions in these and other cities of the United States in subsequent years. China agrees that the United States may hold an exhibition in Beijing in 1980 and exhibitions in Beijing and other cities in China in subsequent years. The United States

designates the United States Department of Commerce to assist and facilitate the People's Republic of China in holding exhibitions in the United States of America, in cooperation with appropriate organizations in the United States, and China designates the China Council for the Promotion of International Trade to assist and facilitate the United States of America in holding exhibitions in China.

ARTICLE 2

1. The two Parties will make every effort to have the responsible authorities take appropriate action to ensure the security of all articles for use in the trade exhibitions and the members of the exhibition delegations.

2. The two Parties agree to facilitate the entry into, exit from and travel within its territory of participants in trade exhibitions, subject to applicable laws and regulations.

3. The two Parties agree that all articles for use in the trade exhibitions will be imported on a duty-free basis, subject to applicable laws and regulations. If all or some of the articles used in the exhibitions are sold or otherwise transferred, the relevant customs regulations will apply.

4. Each Party agrees, upon request, to assist the other Party in employing qualified interpreters and other local personnel necessary to carry out trade exhibitions.

5. Each Party will encourage its responsible firms, companies and economic and trading organizations to provide the other Party or assist it in acquiring the services, facilities, and equipment needed for the staging of trade exhibitions.

ARTICLE 3

Each Party agrees to encourage and facilitate the staging of and participation in trade exhibitions by its firms,

companies and economic and trading organizations in the country
of the other Party.

ARTICLE 4

This Agreement shall enter into force upon the date of signature. It may be terminated by either Party at any time upon twelve (12) months' written notice.

This Agreement is made in Beijing, this 10th day of May, 1979, in duplicate, each in English and Chinese languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

FOR THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA

SECRETARY OF COMMERCE
OF THE
UNITED STATES OF AMERICA

MINISTER OF FOREIGN TRADE
OF THE
PEOPLE'S REPUBLIC OF CHINA

Juanita M. Kreps [1]

Li Qiang [2]

¹ Juanita M. Kreps.

² Li Qiang.

美利坚合众国政府和中华人民共和国政府**关于举办貿易展覽会的協議**

美利坚合众国政府和中华人民共和国政府（以下简称双方）；

同意贸易和经济联系是全面加强两国关系的重要因素；

注意到一九七九年五月七日美利坚合众国商务部长朱厄妮塔·

克雷普斯和中华人民共和国对外贸易部长李强关于举办贸易展览会的友好会谈；

相信举办展览会将大大有助于双边贸易关系的发展；

达成协议如下：

第 一 条

双方同意在对方国家举办贸易展览会。美国同意中华人民共和国于一九八〇年五月至十月在纽约、芝加哥和旧金山举办“中华人民共和国经济贸易展览会”和以后在这些以及美国其它城市举办展览会。中国同意美国于一九八〇年在北京和以后在北京以及中国其它城市举办展览会。美国方面指定美国商务部与美国有关组织合作，协助和便利中华人民共和国在美国举办展览会，中国方面指定中国国际贸易促进委员会协助和便利美利坚合众国在中国举办展览会。

第二条

1、双方将尽一切努力使有关当局采取适当措施确保展览会一切物品和展览团成员的安全。

2、在双方各自适用的法律和规章限定条件下，双方同意为展览会的参加者入境、出境和在其领土内旅行提供便利。

3、在双方各自适用的法律和规章限定条件下，双方同意用于贸易展览会的一切物品按免税进口。如果该物品的全部或部分出售或以其它方式转让时，应按有关的海关规章办理。

4、各方同意根据对方要求，协助对方雇请展览会所需的合格译员和其它当地人员。

5、各方将鼓励其有关商号、公司、经济和贸易组织提供或协助对方获得举办贸易展览会所需的服务、设施和设备。

第三条

各方同意鼓励和便利其商号、公司、经济和贸易组织在对方国家举办和参加贸易展览会。

第四条

本协议自签字之日起生效。任何一方在任何时候提前十二个月以书面通知便可终止本协议。

本协议于一九七九年五月十日在北京签订，一式两份，每份都用英文和中文写成，两种文本具有同等效力。

美利坚合众国政府代表

中华人民共和国政府代表

美利坚合众国商务部长

中华人民共和国外贸部长



REPUBLIC OF KOREA
Medical Treatment for Korean Veterans

*Agreement effected by exchange of notes
Signed at Seoul February 3, 1978;
Entered into force February 3, 1978.*

The American Ambassador to the Korean Administrator, Veterans Administration

EMBASSY OF THE
UNITED STATES OF AMERICA

February 3, 1978

No. 19

Excellency,

I have the honor to refer to the consultations between the representatives of our two Governments concerning the establishment of a humanitarian program for Korean veterans of the Korean and Vietnamese conflicts through the provision of medical treatment, plastic surgery and services leading to and provision of artificial extremities and to confirm the following arrangements agreed upon as a result of these consultations.

1. The United States Veterans Administration (V.A.) will provide medical treatment to Korean veterans of the Korean and Vietnam conflicts in V.A. hospitals in the United States, subject to the availability of facilities. This treatment includes but is not limited to paraplegic devices, prosthetic devices and plastic surgery.

2. The Republic of Korea Veterans Administration (ROKVA) will pay all costs for services performed and expenses incurred by the Veterans Administration in connection with the assistance specified in paragraph 1 above.

3. The ROKVA will pay travel and related expenses in bringing the veterans to the U.S. hospitals and in returning them to Korea.

4. The ROKVA will deposit in a U.S. dollar special fund Dollars 18,000 with the Veterans Administration.

5. The V.A. will account for all costs incurred in the administration of this program and will charge these costs against the dollar fund established by the ROKVA and will provide the ROKVA with quarterly accounting reports. Financial reports will provide data on

His Excellency
Kim, Jae Myung
Administrator
Republic of Korea Veterans Administration
Seoul

TIAS 9471

cumulative deposits into the fund from the ROKVA, amounts disbursed, amounts accrued for unbilled expenses, and the unexpended balance.

6. The V.A. will request additional fund deposits from the ROKVA when the financial reports indicate that a replenishment is necessary. The ROKVA will promptly remit such additional funds upon receipt of the V.A. request.

7. Payments are to be made by U.S. dollar check, payable to the U.S. Veterans Administration.

8. Promptly upon the completion of the project, the V.A. will submit to the ROKVA a statement setting forth all expenditures made under this arrangement. Any money remaining in the fund will be refunded to the ROKVA as soon as the V.A. has determined that all charges to the program have been properly accounted for.

9. The V.A. will send all accounting reports to the following address: Republic of Korea Veterans Administration 94-151 Yeongdeungpo-Dong, Yeongdeungpo-Gu, Seoul, Korea.

10. The ROKVA will ensure that all patients return to Korea as soon as they have completed their medical treatment.

11. The ROKVA agrees that no claim relating to this arrangement will be brought by the ROKVA against the Government of the United States or its employees that may arise as a result of the services furnished under this arrangement, and further agrees to hold the Government of the United States harmless against any and all liabilities that may arise as a result of the services furnished under this arrangement.

12. The present arrangement may be amended by mutual consent of both parties.

13. The present arrangement shall remain in force until sixty (60) days after receipt by either party of written notification of the intention of the other to terminate it. In the event of such termination the parties will consult regarding closing the program.

If the foregoing is acceptable to the Government of the Republic of Korea, I have the honor to propose that the present Note and Your Excellency's reply to that effect shall constitute an agreement between our two Governments in this matter which shall come into force on the date of your reply.

Accept, Excellency, the assurances of my highest consideration.

Dennis P. Barrett^[1]
Ambassador
of the United States

¹ Dennis P. Barrett.

*The Korean Administrator, Veterans Administration, to the
American Ambassador*

VETERANS ADMINISTRATION
REPUBLIC OF KOREA

February 3, 1978

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows:

"I have the honor to refer to the consultations between the representatives of our two Governments concerning the establishment of a humanitarian program for Korean veterans of the Korean and Vietnamese conflicts through the provision of medical treatment, plastic surgery and services leading to and provision of artificial extremities and to confirm the following arrangements agreed upon as a result of these consultations:

"1. The United States Veterans Administration (V.A.) will provide medical treatment to Korean veterans of the Korean and Vietnam conflicts in V.A. hospitals in the United States, subject to the availability of facilities. This treatment includes but is not limited to paraplegic devices, prosthetic devices and plastic surgery.

"2. The Republic of Korea Veterans Administration (ROKVA) will pay all costs for services performed and expenses incurred by the Veterans Administration in connection with the assistance specified in paragraph 1 above.

"3. The ROKVA will pay travel and related expenses in bringing the veterans to the U.S. hospitals and in returning them to Korea.

"4. The ROKVA will deposit in a U.S. dollar special fund Dollars 18,000 with the Veterans Administration.

"5. The V.A. will account for all costs incurred in the administration of this program and will charge these costs against the dollar fund established by the ROKVA and will provide the ROKVA with quarterly accounting reports. Financial reports will provide data

His Excellency
Richard L. Sneider
Ambassador of the
United States of America

TIAS 9471

on cumulative deposits into the fund from the ROKVA, amounts disbursed, amounts accrued for unbilled expenses, and the unexpended balance.

"6. The V.A. will request additional fund deposits from the ROKVA when the financial reports indicate that a replenishment is necessary. The ROKVA will promptly remit such additional funds upon receipt of the V.A. request.

"7. Payments are to be made by U.S. dollar check, payable to the U.S. Veterans Administration.

"8. Promptly upon the completion of the project, the V.A. will submit to the ROKVA a statement setting forth all expenditures made under this arrangement. Any money remaining in the fund will be refunded to the ROKVA as soon as the V.A. has determined that all charges to the program have been properly accounted for.

"9. The V.A. will send all accounting reports to the following address: Republic of Korea Veterans Administration 94-151 Yeongdeungpo-Dong, Yeongdeungpo-Gu, Seoul, Korea.

"10. The ROKVA will ensure that all patients return to Korea as soon as they have completed their medical treatment.

"11. The ROKVA agrees that no claim relating to this arrangement will be brought by the ROKVA against the Government of the United States or its employees that may arise as a result of the services furnished under this arrangement, and further agrees to hold the Government of the United States harmless against any and all liabilities that may arise as a result of the services furnished under this arrangement.

"12. The present arrangement may be amended by mutual consent of both parties.

"13. The present arrangement shall remain in force until sixty (60) days after receipt by either party of written notification of the intention of the other to terminate it. In the event of such termination the parties will consult regarding closing the program.

"If the foregoing is acceptable to the Government of the Republic of Korea, I have the honor to propose that the present Note and Your Excellency's reply to that effect shall constitute an agreement between our two Governments in this matter which shall come into force on the date of your reply "

I have further the honor to inform Your Excellency that the foregoing is acceptable to the Government of the Republic of Korea and to confirm that Your Excellency's Note and this reply thereto constitute an agreement between our two Governments in this matter, which shall enter into force on the date of this reply

Accept, Excellency, the assurances of my highest consideration.

[¹]

FOR 9/2/53
Administrator
Republic of Korea Veterans
Administration

¹ Kim Jae Myung.

MACAO
Trade in Textiles and Textile Products

Agreement amending the agreement of March 3, 1975, as amended and extended.

Effectuated by exchange of letters

*Signed at Hong Kong and Macao April 9 and 27, 1979;
Entered into force April 27, 1979.*

The American Consul General to the Macao Acting Director, Economic Affairs

CONSULATE GENERAL OF THE
UNITED STATES OF AMERICA
HONG KONG

APRIL 9, 1979

Dr. MARQUES FERREIRA
*Reparticao dos Servicos de Economia
Provincia de Macau*

DEAR DR. FERREIRA:

I have the honor to refer to the Agreement between the United States of America and Portugal relating to trade in cotton, wool, and man-made fiber textiles and textile products between Macau and the United States, with annex, effected by exchange of notes at Lisbon, March 3, 1975, as amended^[1] (The Agreement) and to recent discussions between representatives of our governments. As a result of these discussions, I propose that paragraph 4 of the Agreement be amended further to establish a new specific limit for 1979 as follows:

<u>Category</u>	<u>Description</u>	<u>Specific Limit</u>
338	Knit Shirts, M and B	103,299 dozen

If the foregoing proposal is acceptable to your government, this letter and your letter of confirmation will constitute an amendment

¹ TIAS 8027, 8672, 9229; 26 UST 215; 28 UST 6119; *ante*, p. 954.

to the Agreement which will enter into force on the date of your note
of confirmation.

Accept, Sir, the renewal of my highest consideration.

Yours sincerely,

THOMAS P. SHOESMITH

Thomas P. Shoesmith
Consul General

The Macao Secretary for Economic Affairs to the American Consul General

S.  R.

REPARTIÇÃO DOS SERVIÇOS DE ECONOMIA

Mr. Thomas P. Shoesmith,
Consul General
Consulate General of the
United States of America
26, Garden Road, Central

HONG KONG

Sua referência

Sua comunicação de

Nossa referência

Caixa Postal n.º 122

658

ASSUNTO:

Macao, 27th April 1979.

Dear Mr. Thomas P. Shoesmith,

I acknowledge the receipt of your letter dated 9th April 1979, referring to the Agreement between the United States of America and Portugal relating to trade in cotton, wool and man-made fiber textiles and textiles products between Macau and the United States, with annex, effected by exchange of notes at Lisbon, March 3, 1975.

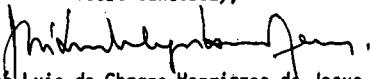
I agree to your proposal regarding paragraph 4 of the Agreement which has been amended to further establish a new specific limit for 1979 as follows:

<u>Category</u>	<u>Description</u>	<u>Specific Limit</u>
338	Knit Shirts, M & B	103,299 dozen.

The foregoing proposal is acceptable to our government,
this letter will constitute as a note of confirmation to the
amendment in the Agreement and shall enter into force from
this date.

Accept, Sir, the renewal of my highest consideration.

Yours sincerely,


Jose Luis de Chagas Henriques da Jesus
Secretary for Economic Affairs
Govt. of Macau

EGYPT

Urban Electric Distribution

*Agreement signed at Cairo September 30, 1977;
Entered into force September 30, 1977.*

*And amending agreement
Signed at Cairo March 29, 1978;
Entered into force March 29, 1978.*

A.I.D. Loan Number 263-K-043Project Number 263-0033

PROJECT
LOAN AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
THE UNITED STATES OF AMERICA
AND
THE EGYPTIAN ELECTRICITY AUTHORITY
FOR
URBAN ELECTRIC DISTRIBUTION

DATED: September 30 , 1977

TIAS 9473

Table of ContentsProject Loan Agreement

	<u>Page</u> [Pages herein]
Article 1: The Agreement	1 4495
Article 2: The Project	2 4496
SECTION 2.1. Definition of Project	2 4496
ARTICLE 3: Financing	2 4496
SECTION 3.1. The Loan	2 4496
SECTION 3.2. Borrower Resources for the Project	3 4497
SECTION 3.3. Project Assistance Completion Date	4 4498
Article 4: Loan Terms	5 4499
SECTION 4.1. Interest	5 4499
SECTION 4.2. Repayment	5 4499
SECTION 4.3. Application, Currency, and Place of Payment	5 4499
SECTION 4.4. Prepayment	6 4500
SECTION 4.5. Renegotiation of Terms	6 4500
SECTION 4.6. Termination on Full Payment	7 4501
Article 5: Conditions Precedent to Disbursement	7 4501
SECTION 5.1. First Disbursement	7 4501
SECTION 5.2. Notification	10 4504
SECTION 5.3. Terminal Dates for Conditions Precedent	10 4504
Article 6: Special Covenants	10 4504
SECTION 6.1. Project Evaluation	10 4504
SECTION 6.2. Reloan by Borrower to EEA	11 4505
SECTION 6.3. Continuing Consultation	11 4505
SECTION 6.4. Financial Management	11 4505
Article 7: Procurement Source	14 4508
SECTION 7.1. Foreign Exchange Costs	14 4508
Article 8: Disbursements	14 4508
SECTION 8.1. Disbursement for Foreign Exchange Costs	14 4508
SECTION 8.2. Other Forms of Disbursement	15 4509
SECTION 8.3. Date of Disbursement	15 4509

	<u>Page</u>	(Pages herein)
Article 9: Miscellaneous	16	4510
SECTION 9.1. Investment Guaranty Project Approval	16	4510
SECTION 9.2. Communications	16	4510
SECTION 9.3. Representatives	17	4511
SECTION 9.4. Standard Provisions Annex ^[1]	18	4512

^[1] Not printed herein. For text, see TIAS 9458; *ante*, p. 4265.

A.I.D. Project No. 263-0033

Project Loan Agreement

Dated: September 30, 1977

Among

The Arab Republic of Egypt ("borrower"), the
Egyptian Electricity Authority ("EEA")
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 Borrower 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 providing equipment, materials and related services for the rehabilitation and expansion of urban electric distribution systems in Egypt including the cities of Cairo, Alexandria, Beni Suef and Shibin El Kom. The Borrower will relend the funds to EEA which will be the implementing agency for the Project. 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 9.3, without formal amendment of this Agreement.

Article 3: Financing.

Section 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,[¹] agrees to lend the Borrower under the terms of this Agreement not to exceed Seventeen Million Twelve Thousand United States ("U.S.") dollars (\$17,012,000) ("Loan"). The aggregate amount of disbursements under the Loan is

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

referred to as "Principal."

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

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

(b) The resources provided by Borrower for the Project will be not less than One Million Nine Hundred Six Thousand Egyptian Pounds (L.E. 1,906,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is July 1, 1980 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 Loan will have been performed and all goods financed under the Loan 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 Loan (1) in response to requests received by A.I.D. after July 1, 1979 or (2) 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 8.1 no later than six (6) 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment.
All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment

of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of

documentation pursuant to which disbursement will be made, the Borrower 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) An opinion of the Minister of Justice or of other counsel acceptable to A.I.D. that this Agreement and the Reloan Agreement have been duly authorized and/or ratified by, and executed on behalf of, the Borrower and EEA, and that they constitute valid and legally binding obligations of the Borrower and EEA in accordance with all of their terms;
- (b) A statement of the names of the persons holding or acting in the offices of the Borrower specified in section 9.3. and of any additional representatives, together with a specimen signature of each person specified in such statement;
- (c) Evidence that the Loan proceeds will be made available to EEA on terms and conditions acceptable to A.I.D., in the form of a Reloan Agreement conforming to Section 6.2;

- (d) Evidence that all Egyptian currency required for the first fiscal year in which funds will be required, in an amount based on the estimate of the consulting engineer, and as approved by EEA, have been budgeted by the Borrower and are available for expenditure by EEA;
- (e) The exact location and firm construction plans for civil works for the A.I.D.-financed warehouse storage facilities for the cities of Shibin El-Kom and Beni Suef;
- (f) A written and detailed explanation of EEA's methods and procedures for inventory control which will be utilized to account for the A.I.D.-financed commodities; and
- (g) Such other documentation as A.I.D. may require.

SECTION 5.2. Notification. When A.I.D. has determined that the Conditions Precedent specified in Section 5.1 have been met, it will promptly notify the Borrower.

SECTION 5.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

Article 6: Special Covenants.

SECTION 6.1. 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 6.2. Reloan by Borrower to EEA. In order to assist EEA in carrying out the Project, the Borrower shall relend to EEA the proceeds of the Loan under a reloan agreement ("Reloan Agreement") to be entered into between the Borrower and EEA under terms and conditions satisfactory to A.I.D. Such terms and conditions shall include, but not be limited to, repayment by EEA within twenty (25) years, including a five (5) year grace period, and an interest rate of eight and one-half percent (8-1/2%) per annum.

SECTION 6.3. Continuing Consultation. The Borrower and EEA covenant to review with A.I.D. the recommendations of the consultants engaged pursuant to the United Nations Development Programme to survey the Egyptian power sector.

SECTION 6.4. Financial Management.

(a) The Borrower covenants that in the event the Borrower shall decide to establish companies or any other entities to take over the power distribution assets of EEA for purposes of operation and maintenance, customer billing functions or for any other purpose, the Borrower shall ensure that such decision or decisions shall include provisions, satisfactory to A.I.D., for the management, ownership, operation and maintenance of the assets

provided under the Project; the Borrower shall also ensure that such decision or decisions shall include provisions, satisfactory to A.I.D., for an annual audit of the consolidated accounts of EEA and the performance of all EEA's financial obligations under the Loan and Reloan Agreements.

(b) The Borrower and EEA covenant that, except as A.I.D. shall otherwise agree in writing, EEA shall promptly take all such action as shall be required to provide in any fiscal year an annual return on the average of the current net value of the fixed assets of EEA in service at the beginning and end of such fiscal year at a rate of not less than nine percent (9%), commencing with its fiscal year 1980.

(c) Except as the Parties may otherwise agree in writing, the Borrower shall assure adequate long-term financing for EEA's expansion program which has been authorized and modifications and additions to such program. Within three years from the date of this Agreement, the financing so provided will be divided between equity contributions and loans in such a manner that after the completion of loan transactions the debt to equity ratio will be no greater than 1.5:1.

(d) EEA covenants to prepare and to submit to A.I.D. by November 1 of each year, a provisional forecast of operating revenues, operating expenses and rate of return for the

next succeeding year, a statement of the tariffs and assumptions underlying the forecasts, an aging report of accounts receivable from major accounts, and a statement of the measures proposed, if any, to produce the annual return provided for in paragraph (b) above, and to furnish to A.I.D. all such detail as A.I.D. may reasonably request.

(e) For the purposes of this Section:

(1) the annual return specified in paragraph (b) shall be calculated in respect of each fiscal year, by using as the denominator the average current net value of the fixed assets of EEA in service at the beginning and at the end of each such year, and as numerator the net operating income of EEA for the same year;

(2) the term "current net value of the fixed assets of the EEA in service" means the gross value of EEA's fixed assets in service less the amount of accumulated depreciation, both as valued from time to time in accordance with consistently applied appropriate methods of valuation or revaluation acceptable to A.I.D.; and

(3) the term "net operating income" means gross revenues from all sources less all operating expenditures, including expenses of administration, adequate maintenance and taxes or any payment in lieu of taxes and adequate provision for depreciation but excluding interest and other charges on debt.

Article 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 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 (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

Article 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 Borrower'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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

Article 9: Miscellaneous:**SECTION 9.1. Investment Guaranty Project Approval.**

Construction work to be financed under this Agreement is agreed to be a project approved by the Arab Republic of Egypt pursuant to the agreement between it and the United States of America on the subject of investment guarantees, and no further approval by the Arab Republic of Egypt will be required to permit the United States to issue investment guarantees under that agreement covering a contractor's investment in that project.

SECTION 9.2. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Egyptian Electricity Authority
Nasr City
Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

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 9.3. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Chairman EEA and First Undersecretary of State for Economy and Economic Cooperation, and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., 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 Borrower, 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 9.4. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached and forms part of this Agreement.

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

ARAB REPUBLIC OF EGYPT

BY : Mahmoud Salah El-Din Hamed.
NAME : Dr. Mahmoud Salah El Din
Hamed
TITLE: Minister of Finance and
Acting Minister of
Economy and Economic
Cooperation

UNITED STATES OF AMERICA

BY : H. Freeman Matthews Jr.
NAME : H. Freeman Matthews, Jr.
TITLE: Charge d'Affaires a.i.

EGYPTIAN ELECTRICITY AUTHORITY:

BY : Kamal Hamed
NAME : Eng. Mohamed Kamal Hamed
TITLE: Chairman

¹ See footnote 1, p. 4494.

Annex 1

PROJECT DESCRIPTION

The project consists of the construction and installation of electric distribution equipment, including transformer substations, distribution transformers, switchgear, relays, distributors, and cable required to rehabilitate and expand the electric distribution systems in the cities of Cairo, Alexandria, Shubin El Kom and Beni Suef. Included in the project, in addition to the materials and equipment, are the services of an engineering consulting firm to provide engineering supervision during the construction phase, as well as formulate and oversee a related training program for applicable EEA and Rural Electrification Authority (REA) personnel. The project is based on a feasibility study prepared by Harza Overseas Engineering Company (Harza), an American engineering consulting firm headquartered in Chicago, in which the distribution systems and related load demand, in the four project cities were studied.

Using highly specialized computer programs, Harza will prepare detailed design specifications and work programs for each of the cities to install the equipment. Installation will be carried out by EEA and REA work crews, or in the case of major installations such as the high voltage substation, by EEA civil contractors.

Although the total estimated foreign exchange requirement for the Year One Project is in excess of \$97 million, A.I.D. will finance only \$17,012 million during FY 1977 due to the availability of funds. It is expected that as and when additional funds become available, in FY 1978, subsequent authorization requests will be made for additional funds. All Egyptian pound costs will be financed by EEA or REA as applicable depending upon the location and type of installation.

Attachment A to Annex 1

PROJECT FINANCIAL PLAN
 (Source and Application of Funding - \$ Millions)

As of September , 1977

Project No. 263-0033

<u>Sub-Projects</u>	<u>£ I.D. Loan (US \$)</u>	<u>EEA EGYPTIAN POUNDS (\$ Equivalent of £.E.)</u>	<u>Total (US \$)</u>
Rehabilitation of Beni Suef	2,105.6	246.0	2,351.6
Rehabilitation of Shibin El Kom	1,918.1	246.4	2,164.5
Rehabilitation of Alexandria	10,186.4	1,976.1	12,162.5
Rehabilitation of Cairo (Remainder)	<u>2,801.9</u>	<u>253.7</u>	<u>3,055.6</u>
Total Project Costs	<u>17,012.0</u>	<u>2,722.2</u>	<u>19,734.2</u>

[AMENDING AGREEMENT]

A.I.D. Loan Number 263-K-043

FIRST AMENDMENT
TO
LOAN AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT
THE UNITED STATES OF AMERICA
AND
THE EGYPTIAN ELECTRICITY AUTHORITY
FOR
URBAN ELECTRIC DISTRIBUTION

Dated: March 29, 1978

TIAS 9473

First Amendment, dated March 29, 1978, to the
Loan Agreement dated September 30, 1977, among the Arab Republic
of Egypt ("Borrower"), the United States of America, acting through
the Agency for International Development ("A.I.D.") and the
Egyptian Electricity Authority ("EEA").

SECTION 1. Section 3.1 of the Loan Agreement is amended by
deleting "Seventeen Million Twelve Thousand United States Dollars
(\$17,012,000)" and substituting "Forty-six Million Twelve Thousand
United States Dollars (\$46,012,000)".

SECTION 2. Conditions Precedent to Initial Disbursement Under
First Amendment. Prior to any disbursement or to the issuance of any
Letter of Commitment or other authorization of disbursement under this
First Amendment, the Borrower shall, except as A.I.D. may otherwise
agree in writing, furnish to A.I.D. in form and substance satisfactory
to A.I.D.:

(a) evidence that the Reloan Agreement required by Section
6.2 of the Loan Agreement has been amended to correspond to the total
Dollar amount made available under this Loan Agreement;

(b) an opinion of the Minister of Justice or of other counsel
acceptable to A.I.D. that this First Amendment and the First Amendment to
the Reloan Agreement have been duly authorized and/or ratified by
and executed on behalf of the Borrower and EEA and that they constitute valid
and legally binding obligations of the Borrower and EEA in accordance
with all of their terms.

SECTION 3. Terminal Date for Meeting Conditions Precedent
to Disbursement. If the conditions specified in Section 2 shall not

have been met within 90 days from the date of this First Amendment, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this First Amendment by giving written notice to the Borrower. Upon the giving of such notice, this First Amendment and all obligations of the parties hereunder shall terminate.

SECTION 4. Notification of Meeting Conditions Precedent to Disbursement. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions precedent to disbursement specified in Section 2 have been met.

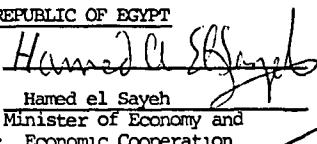
SECTION 5. This Loan Agreement Amendment shall enter into force when signed by all parties hereto.

SECTION 6. Except as specifically amended hereby, the Loan Agreement dated September 30, 1977 among the Borrower, EEA and A.I.D. shall remain in full force and effect.

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

ARAB REPUBLIC OF EGYPT

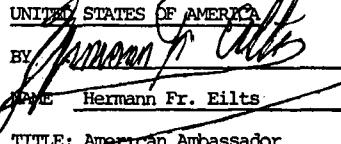
BY



NAME: Hamed el Sayeh
Minister of Economy and
TITLE: Economic Cooperation

UNITED STATES OF AMERICA

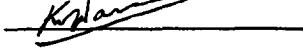
BY



NAME: Hermann Fr. Eilts
TITLE: American Ambassador

EGYPTIAN ELECTRICITY AUTHORITY

BY



NAME: Eng. Mohamed Kamal Hamed
TITLE: Chairman

JAMAICA

Currency Utilization for High Priority Development Activities

*Memorandum of understanding signed at Kingston
March 23, 1978,
Entered into force March 23, 1978.*

MEMORANDUM OF UNDERSTANDING

MAR 23 1978

SUBJECT: Utilization of Jamaican Currency for High Priority Development Activities

The purpose of this Memorandum of Understanding is to register our agreement concerning:

- A. Certain key sectors in which Jamaican currency will be used to support Jamaica's socio-economic development;
- B. The priorities to be followed in allocating said currency;
- C. The activities to be supported, and
- D. The schedule of reviews to be followed.

Jamaican currency generated through A.I.D.'s P.L. 480 Agreement 1977/1 and Commodity Import Loan 532-K-011, and any similar A.I.D supported programs in the future, will be used in support of the development sectors and activities agreed upon herein.

The Jamaican currency generated under each A.I.D supported program will be credited to its own special, individually identifiable account at the Bank of Jamaica. The Ministry of Finance and Planning shall promptly provide A.I.D with copies of each monthly statement of balance prepared by the Bank of Jamaica.

A. SECTORS

In accordance with the provisions of Part II Item IV of the P.L. 480 Title I Agreement signed on August 8, 1977, as amended^[1] (hereinafter referred to as "P.L. 480 1977/1"), and Section 6.6 of Commodity Import Program Loan No. 532-K-011^[2] (herein-

¹ TIAS 8824, 29 UST 373.

² Signed Dec. 15, 1977. TIAS 9048, 29 UST 4049.

after referred to as "532-K-011"), it is hereby agreed that Jamaican currency generated through these programs shall be utilized in the sectors of Agriculture, Nutrition, Health and Population, placing emphasis on improving the lives of the least privileged segments of the population in Jamaica and on improving their capacity to participate in the development of the country.

In addition, it is hereby agreed that Jamaican currency generated under Loan 532-K-011 may be utilized in the education and housing sectors, and such other sectors as may be agreed upon in the future.

It is hereby agreed that activities in the aforementioned sectors shall receive first priority in the allocation of Jamaican currency.

B. PRIORITIES

Within the aforementioned sectors, the following will be the general order of priority:

1. To support ongoing projects which are being assisted by A.I.D.;
2. To support activities which would facilitate programs being considered for such assistance;
3. To support activities which would complement such ongoing and/or proposed programs; and
4. To support other high priority development projects for Jamaica, to be agreed upon by A.I.D. and the Ministry of Finance and Planning.

C. ACTIVITIES

Attached as Annex A to this Memorandum of Understanding is the tentative list of activities, with sums allocated to them, upon which it is intended that expenditure of Jamaican currency will be incurred.

Adjustments to the tentative list of activities in Annex A will be agreed upon through an exchange of letters between the Financial Secretary of the Ministry of Finance and Planning, or his nominee, and the Director of USAID/Jamaica, or his nominee.

D. REVIEWS

It is agreed that there will be periodic reviews of the progress of the activities listed in Annex A, the amounts expended on those activities, the availability of Jamaican currency for those activities, the rate at which Jamaican currency is being generated under A. I. D. supported programs, and possible adjustments to the list of activities.

Such reviews will take place on a quarterly basis within 30 days after the ending of each calendar quarter. In addition, either party may request such ad hoc reviews as they deem necessary. The first quarterly review will take place the third week of April 1978.

The material which the Ministry of Finance and Planning

prepares for each review will include information on actual and planned allocations, disbursements, and expenditures of Jamaican currency for each activity; and a reconciliation with the monthly statements of the Bank of Jamaica.

GOVERNMENT OF JAMAICA

By: ERIC O. BELL

Eric O. Bell
MAR 23 1978Title: *Minister of Finance and
Planning*

UNITED STATES OF AMERICA

By: DONOR M. LION

Donor M. Lion

Title: *Mission Director,
USAID Jamaica*

By: FREDERICK IRVING

Frederick Irving

Title: *Ambassador U.S.A.*

LOCAL CURRENCY REQUIRED BY SPECIFIED PROJECTS

Project	Jan.- March	1978		1979		Additional Requirements to March 1981	Total	Comments
		April- June	July- Sept.	Oct.- Dec.	Jan.- March			
HEALTH								
1. Health Improvement	197	197	197	197	985	1,600	2,585	Local Currency support for IIRD/USAID projects. (Cornwall).
2. Vital Statistics	8	8	8	9	41	72	113	Registrar General's Data Processing.
3. Family Planning	444	444	444	444	2,220	4,896	7,116	Budget support for the National Family Planning Programme.
4. Budget Support—Vector Control Unit	100	100	100	100	50	900	1,400	Budget for the Vector Control Unit.
Total Health	749	749	749	750	3,746	7,468	11,214	
AGRICULTURE								
1. Integrated Rural Development	345	651	651	632	652	2,951	10,716	13,667 Local currency counterpart.
2. Agriculture Sector Loan	125	125	125	125	125	625	20,000	20,000 Local currency counterpart.
3. Fish Production System Development	200	400	400	425	425	1,850	425	3,000
4. Expansion Blue Mountain Coffee	100	100	50	50	50	350	100	450 For study on improving the marketing of agricultural products.
5. Marketing Improvement	2,275
6. Rural Roads Improvement	259	252	252	252	252	1,267	1,008	2,275 Ministry of Works.
7. Agriculture Census	310	300	300	50	50	910	182	910 Department of Statistics.
8. Agricultural Survey Data Analysis	50	50	50	32	182 Ministry of Agriculture.
Total Agriculture	1,339	1,878	1,828	1,554	1,536	8,135	34,624	42,759
HOUSING								
1. Support for urban upgrading	80	79	368	369	368	1,264	537	1,801 Ministry of Local Government.
2. Support for squatter settlement	192	191	192	191	766	768	1,534 Ministry of Housing.
Total Housing	80	271	559	561	559	2,030	1,305	3,335

LOCAL CURRENCY REQUIRED BY SPECIFIED PROJECTS—Continued

Project	Jan.- March	1978			1979			Additional Requirements to March 1981	Total	Comments
		April- June	July- Sept.	Oct.- Dec.	Jan.- March		Total			
EDUCATION										
1. Support Staff for Rural Education Project	32	32	32	32	32	160	256	416	Ministry of Education.	
2. Support Staff for Planning Division	79	79	80	80	397	720	1,117	1,284	Ministry of Education. M.E.—Staffing Centre.	
3. Educational Development & Demonstration Centres	22	21	22	21	22	108	176	176		
4. Rural Education Project (Local Counterpart)	175	175	1,024	1,024	3,422	3,388	6,810	6,810	Ministry of Education.	
5. Board for Handicapped children	28	28	28	28	112	112	112	112	Survey of Educational needs.	
6. Training Needs Survey	63	62	63	62	250	304	644	644	Ministry of Education.	
7. G.O.I. Education Statistics	60	60	60	60	300	250	550	550	Department of Statistics.	
8. Youth Training Programme	300	300	300	300	1,500	2,100	3,600	3,600	Ministry of Education.	
Total Education	668	758	1,607	1,608	1,608	6,249	7,284	13,533		
Grant Total	2,886	3,656	4,743	4,872	4,453	20,160	50,681	70,841		
J\$m generated quarterly	7.4	8.6	2.2	3.0	4.0	31.3				
Balance \$m	10,664	15,608	13,065	11,593	11,140	11,140				

BANGLADESH
Population Planning

*Agreement signed at Dacca May 31, 1978;
Entered into force May 31, 1978.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Ministry of Health and Population Control

**AN AGENCY OF THE GOVERNMENT Of The People's Republic
of Bangladesh**

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- | | |
|---|---|
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input type="checkbox"/> STANDARD PROVISIONS ANNEX | <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX |

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

<input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION	DATE May 21, 1974 [I]
<input checked="" type="checkbox"/> ECONOMIC COOPERATION AGREEMENT	DATE May 21, 1974 [I]

<input type="checkbox"/> (other)	DATE	6. AID APPROPRIATION SYMBOL 72-1181021.4	7. AID ALLOTMENT SYMBOL 844-60-388-00-44-81
<input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)
(a) Total	125,000	1,470,000	1,695,000
(b) Contract Services		52,955	52,955
(c) Commodities	25,000	1,279,045	1,804,045
(d) Participants	100,000	138,000	228,000
9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT \$1.00=			
(a) Total			
(b) Technical and other Services			
(c) Commodities			
(d) Other Costs			

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

This Project Agreement Amendment obligates \$1,470,000 of funds allotted to USAID for the procurement of commodities to assist the BDG expand family planning services in voluntary sterilization, IUD insertions, and the distribution of vaginal foam, and for participant training and 12 man-months of a Training Advisor. The total project activities and all other provisions of the original Project Agreement No. 388-0001-1 signed May 31, 1976^[1] as amended on Sept. 28, 1977, remain unchanged.

11. DATE OF ORIGINAL AGREEMENT Dec. 20, 1977	12. DATE OF THIS REVISION May 31, 1978	13. ESTIMATED FINAL CONTRIBUTION DATE December 31, 1980
14. FOR THE COOPERATING GOVERNMENT OR AGENCY SIGNATURE: M A SATTAB DATE: May 31, 1978 TITLE: Secretary, PC & FPD	15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT SIGNATURE: J S TONER DATE: May 31, 1978 TITLE: Director, USAID	

¹ TIAS 7877 ; 25 UST 1454.

² TIAS 8789 ; 29 UST 50.

ANNEX A

PROJECT DESCRIPTION**A. GENERAL:**

This Project Agreement Amendment is to assist the Bangladesh Government achieve its goal of reducing the rate of population growth through the expansion of family planning services by providing commodity assistance for voluntary sterilization, IUD, and vaginal foam services, and for the provision of a training advisor, and the balance of this year's participant training.

B. VOLUNTARY STERILIZATION SERVICES**I. Background:**

In the Government's Action Plan for FY '78 (July 77 to June 78) the expansion of voluntary sterilization services is a major program goal and viewed as a necessary action for achieving Bangladesh's demographic goals.

In 1977, 112,585 voluntary sterilizations were performed in Bangladesh. This represented an increase of 106% over the number of voluntary sterilizations performed in 1976 (54,100). Of the 112,585, 58% were vasectomies and 42% were tubectomies. In 1976, however, 72% of the voluntary sterilizations procedures were vasectomies. This dramatic increase in the total number of procedures performed and the increase in the proportion of women accepting this service is attributable to the voluntary sterilization campaign held between mid-February and mid-April during which time 76,000 sterilization procedures (68% of the total for the year) were performed. Equally important, the campaign provided the impetus to train physicians in mini-laparotomy techniques thereby providing the basis for female sterilization services.

The campaign also demonstrated the BDG's commitment to the concepts of voluntarism and informed consent. Program officials at every level have repeatedly stressed the Government's desire to solve its population problem through education and provision of voluntary services, and due to the permanency of the method, this BDG policy is particularly emphasized for voluntary sterilization.

It is estimated by the BDG that there are approximately 4.6 million couples of reproductive age with four or more children and 6.8 million with three or more who are expected to supply the bulk of voluntary sterilization cases in the early years after services become available. While the exact number of those in need and willing to avail of permanent contraception services cannot be accurately estimated, experience in Bangladesh has demonstrated that when voluntary sterilization services are made available the level of effective demand is very high. The present number of service centers cannot fill this demand.

II. BDG Plan for Expanding Voluntary Sterilization Services

The Government's plan for expanding voluntary sterilization services calls for the training of approximately 500 physicians who will be stationed in 455 service centers. (See Appendix A for list of the service centers.) It is the intention of the BDG that each service center will also provide IUD insertions, pills and condoms. Training of physicians began in September 1977 and as of this date over 400 physicians have been trained in the following manner.

A total of 96 physicians were trained in two batches in thirteen training centers. These training facilities are major hospitals, the Pathfinder Fund supported Model Clinic, and BAVS. Upon completion of training, the 96 physicians serve as trainers in 48 secondary training centers scattered throughout the country. These 48 facilities are responsible for eventually training a total of approximately 432 physicians. Each physician is required to observe 10 cases; assist with 10 cases; and independently perform 10 cases each of vasectomy and mini-laparotomy during his/her 21 day training period.

Upon completion of training each physician is either assigned to one of the established service centers, or returns to the service center from which he came for training. Counselling and informed consent forms are administered to every client by either the physician or auxiliary staff. However, the physician is responsible for insuring that every client understands the nature and permanency of sterilization; that alternative contraceptives are available; and that each client is undergoing sterilization as a result of free choice. Completed informed consent forms will be retained under the custody of the BDG for a period of at least three years. (See Appendix B for a copy of the informed consent form.) Program performance data will be collected on a monthly basis and transmitted to Dacca with other standard service statistics. A continuous review of program performance will be maintained by the PCFP Directorate and donors through frequent field visits.

Prior to the beginning of services at each center, the Supply Division of the PCFP Directorate will insure that adequate supplies of expendables and equipment for voluntary sterilization services and for the provision of other family planning services are adequately available. The resupply and monitoring of supply needs for sterilization is being integrated into the existing supply system now used for expendable contraceptives.

In this year of expanding voluntary sterilization services no firm performance targets have been established. The expansion of services this year is meant to be the initial program action for subsequent yearly expansions. After this year's experience is measured, more accurate program targets will be established.

Under the BDG plan, female clients are paid Tk. 35 for the cost of transportation to and from the service center and Tk. 30 for food. Male clients receive Tk. 30 for transportation, a little less than females due to the fact that women clients many times bring infants with

them to clinics. Male clients also receive Tk. 10 for food.* In addition to monetary support, each female client receives a new saree and each male a new lungi. This clothing is put on prior to the operation and serves as surgical apparel for the operation. The clean clothing also aids in minimizing the chance of post-operative infection. Stitches are removed on an average of 7 days following an operation by Family Welfare Assistants (FWAs) in the homes of clients. In some instances clients return to the service centers for removal of their stitches.

III. Evaluation:

In addition to the regular field trips of Directorate personnel to supervise the activity of the sterilization program, the Directorate plans to evaluate the program by following up 2 to 3% of the clients. Follow-up will begin from the fourth month of the initiation of the voluntary sterilization program and will continue periodically until the total estimated percentage of sterilization cases is covered. Clients will be interviewed to ascertain the psychological and physical after-effects of the operation; to monitor the application of informed consent; and to confirm the socio-economic and demographic data received at the time of the operation.

Primary trainers will periodically review sterilization procedures of physicians and recommend changes where needed. In some cases physicians will have to return to a training site for additional training. However, all physicians will be visited at least once a year for the purpose of reviewing sterilization techniques and procedures.

IV. Financing:

The primary impediment to the expansion of voluntary sterilization services in Bangladesh is lack of adequate resources. In an effort to close the resource gap, the principal population donors in Bangladesh have consulted with the Government on coordinating support to meet BDG needs. Present external funding includes the World Bank's agreement to finance salary support for approximately 9,000 field workers for a 18 month period thus enabling the BDG to use its own resources to expand voluntary sterilization services. UNFPA is supporting the operation of 15 mobile sterilization teams to be expanded to 19 teams during 1978, and BAVS in addition to its ongoing training and service programs intends to sponsor as many as 12 additional

*In all cases female clients stay at least overnight at the service facility to rest and recuperate before leaving for home. However, in many cases, women stay for as long as five to seven days due to the fact that they live very far from the service center and are required to travel home by walking or taking extremely uncomfortable transport. In Bangladesh, this minimal recuperation period is necessary to insure against post-operative infection and the serious personal and program consequences which would result therefrom. Male clients usually do not stay overnight. [Footnote in the original.]

teams during 1978. The primary purpose of these mobile teams is to reach areas of the country which currently do not have physical facilities. All donors have committed resources for the procurement of medical kits and other supplies and equipment for Thana Health and MCH Centers. The BDG itself has committed significant resources for voluntary sterilization services. In its FY 77 (current year), the BDG has budgeted from its development Budget Tk. 40,-000,000 or US\$2.6 million for training, salaries, and local procurement of supplies.

V. Additional Funding for Expansion of Services

The following shows funding intentions of the BDG, USAID, and other donors for the expansion of voluntary sterilization services. It is described under seven major program components. USAID support is also listed separately in greater detail. Other donor support remains tentative, subject to separate agreements with the BDG.

a) Training: (BDG, Bank, Pathfinder Fund, FPIA, & BAVS resources)

Most of the training needed to provide physicians and paramedics for 455 centers has now been completed. However, under the model family planning clinics project in eight medical school hospitals (four of which are funded under the World Bank Project, and four of which are funded by FPIA), all newly graduated physicians will have received training in vasectomy and mini-lap. This action is intended to insure a plentiful supply of physicians for the program. Refresher training and initial training for graduate physicians will be provided by BAVS and the Pathfinder fund supported Model Clinic.

b) Supplies: (BDG, UNFPA, UNICEF, & USAID Resources)

1. Medical Kits: USAID will provide 4,500 mini-lap and 500 vasectomy kits under this Agreement. (See detailed USAID support.) In the current year UNFPA has ordered 250 vasectomy kits and 250 mini-lap kits (200 for Thana Health Centers and 50 for MCH Centers). In the next fiscal year UNFPA intends to order an additional 200 kits.

2. Expendable Supplies: (Blades, gloves, sutures, drugs, replacement forceps & scissors, etc.) (BDG & UNFPA Resources). From its own resources, the BDG has procured a working supply of the expendable items needed for the program. UNICEF is currently discussing with the Government the need for additional supplies. When the quantity and cost of these supplies are determined, UNICEF will consider supplementing BDG resources for expendable supplies.

3. Surgical Apparel: (BDG & USAID Resources) Under this agreement, USAID will finance the purchase of surgical apparel (lungis & sarees) on a reimbursable basis for between 190,000 and 240,000 voluntary sterilization clients (depending on the relative proportions of men and women in total cases). (See detailed USAID support). The BDG will procure, store, and distribute these items.

c) Non-Expendable Equipment: (UNICEF Resources)

Under its program support to the Health Division of the Ministry of Health and Population Control, UNICEF has been and intends to continue providing, among other equipment, auto-claves and sterilizers to Thana Health Centers. These are the main equipment needs of the voluntary sterilization program.

d) Physician and Operating Theater Assistant Salary Support: (BDG and UNFPA Resources)

The BDG is currently supplementing the income of providers of voluntary sterilization services. However, as the program expands, a need may arise to provide additional resources for this component of the program. UNFPA is discussing the possibility of assisting the BDG to meet these recurring costs.

e) Transportation and Food Allowances: (BDG & UNFPA Resources)

The BDG is currently providing allowances for transport and food, UNFPA is discussing the possibility of assisting the BDG to meet these recurring costs.

f) Technical Assistance: (USAID Resources)

Although not funded under this agreement, USAID is prepared upon request of the BDG to provide short term technical assistance to the BDG in any area of the voluntary sterilization program. This technical assistance would be arranged through a centrally financed AID/W intermediary.

g) Evaluation: (BDG & USAID Resources)

The BDG's plan for evaluating the voluntary sterilization program will be financed by the BDG. (See Evaluation.) USAID will monitor the progress of the program through extensive field visits. Particular attention will be given to insuring compliance with AID's policy determination for voluntary sterilization, PD 70. Before consideration is given to additional USAID support for the voluntary sterilization program, USAID will undertake an intensive review of the program.

VI. USAID Support:

This Project Agreement Amendment obligates USAID to provide the following commodities:

a) 4,500 Mini-laparotomy kits	\$568,436
b) 500 Vasectomy kits	\$43,609
c) 190,000-240,000 Pieces of Surgical Apparel	\$460,000
Total	\$1,072,045

a) The procurement of 4,500 mini-laparotomy kits will insure that each service center will have on the average ten mini-lap kits. This will increase the efficiency of the program by minimizing the need for re-sterilizing equipment during each operating session and giving physicians more time for their other duties. All the equipment needed to perform a vasectomy is included in a mini-laparotomy kit.

b) The procurement of 500 vasectomy kits is for the purpose of supplying centers where only vasectomy is offered and for service centers with an unusually large demand for vasectomies.

c) The local procurement between 190,000 to 240,000 pieces of surgical apparel will be executed on a reimbursable basis. The PC & FP Directorate will submit the proper documentation to the Controller USAID/Dacca for reimbursement of apparel already bought, and reimbursement will be made according to methods established by the Controller, USAID/Dacca.

Equipment and supplies for voluntary sterilization provided under this Agreement may be granted by the BDG to private sector agencies, institutions or private practitioners provided the service deliverers are qualified, facilities are adequate, and informed consent and voluntary requirements are met, and services are nonprofit making.

VII. Covenants:

1. The BDG agrees to make temporary methods of family planning available to prospective clients at each voluntary sterilization center.

2. The BDG agrees to assure that all individuals participating in family planning programs (whether involving distribution of contraceptives or sterilization, or both), supported in whole or in part by funds provided hereunder, do so on the basis of an informed consent voluntarily given with knowledge of the benefits, risks, principal effects and available alternatives; and assure that no individual is coerced to practice methods of family planning inconsistent with his or her moral, philosophical, or religious beliefs.

3. The BDG agrees to use no part of the funds provided hereunder to pay for the performance of involuntary sterilization or to coerce or provide any financial incentive to any person to practice sterilization.

C. THE PROVISION OF 1,000 IUD KITS AND 100,000 VIALS OF EMKO:

The provision of IUD Kits and Emko vaginal foam is a continuation of USAID's support for these commodities during the past several years. This Project Agreement Amendment obligates USAID to provide the following commodities.

a) 1,000 IUD kits	\$72,000
b) 100,000 vials Emko vaginal foam	\$135,000
Total	\$207,000

D. PARTICIPANT TRAINING:

This Project Agreement Amendment obligates USAID to provide \$138,000 for the balance of this Fiscal Year's participating training needs.

Participant Training	\$138, 000
----------------------	------------

E. TWELVE MAN-MONTHS OF TRAINING ADVISOR SERVICES:

This Project Agreement Amendment obligates USAID to provide \$52,955 for the purpose of providing twelve man-months of training advisory services. This assistance is a continuation of USAID support in F Y 1977.

Training Advisor	\$52, 955
------------------	-----------

F. BUDGET SUMMARY:

a) 4,500 Mini-Laparotomy Kits	\$568, 436
b) 500 Vasectomy Kits	\$43, 609
c) 190,000–240,000 pieces of surgical apparel	\$460, 000
d) 1,000 IUD Kits	\$72, 000
e) 100,000 Vials of Emko Foam	\$135, 000
f) Participant Training	\$138, 000
g) Training Advisor	\$52, 955

Total	\$1, 470, 000
-------	---------------

TIAS 9475

APPENDIX A

List of Service Centers

1. Teaching Hospitals	10
2. Sadar Hospitals	12
3. Sub-divisional Hospitals	41
4. R.H.C./THC	166
5. Maternal & Child Health Centers (Govt. 38, Private 55)	93
6. Specialized Hospitals (Mental Hosp. 1, Infections Disease Hospital 5, TB Hosp./Segregation 13, Leprosy Hosp. 3)	22
7. Jail Hospital	19
8. Police Hospital	20
9. Railway Hospital	9
10. Private Hospitals	33
11. B.A.V.S. (excluding 4 proposed for clinic)	6
12. Family Welfare Visitors Training Inst. (FWVTI)	11
13. F.P. Model Clinic (4 attached to Medical Colleges)	5
14. Clinic of Voluntary Organizations: (1) Minonnite Central Committee (2) Radda Barmen (Mirpur) (3) HEED (Mohammadpur)	2
15. Combined Military Hospitals	1
Total	455

APPENDIX B
(English Translation)

CONSENT FORM

1. In spite of knowing that other temporary methods (oral pills; condom, IUD, etc.) are available, I agree to the sterilization operation willingly.
2. I know, this is one kind of operation and there is a slight risk for it. The doctor has orally informed me about the risk and methods of operation.
3. The doctor has also orally informed me that though I will be unable to produce children, my sexual ability and sexual activity will remain unchanged.
4. This decision is based upon my own willingness and not upon any fear, enticement or condition.
5. My husband/wife and guardians have given full consent on this operation.
6. I know that this is a permanent birth control method and is irreversible.
7. I know that I can withdraw my consent to this operation at anytime before the operation.

I signed this Consent Form willingly
for the operation

Client's signature/thumb impression
Village _____
Union _____
P.S. _____
Dist. _____

Certified that the above
7 items were orally explained
to patient.

WITNESS (Same Sex & Language as Patient)

1. Name _____
Signature _____
Address _____

Doctor's signature and
position held.

GHANA

Managed Input Delivery and Agricultural Services

*Agreement signed at Accra March 31, 1978;
Entered into force March 31, 1978.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
The Ministry of Economic Planning**

AN AGENCY OF THE Government of Ghana

<p>The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A</td> <td><input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX</td> </tr> <tr> <td><input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX [1]</td> <td><input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX</td> </tr> </table>		<input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A	<input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX	<input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX [1]	<input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX	1. PROJECT/ACTIVITY NO. 641-0067	2. AGREEMENT NO. 641-0067-78-9	3. <input checked="" type="checkbox"/> ORIGINAL OR REVISION NO. ____		
<input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A	<input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX									
<input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX [1]	<input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX									
		4. PROJECT/ACTIVITY TITLE Managed Input Delivery and Agricultural Services (MIDAS)								
<p>This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION</td> <td>DATE 3 June 1957 [1]</td> </tr> <tr> <td><input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT</td> <td>DATE</td> </tr> <tr> <td><input type="checkbox"/> (other)</td> <td>DATE</td> </tr> </table>		<input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION	DATE 3 June 1957 [1]	<input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT	DATE	<input type="checkbox"/> (other)	DATE	5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached)		
<input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION	DATE 3 June 1957 [1]									
<input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT	DATE									
<input type="checkbox"/> (other)	DATE									
		6. AID APPROPRIATION SYMBOL 72-1181021.3	7. AID ALLOTMENT SYMBOL 843-60-041-00-69-81							
<p>8. AID FINANCING <input type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY</p>		PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)						
(a) Total			\$1,600,000	\$1,600,000						
(b) Contract Services			348,000	348,000						
Participants			212,200	212,200						
(c) Commodities			337,800	337,800						
(d) Other Costs			672,000	672,000						
<p>9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT \$1.00=</p>										
(a) Total										
(b) Technical and Other Services										
(c) Commodities										
(d) Other Costs										
10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)										
<p>This agreement provides additional funding for the grant portion of the MIDAS project, as described in annexes A and B hereto.</p>										
11. DATE OF ORIGINAL AGREEMENT 3/30/78	12. DATE OF THIS REVISION	13. ESTIMATED FINAL CONTRIBUTION DATE March 31, 1981								
<p>14. FOR THE COOPERATING GOVERNMENT OR AGENCY ROBERT GARDNER SIGNATURE: DATE: TITLE: for Principal Secretary Ministry of Economic Planning</p>		<p>15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT IRVIN D. COKER SIGNATURE: Irvin D. Coker DATE: 31st Mar. 78 TITLE: Director, USAID/GHANA</p>								

¹ Not printed herein. For text, see TIAS 8590; 28 UST 3635.² TIAS 3838; 8 UST 793.

[Footnotes added by the Department of State.]

ANNEX A**THIRD TWELVE MONTH INPUTS OF PHASE I**

The goal and purpose of the project remain as stated in ProAg 0067-77-8 signed September 27, 1977.

This agreement obligates \$1.6 million in A.I.D. Grant funds to finance the third twelve month period of activity in a coordinated effort between the Agency for International Development (USAID), the Ministry of Agriculture (MOA), the Bank of Ghana (BOG), the Agricultural Development Bank (ADB), and the Ghana Fertilizer Company (GFC).

This agreement also commits the Government of Ghana (GOG) to provide and commit funds in the amount of ₦1,748,000 (see footnote in Annex B) from the budget for Ghanaian Fiscal Year 78/79 and other sources for the third 12-month period of Phase I.

I. SPECIFIC TARGETS AND ACTIVITIES:

USAID and the GOG agencies listed in Section III above will seek to carry out jointly the activities described below. A summary of funding commitments made herein is given in Annex B.

A. Small Farmer Credit Expansion (ADB)

The project will retain the existing 16 branch offices and expand credit availability and accessibility by establishing 14 new Farm Loan Offices (FLOs) in outlying rural areas where there are concentrations of small farmers.

An in-service training program will be organized to meet the needs of an expanded and reoriented staff with appropriate loan approval authority. The training program will expand ADB's training in streamlining loan approval for loans to individual small farmers, disbursement and collection procedures as a continuing concept.

The USG has authorized a loan to finance commodities in relation to the small farmer credit expansion activities. AID is also prepared to consider future additional grant financing, subject to the availability of funds.

PROJECT INPUTS/ACTIVITIES COMMITTED BY THIS AGREEMENT**1. The GOG agrees that the ADB will:**

- a. establish not less than 10 new FLOs in the third year of the project in areas having substantial concentrations of small farmers. The establishment costs of FLOs will be loan-funded by USAID. Each FLO will have a project officer in charge who will have appropriate loan approval authority; an assistant project officer responsible for coordinating input distribution and product marketing activities in the area served by FLOs; a senior loan assistant responsible for loan recoveries; and a loan assistant responsible for loan supervision and formation of groups.

- b. continue to streamline and simplify loan/credit procedures and operations;
- c. continue to decentralize loan approval authority and service activities permitting FLO staff to make over-the-counter loans at the FLOs;
- d. continue the coordination program with the MOA for loan/credit supervision by utilizing the Extension Service in assisting farmers with production, farm management and marketing practices;
- e. conduct appropriate staff training programs in developing annual objectives and strategies for achieving them, carrying out organizational research and evaluation activities, and performing all loan making and follow-up activities;
- f. disseminate the findings of the applied research effort through the assistant projects officer and in liaison with the extension service field trials activity assisted by the field trials officer under the extension/demonstration component of the project;
- g. hire and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded technicians;
- h. advance funds to the USAID in the amount of ₦10,000 per U.S. technician for the first year the technician is on-board and ₦7,000 per person each succeeding year in support of the joint program. The ADB's payment for the first 12 months will be made directly to USAID in a lump-sum within sixty (60) days of the signature of this agreement. Funds for succeeding years will be provided upon request of USAID, contingent upon USAID's contribution to the project during those years;
- i. provide administrative and secretarial support, and office space for the two AID-funded technicians;
- j. provide a driver, when required, for AID-funded vehicles, being utilized by U.S. technicians;
- k. continue to pay participants' salaries during the period of their training in the U.S. and provide economy class air transportation from Accra to Washington, D.C. and return. The ADB will also provide a warm clothing allowance and such other assistance as it usually grants its employees on study leave. The ADB also undertakes to employ the participants on their return, for a minimum period of two years and will take such measures as are necessary to ensure that each participant understands and honors his/her commitment to the project.

2. USAID agrees to provide:

- a. the second year of two-year services of two U.S. technicians, one training specialist and one farm loan specialist; and short-term consultant services in evaluation, marketing, and de-

- velopment of training program curriculum. Provision of the U.S. technical services beyond the initial two years will be contingent upon evaluation of the program, the justification for their continuation, a request for their services from the ADB, the concurrence from USAID, and the availability of funds;
- b. participant training in such fields as economics and credit management;
 - c. support for technical services now in process including maintenance and petrol for AID-funded vehicles utilized by U.S. technicians.
 - d. commodities such as office equipment and training materials.

B. The Ghana Fertilizer Company (GFC)

A description of assistance to the GFC, which is expected to become operational in the latter part of FY 1978 will be included in subsequent ProAgs.

C. Seed Multiplication

Project Inputs/Activities Committed by this Agreement:

1. The Government of Ghana agrees that the MOA/SMU will:
 - a. continue and improve the operations and production of appropriate foundation seed farms;
 - b. construct physical plants to house the seed processing equipment at various locations;
 - c. continue to contract with appropriate private growers to multiply certified seed from the foundation seed produced on the seed farms;
 - d. arrange for the widest possible distribution of the seed. This will encompass developing a program for distributing seed through the distribution/marketing channels arranged for fertilizer, etc.
 - e. provide recurrent costs for operation of the seed farms and processing plants;
 - f. hire and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded technicians;
 - g. advance funds to USAID in the amount of \$10,000 per U.S. technician for the first year the technician is on-board and \$7,000 per person in each succeeding year as a contribution to the support of the project. The MOA's payment for the first 12 months will be made directly to USAID in a lump-sum within sixty (60) days of the signature of this agreement. Funds for succeeding years will be provided upon request of USAID contingent upon USAID's contribution to the project during these years;

- h. continue to provide administrative and secretarial support, and office space for the two AID-funded technicians;
- i. continue to provide drivers as required for AID-funded vehicles, being utilized by U.S. technicians;
- j. continue to select appropriate candidates for participant training, pay the participants' salaries during the period of their training in the U.S. and provide economy class air transportation from Accra to Washington, D.C. and return. The MOA will also provide a warm clothing allowance and such other assistance as it usually grants Ministry employees on study leave. The MOA also undertakes to employ the participants on their return, for a minimum period of two years in the positions for which they have been trained and will take such measures as are necessary to ensure that each participant understands and honors his/her commitments to the project.

2. USAID agrees to provide:

- a. the second year of two-year services of two U.S. technicians in the fields of seed processing and seed enterprise management/operations, and short-term consultant services in agricultural engineering; provision of the U.S. technician services beyond the initial two years will be contingent upon the evaluation of the program, the justification for their continuation, a request for their services from the Seed Multiplication Unit, concurrence from USAID and the availability of funds;
- b. maintenance and petrol for the AID-funded vehicles utilized by the U.S. technicians;
- c. training of new participants and those already under way in such fields as seed technology and agricultural engineering;
- d. commodities such as vehicles, agricultural equipment and seed processing equipment and training materials.

D. Small Farm Systems Research

As previously agreed the MOA with USAID assistance will establish a research station in the Atebubu District and staff it with an inter-disciplinary research team. The station is to become operational mid-CY 1978. Work at the station will be preceded by a number of activities during a one-year Phase I period beginning mid-year 1978. These activities include:

- 1. zero tillage trials and breeding and screening of crop varieties important to Atebubu District and the transitional zone;
- 2. undertaking socio-economic and agronomic/biological baseline, production/farming systems, land capability/management surveys of the Atebubu District;

3. training of appropriate personnel in farm systems research work at the International Institute of Tropical Agriculture, Ibadan, Nigeria.

Following the Phase I period, and subject to the availability of funds, AID is prepared to continue to finance a Phase II providing long-term technical services training, selected commodities to assist in implementing the research program, and funds necessary for the foreign exchange cost of constructing houses to be utilized by contract personnel.

PROJECT INPUTS/ACTIVITIES COMMITTED BY THIS AGREEMENT

1. The GOG Agrees to:

- a. provide field support and operating costs of the activity;
- b. provide land and buildings for the research station;
- c. provide appropriate research personnel to cooperate with the AID-funded technicians in designing the research program and the clerical staff to support these personnel.

2. USAID agrees to provide:

- a. Research personnel to design and develop a small farm research program and to assist with baseline studies and surveys.
- b. Training for Ghanaians at the International Institute of Tropical Agriculture, Nigeria, and in the U.S. in such fields as root crops, research/production training.
- c. Assistance to establish a research station and the associated facilities.
- d. Maintenance and petrol for the AID-funded vehicles utilized by U.S. technicians.
- e. Commodities such as agriculture equipment and a small irrigation system and vehicles.

E. Marketing

The pilot activity as described in previous agreements will be implemented in the Atebubu District. At least two new Farm Loan Officers (FLOs) will also be established in the area. A report on initial field baseline survey conducted to determine the extent to which farmers are being provided the required marketing services and by whom these services are provided has recommended interventions to be experimented with by selecting a few (approximately 3-5) small traders and/or farmer cooperative/marketing associations to participate in the program.

PROJECT INPUTS/ACTIVITIES COMMITTED BY THIS AGREEMENT

1. The GOG agrees that the Bank of Ghana in conjunction with MOA/DERPS shall:

- a. cooperate with USAID to establish a monitoring evaluation system for marketing interventions to be implemented;

- b. ensure that loans made with funds provided by USAID shall be extended to private traders or cooperatives at prevailing commercial terms for working capital, to purchase tractors and trailers, to construct simple rural assembly points and to finance advance purchases of agricultural inputs;
- c. establish a revolving fund from loan repayments of principal and payments of interest on loans made as a result of the commodities provided by AID on a grant basis under this project. A reasonable amount may be withheld from the fund to finance BOG's cost in connection with its participation in the marketing activity. The revolving fund will be used to continue and expand the credit element of this activity;
- d. contract and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded advisors;
- e. select appropriate candidates for participant training, pay the participants' salaries during the period of their training in the U.S. and provide them economy class air transportation from Accra to Washington, D.C. and return. The BOG will also provide a warm clothing allowance and such assistance as it usually grants its employees on study leave. The BOG also undertakes to employ the participants on their return, for a minimum period of two years in the positions for which they have been trained, and will take such measures as are necessary to ensure that each participant understands and honors his/her commitment to the project;
- f. provide services of a driver when required for the AID-funded vehicle being utilized for project activities.

2. The USAID agrees to provide:

- a. Technical assistance for monitoring and evaluation of marketing interventions;
- b. Commodities such as scales, dryers, construction supplies;
- c. Participant training, in such fields as business administration, cooperatives, marketing systems, etc.
- d. Other costs, including follow up survey.

F. Extension/Demonstration

Objectives described under previous agreements remain in force with the exception under the Home Extension Unit indicated below.

Home Extension Unit:

Each field worker is expected to reach 4 villages in a sub-district during the third year. Within each sub-district (10 to 18 villages), the extension officer works with as many people as possible and at any given time will have at least 80 women and 40 youths participating to adopt ideas, techniques and projects the program offers.

During each ensuing year, the field worker is expected to reach two additional villages, i.e., 40 additional women and 20 additional youths in these villages. Eventually, the program will have a total coverage in all of Ghana's 58 districts with about 250 sub-districts.

Field workers are supported, supervised and evaluated by district supervisors who in turn are responsible to the headquarters in Accra, staffed by two professionals and a number of senior technical officers.

PROJECT INPUTS/ACTIVITIES COMMITTED BY THIS AGREEMENT

1. The Government of Ghana agrees that the MOA will:

- a. disseminate the findings of the applied research effort through the extension service field trials activity assisted by the U.S. field trials officer, by the Small Farmer Applied Research Activity, and in liaison with the assistant projects officers attached to the FLOs;
- b. establish 100 trial demonstrations involving fertilizer, seeds and agronomic practices on farmers' fields, managed to the maximum extent by the farmers, with guidance from the Extension Service;
- c. undertake appropriate data collection and an evaluation system for the agronomic/fertilizer demonstrations, periodically inspect the demonstrations and record responses and yields resulting from the trials; and assure that the information is disseminated to producers and input suppliers;
- d. assure effective outreach of the Crop Production Division. Close coordination at all working levels will be maintained with the USAID-assisted Field Trials Program, ADB's Small Farmer Credit Program, GFC's Sales Promotion Program, the MOA Department of Research and Planning Services and the Home Extension Unit;
- e. hire and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded advisor;
- f. advance funds to the USAID in the amount of ₦10,000 for each U.S. technician for the first year the technician is on-board and ₦7,000 per person each succeeding year as a contribution to the support of the program. The MOA's payment for the first 12 months will be made directly to USAID in a lump-sum within sixty (60) days of the signature of this agreement. Funds for succeeding years will be provided upon request of USAID, contingent upon USAID's contribution to the project during those years.
- g. provide administrative and secretarial support, and office space for the AID-funded advisor;
- h. provide a driver as required for the AID-funded vehicles being utilized by U.S. advisors.

2. The MOA Home Extension Unit agrees to:

- a. establish 100 trial demonstrations involving fertilizer, seeds and agronomic practices on farmers' fields, managed to the maximum extent by the farmers, with guidance from the Extension Service;
- b. undertake appropriate data collection and evaluation system for the agronomic/fertilizer demonstrations, periodically inspect the demonstrations and record responses and yields resulting from the trials, and assure that the information is disseminated to producers and input suppliers;
- c. carry out the activities stated in the objectives:
 - 1) each field worker reach and implement activities in 4 villages;
 - 2) to begin construction on the 4 farm/home demonstration centers that remain out of the 10 scheduled for year one; subject to the availability of cement/labor begin construction on the 10 scheduled for year two, and implement activities in all centers;
 - 3) establish the farm/home demonstration centers based on design and costs commensurate with those of small-scale farm housing practices in each respective area. They will be established at sites to be identified later.
- d. provide recurrent costs for vehicle operation/maintenance, demonstration centers, staff, etc.;
- e. hire and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded technician;
- f. select appropriate candidates for participant training, pay the participants' salaries during the period of their training in the U.S. and provide economy class air transportation from Accra to Washington, D.C. and return. The MOA will also provide a warm clothing allowance and such other assistance as it usually grants MOA employees on study leave. The Home Extension Unit also undertakes to employ the participants on their return, for a minimum period of two years in the positions for which they have been trained and will take such measures as are necessary to ensure that the participant understands and honors his/her commitment to the project.

3. Department of Home Science agrees to:

- a. continue to provide research backstopping support, develop instructional materials and intermediate labor-saving farm/home technologies, and conduct two short-term training programs for field workers for the Home Extension Unit;
- b. continue to provide recurrent costs for staff, laboratory operation, etc.

4. The USAID agrees to provide for:

- a. the Home Science Division, University of Ghana:
 1. local currency costs for workshops, staff field visits, costs of surveys, etc.;
 2. short-term technical services;
 3. commodities, including a typewriter, photo copier paper, etc.
- b. the Home Extension Unit:
 1. Up to \$4,000 each for construction of three demonstration houses at various locations;
 2. Vehicles for survey work, staff field visits, extension work, etc.
 3. Participant training in such fields as Home Economics, Agriculture Science, Teachers' Education, etc.
- c. MOA Extension Unit:
 1. Services of a full-time fertilizer demonstration/trials specialist to assist the MOA Extension Unit and the Extension/Field Service;
 2. One Suburban vehicle for the Extension Service;
 3. Support and travel costs for the U.S. project technicians.

II. EVALUATION

USAID will provide technical services and other costs support to establish a framework for evaluation of the entire MIDAS project when recommended by the Ministry of Agriculture and the Agricultural Development Bank.

III. ADMINISTRATION

USAID will also utilize portions of the funds herein obligated for project related operations and support costs of project technicians and managers to include a vehicle for the Ministry of Economic Planning Coordinating Committee.

ANNEX B

**Total Estimated GOG Contribution During Year Three Including
GOG Incremental Budget Contributions
(¢000)**

Sub-Activity	Technical Services Support	Operating Costs	Participants	Other	Total
Credit—ADB ¹	2	1007	—	—	1009
Fertilizer—GFC ¹	—	733	—	—	733
Seeds—MOA *	2	576	14	745	1337
Research—MOA *	76	70	—	—	146
Marketing—BOG	3	3	5	—	11
Extension/Demonstration—MOA *	19	221	9	16	265
Total	102	2610	28	761	3501
*Total Incremental GOG Budget Contributions	97	867	23	761	1748

¹ These contributions will be funded out of the profit margins expected from the operations/activities resulting from this program.

NOTE: The above figures are illustrative. The individual line items may vary as specific elements are implemented and final budgets prepared. The figures exclude activities such as budget for (a) operating costs/technical service support/participant training for GFC, (b) construction and installation cost of loan-funded and facilities for the SMU and (c) operating expenses/field and support staff/research laboratory construction of MOA Applied Research component planned for the first and second years but not undertaken due to delay in signing of MIDAS loan or meeting Conditions Precedent (CPa). These amounts are ₦3,030,000 for GFC; ₦744,000 for SMU and ₦397,000 for MOA Applied Research component.

CAMEROON
Livestock and Agriculture Development

*Agreement signed at Yaounde May 18, 1978;
Entered into force May 18, 1978.*

A.I.D. Project Number: 631-0004

PROJECT GRANT AGREEMENT
BETWEEN
THE UNITED REPUBLIC OF CAMEROON
AND
THE UNITED STATES OF AMERICA
FOR
NORTH CAMEROON LIVESTOCK AND AGRICULTURE DEVELOPMENT

Dated: MAY 18 1978

XXXXXX-XXXXXX-XXXXXX
XXXXXX-XXXXXX-XXXXXX
XXXXXX-XXXXXX-XXXXXX

Projet A.I.D. Numéro: 631-0004

ACCORD DE SUBVENTION AU PROJET
ENTRE
LA REPUBLIQUE UNIE DU CAMEROUN
ET
LES ETATS-UNIS D'AMERIQUE
POUR LE PROJET DE
DEVELOPPEMENT INTEGRÉ DE L'ELEVAGE ET DE L'AGRICULTURE AU NORD-CAMEROUN

Daté du:

MAY 18 1978

TABLE OF CONTENTS
TABLE DES MATIERES

Project Grant Agreement Accord de Subvention au Projet					<u>Pages</u>	(Pages herein)
ARTICLE I: The Agreement	1	4551
ARTICLE I: L'Accord						
ARTICLE 2: The Project	1	4551
ARTICLE 2: Le Projet						
Section 2.1. Definition of Project (Annex I)				...	1	4551
Section 2.1. Définition du Projet (Annexe I)						
Section 2.2. Incremental Nature of Project				...	2	4552
Section 2.2. Nature Progressive du Projet						
ARTICLE 3: Financing	2	4552
ARTICLE 3: Le Financement						
Section 3.1. The Grant (Annex III)			2	4552
Section 3.1. La Subvention (Annexe III)	...					
Section 3.2. Grantee Resources for the Project (Annex IV)					2	4552
Section 3.2. Ressources Apportées par le Donataire au Projet (Annexe IV)						
Section 3.3. Project Assistance Completion Date			...		3	4553
Section 3.3. Date d'Expiration de l'Assistance au Projet						
ARTICLE 4: Special Covenants	4	4554
ARTICLE 4: Conventions Particulières						
Section 4.1. Project Evaluation			4	4554
Section 4.1. Evaluation du Projet						
Section 4.2. Staffing			4	4554
Section 4.2. Personnel						

	Pages	[Pages herein]
ARTICLE 5: Procurement Source	4	4554
ARTICLE 5: Source des Acquisitions		
Section 5.1. Foreign Exchange Costs	4	4554
Section 5.1. Dépenses faites en Devises Etrangères		
Section 5.2. Local Currency Costs	5	4555
Section 5.2. Dépenses faites en Monnaie Locale		
ARTICLE 6: Disbursements	5	4555
ARTICLE 6: Versements		
Section 6.1. Disbursement for Foreign Exchange Costs	5	4555
Section 6.1. Versements pour les Dépenses en Devises Etrangères		
Section 6.2. Disbursement for Local Currency Costs	6	4556
Section 6.2. Versements pour les Dépenses en Monnaie Locale		
Section 6.3. Other Forms of Disbursement ...	7	4557
Section 6.3. Autres formes de Versements		
Section 6.4. Rate of Exchange	7	4557
Section 6.4. Taux d'Echange		
ARTICLE 7: Miscellaneous	7	4557
ARTICLE 7: Divers		
Section 7.1. Communications	7	4557
Section 7.1. Communications		
Section 7.2. Representatives	8	4558
Section 7.2. Représentants		
[1]		
Section 7.3. Standard Provisions Annex (Annex II) ...	8	4558
Section 7.3. Annexe Dispositions Uniformes (Annexe II)		
Section 7.4. Language of Interpretation	9	4559
Section 7.4. Langue d'Interprétation		

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 631-0004

Project Grant Agreement

Dated

19____

Between

THE UNITED REPUBLIC OF CAMEROON
("Grantee")

And

THE UNITED STATES OF AMERICA, acting
through the Agency for International
Development ("A.I.D.")

Article 1: The Agreement

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

Article 2: The Project

SECTION 2.1. Definition of Project

The Project, which is further described in Annex I, will demonstrate in a pilot zone of significant size the feasibility of implementing through local organizations, a series of technical practices for integrating and intensifying livestock and agriculture production, while reversing the resources degradation processes and improving the resources base.

Annex I, attached, amplifies the definition of the Project contained in this Section 2.1. Within the limits of the definition of the Project in this Section 2.1, elements of the amplified description stated in Annex I may be changed by written agreement of the representatives of the Parties named in Section 7.2., without formal amendment of this Agreement.

Projet A.I.D. N° 631-0004

Accord de Subvention au Projet

Daté du

19____

Entre

LA REPUBLIQUE UNIE DU CAMEROUN
("Donataire")

Et

LES ETATS-UNIS D'AMERIQUE, agissant par l'intermédiaire de l'Agence pour le Développement International ("A.I.D.")

Article 1: L'Accord

Le but du présent Accord est de définir les termes de l'entente entre les parties ci-dessus mentionnées ("Parties") en ce qui concerne la mise en œuvre par la Donataire du Projet décrit ci-dessous, et en ce qui concerne le financement du projet par les Parties.

Article 2: Le Projet

SECTION 2.1. Définition du Projet

Ce projet, qui est décrit plus en détails à l'Annexe I, démontrera dans une zone pilote d'importance appréciable la possibilité de mettre en œuvre au moyen d'organismes locaux une série de pratiques techniques visant à intégrer et à intensifier la production pastorale et agricole, tout en renversant le processus de dégradation des ressources et en améliorant la base de celles-ci.

L'Annexe I, ci-jointe, développe la description du Projet contenue dans la présente Section 2.1. Dans les limites de la définition du Projet de cette Section 2.1, les éléments de la description développée à l'Annexe I peuvent être changés par consentement écrit des représentants autorisés des Parties désignés à la Section 7.2., sans que le présent Accord soit officiellement amendé.

SECTION 2.2. Incremental Nature of Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

Article 3: FinancingSECTION 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, [1] agrees to grant the Grantee under the terms of this Agreement not to exceed One Million Twenty-Nine Thousand United States ("U.S.") Dollars (\$1,029,000) ("Grant"). (See Annex III for a breakdown of the U.S. contribution.)

The Grant may be used to finance foreign exchange costs, as defined in Section 5.1., and local currency costs, as defined in Section 5.2., of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project

SECTION 2.2. Nature "Périodique" du Projet

(a) La contribution de l'A.I.D. au Projet se fera par tranches, dont la première sera rendue disponible conformément à la Section 3.1. du présent Accord. Les tranches ultérieures dépendront des fonds mis à sa disposition à cette fin et de l'accord mutuel des Parties au moment où une nouvelle tranche doit être débloquée.

(b) Dans les limites de la Date d'Expiration de l'Assistance au Projet stipulée dans le présent Accord, l'A.I.D., après consultation avec le Donataire, peut préciser par écrit des périodes déterminées pour l'utilisation des fonds fournis par l'A.I.D. au titre d'une tranche particulière de la contribution.

Article 3: Le FinancementSECTION 3.1. La Subvention

Afin d'aider le Donataire à faire face aux dépenses encourues pour mener à bien le Projet, l'A.I.D., conformément à l'Acte d'Assistance aux Pays Etrangers de 1961, tel qu'amendé, convient d'accorder une subvention au Donataire, aux termes du présent Accord, laquelle Subvention ne devra pas excéder Un Million Vingt Neuf Mille Dollars des Etats-Unis (1.029.000 dollars U.S.) ("Subvention"). (Voir à l'Annexe III la répartition de la contribution des Etats-Unis.)

Cette Subvention pourra être utilisée pour financer des dépenses en devises étrangères, selon la Section 5.1., et des dépenses en monnaie locale, selon la Section 5.2., pour les marchandises et les services nécessaires au Projet.

SECTION 3.2. Ressources Apportées par le Donataire au Projet

(a) Le Donataire convient de fournir ou de faire fournir au Projet tous les fonds,

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$2,123,000 (See Annex IV for a breakdown of the United Republic of Cameroon contribution to the Project), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is April 30, 1984, 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. After the PACD, all materials and goods furnished under the Grant will become the property of the Government of Cameroon.

(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, are to be received by A.I.D. or any bank described in Section 5.1. 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, were not

en plus de la Subvention, et toutes les autres ressources nécessaires pour mener à bien le Projet d'une manière satisfaisante et en temps utile.

(b) Les ressources apportées par le Donataire au Projet ne pourront être inférieures à l'équivalent de 2,123,000 dollars U.S. y compris les dépenses "en nature". (Voir l'Annexe IV pour la répartition de la contribution de la République Unie du Cameroun.)

SECTION 3.3. Date d'Expiration de l'Assistance au Projet

(a) La "Date d'Expiration de l'Assistance au Projet" (en anglais PACD) qui est le 30 Avril 1984, ou toute autre date décidée par écrit par les Parties, est la date à laquelle les Parties estiment que tous les services financés au titre de la Subvention auront été fournis ainsi que toutes les marchandises destinées au Projet tel que prévu dans le présent Accord. Après cette date, tous les matériels et toutes les marchandises fournis au titre de la Subvention deviendront la propriété du Gouvernement du Cameroun.

(b) Sauf dispositions contraires de l'AID formulées par écrit, celle-ci ne délivrera ou n'approvera aucun document autorisant le déboursement des fonds de la Subvention pour des services fournis après la PACD ou des marchandises livrées aux fins du Projet, tel que prévu dans le présent Accord, après la PACD.

(c) Les demandes de versement, accompagnées par des documents justificatifs, devront être reçues par l'AID, ou par toute banque conformément à la Section 6.1, au plus tard neuf (9) mois après la PACD, ou tout autre délai précisé par l'AID par écrit. Passé ce délai, l'AID en notifiant par écrit le Donataire peut à tout moment réduire le montant de la Subvention de la totalité ou d'une partie pour laquelle les demandes de déboursement, accompagnées des documents justificatifs n'ont pas été reçus avant l'expiration dudit délai,

received before the expiration of said period, unless it is proven that the delay is due to the supplier's fault exclusively.

sauf s'il est prouvé que ce retard est dû à la faute du fournisseur exclusivement.

Article 4: Special Covenants

SECTION 4.1. 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 within three years after its commencement:

- (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 4.2. Staffing

The Grantee will assign technical and administrative personnel to the Project as necessary to assure the functioning of livestock and agricultural services in the project area and the realization of project training objectives.

Article 5: Procurement Source

SECTION 5.1. Foreign Exchange Costs

Disbursements pursuant to Section 6.1, will be used exclusively to finance the costs of goods and services required

Article 4: Conventions Particulières

SECTION 4.1. Evaluation du Projet

Les Parties conviennent d'établir un programme d'évaluation qui est partie intégrante du Projet. Sauf dispositions contraires des Parties, formulées par écrit, ce programme comportera pendant la mise en œuvre du Projet et dans les trois années qui suivront son commencement :

- (a) une évaluation de la progression du Projet vers ses objectifs ;
- (b) l'identification et l'évaluation des problèmes ou contraintes susceptibles d'empêcher cette progression ;
- (c) l'évaluation de la mesure dans laquelle une telle information peut être utilisée pour résoudre ces problèmes ; et
- (d) l'évaluation, dans la mesure du possible, de l'impact global du Projet sur le développement.

SECTION 4.2. Personnel

Le Donataire effectera du personnel technique et administratif au Projet selon les besoins, afin d'assurer le fonctionnement des services d'élevage et d'agriculture dans la zone du projet, ainsi que la réalisation des objectifs de formation du projet.

Article 5: Source des Acquisitions

SECTION 5.1. Dépenses en Devises Etrangères

Les versements effectués conformément à la Section 6.1. seront utilisés exclusivement pour financer les coûts des marchandises

for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Agreement Standard Provisions Annex, Section C.1. (b) with respect to marine insurance.

SECTION 5.2. Local Currency Costs

Disbursements pursuant to Section 6.2. 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 United Republic of Cameroon ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 6: Disbursement

SECTION 6.1. Disbursement for Foreign Exchange Costs

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

1. by submitting in writing to A.I.D., with necessary supporting documentation, the following: (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

et services nécessaires au Projet, dont la source et l'origine se trouve aux Etats-Unis (Code 000 du Registré Géographique de l'AID en vigueur au moment où les commandes sont passées ou les contrats signés pour ces marchandises ou services) ("Dépenses en Devises Etrangères") sauf dispositions contraires de l'AID formulées par écrit, et sauf pour les dispositions de la Section C.1.(b) de l'Annexe Dispositions Uniformes pour les Projets Subventionnés, relatives aux assurances maritimes.

SECTION 5.2. Dépenses en Monnaie Locale

Les versements effectués conformément à la Section 6.2. seront utilisés exclusivement pour financer les coûts des marchandises et services nécessaires au Projet, dont la source et, sauf dispositions contraires de l'AID formulées par écrit, l'origine se trouvent en République Unie du Cameroun, ("Dépenses en Monnaie Locale"). Dans la mesure où cela est prévu dans le cadre du présent Accord, les "Dépenses en Monnaie Locale" peuvent également comporter la fourniture des ressources en monnaie locale nécessaires au Projet.

Article 6: Versements

SECTION 6.1. Versements pour les Dépenses en Devises Etrangères

(a) Le Donataire peut obtenir le versement de fonds au titre de la Subvention pour les Dépenses en Devises Etrangères relatives aux marchandises et services nécessaires au Projet, conformément aux termes du présent Accord, par les méthodes suivantes, ayant reçu l'accord mutuel des Parties :

1. en soumettant par écrit à l'A.I.D., avec les documents justificatifs :
(A) des demandes de remboursement pour ces marchandises ou services, ou
(B) des demandes pour que l'A.I.D. achète ces marchandises ou services au nom du Donataire aux fins du Projet ; ou

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

SECTION 6.2. Disbursement for Local Currency Costs

(a) 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, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

1. by acquisition by A.I.D. with U.S. dollars by purchase; or
2. by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the

2. en demandant à l'AID d'émettre des Lettres d'Engagement pour des montants spécifiques: (A) en faveur d'une ou plusieurs banques des Etats-Unis, agréées par l'AID et engageant cette dernière à rembourser ladite ou les-dites banques pour les paiements effectués par elle(s) aux contractants ou aux fournisseurs, au moyen de Lettres de Crédit ou autrement pour ces marchandises ou services, ou (B) directement en faveur d'un ou plusieurs contractant(s) ou fournisseurs, l'AID s'engageant à payer lesdits contractants ou fournisseurs pour ces marchandises et services.

(b) Les frais de banque encourus par le Donataire et afférents aux Lettres d'Engagement et aux Lettres de Crédit seront financés au titre de la Subvention à moins que le Donataire ne donne à l'AID des instructions contraires. Les autres frais pourront également être financés au titre de la Subvention si les Parties en conviennent.

SECTION 6.2. Versements pour les Dépenses en Monnaie Locale

(a) Le Donataire pourra obtenir des versements de fonds au titre de la Subvention pour les Dépenses en Monnaie Locale conformément aux termes du présent Accord en soumettant à l'A.I.D., accompagnées des documents justificatifs nécessaires, des demandes de financement de ces dépenses.

(b) La monnaie locale nécessaire à de tels déboursments pourra être obtenue :

1. par acquisition par l'A.I.D. au moyen de dollars U.S.; ou
2. (A) L'AID peut demander au Donataire de rendre disponible la monnaie locale nécessaire à ces dépenses, après quoi (B) elle mettra à la disposition du Donataire, par l'ouverture ou l'amendement d'une Lettre de Crédit Spéciale en faveur du Donataire ou de son

Grantee or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of sub-section (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 of amendment of the applicable Special Letter of Credit.

SECTION 6.3. 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 6.4. Rate of Exchange

Except as may be more specifically provided under Section 6.2., if funds provided under the Grant are introduced into the United Republic of Cameroon 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 United Republic of Cameroon at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the United Republic of Cameroon.

Article 7: Miscellaneous

SECTION 7.1. Communications

Any notice, request, document or other communication submitted by either

représentant désigné un montant de dollars U.S. équivalent au montant en monnaie locale rendu disponible par le Donataire, lesquels dollars seront utilisés pour les achats aux Etats-Unis.

L'équivalent en dollars U.S. du montant en monnaie locale rendu disponible sera, dans le cas de la sous-section (b)(1) ci-dessus, le montant de dollars U.S. nécessaire à l'AID pour acheter la monnaie locale, et dans le cas de la sous-section (b)(2) ci-dessus, un montant calculé selon le taux d'échange spécifié dans le Memorandum pour l'Exécution de la Lettre de Crédit Spéciale à compter de la date de l'ouverture ou de l'amendement de ledite Lettre de Crédit Spéciale.

SECTION 6.3. Autres Formes de Versements

Les versements au titre de la Subvention peuvent également se faire par tous autres moyens convenus par écrit par les Parties.

SECTION 6.4. Taux d'Echange

Sauf dispositions prévues spécifiquement au titre de la Section 6.2., si des fonds fournis au titre de la Subvention sont introduits en République Unie du Cameroun par l'AID ou toute agence privée ou publique dans le but de mener à bien les obligations de l'AID, le Donataire prendra toutes les dispositions nécessaires pour que ces fonds soient convertis en monnaie de la République Unie du Cameroun au taux d'échange le plus élevé qui au moment de la conversion, ne soit pas illégal en République Unie du Cameroun.

Article 7: Divers

SECTION 7.1. Communications

Tous avis, demandes, documents ou autres communications soumis par l'une des

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 Economic Affairs and Planning,
Yaounde,
United Republic of Cameroon.

To A.I.D.:

Mail Address:

AID Regional Development Office
c/o American Embassy
B.P. 817
Yaounde, United Republic of Cameroon.

Other addressees may be substituted for the above upon the giving of notice.

SECTION 7.2. Representatives

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Minister of Economic Affairs and Planning and A.I.D. will be represented by the individual holding or acting in the office of the Regional Development Officer, 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.

SECTION 7.3. Standard Provisions
Annex

A "Project Grant Standard Provisions Annex" (Annex II) [1] is attached to and forms part of this Agreement.

Parties à l'autre dans le cadre du présent Accord seront exécutés par écrit ou par télégramme ou cable, et seront considérés comme étant donnés ou envoyés quand ils auront été délivrés à ladite partie aux adresses suivantes :

Donataire :

Adresse Postale :

Ministère de l'Economie et du Plan,
Yaoundé,
République Unie du Cameroun.

A.I.D. :

Adresse Postale :

Bureau Régional de l'U.S.A.I.D.
s/c de l'Ambassade Américaine
B.P. C17
Yaoundé, République Unie du Cameroun.

D'autres adresses peuvent être substituées à celles mentionnées ci-dessus sur notification.

SECTION 7.2. Représentants

Aux fins d'application du présent Accord, le Donataire sera représenté par la personne qui remplit les fonctions de Ministre de l'Economie et du Plan et l'AID sera représenté par la personne qui remplit les fonctions de Directeur du Bureau Régional de l'U.S.A.I.D. chacune ayant le pouvoir, par notification écrite de désigner d'autres représentants à toutes fins excepté celle d'exercer le droit stipulé à la Section 2.1 de réviser des éléments de la description développée à l'Annexe I.

SECTION 7.3. Annexe Dispositions Uniformes

Une "Annexe Dispositions Uniformes pour les Projets Subventionnés" (Annexe II) est jointe au présent Accord et en est partie intégrante.

¹ See footnote 1, p. 4550.

SECTION 7.4. Language of Interpretation

This Project Grant Agreement is prepared in English and French. The English version shall be considered controlling for purposes of interpretation.

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.

SECTION 7.4. Langue d'Interprétation

Le présent Accord de Projet est préparé en anglais et en français. En cas de litige seule la version anglaise fera foi.

EN FOI DE QUOI, le Donataire et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de leurs représentants dûment mandatés, ont fait établir et signer cet Accord en bonne et due forme en vertu des pouvoirs dûment conférés à cet effet, à la date et à l'année indiquée en premier lieu ci-dessus.

UNITED STATES OF AMERICA

By: Mabel M. Smythe^[1]

Title: United States Ambassador to

Cameroun.

REPUBLIQUE UNIE DU CAMEROUN

Pour le Ministre
Le Vice-Ministre
Ryoni

Robert NAAH

¹ Mabel M. Smythe.

ANNEX IThe ProjectI. Goal:

The overall goal of this project is to intensify and integrate livestock and agricultural production in the central plains of the North while at the same time halting and eventually reversing the current degradation of range and agricultural lands.

II. Purposes:

The purpose of this project is to demonstrate in the Mindif-Moulvouday pilot area, using improved technology and managerial techniques, that livestock and agricultural production can be intensified and integrated, and that the process of natural resource degradation can be arrested.

III. Project Description:

This project has its origins in the work of a joint AID-FAC project identification and design team during 1974-75. Consultations among FAC, AID and the Government of the United Republic of Cameroon (GURC) led to a decision that AID would assist in the detailed design and implementation of this project which operates in a pilot area. Attempts will be made to incorporate, on a limited scale, most of the technical interventions found by the FAC-AID design team to hold promise for wider application in the livestock growing areas of Northern Cameroon above the Adamaua Plateau. The area in which the project will operate is one of approximately 2,490 square kilometers around Mindif and Moulvouday, in the Departments of Diamaré and Mayo-Danai. This area, with a human population of some 55,000, was chosen because it is typical of much of the central plains country of Northern Cameroon and represents a sufficiently significant and diversified area as to have an

ANNEXE ILe ProjetI. But :

Le but général de ce projet est d'intensifier et d'intégrer la production pastorale et agricole dans les plaines centrales du Nord tout en arrêtant et éventuellement en renversant le courant de dégradation des terres de pâturage et d'agriculture.

II. Objectifs :

L'objectif de ce projet est de démontrer dans la zone pilote du Mindif-Moulvouday, en utilisant une technologie améliorée et des techniques de gestion, que la production pastorale et agricole peut être intensifiée et intégrée et que le processus de dégradation des ressources naturelles peut être arrêté.

III. Description du Projet

Ce projet a son origine dans les travaux d'une équipe conjointe FAC/AID d'identification et d'élaboration, travaux effectués en 1974-75. Des consultations entre le FAC, l'AID et le Gouvernement de la République Unie du Cameroun (GRUC) ont conduit à décider que l'AID aiderait à l'élaboration détaillée et à la mise en œuvre de ce projet dans une zone pilote. On tentera d'inclure, sur une échelle limitée, la plupart des interventions techniques trouvées par l'équipe d'élaboration FAC-AID en espérant une application plus large dans les régions d'élevage du Nord-Cameroun au nord du Plateau de l'Adamaua. La zone dans laquelle le projet sera mis en œuvre a une superficie d'environ 2,490 km² autour de Mindif et de Moulvouday, dans les départements du Diamaré et du Mayo-Danai. Cette zone, qui a une population humaine d'environ 55,000 habitants a été choisie parce qu'elle est typique de la majeure partie de la région des plaines du Nord Cameroun et représente une région assez importante et diversifiée pour avoir un impact important sur la production pastorale et agricole du Nord.

important impact on the livestock and agricultural production of the North.

Overall management by the GURC will be provided through the Provincial Committee for the Struggle Against the Drought (CPLS). CPLS will coordinate the activities of other GURC organizations and USAID technical assistance through a project leader appointed under the CPLS executive secretariat.

A. Project operations in the pilot area will consist of, but not be limited, to the following:

1. A plan will be made for the allocation of land resources in accordance with its capability for range and agricultural purposes.
2. A detailed study of range and livestock resources will be made in order to identify suitable production units through which improved practices may be applied.
3. A detailed study will be made of existing governmental and traditional range management structures in order to assure their effective support of improved local management and discipline.
4. A project consultative committee will be set up to consist of representatives of cooperating GURC services, traditional bodies and private livestock and agricultural producers.
5. The demonstration of appropriate managerial and operational practices such as the following:
 - (a) Rotational grazing;
 - (b) Creation of water points as necessary to make their distribution more even in order to promote uniform grazing;

La gestion globale opérée par le GRUC se fera par l'intermédiaire du Comité Provincial de Lutte Contre la Sécheresse (CPLS). Le CPLS coordonnera les activités des autres organismes du GRUC et l'assistance technique de l'AID par le truchement d'un chef de projet qui dépendra du secrétariat exécutif du CPLS.

A. Les activités du Projet dans la zone pilote comprendront, sans toutefois s'y limiter, les opérations suivantes :

1. Un plan pour la vocation des terres conformément à leurs potentialités pour l'élevage ou l'agriculture,
2. Une étude détaillée des ressources en pâturages et bétail afin d'identifier des unités de production convenant à l'application de pratiques améliorées.
3. Une étude détaillée des structures actuelles de gestion des pâturages, qu'elles soient gouvernementales ou traditionnelles afin de s'assurer de leur soutien effectif à la gestion et à la discipline locales.
4. Un comité consultatif sera créé, composé des représentants des services participants du GRUC, des organisations traditionnelles et des producteurs privés pastoraux et agricoles.
5. La démonstration de pratiques appropriées de gestion et de fonctionnement à savoir :
 - (a) Paissance par rotation;
 - (b) Création de points d'eau selon les besoins pour égaleriser leur répartition afin d'encourager une paissance uniforme;

- (c) Control of bush and forest species which compete with grasses;
- (d) On-site water control and establishment of water spreading structures to reduce water run-off and erosion;
- (e) Complementing farm crop residues with agricultural by-product concentrates and other supplements for more efficient feeding of draft animals and other livestock.
- 5. The augmentation of traditional animal health services.
- 7. The development of trials and demonstrations of leguminous plant species in rotation with other crops.
- 8. A detailed study of agriculture production and the development of a program for improvement of production practices.
- B. The following targets are illustrative of the results the project will seek to achieve in the project area:
 - 1. Establishment of a system of management of range lands based upon a self-disciplining local organization and based upon technically sound practices which will optimize productivity of the range while conserving its natural potential.
 - 2. Demonstration of a system of livestock production involving supplementing range feeding with agriculture by-products and cultivated forages.
 - 3. Demonstration of the utility of producing legume forages in rotation
- (c) Contrôle des espèces de brousse et de forêt qui sont en compétition avec les herbes;
- (d) Contrôle de l'eau sur place et installation de structures d'épandage des eaux pour réduire leur perte ainsi que l'érosion;
- (e) Compléter les résidus des récoltes par des concentrés de sous-produits agricoles et autres suppléments, visant à améliorer l'alimentation des animaux de trait et du bétail de boucherie.
- 6. Le développement des services de santé animale traditionnels.
- 7. L'instauration d'essais et de démonstrations d'espèces légumineuses en rotation avec d'autres cultures.
- 8. Une étude détaillée de la production agricole et la mise en place d'un programme d'amélioration des pratiques de production.
- B. Les objectifs suivants illustrent les résultats que le projet cherchera à atteindre dans la zone du projet :
 - 1. Etablissement d'un système de gestion des terres de pâturage basé sur une organisation locale auto-disciplinée et basée également sur des méthodes techniques valables qui porteront au maximum la productivité des pâturages tout en conservant leur potentiel naturel.
 - 2. Démonstration d'un système de production animale en complétant l'alimentation naturelle par des sous-produits agricoles et des fourrages cultivés.
 - 3. Démonstration de l'utilité de la production de fourrages légumineux

- with food and fiber crops as a soil-improving measure.
- en rotation avec les cultures alimentaires ou textiles comme mesure d'amélioration du sol.
4. Extension of the use of animal power to more generalized applications (other than plowing) for food crop production. Improved crop production practices, including use of improved varieties and seeds, water conserving techniques, pest control, crop rotation, etc. will be more generally used.
4. Extension de l'utilisation de la traction animale à des applications plus généralisées (autres que le labourage) pour la production des cultures alimentaires. Utilisation plus généralisée de pratiques améliorées de production agricole comprenant l'utilisation de variétés et de semences améliorées, des techniques de conservation des eaux, le contrôle des peste la rotation des cultures, etc.
5. Establishment of a mechanism for coordinating the activities of several government services and entities in an integrated effort for the solution of complex problems will have been established.
5. Etablissement d'un mécanisme coordonnant les activités des divers services et entités du gouvernement en un effort intégré pour résoudre les problèmes complexes.
6. Training of Cameroonian in sufficient strength to expand the project activities beyond the confines of the pilot zones.
6. La formation de Camerounais en nombre suffisant pour étendre les activités du projet au-delà des frontières de la zone pilote.
7. An increase by some 25 percent of the effectiveness of utilization of forage on 195,000 hectares of now improperly or underutilized range lands.
7. Une augmentation d'environ 25% du rendement de l'utilisation du fourrage sur 195.000 hectares de terres actuellement mal ou insuffisamment utilisées.
8. A reduction of livestock loss from disease and parasites by 30%.
8. Une réduction de 30% des pertes animales par suite de maladie et de parasites.
9. A reduction of calf mortality and, through better feeding, better early development.
9. Une réduction de la mortalité des veaux et, grâce à une meilleure alimentation, une croissance plus précoce.
10. The establishment of an extension and information service for livestock (currently veterinary services are the only services available in the livestock sector).
10. L'établissement d'un service d'animation et d'information pour l'élevage (actuellement les services vétérinaires sont les seul disponibles dans le secteur de l'élevage).

-
- | | |
|---|--|
| 11. A training program for integrating training in both crop and animal production at the project level. | 11. Un programme visant à intégrer la formation dans les domaines de la production agricole et animale au niveau du projet. |
| 12. Strengthened livestock and agriculture extension services and veterinary services through addition of personnel and training of existing and new personnel and by improving facilities available to these services. | 12. Renforcement des services d'animation dans les domaines de l'élevage et de l'agriculture ainsi que des services vétérinaires par l'augmentation du personnel et par la formation des personnels nouveaux et existant, et également par l'amélioration des structures mises à la disposition de ces services. |

ANNEX III

The estimated AID contribution, subject to the availability of funds, over the life of the project (FY-1978 through FY-1983) is as follows:

	<u>U.S. Dollars</u>
Technical Assistance	2,280,000
Evaluation	50,000
Participant Training	519,000
Seminars	60,000
Commodities	1,726,000
Procurement Services	100,000
Construction	690,000
Operating Costs	<u>701,000</u>
TOTAL ...	<u>6,136,000</u>

ANNEXE III

Les prévisions pour la contribution de l'AID, sous réserve de la disponibilité des fonds, et pour la durée du projet (Années fiscales 1978-1983) sont les suivantes :

	<u>Dollars U.S.</u>
Assistance Technique	2,280,000
Evaluation	60,000
Formation	519,000
Séminaires	60,000
Matériel et Fournitures	1,726,000
Frais pour Service d'Achat	100,000
Construction	590,000
Frais de Fonctionnement	<u>701,000</u>
TOTAL ...	<u>6,136,000</u>

A breakdown of the A.I.D. contribution for FY-1978 is as follows:

	<u>U.S. Dollars</u>
<u>TECHNICAL SERVICES CONTRACTS:</u>	
<u>CONTRACTS:</u>	
One year services of six U.S. technicians under an institutional contract and one U.S. technician under personal services contract	751,000
Supplies and Equipment	161,000
<u>COMMODITIES:</u>	
Two Generators	86,500
Repair facility equipment	25,500
Personal services contractor household furniture	2,500
Appliances	<u>2,500</u>
TOTAL ...	<u>1,029,000</u>

La répartition de la contribution de l'AID pour l'année fiscale 1978 est la suivante :

	<u>Dollars U.S.</u>
<u>CONTRATS POUR SERVICES TECHNIQUES :</u>	
<u>TECHNIQUES :</u>	
Services de 5 experts américains pour un an par un contrat avec une institution et un expert américain sous contrat personnel.	751,000
Fourniture et Equipement	161,000
<u>MATERIEL ET FOURNITURES :</u>	
<u>DEUX GÉNÉRATEURS</u>	
Deux Générateurs	86.500
Equipement de réparations	25.500
Mobilier pour l'expert sous contrat personnel	2.500
Equipement	<u>2.500</u>
TOTAL ...	<u>1,029,000</u>

ANNEX IV

THE UNITED REPUBLIC OF CAMEROON
CONTRIBUTION TO THE NORTH CAMEROON
LIVESTOCK AND AGRICUL-
TURE DEVELOPMENT PROJECT

EQUIVALENT U.S. DOLLARS
 AT F.CFA 240 to \$1.00

A. The Grantee's estimated contribution for the life of the project (FY-1978 - FY-1983) is estimated as follows:

1. Value of land in project area \$ 896,000
2. Salaries for veterinary, agriculture and CPLS personnel already in place at Mindif-Moulvouday 117,000
3. Salaries for new agriculture and livestock positions to be assigned by Grantee in the project zone during the life of the project 135,000
4. Operational costs for training herders/farmers in already established centers at Maroua and in the project zone 150,000
5. Salaries and support costs provided by the Grantee for participants while in training in the United States 213,000
6. Value of existing offices, laboratories, and storage and transportation facilities associated with the project. 405,825

ANNEXE IV

CONTRIBUTION DE LA REPUBLIQUE UNIE
DU CAMEROUN AU PROJET DE DEVELOPPEMENT
INTEGRÉ DE L'ELEVAGE ET DE
L'AGRICULTURE AU NORD-CAMEROUN

EQUIVALENT EN DOLLARS U.S.
 à F.CFA 240 pour \$1.00

A. Prévisions de la contribution du Donataire pour la durée du projet (Années fiscales 1978-1983) :

1. Valeur de la terre dans la zone du projet \$ 896.000
2. Salaires du personnel vétérinaire, agricole et de celui du CPLS déjà en place dans la Mindif-Moulvouday 117.000
3. Salaires des nouveaux postes d'agriculture et d'élevage devant être créés par le Donataire dans la zone du projet pendant la durée de celui-ci 135.000
4. Frais de fonctionnement pour la formation des pasteurs et des fermiers dans les centres déjà établis à Maroua et dans la zone du projet 150.000
5. Salaires et soutien fournis par le Donataire aux participants pendant leur formation aux Etats-Unis. 213.000
6. Valeur des bureaux, laboratoires, magasins et du matériel de transport associés au projet. 405.825

7. Value of operational costs for Grantee's office and vehicles associated with the project	\$ 206,175	7. Valeur des frais de fonctionnement pour les bureaux et les véhicules associés au projet	\$ 206.175
TOTAL	\$2,123,000	TOTAL	\$2,123,000

B. The Grantee's FY-1978 contribution has already been budgeted, and also includes in-kind contribution.

B. Contribution du Donataire pour le budget de l'année fiscale 1978, y compris la contribucion en nature:

1. Budgetary Allocations:

a) Personnel: \$ 21,576

Permanent professional staff	\$13,500
Clerical assistants	2,256
Drivers	1,140
Unskilled workers	4,580

b) Equipment Now In Place: 2,200

Vehicles	1,700
Office supplies/ materials	500

c) Currently Provided Operating Costs:

Lodging	2,400
Vehicle oil, gas, repairs	1,700
Trip expenses (per diem)	250

d) Supplemental by-products: 11,550

Cotton Seed Cake	2,080
Vaccinations/medicine	7,770
Dam maintenance at Mindif	1,700

1. Contribution Prévue au Budget

a) Personnel: \$ 21,576

Cadres permanents	\$13,500
Employés bureaux	2,256
Chauffeurs	1,140
Manœuvres	4,580

b) Equipment Déjà En Place: 2,200

Véhicules	1,700
Matériel et fourni-	500

c) Frais de Fonctionnement Fournis Actuellement: 4,350

Logement	2,400
Carburant, répara- tions	1,700
Frais de déplace- ment (per diem)	250

d) Seus-produits Complémentaires: 11,550

Tourteau de grains de coton	2,080
Vaccins/médicaments	7,770
Entretien du bar- rage de Mindif	1,700

Total Budgeted Contribution ... \$39,576

Total de la Contribution ... \$39,576

<p>2. <u>In-Kind Contribution</u></p> <p>a) Value of land in project area \$ 180,000</p> <p>b) Value of existing offices, laboratories and storage and transportation associated with the project _____</p> <p>Total in-kind contribution .. \$ <u>261,000</u></p> <p>TOTAL GRANTEE CONTRIBUTION .. \$ <u>300,676</u></p>	<p>2. <u>Contribution en Nature</u></p> <p>a) Valeur de la terre dans la zone du projet \$ 180,000</p> <p>b) Valeur des bureaux, laboratoires, magasins et des matériel de transport associés au projet _____</p> <p>Total Contribution en Nature \$ <u>261,000</u></p> <p>TOTAL CONTRIBUTION DU DONATEUR .. \$ <u>300,676</u></p>
---	--

EGYPT

Technical and Feasibility Studies

*Agreement signed at Cairo March 29, 1978;
Entered into force March 29, 1978.*

A.I.D. Project No. 263-0042

**PROJECT
GRANT AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
TECHNICAL AND FEASIBILITY STUDIES IV**

Dated: MARCH 29, 1978

TABLE OF CONTENTS

Project Grant Agreement

	<i>Page</i>	<i>[Pages herein]</i>
ARTICLE 1: The Agreement	1	4571
ARTICLE 2: The Project	2	4571
Section 2.1. Definition of Project	2	4571
Section 2.2. Incremental Nature of Project	3	4572
ARTICLE 3: Financing	4	4572
Section 3.1. The Grant	4	4572
Section 3.2. Grantee Resources for the Project	4	4572
Section 3.3. Project Assistance Completion Date	4	4572
ARTICLE 4: Conditions Precedent to Disbursement	5	4573
Section 4.1. First Disbursement	5	4573
Section 4.2. Additional Disbursement	6	4573
Section 4.3. Notification	6	4573
Section 4.4. Terminal Date for Conditions Prec- edent	7	4573
ARTICLE 5: Special Covenants	7	4574
Section 5.1. Procurement Source	7	4574
ARTICLE 6: Procurement Source	7	4574
Section 6.1. Foreign Exchange Costs	7	4574
ARTICLE 7: Disbursements	8	4574
Section 7.1. Disbursements for Foreign Ex- change Costs	8	4574
Section 7.2. Other Forms of Disbursement	9	4575
ARTICLE 8: Miscellaneous	9	4575
Section 8.1. Communications	9	4575
Section 8.2. Representatives	10	4576
Section 8.3. Standard Provisions Annex [1]	11	4576

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 263-0042

**PROJECT GRANT AGREEMENT DATED: MARCH 29, 1978
BETWEEN THE ARAB REPUBLIC OF EGYPT, ACTING
THROUGH THE MINISTRY OF ECONOMY AND ECONOMIC
COOPERATION ("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 will help the Grantee prepare development projects for financing by funding the U.S. dollar costs of project feasibility and technical studies and to identify and prepare development projects which could be considered for A.I.D. financing. In addition, a portion of the resources made available for the Project will fund the U.S. dollar costs of evaluating projects, as appropriate, and of supporting the accelerated implementation of the A.I.D. program in Egypt by (a) preparing projects and programs for implementation, (b) carrying out pre-implementation and implementation actions or (c) strengthening the operations of Grantee organizations concerned with implementation of A.I.D. programs. In general, the Grant will finance the U.S. dollar costs of technical services and of such commodities as are necessary and directly related either to these services or to strengthening the operations of relevant Grantee organizations.

Some prospective uses of the Grant have been identified, although some may not require funding from the Grant or at the estimated levels. Such prospective uses are:

1. Damietta Port Study	\$100,000
2. Cairo Groundwater Supply	3,000,000
3. Suez Area Water Supply	150,000
4. Edfu Pulp and Paper Mill	600,000
5. Suez Power Plant	750,000
6. Canal Cities Oceanographic Studies	400,000
7. Provincial Water and Sewer Systems	1,500,000
8. Provincial Electrification	2,000,000
9. Secondary Irrigation Pumping	350,000
10. National Urban Growth Policy—Phase I	1,000,000

11. Industrial Joint Venture Prefeasibility Studies	1, 500, 000
12. Other	650, 000
Total	\$12, 000, 000

It is expected that the large majority of Grant resources will be used for technical services, although commodity purchases and other costs are also expected to be significant.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

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,^[1] agrees to grant the Grantee under the terms of this Agreement not to exceed twelve million United States ("U.S.") Dollars (\$12,000,000) ("Grant").

The Grant may be used only to finance foreign exchange costs, as defined in Section 6.1, 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. Without affecting the generality of the foregoing, the Grantee covenants that it will provide on a timely basis all necessary local logistic support as may be required to ensure effective utilization of services and goods financed under the Grant, not otherwise financed by A.I.D. under its Local Cost Project Support Grant.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is 36 months from date of execution, 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.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

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 names of the persons holding or acting in the offices 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; and

(b) Such other information and documents as A.I.D. may reasonably request.

SECTION 4.2. Additional Disbursement. Prior to any disbursement, or the issuance of any commitment documents under the Project to finance a particular activity proposed under the Grant, Grantee shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D., an identification of the activity, its purposes, the organization in charge of its implementation, and its estimated cost, including both the amounts proposed for A.I.D. financing and for financing from other sources.

SECTION 4.3. 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. Written agreement by A.I.D. to fund any particular activity under the Project shall constitute notification that the condition precedent specified in Section 4.2 has been met with respect to disbursement for such activity.

SECTION 4.4. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within ninety

(90) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to 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 of 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.

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 (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

ARTICLE 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

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

(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 con-

tractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) U.S. Dollar banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

(c) After satisfaction of conditions precedent, in the case of an emergency requirement for services or commodities in which there is not sufficient time for completion of the procedures described in Section 7.1(a), A.I.D. from time to time may disburse funds available from this Grant to pay directly the costs of furnishing such services and commodities in connection with the program. Upon taking any action pursuant to this Section 7.1(c), A.I.D. shall promptly notify the Government of such action, the circumstances requiring such action and the amount of funds involved.

SECTION 7.2. Other Forms of Disbursement. Disbursements of Grant may also be made through such other means as the Parties may agree to in writing.

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:

Mail Address: Ministry of Economy and Economic Co-operation
 8 Adly Street
 Cairo, Arab Republic of Egypt

Alternate Address 8 Adly Street
For Cables: Cairo

To A.I.D.:

Mail Address: USAID/Egypt
c/o Embassy of the United States of America
 5 Latin America Street
 Cairo, Arab Republic of Egypt

Alternate Address A.I.D.
For Cables: U.S. Embassy
 Cairo

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 individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation and the First Undersecretary of State for Economic Cooperation, and A.I.D. will be represented by the individual holding or acting in the office of the Director, USAID/Egypt, Cairo, Egypt, each of whom, by written notice may designate additional representatives. 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 1)^[1] is attached to and forms part of this Agreement.

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

THE ARAB REPUBLIC OF EGYPT UNITED STATES OF AMERICA

By: HAMED EL-SAYEH
Name: Hamed El-Sayeh
Title: *Minister of Economy and Economic Cooperation*

By: HERMANN FR. EILTS
Name: Hermann Fr. Eilts
Title: *American Ambassador*

¹ See footnote 1, p. 4570.

EGYPT
Commodity Import Program

*Agreement signed at Cairo February 27, 1978;
Entered into force February 27, 1978.*

A.I.D. Loan No. 263-K-045 (A&B)

**LOAN AGREEMENT
BETWEEN
UNITED STATES OF AMERICA
AND THE
ARAB REPUBLIC OF EGYPT**

Dated: FEBRUARY 27, 1978

TABLE OF CONTENTS

ARTICLE AND SECTION	TITLE	<i>Page</i>	[<i>Pages</i> <i>herein</i>]
ARTICLE I The Loan			
Section 1.01 The Loan			
ARTICLE II Loan Terms			
Section 2.01	Interest	2	4580
Section 2.02	Repayment	2	4581
Section 2.03	Application; Currency and Place of Repayment	2	4581
Section 2.04	Prepayment	3	4581
Section 2.05	Renegotiation of the Terms of the Loan	4	4581
ARTICLE III Conditions Precedent to Disbursement			
Section 3.01	Conditions Precedent to Initial Disbursement	4	4581
Section 3.02	Terminal Date for Meeting Con- ditions Precedent to Disburse- ment	4	4582
Section 3.03	Notification of Meeting Conditions Precedent to Disbursement	5	4582
ARTICLE IV Procurement, Utilization and Elig- ibility of Commodities			
Section 4.01	AID Regulation 1	6	4582
Section 4.02	Source of Procurement	6	4582
Section 4.03	Date of Procurement	6	4582
Section 4.04	Eligible Items	6	4582
Section 4.05	Procurement for Public Sector	7	4583
Section 4.06	Financing Physical Facilities	8	4583
Section 4.07	Utilization of Commodities	8	4584
Section 4.08	Motor Vehicles	9	4584
Section 4.09	Minimum Size of Transactions	10	4584
Section 4.10	Procedures	10	4584
Section 4.11	Private Sector	10	4584
ARTICLE V Disbursements			
Section 5.01	Disbursement for United States Dollar Costs – Letters of Com- mitment to United States Banks	11	4585
Section 5.02	Other Forms of Disbursement	11	4585
Section 5.03	Date of Disbursement	11	4585
Section 5.04	Terminal Date for Requests for Letters of Commitment	12	
Section 5.05	Terminal Date for Disbursement	12	4585

ARTICLE AND SECTION	TITLE	<i>Page</i>	<i>[Pages herein]</i>
Section 5.06	Documentation Requirements	12	4586
Section 5.07	Records	12	4586
ARTICLE VI General Covenants and Warranties			
Section 6.01	Reports	14	4586
Section 6.02	Disclosure of Material Facts and Circumstances	14	4586
Section 6.03	Taxation	14	4586
Section 6.04	Commissions, Fees and Other Payments	15	4586
ARTICLE VII Cancellation and Suspension			
Section 7.01	Cancellation by the Borrower	16	4587
Section 7.02	Events of Default: Acceleration	16	4587
Section 7.03	Suspension of Disbursement, Transfer of Goods to A.I.D.	18	4587
Section 7.04	Cancellation by A.I.D.	18	4588
Section 7.05	Continued Effectiveness of Agreement	18	4588
Section 7.06	Refunds	18	4588
Section 7.07	Expenses of Collection	19	4588
Section 7.08	Nonwaiver of Remedies	19	4588
ARTICLE VIII Miscellaneous			
Section 8.01	Communications	20	4589
Section 8.02	Representatives	21	4589
Section 8.03	Implementation Letters	21	4590
Section 8.04	Promissory Notes	21	
Section 8.05	Termination Upon Full Payment	22	4590
Section 8.06	Information and Marking	22	4590

Loan agreement dated the 27th day of February 1978 between the United States of America, acting through the Agency for International Development ("A.I.D.") and the Arab Republic of Egypt ("the Borrower").

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to the Borrower pursuant to the Foreign Assistance Act of 1961, as amended, [1] an amount not to exceed Two Hundred Fifty Million United States Dollars (\$250,000,000) (the Loan). For the foreign exchange costs of commodities and commodity-related services as such services are defined by A.I.D. Regulation 1, needed to assist the Borrower in meeting a serious foreign exchange shortage, achieving development objectives, improving the standard of living and maintaining political stability. Commodities and commodity-related services authorized to be financed hereunder are hereinafter referred to as "Eligible Items," as hereinafter more fully described in Section 4.04. The amount loaned hereunder shall be deemed to consist of (i) an amount not to exceed One Hundred Seventy Six Million United States Dollars (\$176,000,-000) ("Loan Part "A"), and (ii) an amount not to exceed Seventy Four Million United States Dollars (\$74,000,000) ("Loan Part "B"). Loan Part A and Loan Part B are hereinafter collectively referred to as the "Loan". The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal".

ARTICLE II

Loan Terms

SECTION 2.01. Interest.

(a) The Borrower shall pay to A.I.D. interest as follows:

(1) At the rate of two percent (2%) per annum on the unpaid principal of Loan Part A and on any interest thereon due and unpaid during the ten (10) year period immediately following the first disbursement under Loan Part A; thereafter at the rate of three percent (3%) per annum on the unpaid principal of Loan Part A and on any interest thereon due and unpaid.

(2) At the rate of two percent (2%) per annum on the unpaid principal of Loan Part B and on any interest thereon due and unpaid during the ten (10) year period immediately following the first disbursement under Loan Part B; thereafter at the rate of three percent (3%) per annum on the unpaid principal of Loan Part B and on any interest thereon due and unpaid.

(b) Interest on Loan Part A and on Loan Part B shall be due and payable semiannually, commencing with respect to each such Part on

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

a date to be specified by A.I.D. but in no event later than six (6) months after the date of the first disbursement thereunder.

(c) Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 5.03 under the Loan), and shall be computed on the basis of a 365-day year.

SECTION 2.02. Repayment.

(a) The Borrower shall repay to A.I.D. the Principal of Loan Part A within forty (40) years from the date of the first disbursement for said Part in sixty-one (61) semiannual installments for said Part.

(b) The Borrower shall repay to A.I.D. the Principal of Loan Part B within thirty (30) years from the date of first disbursement for said Part in forty-one (41) semiannual installments for said Part.

(c) The first installment of Principal shall be payable nine and one-half (9½) years after the date on which the first interest payment for each said Part is due in accordance with Section 2.01. A.I.D. shall provide the Borrower with amortization schedules in accordance with this section after the final disbursements under Loan Part A and Loan Part B, respectively.

SECTION 2.03. Application, Currency and Place of Payment. All payments of interest and Principal hereunder by Borrower shall be made in United States dollars and shall be applied first to the payment of any accrued interest on Loan Part A; next to the payment of any accrued interest on Loan Part B; next to the repayment of Principal due and payable of Loan Part A; and finally, to the repayment of the Principal due and payable of Loan Part B. Except as A.I.D. may otherwise specify in writing, all payments shall be made payable to the order of the Controller, Agency for International Development, Washington, D.C. 20523, U.S.A. and shall be deemed to have been paid when received by the Office of the Controller.

SECTION 2.04. Prepayment. Upon payment of all interest and refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Any such prepayment shall be applied first to the installments of Principal of Loan Part A in the inverse order of their maturity and next to the installments of Principal of Loan Part B in the inverse order of their maturity.

SECTION 2.05. Renegotiation of the Terms of the Loan. The Borrower agrees to negotiate with A.I.D., at such time or times as A.I.D. may request, an acceleration of the repayment of the Loan in the event that there is any significant improvement in the internal and external economic and financial position and prospects of the country of the Borrower.

ARTICLE III

Conditions Precendent to Disbursement

SECTION 3.01. Conditions Precedent to Initial Disbursement. Prior to any disbursement or to the issuance of any Letter of Commitment

or other authorization of disbursement under the loan, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) an opinion or opinions of the Minister of Justice of the Arab Republic of Egypt that this Agreement has been duly authorized and/or ratified by and executed on behalf of the Borrower and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms.

(b) a statement of the names of the persons holding or acting in the office of the Borrower specified in Section 8.02 and a specimen signature of each person specified in such statement.

SECTION 3.02. Terminal Date for Meeting Conditions Precedent to Disbursement. If all the conditions specified in Section 3.01 shall not have been met within one hundred twenty (120) days after 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 giving written notice to the Borrower. In the event of a termination hereunder, upon the giving of notice the Borrower shall immediately repay the Principal then outstanding and shall pay any accrued interest and upon receipt of such payments in full, this Agreement and all obligations of the parties hereunder shall terminate.

SECTION 3.03. Notification of Meeting Conditions Precedent to Disbursement. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions precedent to disbursement specified in Section 3.01 have been met.

ARTICLE IV

Procurement, Utilization, and Eligibility of Commodities

SECTION 4.01. A.I.D. Regulation 1. Except as A.I.D. may otherwise specify in writing, this Loan and the procurement and utilization of Eligible Items financed under it are subject to the terms and conditions of A.I.D. Regulation 1 as from time to time amended and in effect, which is incorporated and made a part hereof. If any provision of A.I.D. Regulation 1 is inconsistent with a provision of this Agreement, the provision of this Agreement shall govern.

SECTION 4.02. Source of Procurement. Except as A.I.D. may specify in Implementation Letters or Commodity Procurement Instructions, or as it may otherwise agree in writing, all Eligible Items shall have their source and origin in the United States of America.

SECTION 4.03. Date of Procurement. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan for which any order or contract was firmly placed or entered into prior to the date of this Agreement.

SECTION 4.04. Eligible Items.

(a) The commodities eligible for financing under this Loan shall be those specified in the A.I.D. Commodity Eligibility Listing, and

in the Implementation Letters and Commodity Procurement Instructions issued to Borrower. Commodity-related services as defined in A.I.D. Regulation 1 are eligible for financing under this Loan. Other items shall become eligible for financing only with the written agreement of A.I.D. A.I.D. may decline to finance any specific commodity or commodity-related service when in its judgment such financing would be inconsistent with the purposes of the Loan or of the Foreign Assistance Act of 1961, as amended.

(b) A.I.D. reserves the right in exceptional situations to delete commodity categories or items within commodity categories described by Schedule B codes on the Commodity Eligibility Listing or described in Implementation Letters. Such right will be exercised at a point in time no later than commodity prevalidation by A.I.D. (Form 11 approval) or, if no commodity prevalidation is required, no later than the date on which an irrevocable Letter of Credit is confirmed by a U.S. bank in favor of the supplier.

(c) If no prevalidation is required and payment is not by Letter of Credit, A.I.D. will exercise this right no later than the date on which it expends funds made available to the Borrower under this Agreement for the financing of the commodity. In any event, however, the Borrower will be notified through the A.I.D. Mission in its country of any decision by A.I.D. to exercise its right pursuant to a determination that financing the commodity would adversely affect A.I.D. or foreign-policy objectives of the United States or could jeopardize the safety or health of people in the importing country.

SECTION 4.05. Procurement for Public Sector. With respect to procurement hereunder by or for the Borrower, its departments and instrumentalities:

(a) The provision of Section 201.22 of A.I.D. Regulation 1 regarding competitive bid procedures shall apply unless A.I.D. otherwise agrees in writing; and

(b) Borrower will undertake to assure that public sector end-users under this Loan establish adequate logistic management facilities and that adequate funds are available to pay banking charges, customs, duties and other commodity-related charges in connection with commodities imported by public sector end-users.

SECTION 4.06. Financing Physical Facilities. Except as A.I.D. may otherwise agree in writing, not more than \$1,000,000 from the proceeds of this Loan shall be used for the purchase of commodities or commodity-related services for use in the construction, expansion, equipping, or alteration of any one physical facility or related physical facilities without prior A.I.D. approval, additional to the approvals required by A.I.D. Regulation 1. "Related physical facilities" shall mean those facilities which, taking into account such factors as functional interdependence, geographic proximity and ownership, constitute a single enterprise in the judgment of A.I.D.

SECTION 4.07. Utilization of Commodities.

(a) Borrower shall insure that commodities financed under this Agreement shall be effectively used for the purpose for which the assistance is made available. Such effective use shall include:

(i) The maintenance of accurate arrival and clearance records by customs authorities and the prompt processing of commodity imports through customs at ports of entry and removal from customs and/or customs-bonded warehouses of such commodities, the total time for which (from date commodities arrive at port of entry to date importer removes them from customs) shall not exceed ninety (90) calendar days unless the importer is hindered by force majeure or A.I.D. otherwise agrees in writing;

(ii) The consumption or use not later than one (1) year from the date the commodities arrive at the port of entry unless a longer period can be justified to the satisfaction of A.I.D. by reasons of force majeure or special market or other circumstances; and

(iii) The proper surveillance and supervision by Borrower to reduce breakage and pilferage in ports resulting from careless or deliberately improper cargo handling practices, as specified in detail in Implementation Letters.

(b) Borrower shall use its best efforts to prevent the use of commodities financed under this Agreement to promote or assist any project or activity associated with or financed by any country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such projected use except with the prior written consent of A.I.D.

SECTION 4.08. Motor Vehicles. Except as A.I.D. may otherwise agree in writing, none of the proceeds of this Loan may be used to finance the purchase, sale, long-term lease, exchange or guaranty of a sale of motor vehicles unless such motor vehicles are manufactured in the United States.

SECTION 4.09. Minimum Size of Transactions. Except where authorized by A.I.D. in writing, no foreign exchange allocation or Letter of Credit issued pursuant to this Agreement shall be in an amount less than ten thousand Dollars (\$10,000). The minimum size of transaction restriction is not applicable for end-use importers.

SECTION 4.10. Procedures. A.I.D. will issue binding Implementation Letters and Commodity Procurement Instructions which will prescribe the procedures applicable in connection with the implementation of this Agreement.

SECTION 4.11. Private Sector. In recognition of the importance of the development of the private sector in promoting its overall economic growth the Borrower agrees to take all necessary steps to make available to the private sector as much of the proceeds of the Loan as possible.

ARTICLE V
Disbursements

SECTION 5.01. Disbursement for United States Dollar Costs – Letters of Commitment to United States Banks. Upon satisfaction of conditions precedent, the Borrower may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to the borrower or any designee of the Borrower, through the use of Letters of Credit or otherwise, for costs of Eligible Items procured in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Borrower and may be financed under the Loan.

SECTION 5.02. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means and by such other procedures, as the Borrower and A.I.D. may agree to in writing.

SECTION 5.03. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, in the case of disbursements pursuant to Section 5.01, on the date on which A.I.D. makes a disbursement to the Borrower, to its designee, or to a banking institution pursuant to a Letter of Commitment.

SECTION 5.04. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment or other commitment documents which may be called for by another form of disbursement under Section 5.02 shall be issued in response to a request received by A.I.D. after twelve (12) months, and no disbursement of loan funds shall be made against documentation received by A.I.D. or any bank described in Section 5.01 after two (2) years, from the date the Borrower satisfies the Conditions Precedent in Section 3.01.

SECTION 5.05. Documentation Requirements. A.I.D. Regulation 1 specifies in detail the documents required to substantiate disbursements under this Agreement by Letter of Commitment or other method of financing. The document number shown on the Letter of Commitment or other disbursing authorization document shall be the number reflected on all disbursement documents submitted to A.I.D. In addition to the above, Borrower shall maintain records adequate to establish that commodities financed hereunder have been utilized in accordance with Section 4.07 of this Agreement. Additional documents may also be required by A.I.D. with respect to specific commodities, as may be set forth in detail in Implementation Letters.

SECTION 5.06. Records. Borrower shall maintain or cause to be maintained in accordance with sound accounting principles and practices consistently applied such books and records relating to this Agreement as may be prescribed in Implementation Letters.

Such books and records shall be made available to A.I.D. for such periods and at such times as A.I.D. may require, and shall be maintained for three years after the date of last disbursement by A.I.D. under this Agreement.

ARTICLE VI

General Convenants and Warranties

SECTION 6.01. Reports. Borrower shall furnish to A.I.D. such information and reports relating to the goods and services financed by this Loan and the performance of Borrower's obligations under this Agreement as A.I.D. may request.

SECTION 6.02. Disclosure of Material Facts and Circumstances. The Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D., accurately and competely, all facts and circumstances that might materially affect the Loan and the discharge of its obligation under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, this Loan, or the discharge of the Borrower's obligations under this Agreement.

SECTION 6.03. Taxation. This Agreement, the Loan, and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within the country of the Borrower.

SECTION 6.04. Commissions, Fees and Other Payments.

(a) Borrower warrants and covenants that in connection with obtaining the Loan, or taking any action under or with respect to this Agreement, it has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid nor will there be paid or agreed to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to the Borrower's full-time officers and employees or as compensation for bona fide professional, technical or comparable services. The Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D. the same shall be adjusted in a manner satisfactory to A.I.D.

(b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower, or any official of the Bor-

rower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in the country of the Borrower.

ARTICLE VII

Cancellation and Suspension

SECTION 7.01. Cancellation by the Borrower. The Borrower may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) which has not then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

SECTION 7.02. Events of Default: Acceleration. If any one or more of the following events ("Events of Default") shall occur:

- (a) The Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement;
- (b) The Borrower shall have failed to comply with any other provision of this Agreement, including, but without limitation, the obligation to carry out the Program with due diligence and efficiency;
- (c) The Borrower shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan agreement, any guaranty agreement, or any other agreement between the Borrower or any of its agencies and A.I.D., or any of its predecessor agencies,

then A.I.D. may at its option, give to the Borrower notice that all or any part of the unrepaid Principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days: (i) Such unrepaid Principal and any accrued interest hereunder shall be due and payable immediately, and (ii) the amount of any further disbursements made under then outstanding Irrevocable Letters of Credit or otherwise shall become due and payable as soon as made.

SECTION 7.03. Suspension of Disbursements, Transfer of Goods to A.I.D. In the event that at any time:

- (a) An Event of Default has occurred;
- (b) An event occurs which A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that the Borrower will be able to perform its obligation under this Agreement;
- (c) Any disbursement would be in violation of the legislation governing A.I.D.; or
- (d) The Borrower shall have failed to pay when due any interest or any installment of principal or any other payment required under

any other loan agreement, any guaranty agreement, or any other agreement between the Borrower or any of its agencies and the Government of the United States or any of its agencies; then A.I.D., in addition to remedies provided in A.I.D. Regulation 1, at its option, may (i) decline to issue further Letters of Commitment or other disbursing authorization, (ii) suspend or cancel outstanding Letters of Commitment or other disbursing authorizations to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit, or (iii) to the extent that A.I.D. has not made direct reimbursement to Borrower thereunder, giving notice to Borrower promptly thereafter, decline to make disbursements other than under Letters of Commitment; and (iv) at A.I.D.'s expense, direct that title to goods financed hereunder shall be transferred to A.I.D., if the goods are in a deliverable state and have not been offloaded in ports of entry of the Arab Republic of Egypt.

SECTION 7.04. Cancellation by A.I.D. Following any suspension of disbursements pursuant to Section 7.03, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension, A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Loan that is not then either disbursed or subject to irrevocable Letters of Credit.

SECTION 7.05. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursement or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect (as to any funds disbursed under this Loan) until the repayment in full of all Principal and any accrued interest hereunder.

SECTION 7.06. Refunds. In addition to any refund otherwise required by A.I.D. pursuant to A.I.D. Regulation 1, in the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement or is in violation of the laws governing A.I.D., A.I.D. may require the Borrower to refund such amount in United States dollars to A.I.D. within thirty (30) days after receipt of a request therefor. Refunds paid by Borrower to A.I.D. resulting from violations of the terms of this Agreement shall be considered as a reduction in the amount of A.I.D.'s obligation under the Agreement, reducing the amount available for future disbursement, and shall not be available for reuse under the Agreement.

SECTION 7.07. Expenses of Collection. All reasonable costs incurred by A.I.D., other than salaries of its staff, in connection with the collection of any refund or in connection with amounts due A.I.D. by reason of the occurrence of any of the events specified in Section 7.02 may be charged to the Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

SECTION 7.08. Nonwaiver of Remedies. No delay in exercising or omission to exercise any right, power or remedy accruing to A.I.D.

under this Agreement shall be construed as a waiver of any of such rights, powers or remedies.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Communications. Any notice, request, document, or other communication given, made, or sent by the Borrower or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram and shall be deemed to have been duly given, made, or sent to the party to which it is addressed when it shall be delivered to such party by hand or by mail, telegram, cable, or radiogram at the following addresses.

To BORROWER:

Mail Address: Ministry of Economy and Economic
Cooperation
8 Adly Street
Cairo, Egypt

Cable Address: 8 Adly Street
Cairo, Egypt

To A.I.D.:

Mail Address: United States Agency for International
Development
c/o U.S. Embassy
Cairo, Egypt

Cable Address: U.S. Embassy, Cairo

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

SECTION 8.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation and Undersecretary of State for Economic Cooperation, and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID, Cairo, Egypt. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice or revocation of the authority of any of the duly authorized representatives of the Borrower designated pursuant to this Section, it may accept the signature of any such representative or representatives, on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 8.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

SECTION 8.04. Termination Upon Full Payment. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under this Loan Agreement shall terminate.

SECTION 8.05. Information and Marking. The Borrower will give appropriate publicity to the Loan as a program to which the United States has contributed, and mark goods financed by A.I.D., as described in Implementation Letters.

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

ARAB REPUBLIC OF EGYPT

By: HAMED EL SAYEH

Name: Dr. Hamed El Sayeh
Title: *Minister of Economy and Economic Cooperation*

UNITED STATES OF AMERICA

By: HERMANN FR. EILTS

Name: Hermann Fr. Eilts
Title: *American Ambassador*

EGYPT
Economic Assistance

*Agreement signed at Cairo May 29, 1978;
Entered into force May 29, 1978.*

A.I.D. Project Number 263-0021

PROJECT
GRANT AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
DEVELOPMENT DECENTRALIZATION I

May 29, 1978

TIAS 9480

TABLE OF CONTENTSProject Grant Agreement

		<u>Page</u>	<u>[Pages herein]</u>
Article 1:	<u>The Agreement</u>	1	4594
Article 2:	<u>The Project</u>	1	4594
Section 2.1	Definition of Project	1	4594
Section 2.2	Incremental Nature of Project	2	4595
Article 3:	<u>Financing</u>	2	4595
Section 3.1	The Grant	2	4595
Section 3.2	Grantee Resources for the Project	2	4595
Section 3.3	Project Assistance Completion Date	3	4596
Article 4:	<u>Conditions Precedent to Disbursement</u>	3	4596
Section 4.1	First Disbursement	3	4596
Section 4.2	Additional Disbursement	4	4597
Section 4.3	Notification	4	4597
Section 4.4	Terminal Date for Conditions Precedent	4	4597
Article 5:	<u>Special Covenants</u>	4	4597
Article 6:	<u>Procurement Source</u>	5	4598
Section 6.1	Foreign Exchange Costs	5	4598
Section 6.2	Local Currency Costs	5	4598
Article 7:	<u>Disbursements</u>	5	4598
Section 7.1	Disbursement for foreign Exchange Costs	5	4598
Section 7.2	Disbursement for Local Currency Costs	6	4599
Section 7.3	Other Forms of Disbursement	6	4599
Article 8:	<u>Miscellaneous</u>	6	4599
Section 8.1	Communications	6	4599
Section 8.2	Representatives	7	4600
Section 8.3	Standard Provisions Annex	7	4600

Annex I - Project Description
 Attachment - Project Budget

Annex II - Objectives - Policies for the Local Development Fund (LDF)

Annex III - Project Grant Standard Provisions Annex^[1]

^[1] Not printed herein. For text, see TIAS 8830; 29 UST 501.

A.I.D. Project No. 263-0021

Project Grant Agreement

Dated: May 29, 1978

Between

The Arab Republic of Egypt ("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 financing of the Project by the Parties.

Article 2: The Project

Section 2.1 Definition of Project. The project, which is further described in Annexes 1 and 2, will assist the Grantee to develop financial viability and developmental capability of local administrations in order to further the decentralization process enunciated in 1975 by Egypt's Public Law 52. The project will consist of the following components:

a) establishment of a Local Development Fund (LDF) within the Organization for Reconstruction and Development of the Egyptian Village (ORDEV) which will loan money to Village Councils for income-producing projects; the income produced will be used to augment the "account for local services and development," which was authorized in Law 52 for village councils to use for autonomously determined purposes;

b) establishment of an ORDEV Training Academy which will provide training for local ORDEV personnel, governorate, village council and executive committee personnel;

c) participant training for ORDEV, governorate, village council and executive committee personnel in the United States and third countries in Asia, Africa and Latin America;

d) evaluation and analysis of LDF operations, impact on the recipient villages of projects funded from the LDF, and the operations of the ORDEV Academy.

Annex 1, attached, amplifies the above description of the Project and Annex 2, attached, describes the policies and objectives of the LDF within the limits of the above definition of the project, elements of Annex 1 and Annex 2 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) AID's contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

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,^[1] agrees to grant the Grantee under the terms of this Agreement not to exceed One Million Four Hundred Thousand United States Dollars (\$1,400,000) and One Hundred Twenty-Five Thousand Egyptian Pounds (L.E. 125,000). 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, except that, unless the Parties otherwise agree in writing, local currency costs financed under the Grant will not exceed the Egyptian Pound portion of the Grant, plus the Egyptian Pound equivalent of Five Hundred Eighty Thousand Dollars (\$580,000) purchased per Attachment to Annex I.

Section 3.2 Grantee Resources for the Project.

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

^[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

b) The resources provided by Grantee for the Project will be not less than Two Hundred Seventy-Four Thousand Egyptian Pounds (L.E. 274,000) in support of training, construction of the ORDEV Academy, operational costs of the ORDEV field staff associated with LDF-related operations and special costs associated with foreign advisory technical assistance. In addition, the ARE will provide at least Two Million Five Hundred Thousand Egyptian Pounds (L.E. 2,500,000) to ORDEV for grants to village councils for physical, social and economic projects.

Section 3.3. Project Assistance Completion Date

a) The "Project Assistance Completion Date" (PACD), which is January 31, 1982 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. Initial Disbursement. Prior to any 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 persons holding or acting in the offices 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) Such other documentation as A.I.D. may require.

Section 4.2. Additional Disbursement

Capitalization of the Local Development Fund — Prior to any disbursement under the Grant for the establishment of the Local Development Fund (LDF) or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for the LDF, 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) Evidence of the establishment of the Board of Directors for the LDF;
- b) The detailed procedures for the operation of the LDF established by the Board of Directors of the LDF;
- c) The procedures which will govern the selection of villages to participate in the LDF program;
- d) The detailed audit system and schedule developed by ORDEV to audit the financial accounts established under the LDF at the village level;
- e) Evidence of the establishment of the Loan Committee for the LDF;
- f) The written agreement by ORDEV, through the Board of Directors and the Loan Committee of LDF, to adhere to the AID requirement that all commodities procured for projects undertaken by village councils utilizing loans from the LDF will have as their source the Arab Republic of Egypt and will not have their origin in countries ineligible under AID Geographic Code 935;
- g) Such other documentation as A.I.D. may require.

Section 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1 and 4.2 have been met it will promptly notify the Grantee.

Section 4.4. Terminal Date for Conditions Precedent. If all of the conditions specified in Sections 4.1 and 4.2 have not been met within 90 days from the date of this agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to 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 of 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.

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 (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) or in the Arab Republic of Egypt ("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.

Section 6.2. Local Currency Costs

- a) Except as A.I.D. may otherwise agree in writing, disbursements pursuant to Section 7.2 from U.S.-owned Egyptian Pounds and, subject to Subsection (b) below, disbursements from funds made available from the Egyptian Pounds purchased with United States dollars, will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the Arab Republic of Egypt.
- b) Funds made available from the LDF shall be available for the purchase of goods, including motor vehicles, and services having as their source only the Arab Republic of Egypt. The provisions of this Subsection (b) with regard to goods shall apply only to shelf items as specified by A.I.D. regulations.

Article 7: Disbursement

Section 7.1 Disbursement for Foreign Exchange Costs

- a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:
 - 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 Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the grant.

Section 7.2. Disbursement for Local Currency Costs.

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

b) The Local Currency needed for such disbursements may be obtained by acquisition, by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government.

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.

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:

Mail Address: Ministry of Local Government
Sharia Hussein Hegazi

Alternate address for cables:

Ministry of Local Government
Sharia Hussein Hegazi

To A.I.D.:

Mail Address: A.I.D.
U.S. Embassy
Cairo, Egypt

Alternate address for cables:

A.I.D.

U.S. Embassy

Cairo, Egypt

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 individuals holding or acting in the offices of: a) Minister of Local Government, b) Deputy Minister of Local Government and Chairman of ORDEV and c) Under-Secretary and Director General of ORDEV, and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., Cairo, Egypt, 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 Annexes 1 and 2. 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 3)^[1] is attached to and forms part of this Agreement.

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

ARAB REPUBLIC OF EGYPT

BY: M. H. Mohamed
Name: Mohamed Hamid Mahmoud
Title: Minister of Local Government

UNITED STATES OF AMERICA

BY: D. S. Brown
Name: Donald S. Brown
Title: Director, U.S.A.I.D.

BY: L. Zamzam
Name: Labib Mohamed Zamzam
Title: Deputy Minister of Local Government
and Chairman of ORDEV

¹ See footnote 1, p. 4598.

ANNEX IProject Description

This project aims to increase the autonomous revenues of village councils throughout Egypt in order to help develop financial viability and developmental capability of local administrations.

The decentralization process has its roots in the agrarian reform measures enacted 25 years ago in 1952. The following decade saw the introduction at the village level of social welfare, cooperatives and, finally, municipal government. In 1971 President Sadat reaffirmed and enunciated the determination of the Government of Egypt to bring change and modernization to the Egyptian village. Subsequently, in 1973, a special group was created within the Ministry of Local Government known as the Organization for Reconstruction and Development of the Egyptian Village (ORDEV). ORDEV was charged with planning and implementation of economic and social development of rural villages. In 1975, Public Law 52, the "Decentralization Law", was passed.

Under Public Law 52 each unit of local government -- governorate, town, metropolitan district and village -- is governed by a body of popularly elected members, known as the Representative Council (RC). In addition, a Head Executive Officer (HEO) is appointed for each level of government. HEOs have authority over local Executive Committees, which are composed of the representatives of line (technical) ministries. This project addresses filling basic village needs through programs adopted by elected councils working in coordination with village executive committees, the district and the governorate administrative structure.

The project aims at augmenting the revenues of village councils by strengthening the "account for local services and development." This "special account" was the first authorized in Law 52 and allows village councils to use funds collected and generated in the villages for autonomously determined purposes. Under this project a Local Development Fund (LDF) will be set up within ORDEV. It will be capitalized, initially, by AID. The LDF will loan money to village councils for income-producing projects. The income produced will be used to augment this special fund. The LDF will be governed by an Egyptian Board of Directors, and its operations will be executed by a Loan Committee. The Board will be composed of representatives from ORDEV, the governorate, district and village levels and the Ministry of Finance. The Loan Committee will be composed of ORDEV officials. The LDF will lend money to village councils for income-producing projects at 6 percent interest over a seven-year period with two years' grace period during which interest will be paid at 4 percent. Beginning with the third year, principal and interest payments will be made in quarterly installments. Loans which have not had any disbursements during the first 90 days of the loan period will be cancelled and the funds returned to LDF.

Loan payments may be in arrears for one quarter, after which measures will be taken to ascertain the causes and remedy them where possible.

Loan applications for projects showing the greatest possibility of profit will be given preference. Village councils will be urged to contribute a portion of their own funds to projects. The LDF will attempt to spread loans over a wide region of the country, taking into consideration regional and national development plans.

To assist in the effective implementation of the LDF, training will be provided for ORDEV, Governorate and village council personnel. Key ORDEV personnel will be trained in the U.S., some for a full academic year, others for terms of around four months. Training will focus on managerial skills including financial management and reporting, auditing, project analysis and evaluation, public administration and rural development. In addition to training in the United States, there will also be observation tours in appropriate third countries in Africa, Latin America and Asia.

ORDEV will also receive assistance for its own Training Academy on which construction has already begun. This will take the form of technical assistance, provision of materials and equipment and special programs. The ORDEV Training Academy is expected eventually to be able to provide necessary training for local ORDEV personnel, governorate and village council and executive committee personnel.

Evaluation, monitoring and auditing of the LDF will be conducted by U.S. and Egyptian personnel. It will aim at identifying and remedying problems associated with LDF operations, establishing adequate audit provisions, improving and strengthening the ORDEV Academy, and analyzing the impact of the projects in the villages which benefit from the program.

ORDEV, headed by the Deputy Minister and Chairman of ORDEV, and supervised by the Minister of Local Government, will be the responsible entity for implementing the project. The Undersecretary of State and General Director of ORDEV will be the responsible official. The LDF will be governed by a Board of Directors and administered by a loan committee. The project manager within USAID will be the Assistant General Development Officer, assisted by a project committee drawn from various technical officers.

Long-term technical assistance will be provided by a Senior Technical Project Manager who should be a senior development economist, financial analysts under a PASA, and by two technicians, one of whom should be experienced in small-scale production enterprises in developing countries. The Senior Technical Project Manager will serve for four years, and the two technicians for three years each. In addition, short-term consultants will be provided as necessary.

The Government of Egypt, through ORDEV, will provide the costs of construction of the ORDEV Training Academy; the costs of ORDEV training staff and other ORDEV training activities; the costs of ORDEV staff working

in Cairo and at the governorate and district levels in activities related to the Local Development Fund operations; and, backup costs associated with support of the various technical assistance personnel who will be working on the project. The Government of Egypt also will continue to provide funds to ORDEV annually for grants to village councils.

AID will provide the initial capital for the Local Development Fund; technical assistance, consisting of three long-term advisors and several short-term consultants; training for ORDEV officials, and elected and appointed personnel at the governorate and village levels; equipment and commodities for the ORDEV Academy and for support of the Local Development Fund operations; and, funds for evaluation and applied research.

The project purpose is "to strengthen the financial viability and development capability of selected village councils." USAID and ORDEV expect certain conditions to exist at the end of the five-year planned implementation period that will indicate that the purpose has been achieved.

First, a Local Development Fund will have been established, staffed and initially capitalized by USAID grant funds with ORDEV.

Second, technical assistance capacity will be under development within ORDEV designed to provide advice on economic analysis, financial management, programming and small industries to ORDEV and village councils.

Third, loans, simplified operational procedures, loan project evaluation criteria and accounting, financial reporting, program analysis, performance budgeting, organizational and management systems will have been designed and applied, through the LDF, to at least 300 village councils during the five years of project life.

Fourth, training programs will have been planned and tested and be under way both at the ORDEV Academy and in the field for selected ORDEV officials at the Cairo, Governorate and District levels, and for Governorate and village-elected and executive personnel.

In addition to the above, which represent direct results of project operations, it is anticipated that two major evaluations will have been undertaken and completed, one at the midway point of the project and one at the end of the five-year period.

ANNEX I - ATTACHMENT

PROJECT FINANCIAL PLAN

Project No. 263-0021

(\$ 000 or LE 000)

Project Inputs	Cumulative Obligations/ Commitments as of MAY 31, 1978		Future Year Anticipated		TOTALS	
	AID	GOE	AID	GOE	AID	GOE
	\$ LE 1/	\$ LE	\$ LE 1/	\$ LE	\$ LE 1/	\$ LE
1. Project Management/Training	692	114	-	2,141	345	-
2. Commodities	70	-	274	282	-	1,426
3. Local Development Fund	500	-	-	4,500	-	-
4. Research and Evaluation	25	-	-	275	-	-
5. Contingency	113	11	-	562	72	-
TOTAL	1,400	2/ 125	274	7,760 ^{3/}	417	1,426
					9,160 ^{4/}	542
						1,700

1/ U.S. - owned Egyptian Pounds

2/ Includes \$580,000 for purchase of

- LE 406,000, broken down as follows:

\$500,000 as capitalization for the Local Development Fund and \$80,000 for evaluation and training.

3/ Includes \$4,865,000 for purchase of LE 3,405,000 broken down as follows: \$4,500,000 for capitalization of Local Development Fund and \$ 365,000 for evaluation and training.

4/ Includes \$5,445,000 for purchase of LE 3,811,000, broken down as follows:

\$55,000 for capitalization of Local Development Fund and \$445,000 for evaluation and training.

[Footnotes in the original.]

ANNEX IIObjectives - Policies for the Local Development Fund (LDF)I. Objectives

The establishment of a "Local Development Fund" (LDF) as an entity within the Organization for Reconstruction and Development of Egyptian Villages (ORDEV) has the objective of increasing the funds available to village councils for discretionary spending on local development projects. To that end, the LDF will use funds available from AID and possibly from other sources for loans to Village Councils for the purpose of investment in revenue-producing projects, the profits of which will flow into the "Special Accounts" maintained by Village Councils for their discretionary use.

II. Lending Policies

Policies governing LDF operations will be established by the LDF Board (see IV below); the policies are expected to incorporate the following principles which have been developed with ORDEV:

1. Eligibility for loans. All legally established Village Councils are eligible to apply for loans.
2. Loan applications. Any Village Council wishing to obtain a loan from the LDF will submit a loan application, in accordance with procedures to be established by the LDF Board, showing the amount and purpose of the loan and such other information which the LDF Board may decide upon as necessary for an LDF appraisal.
3. Purposes of loans. Loans will be made by LDF only if their purpose is an investment by the Village Council in a revenue-producing project. Village Councils may establish joint ventures with individuals, but Village Councils will be the borrower and be solely responsible for repayment of the borrowed funds to the LDF. Loans will be made for the acquisition of fixed and moveable assets and may include an amount for working capital needed during the first two years of operations.
4. Appraisal of Loans. Projects which Village Councils propose for financing by the LDF will be appraised by the LDF; the following factors will be considered by the LDF in its appraisal:
 - (a) Profitability: projects should offer prospects of earning a reasonable profit within a short period after the start of operations;

- (b) Credit worthiness of applicant: to the extent possible, LDF should assess the record established by the applying Village Council in meeting its financial obligations;
 - (c) Financial contributions by applicant: Village Councils should be encouraged to contribute a percentage of project costs from their own resources; the inability of a Council to make such contribution should, however, not be considered a reason for rejecting an application if a project meets other criteria;
 - (d) Security: to minimize losses, the LDF should, where desirable, obtain security for its loans in the form of a lien on project assets or in other forms; the lack of desirable assets should, however, not be considered reason for rejecting an application if a project meets other criteria; in addition, the LDF should take into account (i) possible delays in project execution and the administrative workload caused by the establishment of liens, and (ii) the likely value of assets in liquidation.
5. Loan Terms. Unless the LDF Board authorizes exceptions in specific cases, loans should be made for a period of no more than seven years, including a grace period of no more than two years, at an interest rate of not less than 4 percent per annum during the grace period and not less than 6 percent per annum thereafter. Interest accruing during the period before the start of operations may be capitalized if the circumstances justify it.
 6. Maximum Amount of Loans. Unless the LDF Board authorizes exceptions in specific cases, no loan made shall exceed LE 15,000, exclusive of capitalized interest, if any.
 7. Geographic Distribution of Loans. To the extent the LDF Board considers it advisable, it shall establish guidelines for the distribution of LDF loans among the different governorates, other administrative units, or groups of such units.
 8. Reports from Borrowers. The LDF Board shall require from its borrowers periodic reports which reflect the use of funds disbursed by the LDF and the physical state of project implementation. The LDF Board will establish procedures and reporting formats designed to provide the LDF with the minimum volume of information which it needs to monitor its loans and the projects financed and which impose the least burden on its borrowers.

III. LDF Operational Principles

1. Use of Interest Income. LDF shall use its interest income, first, to

cover its own operating expenses, such as the cost of its staff, offices, communications and the like; and, second, to increase the funds available for loans.

2. Loss Reserve. The LDF shall establish a reserve for losses in amounts judged by the LDF Board to be commensurate with the risks incurred in its lending operations and revised from time to time on the basis of experience.
3. Accounting. The LDF will establish a system of financial accounting, recording and reporting adequate to meet its needs for accurate and timely information on its operations including, but not limited to, on the identity of borrowers; the amounts authorized and disbursed for each loan; the amount of interest capitalized, if any; interest due and interest paid; repayments made; delinquencies and losses; the volume of applications received; number of applications approved and disapproved and other relevant information.
4. Funding. The LDF shall examine from time to time the rate at which loans are authorized and disbursed in order to ascertain requirements for funds in addition to those initially provided by AID. To that end the LDF Board will, at the earliest possible time, establish procedures for projecting its cash position and the anticipated volume of loans at least one year in advance. The LDF shall then consult with ORDEV and other interested agencies on possible sources of additional funds and take all steps within its power to secure the funds needed for continued operation.
5. Policy Review. The LDF Board will review its lending and operational policies at least annually, and make such revisions as appear necessary. In particular, the Board will review its loan terms and adjust its interest rate as desirable in the light of rates charged by other lending institutions and other sources of funds in Egypt.

IV. Proposed Organization of the Local Development Fund

1. The LDF will be an operating entity within the Organization for Reconstruction and Development of Egyptian Villages (ORDEV).
2. There shall be a Board of Directors headed by the Deputy Minister for Local Government and Chairman of ORDEV. The Board will be composed of the Undersecretary of State and General Director of ORDEV, representatives of governorates, district and village levels and the Ministry of Finance. The Deputy Minister for Local Government and Chairman of ORDEV shall appoint two General Secretaries of Governorates, two chairmen of District Councils and two Chairmen of Village Councils. Of these six appointed members, three shall be from Governorates in Upper Egypt and three from Governorates in Lower Egypt. Each of the six shall be from a different Governorate and each shall serve for a

one-year term. The Deputy Minister for Local Government and Chairman of ORDEV shall nominate a representative from the Ministry of Finance with the approval of the Minister of Finance. The Board of Directors shall have the responsibility of setting lending policy and establishing operating and financial procedures.

3. There shall be a Loan Committee composed of three (3) General Directors of ORDEV Departments appointed by the Board of Directors. In addition, the Undersecretary of State and General Director of ORDEV shall be a member of the Committee and serve as its chairman. The Committee is charged with approving and such other responsibilities as the Board may assign to it. The Loan Committee shall prepare quarterly financial reports and submit these to the LDF Board of Directors for review.
4. The Head of the ORDEV Department in each Governorate and his staff shall assist Village Councils in the preparation and implementation of projects.

EGYPT

Economic, Technical and Related Assistance

*Agreement signed at Cairo August 16, 1978;
Entered into force October 15, 1978.*

With exchanges of notes

*Dated at Cairo August 16, September 9 and December 7, 1978 and
February 8, 1979.*

ARAB REPUBLIC OF EGYPT

ECONOMIC, TECHNICAL, AND RELATED
ASSISTANCE AGREEMENT

The Government of the United States of America and the Government of the Arab Republic of Egypt have agreed as follows:

1. The Government of the United States of America will furnish such economic, technical, and related assistance hereunder as may be requested by representatives of the appropriate agency or agencies of the Government of the Arab Republic of Egypt and approved by representatives of the agency designated by the Government of the United States of America to administer its responsibilities hereunder, or as may be requested and approved by other representatives designated by the Government of the United States of America and the Government of the Arab Republic of Egypt. The furnishing of such assistance shall be subject to applicable United States laws and regulations. It shall be made available in accordance with arrangements agreed upon between the above-mentioned representatives.

2. The Government of the Arab Republic of Egypt will make the full contribution permitted by its manpower, resources, facilities, and general economic condition in furtherance of the purposes for which assistance is made available hereunder; will take appropriate steps to assure the effective use of such assistance; will cooperate with the Government of the United States of America to assure that procurement will be at reasonable prices and on reasonable terms, will, without restriction, permit continuous

observation and review by United States representatives of programs and operations hereunder, and records pertaining thereto; will provide the Government of the United States of America with full and complete information concerning such programs and operations and other relevant information which the Government of the United States of America may need to determine the nature and scope of operations and to evaluate the effectiveness of the assistance furnished or contemplated; and will give to the people of the Arab Republic of Egypt full publicity concerning programs and operations hereunder. With respect to cooperative technical and economic assistance programs hereunder, the Government of the Arab Republic of Egypt will provide sufficient support as to ensure the attainment of agreed program goals; will, to the maximum extent possible, seek full coordination and integration of technical and economic cooperation programs being carried on in the Arab Republic of Egypt and will cooperate with other nations participating in such programs in the mutual exchange of technical knowledge and skills.

3. In any case where commodities or services are furnished on a grant basis under arrangements which will result in the accrual of proceeds to the Government of the Arab Republic of Egypt from the import or sale of such commodities or services, the Government of the Arab Republic of Egypt, except as may otherwise be mutually agreed upon by the representatives referred to in paragraph 1 hereof, will establish in its own name a Special Account in the National Bank of Egypt; will deposit promptly in such Special Account the amount of local currency equivalent to such proceeds; and, upon notification from time to time by the Government of the United States of America of its local currency requirements for programs and operations hereunder, will make available to the

Government of the United States of America, in the manner requested by that Government, out of any balances in the Special Account, such sums as are stated in such notification to be necessary for such requirements. The Government of the Arab Republic of Egypt may draw upon any remaining balances in the Special Account for such purposes beneficial to the Arab Republic of Egypt as may be agreed upon from time to time by representatives referred to in paragraph 1 hereof. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance hereunder to the Government of the Arab Republic of Egypt shall be disposed of for such purposes as may be agreed upon by the representatives referred to in paragraph 1 hereof.

4. The Government of the United States of America and the Government of the Arab Republic of Egypt agree that a special mission will be received by the Government of the Arab Republic of Egypt to carry out and discharge the responsibilities of the Government of the United States of America under this agreement. The Government of the United States of America and the Government of the Arab Republic of Egypt further agree that the special mission will enjoy the same inviolability of premises as is extended to the diplomatic mission of the United States of America and that the Government of the Arab Republic of Egypt shall accord all United States Government employees who are United States citizens and their families in Egypt to perform work in connection herewith the same immunity as is accorded by the Government of the Arab Republic of Egypt to the Personnel of comparable rank of the Embassy of the United States of America in Egypt. These employees will be subject to the same obligations and responsibilities as apply to members of the Embassy of the United States of America.

5. In order to assure the maximum benefits to the people of the Arab Republic of Egypt from the assistance to be furnished hereunder:

(a) Any supplies, material or equipment introduced into or acquired in the Arab Republic of Egypt by the Government of the United States of America, or any American contractor financed by that Government for purposes of any program or project conducted hereunder, shall, while such supplies, material or equipment are used in connection with such a program or project, be exempt from any taxes on ownership or use of property and any other taxes in the Arab Republic of Egypt, and the import, export, purchase, use, or disposition of any such supplies, material or equipment in connection with such a program or project shall be exempt from any tariffs, customs duties, import and export taxes, taxes on purchase or disposition of property, and other taxes or similar charges in the Arab Republic of Egypt. No tax (whether in the nature of an income, profit, business, or other tax), duty, or fee of whatsoever nature shall be imposed upon any American contractor financed by the Government of the United States of America hereunder. For the purposes of this agreement the term "American contractor" shall include individuals who are citizens or legal residents of the United States of America, corporations or partnerships organized under the laws of the United States of America, foreign corporations a majority of whose total stock is owned by United States shareholders, and joint ventures or unincorporated associations consisting entirely of individuals, corporations or partnerships which fit any of the foregoing categories.

(b) All United States citizen personnel (and their families), whether (i) employees of the Government of the United States of America or any agency thereof, (ii) individuals under contract with, or employees of public or private organizations under contract with the Government of the Arab Republic of Egypt, or any agency thereof, or (iii) individuals under contract with or financed by, or employees of public or private organizations under contract with or financed by, the Government of the United States of America, or any agency thereof, who are present in the Arab Republic of Egypt or perform

work in connection with this Agreement shall be exempt from income and social security taxes levied under the laws of the Arab Republic of Egypt and from taxes on the purchase, ownership, use or disposition of personal moveable property (including automobiles) intended for their own use. Such personnel (and their families) shall be exempt from customs, import, and export duties on all personal effects, equipment and supplies (including food, beverages and tobacco), imported into the Arab Republic of Egypt for their own use, and from all other duties and fees.

(c) Funds introduced into the Arab Republic of Egypt by the Government of the United States of America for purposes of furnishing assistance hereunder shall be convertible into currency of the Arab Republic of Egypt at the highest rate prevailing and declared for foreign currency by the competent authorities of the Arab Republic of Egypt.

6. The Government of the United States of America and the Government of the Arab Republic of Egypt will establish procedures whereby the Government of the Arab Republic of Egypt will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken hereunder by the Government of the United States of America as to assure that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when the Government of the Arab Republic of Egypt is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the program of assistance hereunder.

7. All or any part of any program of assistance provided hereunder may, except as may otherwise be provided in arrangements agreed upon pursuant to paragraph 1 hereof, be terminated by either Government if that Government determines that because of

changed conditions the continuation of such assistance is unnecessary or undesirable. The termination of such assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered.

8. This Agreement may be modified by mutual agreement in writing of the parties hereto.

9. This Agreement shall enter into force upon signature and any necessary ratification.^[1]

10. This Agreement shall remain in force until thirty days after the receipt by either Government of written notification of the intention of the other to terminate it. Notwithstanding any such termination, however, the provisions hereof shall remain in full force and effect with respect to assistance theretofore furnished.

11. The Point IV General Agreement for Technical Cooperation between the parties signed at Cairo on May 5, 1951 and the agreements effected by exchanges of notes between the parties hereto, dated February 21 and 25, 1952,^[2] February 23 and 24, 1954,^[3] and November 6, 1954^[4] are hereby terminated with respect to their application in the Arab Republic of Egypt.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement at Cairo, Egypt in duplicate on the 16th day of August, 1978:

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA
By Hermann F. Eilts
Title American Ambassador
Date August 16, 1978

[SEAL]

FOR THE GOVERNMENT OF THE
ARAB REPUBLIC OF EGYPT
By Mohamed Ibrahim Kamel
Title Foreign Minister
Date August 16, 1978

[SEAL]

¹ Oct. 15, 1978.

² TIAS 2479; 3 UST 2960.

³ TIAS 2986; 5 UST 1029.

⁴ TIAS 3156; 5 UST 2985.

[EXCHANGES OF NOTES]

EMBASSY OF THE
UNITED STATES OF AMERICACairo, Egypt
August 16, 1978

Excellency,

I have the honor to refer to the Economic, Technical and Related Assistance Agreement signed by our two Governments this date.

The Government of the United States of America acknowledges that, with respect to the privilege of importing automobiles duty-free contained in paragraph 5(b) of the Agreement, the normal policy of the Government of the Arab Republic of Egypt is to permit the importation of only one new or used vehicle every three years. Said vehicle shall be exempted from customs after three years or at the time of employee's definitive transfer from Egypt on orders of the Government of the United States, whichever comes earlier.

The Parties to the Agreement agree that the Government of the United States of America will follow that policy in exercising its privileges under paragraph 5(b) of the Agreement, with the understanding that, upon application by the U.S. Embassy submitted to the Ministry of Foreign Affairs, if an automobile imported pursuant to said paragraph is lost by theft or otherwise or is so damaged as to be unusable or repairable only at a prohibitive cost, the employee owning said automobile may import another automobile as a replacement under the terms of paragraph 5(b) of the Agreement. Any automobile so damaged may be turned over to the insurance company or sold without payment of customs duties.

I have the honor to propose that if these understandings are acceptable to your Excellency that you so advise me in a reply note concurring in the present note.

Accept, Excellency, renewed assurances of my highest consideration.

Sincerely,

Hermann Frederick Ellts

American Ambassador

His Excellency
Said Hamza
Director, Chief of Protocol
Ministry of Foreign Affairs
Cairo, Egypt

بيان



وزارۃ الخارجیۃ
ادارة المراسms

١٢٩ - سنه ١٩٧٨ - تحریر ف

رقم العدد
٦٦٣
رقم الملف
٦٦٥
ملحق المرفقات

تهنئي وزارة الخارجية - ادارة المراس - اطيب تحياتها المسى
سفارة الولايات المتحدة الامريكية بالقاهرة ، وبماه الى الاغاثة الخاصة
بالمعونة الفنية والاقتصادية والموقعة بتاريخ ١٦ أغسطس ١٩٧٨ ، تتشرف
وزارة الخارجية الاغاثات الخاصة بسيارات موظفي الحكومة الامريكية الماملين
بجمهورية مصر العربية بوجوب هذه الاغاثة فيما يلى : -

- تضع وزارة الخارجية (بناء على المادة الخامسة فقره ب من الاغاثة
المشار اليها) باستيراد سيارة واحدة لكل منهم معاقة من الرسم
الجمركي كل ثلاث سنوات من تاريخ استلامهم عليهم على ان تعفى هذه
السيارة عند بيعها من الرسم الجمركي بعد ثلاث سنوات من تاريخ
الافراج عنها او في حالة النقل النهائي للموظف .
- في حالة فقدان السيارة بسبب السرقة او تهشيمها واصبحت في حالة
لا نسخ باصلاحها او استعمالها يصح لصاحبها " الموظف الحكومى "
باستيراد سيارة اخرى بديله بنفس شروط المادة خامسه فقره ب على ان
تسليم السيارة الممولة لشركة التأمين او بيعها باعفاء من الرسم
الجمركي .
- وتنتهز وزارة الخارجية هذه الفرصة لتعرب للسفارة عن فائق تقديرها .

ـ الى سفارة الولايات المتحدة الامريكية
القاهرة



الجهة المصدرة
المنفذ
البلد
الموافق
١٩٧٨-٠٨-١٦

TRANSLATION

MINISTRY OF FOREIGN AFFAIRS
OFFICE OF PROTOCOL

September 9, 1978
Ref. No. 12/9 - 11302/H

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America at Cairo and has the honor to refer to the exemption from customs duties on automobiles owned by United States Government officials working in the Arab Republic of Egypt, as stated in the Agreement on Economic, Technical, and Related Assistance signed on August 16, 1978.

In accordance with Article 5(b) of that Agreement, the Ministry of Foreign Affairs shall allow each official, upon the assumption of his duties, to import one automobile every three years exempt from payment of customs duties. Upon the sale of such automobiles, they shall be exempt from payment of customs duties provided that they are sold three years after they clear customs, or when the U.S. Government official is transferred permanently.

In the event of total loss of an automobile by theft or accident, the Government official shall be allowed to import a replacement automobile subject to the terms of the said Article 5(b), provided that any wreck is turned over to the insurance company or is sold as a wreck, exempt from customs duties.

The Foreign Ministry avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

[Initialed]

[SEAL]

Cairo

7 Dec 1978

Excellency:

I have the honor to refer to the Economic, Technical and Related Assistance Agreement signed by our two Governments on August 16, 1978 and to the supplemental letter regarding the Bilateral which I sent you on the same date.

The Government of the United States of America confirms that the second and third paragraphs of the supplemental letter dealing with the privilege of selling automobiles duty free and with duty-free importation of a vehicle to replace a vehicle stolen or damaged applies only to U.S. citizen employees of the Government of the United States or America (or any agency thereof).

The parties to the Agreement agree that United States citizen contractor personnel covered in paragraphs 5(b) (ii) and (iii) of the Agreement shall be entitled to make purchases in the Government's duty free shops in the amount of one hundred United States Dollars per employee every three months.

I have the honor to propose that if these understandings are acceptable to your Excellency that you so advise me in a reply note concurring in the present note.

Accept, Excellency, renewed assurances of my highest consideration.

Sincerely,

Hermann Fr. Eilts

Hermann Frederick Eilts
American Ambassador

His Excellency
Said Hamza
Director, Chief of Protocol
Ministry of Foreign Affairs
Cairo

بيان



الوزارة الخارجية

ادارة المراسيم

رقم الفاكس ٢١٣٩٦٣٧

رقم الملف _____

عدد المرفقات _____

محرر في ١٢٩ (٢٨) سنت ١٩٧٩

تهدى وزارة الخارجية - ادارة المراسيم - أطيب تحياتها الى
 سفارة الولايات المتحدة الامريكية بالقاهرة ولها الى كتاب السفارة بتاريخ
 ٢٩/٢/١٩٧٨ والاحقا بحديث السفير مدير المراسيم يوم ٢٩/٢/٢
 سفير الولايات المتحدة الامريكية بشأن مزايا واغاثات موظفي وكالة المخونية
 الامريكية التابعين لحكومة الولايات المتحدة الامريكية الواردة في الاتفاقية
 الموقعة ١٦ أغسطس ١٩٧٨ ، تشرف الوزارة بالاقادة بما يلى :

- يحق لموظفي وكالة المخونية التابعين لحكومة الولايات المتحدة استيراد
 سيارة باعفاء جمركي بديلة للسيارة المهمشة تماماً أو للسيارة المفقودة .
- يحق للمتعاقدين المولين من الحكومة الامريكية (المادة ٥ فقرة ١ من
 الاتفاقية) شراء مواد استهلاكية بما يعادل مائة دولار كل ثلاثة أشهر
 من الأسواق الحرة بجمهورية مصر العربية .

هذا وترجو الوزارة مواتتها كل ثلاثة أشهر بقائمة باسماء
 المتعاقدين المشار اليهم اعلاه لابلاغها لصلحة الجمارك لتميمها على
 جمارك الاسواق الحرة وهو الاسلوب المعمول به بالنسبة لبعض خبراء المنظمات
 الدولية .

وتنتهز الوزارة هذه الفرصة لنعرب للسفارة عن فائق تقديرها .

الى سفارة الولايات المتحدة الامريكية
 القاهرة



الجريدة الرسمية لجمهورية مصر العربية

TRANSLATION

Ministry of Foreign Affairs

Office of Protocol

February 8, 1979
Ref. No. 1830/H

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America at Cairo and has the honor to refer to the Embassy's letter of December 7, 1978, and to the conversation held February 7, 1979, between the Chief of Protocol and the United States Ambassador concerning the privileges and exemptions of USAID personnel as stated in the Agreement signed on August 16, 1978.

Under the provisions of that Agreement, USAID personnel may import, exempt from payment of customs duties, a replacement automobile in the event of total loss of an automobile by theft or accident.

Furthermore, contractors financed by the United States Government may, subject to Article 5 (a) of that Agreement, purchase on the free markets of the Arab Republic of Egypt consumer goods in the amount of \$100 every three months.

Please furnish the Ministry a quarterly list of names of the above-mentioned contractors so that we may communicate them to the Customs Administration and to the various free markets in the country in accordance with regulations applicable to experts working for international organizations.

The Foreign Ministry avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

[Initialed]

[SEAL]

TANZANIA

Training of Maternal and Child Health Aides

*Agreement signed at Dar es Salaam July 6, 1978;
Entered into force July 6, 1978.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Treasury

AN AGENCY OF THE Government of The United Republic of Tanzania

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

PROJECT
DESCRIPTION
ANNEX A

FOREIGN
CURRENCY
STANDARD
PROVISIONS
ANNEX

STANDARD
PROVISIONS
ANNEX [1]

SPECIAL LOAN
PROVISIONS
ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

GENERAL AGREEMENT
FOR TECHNICAL
COOPERATION

DATE
8 Feb 1968[?]

ECONOMIC
COOPERATION
AGREEMENT

DATE

(other)

DATE

1. PROJECT/ACTIVITY NO.
621-0121

2. AGREEMENT NO.
78-0

3. ORIGINAL
OR REVISION
NO. ____

4. PROJECT/ACTIVITY TITLE
621-0121

Manpower Training Program
for Maternal and Child
Health Aides

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIA-
TION SYMBOL
72-1181021.4

7. AID ALLOTMENT
SYMBOL
844-50-621-00-44-81

8. AID FINANCING
 DOLLARS LOCAL
CURRENCY

PREVIOUS TOTAL

INCREASE

DECREASE

TOTAL
TO DATE
(D)

(a) Total

(B)

1,151,000

1,151,000

(b) Contract Services

(See Component Breakdown on Page

3)

(c) Commodities

(d) Other Costs

9. COOPERATING AGENCY
FINANCING—DOLLAR
EQUIVALENT

\$1.00=

(a) Total

(b) Technical and other Services

(c) Commodities

(d) Other Costs

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

This Project Agreement provides FY 1978 funding (October 1, 1977 through September 30, 1978) to assist the Tanzanian Government in training MCH Aides for service in health centers in rural Tanzania.

11. DATE OF ORIGINAL
AGREEMENT

July 6, 1978

12. DATE OF THIS
REVISION

July 6, 1978

13. ESTIMATED FINAL
CONTRIBUTION DATE

September 30, 1981

14. FOR THE COOPERATING GOVERNMENT OR
AGENCY

C A MUTASHOBYA
SIGNATURE: C A Mutashobya
DATE:
TITLE: for Principal Secretary, Treasury

15. FOR THE AGENCY FOR INTERNATIONAL
DEVELOPMENT

HOWARD L STEVENS
SIGNATURE: Howard L. Stevenson
DATE: 9/18/77
TITLE: Director, USAID/Tanzania

¹ Not printed herein. For text, see TIAS 8590; 28 UST 3635.

² TIAS 6448; 19 UST 4614.

1. This project is designed to assist the Ministry of Health in the training of Maternal and Child Health Aides (MCHAs) for assignment to rural health facilities throughout Tanzania. Project Agreements 73-7 and 74-6 provided for the construction of 18 MCHA Training Centers. The 18 training centers have been completed except for additional staff housing which is presently under construction. All requests for reimbursement of construction costs must be submitted to USAID to enable payment to be made by December 31, 1979. All funds allocated under prior Project Agreements for construction of the 18 Training Centers must be liquidated prior to December 31, 1979.
2. The Agreement provides funding for the following project elements:
 - a. Continued financing of the Loma Linda University contract which provides technical support for the project;
 - b. Participant costs for training Tanzanian nationals abroad to provide leadership, technical support and supervision of the rural MCH delivery program as jointly determined by the USAID and MOH program;
 - c. Offshore procurement of equipment, supplies, vehicles, MCH kits and household furnishings for contract technicians as mutually agreed between USAID and MOH;
 - d. Complete the development and production of audio-visual aids by the Loma Linda University Contract group;
 - e. Rehabilitation of logistics facilities as mutually agreed upon;
 - f. Provision of recurrent costs for MCHA Training Centers, Public Health Nurses School and the logistics/distribution unit of the MCH Section;
 - g. Local Support Costs for seminars/workshops, research studies, logistics/distribution system and field assistant; and
 - h. Joint donor review of the Tanzanian Health Delivery System.
3. Subject to the availability of funds and progress satisfactory to the USAID and the Tanzanian Government toward meeting specific project objectives, the USAID, in accordance with the terms of this and previous Agreements, agrees to provide funding as outlined below. It is anticipated that the planned in-depth, joint donor review of the Tanzanian Health Delivery System will provide further guidelines for assistance under this and subsequent Agreements.

AID FINANCINGDETAILS OF U.S. CONTRIBUTION BY COST COMPONENT

INPUT NUMBER	IDENTIFIER	PREVIOUS TOTAL	INCREASE	DECREASE	TOTAL TO DATE
	TOTALS		1,151,000		1,151,000
01	<u>PERSONNEL (Contract)</u>		234,000		234,000
02	<u>PARTICIPANT TRAINING</u>		112,000		112,000
03	<u>OFFSHORE PROCUREMENT</u> Class, Eq & Sup 50 Vehicles 100 MCH Kits 50 Furnishings 10		210,000		210,000
04	<u>AUDIO-VISUAL DEVELOPMENT & PRODUCTION (Contract)</u>		76,000		76,000
05	<u>CONSTRUCTION/REHABILITATION TRNG CENTERS & LOGISTICS FACILITIES</u>		75,000		75,000
06	<u>SUPPORT OF TANGOV RECURRENT COSTS</u> MCHA Training Ctrs. 238 Public Health Nurse Sch. 20 Logistics/Distribution Sys. 10		268,000		268,000
07	<u>LOCAL SUPPORT COSTS</u> Seminars/Workshops 24 Research Studies 82 Log/Distrib. System 35 Field Assistant 15		156,000		156,000
08	<u>EVALUATIONS</u>		20,000		20,000

EGYPT
Development Planning Studies

*Agreement signed at Cairo August 17, 1978;
Entered into force August 17, 1978.*

A.I.D. Project Number 263-0061

**PROJECT
GRANT AGREEMENT
AMONG
THE
ARAB REPUBLIC OF EGYPT,
THE UNITED STATES OF AMERICA
AND
CAIRO UNIVERSITY
FOR
DEVELOPMENT PLANNING STUDIES**

Dated: AUGUST 17, 1978

TABLE OF CONTENTS

Project Grant Agreement

	<i>Page herein]</i>	<i>[Pages]</i>
ARTICLE 1: The Agreement	1	4629
ARTICLE 2: The Project		
Section 2.1. Definition of Project	1	4629
Section 2.2. Incremental Nature of Project	3	4630
ARTICLE 3: The Financing		
Section 3.1. The Grant	4	4630
Section 3.2. Grantee Resources for the Project	4	4630
Section 3.3. Project Assistance Completion Date	5	4631
ARTICLE 4: Conditions Precedent to Disbursement		
Section 4.1. First Disbursement	6	4631
Section 4.2. Additional Disbursement	6	4631
Section 4.3. Notification	7	4632
Section 4.4. Terminal Dates for Conditions Precedent	7	4632
ARTICLE 5: Special Covenants		
Section 5.1. Project Evaluation	8	4632
Section 5.2. Establishment of a New Joint Advisory Committee	8	4632
Section 5.3. Criteria for Selection of Sub-projects	9	4633
Section 5.4. Establishment of the Institute	9	4633
Section 5.5. Building of the Institute	9	4633
Section 5.6. Operations of the Institute	9	4633
Section 5.7. AID Direct Contract	10	4633
ARTICLE 6: Procurement Source		
Section 6.1. Foreign Exchange Costs	10	4633
Section 6.2. Local Currency Costs	11	4633
ARTICLE 7: Disbursements		
Section 7.1. Disbursement for Foreign Exchange Costs	11	4634
Section 7.2. Disbursement for Local Currency Costs	12	4634
Section 7.3. Other Forms of Disbursement	13	4634
ARTICLE 8: Miscellaneous		
Section 8.1. Communications	13	4634
Section 8.2. Representatives	14	4635

TIAS 9483

	<i>[Pages Page herein]</i>
Section 8.3. Standard Provisions Annex [1]	15 4636

Description of the Project**ANNEX 1**

A. Introduction	1 4636
B. Project Description	1 4637
1. Summary	1 4637
2. Activity Details	4 4638
3. Organization and Administrative Arrangements	7 4639
C. Reporting	10 4640
D. Evaluation	12 4641
E. Program Budget	13 4642

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project 263-0061

**PROJECT GRANT AGREEMENT DATED: AUGUST 17,
1978 AMONG THE ARAB REPUBLIC OF EGYPT,
“GRANTEE,” CAIRO UNIVERSITY (“CU”) 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 assistance provided to agencies of the Grantee and to CU—initially under a direct, two-year contract between A.I.D. and a U.S. participating institute—to strengthen the capabilities of the Grantee’s Ministries to utilize more appropriate and professional development program and planning methods. The primary objective of the first two years of the Project is to establish an Institute of Technological Planning within Cairo University with the capacity of assisting the Grantee’s Ministries in the areas of applied research on important Egyptian developmental problems, program development, project implementation and training. To accomplish this, the U.S. participating institute will assist CU and the appropriate Grantee’s Ministries in obtaining the following objectives:

- Establishment of an Institute of Technological Planning at CU by August 31, 1979.
- Organization of resource teams to assist in specific applied research studies requested by ministries and other interested entities.
- Development of technical advisory services at the Institute.
- Training of Egyptians in-country, at the U.S. participating institute and in other appropriate institutes.
- Organization of conferences, seminars and meetings pertinent to the objectives stated above.

During the remaining three years of the Project, the objective will be to provide continuing but diminishing assistance to the new Institute so that at the end of five years the Institute can provide consultative services to government agencies on a self-supporting basis.

The Project shall finance technical assistance, training, applied research, evaluations, and related commodity support required to further Project activities.

Cairo University shall implement this Agreement on behalf of the Grantee.

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. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

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,^[1] agrees to grant the Grantee under the terms of this Agreement not to exceed three million eight hundred thousand United States ("U.S.") Dollars (\$3,800,000) and two million three hundred thousand Egyptian Pounds (LE 2,300,000) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1., and local currency costs, as defined in Section 6.2., of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian Pound portion of the Grant.

SECTION 3.2. Grantee Resources for the Project.

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

(b) The resources provided by the Grantee for the first two years of the Project will be not less than five hundred and forty thousand in Egyptian Pounds (LE 540,000), including costs borne on an "in-kind" basis.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1983, 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 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 names of the persons holding or acting in the offices of the Grantee specified in Section 8.2. and of any additional representatives, together with a specimen signature of each person specified in such statements; and,

(b) Such other information and documents as A.I.D. may reasonably require.

SECTION 4.2. Additional Disbursement. Prior to disbursement under the grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose other than to finance the first two years' activities under the Grant, 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) An evaluation conducted by the Grantee of progress toward attainment of objectives of the Project up to that date, which evaluation shall have been approved by A.I.D.;

(b) Evidence of the establishment of an Institute of Technological Planning within CU, with authorities and functions approved by A.I.D. and whose initial staffing shall have been designated; and,

(c) Such other information and documents as A.I.D. may reasonably require.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1. and 4.2. have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Dates for Conditions Precedent.

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

(b) If all of the conditions specified in Section 4.2. have not been met by August 31, 1980, or such later date as A.I.D. may agree to in writing, A.I.D. at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and 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 an integral 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;

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

(e) Arrangements and conditions further described in Section D of Annex 1.

SECTION 5.2. Establishment of a New Joint Advisory Committee. The Grantee and CU agree to establish a new Joint Advisory Committee of a nature and composition acceptable to A.I.D. This new Joint Advisory Committee will be established within six months from the date of the Grant Agreement and will include representation from the Grantee's Ministries. The Grantee will provide A.I.D. with a statement of the Committee's authorities, functions and initial membership. The Grantee and CU agree to make available representatives from their respective organizations to serve as Members of the new Joint Advisory Committee.

SECTION 5.3. Criteria for Selection of Sub-projects. The Grantee and CU agree to establish criteria acceptable to A.I.D. for the selection of sub-project activities, within six months from the date of the Grant Agreement. The Grantee and CU further agree that one such criterion will be the proportion of costs to be financed by the outside entity or the Grantee's Ministry interested in the sub-project activity.

SECTION 5.4. Establishment of the Institute. The Grantee and CU agree to establish an Institute for Technological Planning by August 31, 1979.

SECTION 5.5. Space for the Institute. The Grantee agrees to provide, through Cairo University, adequate space which will be used to house the Institute in order for it to carry out its activities.

SECTION 5.6. Operations of the Institute. Cairo University agrees to:

- (a) Provide a full time Director for the Institute and such other full or parttime personnel as may be required;
- (b) Make staff members available to participate in an academic exchange program at the U.S. participating institution; and,
- (c) Make staff members available, as may be required, to the Institute to participate in applied research studies, provide technical advisory services, and serve as instructors.

SECTION 5.7. A.I.D. Direct Contract. The Grantee agrees that as soon as possible after signing of this Agreement and satisfaction of the conditions precedent to first disbursement, A.I.D. may enter into a direct two-year contract with a U.S. institution to provide the services required for the Project. The contract will be subject to standard A.I.D. provisions and shall be funded under this Grant.

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 (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

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 in Egypt and, except as A.I.D. may otherwise agree in writing, their origin in countries listed in Code 935 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Local Currency Costs").

ARTICLE 7: Disbursement**SECTION 7.1. Disbursement for Foreign Exchange Costs.**

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

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

SECTION 7.2. Disbursement for Local Currency Costs.

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

(b) The local currency needed for such disbursements may be obtained from local currency also owned by the U.S. Government.

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.

ARTICLE 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document or other communication submitted by any Party to one or more of the others 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 (either one or both):

Mail Address:	Office of the Rector Cairo University Cairo, Egypt	The Minister of Economy and Economic Cooperation, Ministry of Economy and Economic Cooperation, 8, Adly Street Cairo, Egypt
---------------	--	--

Alternate address for cables:

Office of the Rector Cairo University Cairo, Egypt	The Minister of Economy and Economic Cooperation, Ministry of Economy and Economic Cooperation, 8, Adly Street Cairo, Egypt
--	--

To A.I.D.:

Mail Address: A.I.D.
U.S. Embassy
Cairo, Egypt

Alternate address for cables:

A.I.D.
U.S. Embassy
Cairo, Egypt

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. The Grantee, in addition, will provide the U.S. AID Mission with a copy of each communication sent to A.I.D.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation, the Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, and the Rector, Cairo University, and A.I.D. will be represented by the individual holding or acting in the office of the Director, U.S. AID, Cairo, Egypt, 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 to Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) [1] 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.

ARAB REPUBLIC OF EGYPT

By: HAMED EL SAYEH

Name: Dr. Hamed El Sayeh
Title: *The Minister of Economy
and Economic Co-operation*

UNITED STATES OF AMERICA

By: DONALD S BROWN

Name: Donald S. Brown
Title: *Director, U.S. AID*

CAIRO UNIVERSITY

By: S. ABOU TALEB

Name: Dr. Soufy Abou Taleb
Title: *Rector, Cairo University*

Project 263-0061

ANNEX 1

Description of Project

A. Introduction

The Project described herein is a result of work initiated in December of 1976, when A.I.D. signed a contract with the Massachusetts Institute of Technology (M.I.T.) to establish a collaborative research effort with Cairo University and various interested Ministries of the Grantee to improve their capabilities in analyzing, planning and managing work on important Egyptian developmental problems. At the same time the feasibility of institutionalizing the processes established to carry out this work was examined. It was determined by A.I.D. the success of M.I.T.'s initial work warranted devising a five-year project which would continue the process and build a semi-autonomous Institute at CU capable of carrying out independently in the future the joint research effort involving CU with outside entities and Grantee's Ministries.

¹ See footnote 1, p. 4628.

B. Project Description**1. Summary**

This Grant Agreement is a result of A.I.D.'s approval of the Project and provides assistance to the Grantee in creating improved developmental program and project planning and management capabilities within several Egyptian Ministries. The Project will establish a permanent institution in association with Cairo University through which the following mutually supportive objectives will be accomplished:

- Provision of Egyptian based technical research and training assistance to government technical ministries and agencies and to government planning agencies;
- Mobilization of Egyptian academic resources for applied research on specific developmental problems; and,
- Creation of a permanent Egyptian institutional framework through which applied research and training capabilities can be directed to Egyptian development problems.

The Project also provides the means whereby analyses of technical and economic development programs will be carried out with assistance from a participating U.S. institution. Thus, the Project's institutional development objective is to be achieved in large part by direct work on important priority development problems confronting Egyptian government ministries. It is planned that twelve problems will be under study at any given time and that several conferences and training programs will be carried out annually. The selection of areas for study will be based on their direct relevance to significant Egyptian development problems, the proportion of costs shared by the involved outside entity, and criteria to be established during the first few months of the Project.

This Project's innovative approach will vest considerable responsibility in the participating U.S. institution, Cairo University, and the Egyptian government. They will share responsibility for determining the feasibility of project activities and assuring that the benefits of their actions will be transferred to the targeted institutions and Egypt's development program. The success of this effort will be the major factor in evaluating this Project.

The implementation, management and annual reviews of the Project will be directed initially by a Joint Advisory Committee, which has CU and U.S. university members, and later through a new Joint Advisory Committee to be established in connection with the formation of the proposed Institute. (See Section B for a discussion of the responsibilities and membership of the new Joint Advisory Committee.) A.I.D. will maintain a close working relationship with these Committees and will participate, as appropriate, in the annual reviews of Project progress.

A major in-depth evaluation of Project progress will be made during the second year to determine the advisability of A.I.D. funding beyond the initial two years of the Project. Two other in-depth evaluations will be subsequently conducted during the remaining life of the Project.

2. Activity Details

The Project will consist of a set of activities that draw together the needed resources to address and resolve important development problems faced by the Ministries. A program of applied research is the largest portion of the proposed effort and will organize a set of sub-project teams to provide continuing assistance on development problems of interest to the Ministries. These sub-project teams will consist of members of CU's and the U.S. participating institute's faculties as well as the Grantee's Ministries personnel. Cairo University will be responsible for making available its interested faculty members on a given team.

To organize and coordinate these activities on a permanent basis at Cairo University, the establishment of an Institute for Technological Planning has been proposed. Given the continued interest of the Cairo University administration in establishing the Institute and of several Ministries in utilizing its services, assistance will be provided to the University in organizing the technical and administrative activities of the Institute. In addition to the program of applied research, the Institute will organize shorter-term technical assistance and advisory services through which sub-project team members or other Cairo University resources are utilized on specific activities related to the formulation of a development plan or implementation of a project. As presently conceived, the Institute will also provide training programs to expand the capabilities of present and future Ministry planners. Thus, the anticipated efforts of the Institute will be in the three areas: A program of applied research, technical advisory services, and the training programs. Grantee Ministries involved, or other outside interested entities, are expected to pick up an increasing portion of the costs of the services provided by the Institute such that by the PACD the Institute can be financially independent and operating without further A.I.D.-funded assistance.

A general framework for the activities can be defined in terms of the analytic approaches considered feasible for the studies. Three general approaches or orientations to specific sub-projects will be utilized:

1. Engineering analysis and technical project evaluation will address specifically technical issues, including field and laboratory studies, design, training requirements, etc.;
2. Economic analysis will focus on project, sector and national planning issues, micro- and macroeconomic studies related to specific Egyptian development programs; and

3. An interdisciplinary approach is required for the development programs which focus on the social issues, overall economic policy formulation, and specific projects on population and labor force issues, socioeconomic change including urbanization, social services, technology transfer, and development administration strategies.

The economic and social analysis complement the technological aspects of the studies and place them in their proper developmental context. Invariably some consideration of the issues raised by each approach are incorporated in the planning and evaluation phases of specific sub-projects.

The technical effort will address a range of topics that can be classified into four general areas:

- Public Works
- Energy
- Manufacturing
- Social-economic Development and Administrative Policies

Assurance that the activities carried out by the Institute reflect government priorities should result from the inclusion of appropriate government representation on the new Joint Advisory Committee of the Institute; and the criteria to be established for selecting these activities. Each research proposal will also be reviewed and approved by the Minister of the relevant Ministry.

3. Organizational and Administrative Arrangements

Until the Institute is formally established, the Project will maintain the general management and administrative organization developed during the pre-project feasibility phase.

The principal organizational elements and responsibilities include:

- a) institutional and administrative agreements between CU and the U.S. participating institution;
- b) one Program Director each for the participating U.S. institution and CU to be responsible for coordinating and organizing their respective institution's inputs into the Project and ensure that contractual or institutional requirements are being satisfied;
- c) a joint CU-US participating institute Liaison Office established at CU with a Director and staff to administer the day-to-day Project activities and ensure effective cooperation with government or outside clients; and,
- d) a Joint Advisory Committee, consisting of members from CU and the U.S. participating institute, to provide overall policy and administrative direction to the Liaison Office.

When the Institute of Technological Planning at CU is established, it will incorporate the existing Liaison Office. The Liaison Office will be maintained within the Institute in order to carry out the U.S. partici-

pating institute's administrative and contractual obligations to A.I.D. The authorities and functions of this Institute will be worked out in detail by the new Joint Advisory Committee (discussed below) and approved by A.I.D. The Institute will be given adequate office space by the Grantee through Cairo University in which to carry out its activities.

The Joint Advisory Committee will be replaced by a new Joint Advisory Committee for the Institute which will be established within six months from the date of this Agreement in the context of the formal establishment of the Institute, and a full-time Director of the Institute will be appointed. This Joint Advisory Committee is expected to be chaired by the CU Vice-Rector of Graduate Studies and include representatives from:

- a. Senior Participating Cairo University Faculty (2) (one of whom may be the Director of the Institute);
- b. Senior Participating Ministry Staff (3) (One of whom will be from the Ministry of Plan or will be knowledgeable of overall Grantee development priorities.);
- c. Senior Cairo University Administrators (2) (One of whom may be the Director of the Institute and one of whom may be the Committee Chairman.);
- d. Director of the Institute (1); and, possibly at a later date,
- e. Foreign Cooperating Academic Institutions (2).

This Joint Advisory Committee will be responsible for identification and selection of activity proposals in areas of interest to the Egyptian government and the Institute according to criteria to be established within six months from the date of this Agreement; for assessment of benefits derived from the various activities of the Institute; and for determining the extent to which the institutional-building purposes of the Institute have been achieved and the Institute has met the criteria of having contributed to the ability of the government to carry out project and program development activities.

A.I.D. will maintain close working relations with this Committee, and will participate as appropriate in the annual reviews of Project progress.

It is planned that as soon as A.I.D.'s direct contractual responsibility ends in two years when the Institute has been formally established and favorably evaluated, Cairo University will negotiate and execute a contract directly with a U.S. participating institution to continue to carry out the Project.

C. Reporting

The Grantee shall cause to be submitted annual Project progress reports for all aspects of Project activities. These reports will be prepared in conjunction with CU, the U.S. participating institute, relevant Egyptian counterparts and, as appropriate, USAID/Egypt. These reports will form a base for decisions on modifications, discon-

tinuations, or extension of the Project. They will also provide basic information for the evaluations. The Grantee will deliver to A.I.D. by August 31 of each year a report to include:

- Status of contracting permanent and short-term personnel for Project implementation and related technical arrangements. This section will describe problems in the selection of professionals, timely delivery and completion of their services.
- Status and work assignments for administrative and technical personnel assigned to the Project from departments at Cairo University, and the participating U.S. institution.
- Status of Project activities with respect to:
 - a. Coordination with ministries, agencies, joint working groups, and international organizations.
 - b. Development and application of Cairo University/U.S. institution's analysis/assessment capability applied to actual and planned projects.
 - c. Degree of intergovernmental and public acceptance of project team concept as planning analysis resource.
- Status of establishment of Institute for Technological Planning with respect to:
 - a. Administrative arrangements;
 - b. Financial control mechanisms;
 - c. Prospects and plans for obtaining full financial support, independent of A.I.D.; and,
 - d. Training programs planned and underway.

The Grantee will delivery to the Director, USAID/Egypt five copies of all final Project progress reports.

D. Evaluations

A.I.D., the U.S. participating institute, the Grantee and CU will participate in the establishment of an evaluation plan, and in the drafting of scopes of work and carrying out the in-depth evaluations of the Project. The evaluations will focus on the program in Section 5.1. of this Agreement and the following:

- a. The progress toward developing and implementing the research, technical assistance and training programs of the Institute;
- b. The level of Grantee or outside financial support for the Institute and the Institute's plans for obtaining financial independence from A.I.D. by the end of the Project;
- c. The implementation by the Institute of a training program for the Grantee's participants to provide Ministries with the capability to utilize successfully the Institute after Project termination;
- d. The progress toward developing an Egyptian capability to trans-

- late development problems into researchable issues and to manage such problem-solving research; and,
- e. The contribution specific sub-project studies are making to Project objectives (the technical aspects of the activities themselves will not be evaluated).

The first evaluation shall have been conducted and submitted to A.I.D. for approval by no later than June 30, 1980. The timing of the evaluations to be conducted after the first one will be agreed upon by A.I.D. and CU before the end of the first two years of the Project. It is currently believed that the most appropriate timing for these evaluations would be within two years from the completion of the first evaluation and at the completion of the Project.

E. Program Budget

During the first two years of the Project, the funding requirements are anticipated to remain at approximately the rate reached by the end of the pre-project feasibility stage. Additional expenditures will be required for the start-up of the Institute and development of the educational programs. Beginning in year three, a reduction in the direct U.S. participating institute's involvement on project teams and program administration will take place with a subsequent reduction in A.I.D. financing. While the total Egyptian effort and local currency requirements would increase for the last two years, direct financing by the Ministries and other government agencies of the research and educational programs of the Institute would further reduce the funding required from A.I.D. By the PACD, independent financing of the administration and educational programs of the Institute will cover its budget. Financing of specific research projects may be obtained from participating Ministries, national and international agencies, including A.I.D., as topics of mutual interest are identified.

An illustrative budget summary for the Project is provided in the following table:

OVERALL BUDGET SUMMARY*
DEVELOPMENT PLANNING STUDIES
September 1, 1978–August 31, 1983
(Costs in thousands))**

	Year											
	1		2		3		4		5			
	\$	LE	\$	LE	\$	LE	\$	LE	\$	LE		
Staff & Administration Project Teams	352 972	19 (624)	352 972	19 (624)	317 546	19 546	276 325	19 (1,128)	276 325	19 (1,128)	573 3,244	95 (4,380)
Liaison Office and/or Institute for Technological Planning	100	144	100	164	70	(176)	20	(176)	20	(176)	310 (836)	
Educational Programs	20	20	50	30	50	30	20	20	20	60 (50)	544 (205)	

Visiting Fellows Program	98	6	98	6	98	6	98	6	490	30
Conferences and Seminars	4	7	4	7	4	7	4	7	7	35
Direct Expenses	156	30	156	30	105	25	55	15	55	115
U.S. & International Travel	102	280	102	280	65	180	35	(45)	(45)	(187)
Project Travel in Egypt	—	25	—	25	—	17	—	8	—	83
Evaluation	—	—	25	10	—	(25)	(25)	(25)	—	(125)
Overall cost of program*	1,804	1,155	1,859	1,195	1,359	1,381	848	1,551	833	1,546
AID funding request at fixed prices	1,804	1,077	1,859	1,117	1,359	984	848	606	833	601
AID funding request assuming 10% escalator	1,804	1,077	2,045	1,229	1,644	1,191	1,128	807	1,216	877
										7,837
										5,181

Total AID funding request: \$7,837,000
(Escalated) L.E. 5,173,000

*The budget does not include the indirect contribution by the Government of Egypt to support the project teams and the use of many university facilities. These are estimated at LE180,000 per year.

**Total costs are in parentheses when different from the AID Funding Request.
[Footnotes in the original.]

PHILIPPINES

Small Farmer Systems

*Agreement signed at Manila August 18, 1978;
Entered into force August 18, 1978.*

A.I.D. Loan No. 492-T-054

A.I.D. Project No. 492-0301

PROJECT
LOAN AND GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF THE PHILIPPINES
and the
UNITED STATES OF AMERICA
for
SMALL FARMER SYSTEMS

Dated: August 18, 1978

TABLE OF CONTENTSLOAN AND GRANT AGREEMENT

	<u>Page</u>	[<u>Pages herein</u>]
Article 1: The Agreement	1	4649
Article 2: The Project	1	4649
Section 2.1. Definition of Project	1	4649
Section 2.2. Incremental Nature of the Funding of the Project	2	4650
Article 3: Financing	2	4650
Section 3.1. The Grant; The Loan	2	4650
Section 3.2. Cooperating Country Resources for the Project	3	4651
Section 3.3. Project Assistance Completion Date	3	4651
Article 4: Loan Terms	4	4652
Section 4.1. Interest	4	4652
Section 4.2. Repayment	5	4653
Section 4.3. Application, Currency, and Place of Payment	5	4653
Section 4.4. Prepayment	5	4653
Section 4.5. Renegotiation of Terms	5	4653
Section 4.6. Termination on Full Payment	6	4654
Article 5: Conditions Precedent to Disbursement	7	4655
Section 5.1. First Disbursement	7	4655
Section 5.2. Notification	8	4656
Section 5.3. Terminal Dates for Conditions Precedent	8	4656
Article 6: Special Covenants	8	4656
Section 6.1. Project Evaluation	8	4656
Section 6.2. Availability of Peso Funds	9	4657
Section 6.3. Maintenance of Value	9	4657
Section 6.4. Environmental Assessment	9	4657
Section 6.5. Project Accounting, Reporting and Monitoring System	9	4657

<u>Table of Contents</u>	<u>Page</u>	<u>[Pages herein]</u>
Article 7: Procurement Source	9	4657
Section 7.1. Foreign Exchange Costs	9	4657
Section 7.2. Local Currency Costs	10	4658
Article 8: Disbursements	10	4658
Section 8.1. Disbursement for Foreign Exchange Costs	10	4658
Section 8.2. Disbursement for Local Currency Costs	11	4659
Section 8.3. Other Forms of Disbursement	12	4660
Section 8.4. Rate of Exchange	12	4660
Section 8.5. Date of Disbursement	13	4661
Article 9: Miscellaneous	13	4661
Section 9.1. Communications	13	4661
Section 9.2. Representatives	14	4662
Section 9.3. Standard Provisions Annex [¹]	14	4662
 <u>ANNEX I - DESCRIPTION OF PROJECT</u>		
Description of Project	1	4664
A.I.D. Contribution to the Project	3	4666
G.O.P. Contribution to the Project	4	4667
Attachment 1: Small Farmer Systems Project Budget	6	4669

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Loan No. 492-T-054

A.I.D. Project No. 492-0301

LOAN AND GRANT AGREEMENT

Dated August 18, 1978

Between

The Republic of the Philippines ("Cooperating Country")

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 Cooperating Country of the Project described herein, and with respect to the financing of the Project by the Parties.

Article 2: The Project.

Section 2.1. Definition of Project. The Project, which is further described in Annex I, will consist of establishing small farmer associations so that members may own, operate and maintain irrigation and other farm support systems under the Cooperating Country's program for assisting small farmers. It is anticipated that new Irrigators Service Associations (ISAs) will be developed and existing ISAs further assisted as a result of this Project. Annex I, attached, amplifies the definition of the Project contained in this Section 2.1. Within the

limits of the definition of the Project in this Section 2.1, elements of the amplified description in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 9.3, without formal amendment of this Agreement. Annex I will identify those elements of the Project for which Grant financing will be employed, and those for which Loan financing will be employed.

Section 2.2. Incremental Nature of the Funding of the Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in Section 3.3(a) of this Agreement, A.I.D., based upon consultation with the Cooperating Country, may specify in Project Implementation Letters appropriate time periods for the utilization of funds provided by A.I.D., under an individual increment of assistance.

Article 3: Financing.

Section 3.1. The Grant; The Loan. To assist the Cooperating Country to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to grant the Cooperating Country under the terms of this agreement not to exceed One Hundred Fifty Five Thousand (\$155,000.00) United States ("U.S.") Dollars ("Grant") and to lend the Cooperating Country under the terms of this

^[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

agreement not to exceed Five Million U.S. Dollars (\$5,000,000.00) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan and the Grant together are referred to as the "Assistance".

The Assistance may be used to finance foreign exchange costs, as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project.

Section 3.2. Cooperating Country Resources for the Project.

(a) The Cooperating Country agreed to provide or cause to be provided for the Project all funds, in addition to the Assistance, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Cooperating Country for the Project will be not less than the equivalent of U.S. \$4,166,000.00, including costs borne on an "in-kind" basis.

Section 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is December 31, 1981, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all portions of the Project financed jointly by them on a Fixed Amount Reimbursement (FAR) basis will have been completed, that all services financed under the Assistance other than on a FAR basis will have been performed, and all goods financed under the Assistance other than on a FAR basis 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 Assistance for FAR portions of the Project completed subsequent to the PACD, or, in the case of portions of the Project financed under the Assistance other than on a FAR basis, 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 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 Cooperating Country, may at any time or times reduce the amount of the Assistance 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: Loan Terms.

Section 4.1. Interest. The Cooperating Country will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten years following date of the first disbursement of the Loan hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be computed on the basis of a 365-day year. Interest will be payable no later than six months after the first disbursement of the Loan hereunder, on a date to be specified by A.I.D.

Section 4.2. Repayment. The Cooperating Country will repay to A.I.D. the Principal within twenty (20) years from the date of the first disbursement of the Loan in twenty-one (21) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Cooperating Country with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

Section 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

Section 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Cooperating Country may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

Section 4.5. Renegotiation of Terms.

- (a) The Cooperating Country and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial

position and prospects of the Cooperating Country, which enable the Cooperating Country to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the Director-General of the National Economic and Development Authority in the Republic of the Philippines.

Section 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Cooperating Country and A.I.D. relating to the Loan provisions of this Agreement will cease. However, with respect to any obligations arising out of the expenditure of Grant funds, this Agreement will remain in full force and effect.

Article 5: Conditions Precedent to Disbursement.

Section 5.1. First Disbursement. Prior to the first disbursement of the Assistance, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Cooperating Country and that it constitutes a valid and legally binding obligation of the Cooperating Country in accordance with all of its terms;
- (b) A statement of the names of the persons holding or acting in the office of the Cooperating Country specified in Section 9.2, including at least one representative from the Farm Systems Development Corporation (FSDC), and a specimen signature of each person specified in such statement;
- (c) A plan for the evaluation program referred to in Section 6.1;
- (d) An example of the contract format(s) to be used with individuals or firms for short and long term technical advisory services; and
- (e) A statement that amounts reimbursed by A.I.D. under Fixed Amount Reimbursement procedures will be credited to the account of FSDC in addition to FSDC's regular budget.

Section 5.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1 have been met, it will promptly notify the Cooperating Country.

Section 5.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Cooperating Country.

Article 6: Special Covenants.

Section 6.1. Project Evaluation. The Parties agree to establish an evaluation program as an integral 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) An improved system for program accounting, reporting and monitoring, such system to integrate information on Project inputs, Project outputs and Project effect and impact;
- (b) Evaluation of progress toward attainment of the objectives of the Project;
- (c) Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (d) Assessment of how such information may be used to help overcome such problems, in this or other project; and
- (e) Evaluation, to the degree feasible, of the overall development impact of the Project.

Section 6.2. Availability of Peso Funds. The Cooperating Country covenants and agrees to make available to FSDC on a timely basis peso funds required for the implementation of the Project, including the budgeting and release of funds for those portions of the Project which A.I.D. may ultimately reimburse in part or in full but which require initial financing by the Cooperating Country.

Section 6.3. Maintenance of Value. The Cooperating Country covenants and agrees to absorb any maintenance of value risks on behalf of FSDC and the ISAs.

Section 6.4. Environmental Assessment. The Cooperating Country covenants and agrees to ensure that FSDC will incorporate the results and recommendations of an Environmental Assessment conducted by the Philippine Inter-Agency Committee of Ecological Studies into the implementation of the Project.

Section 6.5. FSDC Loans to Irrigator Service Associations. The Cooperating Country covenants and agrees that any portion of the Assistance loaned to Irrigators Service Associations by FSDC will be on terms and conditions that are in accordance with Government policies and regulations and satisfactory to A.I.D.

Article 7: Procurement Source.

Section 7.1. Foreign Exchange Costs. Disbursements of funds pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and

origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

Section 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2 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 Republic of the Philippines ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 8: Disbursements.

Section 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Cooperating Country may obtain disbursements of funds under the Loan or 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 the Cooperating Country'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, (B) directly to one or 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 Cooperating Country in connection with Letters of Commitment and Letters of Credit will be financed under the Assistance unless the Cooperating Country instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Assistance.

Section 8.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Cooperating Country may obtain disbursement of funds under the Loan or 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 disbursement hereunder may be obtained:

(1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or

(2) by A.I.D. (A) requesting the Cooperating Country to make available the local currency for such costs, and (B) thereafter making available to the Cooperating Country through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Cooperating Country or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Cooperating Country, which dollars will be utilized for procurement for the United States under appropriate procedures described in Project Implementation Letters.

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. Other Forms of Disbursement. Disbursements of the Loan or the Grant may also be made through such other means as the Parties may agree to in writing.

Section 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2, if funds provided under the Loan or the Grant are introduced into the Republic of the Philippines by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Cooperating Country will make such arrangements as may be necessary so that such funds may be converted into currency of

the Republic of the Philippines at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of the Philippines.

Section 8.5. Date of Disbursement. Disbursements of the Assistance by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes a disbursement to the Cooperating Country or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment or Credit; (b) on the date on which A.I.D. disburses to the Cooperating Country or its designee local currency acquired in accordance with Section 8.2(b)(1); or (c) if local currency is obtained in accordance with Section 8.2(b)(2), on the date on which A.I.D. opens or amends the Special Letter of Credit there referred to.

Article 9: Miscellaneous.

Section 9.1. Communications. Except as expressly provided in Section 4.3, any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Cooperating Country:

Mail Address: National Economic and Development
Authority
P.O. Box 1116, Manila, Philippines

Address for cables: NEDAPHIL MANILA

or

Mail Address: Farm Systems Development Corporation
9th Floor, Philippine Veterans Bank Building
Bonifacio Drive, Port Area
Metro Manila, Philippines

Address for cables: FSDCPHIL MANILA

To A.I.D.:

Mail Address: United States Agency for International
Development
c/o The American Embassy
Manila, Philippines

Address for cables: USAID/AMEMB MANILA

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 9.2. Representatives. For all purposes relevant to this Agreement, the Cooperating Country will be represented by the individual holding or acting in the office of the Director-General, National Economic and Development Authority 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 the Philippines, 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 Cooperating Country, 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 9.3. Standard Provisions Annex. A "Combined Loan and Grant Standard Provisions Annex" (Annex II) [¹] is attached to and forms part of this Agreement.

¹ See footnote 1, p. 4648.

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

REPUBLIC OF THE PHILIPPINES

By: Gerardo P. Sicat
Gerardo P. Sicat

UNITED STATES OF AMERICA

By: Peter M. Cody
Peter M. Cody

Title: Minister of Economic Planning
(Director-General)
National Economic &
Development Authority

Title: Director
U.S. Agency for
International Development

WITNESSED BY:

Teodoro C. Ray Jr.
Teodoro C. Ray Jr.
Administrator
Farm Systems Development
Corporation

ANNEX I

DESCRIPTION OF PROJECT

It is estimated that there are some 750,000 farmers cultivating 5 hectares or less, per farmer, of potentially irrigable land in the Philippines. These people are poor, and the low quality of their lives is regulated by a cycle of debt, low yields, low income and high risks with few opportunities to control and improve their situations.

Since 1972, the Government of the Republic of the Philippines (GOP) has been committed to a policy of increasing the self reliance and productivity of the small farmer, and expanding his participation in the development of the country. The Government realized, however, that the provision of irrigation water through infrastructure schemes alone would not be sufficient in themselves to increase production, and hence incomes, and hence the quality of farmers' lives. To achieve this end, it was felt that farmers would need an institution tailored to their specific needs through which information and training on the best way to use such irrigated water could be channeled.

Thus in April 1975, the Farm Systems Development Corporation (FSDC) was created by Presidential Decree No. 681. Its task was to promote the organization and development of small scale irrigation and other farm-based associations. Its objective was to increase small farmers' incomes and hasten rural development by enlisting the farmers' commitment in efforts to improve agricultural productivity.

Since mid-1975, FSDC has, in its own words, been undertaking integrated rural development at the lowest level - in the fields of the small scale farmers of the Philippines. By so doing, it is in pursuit of the twin project purposes of increased productivity and employment generation and hence of increased incomes for small farmers and their families. During the past three years FSDC has established over 600 ISAs comprised of some 45,000 small farmers whose land can technically be irrigated by pump or gravity systems. These ISAs are located in all regions of the country and on average consist of some 70 farm families cultivating about 1.5 hectares each. For pump systems, including hardware as well as technical assistance in the form of feasibility studies and construction engineering, inputs are supplied by FSDC. For gravity diversion systems, design and construction are undertaken by NIA and institutional development of the ISAs is done by FSDC. In both cases labor, for at least 10% of the cost of the irrigation system, is provided by ISA members to construct irrigation canals and farm ditches. Each ISA is also viewed as a mechanism through which a wide range of farm inputs and training can be channeled to small farmers once an irrigation system has been completed.

Existing ISAs are now in various stages of development; a few have had several irrigated cropping seasons, many are completing the construction of their systems, and others are in the early stages of organization. FSDC plans to continue to assist established and operating ISAs by providing training and/or loans for farm inputs, other than the irrigation infrastructure, as such needs are expressed by ISA members to their IOs.

Examples of inputs include appropriate tools such as sprayers, threshers, dryers, hand tillers, and storage, transportation and marketing facilities. Training programs undertaken by FSDC for farmers on a grant basis include use of adaptive farm equipment and irrigated farming practices, farm record keeping, water resource management, group buying and selling, seed production, crop diversification and other on hand off-farm income generating activities. New ISAs will continue to be assisted to construct, maintain and operate their irrigation systems, and to use the water effectively once it has been delivered. Under strong pressure from the government to expand even further and faster, FSDC plans to help establish an additional 420 ISAs during the life of this Project, affecting some 30,000 small farmers. About 280 of these new ISAs will directly benefit from this Project, along with many of the approximately 600 ISAs already established.

The Small Farmer Systems Project will assist FSDC in funding both physical and institutional components. The physical components are irrigation systems, farm tools and machinery, storage and transportation facilities and water management devices. The institutional components consist of technical assistance and a series of training courses for FSDC staff and ISA members, so that the physical components can be effectively used.

A.I.D. Contribution to the Project.

Funds contributed by A.I.D. for this Project will be used for: (a) physical infrastructure; (b) farm support systems, which include

farm equipment like threshers and hand-tillers or storage and marketing improvements; (c) commodities, such as vehicles and construction and communication equipment; (d) technical assistance; and (e) the establishing and equipping of regional demonstration centers. Financing of the physical infrastructure, farm support systems and the regional demonstration centers will be provided through Fixed Amount Reimbursement procedures to be set forth in a Project Implementation Letter. The amount of the A.I.D. contribution will be in accordance with the attached table.

GOP Contribution to the Project.

The Government of the Philippines will make available the counterpart funds needed for the timely implementation of the Project, in the amounts indicated on the attached table. The GOP's contribution over the life of the Project is anticipated to be not less than the equivalent of \$10,500,000.00, with the equivalent of \$4,166,000.00 obligated in this Agreement. Further GOP increments will be provided at the time of the additional A.I.D. increment(s).

Under the Project, FSDC will provide loan or grant funds to the individual ISAs through the turnover of physical components including irrigation systems, farm tools and machinery, storage and transportation facilities, and water management devices; and avail themselves of institutional development programs including training programs in water management, maintenance and minor repair of pumps and equipment, book-keeping, and other areas related to the successful implementation of the

necessary equipment and materials for the irrigation and farm support systems, will obtain and provide technical assistance to the ISAs especially as it relates to construction and operation of the irrigation systems, will conduct research into and development of the basic methodologies and instrumentalities used or proposed to be used in the Project, will develop demonstration farms illustrating the techniques expounded under the Project, and will generally monitor and be responsible for the implementation of the Project.

Attachment 1

SMALL FARMER SYSTEMS PROJECT BUDGET
 (All figures in thousands, \$US/7.5)

	<u>A.I.D. Contribution</u>		<u>G.O.P. Contribution</u>	
	<u>Dollars (Peso Equivalent)</u>	<u>Pesos</u>	<u>1978</u>	<u>All Years</u>
	<u>Loan</u>	<u>Grant</u>	<u>Loan</u>	<u>Percent of Est. Costs</u>
Gravity Irrig. Systems	1850 (13875)	-	3700 (27750)	-
Pump Irrig. Systems	750 (5625)	-	1500 (11250)	-
Upgrading & Rehab.	150 (1125)	-	400 (3000)	-
Farm Support Systems	150 (1125)	-	400 (3000)	-
Water Management Infrastructure	100 (750)	-	200 (1500)	-
Commodities	1000 (7500)	-	1000 (7500)	-
Training & Demo. Centers	1000 (7500)	55 (412)	2800 (21000)	300 (2250)
Participant Training	-	-	-	100 (1500)
Admin./Tech. Asst.	-	100 (750)	-	500 (3750)
Total	5000 (37500)	155 (1162)	10000 (75000)	1000 (7500)

¹/Line item adjustments of up to twenty percent (20%) may be made without amendment to this budget, provided the total A.I.D. contribution is not exceeded.
 [Footnote in the original.]

CHAD
Agricultural Institutional Development

*Agreement signed at N'Djamena August 15, 1978;
Entered into force August 15, 1978.*

AID Project No. 677-0002
Agricultural Institutional
Development

PROJECT GRANT AGREEMENT
No. 677-78-0002-11

Date: August 15, 1978

Between

The Republic of Chad ("Grantee")

and

The United States of America, Acting through the
Agency for International Development ("AID")

ARTICLE 1

The Agreement

The purpose of this Agreement is to set out the understanding 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 the Project

(a) This Agreement provides funds for the first year of a five-year project. The goal of this project is to enhance the capability of the Ministry of Agriculture (MOA) to function more effectively in the establishment of policies and the formation and execution of rural development programs for small farmers. Its specific objectives are to improve MOA capabilities for carrying out the basic functions of: 1) agricultural planning, statistical collection and analysis and the monitoring of agricultural development; 2) agricultural staff training and manpower development; and 3) extension services for crop production.

(b) Annex 1, attached, amplifies the above definition of the five-year project. With the exception of Section 2.1., Objectives, elements of the amplified description presented in Annex 1 may be changed by written agreement of the authorized representatives of the Parties as noted in Section 8.2 without formal amendment of this Agreement.

Date: Sept. 7, 1978

Section 2.2. Funding Nature of the Project

(a) AID'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. The subsequent increments, see Table I for an illustrative budget, will be subject to availability of funds for this purpose and to the mutual agreements of the Parties to proceed at the time of a subsequent increment.

(b) Within the overall Project Assistance Completion Date stated in Section 3.6 (a) of this Agreement, AID, based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by AID under an individual increment of assistance.

ARTICLE 3FinancingSection 3.1. The Grant

To assist the Grantee in meeting the costs of carrying out the project, AID, pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to grant the Grantee under the terms of this Agreement an amount of money not to exceed one million seven hundred and twenty six thousand United States ("U.S.") dollars (\$1,726,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2 of goods and services required for the project.

Section 3.2. Budget

The following is an illustrative budget for the \$1,726,000 granted by AID to the Grantee under this Agreement for the first year's financing of the project.

(1) Technical Assistance	\$480,000
(2) Contract support	120,000
(3) Participant training -	
Long-term training	95,000
(4) Commodities	678,000
(5) Other Costs	276,000
(6) Inflation	-0-
(7) Contingency	77,000
Total	\$1,726,000

Section 3.3. Financial Plan

(a) It is anticipated that AID will be the authorized procurement and disbursement agent for goods and services budgeted under line items 3.2.(1), 3.2 (2), 3.2 (3), and 3.2 (4) above.

(b) It is anticipated that the Grantee will be its own procurement agent for goods and services budgeted under line item 3.2 (5) above. For disbursements relating to this line item the Grantee will use the services of the Banque de Développement du Tchad (BDT).

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

Section 3.4. 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 3.5. Continued Funding of the Project

The Grantee agrees to provide or cause to be provided, upon termination of the project, i.e., starting in 1983, all funds necessary for the continued operation and maintenance of activities started under the project in order to ensure the continued achievement of the objectives of the project.

Section 3.6. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is July 31, 1983, 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 purchased under the Grant will have been furnished for the project as contemplated in this Agreement.

(b) Except as AID may otherwise agree in writing, AID will not issue or approve documentation which would authorize disbursement of the Grant for services performed or for goods purchased for the project subsequent to the PACD.

(c) Requests for disbursements, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by AID or any bank described in Section 7.1, no later than nine (9) months following the PACD, or such other period as AID agrees to in writing. After such period, AID, giving notice in writing to the Grantee may at any time 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 AID of documentation pursuant to which disbursement will be made, the Grantee will return to AID an appropriate Project Implementation Letter issued by AID duly countersigned by the Grantee's three representatives responsible for the implementation of this Grant, i.e., the Director of the Planning Office (MOA), the Director of the Office of Planning and Development (Ministry of Plan), and the Director General of the BDT. The signing of said document will constitute compliance with the condition precedent for a specimen signature of each of these three persons.

Section 4.2. Notification

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

Section 4.3. Terminal Dates for Condition Precedent

If the condition specified in Section 4.1 has not been met within sixty days from the signing of this Agreement, or such later date as AID may agree to in writing, AID, at its option, may terminate this Agreement by written notice to Grantee.

ARTICLE 5**Special Covenants****Section 5.1. Utilization of Training**

The Grantee shall ensure that Chadians who receive training under this project in the United States or other African countries shall, upon return to Chad, be employed by the MOA in the positions related to this project for which they have received such training.

Section 5.2. Orientation of Training

The Grantee shall ensure that all training and operations financed under this Grant shall have an orientation toward food crop production consistent with the objectives of this project.

Section 5.3. Funds for the Agricultural School at Dougui

No disbursement of funds will be authorized for the equipment of the agricultural school at Dougui until sufficient funds for the complete construction of the buildings have been made available and the construction has been initiated. This construction will include the housing for the five Peace Corps Volunteers who will support the activities of the school in association with this project. Upon presentation of evidence that such funds are available and construction is begun, AID will issue an implementation letter authorizing disbursements in connection with the school.

Section 5.4. Project Evaluation

The Parties agree to establish an evaluation program as an integral 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 in this or other projects; and (d) the evaluation of the overall development impact of the project.

Section 5.5. Vehicles

It is anticipated that 22 vehicles will be purchased with funds provided by this Agreement. Five of these vehicles will be registered and licensed by the U.S. Embassy in N'Djamena and remain under the operational control of USAID during the life of the project. They will be used to support the activities of five U.S. technicians provided for by this Agreement. On the departure of the U.S. technicians these vehicles will revert to the operational control of the Ministry of Agriculture. The other 17 vehicles purchased with funds provided by this Agreement will be consigned to the Ministry of Agriculture, registered and licensed by the GOC and be under the operational control of the Ministry of Agriculture for achieving the goals and objectives of this project.

ARTICLE 6

Procurement Source

Section 6.1. Foreign Exchange Costs

Disbursements pursuant to Section 7.1 will be used exclusively to finance the cost of goods and services required for the project having their source and origin in the United States (Code 000 of the AID Geographic Code Book, as in effect at the time orders are placed or contracts entered into for such goods and services), except as AID 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 for the project having their source and, except as AID may otherwise agree in writing, their origin in Chad.

ARTICLE 7

Disbursements

Section 7.1. Disbursements for Foreign Exchange Costs

(a) After satisfaction of the condition precedent stated in Section 4.1, the Grantee may obtain disbursements of funds under the Grant for the foreign exchange costs of the goods and 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 AID, with necessary supporting documentation as prescribed in Project Implementation Letters, for (a) requests for reimbursement for such goods or services, or (b) requests for AID to procure commodities or services on the Grantee's behalf for the project;
 - (2) by requesting AID to issue Letters of Commitment for specified amounts (a) to one or more U.S. banks, satisfactory to AID, committing AID 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 AID 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 AID 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

After satisfaction of the condition precedent, stated in Section 4.1, the Grantee may obtain disbursements of funds under the Grant or Local Currency Costs required for the project in accordance with the terms of this Agreement, by submitting to AID, with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs. The local currency needed for such disbursements may be purchased by AID with U.S. dollars. The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by AID 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 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 Chad by AID or any public or private agency for the purpose of carrying out obligations of AID hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into the currency of Chad at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Chad.

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:

Ministry of Foreign Affairs and Cooperation
N'Djamena, Chad

To AID

Embassy of the United States of America
B.P. 413, N'Djamena, Chad

All such communications will be in English or French, 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 the Director of International Cooperation, and AID will be represented by the individual holding or acting in the office of principal representative of AID present in Chad, 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 representatives of the Grantee with specimen signatures will be provided to AID, which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until the receipt of written notice of revocation of their authority.

Section 8.3. Standard Provisions Annex

"Project Grant Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

Section 8.4. Language of the Agreement

This Agreement is prepared in both English and French. In the event of ambiguity or conflict between the two versions, the English language version will control.

^[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

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

United States of America

By William G. Bradford

Title Ambassador of the United States of America

By John A. Lundgren

Title Acting Director, USAID

Republic of Chad

By Galmai Youssouboni Kirmiss [1]

Title Secrétaire d'Etat aux Affaires étrangères et de la Coopération



Funds available:

Reference: STATE 183273

Appropriation 72-11X1012

Allotment 812-52-677-00-69-81

¹ Galmai Youssouboni Kirmiss.

ANNEX 1

Agricultural Institutional Development
No. 677-00021.0. Introduction

This Annex describes a five-year technical assistance project which the United States Agency for International Development, designated hereinafter as USAID, and the Government of the Republic of Chad, designated herein-after as GOC and represented by the Minister of Foreign Affairs and Cooperation, are called upon to execute jointly. It defines the responsibilities which the two parties assume for the duration of the project.

The Government of Chad has established overall foreign and domestic policies which give priority to self-sufficiency in food crop production. Although Chad's major potential for economic growth lies in its agricultural sector, the shortfall between food crop production and the nutritional requirements of the Chadian population is one of the greatest challenges confronting the GOC. Development of Chad's potential requires that priority attention be placed on the crop production and livestock sectors with considerable emphasis upon the development of human resources in these sectors.

This project will concentrate on strengthening the GOC's planning, management and service capacity within the agricultural sector through institutional and manpower development programs.

Assistance to be provided to the Ministry of Agriculture (MOA) under this project includes technical advisors in agricultural statistics, planning, education, and extension; agricultural training of Chadians in the U.S. and third countries; office equipment, instruction materials and equipment and means of transportation to and in the field; and other cost support for operational functions and limited renovation of existing buildings.

The following agencies of the MOA will be the recipients of this assistance: the Agricultural Planning Office (PO) of the General Directorate of Agriculture, the Agricultural Statistics Unit (ASD) of the Directorate of Agriculture, the National Office for Rural Development (ONDR), and the Directorate of Agricultural Education (DEFPA); also, the Ba-Illi, Tikem, and Dougui agricultural schools will be supported. This project, which calls for a total of \$5,384,000 in grant funds, subject to the availability of funds for the subsequent increments, budgeted over three years, 1978-80, will terminate its operation on July 31, 1983.

2.1. Objectives

The goal of this five-year project is to enhance the capability of the MOA to function more effectively in the establishment of policies and the

formulation and execution of rural development programs for small farmers. MOA capabilities will be improved in: (a) agricultural planning, statistical collection and analysis and the monitoring of agricultural development within Chad, (b) execution of extension service in crop production, and (c) manpower development in the agricultural sector.

2.2. End-of-Project Conditions

The anticipated end-of-project conditions, which should be realized within five years of the signing of this Agreement - provided annual funding increments continue to be authorized - are as follows:

2.2.1. Agricultural Planning Office will be providing the following:

- A. National agricultural sector plan
- B. National agricultural policies
- C. Review, analysis, and coordination of project proposals from foreign donors
- D. Technical analysis in areas such as agricultural production, irrigation engineering, livestock, range management, rural credit, and marketing
- E. Close working relationship with the Ministry of Plan to assure that national economic plans and policies are based on reliable and comprehensive data and analyses

2.2.2. Development of extension workers and agricultural agents will have been initiated to extend to farmers a well-balanced program, emphasizing food crop production in sorghum, millet, peanuts and vegetables

2.2.3. ONDR will be coordinating with the planning, research, and education divisions of the MOA to:

- A. Prepare viable technical packages for extension by ONDR agents to producers e.g. recommendations concerning varieties, seeds, and cultural practices for improved millet production)
 - B. Supervise field staff to ensure programs are carried out effectively
 - C. Assess the degree to which extension programs are effective in promoting change among farmers
- 2.2.4. Three lower level agricultural schools of DEFPA, i.e. Tikem, Dougui and Ba-Illi, will be partially staffed and renovated, and the staffs will be teaching a curriculum in agriculture which will produce effective extension personnel versed in practical concepts and skills. (Adequate facilities and sufficient instructional materials and equipment will be in place to support the curriculum described above.)**

2.2.5. Agricultural Statistics Division will be functioning effectively in collecting, compiling, processing and reporting accurate agricultural data and information including food and forage crop production.

2.3. Responsibilities

1. The contributions of the GOC to this activity include:

- A. Nomination of the participants to be sent to the U.S. or elsewhere for specialized training
- B. Provision of adequate personnel for manning the project while participants undergo training
- C. To the greatest extent possible, provision of goods and services necessary for the successful operation of the project, including office space, electricity, water, administrative support, office equipment and supplies
- D. Provision of available data, reports, studies, etc. required to make U.S. technical assistance effective.
- E. A system of utilization, maintenance and control of the U.S.-furnished project vehicles which will provide the transportation required for the successful operation of the project
- F. Support of renovation activities described in section 2.3.2 above
 - (1) Final plans, specifications, bid documentation and time schedules for such renovation activity
 - (2) An executed contract in form and substance satisfactory to AID for the renovation to be undertaken with a firm acceptable to AID
 - (3) A description of the arrangements with Genie Rural which provide supervision services for the renovation to be undertaken
- G. Assignment of an appropriate number of senior MOA officials to serve as the Chadian members of evaluation teams during scheduled project evaluations
- H. Determination and implementation of operational policies which will facilitate the work of the project technicians

2. The contributions of USAID to the project include:::

- A. Services of long-term U.S. technicians during most of the life of the project to support the PO, ASD, DEFPA, and ONDR;
- B. Long-term participant training in the U.S. for personnel for the PO, ASD, ONDR, DEFPA, and the Ba-Illi Agricultural School;
- C. Long-term participant training in Africa for personnel for the PO, ASD, ONDR, and the agricultural schools at Ba-Illi, Tikem, and Dougui;

- D. Commodities, including vehicles, an audio-visual truck, bicycles, horses or motorbikes, educational equipment, office equipment, office furniture, office supplies and an adequate supply of spare parts for the vehicles; and
- E. Funds for the renovation of the central office of the ASD, the repair of buildings at the Ba-Illi and Tikem agricultural schools, the development of the farms at Ba-Illi, Tikem, and Dougui, and for the purchase of office equipment for the PO.

2.4. Budget

The anticipated USAID contribution for this project, shown in Table I will be given in three separate yearly increments, subject to the availability of funds for this purpose. Table I should be considered illustrative, and subsequent Grant Agreements and PILs will delineate the actual budgets.

3.1. Implementation Plan

An implementation plan for the first year's activities will be given in the first project implementation letter issued by USAID. No disbursements will be made prior to the signing of this letter by the Grantee's three representatives.

Table I.

(in \$000's)

	First year	Second year	Third year	Total
1. Technical Assistance	480	480	320	1,280
2. Contract Support	120	120	80	320
3. Participant Training	95	492	412	999
4. Commodities	678	216	35	929
5. Other costs	276	339	554	1,169
6. Inflation	-0-	163	293	456
7. Contingency	77	81	73	231
Total	1,726	1,891	1,767	5,384

Projet AID No. 677.0002

Développement Institutionnel
de l'Agriculture

Accord de Subvention

No. 677.78.0002.11

Date: 15 août 1978

Entre

La République du Tchad ("cessionnaire")

et

Les Etats Unis d'Amérique, agissant par l'intermédiaire de l'Agence
pour le Développement ("AID")

Article 1

L'Accord

L'objet du présent accord est de fixer les conditions que doivent remplir les parties susmentionnées (dénommées ci-après les "Parties") quant à l'exécution par le cessionnaire du projet décrit ci-après et au financement dudit projet par les parties.

Article 2

Le Projet

2.1. Définition du projet

a) Cet accord fournit des fonds pour la première année d'un projet de cinq ans. Le but de ce projet est de renforcer la capacité du Ministère de l'Agriculture (MDA) pour un fonctionnement plus efficace dans l'établissement des politiques et la formulation et l'exécution des programmes de développement rural pour les paysans. Ses objectifs spécifiques sont d'améliorer les capacités du MDA à réaliser les fonctions de base concernant 1) la planification agricole, la collecte et l'analyse des statistiques ainsi que le contrôle des actions du développement agricole, 2) la formation du personnel agricole et de développement des ressources humaines et 3) la vulgarisation pour la production agricole.

b) L'annexe I ci-jointe donne une définition plus détaillée du projet d'une durée de cinq ans. A l'exception du paragraphe 2.1. Objectifs; les représentants autorisés des parties nommées au paragraphe 8.2. peuvent

convenir par écrit de modifier des éléments de la description détaillée de l'Annexe I, sans amender officiellement le présent accord.

2.2. Nature du financement du projet

a) L'apport de l'AID au projet se fera en trois versements distincts le premier étant mis à disposition conformément au paragraphe 3.1 du présent accord. Les versements complémentaires, voir Tableau I, pour un budget prévisionnel, seront soumis à la disponibilité des fonds de l'AID prévus à cet effet et au consentement mutuel des parties de donner suite au projet, au moment du versement complémentaire.

b) Avant l'expiration du délai spécifié dans le présent accord au paragraphe 3.6 a) pour l'achèvement du projet d'assistance, l'AID peut de concert avec le cessionnaire fixer par des lettres d'exécution les délais d'utilisation des fonds débloqués par l'AID lors d'une allocation individuelle d'assistance.

Article 3

Le Financement

3.1. La subvention

Pour permettre au cessionnaire de faire face aux dépenses occasionnées par la réalisation du projet, l'AID, conformément aux dispositions du "Foreign Assistance Act of 1961" modifié (loi américaine régissant l'aide aux pays étrangers) convient de mettre à la disposition du cessionnaire au titre du présent accord, et pour la première année une subvention ne devant pas dépasser un million sept cent vingt six mille dollars US (1.726.000 \$). La subvention peut être utilisée pour financer des opérations en devises étrangères, comme défini au paragraphe 6.1., et en monnaie locale, comme défini au paragraphe 6.2 pour l'acquisition de biens et services nécessaires au projet.

3.2. Budget

Vous trouverez ci-après un budget prévisionnel sur la base des 1.726.000 \$ accordés par l'AID au cessionnaire dans le cadre du présent accord pour financer la première année du projet.

1) Assistance technique	480.000 \$
2) Aide contractuelle	120.000
3) Formation des stagiaires - à long terme	95.000

4) Marchandises

5) Divers	276.000
6) Inflation	---
7) Imprévu	<u>77.000</u>
	<u>1.726.000 \$</u>

3.3. Plan financier

a) Il est stipulé que l'AID sera l'agent autorisé pour l'approvisionnement et le paiement des biens et services enregistrés aux postes 3.2 (1), 3.2 (2), 3.2 (3) et 3.2 (4) ci-dessus.

b) Il est stipulé que le cessionnaire sera son propre agent pour l'approvisionnement et le paiement des biens et services enregistrés au poste 3.2 (5) ci-dessus. Pour les paiements relatifs à ce poste, le cessionnaire utilisera les services de la Banque de Développement du Tchad (BDT).

3.4. Apports du cessionnaire au projet

Le cessionnaire s'engage à prévoir ou à faire prévoir pour le projet tous les fonds en complément à la subvention, et toute autre ressource nécessaire à une réalisation efficace du projet dans les délais prévus.

3.5. Financement continu du projet

Le cessionnaire s'engage à prévoir ou faire prévoir, à la fin du projet, soit à partir de 1983, tous les fonds nécessaires au fonctionnement soutenu et à la permanence des activités lancées dans le cadre du projet, de façon à assurer la réalisation soutenue du projet.

3.6. Délai prévu pour l'achèvement du projet d'assistance

a) Le terme du projet qui est fixé au 31 juillet 1983 ou à toute autre date que les parties auront choisie d'un commun accord et mentionnée par écrit, est la date à laquelle les parties estiment que tous les services financés dans le cadre de la subvention auront été rendus et tous les achats de biens dans le cadre de la subvention auront été effectués pour le projet, comme stipulé dans le présent accord.

b) A moins qu'elle n'en ait décidé autrement par écrit, l'AID n'émettra ni n'approuvera de documents permettant de débloquer des crédits, dans le cadre de cette subvention, pour des services rendus ou des biens fournis au projet après la date mentionnée ci-dessus.

c) Les demandes de paiement devront être accompagnées des pièces justificatives nécessaires, précisées dans les lettres d'exécution relatives au projet. Ces demandes devront parvenir à l'AID ou à toute banque mentionnée au paragraphe 7.1 au plus tard neuf (9) mois après le terme du projet ou tout autre délai fixé par écrit par l'AID. Après cette date, l'AID pourra à tout moment et à condition d'en aviser le cessionnaire par écrit, réduire le montant de la subvention de la totalité ou d'une portion de la somme n'ayant pas fait l'objet avant la fin de ladite période d'une demande de remboursement accompagnée des justificatifs nécessaires, précisés dans les lettres d'exécution relatives au projet.

Article 4

Condition préalable au versement

4.1. Premier versement

Le projet comporte quatre parties qui doivent être exécutées par quatre départements du Ministère de l'Agriculture. Avant le premier versement au titre de la subvention, ou avant l'émission par l'AID de documents en vertu desquels le versement sera effectué, le cessionnaire remettra à l'AID pour chacune des quatre parties du projet, une lettre d'exécution de projet adéquate émise par l'AID et dûment contresignée par les trois représentants du cessionnaire responsables de l'exécution de la subvention. Le Directeur du Plan et du Développement (Ministère du Plan) et le Directeur Général de la BDT contresigneront les quatre lettres d'exécution. En outre, une lettre sera contresignée par le Directeur de l'Agriculture, une autre par le Directeur de l'ONDR, la troisième par le Directeur de la DEFPA et la quatrième par le Directeur du Bureau d'Etudes.

4.2. Notification

Quand l'AID aura constaté que la condition préalable précisée au paragraphe 4.1. a été remplie, elle en avisera immédiatement le cessionnaire.

4.3. Dates limites pour l'accomplissement de la condition préalable

Si la condition précisée au paragraphe 4.1 n'a pas été remplie dans les soixante jours suivant la signature du présent accord, ou à toute autre date que l'AID aura admise par écrit, l'AID peut, à sa convenance, mettre fin au présent accord en avisant le cessionnaire par écrit.

Article 5

Conventions spéciales

5.1. Utilisation de la formation

Le pays coopérateur s'assurera que les tchadiens qui sont formés aux Etats Unis, dans le cadre de ce projet, ou dans d'autres pays africains, seront, à leur retour au Tchad, employés à des postes pour lesquels ils ont été formés, conformément au projet.

5.2. Orientation de la formation

Le pays coopérateur s'assurera que la formation et l'ensemble des opérations financées eu titre de la subvention, seront orientées vers la production de cultures vivrières conformément aux objectifs de ce projet.

5.3. Financement de l'école agricole de Dougui

Aucun versement de fonds ne sera autorisé pour l'équipement de l'école agricole de Dougui tant que les fonds destinés à couvrir la construction des bâtiments n'auront pas été mis à la disposition du gouvernement par le FED et que cette construction n'aura pas été entreprise. Cette construction comprendra le logement pour les cinq volontaires du Corps de la Paix qui soutiendront les activités de l'école associées avec ce projet. Après la présentation de l'évidence que les fonds sont disponibles et que la construction a commencé, l'AID émettra une lettre d'exécution qui autorisera des déboursements à propos de l'école.

5.4. Evaluation du projet

Les parties conviennent d'établir un programme d'évaluation comme partie intégrante du projet. A moins que les parties n'en conviennent autrement par écrit, le programme comprendra, pendant la réalisation du projet et à d'autres moments à définir par la suite, a) une évaluation des progrès réalisés dans la poursuite des buts à atteindre, b) la délimitation et l'évaluation des problèmes ou contraintes qui peuvent gêner une telle réalisation, c) l'estimation de la mesure dans laquelle une telle information peut être utilisée pour aider à surmonter les problèmes affectant ce projet ou d'autres projets et d) l'évaluation de l'incidence globale du projet sur le développement.

5.5. Véhicules

Il est stipulé que 22 véhicules seront achetés avec les fonds alloués par cet accord. Cinq de ces véhicules seront immatriculés et pourvus de carte grise par l'ambassade des Etats-Unis à N'Djamena et resteront sous

le contrôle opérationnel de l'AID pendant la durée du projet. Ils seront employés pour supporter les activités des cinq techniciens américains prévus par cet accord. Quand les techniciens américains partiront ces véhicules seront placées sous le contrôle opérationnel du Ministère de l'Agriculture. Les 17 autres véhicules achetés avec les fonds prévus par cet accord seront envoyés au Ministère de l'Agriculture, immatriculés et pourvus de carte grise par le GRT et seront sous le contrôle opérationnel du Ministère de l'Agriculture pour réaliser les buts et les objectifs de ce projet.

Article 6

Source d'achat

6.1. Frais en devises

Les versements effectués conformément au paragraphe 7.1. seront utilisés uniquement pour financer l'achat des biens et services requis pour l'exécution du projet en provenance des Etats-Unis (Code 000 du Code géographique de l'AID en vigueur au moment de la passation des commandes ou des contrats relatifs à ces biens et services) à moins que l'AID n'en convienne autrement par écrit.

6.2. Frais en monnaie locale

Les versements effectués conformément au paragraphe 7.2 seront utilisés exclusivement pour financer l'achat des biens et services nécessaires à l'exécution du projet, en provenance du Tchad, à moins que l'AID n'en convienne autrement par écrit.

Article 7

Versements

7.1. Paiement des frais en devises étrangères

a) Après avoir rempli la condition préalable, stipulée dans le volet 4.1, le cessionnaire pourra obtenir la libération des fonds au titre de la subvention pour le paiement des frais en devises des biens et des services nécessaires à l'exécution du projet et ce, conformément aux termes du présent accord par la procédure indiquée ci-après qui aura été établie d'un commun accord:

- 1) en remettant à l'AID, avec les pièces justificatives prescrites dans les lettres d'exécution, a) les demandes de remboursement de ces biens et services ou, b) les demandes adressées à l'AID pour l'achat au nom du cessionnaire des biens et services pour le projet,

2) en demandant à l'AID d'émettre des lettres d'engagement pour des montants donnés, a) à une ou plusieurs banques américaines selon le choix de l'AID, engageant l'AID, à rembourser cette banque ou ces banques pour les paiements effectués par elle (par elles) à des entrepreneurs ou fournisseurs, dans le cadre d'une lettre de crédit par exemple, pour l'achat de ces biens et services ou, b) directement à un ou plusieurs entrepreneurs ou fournisseurs engageant l'AID à payer les entrepreneurs ou fournisseurs pour l'achat de ces biens et services.

b) Les frais bancaires contractés par le cessionnaire, relatifs à ces lettres d'engagement et à ces lettres de crédit, seront financés au titre de la subvention, à moins que le cessionnaire ne donne des instructions contraires à l'AID. Les autres frais dont les parties peuvent convenir, peuvent également être financés dans le cadre de la subvention.

7.2. Paiement des frais en monnaie locale

Après avoir rempli les conditions stipulées au paragraphe 4.1., le cessionnaire pourra obtenir des versements au titre de la subvention pour le paiement des frais bancaires en monnaie locale nécessaires à l'exécution du projet, conformément aux dispositions du présent accord en remettant à l'AID avec les pièces justificatives prescrites dans les lettres d'exécution, les demandes de paiement de ces frais. L'AID peut obtenir en échange des devises américaines, les fonds en monnaie locale nécessaires à de tels paiements. L'équivalent en dollars américains des fonds en monnaie locale sera le montant de dollars américains nécessaires à l'AID pour obtenir les fonds en monnaie locale.

7.3. Autres méthodes de versements

Des versements relatifs à cette subvention peuvent être effectués aussi selon toute autre méthode que les parties auront admise par écrit.

7.4. Taux de change

Sauf indication spécifique prévue au paragraphe 7.2., si les fonds fournis dans le cadre de la subvention sont introduits au Tchad par l'AID ou par un autre organisme privé ou public pour répondre aux obligations de l'AID, le cessionnaire prendra les mesures nécessaires pour s'assurer que ces fonds peuvent être convertis en monnaie locale au taux de change le plus élevé qui ne se révèle pas illégal au Tchad au moment où la transaction sera effectuée.

Article 8**Divers****8.1. Communications**

Tout avis, demande ou autre communication que l'une des parties remettra à l'autre au titre du présent accord, sera présenté par écrit ou sous forme de télégramme et ne sera considéré comme remis ou envoyé que lorsqu'il parviendra à la partie intéressée à l'adresse indiquée ci-après:

Pour le cessionnaire:

Ministère des Affaires Etrangères et de la Coopération
N'Djamena, Tchad

Pour l'AID:

Ambassade des Etats-Unis d'Amérique
B.P. 413, N'Djamena, Tchad

Toutes les communications seront rédigées en français ou en anglais, à moins que les parties n'en conviennent autrement par écrit. D'autres adresses peuvent être substituées aux précédentes par avis écrit.

8.2. Représentants

Aux fins du présent accord, le cessionnaire sera représenté par une personne occupant le poste de Directeur de la Coopération Internationale et l'AID sera représentée par une personne occupant le poste de principal représentant de l'AID présent au Tchad, chacun des deux pouvant au moyen d'un avis écrit désigner d'autres représentants à toutes fins autres que celles de changer la description du projet telle qu'elle est décrite au paragraphe 2.1. Les noms des représentants du cessionnaire, accompagnés des spécimens de signature, seront communiqués à l'AID qui peut accepter comme dément agréé n'importe quel instrument signé par ces représentants en application du présent accord jusqu'à réception d'un avis écrit de la révocation de leur autorité.

8.3. Annexe relative aux dispositions uniformes

L'Annexe 2, "Annexe relative aux dispositions uniformes régissant la subvention du Projet", est jointe au présent accord et en fait partie intégrante.

8.4. Langue de rédaction de l'accord

Cet accord est rédigé à la fois en anglais et en français. En cas d'ambiguité entre les deux versions, la version anglaise prévaudra.

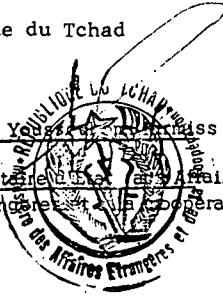
En foi de quoi le cessionnaire et le Gouvernement
des Etats Unis d'Amérique, agissant chacun par l'intermédiaire
de son représentant dûment autorisé, ont fait signer en leur
nom le présent accord et l'ont fait remettre au jour et en
l'année susmentionnés.

Etats Unis d'Amérique

République du Tchad

Par : William G. BradfordPar : Galmi YoussefTitre: Ambassadeur des Etats-Unis Titre: Secrétaire d'Etat aux Affaires
d'Amérique Etrangères et à la CoopérationPar : John A. Lundgren

Titre: Directeur, USAID



Fonds disponibles:
Référence: STATE 183273
Affectation: 72-11X1012
Repartition: 812-52-677-00-69-81

ANNEXE I

1.0 INTRODUCTION

Cette annexe décrit un projet d'assistance de cinq ans que l'Agence américaine pour le développement International, désignée ci-après USAID, et le Gouvernement de la République du Tchad, désigné ci-après GRT et représenté par le Ministère des Affaires Etrangères, sont appelés à exécuter conjointement. Elle définit les responsabilités que les deux parties assumment pendant la durée du projet.

Le Gouvernement du Tchad a défini des politiques étrangère et intérieure d'ensemble donnant la priorité à l'auto-suffisance dans la production de cultures vivrières. Bien que le potentiel majeur de croissance économique du Tchad repose sur le secteur agricole, le décalage entre la production de cultures vivrières et les besoins alimentaires de la population tchadienne est l'un des plus gros handicap affronté par le GRT. Le développement du potentiel tchadien exige de porter en priorité l'attention sur les secteurs de la production agricole et de l'élevage avec un effort considérable apporté au développement des ressources humaines dans ces secteurs. Ce projet sera centré sur le renforcement des capacités de planification, de gestion et les services du GRT du secteur de la production agricole au moyen de programmes de développement des institutions et du personnel. L'aide que le Ministère de l'Agriculture (MDA) recevra dans ce projet, comprend des conseillers techniques en statistiques agricoles, planification, éducation et vulgarisation; une formation agricole de tchadiens aux Etats-Unis et dans des pays tiers, un équipement de bureau, du matériel éducatif et de l'équipement ainsi que des moyens de transport vers et sur le terrain, un support financier d'appoint pour le fonctionnement opérationnel et la rénovation limitée des bâtiments existants.

Les services suivants du MDA bénifieront de cette assistance: Le Bureau d'Etudes et des Projets (BEP) de la Direction Générale de l'Agriculture, la Division des Statistiques Agricoles (DSA) de la Direction de l'Agriculture, l'Office National pour le Développement Rural (ONDR) et la Direction de l'Enseignement et de la Formation Professionnelle Agricole (DEFPA), de même au Ba-Illi, à Tikem et Dougui, les écoles agricoles seront soutenues. Ce projet, qui fait appel à un budget de financement total de 5,384,000 \$, sujet à la disponibilité des fonds pour les augmentations subséquentes, reparti sur 1978, 1979 et 1980, prendra fin le 31 juillet 1983.

2.1. Objectifs

Le but de ce projet de cinq ans est de renforcer la capacité du MDA pour un fonctionnement plus efficace dans l'établissement des politiques, la formulation et l'exécution de programmes de développement rural pour les paysans. Les capacités du MDA seront renforcées dans les domaines

de a) la planification agricole, le collecte et l'analyse de statistiques et l'encadrement du développement agricole au Tchad, b) la vulgarisation pour la production agricole et c) le développement du personnel.

2.2. Objectifs de fin de projet

Les objectifs de fin de projet - à remplir dans les cinq années suivant la signature du présent accord - pourvu que les versements annuels de financement soient toujours autorisés - sont les suivants:

2.2.1. Le Bureau d'Etudes et des Projets assurera les services suivants:

- A. Plan national dans le secteur agricole
- B. Politiques nationales agricoles
- C. Examen, analyse et coordination des propositions de projet de bailleurs de fonds étrangères
- D. Analyse technique dans des domaines tels que la production agricole, les techniques d'irrigation, l'élevage, la gestion des paturages, le crédit rural et la commercialisation.
- E. Une étroite relation de travail avec le Ministère du Plan afin de s'assurer que les plans et politiques d'économie nationale soient basés sur des données et des analyses fiables et complètes.

2.2.2. La mise en place de vulgarisateurs et des agents agricoles sera entreprise afin d'offrir aux paysans un programme bien équilibré, en mettant l'accent sur une production de cultures vivrières en sorgho, mil, arachides et légumes.

2.2.3. L'ONDR assurera la coordination avec les divisions de planification, recherche et éducation du MDA pour:

- A. Préparer des ensembles techniques viables et vulgarisables par les agents de l'ONDR (à savoir des recommandations concernant les variétés, les semences et les pratiques culturales pour améliorer la production de mil).
- B. Contrôler le personnel sur le terrain pour s'assurer que les programmes sont effectivement réalisés.
- C. Evaluer dans quelle mesure les programmes de vulgarisation sont efficaces dans la promotion d'un changement parmi les paysans.

2.2.4. Trois écoles agricoles de niveau plus bas, soit Tikem, Dougui et Ba-Illi seront en partie pourvues en personnel et renouvelées et un enseignement agricole y sera dispensé pour produire un personnel efficace de vulgarisation versé dans des concepts et connaissances pratiques. (Des installations adéquates ainsi que des matériaux et un équipement éducatifs suffisants seront mis en place pour soutenir le programme susmentionné).

2.2.5. La Division des Statistiques Agricoles fonctionnera effectivement pour rassembler, collecter, compiler, mettre en forme et rapporter des données et informations agricoles à jour, y compris la production de cultures vivrières et de fourrage.

2.3. Responsabilités

1. L'apport du GRT à cette activité comprend:

- A. Nomination des participants à envoyer aux Etats Unis ou ailleurs pour une formation spécialisée.
- B. Reserve du personnel adéquat pour s'occuper du projet pendant que les stagiaires suivent leur formation.
- C. Dans le mesure du possible, provision des biens et services nécessaires au bon fonctionnement du projet, y compris les bureaux, l'électricité, l'eau, le soutien administratif, l'équipement et les fournitures de bureau.
- D. Provisions des données, rapports, études etc., disponibles, nécessaires à rendre l'assistance technique américaine efficace.
- E. Un système pour l'utilisation, l'entretien et le contrôle des véhicules de projet fournis par les USA, qui assure les transports nécessaires à la réussite du projet.
- F. Un soutien aux activités de rénovation décrites au paragraphe 2.3.2 ci-dessus:
 - 1) Plans définitifs, spécifications, documents d'appel, d'offre, et calendriers de travail pour une telle activité.
 - 2) Un contrat passé dans la forme et la substance agréées par l'AID pour les rénovations à effectuer, avec une entreprise de construction acceptable à l'AID.
 - 3) Une description des arrangements passés avec le Génie Rural qui fournit les services de contrôle pour les rénovations à effectuer.
- G. Affectation d'un nombre approprié de haute fonctionnaires du MDA pour représenter la partie tchadienne des équipes d'évaluation pendant la durée des évaluations du projet.
- H. Détermination et exécution des politiques opérationnelles qui faciliteront le travail des techniciens du projet.

2. L'apport de l'USAID au projet comprend:

- A. Les services des techniciens américains à long terme pendant la majeure partie de la durée du projet pour aider le BEP, la DSA, la DEFPA et l'ONDR.
- B. Une formation à long terme aux Etats Unis pour le personnel du BEP, de la DSA, de l'ONDR, de la DEFPA et l'école agricole du Ba-Illi.
- C. Une formation à long terme en Afrique pour le personnel du BEP, de la DSA, de l'ONDR et les écoles agricoles du Ba-Illi, de Tikem et de Dougui.
- D. Les marchandises y compris des véhicules, un camion audio-visuel, des chevaux ou des mobylettes, de l'équipement éducatif, de l'équipement et des fournitures de bureau et un approvisionnement adéquat en pièces détachées pour les véhicules.
- E. Les fonds pour la rénovation du bureau central de la DSA, la réparation des bâtiments des écoles agricoles du Ba-Illi et de Tikem, le développement des fermes au Ba-Illi, à Tikem et à Dougui et pour l'achat d'un équipement de bureau pour le BEP.

2.4. Budget

L'apport prévu de l'USAID au projet, indiqué sur le Tableau I de l'Accord, se fera en trois versements annuels distincts, selon la disponibilité des fonds prévus à cet effet. Le Tableau I devrait être considéré prévisionnel et des accords de subvention et des lettres d'exécution suivants délimiteront les budgets vérifiables.

3.1. Plan exécutif (1978-83)

Un plan exécutif prévisionnel pour les activités de la première année sera donné dans la première lettre d'exécution du projet émise par l'USAID. Aucun paiement ne sera effectué avant que la lettre ne soit signée par les trois représentants du cessionnaire.

	Première année	Deuxième année	Troisième année	Total
1. Assistance technique	480	480	320	1.280
2. Aide contractuelle	120	120	80	320
3. Formation des stagiaires	95	492	412	999
4. Marchandises	678	216	35	929
5. Divers	276	339	554	1.169
6. Inflation	-0-	163	293	456
7. Imprévu	77	81	73	231
Total.	1.726	1.891	1.767	5.384

EGYPT
Integrated Social Work Centers

*Agreement signed at Cairo September 29, 1977;
Entered into force September 29, 1977.]
And amending agreement
Signed at Cairo March 7, 1978;
Entered into force March 7, 1978.*

A.I.D. Project Number 263-0020

**PROJECT
GRANT AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
INTEGRATED SOCIAL WORK CENTERS PROJECT**

Dated: SEPTEMBER 29, 1977

TABLE OF CONTENTS

Project Grant Agreement		<i>Page</i>	<i>[Pages herein]</i>
ARTICLE 1:	The Agreement	1	4701
ARTICLE 2:	The Project	2	4701
Section 2.1.	Definition of Project	2	4701
Section 2.2.	Incremental Nature of Project	3	4702
ARTICLE 3:	Financing	4	4702
Section 3.1.	The Grant	4	4702
Section 3.2.	Grantee Resources for the Project	4	4702
Section 3.3.	Project Assistance Completion Date	5	4702
ARTICLE 4:	Conditions Precedent to Disbursement	6	4703
Section 4.1.	First Disbursement	6	4703
Section 4.2.	Notification	7	4703
Section 4.3.	Terminal Date for Conditions Precedent	7	4703
ARTICLE 5:	Special Covenants	7	4703
Section 5.1.	Project Evaluation	7	4703
Section 5.2.	Availability of Information	8	4704
Section 5.3.	Faculty for Training Facilities	8	4704
ARTICLE 6:	Procurement Source	8	4704
Section 6.1.	Foreign Exchange Costs	8	4704
Section 6.2.	Local Currency Costs	9	4704
ARTICLE 7:	Disbursements	9	4704
Section 7.1.	Disbursement for Foreign Exchange Costs	9	4704
Section 7.2.	Disbursement for Local Currency Costs	10	4705
Section 7.3.	Other Forms of Disbursement	11	4705
ARTICLE 8:	Miscellaneous	11	4705
Section 8.1.	Communications	11	4705
Section 8.2.	Representatives	12	4706
Section 8.3.	Standard Provisions Annex ¹	12	4706

¹ Not printed herein. For text, see TIAS 8830; 29 UST 501.

**PROJECT GRANT AGREEMENT DATED: SEPTEMBER 29,
1977 BETWEEN THE ARAB REPUBLIC OF EGYPT
("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 herein, 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 assisting the Grantee to identify and test methods through which social services may be increased in number, coverage and effectiveness without increasing the financial burden of social services on Grantee resources. The project will consist of the following components:

- (a) establishment of two social service training centers, one in Upper Egypt and one in Lower Egypt, for the training of social workers and paraprofessionals in order to improve their capability in outreach activities, community organization and management of social services;
- (b) establishment of one rural and one urban model social unit for field practice and demonstration;
- (c) upgrading of additional social units;
- (d) development of curricula and training materials by the training centers;
- (e) design and testing of alternative social services;
- (f) assisting community development associations and village councils to implement plans for social services in each model and upgraded social services unit within their respective jurisdictions;
- (g) development of a management information system that will collect and analyze data regarding the need for social services and the utilization, cost and impact of social services.

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. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

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,¹] agrees to grant the Grantee under the terms of this Agreement not to exceed One Million United States Dollars (\$1,000,000) and One Hundred Twenty-nine Thousand Egyptian Pounds (LE 129,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian Pound portion of the Grant.

SECTION 3.2. Grantee Resources for the Project

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

(b) The resources provided by Grantee for the Project will be not less than One Million Five Hundred Thousand Egyptian Pounds (LE 1,500,000), including costs borne on an "in-kind" basis. Without limiting the foregoing, the Grantee shall provide two renovated buildings for use as the Project training centers and an adequate number of qualified personnel required for the effective implementation of the Project, including the management information system.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1980 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

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

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 persons holding or acting in the offices 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) Such other documentation as A.I.D. may require.

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 90 days from the date of this agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

ARTICLE 5: Special Covenants

SECTION 5.1. Project Evaluation. (a) 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:

(1) evaluation of progress toward attainment of the objectives of the Project;

(2) identification and evaluation of problem areas of constraints which may inhibit such attainment;

(3) assessment of how such information may be used to help overcome such problems; and

(4) evaluation, to the degree feasible, of the overall development impact of the Project.

(b) Except as A.I.D. may otherwise agree in writing, within six months from the date of this Agreement the Grantee shall submit to A.I.D. for its approval a plan for evaluating the results and the impact of improved services. The plan will provide for both intermediate and end of project evaluations. The plan shall make provision for identifying and collecting project data to be used as a basis for future evaluations.

SECTION 5.2. Availability of Information. The Grantee agrees to make available, or to cause to be made available, to the contractor for the management information system as needed, all data required for the effective design and implementation of the management information system, including, but not limited to, records at the social unit, district, governorate and central Ministry levels.

SECTION 5.3. Faculty for Training Facilities. Grantee agrees to make its best efforts to provide full time residential faculty for the training facilities.

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 (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

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 Egypt.

ARTICLE 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

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

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

SECTION 7.2. Disbursement for Local Currency Costs.

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

(b) The local currency needed for such disbursements may be obtained by acquisition by A.I.D. from local currency already owned by the U.S. Government.

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.

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:

Mail Address: Ministry of Social Affairs
Sharia El Sheikh Rihan
Cairo, Egypt

Alternate address for cables:

Ministry of Social Affairs
Sharia El Sheikh Rihan
Cairo, Egypt

To A.I.D.:

Mail Address:

A.I.D.
U.S. Embassy
Cairo, Egypt

Alternate address for cables:

A.I.D.
U.S. Embassy
Cairo, Egypt

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 individuals holding or acting in the offices of Minister of Social Affairs and Senior Advisor to the Ministry of Social Affairs for International Activities and for Rehabilitation and Development. A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., Cairo, Egypt, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) [¹] is attached to and forms part of this Agreement.

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

^¹ See footnote 1, p. 4700.

ARAB REPUBLIC OF EGYPT

By: AMAL OSMAN

Name: Dr. Amal Osman
Title: Minister of Social
Affairs

UNITED STATES OF AMERICA

By: DONALD S. BROWN

Name: Donald S. Brown
Title: Director, U.S.A.I.D.

ANNEX 1

PROJECT DESCRIPTION

The Integrated Social Work Centers Project is an experiment to test whether or not Egyptian communities will assume greater responsibility for social services if a) the services are more effective; b) serve a larger population, and c) communities and users participate more in planning and operation of such services. The project purpose is to identify and test ways in which social services may be increased in number, coverage and effectiveness without additional financial burdens to the Government. Thus, the requirement is to develop more effective services within available resources.

The project will consist of several components:

1. Two training-demonstration centers will be developed, one in Upper Egypt at Assiut and one in Lower Egypt at Tanta in Gharbiya Governorate. These centers will provide inservice training for social workers and paraprofessionals who work in the individual services, such as vocational teachers and daycare center attendants. The training centers will seek to improve the capabilities of generic social workers and paraprofessionals in outreach activities, community organization and management of social services.
2. The project will test the provision of social services through a community development process in four "model" social units. One urban and one rural social unit will be attached to each of the two training centers. These units are intended to demonstrate service standards and to provide field practice for trainees. Of primary concern will be the strengthening of the community development associations and reinforcement of the services presently offered. In addition, new services will be organized in response to community expressed need. New equipment, trained staff and advisory staff will be provided to these "model" units which, with one exception, are units which are presently functioning.
3. Trainees at the centers will be expected to upgrade their own social units at the expiration of their training. In order to prepare them for the task, each training center will upgrade four additional social units in each of the subsequent four years of the project, so that during the life of the project a total of 32 social units will be upgraded. Service consultants and some equipment

TIAS. 9486

- will be the only external inputs to this exercise which will basically be a joint faculty-student undertaking.
4. The training centers will develop curricula and training materials based on the experience of this training and these demonstrations; they will be tested and evaluated in the training centers. It is expected that the development of these materials will be a contribution to social work education in the Middle East, as they will be Egyptian materials developed out of Egyptian experience.
 5. Services provided in the model and upgraded social units are patterned after existing services. One could assume that these services are continued or imitated because they provide proved benefits, but the low utilization of these existing services triggers a warning. Trained people and upgraded social units may result in more effective and more appropriate services. The project proposes to challenge the services now provided by requiring that each year, each of the centers is to design and test an alternate way of delivering a particular service. For example, instead of a vocational training class for mechanics, an experiment might be conducted in apprenticeships. Judgments would be made on the resulting skill level, cost per trainee and job placement.
 6. Each model unit and each upgraded social unit will have a Community Development Association (CDA) or Village Council assessing needs and resources, initiating and maintaining social services for the community. It requires skill to determine what services are appropriate. It is easier to imitate what has been observed elsewhere, such as day care centers. If the project purpose is to be achieved, however, a functioning and effective village consultative body must be in place.
 7. The management information system is a major component of this project. Today the Ministry of Social Affairs collects accounting data and data on how many people use different categories of service. There is little information available on needs (how many people require what services) and little data on what benefits result from these services. The management information system will cover government-sponsored services and services provided by private associations. It will provide four types of data: needs, utilization, cost and impact. Besides enlarging the types of data available to Ministry planners and program monitors, data will be produced to be used by the social unit and the community development association for their assessment and decision-making. Training in the utilization of data will be provided.

Evaluation of this project will consist of activities which will look at the project's internal operation and at its overall impact. At the end of each training cycle, the project management group (Egyptian and U.S.) will conduct an analysis of the effectiveness of the training program and make needed adjustments and changes in the curriculum.

In the early part of the second year, an evaluation will be made of the progress of the management information system. This will cover a) an evaluation of the model record keeping activity, and b) an evaluation of the prospects for installing a Ministry-wide computer based data collection and analysis system. The latter assessment will provide the basis on which to decide if it is considered feasible to proceed with installation of the full management information system or a modified version. A major evaluation of the impact of the project is planned in August of 1980, the results of which will be used to redesign any portion of the project which has not met its objective.

The Ministry of Social Affairs will be responsible for implementation of the project. The Senior Advisor to the Minister for International Activities and for Rehabilitation and Development has been designated as the responsible official. For A.I.D., the responsible officer will be the Assistant General Development Officer, U.S.A.I.D., Cairo, Egypt. Long-term advisory assistance will be provided for training and the management information system. Short-term consultants will be used to help design service components and for evaluation.

PROJECT FINANCIAL PLAN

(\$ 000 or LE 000)

Project No.: 263-0020

Project Inputs	Cumulative Obligations/ Commitments as of September 30, 1977				Future Years Anticipated				Totals		
	AID		AID		AID		AID		\$	LE ¹	GOE
	\$	LE ¹	LE	LE	\$	LE ¹	LE	LE	\$	LE ¹	LE
1. Project Management/ Training	567	108	—	—	890	126	—	—	1,457	234	—
2. Training Centers/ Social Units	204	—	1,500	—	755	—	1,500	—	959	—	3,000
3. Manage- ment Infor- mation System	59	9	—	—	340	—	—	—	399	9	—
4. Vehicles	96	—	—	—	—	—	—	—	96	—	—
5. Conting- ency	74	12	—	—	502	29	—	—	576	41	—
Total	1,000	129	1,500	² 2,487	155	1,500	² 3,487	284	284	3,000	

¹ U.S. owned excess LE.² Includes \$1,084,000 for purchase of LE 757,000.
[Footnotes in the original.]

[AMENDING AGREEMENT]

A.I.D. Project No. 263-0020

**FIRST AMENDMENT
TO
GRANT AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
INTEGRATED SOCIAL WORK CENTERS PROJECT**

Dated: MARCH 7, 1978

TIAS 9486

First amendment dated 7 March, 1978 to the Grant Agreement dated September 29, 1977 between the Arab Republic of Egypt ("Grantee") and the United States of America acting through the Agency for International Development ("AID") for Integrated Social Work Training Centers ("Grant Agreement").

Section 1. The Grant Agreement is amended as follows:

(a) Section 3.1 is amended to read as follows:

"Section 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed two million five hundred thousand United States Dollars (\$2,500,000) and two hundred four thousand Egyptian Pounds (LE 204,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian Pound portion of the Grant."

Section 2. This First Amendment shall enter into force when signed by both parties hereto.

Section 3. Except as specifically amended or modified herein, the Grant Agreement shall remain in full force and effect in accordance with all of its terms.

ARAB REPUBLIC OF EGYPT

By: AMAL OSMAN

Name: Dr. Amal Osman
Title: Minister of Social
Affairs

UNITED STATES OF AMERICA

By: DONALD S. BROWN

Name: Donald S. Brown
Title: Director, U.S.A.I.D.

INDIA

**Application of Science and Technology to
Rural Development**

*Agreement signed at New Delhi August 26, 1978;
Entered into force August 26, 1978.*

A. I. D. Project Number: 386-0465

PROJECT
GRANT AGREEMENT
Between
THE PRESIDENT OF INDIA
and
THE UNITED STATES OF AMERICA
for
APPLICATION OF SCIENCE AND TECHNOLOGY
TO RURAL DEVELOPMENT

Dated: August 26, 1978

TABLE OF CONTENTS

		<u>Page</u>	{ <u>Pages</u> herein}
Article 1:	The Agreement	1	4716
Article 2:	The Project	1	4716
SECTION 2.1	Definition of Project	1	4716
Article 3:	Financing	2	4717
SECTION 3.1	The Grant	2	4717
SECTION 3.2	Grantee Resources for the Project	2	4717
SECTION 3.3	Project Assistance Completion Date	2	4717
Article 4:	Conditions Precedent to Disbursement	3	4718
SECTION 4.1	First Disbursement	3	4718
SECTION 4.2	Notification	4	4719
SECTION 4.3	Terminal Dates for Conditions Precedent	4	4719
Article 5:	Special Covenants	4	4719
SECTION 5.1	Project Evaluation	4	4719
Article 6:	Procurement Source	5	4720
SECTION 6.1	Foreign Exchange Costs	5	4720
Article 7:	Disbursements	6	4721
SECTION 7.1	Disbursement for Foreign Exchange Costs	6	4721
SECTION 7.2	Other Forms of Disbursement	6	4721
SECTION 7.3	Rate of Exchange	7	4722
Article 8:	Miscellaneous	7	4722
SECTION 8.1	Communications	7	4722
SECTION 8.2	Representatives	8	4723
SECTION 8.3	Standard Provisions Annex ^[1]	8	4723
SECTION 8.4	Language of Agreement	9	4724
Annex 1:	Project Description	1	4725

^[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A. I. D. Project No. 386-0465

Project Grant Agreement

Dated: August 26, 1978

Between

The President of India ("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 financing of professional and technical services and equipment and materials for the carrying out of collaborative sub-projects which will apply science and technology to India's rural development efforts. 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.

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,^[1] agrees to grant the Grantee under the terms of this Agreement not to exceed Two Million United States ("U.S.") Dollars (\$2,000,000) ("Grant"). The Grant may be used only to finance foreign exchange costs, as defined in Section 6.1, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project

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

(b) The resources provided or caused to be provided by Grantee for the Project will be not less than the equivalent of U.S. \$500,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1981, 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.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

(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) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

(b) 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;

(c) Evidence of the establishment of a Government of India (GOI) Inter-Departmental Committee, its composition, and a statement of its procedures to perform the functions outlined in paragraph 4 of the Project Description, Annex 1.

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 Dates for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Grantee agrees to establish an evaluation program satisfactory to the Parties 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 point 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.

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 (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

Article 7: Disbursements**SECTION 7.1. Disbursement for Foreign Exchange Costs**

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

(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 Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary.

SECTION 7.2. 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 7.3. Rate of Exchange. If funds provided under the Grant are introduced into India 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 India at the highest rate of exchange which, at the time the conversion is made, is not unlawful in India.

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:

Mail Address: Secretary to the Government of India
 Department of Economic Affairs
 Ministry of Finance
 New Delhi

Alternate Address for Cables: ECOFAIRS, NEW DELHI

To A.I.D.:

Mail Address: Mission Director
 USAID
 American Embassy, West Building
 New Delhi

Alternate Address for cables: USAID, NEW DELHI

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. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

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 Director, Department of Economic Affairs, Ministry of Finance 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 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

¹ See footnote 1, p. 4715.

SECTION 8.4. Language of Agreement. This Agreement is prepared in both English and Hindi. In the event of ambiguity or conflict between the two versions, the English language version will be used for final interpretation.

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

THE PRESIDENT OF INDIA

THE UNITED STATES OF AMERICA

By. Manmohan Singh

By. Robert F. Goheen

Name: Manmohan Singh

Name: Robert F. Goheen

Title: Secretary to the Government
of India
Department of Economic Affairs
Ministry of Finance

Title: Ambassador

A.I.D. Project No. 386-0465

Annex 1

Project Description

1. The project purpose is to increase Indo-U.S. collaboration in the application of science and technology to India's rural development effort. The project will support approved collaborative activities (sub-projects) falling under the general parameters and priority areas identified by the Indo/U.S. Joint Commission and its sub-commissions, and meeting the project criteria described in paragraph 3 below.
2. The Grant will finance U.S. dollar costs of sub-projects in accordance with their approved budgets. Such costs may include equipment and materials (including prototype hardware), professional services and consultancies, exchanges and study tours of personnel, the conduct of workshops and other approved sub-project costs. Local costs of the sub-projects will be met from Indian sources or collaborating U.S. agencies.
3. To be eligible for consideration for support under the Grant, sub-projects proposed by collaborating agencies will meet the following criteria:
 - a. The technology or activity concerned must have relevance to significant problems in rural areas and concern the application of science and technology (including social science) to such problems. Basic research in frontier and emerging areas cannot be considered.

Technologies and activities should be appropriate to the social and cultural context in which they are to be applied.

b. To the extent quantification is feasible, sub-projects should demonstrate a favorable cost/benefit ratio. Direct rather than indirect (or remote) benefits and costs should be emphasized in such calculations.

c. Sub-projects should have potential for providing near or medium term benefits to the target population.

d. Sub-projects will include measures for the dissemination, adoption, or field testing of the technologies concerned in order to test their appropriateness for wider implementation or delivery to rural areas.

e. Sub-projects must show reasonable potential for increasing the income and/or well-being of the rural poor.

4. Sub-projects proposed by collaborating agencies will be screened, selected, and approved by a GOI Inter-Departmental Committee chaired by the Department of Science and Technology, which is the central implementing agency for the project. The committee will be guided in its approvals by the agreed criteria outlined above, and by the priorities established by the Indo-U.S. Joint Commission and its Sub-commissions. The committee will provide technical and substantive approval of sub-projects.

5. The Department of Economic Affairs will provide GOI funding approval for all costs of the sub-projects. AID will concur in sub-project approvals by affirming in writing that sub-projects meet the established criteria and that costs to be charged to the Grant are eligible for financing under the terms and conditions of this Agreement. For these purposes, sub-project descriptions will include a detailed time-phased budget, breaking down cost estimates between local and foreign exchange costs, identifying those U.S. dollar costs to be charged to the Grant, and the sources of other funding requirements of the sub-project.

6. At least 25 percent of each sub-project will be financed from Indian sources, unless otherwise agreed by AID.

7. The Department of Science and Technology, as Implementing Agency for the project, will be the authorized representative for authorizing expenditures for sub-projects approved by the Inter-Departmental Committee and the Department of Economic Affairs. The Department of Science and Technology will also function as project secretariat responsible for the following:

- a. Arrange annual project evaluations, as described in the following paragraph.
- b. Serve as focal point within GOI for participating institutions and professionals.

c. Monitor progress of sub-projects.

d. Serve as main contact for AID regarding grant activities.

e. Maintain accounts on expenditures, procurement, training, exchanges, etc.

f. Prepare activity reports for Joint Commission and sub-commissions.

g. Assist participating institutions and professionals, as needed, to expedite activities under sub-projects.

8. The project will be jointly evaluated annually, if possible shortly prior to the annual meeting of the Indo-U.S. Joint Commission. Representatives of the Department of Science and Technology, Department of Economic Affairs, AID, and the American Embassy Counselor for Scientific and Technological Affairs will participate in the evaluation, together with other agencies or individuals as may be invited by mutual agreement of the Department of Science and Technology and AID. The evaluation will review and report on project activities, as follows:

a. Progress of sub-projects in achieving project objectives.

b. Effectiveness of criteria and application of criteria in selecting sub-projects.

c. Administrative effectiveness of sub-project selection and procurement procedures, exchanges, etc.

- d. Requirements for Grant funds.
- e. New areas in which the Grant might be effectively used.
- f. Any issues concerning project relationship to Indo/U.S.

Joint Commission.

- g. Specific implementation problems on either GOI or U.S.

side.

बन्तराष्ट्रीय विकास बमिकरण परियोजना नं० 386 — 0465

परियोजना अनुदान करार

बां

भारत के राष्ट्रपति

बाँर

संयुक्त राज्य अमेरिका

के बीच

ग्रामीण विकास में विज्ञान और प्रौद्योगिकी के अनुप्रयोग

के लिए

दिनांक 26 अगस्त, 1978 को निष्पन्न हुआ

<u>विषय सूची</u>	<u>पृष्ठ संख्या</u>
बनुच्छेद 1 : भारत	1
बनुच्छेद 2 : परियोजना	2
धारा 2.1 परियोजना की परिपाणा	2
बनुच्छेद 3 : विच्छोषण	2
धारा 3.1 अनुदान	2
धारा 3.2 परियोजना के लिए अनुदानग्राही के साक्ष	3
धारा 3.3 परियोजना संडायता समाप्ति के तारीख	3
बनुच्छेद 4 : संवितरण से पूर्वगामी शर्तें	4
धारा 4.1 प्रथम संवितरण	4
धारा 4.2 बिध्युतना	5
धारा 4.3 पूर्वगामी शर्तें के लिए समाप्ति की तारीखें	5
बनुच्छेद 5 : विशेष प्रविदा	5
धारा 5.1 परियोजना का मूल्यांकन	5
बनुच्छेद 6 : प्राप्ति हूँत	6
धारा 6.1 विदेशी मुद्रा लागत	6
बनुच्छेद 7 : संवितरण	7
धारा 7.1 विदेशी मुद्रा लागत के लिए संवितरण	7
धारा 7.2 संवितरण के अन्य रूप	8
धारा 7.3 विनियम की दर	8
बनुच्छेद 8 : विविध	8
धारा 8.1 पत्रादि	8
धारा 8.2 प्रतिनिधि	10
धारा 8.3 मानक उपर्याहार का अनुबंध	10
धारा 8.4 करार की मात्रा	10

<u>अनुबंध</u>	<u>विषय सूची</u>	<u>पृष्ठ संख्या</u>
अनुबंध 1	परियोजना का वर्णन	1 — 5
अनुबंध 2	परियोजना अनुदान — प्रानक उपबंधों का अनुबंध	1
अनुच्छेद क. :	परियोजना कार्यान्वयन पत्र	1
अनुच्छेद स. :	समाचार संविदा	2
धारा स. 1	परामर्श	2
धारा स. 2	परियोजना का निष्पादन	2
धारा स. 3	वस्तुओं वाँ र सेवाओं का उपयोग	3
धारा स. 4	कराधान	3
धारा स. 5	टिपोटै, अभिलेख, निरीक्षण, लेतापरीक्षा	4
धारा स. 6	जानकारी के सम्पूर्णता	5
धारा स. 7	बन्य बदायाग्नि	5
धारा स. 8	सूचना वाँ र कंत	5
अनुच्छेद ग.	प्राप्ति उपबंध	6
धारा ग. 1	विहेष नियम	6
धारा ग. 2	प्राक्ता तारीख	6
धारा ग. 3	आयोजनाएँ, विशिष्टियाँ वाँ र संविदा	7
धारा ग. 4	उचित कीमत	8
धारा ग. 5	संभावी पूर्तिकर्ताओं की अधिकृता	8
धारा ग. 6	पौत्रप्रिवहन	8
धारा ग. 7	कीमत	10
धारा ग. 8	संयुक्त राज्य अमेरिका के सरकार के स्वामित्व वाली अंतिरिक्त संपर्क	11
अनुच्छेद घ.	समाप्ति: उपचार	12
धारा घ. 1	समाप्ति	12
धारा घ. 2	वापसियाँ	12
धारा घ. 3	उपचारों का अनिधिलेखाग	14
धारा घ. 4	समनुदर्जन	14

वन्तराष्ट्रीय विकास अभियान परियोजना संख्या
386-0465

परियोजना बनुदान करार
जो
भारत के राष्ट्रपति ('बनुदानग्राही')
वार
वंतराष्ट्रीय विकास अभियान ('८० वाई० ही०')
के माध्यम से कार्य करते हुए संयुक्त राज्य अमेरिका
के बीच

दिनांक 26 अगस्त, 1978 को निष्पन्न हुआ

बनुच्छेद 1 : करार

इस करार का प्रयोजन बनुदानग्राही द्वारा आगे वर्णित परियोजना का पार बने उपर लिए जाने के संबंध में वार उपर्युक्त पक्षाँ ('पक्षाँ') द्वारा परियोजना के विवरणों के संबंध में पक्षाँ में हुई सहमतियाँ को वर्णियक्त करना है।

बनुच्छेद 2: परियोजना

धारा 2.1. परियोजना की परिमाणा : परियोजना में वित्तका और बर्णन अनुबंध 1 में दिया गया है, उन सशांति उप-परियोजनाओं को पूरा करने के लिए, जिनमें भारत के ग्रामीण विकास के प्रत्यक्षों में विज्ञान और प्रौद्योगिकी का अनुप्रयोग किया जाएगा, व्यावसायिक और तकनीकी सेवाओं तथा उपस्थर वांग सामग्री का वित्तांशण शामिल है। संठन अनुबंध 1 में परियोजना की उपर्युक्त परिमाणा को प्रबढ़ित किया गया है। परियोजना की उपर्युक्त परिमाणा की सीमाओं के अन्दर रहते हुए धारा 8.2 में विभिन्न पक्षों के प्राधिकृत प्रतिनिधियों की लिखित सहमति से, अनुबंध 1 में उल्लिखित प्रबढ़ित बर्णन के तत्वों में, इस करार में औपचारिक संशोधन किए बिना, परिवर्तन किया जा सकता है।

बनुच्छेद 3 : विध्योषण

धारा 3.1. अनुदान: परियोजना के कार्यान्वयन के साथ को पूरा करने में अनुदानग्राही की सहायता करने के लिए, अन्तर्राष्ट्रीय विकास अधिकारण 1961 के यथासंतोषित विदेशी सहायता अधिनियम का अनुलेखन करते हुए, इस करार की शर्तों के बर्तावत अनुदानग्राही को अनुदान के रूप में विधिक से विधिक बीस लाख संयुक्त राम्य अमेरिकी डालर (20,00,000 डालर) (अनुदान) देने पर सहमत है। इस अनुदान का उपयोग केवल परियोजना के लिए वावश्यक वस्तुओं और सेवाओं की, धारा 6.1 में यथापरिभाषित विदेशी मुद्रा लागत को पूरा करने के लिए किया जा सकता है।

(ग) संवितरण के लिए क्षुरोंथ परियोजना कार्यान्वयन पत्रों में निर्धारित आवश्यक समर्थक दस्तावेजों के साथ, बंतराष्ट्रीय विकास अभियान द्वारा या धारा 7.1 में वर्णित किसी बैंक द्वारा परियोजना सहायता समाप्ति की तारीख के बाद अधिक से अधिक नंबर (६) पहले ने तक अधिक बंतराष्ट्रीय विकास अभियान द्वारा लिखित रूप में सम्मत बन्ध किसी अधिक तक प्राप्त किए जारी हैं। सेवी अधिक के बाद, अनुदानग्राही को लिखित नंबरिंस देकर, बंतराष्ट्रीय विकास अभियान किसी भी समय अधिक किन्हीं भी समर्थों पर अनुदान की वह सारी राशि अधिक उसका कोई झंग पटा सकता है जिसके संवितरण के लिए अनुरोध, परियोजना कार्यान्वयन पत्रों में निर्धारित आवश्यक समर्थक दस्तावेजों के साथ उक्त अधिक के समाप्त होने से पहले प्राप्त न हुए हैं।

अनुच्छेद ५: संवितरण से नुवैगामी शर्तें

धारा 4.1. पृथम संवितरण : इस अनुदान के अंतर्गत पृथम संवितरण से पूर्व अधिक बंतराष्ट्रीय विकास अभियान द्वारा उन दस्तावेजों के जारी किए जाने से पूर्व, जिनके क्षुरण परियोजना में संवितरण किया जाएगा, अनुदानग्राही बंतराष्ट्रीय विकास अभियान को, अभियान द्वारा लिखित रूप में बन्धथा सम्मत है जाने की स्थिति को छोड़ कर, निम्नलिखित कागज-पत्र बंतराष्ट्रीय विकास अभियान के लिए संतोषपूर्व रूप बौर पाब में प्रस्तुत करेगा:

(क) बंतराष्ट्रीय विकास अभियान को स्वीकार्य काउन्सेल का पत जिसमें यह व्यक्त किया गया हो कि यह करार सम्बन्ध रूप से अनुदानग्राही द्वारा प्राप्तिकृत बौर / या अनुसन्धित बौर उसकी बौर से निष्पादित किया गया है और यह करार उसकी सभी भद्रों के क्षुपार अनुदानग्राही का विभिन्नान्य बौर वैष रूप से आवढ़कर दायित्व है;

(स) धारा 8.2 में विनिर्दिष्ट अनुदानग्राही के कायलि
के पदाधिकारियों वथवा वहाँ काय करने वाले व्यक्तियों के बारे
बतिरिक्त प्रतिनिधियों के नामों का विवरण और उसके साथ सेसे
विवरण में विनिर्दिष्ट प्रत्येक व्यक्ति के हस्ताक्षर वा नमूना;

(ग) भारत सरकार की एक बन्तर्विमागीय सनिति की
स्थापना का साइय, उसकी संरचना और बनुचंध 1, परियोजना के
वर्णन के पंराग्राफ 4 में बताए गए कायों को पूरा करने के लिए
उसकी प्रक्रियाओं का एक विवरण।

धारा 4.2. अधिसूचना: जब बन्तरप्टीय विकास अभियान
को यह निश्चय हो जाएगा कि धारा 4.1 में विनिर्दिष्ट पूर्वगामी
शर्तें पूरी हो गई हैं, तब वह तत्काल अनुदानग्राही को अधिसूचित
कर देगा।

धारा 4.3. पूर्वगामी जरौरी के लिए समाप्ति की तारीखः यदि
धारा 4.1 में विनिर्दिष्ट सारी शर्तें इस करार की तारीख से या सेसी
किसी बाद की तारीख से, जिसके संबंध में बन्तरप्टीय विकास अभियान
लिङ्गित रूप में सक्रिय हो जाए, 90 दिन के बंदर-बंदर पूरी न कर
दी गई हों, तो बन्तरप्टीय विकास अभियान, अपने विकल्प के
अनुसार अनुदानग्राही को लिङ्गित नौटिस देकर, इस करार को समाप्त
कर सकेगा।

बनुचंध 5: विशेष प्रसंविदा

धारा 5.1. परियोजना का मूल्यांकन: अनुदानग्राही, इस परियोजना
के एक बंग के रूप में, एक मूल्यांकन कार्यक्रम की व्यवस्था करने के लिए
सहन्त है जो कि दोनों पक्षों के लिए संतोषप्रद होगा। उस स्थिति को

झोड़ कर, जबकि दौनाँ पक्षा लिखित रूप में वन्यथा सम्पत्त हों, इस कार्यक्रम में, परियोजना के कार्यान्वयन के दौरान और उसके पश्चात एक वर्षस्था ने, यह कार्य शामिल होगे;

(क) परियोजना के उद्देश्यों की पूर्ति की दिशा में हुई प्रगति का मूल्यांकन करना;

(ल) समस्यागुरुक ईंटों या पञ्चविंशी का पता लगाना तथा उनका मूल्यांकन करना जो इन उद्देश्यों की पूर्ति में बाधक सिद्ध हो सकती है;

(ग) इस बात का निवारण करना कि इस तरह की जानकारी को इन समस्याओं को हल करने के लिए किस तरह से उपयोग में लाया जा सकता है; और

(घ) जहाँ तक व्यवहारी हो, वहाँ तक, परियोजना के कुल मिलाकर विकास संबंधी प्रमाण का मूल्यांकन करना।

बनुच्छेद 6 : प्राप्ति सूत

धारा 6.1. विदेशी मुद्रा लागत: उस स्थिति को झोड़कर जबकि अंतर्राष्ट्रीय विकास विभिन्न रूप में वन्यथा सम्पत्त हो तथा उस स्थिति को पीछे झोड़ कर किसी व्यवस्था परियोजना बनाने मानक उपबंधों के अनुर्बंध में समुद्री बीमे के इन्वंट्री में धारा 7.1 (ब) में की गई है, धारा 7.1 के अनुरणन में संवितरित घनताशियाँ को केवल परियोजना के लिए जावश्यक उन बस्तुओं तथा सेवाओं की लागत के विवरणण के लिए ही उपयोग में लाया जा सकेगा, जिनका सूत तथा उद्धव संयुक्त राज्य अमेरिका हो (अंतर्राष्ट्रीय विकास विभिन्न की मांगोलिक ग्रूप पुस्तक के कृट 000 में, ज्ञाति वड इन बस्तुओं वथवा सेवाओं का बाहर दिए जाने के समय वथवा इनके संबंध में संविदा

किए जाने के समय प्रवृत्त होगा) (‘विदेशी मुद्रा लागत’)

बनुच्छेद 7 : संवितरण

धारा 7.1. विदेशी मुद्रा लागत के लिए संवितरणः

(क) पूर्वगानी शर्तों का पालन किए जाने के बाद, अनुदानग्राही, परियोजना के लिए आवश्यक वस्तुओं तथा सेवाओं की विदेशी मुद्रा लागत को पूरा करने के लिए अनुदान में से, इस कारार की शर्तों के अनुसरण में धनराशियों का संवितरण ऐसे नियमित तरीकों से प्राप्त कर सकता है जिनको परस्पर सहमति से तय किया गया हो;

(1) बंतराष्ट्रीय विकास अभियान को परियोजना कायन्त्रियन पत्रों में विहित आवश्यक समझौतारी दस्तावेजों के साथ, (ब) सेवी वस्तुओं तथा सेवाओं के संबंध में प्रतिपूर्ति के लिए अनुरोध मेजबार; अथवा (बा) बंतराष्ट्रीय विकास अभियान को यह अनुरोध मेजबार कि वह परियोजना के लिए अनुदानग्राही की ओर से वस्तुओं अथवा सेवाओं को प्राप्त करें; अथवा,

(2) बंतराष्ट्रीय विकास अभियान को यह अनुरोध करके कि वह किनिदिष्ट राशियों के लिए (उ) बंतराष्ट्रीय विकास अभियान के लिए संतोषाप्नद सक या एक से अधिक संयुक्त राज्य अमेरिकी ईकों की वचनबद्धता-पत्र जारी करे, जिनके द्वारा बंतराष्ट्रीय विकास अभियान, ऐसे ईक या ईकों को उनके द्वारा संविदाकारी अथवा प्रतिक्रियाँ को, इन वस्तुओं अथवा सेवाओं के लिए साक्षपत्रों के अंतर्गत अथवा बन्धया जाए गई बदायगियों के संबंध में, प्रतिपूर्ति करने के लिए वचनबद्ध हो जाए अथवा (बा) एक या एक से अधिक हाविदाकारी अथवा पूर्तिक्रियाँ को सीधे वचनबद्धता-पत्र जारी करे जिनके द्वारा बंतराष्ट्रीय विकास अभियान हस प्रकार के संविदाकारी अथवा पूर्तिक्रियाँ को इन वस्तुओं अथवा सेवाओं के संबंध में बदायगी करने के लिए वचनबद्ध हो जाए।

(स) अनुदानशाही द्वारा वचनबद्धता-पत्रों और सालपत्रों के हमें मैं दिए जाने वाले कैफ प्रशार, अनुदान के अंतर्गत वित्तपौष्टिक फिर जाएंगे, जब तक कि अनुदानशाही कंतराष्ट्रीय विकास अभियान को इसके विपरीत अनुदेश न दे।

धारा 7.2. संवितरण के बन्ध रूप : इस अनुदान में से राजशाही का हमें वितरण ऐसे बन्ध माध्यमों से हो किया जा सकेगा, जिनके संबंध में दोनों पक्ष लिखित रूप में सहमत होंगे।

धारा 7.3. विनियम की दरें: यदि इस अनुदान के अंतर्गत उपलब्ध कराई गई धनराशियाँ कंतराष्ट्रीय विकास अभियान की सहायी सरकारी/वर्षा गैर-सरकारी अभियान द्वारा इस करार के कंतराष्ट्रीय विकास अभियान के दायित्वों को पूरा करने के प्रयोजन से मारत में लाई जाती हैं, तो अनुदानशाही से आवश्यक प्रबन्ध करेगा जिसे इन धनराशियों को सेही उच्चतम विनियम दर पर मारत की मुद्रा में संपर्कित किया जा सके, जो उस समय जबकि संपर्कित किया जाए, मारत में विधि-विरुद्ध न हो।

अनुच्छेद 8: विविध

धारा 8.1. पत्रादि : इस करार के कंतरीत दोनों पक्षों वे से किसी भी एक पक्ष के द्वारा दूसरे पक्ष को जो कोई नौटिल, अनुरोध, दस्तावेज, वर्षा अन्य पत्रादि मेजा जाएगा वह लिखित रूप में वथवा तार या केबल के द्वारा मेजा जाएगा तथा उसको उसी समय उस पक्ष को सम्पूर्ण रूप से दिया गया मेजा पर समझा जाएगा, जब उसे उस पक्ष को नियमित रूप से पर समुद्द कर दिया जाएगा, वथवा:

अनुदानग्राही:

ठाक का पता: सचिव, पारंपर राज्य,
 वित्त मंत्रालय, वार्षिक कार्य विभाग,
 नई दिल्ली

केबुल के लिए वैकल्पिक पता: हक्कोफेर्स, नई दिल्ली

वंतराष्ट्रीय विकास अभियानः

ठाक का पता: भिश्नन निदेशक, संयुक्त राज्य
 अमेरिका का वंतराष्ट्रीय विकास
 अभियान, अमेरिकी राजनीतावास
 पश्चिमी पवन, नई दिल्ली

केबुल के लिए वैकल्पिक पता: यू० स्स० २० वाई० ही०,
 नई दिल्ली

जब तक दोनों पक्षों लिखित रूप में क्षयथा सहमत न हो जारं,
 इस तरह के सभी पत्रादि बंगली माषा में होंगे। नौटिस देकर
 उपर्युक्त पतों के बड़े दूसरे पते की रखे जा सकते हैं। इसके अतिरिक्त,
 अनुदानग्राही वंतराष्ट्रीय विकास अभियान को ऐसे गए प्रत्येक पत्रादि
 की एक प्रति संयुक्त राज्य अमेरिका के वंतराष्ट्रीय विकास अभियान
 के भिश्नन को मेंजेगा।

धारा 8.2. प्रतिनिधि: इस करार से संबंधित सभी प्रयोजनों के लिए, अनुदानग्राही का प्रतिनिधित्व आर्थिक कार्य विभाग में निदेशक के पद को धारण करने वाले व्यक्ति जथवा उस पद का कार्य करने वाले व्यक्ति के द्वारा तथा कंटराष्ट्रीय विकास अभियान का प्रतिनिधित्व मिशन निदेशक के पद को धारण करने वाले व्यक्ति जथवा उस पद का कार्य करने वाले व्यक्ति के द्वारा किया जाएगा, और इनमें से प्रत्येक लिखित नोटिस देकर, अनुबंध 1 में दिए गए प्रविधित वर्णन के तत्वों को धारा 2.1 के क्लीन पुनरीक्षात करने के अधिकारों का प्रयोग किए जाने से भिन्न सभी अन्य प्रयोजनों के लिए, अतिरिक्त प्रतिनिधियों को मि नामित कर सकेगा। अनुदानग्राही के प्रतिनिधियों के नाम तथा उनके हस्ताक्षारों के नम्बर, कंटराष्ट्रीय विकास अभियान को में जाएंगे, जो कि इस करार के कायदान्वयन के सिलसिले में इस प्रकार के प्रतिनिधियों के द्वारा हस्ताक्षारित किसी भी प्रलेख को सम्बन्धित रूप से प्राधिकृत प्रतेक के रूप में तब तक स्वीकार कर सकेगा जब तक कि उनके प्राधिकार के प्रतिसंहरण का लिखित नोटिस उसे प्राप्त नहीं होंगा।

धारा 8.3. मानक उपबंधों का अनुबंध: एक 'परियोजना अनुदान उपबंधों का अनुबंध' (अनुबंध 2) करार से सलभ है तथा इसका बंग है।

धारा 8.4. करार की पाषाण: यह करार बंगी और हिन्दी दोनों पाषाणों में तैयार किया गया है। दोनों पाठों में परस्पर विरोध या असम्भव होने की सूरत में, बंगी पाठ को जीतम वर्ती-निष्ठि के लिए प्रयोग में लाया जाएगा।

इसके समय में, अनुदानग्राही तथा संयुक्त राज्य अमेरिका ने, अपने-अपने सभ्यकृत रूप से प्राधिकृत प्रतिनिधि के माध्यम से कार्य करते हुए, इस कारार को उपर प्रमाणित दिन और वर्ष में अपने-अपने नाम में लक्ष्यानुसारित रूप सुनिश्चित कराया है।

भारत के राष्ट्रपति

संयुक्त राज्य अमेरिका

भारा भवान
(मनमोहन सिंह)
सचिव, भारत सरकार
आधिक कार्य विभाग
वित्त मंत्रालय

भारा *Walt F. Fisher*
(राष्ट्रीय एफ. फोहर)

राज्य

बन्तराष्ट्रीय विकास अभियान परियोजना सं० 386-0465

अनुबंध 1

परियोजना का वर्णन

1. परियोजना का प्रयोजन, भारत के ग्रामीण विकास के प्रयास में विज्ञान और प्रौद्योगिकी के बनुमत्योग के हाँत्र में भारत तथा संयुक्त राज्य अमेरिका के सम्बोग को बढ़ाना है। परियोजना के द्वारा उन बनुमत्योदित सम्बोगात्मक कार्यकलापों (उप-परियोजनाओं) को सन्तुष्टि दिया जाएगा जो भारत-संयुक्त राज्य अमेरिका संयुक्त आयोग तथा उसके उप-आयोगों द्वारा निर्धारित सामान्य परिमितियाँ और प्राथमिकता-प्राप्त फैलोवर्स के बन्तर्भूत आएंगे और जो शीर्षक के परामर्शक 3 में वर्णित परियोजना मानदण्डों पर पूरे उतरेंगे।

2. इस अनुदान से, उप-परियोजनाओं की संयुक्त राज्य अमेरिकी हालरों में होने वाली लागत को उनके स्वीकृत बजटों के बनुसार विधि-पर्याप्ति किया जाएगा। इस लागत में, उपस्कर तथा सामग्री (जिसमें प्रौद्योगिक हार्डवेयर शामिल है), व्याकस्तायिक तथा परामर्शदात्री सेवाओं, कर्मचारियों के पारेस्परिक जादान-न्युदान तथा अध्ययन संबंधी दाँरों, कार्यशालाओं के संचालन तथा अन्य बनुमत्योदित उप-परियोजनाओं की लागतें शामिल होंगी। उप-परियोजनाओं की स्थानीय लागत को पारंतीय साक्षर्ता से अवास सहयोग करने वाले संयुक्त राज्य अमेरिकी अभियानों द्वारा पूरा किया जाएगा।

३. अनुदान के अन्तर्गत, समर्थन के लिए प्राप्ति प्राप्ति करने के लिए, सम्झौते करने वाले अधिकारणों द्वारा प्रस्तावित उप-परियोजनाओं को निम्नलिखित मानदण्डों पर पूरा उत्तरा होगा:

क. सम्बद्ध प्रांतीयोगिकी अथवा कार्यकलाप, ग्रामीण ज़ोनों की भवहत्त्वपूर्ण समर्थनों से सुरक्षित हो और इस प्रकार की समर्प्यावाँ पर विज्ञान तथा प्रांतीयोगिकी के (सामाजिक विज्ञान सहित) अनुप्रयोग से भी सम्बन्धित हो। सीमान्त क्षेत्र उपरते हुए ज़ोनों में बुनियादी अनुसंधान परिवार नहीं किया जा सकता। प्रांतीयोगिकी तथा कार्यकलाप, उस सामाजिक तथा सांस्कृतिक संदर्भ के लिए उपयुक्त होने वाले जिनमें उनका अनुप्रयोग किया जाता है।

क०. जिस सीमा तक परिमाणांकन व्यवहारी हो, उस सीमा तक उप-परियोजनाओं से अनुकूल लागत/लाप अनुपात प्रदर्शित होना चाहिए। इस प्रकार के परिकल्पन में, अनुत्पत्ता (अथवा दूरस्थ) लाभों तथा लागतों के बजाए प्रत्यक्ष लाभों तथा लागतों पर बल दिया जाना चाहिए।

ग. उप-परियोजनाओं में लक्ष्योंदिष्ट जनसंख्या की निकट अथवा मध्यम वर्षिष्ठ में लाप पहुंचने की दापता होनी चाहिए।

घ. उप-परियोजनाओं में सम्बद्ध प्रांतीयोगिक्यों के प्रशारण, बंगो-करण अथवा ज़ोन-परीक्षण के उपाय शामिल होंगे जिससे उनके व्यापक कार्यान्वयन अथवा उन्हें ग्रामीण ज़ोनों को सम्पर्क के संबंध में उनकी उपयुक्तता की जांच भी जा सके।

३. उप-परियोजनाओं से ग्रामीण ज़ोड़ों की निधि जनता
की बाय बाँर/वधा सुशहाली बढ़ाने की युक्तियुक्त ज्ञानता अभिव्यक्त
होनी चाहिए।

४. सम्बोग करने वाले अभिकरणों द्वारा प्रस्तावित उप-परियोजनाओं
की भारत सरकार की एक बन्तविधानीय समिति के द्वारा, जिसकी
बधाइता क्षितिज तथा प्रौद्योगिकी विभाग करेगा, जो परियोजना
के कायांन्वयन के लिए केन्द्रीय अभिकरण है, जर्बा, चुना और
जनुमोदन के कार्यों में, समिति उपर
द्वारा सम्पत्त मानदण्डों से और भारत संयुक्त राज्य अमेरिका
संयुक्त आयोग तथा इसके उप-आयोगों द्वारा निर्धारित प्राथमिकताओं
से मार्गदर्शित होगी। समिति उप-परियोजनाओं का तकनीकी तथा
तात्त्विक जनुमोदन करेगी।

५. आर्थिक कार्य विभाग, उप-परियोजनाओं की कुल लागत के संबंध
में, भारत की और से निधि यन संबंधी जनुमोदन प्रधान करेगा।
बन्तविधानीय विकास अभिकरण उप-परियोजनाओं के संबंध
में दी जाने वाली जनुमतियाँ के प्रति इस बात की मुष्टि करते
हुए लिखित रूप में सम्मति व्यक्त करेगा कि उप-परियोजनाएं,
सुनिश्चारित मानदण्डों को पूरा करती हैं और जनुदान पर
पारित की जाने वाली लागत इस करार की शर्तों के बन्तविधान
वित्तीय वित्तीय की पात्र है। इन प्रयोजनों के लिए, उप-परियोजना
वर्णनों के बन्तविधान एक विस्तृत सम्बन्धिक चरणबद्ध बजट, स्थानीय
मुद्रा तथा विदेशी मुद्रा के रूप में लागत के बड़ग बड़ग जनुमान,
जनुदान पर पारित की जाने वाली संयुक्त राज्य अमेरिकी डालरों
में होने वाली लागत तथा उप-परियोजना की निधि यन संबंधी
बन्य बावधानताओं के छोतों बादि की जानकारी दी जाएगी।

६. जब तक बन्तराष्ट्रीय विकास अभियान बन्धा सहमत न हो, प्रत्येक उप-परियोजना की 25 प्रतिशत लागत का विष-पौष्टण मार्तीय सांख्यकों से किया जाएगा ।

७. विज्ञान और प्रौद्योगिकी विभाग परियोजना के कार्यान्वयन अभियान के रूप में, बन्तविभागीय समिति तथा आधिक कार्य विभाग द्वारा अनुमोदित उप-परियोजनाओं के लिए व्ययों का प्राधिकार देने वाला प्राधिकृत प्रतिनिधि होगा । विज्ञान और प्रौद्योगिकी विभाग परियोजना सचिवालय के रूप में भी कार्य करेगा और निम्नलिखित के लिए उचितात्मी होंगा:

क. वाणिजिक परियोजना मुत्यांकों की व्यवस्था करेगा जैसाकि निम्नलिखित परामुख में वर्णित है ।

ल. माग लेने वाली संस्थाओं तथा वृत्तिकारों के लिए भारत सरकार में केन्द्र-बिन्दु का कार्य करेगा ।

ग. उप-परियोजनाओं की प्रगति का परिवीक्षण करेगा ।

घ. बनुदान संबंधी कार्यकलापों के बारे में बन्तराष्ट्रीय विकास अभियान के लिए मुख्य सम्पर्क अभियान के स्प में कार्य करेगा ।

इः व्यय, प्राप्ति, प्रशिक्षण तथा विनियम जादि का लेला रखेगा ।

च. संयुक्त बायोग और उप-आयोगों के लिए, कार्यकलाप संबंधी रिपोर्ट तैयार करेगा ।

झ. उप-परियोजनाओं के अन्तर्गत कार्यकलापों को शीप्र निपटाने के लिए, आवश्यकतानुसार, माग लेने वाली संस्थाओं तथा वृत्तिकारों को सहायता देगा ।

४. इस परियोजना का मुख्यांकन हर वर्ष संयुक्त रूप से यदि संभव हुआ तो पारत-संयुक्त राज्य अमेरिकी संयुक्त जायोग शी वार्षिक बैठक से थोड़ा पहले किया जाएगा। इस मुख्यांकन में विज्ञान और प्रौद्योगिकी विभाग, आर्थिक कार्य विभाग, उन्नराष्ट्रीय विभास अधिकरण तथा अमेरिकी राजनीतावास के वैज्ञानिक एवं प्रौद्योगिकी कार्य संबंधी कॉसलर भाग लेंगे। इस कार्य में विज्ञान और प्रौद्योगिकी विभाग तथा उन्नराष्ट्रीय विभास अधिकरण की पारस्परिक सहनित से बच्य अधिकरणों अथवा अकियों को जामंकित किया जा सकेगा। मुख्यांकन में परियोजना संबंधी कार्यकलानां की समीक्षा और रिपोर्ट इस प्रकार तैयार की जाएगी :-

क. परियोजना के उद्देश्यों को पूरा करने की दिशा में उप-परियोजनाओं को पुगति।

ल. मानदण्डों की प्रभावोत्पादकता तथा उप-परियोजनाओं के ब्यन्न में मानदण्डों का अनुप्रयोग।

ग. उप-न्यूपरियोजनाओं के नियन तथा प्राप्ति संदर्भी प्रक्रियाओं, विनियम आदि की प्रासादिक प्रभावोत्पादकता।

घ. अनुदान धनराशियों की आवश्यकताएँ।

ड. नए ज्ञान, जिनमें अनुदान की प्रभावपूर्ण हंग से उपयोग में लाया जा सके।

च. पारत / संयुक्त राज्य अमेरिका संयुक्त जायोग से परियोजनागत संबंधों के बारे में कोई भी पापले।

इ. पारत नरेकार अथवा संयुक्त राज्य अमेरिका की ओर उपस्थित होने वाली कायान्वयन संबंधी विनिर्दिष्ट समस्याएँ।

INDIA

Malaria Control

*Agreement signed at New Delhi August 26, 1978;
Entered into force August 26, 1978.*

A.I.D. Loan No. 386-U-224

Project No. 386-0455

PROJECT LOAN AGREEMENT

Between

THE PRESIDENT OF INDIA

and

THE UNITED STATES OF AMERICA

for

MALARIA CONTROL

Dated: August 26, 1978

TABLE OF CONTENTS

		<u>Page</u>	(Pages herein)
Article 1:	The Agreement	1	4753
Article 2:	The Project	1	4753
SECTION 2.1	Definition of Project	1	4753
Article 3:	Financing	2	4754
SECTION 3.1	The Loan	2	4754
SECTION 3.2	Borrower Resources for the Project	2	4754
SECTION 3.3	Project Assistance Completion Date	2	4754
Article 4:	Loan Terms	3	4755
SECTION 4.1	Interest	3	4755
SECTION 4.2	Repayment	4	4756
SECTION 4.3	Application, Currency, and Place of Payment	4	4756
SECTION 4.4	Prepayment	5	4757
SECTION 4.5	Renegotiation of Terms	5	4757
SECTION 4.6	Termination on Full Payment	6	4758
Article 5:	Conditions Precedent to Disbursement	6	4758
SECTION 5.1	First Disbursement	6	4758
SECTION 5.2	Notification	6	4758
SECTION 5.3	Terminal Dates for Conditions Precedent	7	4759
Article 6:	Special Covenants	7	4759
SECTION 6.1	Project Evaluation	7	4759
SECTION 6.2	Environmental Assessment	7	4759
SECTION 6.3	Health Safeguards	7	4759
Article 7:	Procurement Source	8	4760
SECTION 7.1	Foreign Exchange Costs	8	4760
Article 8:	Disbursements	8	4760
SECTION 8.1	Disbursement for Foreign Exchange Costs	8	4760
SECTION 8.2	Other Forms of Disbursement	9	4761
SECTION 8.3	Rate of Exchange	10	4762
SECTION 8.4	Date of Disbursement	10	4762

		<u>Page</u> [<i>Pages</i> herein]
Article 9:	Miscellaneous	10 4762
SECTION 9.1	Communications	10 4762
SECTION 9.2	Representatives	11 4763
SECTION 9.3	Standard Provisions Annex ^[1]	12 4764
SECTION 9.4	Language of Agreement	12 4764
Annex 1	Project Description	1 4765

^[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Loan No. 386-U-224

Project Loan Agreement

Dated: August 26, 1978

Between

The President of India ("Borrower")

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 Borrower of the Project described herein, 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 (a) spraying in malaria areas, (b) treatment of malaria cases, (c) training and supervision in malaria control techniques, (d) malaria research (basic and applied), (e) surveillance of malaria-exposed populations, and (f) malaria prevention education. Annex 1, attached, amplifies the above definition of the Project.

Within the limits of the definition of the Project in this Section 2.1 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 9.2 without formal amendment of this Agreement.

Article 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Twenty-eight Million United States ("U.S.") Dollars (\$28,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used to finance foreign exchange costs as defined in Section 7.1 of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

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

(b) The resources to be provided or caused to be provided by the Borrower for the Project are estimated to be not less than the equivalent of U.S. \$87,000,000 for India's fiscal year 1978-79, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is December 31, 1980, 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 Loan will have been performed and all goods

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

financed under the Loan 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 Loan 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 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement of the Loan hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on

any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.4) of each respective disbursement, and will be computed on the basis of a 365-day year. Interest will be payable no later than six (6) months after the first disbursement of the Loan hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment.

All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay without penalty all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of India, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after the delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;
- (b) A statement of the names of the persons holding or acting in the office of the Borrower specified in Section 9.2 and a specimen signature of each person specified in such statement;
- (c) A detailed plan for the procurement and formulation (as applicable) of insecticides to be used for the malaria program;
- (d) Evidence of arrangements for the procurement of AID-financed commodities including lists and prices of such commodities, a schedule of their purchase and delivery and a draft tender document including specifications (satisfactory to AID/WHO standards) for imported commodities.

SECTION 5.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1 have been met, it will promptly notify the Borrower.

SECTION 5.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Borrower.

Article 6: Special Covenants.

SECTION 6.1. Project Evaluation. The Borrower agrees to establish an evaluation program satisfactory to the Parties as an integral 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 point 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 6.2. Environmental Assessment. The Borrower understands that AID will finance an environmental assessment during project implementation. The Borrower covenants to consider guidelines and recommendations identified by this environmental assessment.

SECTION 6.3. Health Safeguards. The Borrower will take appropriate safety measures including the provision of safety equipment to insecticide handlers and training of handlers and supervisory

personnel in the dangers associated with the insecticide and proper procedures for safe handling. The Borrower will also maintain rigid control over the quality of insecticide procured for the Malaria Control Program to insure that it meets WHO and AID technical requirements.

Article 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements made pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Standard Provisions Annex, Section C.1 (a) with respect to ocean and air shipping and Section C.1 (b) with respect to marine insurance.

Article 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs. After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services, required for the Project in accordance

with the terms of the 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 the Borrower's behalf for the Project;

(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, through Letters of Credit or otherwise, for such goods or services.

Banking charges incurred in connection with Letters of Credit or Commitment shall be for the account of the Borrower and may be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

— SECTION 8.3. Rate of Exchange. If funds provided under the Loan are introduced into India by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of India at the highest rate of exchange which, at the time the conversion is made, is not unlawful in India.

SECTION 8.4. Date of Disbursement. Disbursements of the Loan by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract or purchase order.

Article 9: Miscellaneous

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Borrower:

Mail Address: Secretary to the Government of India
 Department of Economic Affairs
 Ministry of Finance
 New Delhi

Alternate address for telegrams: ECOFAIRS, NEW DELHI

To A.I.D.:

Mail Address: Mission Director
 USAID
 American Embassy, West Building
 New Delhi

Alternate address USAID, NEW DELHI
for telegrams:

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 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Director, Department of Economic Affairs, Ministry of Finance, 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 Borrower 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 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) is attached to and forms part [1] of this Agreement.

SECTION 9.4. Language of Agreement. This Agreement is prepared in both English and Hindi. In the event of ambiguity or conflict between the two versions, the English language version will be used for final interpretation.

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

THE PRESIDENT OF INDIA

THE UNITED STATES OF AMERICA

By Manmohan Singh

By Robert F. Goheen

Name: Manmohan Singh

Name: Robert F. Goheen

Title: Secretary to the Government
of India
Department of Economic Affairs
Ministry of Finance

Title: Ambassador

¹ See footnote 1, p. 4752.

A.I.D. Loan No. 386-U-224

Annex 1

Project Description

The purpose of the Project is to bring malaria under control.

The accomplishment of this purpose will contribute to the overall goal of reduced morbidity and mortality from malaria in order to promote greater economic and social development.

The project is a multi-year effort designed to reduce the incidence of malaria to two or less cases per 1,000 population country-wide as soon as possible. A modified plan of operations for controlling malaria has already been adopted by the GOI in consultation with the WHO. This plan envisages a three-pronged coordinated effort: (1) Government operations such as mass distribution of drugs to reduce morbidity and mortality, intensified spraying, larvaciding programs, etc., (2) enlisting public support and cooperation through the participation of village and community-based organizations, and (3) research and training. The A.I.D. Project Loan will support the modified plan of operations. The technical and operational aspects of the malaria program are more fully described in the modified plan.

Project Loan funds would be used primarily to finance the import of the residual insecticide malathion and DDT and a limited quantity of the larvicide, Abate. A small portion of the Loan would

be used to finance ULV sprayers for urban malaria control. A detailed financial plan is attached as Appendix I to this Annex. It is anticipated, subject to the availability of funds, that an incremental amount will be provided by A.I.D. in U.S. FY 79 to finance additional quantities of the aforementioned commodities.

The Central Ministry of Health and Family Welfare will be the principal implementing agency which will be responsible for the procurement of all commodities contemplated under the Loan. The Ministry shall ensure safe and secure handling of all insecticides procured under the Loan.

No quantitative annual targets have been fixed for the reduction of malaria incidence because of the technical constraints involved in predicting vector behavior. It is anticipated that the project should, however, result in a substantial reduction of malaria incidence. The GOI is expanding its insecticide production capacity which is expected to meet substantially the malaria program requirements as soon as feasible.

Appendix 1**PROJECT FINANCING PLAN**

(Source and Application of Funding)

Project No.: 386-0455 (Malaria Control)

<u>Project Inputs</u>	(Amount in \$ 000's) U.S. FY 1978				<u>TOTAL</u>
	<u>AID</u> (Loan)	<u>GOI</u> <u>1/</u>	<u>OTHER</u> <u>2/</u>		
1. Insecticides	27,925	39,129	-	67,054	
2. Drugs	-	13,659	-	13,659	
3. Equipment	75	5,318	100	5,493	
4. Operating Costs (Including Training and Research)	-	28,988	5,470	34,458	
Total	28,000	87,094	5,570	120,664	

1/ GOI Fiscal Year 1978-79 (April 1, 1978 - March 31, 1979)2/ Anticipated assistance from WHO, UNICEF, SIDA, etc.
[Footnotes in the original.]

बन्तराष्ट्रीय विकास बमिकरण कर्ण सं.386यू-2/
परियोजना सं.0 386—045

परियोजना कर्ण करार

ये

भारत के राष्ट्रपति

वर्ती

संयुक्त राज्य अमेरिका
के वीच

मधेश्चिया नियंत्रण के लिए

दिनांक 26 अगस्त, 1978 को निष्पन्न हुआ

विषय सूची

पृष्ठ संख्या

बुच्चेद 1 :	करार	1
बुच्चेद 2 :	परियोजना	1
धारा 2.1	परियोजना की परिमाणा	1
बुच्चेद 3 :	विचारण	2
धारा 3.1	क्रण	2
धारा 3.2	परियोजना के लिए क्रणकर्ता के साथन	2
धारा 3.3	परियोजना सहायता समाप्ति की तारीख	3
बुच्चेद 4 :	क्रण की शर्तें	4
धारा 4.1	व्याज	4
धारा 4.2	वापसी-बदायणी	4
धारा 4.3	बदायणी का बुप्रयोग, मुद्दा वैर स्थान	5
धारा 4.4	पूर्ण-बदायणी	5
धारा 4.5	शर्तों के बारे में पुनः बातबीत	5
धारा 4.6	पूरी बदायणी कर दिए जाने पर करार वैर दायित्वां की समाप्ति	6
बुच्चेद 5 :	संवितरण से पूर्वगामी शर्तें	6
धारा 5.1	प्रथम संवितरण	6
धारा 5.2	बच्चूचना	7
धारा 5.3	पूर्वगामी शर्तों के लिए समाप्ति की तारीखें	8
बुच्चेद 6 :	विशेष प्रसंविदा	8
धारा 6.1	परियोजना का मूल्यांकन	8
धारा 6.2	प्रावितरण - मूल्यांकन	8
धारा 6.3	स्वास्थ्य रहा उपाय	9
बुच्चेद 7 :	प्राप्ति प्रोत	9
धारा 7.1	विदेशी मुद्दा लागत	9

बनुच्छेद ८ :	संवितरण	10
धारा ८.१	विदेशी मुद्रा लागत के लिए संवितरण	10
धारा ८.२	संवितरण के बन्ध रूप	11
धारा ८.३	विनियम की दर्द	11
धारा ८.४	संवितरण की तारीख	11
बनुच्छेद ९ :	विविष	11
धारा ९.१	फ्रांटि	11
धारा ९.२	प्रतिनिधि	13
धारा ९.३	मानक उपकरणों का अनुबंध	13
धारा ९.४	करार की माणा	13
अनुबंध		
अनुबंध १	परियोजना का वर्णन	1-3

बन्तराष्ट्रीय विकास बमिकरण क्षण संस्था 386-यू-224

परियोजना क्षण करार

जो

भारत के राष्ट्रपति ("क्रणकर्ता")

वैर

बन्तराष्ट्रीय विकास बमिकरण ("२० बाहू० ही०")

के माध्यम से कार्य करते हुए संयुक्त राज्य अमेरिका

के बीच

दिनांक 26 अगस्त, 1978 को निष्पत्त हुआ।

क्षुच्छेत 1 : करार

इस करार का प्रयोजन क्षणकर्ता द्वारा इसमें वर्णित परियोजना का भारु अपने ऊपर लिये जाने के संबंध में वैर उपर्युक्त पदाँ ("पदाँ") द्वारा परियोजना के विव-पोषण के संबंध में पदाँ में द्वाँ सहमतियाँ को विव्यक्त करना है।

क्षुच्छेत 2 : परियोजना

थारा 2.1. परियोजना की परिभाषा : इस परियोजना में, जिसका क्षुच्छेत 1 में वैर बर्गी वर्णन किया गया है, (क) फ्लैटियाग्रस्त दौत्राँ में शिल्काव, (ख) फ्लैटियाग्रस्त रोगियाँ का इलाज, (ग) फ्लैटिया क्रिंत्रण की तकनीकाँ में प्रशिक्षण वैर पर्यवेक्षण, (घ) फ्लैटिया क्षुच्छान् (बुनियादी वैर क्षुच्छान्), (ङ) फ्लैटिया से बरसित जनसंस्था की निरानी वैर (च) फ्लैटिया निरोधी शिक्षा शामिल

होगी। संगम व्युवंय 1 परियोजना की उपर्युक्त परिभाषा को प्रबोधित करता है।

इस धारा 2.1 में दी गई परियोजना की परिभाषा की सीमाओं के बन्दर रखे हुए व्युवंय 1 में उल्लिखित प्रबोधित वर्णन के तत्वों में, इस कारार में अंतर्राष्ट्रीय बंशोधन किए बिना, धारा 9.2 में बताए गए दोनों पक्षों के प्राधिकृत प्रतिनिधियों की लिस्ट सम्मति से, कोरेक्ट किया जा सकता है।

व्युच्छेद 3 : विचारणा

धारा 3.1. क्षण : परियोजना के कार्यान्वयन के सर्व को पूरा करने में क्षणकार्ता की बहावता करने के लिए, बन्तराष्ट्रीय विकास बमिकरण 1961 के यातान्शोकित विदेशी सहायता बंधनियम का व्युत्परण करते हुए, इस कारार की क्षणों के बन्तराति क्षणकार्ता को वधिक से वधिक दो करोड़ बस्ती लाल संयुक्त राज्य अमेरिकी डालर (2,80,00,000 डालर) उधार ('क्षण') देने पर बहस्त है। इस क्षण के बन्तराति बंचितरणों की कुल राशि का उल्लेस 'मूलधन' के रूप में किया जास्ता।

इस क्षण का उपयोग परियोजना के लिए आवश्यक वस्तुओं और सेवाओं की, धारा 7.1 में यथा-परिभाषित विदेशी मुद्रा लागत को पूरा करने के लिए किया जासकता है।

धारा 3.2. परियोजना के लिए क्षणकार्ता के साथ :

(क) क्षणकार्ता, परियोजना के प्रभावकारी और सामयिक ढंग से कार्यान्वयन के लिए, क्षण के वितरिका, वपेंटित सभी घनराशियों और वन्य सभी साथनों की व्यवस्था करने अवाक उत्पाने के लिए उपलब्ध है।

(स) परियोजना के लिए क्षणकर्ता जिने साधनों की व्यवस्था करेगा अबा करवासा उनकी राशि भारतकेराजस्व वर्ष 1978-79 के लिए बनुपानतः 8,70,00,000 संयुक्त राज्य अमेरिकी डालर के बराबर की राशि से कम नहीं होगी जिसमें 'वस्तु रूप में' वहन की गई लागत की रकम शामिल है।

धारा 3.3. परियोजना सहायता समाप्ति की तारीख :

(क) 'परियोजना सहायता समाप्ति की तारीख'; जो 31 दिसम्बर, 1980 है अबा दोनों पदाँ द्वारा लिखित रूप में परस्पर समझ कोई और तारीख हो सकती है, वह तारीख है जिस तक दोनों पदाँ के अनुमान से इस कारार में परिकल्पित परियोजना के लिए क्षण के बन्नांति विचुपोषित सभी सेवाएं सम्पन्न हो जाएंगी और क्षण के बन्नांति विचुपोषित की जाने वाली सभी वस्तुएँ जुटा ली जाएंगी।

(ल) उस स्थिति को छोड़ कर जब कि बन्नाराष्ट्रीय विकास बमिकरण लिखित रूप में बन्धथा सहकर हो जाए, बन्नाराष्ट्रीय विकास बमिकरण सेसा कोई दस्तावेज जारी या अनुमोदित नहीं करेगा, जिससे परियोजना सहायता समाप्ति की तारीख के बाद सम्पन्न की गई सेवाएँ के लिए तथा परियोजना सहायता समाप्ति की तारीख के बाद इस कारार में परिकल्पित परियोजना के लिए जुटाई गई वस्तुओं के बास्ते क्षण के संवितरण का प्राक्कार प्राप्त हो।

(ग) संवितरण के लिए अन्तर्राष्ट्रीय परियोजना कायदान्वयन पत्रों में निर्धारित बावजूद सम्पूर्ण दस्तावेजों के साथ, बन्नाराष्ट्रीय विकास बमिकरण द्वारा या धारा 8.2 में वर्णित किसी बैंक द्वारा परियोजना सहायता समाप्ति की तारीख के बाद बमिकरण से बमिकरण नो (9) पक्षीने तक अपवा बन्नाराष्ट्रीय विकास बमिकरण द्वारा लिखित रूप में समझ

बन्ध किसी व्यवधि तक प्राप्त किए जाएंगे। सेवी व्यवधि के बाद, कणकर्ता^१ को लिखित नोटिस देकर, बन्तराष्ट्रीय विकास वभिकरण किसी भी सम्बन्ध अथवा किन्हीं भी सम्बन्धों पर कण की वह सारी राशि अथवा उसका कोई बंश पटा सकता है जिसके संवितरण के लिए बनुरोध, परियोजना कायदनियन पत्रों में निर्धारित बावजूद समर्पित दस्तावेजों के साथ उक्त व्यवधि के समाप्त होने से पहले प्राप्त न हुए हों।

बुच्चेद 4 : कण की रक्ति

धारा 4.1. व्याज़ : कणकर्ता^१ बन्तराष्ट्रीय विकास वभिकरण को इसके बन्तराति रूप के प्रथम संवितरण की तारीख के बाद इस वर्ष^२ के लिए दो प्रतिशत (2 प्रतिशत) की दर से और उसके बाद मूलधन की बकाया राशि और व्याज की देय और अच राशि पर तीन प्रतिशत (3 प्रतिशत) की दर से व्याज देगा। बकाया राशि पर व्याज प्रत्येक संबंधित संवितरण की (धारा 8.4 में यथा-परिभाषित) तारीख से लौगा और उसकी संगणना 365 दिन के वर्ष^३ के बाधार पर की जाएगी। व्याज की राशि बन्तराष्ट्रीय विकास वभिकरण द्वारा निर्दिष्ट किसी तारीख को, कण के बन्तराति किए जाने वाले प्रथम संवितरण के वधिक से वधिक हृष (6) महीने के बाद देय होगी।

धारा 4.2. वापसी कायाती : कणकर्ता^१ बन्तराष्ट्रीय विकास वभिकरण को मूलधन की वापसी कायाती कण के प्रथम संवितरण की तारीख से चालीस (40) वर्ष^४ के बन्दर-बन्दर मूलधन और व्याज की लागत बराबर-बराबर की हस्तठ (61) छहवार्षिक किस्तों में करेगा। मूलधन की पहली किस्त धारा 4.1 के बकुसार व्याज की पहली कायाती देय होने की तारीख के साढ़े तीन ($9\frac{1}{2}$) वर्ष^५ के बाद देय होगी। कण के बन्तराति अन्तिम संवितरण हो जाने के बाद, बन्तराष्ट्रीय विकास वभिकरण इस धारा के बकुसार कणकर्ता^१ को स्क परिशोधन तक्सूची प्रदान करेगा।

धारा 4.3. बदायगी का बुप्रयोग, मुड़ा तौर स्थान : इस

करार के बीचन व्याज और मूलधन की सभी बदायगियाँ संयुक्त राज्य अमेरिक डालरों में की जाएंगी, और पहले देय व्याज की बदायगी की जाएगी और उसके बाद मूलधन की वापसी-बदायगी। उस स्थिति को होड़ कर जबकि अन्तर्राष्ट्रीय विकास वभिकरण लिस्ट रूप में बन्धा निर्दिष्ट करे, बदायगियाँ नियंत्रक, विशीय प्रबन्ध कायालिय, अन्तर्राष्ट्रीय विकास वभिकरण, वाशिंगटन, डी.सी. 20523, संयुक्त राज्य अमेरिका को की जाएंगी और विशीय प्रबन्ध कायालिय में प्राप्त होते ही ये बदायगियाँ की गईं मान ली जाएंगी।

धारा 4.4. पूर्व-बदायगी : समस्त व्याज और उस समय देय किन्हीं वापसियाँ भी बदायगी के बाद, कणकता, दिना वर्ष-दण्ड के, मूलधन की सारी रकम या उसके कुछ भंग की पूर्व-बदायगी कर सकेगा। जब तक कि अन्तर्राष्ट्रीय विकास वभिकरण लिस्ट रूप में बन्धा सहमत न हो जाए, ऐसी कोई भी पूर्व-बदायगी मूलधन की किसी पर उनकी परिपक्षता के लिये उस में बुप्रयुक्त की जाएगी।

धारा 4.5. शर्तों के बारे में पुनः बातचीत :

(क) ऐसी सूत्रत में, जबकि भारत की बान्तरिक और बाह्य आर्थिक स्वं विशीय स्थिति तथा सम्पाद्यतावर्ती में उत्तेजनीय और लातार सुधार लेता रहे जिससे कणकता कण की वापसी-बदायगी उस समय में करने में समर्थ हो जाए तो कणकता और अन्तर्राष्ट्रीय विकास वभिकरण, किसी स्तरे समय जिसके लिए दोनों में से कोई भी पदा बुराई करे, कण की वापसी-बदायगी को त्वरित करने के लिए बातचीत करने के वास्ते सहमत हो सकते हैं।

(ख) इस प्रकार बातचीत के लिए दोनों में से किसी स्तर पदा द्वारा इसरे पदा को बुराई धारा 9.1 के बुलरण में किया जाएगा और उसमें उस व्यक्ति या उन व्यक्तियाँ का नाम और पदा दिया गया

होगा जो सेंसी बातचीत में बुरोफ्क्टर्स पदा का प्रतिनिधित्व करेगा / करेंगे ।

(ग) बातचीत का बुरोफ्क्टर्स पदा के तीस (30) दिन के बन्दर-बन्दर, बुरोफ्क्टर्स पदा, घारा 9.1 के बुसरण में, उस व्यक्ति या उन व्यक्तियों के नाम और फार्म की सूचना दूसरे पदा को भेज देगा, जो बुरोफ्क्टर्स पदा का प्रतिनिधित्व करेगा / करेंगे ।

(घ) उप-धारा (ग) के कंतरी बुरोफ्क्टर्स पदा का पत्रादि दिए जाने के बधिक से बधिक तीस (30) दिन के बन्दर -बन्दर पदार्ह के प्रतिनिधि बातचीत करने के लिए बैठक करेंगे । यह बातचीत पदार्ह के प्रतिनिधियों द्वारा परस्पर-स्पर्श स्थान पर होगी ।

घारा 4.6. पूरी क्षायकी कर दिए जाने पर करार और दायित्वों की समाप्ति : मूलधन की ओर उस पर लाने वाले व्याज की पूरी क्षायकी कर दिए जाने पर, यह करार और इसके बन्तर्गत क्षणकर्ता तथा बन्तराष्ट्रीय विकास अभिकरण के सभी दायित्व समाप्त हो जाते ।

बुच्चे 5 : संवितरण से पूर्णगामी झं

घारा 5.1. वृथत संवितरण : इस झं के बन्तर्गत प्रथम संवितरण से पूर्व अथवा बन्तराष्ट्रीय विकास अभिकरण द्वारा उन दस्तावेजों के जारी किए जाने से पूर्व, जिनके बुसरण में संवितरण किया जाता, क्षणकर्ता बन्तराष्ट्रीय विकास अभिकरण को, अभिकरण द्वारा लिखित रूप में वन्यथा सहज हो जाने की स्थिति को छोड़ कर, निष्पत्ति कामज-फ्रंकराष्ट्रीय विकास अभिकरण के लिए संतोषप्रद रूप और भाव में प्रस्तुत करेगा ;

(क) बन्तराष्ट्रीय विकास बमिकरण को स्वीकार्य काउन्सेल का मत जिसमें यह व्यक्त किया गया हो कि यह करार सम्भव रूप से क्षणकर्ता द्वारा प्राक्षित बौर / या बनुसमर्थित, बौर उसकी ओर से निष्पादित किया गया है बौर यह करार उसकी सभी शर्तों के बनुसार क्षणकर्ता का विधिमान्य बौर वैध रूप से बाबदकर दायित्व है;

(स) धारा 5.2 में विनिर्दिष्ट क्षणकर्ता के कायलिय के पदाधिकारियों व्यवहा वहाँ कार्य करने वाले व्यक्तियों के नामों का विवरण बौर से विवरण में विनिर्दिष्ट प्रत्येक व्यक्ति के हस्ताक्षार का नमूना ;

(ग) मलेरिया कार्डिन के लिए हस्ताक्षाल की जाने वाली कीटनाशी दवाओं की प्राप्ति बौर सूत्रण (फार्मूलेशन) की (जैसे कि लागू हों) विस्तृत योजना ;

(घ) बन्तराष्ट्रीय विकास बमिकरण द्वारा विचारीशत वस्तुरं प्राप्त करने के प्रबन्धों का साल्य जिसमें सेसी वस्तुओं की सूचियाँ बौर कीमतें, उनकी सरीद बौर हुम्की की बनुसूची बौर बायातित वस्तुओं के सम्बन्ध में (बन्तराष्ट्रीय विकास बमिकरण बौर विश्व स्वास्थ्य संगठन के मानकों के बनुरूप) विशिष्टियों सहित निविदा प्रोत्स का प्रारूप शामिल है।

धारा 5.2. विश्ववर्ती : जब बन्तराष्ट्रीय विकास बमिकरण को यह निश्चय हो जाया कि धारा 5.1 में विनिर्दिष्ट सूचीगामी शर्त पूरी हो गई है, तब वह तत्काल क्षणकर्ता को अधिसूचित कर देगा।

धारा 5.3. : शूर्विधि शर्त के लिए समाप्ति की तारीख :

यदि धारा 5.1 में विनिर्दिष्ट सारी शर्त इस कार्र की तारीख से या सेवी किसी बाद की तारीख से, जिसके संबंध में बन्तराष्ट्रीय विकास अभियान लिखित रूप में सहमत हो जाए, 90 दिन के बन्दर-बन्दर पुरी न कर दी गई हों, तो बन्तराष्ट्रीय विकास अभियान, वपने विकल्प के बजाए, छणकर्ता को लिखित नोटिस देकर, इस कार्र को समाप्त कर सकेगा।

बन्दुच्छेद 6 : विशेष स्वर्विदा

धारा 6.1. परियोजना का मूल्यांकन : छणकर्ता, इस परियोजना के अभिन्न भाग के रूप में, एक मूल्यांकन कार्यक्रम की व्यवस्था करने के लिए सहमत है जो कि दोनों पकार्डों के लिए संतोषजनक होगा। उस स्थिति को छोड़कर, जबकि दोनों पका लिखित रूप में बन्धका सहमत हैं, इस कार्यक्रम में, परियोजना के कार्यान्वयन के दौरान और उसके पश्चात एक व्यवस्था में, ये कार्य शामिल होंगे :

- (क) परियोजना के उद्देश्यों की पूर्ति की दिशा में हुई प्रगति का मूल्यांकन करना ; (ल) समस्यामूलक होत्रों या मजबूरियों का फता लाना तथा उनका मूल्यांकन करना जो इन उद्देश्यों की पूर्ति में वाष्पक सिद्ध हो सकती है ; (ग) इस बात का निर्धारण करना कि इस तरह की जानकारी को इन हमस्याओं को हुए करने के लिए किसतरह से उपयोग में लाया जासकता है ; और (घ) जहाँ तक व्यवहार्य हो, वहाँ तक, परियोजना के कुल मिलाकर विकास संबंधी प्रभाव का मूल्यांकन करना।

धारा 6.2. प्रयोगिक विविधि - मूल्यांकन : छणकर्ता को विदित है कि परियोजना के कार्यान्वयन काल में बन्तराष्ट्रीय विकास अभियान प्रयोगिक मूल्यांकन का विवेषण करेगा। छणकर्ता इन प्रयोगिक मूल्यांकनों के परिणामस्वरूप निर्धारित मार्गनिर्देशों और सिपाहियों

पर विवार करने का वचन देता है।

धारा 6.3. स्वास्थ्य रद्दा के उपाय : फणकर्ता

सुरहदा के लिए यथोचित उपाय करेगा, जिनमें कीटनाशी दवाओं को उठाने-धरने वाले कर्मचारियों की सुरहदा के लिए उपलब्ध और कीटनाशी दवाओं से संबंधित लतर्हों के बारे में और सुरक्षित ढंग से इन दवाओं के उठाने-धरने की उचित प्रक्रियाओं में इन कर्मचारियों और फर्मेन्टी कर्मचारियों के प्रशिक्षण की व्यवस्था भी शामिल है। फणकर्ता मलेरिया नियंत्रण के लिए हरीदी जाने वाली कीटनाशी दवाओं पर, यह सुनिश्चित करने के लिए, कहा नियंत्रण भी रखा कि ये दवाएँ विश्व स्वास्थ्य संगठन और बन्तराष्ट्रीय विकास अभियान की तकनीकी बफेदारी को पूरा करती है।

सुच्छेद 7 : प्राप्ति स्रौत

धारा 7.1. विदेशी मुद्रा लागत : धारा 8.1 के व्युत्परण के किस जाने वाले संवितरण परियोजना के लिए बावधान उन वस्तुओं और सेवाओं की लागत को बनन्य रूप से विवरणीय तथा संवितरण के लिए उपयोग में लाए जाएंगे जिनका स्रौत और उद्भव बन्तराष्ट्रीय विकास अभियान की भौगोलिक कूट मुस्तक के कूट 941 में, ज्याकि वह इन वस्तुओं तथा सेवाओं का बाहर दिए जाने के सम्य व्यवा हन्तके संबंध में संवितरण किए जाने के सम्य प्रकर्तुमान होगा, शामिल किया होगा ('विदेशी मुद्रा लागत'), सिवार उस स्थिति के जबकि बन्तराष्ट्रीय अभियान लिहित रूप में बन्धन सहमत हो और उस स्थिति को छोड़कर जिसकी व्यवस्था समुद्री और लालू वस्तु के संबंध में धारा ८. १(क) में और समुद्री वीमे के संबंध में धारा ८. १ (ल) के मानक उपलब्धों के व्युत्परण में की गई है।

बनुच्छेद ४ : संवितरण

धारा ४.१. विदेशी मुद्रा लागत के लिए संवितरण : पूर्वगामी शर्तों का पालन किए जाने के बाद, इण्डोनेशिया के लिए वावश्क वस्तुवाँ तथा सेवावाँ की विदेशी मुद्रा की लागत को पूरा करने के लिए कठन में है, इस कारार की शर्तों के बजाए रूपरण में, इन्हाँ का संवितरण से निम्नलिखित तरीकाँ से प्राप्त कर सकता है जिनको परम्पर सहमति से तय किया गया है :

(१) बन्तराष्ट्रीय विकास वभिकरण को परियोजना कार्यान्वयन पर्वों में विहित वावश्क समर्थनकारी दस्तावेजों के साथ, (क) ऐसी वस्तुवाँ तथा सेवावों के संबंध में प्रतिपूर्ति के लिए बनुरोध मेज़कर ; क्यवा (ख) बन्तराष्ट्रीय विकास वभिकरण को यह बनुरोध मेज़कर कि वह परियोजना के लिए कठाकर्ता की ओर से वस्तुवाँ क्यवा सेवावों को प्राप्त करे ;

(२) बन्तराष्ट्रीय विकास वभिकरण को यह बनुरोध करके कि वह विनिर्दिष्ट राशियों के लिए (क) बन्तराष्ट्रीय विकास वभिकरण के लिए संतोषाप्द स्क या स्क से वधिक संयुक्त राज्य अमेरिकी बैंकों को वचनबद्धता-फ्र जारी करे, जिनके द्वारा बन्तराष्ट्रीय विकास वभिकरण, से बैंक या बैंकों को, उनके द्वारा संविदाकारी क्यवा पूर्तिकर्तावाँ को हन वस्तुवाँ क्यवा सेवावाँ के लिए सालपत्रों के कानूनी क्षमता बन्ध्या की गई क्रायनियों के संबंध में, प्रतिपूर्ति करने के लिए वचनबद्ध हो जाए क्यवा (ख) स्क या स्क से वधिक संविदाकारी क्यवा पूर्तिकर्तावाँ को सीधे वचनबद्धता-फ्र जारी करे जिनके द्वारा बन्तराष्ट्रीय विकास वभिकरण इस प्रकार के संविदाकारी क्यवा पूर्तिकर्तावाँ को हन वस्तुवाँ क्यवा सेवावाँ के संबंध में सालपत्रों के द्वारा क्यवा बन्ध्या क्रायनी करने के लिए वचनबद्ध हो जाए ।

साल-पत्रों कथा वचनबद्धता-पत्रों के संबंध में उत्तर्न होने वाले बैंक प्रभार, कणकर्ता के लैसे ही और उनको कण के बन्तर्गत विचारित किया जा सकेगा।

धारा 8.2. संवितरण के बन्य रूप : इस कण में से भारतीयों का संवितरण सेसे बन्य माध्यमों से मी किया जा सकेगा, जिनके संबंध में दोनों पदा लिखित रूप में सहमत होंगे।

धारा 8.3. विनिमय की दरें : यदि इस कण के बन्तर्गत उपलब्ध कराई गई अनराशियाँ बन्तर्गतीय विकास वभिकरण अथवा किसी सरकारी क्षया गैर-सरकारी वभिकरण द्वारा इस करार के बन्तर्गत बन्तर्गतीय विकास वभिकरण के दायित्वों को पूरा करने के प्रयोजन से भारत में लाई जाती है, तो कणकर्ता सेसे आवश्यक प्रबन्ध करेगा जिनसे इन अनराशियों को किसी उच्चतम विनिमय दर पर भारत की मुद्रा में संपरिवर्तित किया जा सके, जो कि उस समय जबकि संपरिवर्तन किया जाए, भारत में विधि-विरुद्ध न हो।

धारा 8.4. संवितरण की तारीख : बन्तर्गतीय विकास वभिकरण के द्वारा इस कण का संवितरण उस तारीख को किया गया समकार जास्ता जिस तारीख को बन्तर्गतीय विकास वभिकरण कणकर्ता को अथवा उसके नामित व्यक्ति को क्षया वचनबद्धता-पत्र, संविदा अथवा द्रव्य-आदेश के वक्सरण में किसी भी, संविदाकार अथवा मूर्तिकर्ता को संवितरण कर देगा।

बन्तर्गत 9 : विविध

धारा 9.1. पत्रादि : इस करार के बन्तर्गत दोनों पदों में से किसी भी स्क पदा के द्वारा दूसरे पदा को जो कोई नोटिस, व्युरोफ, दस्तावेज अथवा बन्य पत्रादि मेजा जास्ता वह लिखित रूप में अथवा तार या केबुल के द्वारा मेजा जास्ता तथा उसको उसी समय उस पदा को सम्पूर्ण रूप से दिया गया या मेजा गया समकार

जास्ता जब उसे उस पक्ष को निम्नदिस्ति पते पर मुमुक्षु कर दिया
जास्ता, व्याप्ति :

फणकर्ता :

हाक का पता : सचिव, मारत सरकार
विचं प्रालय, वार्धिक कार्य विभाग
नई दिल्ली

तार के लिए

वैकल्पिक पता : हॉकेफेर्स, नई दिल्ली

वन्तराष्ट्रीय विकास बमिकरण

हाक का पता : मिशन निदेशक
संयुक्त राज्य अमेरिका का वन्तराष्ट्रीय
विकास बमिकरण,
अमेरिका का राजदूतावास,
पश्चिमी भवन, नई दिल्ली

तार के लिए

वैकल्पिक पता : दूसरे द वाई डी, नई दिल्ली

जब तक कि दौर्ना पक्ष लिखित रूप में वन्यका सम्मत न
हो जाए, इस तरह के सभी पत्रादि अंग्रेजी मान्या में होंगी।
नोटिस देकर उपर्युक्त पताँ के बदले दूसरे पते पी रखे जा सकते हैं।

धारा ९.२. प्रतिनिधि : इस करार से संबंधित सभी प्रयोजनों के लिए, कल्पकर्ता का प्रतिनिधित्व बार्थिक कार्य विभाग, विष्व मंत्रालय में निदेशक के पद को घारण करने वाले व्यक्ति अथवा उस पद का कार्य करने वाले व्यक्ति के द्वारा, तथा बन्तराष्ट्रीय विकास बंधिरण का प्रतिनिधित्व मिशन निदेशक पद को घारण करने वाले व्यक्ति अथवा उस पद का कार्य करने वाले व्यक्ति के द्वारा किया जास्ता, और इनमें से प्रत्येक प्रतिनिधि लिस्ट नोटिस देकर, बनुबंध १ में दिए गए प्रवर्द्धित वर्णन के तत्वों को धारा २.१ के बन्तराष्ट्रीय पुनरीक्षित करने के बंधिकारों का प्रयोग किए जाने से भिन्न सभी वन्य प्रयोजनों के लिए, बंतिरिक्त प्रतिनिधियों को भी नामित कर सकेगा। कल्पकर्ता के प्रतिनिधियों के नाम तथा उनके हस्ताक्षरों के नमूने, बन्तराष्ट्रीय विकास बंधिरण को भेजे जाएं, जो कि इस करार के कार्यान्वयन के सिलसिले में इस प्रकार के प्रतिनिधियों के द्वारा हस्ताक्षरित किसी भी प्रत्येक को सच्चह रूप से प्राप्तिकृत प्रत्येक के रूप में तब तक स्वीकार कर सकेगा जब तक कि उनके प्राप्तिकार के प्रतिसंहरण का लिस्ट नोटिस उसे प्राप्त नहीं होगा।

धारा ९.३. मानक उपबंधों का बनुबंध : स्कैपरियोजना कण मानक उपबंधों का बनुबंध (बनुबंध २) इस करार से संलग्न है तथा इसका अंग है।

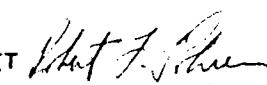
धारा ९.४. करार की भाषा : यह करार अंग्रेजी और हिन्दी दोनों भाषाओं में तैयार किया गया है। दोनों पाठों में परस्पर विरोध या वस्तुस्त्वा होने की सूत्रत में, अंग्रेजी पाठ को अंतिम अर्थ-निर्णय के लिए प्रयोग में लाया जास्ता।

इसके साथ्य में, कण्ठताँ तथा संयुक्त राज्य अमेरिका
ने, अपने अपने सम्बन्ध के साथ्यम्
से कार्य करते हुए, इस कारार को उपर प्रभास्तित दिन बीर
वर्षाँ में अपने अपने नाम में हस्ताक्षरित एवं सुपुर्द कराया है।

भारत के राष्ट्रपति

संयुक्त राज्य अमेरिका

भारत राष्ट्रपति
(मनमोहन सिंह)
सचिव, भारत सरकार
आर्थिक कार्य विभाग
वित्त मंत्रालय

भारत 
(राष्ट्रपति जॉनसन)
राजहत

बन्तराष्ट्रीय विकास बमिकरण झण सं० 386-यु-22

बनुव्यं ।

मलेरिया नियंत्रण परियोजना करार के लिए परियोजना वर्णन

इस परियोजना का प्रयोजन मलेरिया को नियंत्रित करना है। इस प्रयोजन की प्राप्ति से मलेरिया के कारण होने वाली बस्त्वस्थता और मृत्यु की दर को कम करने का सर्वोपरि लक्ष्य प्राप्त करने में योगदान मिलेगा जिसे वार्थिक और सामाजिक विकास को बढ़ावा मिलेगा।

यह परियोजना स्क बहु-वर्णीय प्रयास है। इसका उद्देश्य मलेरिया के फैलाव को खाशीपूर्व हतना कम कर देना है कि जिससे देश में मलेरिया से पीड़ित होने वालों की संख्या प्रति 1000 व्यक्तियों के पीछे दो या इससे भी कम हो जाए। मलेरिया पर काढ़ा पाने के लिए कार्रवाई करने के लिए भारत सरकार द्वारा विश्व स्वास्थ्य संगठन के परामर्श से स्क उपान्तरित बायोजना पहले ही वृपनार्ह जा चुकी है। इस बायोजना में समन्वित रूप में त्रिविध प्रयास करने का विचार है: (1) सरकारी कार्रवाईयाँ जैसे कि रोगान्तरण और मृत्यु की दर में कमी करने के लिए बड़े पैमाने पर दवाओं का वितरण, दवाइकूने, लाता नष्ट करने के गहन कार्यक्रम बादि (2) ग्राम और छमुदाय बाधारित संगठनों को शामिल करके जनता का समर्थन और सह्योग प्राप्त करना और (3) बुद्धिमत्ता तथा प्रशिक्षण। बन्तराष्ट्रीय विकास बमिकरण परियोजना झण द्वारा उक्त कार्रवाईयाँ की उपान्तरित बायोजना को समर्थन दिया जास्ता। मलेरिया कार्यक्रम के तकनीकी और कार्यात्मक पहलुओं का वर्णन उपान्तरित बायोजना में विस्तार से किया गया है।

परियोजना क्रण से प्राप्त राशियाँ का प्रयोग प्राथमिक रूप से अंतर्राष्ट्रीय कीटनाशी मैलाथियन और डी.डी.टी.ओ तथा सीमित मात्रा में लाखवानाशी 'स्वैट' का बायात करने के लिए किया जाएगा। क्रण का थोड़ा-सा बंश नारीय मलेरिया निवंत्रण के लिए यू.ए.स. ० लाई ० डी.डी.टी.ओ के विचारण के हेतु काम में लाया जाएगा। स्क. विस्तृत विदीय बायोजना इह अनुबंध के परिषिष्ठ १ के रूप में संलग्न है। यदि घनराशि उपलब्ध हुई तो आशा है कि उपर्युक्त वस्तुओं की बतिरिक्त मात्रा के विचारण के लिए कन्नाराष्ट्रीय विकास अभियान द्वारा संयुक्त राज्य अमेरिका के विष वर्ष १९७९ में और ब्रिक्स राशि प्रदान की जाएगी।

स्वास्थ्य और परिवार कल्याण का केन्द्रीय मंत्रालय प्रधान कार्यान्वयन अभियान होगा जिस पर क्रण के क्षंगति परिकल्पन सभी वस्तुरूप प्राप्त करने का दायित्व होगा। मंत्रालय क्रण के क्षंगति प्राप्त की गई सभी कीटनाशी दवाओं को सुरक्षित ढंग से उठाने-धरने की सुनिश्चित व्यवस्था करेगा।

रोगवाहक के व्यवहार का फूर्तिमान लाने में बाने वाली तकनीकी कठिनाइयाँ के कारण मलेरिया के फैलाव को कम करने के लिए कोई संस्थात्मक वाणिकी लक्ष्य निर्धारित नहीं किए गए हैं। तथापि आशा है कि इस परियोजना से मलेरिया के फैलाव में काफी ज्यादा कमी हो जाएगी। भारत सरकार कीटनाशी दवाओं के उत्पादन की वपनी दास्तावेज़ में विस्तार कर रही है जिससे उम्मीद की जाती है कि मलेरिया कार्यक्रम संबंधी बावजूद क्षमताएं जिनी जल्दी हो सकेंगी काफी लम्बे तक पूरी हो जाएंगी।

परिशिष्ट 1

परियोजना के विस्तृण की वायोजना

(निधि व्यवस्था का द्रोत और बुध्योग)

परियोजना सं0 386 - 0455 (मठेरिया नियंत्रण)

परियोजना में प्रयोज्य

(एक हजार छालर्ड में)

अमेरिकी विच वर्ष 1978

कंटाराष्ट्रीय विकास विभिन्नण (कर्ण)	भारत सरकार वन्य जोड़
1.	2.

1. कीटनाशी दवाएं	27,925	39,129	-	67,054
2. दौषिण्यां	-	13,659	-	13,659
3. उपस्कर	75	5,318	100	5,493
4. कार्यवालन व्यय(प्रशिक्षण और बुद्धिमान सहित)	-	28,988	5,470	34,458
जोड़	28,000	87,094	5,570	120,664

1. भारत सरकार का विच वर्ष 1978-79 (अप्रैल 1, 1978-मार्च 31, 1979)

2. विश्व स्वास्थ्य स़ाठन, संयुक्त राष्ट्र कंटाराष्ट्रीय बाल वापातिक निधि, स्वीदिश बन्ताराष्ट्रीय विकास विभिन्नण वादि से प्रत्याहित सहायता ।

INDIA

Gujarat Medium Irrigation Project

*Agreement signed at New Delhi August 26, 1978;
Entered into force August 26, 1978.*

A. I. D. Loan No. 386-T-223

Project No. 386-0464

PROJECT LOAN AGREEMENT

Between

THE PRESIDENT OF INDIA

and

THE UNITED STATES OF AMERICA

for

GUJARAT MEDIUM IRRIGATION

Dated: August 26, 1978

TABLE OF CONTENTS

	Page	[Pages herein]
Article 1: The Agreement	1	4793
Article 2: The Project	1	4793
SECTION 2.1 Definition of Project	1	4793
Article 3: Financing	2	4794
SECTION 3.1 The Loan	2	4794
SECTION 3.2 Borrower Resources for the Project	2	4794
SECTION 3.3 Project Assistance Completion Date	2	4794
Article 4: Loan Terms	3	4795
SECTION 4.1 Interest	3	4795
SECTION 4.2 Repayment	4	4796
SECTION 4.3 Application, Currency, and Place of Payment	4	4796
SECTION 4.4 Prepayment	5	4797
SECTION 4.5 Renegotiation of Terms	5	4797
SECTION 4.6 Termination on Full Payment	6	4798
Article 5: Conditions Precedent to Disbursement	6	4798
SECTION 5.1 First Disbursement	6	4798
SECTION 5.2 Notification	6	4798
SECTION 5.3 Terminal Dates for Conditions Precedent	7	4799
Article 6: Special Covenants	7	4799
SECTION 6.1 Project Evaluation	7	4799
SECTION 6.2 Environmental Assessment	7	4799
Article 7: Procurement Source	7	4799
SECTION 7.1 Foreign Exchange Costs	7	4799
SECTION 7.2 Local Currency Costs	8	4800
Article 8: Disbursements	8	4800
SECTION 8.1 Disbursement for Foreign Exchange Costs	8	4800
SECTION 8.2 Disbursement for Local Currency Costs	9	4801
SECTION 8.3 Other Forms of Disbursement	10	4802
SECTION 8.4 Rate of Exchange	10	4802
SECTION 8.5 Date of Disbursement	10	4802

		<u>Page</u>	[<i>Pages herein</i>]
Article 9:	Miscellaneous	10	4802
SECTION 9.1	Communications	10	4802
SECTION 9.2	Representatives	11	4803
SECTION 9.3	Standard Provisions Annex [1]	12	4804
SECTION 9.4	Language of Agreement	12	4804
Annex 1	Project Description	1	4805

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A. I. D. Loan No. 386-T-223

Project Loan Agreement

Dated: August 26, 1978

Between

The President of India ("Borrower")

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 Borrower of the Project described herein, 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 construction of new and modernization of existing medium irrigation projects in the State of Gujarat. Annex 1, attached, amplifies the above definition of the Project.

Within the limits of the definition of the Project in this Section 2.1, 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 9.2 without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Thirty Million United States ("U.S.") Dollars (\$30,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used to finance foreign exchange costs, as defined in Section 7.1., and local currency costs, as defined in Section 7.2, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

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

(b) The resources to be provided or caused to be provided by the Borrower for the Project are estimated to be not less than the equivalent of U.S. \$15,000,000 including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is June 30, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

financed under the Loan will have been performed and all goods financed under the Loan 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 Loan 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 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement of the Loan hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding

balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be computed on the basis of a 365-day year. Interest will be payable no later than six (6) months after the first disbursement of the Loan hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay without penalty all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of India, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after the delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under sub-section (c). The

negotiations will take place at a location mutually agreed upon by the representatives of the Parties.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement of the names of the persons holding or acting in the office of the Borrower specified in Section 9.2 and a specimen signature of each person specified in such statement;

(c) Evidence that conditions of effectiveness to the International Development Association (IDA) Development Credit with the Borrower and Project Agreement with the Government of Gujarat have been met.

SECTION 5.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1 have been met, it will promptly notify the Borrower.

SECTION 5.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Borrower.

Article 6: Special Covenants.

SECTION 6.1. Project Evaluation. The Borrower agrees to establish an evaluation program satisfactory to the Parties as an integral 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 point 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 6.2. Environmental Assessment. The Borrower understands that AID will finance an environmental assessment during project implementation. The Borrower covenants to consider guidelines and recommendations identified by this environmental assessment.

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements made pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic

Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Standard Provisions Annex, Section C.1(a) with respect to ocean and air shipping and Section C.1(b) with respect to marine insurance.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2 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 India ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs. After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of the 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 the Borrower's behalf for the Project;

(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, through Letters of Credit or otherwise, for such goods or services.

Banking charges incurred in connection with Letters of Credit or Commitment shall be for the account of the Borrower and may be financed under the Loan.

SECTION 8.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursement of funds under the Loan 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 may be reasonably prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements hereunder shall be purchased by A.I.D. with U.S. dollars from the Reserve Bank of India. The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by A.I.D. to obtain the local currency.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. If funds provided under the Loan are introduced into India by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of India at the highest rate of exchange which, at the time the conversion is made, is not unlawful in India.

SECTION 8.5. Date of Disbursement. Disbursements of the Loan by A.I.D. will be deemed to occur (A) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract or purchase order; (B) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2 (b).

Article 9: Miscellaneous

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Borrower:

Mail Address: Secretary to the Government of India
Department of Economic Affairs
Ministry of Finance
New Delhi

Alternate Address ECOFAIRS, NEW DELHI
for telegrams:

To A. I. D.:

Mail Address: **Mission Director**
 USAID
 American Embassy, West Building
 New Delhi

Alternate Address USAID, NEW DELHI
for telegrams:

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 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Director, Department of Economic Affairs, Ministry of Finance, 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 Borrower 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 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

SECTION 9.4. Language of Agreement. This Agreement is prepared in both English and Hindi. In the event of ambiguity or conflict between the two versions, the English language version will be used for final interpretation.

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

THE PRESIDENT OF INDIA

THE UNITED STATES OF AMERICA

By Manmohan Singh By Robert F. Goheen
Name: Manmohan Singh Name: Robert F. Goheen
Title: Secretary to the Government Title: Ambassador
of India
Department of Economic Affairs
Ministry of Finance

¹ See footnote 1, p. 4792.

Annex 1Project Description

The purposes of the Gujarat Medium Irrigation Project (MIP) are (1) to increase food production in Gujarat and (2) to decrease the risks of drought. These purposes will be accomplished through the expansion of irrigated areas in Gujarat by constructing medium-scale irrigation projects.

Achievement of the purposes will contribute to attaining the goals of (1) increased levels of and security of small farmer income, (2) the expansion of rural employment opportunities, and (3) the increased availability of food to the rural and urban poor.

Gujarat's long-range program for bringing cultivable areas under irrigation will be carried out over a span of several years. A five-year (FY 78 to FY 83) time slice of this program will be co-financed by AID (\$30 million) and IDA (\$85 million) with a view to accelerating the rate of expansion of irrigated areas in Gujarat. Both AID's and IDA's contributions will finance the local costs of constructing medium-scale irrigation systems. A minor portion of IDA's contribution will finance the procurement of river-gauging equipment from both local and foreign sources.

The Project, which aims to alleviate a prime constraint to increased food production (the lack of a reliable water supply), consists of the following elements: (1) the completion of on-going

and the execution of new MIPs in Gujarat, (2) the modernization of existing MIPs to bring these to standards established for new MIPs, (3) the establishment of automatic discharge measuring stations and the acquisition of vehicles for their operation (with financial assistance from IDA), and (4) the preparation of evaluation studies and monitoring of the Project. The Project is expected to be completed by June 30, 1983.

Individual MIPs will be designed and constructed according to agreed-upon technical and economic criteria as follows:

1. Technical: (a) Canal systems for both new and modernized MIPs will be lined and (b) public outlets will serve 8 hectare (20 acres) blocks of command areas.
2. Economic: Individual MIPs eligible for financing will have an economic rate of return of not less than 12% and a benefit/cost ratio of not less than 1.0.

The Government of Gujarat (GOG) through its Irrigation Wing of the Public Works Department (PWD) will be responsible for each individual MIP preparation, implementation, operation, and maintenance with periodic review by the Appraisal Committee (AC) of the Government of India's (GOI) Central Water Commission (CWC) under the Ministry of Agriculture and Irrigation. The AC will also

be responsible for the appraisal and monitoring of MIP progress and will approve MIPs in accordance with the established technical and economic criteria for those MIPs costing up to \$8.1 million (Rs. 70 million). IDA will retain its approval authority for MIPs costing above this limit with information copies of its appraisal provided to AID.

जन्तरांद्रोय विज्ञास अधिकारण संख्या सं0386-टी-223

परियोजना संख्या 386-0464

परियोजना संख्या कठार

जी

भारत के राष्ट्रपति

जौर

संयुक्त राज्य अमेरिका

के द्वाव

गुजरात में मध्यम स्तर की लिंगार्ह

के लिए

दिनांक 26 अगस्त, 1978 के लिए निम्न हुआ

विषय सूची

पृष्ठ संख्या

अनुच्छेद 1 :	करार	1
अनुच्छेद 2 :	परियोजना	1
धारा 2.1	परियोजना की पर्याप्ति	1
अनुच्छेद 3 :	वित्तपोषण	2
धारा 3.1	स्थप	2
धारा 3.2	परियोजना के दिल सम्पर्कता के साथन	2
धारा 3.3	परियोजना लदावना समाप्ति की तारीख	2
अनुच्छेद 4 :	स्थप की शर्तें	3
धारा 4.1	ब्याज	3
धारा 4.2	दापसी अदायगी	4
धारा 4.3	अदायगी का अनुप्रयोग, मुदा और स्थान	4
धारा 4.4	पूर्व-अदायगी	5
धारा 4.5	शर्तों के बारे में पुनः बातचीत	5
धारा 4.6	एरी अदायगी कर दिल जाने पर करार और दायेंद्री की समाप्ति	6
अनुच्छेद 5 :	सीवितरण से पूर्वगामी शर्तें	6
धारा 5.1	प्रथम सीवितरण	6
धारा 5.2	अधिसूचना	7
धारा 5.3	पूर्वगामी शर्तें के लिए समाप्ति की तारीखें	7
अनुच्छेद 6 :	विशेष प्रसविधाएं	7
धारा 6.1	परियोजना का गृह्यक्षम	8
धारा 6.2	पर्यावरण गृह्यक्षम	8
अनुच्छेद 7 :	प्राप्ति खोल	8
धारा 7.1	विदेशी मुदा लागत	8
धारा 7.2	स्थानीय मुदा लागत	8

अनुच्छेद ८ :	संवितरण	९
शारा ८.१	विदेशी मुद्रा लागत के लिए संवितरण	९
शारा ८.२	स्थानीय मुद्रा लागत के लिए संवितरण	१०
शारा ८.३	संवितरण के अन्य रूप	१०
शारा ८.४	विनियम की दरें	१०
शारा ८.५	संवितरण की तारीख	११
अनुच्छेद ९ :	विविष्ट	११
शारा ९.१	पश्चादि	११
शारा ९.२	प्रतिनिषेद्ध	१२
शारा ९.३	मानक उपचयों का अनुबंध	१३
शारा ९.४	करार की भाषा	१४
अनुबन्ध		
अनुबन्ध I :	परियोजना का वर्णन	१ - २

अन्तर्राष्ट्रीय विकास अभियान लूप सं0386-टा-22

परियोजना समा करार

जो

भारत के तद्देशी ('भषकर्ता')

जोर

अन्तर्राष्ट्रीय विकास अभियान ('भ०आईडी०')

के माध्यम से कर्त्ता करते हुए संयुक्त राज्य अमेरिका

के बीच

दिनांक 26 अगस्त, 1978 वो निष्पन्न हुआ।

अनुच्छेद 1 : करार

इस करार का प्रयोजन स्पष्टर्ता द्वारा इसमें वर्णित परियोजना का भार अपने ऊपर लिए जाने के संबंध में जोर उपर्युक्त पदों ('पदों') द्वारा परियोजना के वित्त-पोषण के संबंध में पक्षों में हुई नहीं मतियों के अधिव्यक्त करता है।

अनुच्छेद 2 : परियोजना

शारा 2.1. परियोजना की परिभाषा : इस परियोजना में, निम्न अनुबंध में और जागे वर्णि किया गया है, गुजरात राज्य में मध्यम स्तर की नई परियोजनाओं का निर्माण और नीचूदा परियोजनाओं का आधुनिकीकरण शामिल होता। स्वरूप अनुबंध परियोजना की उपर्युक्त परिभाषा को प्रवोदित करता है।

इस शारा 2.1 में दी गई परियोजना की परिभाषा की सीमाओं के अन्दर रहते हुए अनुबंध 1 में उल्लेखित प्रवोदित वर्णन के तत्वों में, इस करार गे औपचारिक

संशोडन द्वारा दिया, धारा 9.2 में बताए गए दोनों पक्षों के ग्राहित करने की अधिकारीयता सहमति से, फेरबदल किया जा सकता है।

अनुच्छेद 3 : वित्तपोषण

धारा 3.1. सूचना : परियोजना के कार्यान्वयन की लागत ने पूरा करने में सहकर्ता की सहायता करने के लिए अन्तर्राष्ट्रीय विकास अधिकारी 1961 के अधिकारीयता विदेशी सहायता अधिकारीयम का अनुसरण करते हुए, इस कारण की लागतों के अंतर्गत लगभग दो अधिक से अधिक तीन करोड़ संयुक्त राष्ट्र अमेरिकी डालर (3,00,00,000 डालर) उधार ('सूचना') देने पर सहमत है। इस सूचना के अंतर्गत सेवकरणों की कुल राशि का उल्लेख 'फूलइन' के रूप में किया जाएगा।

इस सूचना का उपयोग परियोजना के लिए आवश्यक वस्तुओं और सेवाओं के, धारा 7.1 में यथा परिभाषित विदेशी मुद्रा लागत और धारा 7.2 में यथा परिभाषित स्थानीय मुद्रा लागत को पूरा करने के लिए किया जा सकता है।

धारा 3.2. परियोजना के लिए लगभगता के साधन :

(क) लगभगता, परियोजना के प्रभावकरी और सामरिक ढंग से कार्यान्वयन के लिए, सूचना के अन्तिरिक्त, अपेक्षित सभी इनराशियों और अन्य सभी साधनों की व्यवस्था करने अपवा करवाने के लिए सहमत है।

(ब) परियोजना के लिए लगभगता जितने साधनों की व्यवस्था करेगा अपवा करवाएगा उनकी राशि अनुमानतः 1,50,00,000 संयुक्त राष्ट्र अमेरिकी डालर के बराबर की राशि से कम नहीं होगी जिसमें 'वस्तुपूर्प' में वहन की गई लागत की रकम शामिल है।

धारा 3.3. परियोजना सहायता समर्पित की तारीख

(क) 'परियोजना सहायता समर्पित की तारीख', जो 30 जून, 1983

है अथवा दोनों पक्षों द्वारा लिखित रूप में परस्पर सम्झौते के बीच जोर तारीख हो सकते हैं, वह तारीख है जिस तक दोनों पक्षों के अनुमति से इस करार में पारक्रियत परियोजना के लिए रूप के अंतर्गत वित्तपोषित सभी सेवाएँ सम्भव हो जाएंगी जोर रूप के अंतर्गत वित्तपोषित की जाने वाली सभी वस्तुएँ जुड़ा ली जाएंगी।

(ब) उस स्थिति यो छोड़ कर जबकि अन्तर्राष्ट्रीय विकास अभिकरण लिखित रूप अन्यथा सहमत हो जाए, अन्तर्राष्ट्रीय विकास अभिकरण ऐसा ब्रेंड दस्तावेज जारी या अनुमोदित नहीं करेगा, जिससे परियोजना सहायता समाप्ति की तारीख के बाद सम्बन्ध की गई सेवाओं के लिए अथवा परियोजना सहायता समाप्ति की तारीख के बाद इस करार में यथा परिक्रियत, परियोजना के लिए जुटाई गई वस्तुओं के बाहरे रूप के संवितरण का प्राप्तिकार प्राप्त हो।

(ग) संवितरण के लिए अनुरोध जीर्योजना कार्यान्वयन पक्षों में निर्धारित आवश्यक समर्थक दस्तावेजों के साथ, अन्तर्राष्ट्रीय विकास अभिकरण द्वारा या घार ८। में वर्णित किसी बैंक द्वारा परियोजना सहायता समाप्ति की तारीख के बाद अधिक से अधिक नो (9) महीने तक अथवा अन्तर्राष्ट्रीय विकास अभिकरण द्वारा लिखित रूप में सम्झौते अन्य किसी अवधि तक प्राप्त किए जाएंगी। ऐसी जबोधि के बाद, स्थलकर्ता को लिखित नोटिस देकर, अन्तर्राष्ट्रीय विकास अभिकरण किसी भी समय अथवा किन्तु भी समयों पर रूप के बह सारी राशि अथवा उत्तरा ब्रेंड इक्षु घटा सकता है जिस संवितरण के लिए अनुरोध, परियोजना कार्यान्वयन पक्षों में निर्धारित आवश्यक समर्थक दस्तावेजों के साथ उस अवधि के समाप्त होने से पहले प्राप्त न हुए हों।

अनुच्छेद 4 : रूप की शर्तें

धारा 4.1. बाज़ : सूचकार्ता अन्तर्राष्ट्रीय विकास अभिकरण ने इसके अंतर्गत रूप के प्रथम संवितरण की तारीख के बाद दस वर्ष के लिए दो प्रतिशत

(2 प्रतिशत) की दर से और उसके बाद मूलधन की बकाया राशि और व्याज की देय और अदत्त राशि पर दीन प्रतिशत (3 प्रतिशत) की दर से व्याज देगा। बकाया राशि पर व्याज प्रतिवेद लंबाईत संवितरण की (शारा 8.5 मैं प्रथा-परिमापित) तारीख से लगेगा और उसकी संगमना 365 दिन के वर्ष के आधार पर की जाएगी। व्याज की राशि अन्तर्राष्ट्रीय विकास अभियान द्वारा निर्दिष्ट इसी तारीख को, सूच के अन्तर्गत किए जाने वाले प्रथम संवितरण के आधार से आधिक छह (6) महीने के बाद देय होगी।

शारा 4.2. बाहुदी अदायगी : सूचकार्ता अन्तर्राष्ट्रीय विकास अभियान वो मूलधन की वापसी अदायगी सूच के प्रथम संवितरण की तारीख से यातीस (40) वर्ष के अन्दर-अन्दर मूलधन और व्याज की तारीख के साथै नौ ($9\frac{1}{2}$) वर्ष के बाद देय होगा। सूच के अंतर्गत अन्तिम संवितरण हो जाने के बाद, अन्तर्राष्ट्रीय विकास अभियान इस शारा के अनुसार सूचकार्ता को एक परिशोधन अनुसृची प्रदान करेगा।

शारा 4.3. अदायगी का अनुदोग, मुद्रा और स्थान : इस करार के अधीन व्याज और मूलधन की सभी अदायगीयाँ संयुक्त राष्ट्र अमेरिकी डालरों में की जाएंगी, और पहले देय व्याज की अदायगी को जारी और उसके बाद मूलधन की वापसी अदायगी। उस स्थिति के छोड़कर जबकि अन्तर्राष्ट्रीय विकास अभियान निश्चित रूप में अन्धका निर्दिष्ट करे, अदायगीयाँ नियंत्रक, वित्तीय प्रबन्ध कर्त्तात्मक, अन्तर्राष्ट्रीय विकास अभियान, वाशिंगटन, डी०सी० 20523, संयुक्त राष्ट्र अमेरिका को की जाएंगी और वित्तीय प्रबन्ध के कर्त्तात्मक में प्राप्त होते ही ये अदायगीयाँ की गई जान नी जाएंगी।

शारा ४.४. पूर्व-अदायगी : समस्त व्याज और उस समय देय किन्हीं वापरियं

की अदायगी के बाद, लग्नकर्ता, बिना अर्धन्दष्ट के, मूलदण की सारो रकम या उसके कुछ भूग की पूर्व-अदायगी कर सकेगा। जब तक इन अन्तर्राष्ट्रीय विकास अभिकरण तिथित रूप में अन्यथा सहमत न हो जाए, ऐसी कोई भी पूर्व-अदायगी मूलदण की किसी पर उनकी घोरव्यक्ता के यिलोम क्रम में अनुप्रयुक्ति की जाएगी।

शारा ४.५. शर्तों के बारे में पुनः बातचीत :

(क) ऐसी सूरत में, जबकि भारत की आन्तरिक और बाह्य आर्थिक एवं वित्तीय स्थिति तथा सम्माव्यताओं में उत्तेजनीय और तगातार सुवार लोता रहे जिससे लग्नकर्ता लक्ष की वापसी अदायगी कम समय में करने में समर्थ हो जाए तो लग्नकर्ता और अन्तर्राष्ट्रीय विकास अभिकरण, जिसी ऐसे समय जिसके तिर दोनों में से कोई भी पथ अनुरोध करे, लक्ष की वापसी अदायगी के त्वारित करने के लिए बातचीत करने के बास्ते सहमत न हो सकते हैं।

(घ) इस प्रकार की बातचीत के लिए दोनों में से किसी एक पक्ष द्वारा दूसरे पक्ष के अनुरोध शारा १.। के अनुसरण में किया जाएगा और उसमें उस व्यक्ति या उन व्यक्तियों का नाम और पता दिया गया होगा जो ऐसी बातचीत में अनुरोधकर्ता पक्ष का प्रतिनिष्ठित करेगा/करेंगी।

(ग) बातचीत जा अनुरोध-पत्र दिए जाने के तीस(30) दिन के अन्दर-अन्दर, अनुरोधित पक्ष, शारा १.। के अनुसरण में, उस व्यक्ति या उन व्यक्तियों के नाम और पतों की सूचना दूसरे पक्ष को भेज देगा, जो अनुरोधित पक्ष का प्रतिनिष्ठित करेगा/करेंगी।

(इ) उप-शारा (ग) के अंतर्गत अनुरोधित पक्ष को पत्रादि दिए जाने के अधिक से अधिक तीस (30) दिन के अन्दर-अन्दर पतों के प्रतिनिष्ठित बातचीत करने के लिए

बैठक करेंगे । यह रात्रीत पक्षों के ग्राहीनाइयों द्वारा परस्पर-सम्मत स्थान पर होगा

भारा 4.6. पूरी अदायगी कर दिए जाने पर करार और दायिक्त्वों की समाप्ति
मूलधन की ओर उक्त पर लगने वाले व्याज की पूरी अदायगी कर दिए जाने पर, यह
करार और इसके अंतर्गत झणकर्ता नव्हा अन्तर्राष्ट्रीय विकास अभियान के सभी दायिक्त्व
समाप्त हो जाएगी ।

अनुच्छेद 5 : संभितरण से पूर्वगामी शर्तें

भारा 5.1. प्रथम संभितरण : इस स्थूल के अंतर्गत प्रथम संभितरण से पूर्व
अधिकार अन्तर्राष्ट्रीय विकास अभियान द्वारा उस दस्तावेज के जारी दिए जाने से पूर्व,
जिसके अनुसरण में संभितरण किया जाएगा, झणकर्ता अन्तर्राष्ट्रीय विकास अभियान के,
अभियान द्वारा लिपित रूप में अन्धा सहमत हो जाने की स्थिति को छोड़ कर,
निष्पत्तिवित कागजपत्र अन्तर्राष्ट्रीय विकास अभियान के लिए संतोषप्रद रूप और भाव
में प्रस्तुत करेगा :

(क) अन्तर्राष्ट्रीय विकास अभियान को स्वीकार्य काउन्सेल का मत जिसमें यह
व्यक्त किया गया हो कि यह करार सम्पूर्ण रूप से झणकर्ता द्वारा ग्राहिकृत और/या
अनुसमर्पित और उनकी ओर से निष्पादित किया गया है और यह करार उसकी सभी
शर्तों के अनुसार झणकर्ता का विषिमान्त्रित और वेच रूप से आवदृष्टकर दायित्व है ।

(ख) भारा 9.2 में विनिर्दिष्ट झणकर्ता के कार्यालय के पदांधरीरियों अधिका
वहाँ कार्य करने वाले व्यक्तियों के नामों का विवरण और ऐसे विवरण में विनिर्दिष्ट
प्रत्येक व्यक्ति के हालात एवं नमूना ।

(ग) इस चाल का साथ कि झणकर्ता के साथ अन्तर्राष्ट्रीय विकास संघ विकास
झण और गुजरात सरकार के साथ परियोजना करार की प्रभावशालिता की शर्ते पूरी
हो गई है ।

शारा 5.२. अधिकृत्यना : जब अन्तर्राष्ट्रीय विकास अभियान को यह निश्चय हो जाएगा कि शारा 5.। में विनिर्दिष्ट पूर्वगामी शर्तें पूरी हो गई हैं, तब वह तत्संकर्ता को अधिकृत्यन कर देगा ।

शारा 5.३. पूर्वगामी शर्तों के लिए समाप्ति की तारीखें : यदि शारा 5.। में विनिर्दिष्ट तारीख शर्ते इस करार को तारीख से या ऐसी भिन्नी बाद की तारीख से, जिसके संबंध में अन्तर्राष्ट्रीय विकास अभियान लिखित रूप में सहमत हो जाए, 90 दिन के अन्दर-अन्दर पूरी न कर दी गई हो, तो अन्तर्राष्ट्रीय विकास अभियान, अपने विरूप के अनुलाल, संकर्ता को लिखित नोटिस देकर, इस करार को समाप्त कर सकेगा ।

अनुछेद 6 : विशेष प्रसंविदा

शारा 6.।. परियोजना का मूर्यांकन : संकर्ता, इस परियोजना के अभिन्न ग्रंथ के रूप में, एक मूर्यांकन कार्यक्रम की व्यवस्था करने के लिए सहमत है जो कि दोनों पक्षों के लिए सहोमाप्त होगा । उस स्थिति के छोड़ कर, जबकि दोनों पक्ष लिखित रूप में अन्यथा सहमत हों, इस कार्यक्रम में, परियोजना के जारी-व्यवन के दौरान और उसके पश्चात, एक अवस्था हो यह मर्यादा शामिल होगे, : (क) परियोजना के उद्देश्यों से पूर्ण की दिशा में हुई प्रगति का मूर्यांकन करना ; (ख) समस्यामूलक क्षेत्रों या मनवृत्तियों व यस तगाना तथा उनका मूर्यांकन करना जो इन उद्देश्यों की पूर्ति में वाष्पक लिद्ध हो सकती है ; (ग) इस बात का निर्दर्शन करना कि इस तरह की जानकारी जो इन समस्याओं को हल करने के लिए किस तरह से उपयोग में लाया जा सकता है ; और (घ) जहाँ तक व्यवहार्य हो, वहाँ तक, परियोजना के कुल मिलाकर विभिन्न संबंधी प्रभाव का मूर्यांकन करना ।

शारा 6.2. पर्यावरण मूर्योंकल : स्थानकर्ता और विदेशी है कि परियोजना के कार्यान्वयन काल में अन्तर्राष्ट्रीय विकास अभिकरण पर्यावरण मूर्योंकल का वित्तपोधन करेगा। स्थानकर्ता उन पर्यावरण मूर्योंकलों के परिणामस्वरूप नियंत्रित मार्गनीनेंद्रियों और सिफारिशों पर धिनार करने का वचन देता है।

अनुच्छेद 7 : ग्राहित द्वारा

शारा 7.1. विदेशी मुद्रा लागत : उस स्थिति को छोड़ नर जनक अन्तर्राष्ट्रीय विकास अभिकरण दिविन रूप में अन्यथा सहमत हो तथा उस स्थिति को भी छोड़ कर किसी व्यवस्था मानक उपबन्धों के अनुबंध में समुद्री और हवाई वहन के संबंध में पारा ग.। (क) में और समुद्री वीमे के संबंध में शारा ग.। (व) में की गई है, शारा 8.1 के अनुसरण में सीधतरित इनराशियों से केवल परियोजना के लिए आवश्यक उन वस्तुओं तथा सेवाओं की लागत के वित्तपोधन के लिए ही उपयोग में लाया जा सकेगा, जिनका द्वारा उद्भव ऐसे देशों में है जिनमें अन्तर्राष्ट्रीय विकास अभिकरण के भौगोलिक कूट पुस्तक के कूट 94। में, जैसा कि वह इन वस्तुओं तथा सेवाओं का आईर दिए जाने के समय अथवा इनके संबंध में ('विदेशी मुद्रा लागत') सीधा किए जाने के समय प्रवृत्त होगा, शामिल फिल्ड गया होगा।

शारा 7.2. स्थानीय मुद्रा लागत : उस स्थिति को छोड़कर जनक अन्तर्राष्ट्रीय विकास अभिकरण अन्यथा सहमत हो जाए, शारा 8.2 के अनुसरण में सीधतरित इनराशियों को केवल परियोजना के लिए आवश्यक उन वस्तुओं तथा सेवाओं की लागत के वित्तपोधन के लिए ही उपयोग में लाया जा सकेगा, जिनका द्वारा और उद्भव भारत में है ('स्थानीय मुद्रा लागत')। उस सीमा तक, किसी व्यवस्था इस करार में की गई है, 'स्थानीय मुद्रा लागत' में परियोजना के लिए आवश्यक

स्थानीय मुद्रा साधनों की व्यवस्था भी शामिल हो सकती ।

अनुच्छेद ४ : सीवितरण

शारा ४। विदेशी मुद्रा लागत के लिए सीवितरण : पूर्वगामी शर्तों का पालन किए जाने के बाद, झणकर्ता, परियोजना के लिए आवश्यक वस्तुओं तथा सेवाओं की विदेशी मुद्रा की लागत को पूरा करने के लिए सून में से, इस कारण की शर्तों के अनुसरण में, बनरायियों का सीवितरण ऐसे नियमितवित तरीकों से प्राप्त कर सकता है जिनमें परस्पर सहभाग से तय किया गया हो :

(१) अन्तर्राष्ट्रीय विकास अभियान के परियोजना कार्यान्वयन पत्रों में विविहत आवश्यक समर्थनकारी दस्तावेजों के साथ, (क) ऐसी वस्तुओं तथा सेवाओं के संबंध में प्रतिपूर्ति के लिए अनुरोध भेजकर ; अथवा (इ) अन्तर्राष्ट्रीय विकास अभियान को यह अनुरोध भेजकर कि वह परियोजना के लिए झणकर्ता की ओर से वस्तुओं अथवा सेवाओं को दाप्त करे ;

(२) अन्तर्राष्ट्रीय विकास अभियान सो यह अनुरोध करके कि वह विनिर्दिष्ट राशियों के लिए (क) अन्तर्राष्ट्रीय विकास अभियान के लिए संलोपद्वारा एक या एक से अधिक संयुक्त राष्य क्रमोंकी वैमेंटो व्यवनवदृता पत्र जारी करे, जिनके द्वारा अन्तर्राष्ट्रीय विकास अभियान, ऐसे वैक वा वैमेंटो से, उनके द्वारा सीविदाकर्ताओं अथवा पूर्तिकर्ताओं को इन वस्तुओं अथवा सेवाओं के लिए सामाप्तों के अंतर्गत अथवा अन्यथा की गई अदायगियों के संदर्भ में प्रतिपूर्ति करने के लिए व्यवनवदृत हो जाए अथवा (ख) एक या एक से अधिक सीविदाकर्ताओं अथवा पूर्तिकर्ताओं द्वे सीधे व्यवनवदृता पत्र जारी करे जिनके द्वारा अन्तर्राष्ट्रीय विकास अभियान इस प्रकार के सीविदाकर्ताओं अथवा पूर्तिकर्ताओं को इन वस्तुओं अथवा सेवाओं के संबंध में सामाप्तों के द्वारा

अथवा अन्यथा ज्ञायगी करने के लिए वजनबदूष हो जाए ।

साथपत्रों अथवा वजनबदूषता पत्रों के संबंध में उल्पन्न होने वाले बैंक प्रभार, स्पष्टकर्ता के लेखे होंगे और उनके स्थल के अंतर्गत क्लिंटपोषित किया जा सकेगा ।

धारा 8.2. स्थानीय मुद्रा लागत के लिए संवितरण

(क) पूर्वगांगी शर्तों का पालन किया जाने के बाद, स्पष्टकर्ता, परियोजना के लिए आवश्यक स्थानीय मुद्रा लागत की मूर्ति के लिए स्थल के अंतर्गत, इन रुमार की शर्तों के अनुसार इन लागतों के वित्तपोषण के लिए अन्तर्राष्ट्रीय विकास अभियान के परियोजना कार्यान्वयन पत्रों में युक्तियुक्त रूप से निर्णीत समर्थनमारी दस्तावेजों के साथ अनुरोध पत्र भेजकर, इनराशेयों का संवितरण प्राप्त कर सकेगा ।

(ख) इसके अंतर्गत ऐसे संवितरणों के लिए आवश्यक स्थानीय मुद्रा, अन्तर्राष्ट्रीय विकास अभियान के द्वारा संयुक्त राष्य अमेरिकी डालरों के बदले, भारतीय रिजर्व बैंक से छारीदी जाएगी । इसके अंतर्गत उपलब्ध कराई गई स्थानीय मुद्रा के बराबर के संयुक्त राष्य अमेरिकी डालर, संयुक्त राष्य अमेरिकी डालरों की उस राशि के बराबर होंगे, जिसने आवश्यकता अन्तर्राष्ट्रीय विकास अभियान को स्थानीय मुद्रा प्राप्त करने के लिए होगी ।

धारा 8.3. संवितरण के अन्य रूप : इस स्थल में से राशियों का संवितरण ऐसे अन्य माध्यमों से भी किया जा सकेगा, जिनके संबंध में दोनों पक्ष लिखित रूप से सहमत होंगे ।

धारा 8.4. विनियम की दरें : यदि इस स्थल के अंतर्गत उपलब्ध कराई गयी अन्तर्राष्ट्रीय विकास अभियान अथवा किसी सरकारी अथवा गैरसरकारी

भ्रमिकरण द्वारा इस करार के अंतर्गत अन्तर्राष्ट्रीय विकास भ्रमिकरण के दायित्वों को पूरा करने के प्रयोजन से भारत में लायी जाती है, तो सूक्ष्मता ऐसे आवश्यक पूर्वान्वय करेगा जिनमें इन धनराशियों को ऐसी उच्चतम विनियम दर पर भारत की मुद्रा में संपरिवर्तित किया जा सके, जो कि उस समय जबकि संपरिवर्तन किया जाए, भारत में विवेद्य-पिस्तृ न हो ।

धारा 8.5. संवितरण की तारीख : अन्तर्राष्ट्रीय विकास भ्रमिकरण के द्वारा इस सूच का संवितरण उस तारीख को किया गया सम्भाला जाएगा (क) जिस तारीख को अन्तर्राष्ट्रीय विकास भ्रमिकरण सूचकर्ता को जटवा उसके नामित व्यक्ति को अथवा वञ्चनबद्धता पत्र, संविदा अथवा कृप्य आदेश के अनुसरण में किसी वैक, संविदाकार अथवा पूर्तिकर्ता जो संवितरण कर दे अथवा (ख) जिस तारीख को अन्तर्राष्ट्रीय विकास भ्रमिकरण धारा 8.2 (घ) के अनुसार प्राप्त स्थानीय मुद्रा सूचकर्ता को अथवा उसके नामित व्यक्ति को संविनारित कर दे ।

अन्त्येष्टि 9 : विवेद

धारा 9.1. पत्रादि : इस करार के अंतर्गत दोनों पक्षों में से किसी भी एक पक्ष के द्वारा दूसरे पक्ष को जो कोई नोटिस, अनुरोध, दस्तावेज अथवा अन्य पत्रादि भेजा जाएगा वह सिखित रूप में अथवा तार या केबल के द्वारा भेजा जाएगा तथा उसको उसी समय उस पक्ष के सम्पर्क रूप से दिया गया या भेजा गया सम्भाला जाएगा जबकि उसे उस पक्ष द्वारा निम्नानुसूति पते पर सुपुर्द कर दिया जाएगा, अर्थात् ।

सूचकर्ता :

डाक का पता :

संविव, भारत सरकार,
कित्त मंत्रालय, आर्थिक वर्ज विभाग,
नई दिल्ली

तार के लिए वैकर्णपक पता :

इंक्रेप्यर्स, नई दिल्ली

अन्तर्राष्ट्रीय विकास अभियान :

डाक का पता :

मिशन निदेशक, संयुक्त राज्य अमेरिका
का अन्तर्राष्ट्रीय विकास अभियान,
अमेरिका राजदूतावास, पश्चिमी भवन,
नई दिल्ली

तार के लिए वैकर्णपक पता :

यू.एस.ए. डाइ.डी.ओ., नई दिल्ली

जब तक कि दोनों पक्ष रिहाइट रूप में अन्यथा सहमत न हो जाए, इस तरह
के सभी पत्रादि अँग्रेजी भाषा में होंगे। नोट्स देकर उपर्युक्त पतों के बदले दूसरे
पते भी रखे जा सकते हैं।

धारा 9.2. प्रतिनिधि : इस करार से संबंधित सभी प्रयोजनों के लिए,
सचिकर्ता का प्रतिनिधित्व आर्थिक क्षर्य विभाग, वित्त मंत्रालय के निदेशक के पद को
वारण करने वाले व्यक्ति अथवा उस पद का कार्य करने वाले व्यक्ति के द्वारा तथा
अन्तर्राष्ट्रीय विकास अभियान का प्रतिनिधित्व मिशन निदेशक के पद के वारण करने :
व्यक्ति अथवा उस पद जल कार्य करने वाले व्यक्ति के द्वारा किया जासगा, और इन्होंने
से प्रथेक लिखित नोट्स देकर, अनुदेश। मैं दिस गश प्रवीदूर्जत वर्षन के तत्वों
को धारा 2.1 के अंतर्गत पुनरीक्षित करने के अधिकारों का प्रयोग लिए जाने से
मिन्न सभी अंद्र प्रयोजनों के लिए, अतिरिक्त प्रतिनिधियों को भी नामित कर सकता।
सचिकर्ता के प्रतिनिधियों के नाम तथा उनके हस्ताक्षरों के नमूने, अन्तर्राष्ट्रीय विकास
अभियान के भेजे जाएंगे, जो कि इस करार के कार्यव्यवन के सितसिते मैं इस प्रकार
के प्रतिनिधियों के द्वारा हस्ताक्षरित लिसी भी प्रतेक और सम्पर्क रूप से प्राप्तिकृत

प्रतेर के रूप में तब तक स्वीकर कर सकेगा जब तक कि उनके प्राप्तिकर के प्रतिसंहरण के लिए नोट्स उसे प्राप्त नहीं होगा।

शारा 9.3. मानक उपर्योगी का अनुबंध : एक 'परियोजना इच्छा मानक उपर्योगी का अनुबंध' (अनुबंध 2) इस कारार से संतुलन है तथा इसका अंग है।

शारा 9.4. कारार की भाषा : यह कारार अंग्रेजी और हिन्दी दोनों माध्यम में तैयार किया गया है। दोनों पाठों में परस्पर विरोध या असम्भवता होने की सूरत में, अंग्रेजी पाठ से इतिम अर्थनिर्णय के तिर प्रयोग में लाया जायगा।

इसके साथ मैं, संघकर्ता तथा संयुक्त राष्ट्र अमेरिका ने, अपने अपने सम्बद्ध से प्राप्तिकृत प्रतिनिषेध के माध्यम से कर्त्य करते हुए, इस कारार वे अपर प्रथमांकित दिन और कर्त्य में अपने अपने नाम में हस्ताक्षरित रवं सुपुर्द कराया है।

भारत के राष्ट्रपति

संयुक्त राष्ट्र अमेरिका

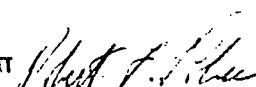
द्वारा संवादर संदृ

(मनमोहन सिंह)

सचिव, भारत सरकार

आर्थिक कर्त्य विभाग

वित्त मंत्रालय

द्वारा 

(राष्ट्र स्क. गोहीन)

राजदूत

अन्तर्राष्ट्रीय विकास अभियान संघ संख्या 366-टी-22

अनुबंध ।

गुजरात में मध्यम स्तर की सिंचाई परियोजना करार के लिए परियोजना का

गुजरात में मध्यम स्तर की सिंचाई परियोजना के प्रयोजन ये हैं :

- (1) गुजरात में खाद्यान्न के उत्पादन में वृद्धि करना और (2) सूखे की जौहियों को कम करना । इन प्रयोजनों की पूर्ति मध्यम स्तर की सिंचाई परियोजनाओं के निर्माण के द्वारा गुजरात में विस्तार करके की जाएगी ।

प्रयोजनों की पूर्ति से इन लक्ष्यों को प्राप्त करने में योगदान मिलेगा ।

- (1) छोटे विसानों की आय के स्रोतों को बढ़ाना और उनके आईज सुरक्षा प्रदान करना
- (2) ग्रामीण दोजातार के अवसरों का विस्तार करना और (3) ग्रामीण और शहरी निर्वाचन के लिए खाद्यान्न की उपलब्धता बढ़ाना ।

सेती-योग्य स्रोतों द्वारा सिंचाई के अनुरूप लाने के लिए गुजरात के दीर्घकालिक कार्यक्रम को कई बर्षों की अवधि में पूरा किया जाएगा । गुजरात में सिंचित स्रोतों के विस्तार की गति जो हेज करने के लिए इस कार्यक्रम के पांच वर्ष (द्वितीय वर्ष 1978 से द्वितीय वर्ष 1983 तक) के भाग का वित्तपोषण अन्तर्राष्ट्रीय विकास अभियान (3 करोड़ डालर) और अन्तर्राष्ट्रीय विकास संघ (8.5 करोड़ डालर) द्वारा संयुक्त रूप से किया जाएगा । अन्तर्राष्ट्रीय विकास अभियान और अन्तर्राष्ट्रीय विकास संघ दोनों के अंशदान से मध्यम स्तर की सिंचाई ग्रामांशियों के निर्माण की स्थानीय लागतों का वित्तपोषण किया जाएगा । अन्तर्राष्ट्रीय विकास संघ के अंशदान के एक छोटे भाग से स्थानीय और विदेशी स्रोतों से नदी प्रामाणी उपस्थिति प्राप्त किया जाएगा ।

परियोजना में, फिलका लक्ष्य खाद्यान्न उत्पादन में वृद्धि करने में ज्ञाने वाली मुख्य स्कॉल (नियन्त्रित जलपूर्ति का अनुग्रह) को दूर करना है, निम्नलिखित छठकन्तर्यांशमिल हैं : (1) गुजरात में मध्यम स्तर की चालू सिंचाई परियोजनाओं को पूरा करना और नई परियोजनाओं के कार्यान्वयन करना (2) मध्यम स्तर की गोजूदा सिंचाई परियोजनाओं का आपूर्तिकरण करना ताकि उन्हें नई परियोजनाओं के लिए स्थापित आवश्यक पर ताया जा सके ; (3) स्वदातित नियन्त्रण मापक क्रेडिटों की स्थापना करना और उनके संचालन के लिए (अंतर्राष्ट्रीय विकास संघ की वित्तीय सहायता से) गांडियां प्राप्त करना ; और (4) मूर्यांकन ग्रहण करना और

परियोजना का परिवेदण करना। आवा है कि परियोजना 30 जून, 1983 तक पूरी हो जाएगी।

मध्यम स्तर के प्रत्येक सेंचार्ड परियोजना का जापेक्षण (हिजाइन) और निर्माण परस्पर समत तकनीकी और आर्थिक मानदण्डों के अनुसार किया जाएगा जो इस प्रकार है :

1. तकनीकी : (क) मध्यम स्तर की नई और आधुनिकीकृत सिंचार्ड परियोजना के लिए नहर प्रकाशियों में जल्लर तागादा जाएगा और (ख) सार्वजनिक निर्गम कमान क्षेत्रों के 8 हेक्टेयर (20 एकड़ी) के घट्ठों की सिंचार्ड करेंगे।

2. आर्थिक : वित्तपोषण के लिए पात्र मध्यम स्तर की प्रत्येक सिंचार्ड परियोजना प्रतिशत की आर्थिक दर 12 प्रतिशत से कम नहीं होगी और लाभ/लागत अनुपात 1.0 से कम नहीं होना चाहिए।

गुजरात सरकार अपने लोक निर्माण-कर्त्तव्य विभाग के सिंचार्ड संबंध के माध्यम से मध्यम स्तर की प्रत्येक सिंचार्ड परियोजना के निर्माण, कार्यान्वयन, संशोधन और अनुरक्ष के लिए उत्तरदायी होगी और भारत सरकार के कृपि और सिंचार्ड मौतालय के अंतर्गत केन्द्रीय जल आयोग के आकलन समिति द्वारा समय समय पर इसकी समीक्षा की जाएगी। आकलन समिति मध्यम स्तर की सिंचार्ड परियोजना की प्रगति के आकलन और परिवीक्षण के लिए भी उत्तरदायी होगी और 8। लाख डालर (7 करोड़ रुपय) तक की लागत वाली उपरियोजनाओं के लिए स्थागित तकनीकी और आर्थिक मानदण्डों के अनुसार भव्यम स्तर की सिंचार्ड परियोजनाओं का अनुमोदन करेंगी। इस सीना से जापेक्षण लागत वाली मध्यम स्तर की सिंचार्ड परियोजनाओं के अनुमोदन का प्राप्तिकार अन्तर्राष्ट्रीय विकास संघ के पास रहेगा जो इसके संबंध में जाम्लन की सूचना की प्रति अन्तर्राष्ट्रीय विकास जभिकरण के प्रस्तुत करेगा।

PANAMA
Rural Access Roads

*Agreement signed at Panamá August 23, 1978;
Entered into force August 23, 1978.*

CONVENIO DE PRESTAMO PROJECT LOAN AGREEMENT

entre la REPUBLICA DE PANAMA
y. los ESTADOS UNIDOS DE AMERICA
para CAMINOS RURALES DE ACCESO

between the
REPUBLIC OF PANAMA
and the
UNITED STATES OF AMERICA
for
RURAL ACCESS ROADS

AGENCY FOR INTERNATIONAL DEVELOPMENT

AGENCIA PARA EL DESARROLLO INTERNACIONAL

PRESTAMO 525-T-048 PROJECT LOAN NO. 525-T-048

23 DE AGOSTO DE 1978 AUGUST 23, 1978

CONTENIDO
TABLE OF CONTENTS

CONVENIO DE PRESTAMO
PROJECT LOAN AGREEMENT

	<u>Página</u> Page		[Pages herein]
<u>Artículo 1. El Convenio</u>	1	<u>Article 1: The Agreement</u>	4831
<u>Artículo 2: El Proyecto</u>	1	<u>Article 2: The Project</u>	4831
Sección 2.1. Definición del Proyecto	1	Section 2.1. Definition of Project	
<u>Artículo 3: Financiamiento</u>	2	<u>Article 3: Financing</u>	4832
Sección 3.1. El Préstamo	2	Section 3.1. The Loan	4832
Sección 3.2. Recursos del Pres-tatario para el Proyecto	2	Section 3.2. Borrower Resources for the Project	4832
Sección 3.3. Fecha Final para Completar el Proyecto	3	Section 3.3. Project Assistance Completion Date	4833
<u>Artículo 4: Términos Financieros del Préstamo</u>	4	<u>Article 4: Loan Terms</u>	4834
Sección 4.1. Intereses	4	Section 4.1. Interest	4834
Sección 4.2. Amortizaciones	4	Section 4.2. Repayment	4834
Sección 4.3. Aplicación, Mo-neda y Lugar de Pago	5	Section 4.3. Application Currency, and Place of Payment	4835
Sección 4.4. Pagos Anticipados	5	Section 4.4. Prepayment	4835
Sección 4.5. Renegociación de Términos Financieros	5	Section 4.5. Renegotiation of Terms	4835
Sección 4.6. Terminación por Pago Total.	6	Section 4.6. Termination on Full Payment	4836
<u>Artículo 5: Condiciones Previas a los Desembolsos</u>	6	<u>Article 5: Conditions Precedent to Disbursement</u>	4836
Sección 5.1. Primer Desembolso	6	Section 5.1. First Disbursement	4836
Sección 5.2. Desembolsos Adicionales para Actividades de Construcción	7	Section 5.2. Additional Disbursement for Construction Activity	4837
Sección 5.3. Notificación	8	Section 5.3. Notification	4838
Sección 5.4. Fechas Finales para Satisfacer Condiciones Previas	8	Section 5.4. Terminal Dates for Conditions Precedent	4838
<u>Artículo 6: Disposiciones Especiales</u>	9	<u>Article 6: Special Covenants</u>	4839
Sección 6.1. Evaluación del Proyecto	9	Section 6.1. Project Evaluation	4839
Sección 6.2. Disposiciones Adicionales	9	Section 6.2. Additional Covenants	4839

	<u>Página</u> Page		[Páginas herein]
Artículo 7: <u>Procedencia de las Compras</u>	10	Article 7: <u>Procurement Source</u>	4840
Sección 7.1. Costos Extranjeros	10	Section 7.1. Offshore Costs	4840
Sección 7.2. Costos Locales	11	Section 7.2. Local Costs	4841
Artículo 8: <u>Desembolsos</u>	11	Article 8: <u>Disbursements</u>	4841
Sección 8.1. Desembolsos para Costos Extranjeros	11	Section 8.1. Disbursements for Offshore Costs.	4841
Sección 8.2. Desembolsos para Costos Locales	12	Section 8.2. Disbursement for Local Costs.	4842
Sección 8.3. Otras Formas de Desembolsos	12	Section 8.3. Other Forms of Disbursement.	4842
Sección 8.4. Fecha de Desembolso	13	Section 8.4. Date of Disbursement	4843
Artículo 9: <u>Varios</u>	13	Article 9: <u>Miscellaneous</u>	4843
Sección 9.1. Aprobación del Proyecto de Garantías para Inversiones	13	Section 9.1. Investment Guaranty. Project Approval.	4843
Sección 9.2. Comunicaciones	13	Section 9.2. Communications	4843
Sección 9.3. Representantes	14	Section 9.3. Representatives	4844
Sección 9.4. Aprobaciones	15	Section 9.4. Approvals	4845
Sección 9.5. Anexo de Disposiciones Generales	15	Section 9.5. Standard Provisions Annex.[¹]	4845
Sección 9.6. Idioma del Convenio	15	Section 9.6. Language of Agreement	4845

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

CONVENIO DE PRESTAMO

Fecha 23 de agosto de 1978

Entre

La Repùblica de Panamá
("Prestatario")

Y

Los Estados Unidos de América
por intermedio de la Agencia
para el Desarrollo Internacio-
nal ("Prestamista")Artículo 1. El Convenio

El propósito de este Convenio es establecer las bases de entendimiento entre las partes indicadas anteriormente ("Partes") con respecto a la ejecución por el Prestatario del Proyecto descrito a continuación, y con respecto al financiamiento del Proyecto por las Partes.

Artículo 2: El Proyecto

Sección 2.1 Definición del Proyecto. El Proyecto consistirá en el desarrollo de una capacidad para inspeccionar, evaluar, seleccionar, construir y mantener los caminos de acceso transitables en toda época lo cual resultará en una reducción de costos de transporte y hará disponible a los campesinos de Panamá los servicios más vitales.

El Anexo 1, adjunto, amplifica la definición del Proyecto arriba expuesto.

Dentro del alcance del Proyecto delimitado anteriormente, los elementos del mismo indicados en el Anexo 1 pueden ser modificados por medio de

PROJECT LOAN AGREEMENT

Dated August 23, 1978

Between

The Republic of Panama
("Borrower")

And

The United States of America,
acting through the Agency for
International Development
("Lender").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 borrower 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 will consist of the development of a capacity to inspect, evaluate, select, construct and maintain all-weather access roads which will result in the reduction of transportation costs and will make vital services more accessible to small farmers in Panamá.

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

un acuerdo, por escrito, firmado por los representantes autorizados de las Partes que se indican en la Sección 9.3 del Convenio sin una enmienda formal de este Convenio.

Artículo 3: Financiamiento

SECCION 3.1. El Préstamo.

Con el propósito de asistir al Prestatario para cubrir los costos del Proyecto, el Prestamista, dentro de lo previsto en la Alianza para el Progreso y de conformidad con la Ley de Asistencia al Exterior del año 1961, y sus enmiendas, acuerda prestar al Prestatario bajo los términos de este Convenio una cantidad que no excederá de diez millones de dólares de los Estados Unidos de América ("U.S.") (\$ 10,000,000) ("Préstamo"). El monto total de desembolsos bajo este Préstamo se denomina "Principal".

El Préstamo puede utilizarse para financiar costos extranjeros de acuerdo a la definición contenida en la Sección 7.1, y para financiar costos locales de bienes y servicios requeridos para el Proyecto de acuerdo a la definición contenida en la Sección 7.2.

SECCION 3.2. Recursos del Prestatario para el Proyecto.

(a) El Prestatario acuerda proveer o hacer que se provea todos los fondos y todos los recursos adicionales para el Proyecto, además de los fondos provenientes del Préstamo, requeridos para la ejecución eficiente y puntual del Proyecto.

agreement of the authorized representatives of the Parties named in Section 9.3., without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, Lender, in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement an amount not to exceed ten million (\$10,000,000) United States ("U.S.") dollars ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used to finance offshore costs, as defined in Section 7.1, and local costs, as defined in Section 7.2, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

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

^[1] 75 Stat. 424 , 22 U.S.C. § 2151 note.

(b) Los recursos proporcionados por el Prestatario para el Proyecto serán no menores al equivalente de U.S. Seis millones seiscientos cinco mil (\$ 6,605,000) incluyendo costos cancelados en su equivalente en especie.

SECCION 3.3 Fecha Final para Completar el Proyecto.

(a) La "Fecha Final para Completar el Proyecto" (FFCP), que es el 30 de septiembre de 1982 o cualquier otra fecha en que las Partes acuerden por escrito, es la fecha en la cual las Partes estiman que todos los servicios financiados con fondos provenientes del Préstamo habrán sido realizados y todos los bienes financiados con fondos del Préstamo habrán sido proporcionados para el Proyecto en la forma contemplada en este Convenio.

(b) A menos que el Prestamista convenga lo contrario por escrito, el Prestamista no emitirá ni aprobará documentación que autorice desembolsos del Préstamo para servicios que se realicen o para bienes que se provean para el Proyecto contemplados en este Convenio, en fecha posterior a la FFCP.

(c) Solicitudes de desembolso, acompañadas por la documentación relacionada y necesaria según se especifica en Cartas de Ejecución, deberán ser recibidas por el Prestamista o por cualquier banco indicado en la Sección 8.1, en fecha no posterior a los nueve (9) meses a partir de la FFCP, o dentro de cualquier otro período acordado por el Prestamista por escrito. Después de dicho período, el Prestamista, dando aviso por escrito al Prestatario puede en cualquier momento reducir parcial o totalmente el monto del Préstamo por cantidades por las cuales no se ha presentado solicitudes de desembolso antes del vencimiento de dicho período,

(b) The resources provided by Borrower for the Project will not be less than the equivalent of U.S. Six million, six hundred and five thousand (\$6,605,000) including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1982 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 Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as Lender may otherwise agree in writing, Lender will not issue or approve documentation which would authorize disbursement of the Loan 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 Lender or any bank described in Section 8.1 no later than nine (9) months following the PACD or such other period as the Lender agrees to in writing. After such period, the Lender, giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary

acompañadas por la documentación relacionada y necesaria según se especifica en Cartas de Ejecución.

supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Artículo 4: Términos Financieros del Préstamo

SECCION 4.1. Intereses. El Prestatario pagará al Prestamista en concepto de intereses el dos porciento (2%) anual durante los diez (10) años a partir de la fecha del primer desembolso y subsiguientemente el tres porciento (3%) anual sobre el saldo del Principal y de intereses vencidos. Los intereses sobre saldos adeudados se calcularán a partir de la fecha de cada desembolso de conformidad con la Sección 8.4 y serán pagaderos semestralmente. El primer pago de intereses vencerá y será pagadero en fecha no posterior a los seis (6) meses a partir del primer desembolso efectuado, y dicha fecha será determinada por El Prestamista.

Article 4: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to the Lender interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.4) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by Lender.

SECCION 4.2. Amortizaciones. El Prestatario pagará al Prestamista el Principal dentro de un término de veinte años a partir de la fecha del primer desembolso del Préstamo en veintiún (21) pagos semestrales aproximadamente iguales que incluirán Principal e intereses. La primera amortización del Principal será pagadera nueve años y medio a partir de la fecha en que venga el primer pago de intereses, de acuerdo con la Sección 4.1. El Prestamista proporcionará al Prestatario un calendario de amortizaciones calculada de acuerdo a lo estipulado en esta Sección después de que se haya efectuado el último desembolso del Préstamo.

SECTION 4.2. Repayment. The Borrower will repay to the Lender the Principal within twenty (20) years from the date of the first disbursement of the Loan in twenty one (21) approximately equal semiannual installments of Principal and interest. The first payment of Principal will be due nine and one half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. The Lender will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECCION 4.3. Aplicación, Moneda y Lugar de Pago. Todos los pagos de Principal e Intereses de este Préstamo se harán en dólares de los Estados Unidos y serán abonados primero al pago de intereses vencidos y luego a la amortización del Principal. Salvo que el Prestamista determine lo contrario por escrito, los pagos se harán a: Controller, Office of Financial Management, Agency for International Development, Washington, D.C., 20523, U.S.A., y se considerarán efectuados cuando sean recibidos por la Office of Financial Management.

SECCION 4.4. Pagos Anticipados. Siempre que estén al día los pagos en concepto de intereses y devoluciones vencidos, el Prestatario podrá pagar anticipadamente, sin recargo, todo o parte del Principal. A menos que el Prestamista convenga lo contrario por escrito, cualquier pago anticipado será aplicado a los pagos de Principal pendientes en el calendario de amortizaciones en el orden inverso de su vencimiento.

SECCION 4.5. Renegociación de Términos Financieros.

(a) El Prestatario y el Prestamista convienen en negociar, cuando cualquiera de las Partes lo solicite, una aceleración de la amortización del Préstamo, en caso que se produzca una mejora significativa y continuada en la posición y perspectivas financieras y económicas internas y externas de la República de Panamá que permitiría al Prestatario amortizar el Préstamo en una forma más rápida.

(b) Cualquier solicitud de una de las Partes a la otra para llevar a cabo una negociación será gestionada de conformidad con la Sección 9.2, y con notificación del nombre y dirección de la persona

SECTION 4.3. Application, Currency, and Place of Payment.
All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as Lender may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C., 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment.
Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless Lender otherwise agrees in writing, any such repayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and Lender agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Republic of Panama which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2, and will give the name and address of the person

o personas que representarán a la Parte Solicitante en dichas negociaciones.

(c) Dentro de treinta (30) días a partir de la entrega de la solicitud para la negociación, la Parte que haya recibido la solicitud comunicará a la otra Parte de conformidad con la Sección 9.2 el nombre y dirección de la persona o personas quienes representarán a la Parte solicitada en dichas negociaciones.

(d) Los representantes de las Partes se reunirán para llevar a cabo las negociaciones en una fecha no posterior a treinta (30) días a partir de la entrega de la comunicación señalada en la subsección (c). Las negociaciones se llevarán a cabo en un lugar fijado de común acuerdo por los representantes de las Partes. En la ausencia de un acuerdo mutuo, las negociaciones se lleven a cabo en el Despacho del Ministro de Planificación y Política Económica en Panamá.

SECCION 4.6. Terminación por Pago Total. Una vez se haya pagado el total del Principal y de los intereses acumulados, este Convenio y todas las obligaciones del Prestatario y el Prestamista derivadas del mismo, terminarán.

Artículo 5: Condiciones Previas a los Desembolsos.

SECCION 5.1. Primer Desembolso. A menos que el Prestamista convenga lo contrario por escrito, y previo al primer desembolso de fondos provenientes del Préstamo y a la emisión por el Prestamista de documentación,

or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties. In the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Planning and Economic Policy in Panama.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and the Lender under it will cease.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by the Lender of documentation pursuant to which disbursement will be made, the Borrower will, except as otherwise

por medio de la cual se efectuará desembolsos, el Prestatario presentará los siguientes documentos al Prestamista en forma y contenido satisfactorio al Prestamista:

(a) Un dictámen del Procurador General de la Nación indicando que este Convenio ha sido debidamente autorizado y/o ratificado y celebrado por el Prestatario y que él mismo constituye una obligación legal del Prestatario de conformidad con todos los términos;

(b) Notificación oficial del nombre de la persona autorizada que representará al Prestatario de conformidad con la Sección 9.3, y de cualesquier representantes adicionales, con un ejemplar de la firma de cada persona indicada en dicha notificación.

SECCION 5.2 Desembolsos Adicionales para Actividades de Construcción. A menos que el Prestamista convenga lo contrario por escrito, antes del desembolso de fondos del Préstamo o la emisión por el Prestamista de documentos para el financiamiento de actividades de construcción, el Prestatario entregará al Prestamista en forma y contenido satisfactorios al Prestamista

(a) Evidencia que el comité de selección de caminos ha sido establecido conforme a la Descripción del Proyecto incluida en el Convenio de Préstamo, y que dicho comité está desempeñando sus funciones.

agreed to by Lender in writing, furnish to Lender in form and substance satisfactory to Lender:

(a) An opinion of the Procurador General de la Nación that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.3, and of any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 5.2. Additional Disbursement for Construction Activity.

Prior to disbursement under the Loan, or the issuance by the Lender of documentation pursuant to which disbursement will be made to finance construction activity, the Borrower will, except as otherwise agreed to in writing by Lender, furnish to the Lender in form and substance satisfactory to Lender:

(a) Evidence that a road selection committee has been established in accordance with the Project Description included in the Project Agreement, and that the committee is carrying out its functions.

(b) Aceptación formal por parte del Prestatario del sistema y los criterios mediante los cuales se seleccionarán los caminos a ser financiados bajo el Proyecto.

(c) Garantías de que cada tramo de camino propuesto para financiamiento está exento de cualquier restricción o limitación que pudiera interferir en cualquier forma con la actividad de construcción y su uso y acceso por parte de los futuros beneficiarios.

(d) Un plan de evaluación, mutuamente aceptable, de todas las actividades del Proyecto.

SECCION 5.3. Notificación.
Al determinar el Prestamista que las condiciones previas descritas en las Secciones 5.1 hasta 5.2 han sido satisfechas, AID notificará inmediatamente al Prestatario de tal determinación.

SECCION 5.4 Fechas Finales para Satisfacer Condiciones Previas.

(a) Si todas las condiciones especificadas en la Sección 5.1 no han sido satisfechas dentro de 90 días a partir de la fecha de este Convenio, o antes de una fecha posterior que el Prestamista convenga por escrito, el Prestamista podrá a su opción, dar por terminado este Convenio de Préstamo dando aviso por escrito al Prestatario.

(b) Si no se ha cumplido con todas las condiciones estipuladas en la Sección 5.2 dentro de los 120 días siguientes a la fecha de la firma de este Convenio,

(b) Formal acceptance by the Borrower of the system and criteria by which roads financed under the Project are to be selected.

(c) Assurances that each road segment proposed for financing is free of any restriction or limitation which would interfere in any way with construction activity and full use and access by the intended beneficiaries.

(d) A mutually acceptable plan for evaluation of all Project activities.

SECTION 5.3. Notification.
When the Lender has determined that the conditions precedent specified in Section 5.1 through 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4 Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement or such later date as the Lender may agree to in writing, the Lender at its option, may terminate this Agreement by written notice to Borrower.

(b) If all of the conditions specified in Section 5.2 are not met within 120 days from the date of this Agreement,

o en fecha posterior que el Prestamista convenga por escrito, el Prestamista podrá, a su discreción, cancelar el saldo de los fondos no desembolsados del Préstamo hasta esa fecha y no comprometidos irrevocablemente a terceras partes, y podrá dejar sin efecto este Convenio mediante notificación escrita al Prestatario. En caso de terminación, el Prestatario pagará de inmediato el Principal pendiente en ese momento y todo interés acumulado, y al recibo de tales pagos en su totalidad, este Convenio y todas las obligaciones contraídas por las Partes en virtud del mismo, habrán concluido.

Artículo 6: Disposiciones Especiales.

SECCION 6.1. Evaluación del Proyecto. Las Partes acuerdan establecer un programa conjunto y anual de evaluación como un componente del Proyecto. A menos que las Partes convengan lo contrario por escrito, se evaluarán los siguientes aspectos bajo el programa durante la ejecución del Proyecto y en una o más ocasiones posteriormente: (a) evaluación del avance hacia el logro de los objetivos del Proyecto; (b) identificación y evaluación de áreas problemáticas y circunstancias que dificultan el logro de los objetivos; (c) evaluación de la forma en que los resultados pueden ser utilizados para ayudar a resolver tales problemas; y (d) evaluación, al grado factible, del impacto general del Proyecto sobre el desarrollo.

SECCION 6.2 Disposiciones Adicionales. Por este medio el Prestatario conviene y acuerda que:

or such later date as the Lender may agree to in writing, the Lender, at its option, may cancel the then undisbursed balance of the Loan, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Borrower. In the event of such termination, the Borrower will repay immediately the Principal then outstanding and any accrued interest; on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate.

Article 6: Special Covenants.

SECTION 6.1. Project Evaluation. The Parties agree to establish a joint annual 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 6.2 Additional Covenants.
Borrower hereby covenants and agrees that:

(a) Que proporcionará apoyo presupuestario a un nivel adecuado para mantener los caminos construidos bajo el Proyecto.

(b) Que el equipo obtenido con fondos provenientes del Proyecto será utilizado sólo para los propósitos del Proyecto durante la vigencia del mismo, y sólo para continuar con la construcción y el mantenimiento de los caminos de acceso rurales durante el período de utilidad del equipo.

(c) Que revisará periódicamente su política del Capital/Mano de Obra durante la vigencia del Proyecto para aumentar al máximo posible el empleo de mano de obra no especializada en sus programas de construcción de camino y mantenimiento.

Artículo 7. Procedencia de las Compras.

SECCION 7.1. Costos Extranjeros. Los desembolsos de acuerdo con la Sección 8.1 serán utilizados exclusivamente para financiar los costos de bienes y servicios requeridos para el Proyecto que tengan su origen y procedencia en los países incluidos en el Código 941 del Libro de Códigos Geográficos de A.I.D., vigente en el momento que se emitan las órdenes de compra correspondientes o que se suscriban los contratos correspondientes por tales bienes y servicios, a menos que el Prestamista convenga lo contrario por escrito, y excepto en el caso de seguro marítimo según lo previsto en la Sección C.1(b) de las Disposiciones Generales que se adjuntan como Anexo a este Convenio.

(a) It will provide budgetary support at a level which is adequate to maintain the roads constructed under the Project.

(b) Equipment obtained with Project financing will only be used for purposes of the Project during the life of the Project, and only for the continuation of the construction and maintenance of rural access roads for the duration of the life of the equipment.

(c) It will periodically review its policy of Capital/Labor mixes during the life of the Project to increase to the maximum extent feasible the employment of unskilled labor in its road construction and maintenance programs.

Article 7. Procurement Source

SECTION 7.1. Offshore Costs. Disbursement pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services, except as Lender may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

SECCION 7.2. Costos Locales.
 Los desembolsos de acuerdo con la Sección 8.2 serán utilizados exclusivamente para financiar los costos de bienes y servicios requeridos para el Proyecto que tengan su origen y, a menos que el Prestamista convenga lo contrario por escrito, su procedencia en Panamá ("Costos Locales").

Artículo 8: Desembolsos.

SECCION 8.1. Desembolsos para Costos Extranjeros.

(a) Una vez que se hayan satisfecho las condiciones previas, el Prestatario puede obtener desembolsos de fondos provenientes del Préstamo para cubrir Costos Extranjeros de bienes y servicios requeridos para el Proyecto de conformidad con los términos de este Convenio, por medio de cualesquiera de los métodos siguientes que se acuerden mutuamente en utilizar:

(1) Presentando al Prestamista, juntamente con la documentación relacionada y necesaria según lo especificado en Cartas de Ejecución, (A) solicitudes de reembolso por tales bienes y servicios, o (B) solicitudes para que el Prestamista en representación del Prestatario, adquiera bienes o servicios para el Proyecto; o

(2) Solicitando al Prestamista emita Cartas de Compromiso por cantidades específicas (A) a uno o más bancos de los Estados Unidos aceptables al Prestamista, por medio de las cuales el Prestamista se compromete a reembolsar a tales bancos

SECTION 7.2. Local Costs.
 Disbursements pursuant to Section 8.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as Lender may otherwise agree in writing, their origin in Panama ("Local Costs").

Article 8: Disbursements.

SECTION 8.1. Disbursements for Offshore Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Offshore 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 Lender, with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for Lender to procure commodities or services in Borrower's behalf for the Project; or

(2) By requesting the Lender to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to Lender, committing the Lender to reimburse such bank;

por pagos efectuados por los mismos contratistas o proveedores, bajo Cartas de Crédito o en otra forma para tales bienes o servicios, o (B) directamente a contratistas o proveedores, comprometiéndose el Prestamista a pagar a tales contratistas o proveedores por tales bienes o servicios.

(b) Los costos bancarios incurridos por el Prestatario y relacionados con la apertura de Cartas de Compromiso y Cartas de Crédito serán financiados por el Préstamo a menos que el Prestatario indique lo contrario al Prestamista. Se financiarán también con fondos del Préstamo otros costos que acuerden las Partes.

SECCION 8.2. Desembolsos para Costos Locales.

Una vez que se hayan satisfecho las condiciones previas, el Prestatario puede obtener desembolsos de fondos provenientes del Préstamo para cubrir Costos Locales de bienes y servicios requeridos para el Proyecto de conformidad con los términos de este Convenio, presentando al Prestamista, juntamente con la documentación relacionada y necesaria según lo especificado en Cartas de Ejecución, solicitudes para financiar tales costos.

SECCION 8.3. Otras Formas de Desembolsos. Desembolsos del Préstamo pueden también efectuarse por medio de otros mecanismos acordados.

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 the Lender to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs the Lender to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursement for Local Costs.

After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Local Costs required for the Project in accordance with the terms of this Agreement, by submitting to the Lender, with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

SECTION 8.3. Other Forms of Disbursement. Disbursement of the Loan may also be made through such other means as the Parties may agree.

SECCION 8.4. Fecha de Desembolso. Los desembolsos del Prestamista serán considerados como efectuados (a) en la fecha que el Prestamista efectúa un desembolso al Prestatario o su representante, o a un banco, contratista o proveedor bajo una Carta de Compromiso, contrato, u orden de compra; o (b) en la fecha en que el Prestamista desembolsa al Prestatario o su representante, de conformidad con la Sección 8.2.

Artículo 9: Varios.

SECCION 9.1. Aprobación del Proyecto de Garantías para Inversiones. Se acuerda que el trabajo de construcción financiado bajo este Convenio será un proyecto aprobado por la República de Panamá de acuerdo con el convenio sobre inversiones garantizadas entre la República de Panamá y los Estados Unidos de América del 23 de enero de 1961 y no se requerirá aprobación adicional de la República de Panamá para permitir a los Estados Unidos emitir garantías para inversiones bajo el convenio que cubran la inversión de un contratista en ese proyecto.

SECCION 9.2. Comunicaciones. Cualquier notificación, solicitud, documento, u otra comunicación presentada por cualquiera de las Partes a la otra Parte bajo este Convenio se efectuará por escrito, por telegrama o por cable, y será considerada como debidamente enviado y efectuado al entregarlo a tal Parte en la siguiente dirección:

AL PRESTATARIO:

Ministerio de Obras Públicas
Apartado 1632
Panamá 1, República de Panamá

SECTION 8.4. Date of Disbursement. Disbursements by Lender will be deemed to occur (a) on the date on which Lender makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order; or (b) on the date on which Lender disburses to the Borrower or its designee in accordance with Section 8.2.

Article 9: Miscellaneous.

SECTION 9.1. Investment Guaranty.
Project Approval.
Construction work to be financed under this Agreement is agreed to be a project approved by the Republic of Panama pursuant to the agreement between it and the United States of America of January 23, 1961,^[1] on the subject of investment guarantees, and no further approval by the Republic of Panama will be required to permit the United States to issue investment guarantees under that agreement covering a contractor's investment in that Project.

SECTION 9.2. Communications.
Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

TO THE BORROWER:

Ministerio de Obras Públicas
Apartado 1632
Panama, República de Panamá

¹ TIAS 4976 13 UST 293.

Dirección Cablegráfica:

Ministerio de Obras Públicas
Panamá, R. P.

Alternate address for telegrams:

Ministerio de Obras Públicas
Panamá, R. P.

AL PRESTAMISTA:

Agencia para el Desarrollo Interna-
cional
Apartado 6959
Panamá 5, República de Panamá

TO THE LENDER:

Agency for International Development

Apartado 6959
Panamá 5, República de Panamá

Dirección Cablegráfica:

USAID, American Embassy
Panamá, República de Panamá

Alternate address for telegrams:

USAID, American Embassy
Panama, Republic of Panama

Todas las comunicaciones serán
redactadas en inglés o español.
Las direcciones anteriormente
indicadas pueden sustituirse pre-
via notificación.

All such communications will be in
English or Spanish. Other addresses
may be substituted for the above upon
the giving of notice.

SECCION 9.3. Representantes.
Para todo lo relacionado con este
Convenio, el Prestatario será repre-
sentado por la persona que desempeña
o que actúa en el cargo de Ministro
de Obras Públicas y el Prestamista
será representado por la persona que
desempeña o que actúa en el cargo de
Director de la Misión de AID en
Panamá, cada uno de los cuales, por
medio de notificación escrita
puede designar representantes adi-
cionales para todos los fines
menos los previstos en la Sección
2.1 referente a la modificación
de los elementos de la descripción
detallada del proyecto contenida
en el Anexo 1. Los nombres de los
representantes del Prestatario, con
ejemplares de sus firmas originales,
serán proporcionados al Prestamista
quien puede aceptar como debidamente
autorizado cualquier instrumento
firmado por tales representantes en
la ejecución de este Convenio, hasta
que se reciba notificación escrita
de la revocación de su autoridad.

SECTION 9.3. Representatives.
For all purposes relevant to this
Agreement, the Borrower will be
represented by the individual hold-
ing or acting in the office of
Minister of Public Works and the Lender
will be represented by the individual
holding or acting in the office of
Director, Agency for International
Development, Mission to Panama, 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
Borrower, with specimen signatures, will
be provided to Lender, 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.

SECCION 9.4. Aprobaciones. Los documentos o informes presentados por el Prestatario al Prestamista en relación con este Convenio los cuales deberán ser satisfactorios en forma y contenido para el Prestamista, se considerarán satisfactorios en forma y contenido para el Prestatario quien los presenta.

SECCION 9.5 Anexo de Disposiciones Generales. Se adjunta y forma parte de este Convenio el "Anexo de Disposiciones Generales" (Anexo 2).

SECCION 9.6. Idioma del Convenio. Este Convenio está redactado en inglés y español. En caso de ambigüedad o conflicto entre las dos versiones, la versión en inglés prevalecerá.

SECTION 9.4. Approvals.
Documents or reports submitted by Borrower to Lender in connection with this Agreement, which must be in form and substance satisfactory to Lender, are deemed to be in form and substance satisfactory to Borrower who is submitting them.

SECTION 9.5. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

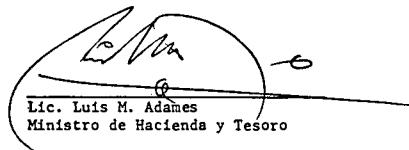
SECTION 9.6. Language of Agreement. This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version will control.

¹ See footnote 1, p. 4830.

EN FE DE LO CUAL, el Prestatario y los Estados Unidos de América, cada uno actuando por medio de su representante debidamente autorizado, suscribe este Convenio, en el día indicado en su introducción.

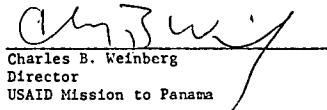
IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF PANAMA



Luis M.
Lic. Luis M. Adames
Ministro de Hacienda y Tesoro

THE UNITED STATES OF AMERICA



Charles B. Weinberg
Director
USAID Mission to Panama

ANNEX 1
ANEXO 1PROJECT DESCRIPTION
DESCRIPCION DEL PROYECTO

<u>Sección 1.</u>	<u>Page</u> <u>Página</u>	<u>Section 1.</u>	<u>Introduction</u>
<u>Introducción</u>	1	<u>Section 1.</u>	<u>Introduction</u>
<u>Sección 2.</u>		<u>Section 2.</u>	<u>Institutional Development</u>
<u>Desarrollo Institucional</u>	2		
<u>Sección 3.</u>		<u>Section 3.</u>	<u>Rural Road Selection Process</u>
<u>Proceso de Selección de Caminos Rurales</u>	3	<u>3.1</u>	<u>Composition of Rural Road Selection Committee</u>
3.1 Composición del Comité de Selección de Caminos Rurales	3	<u>3.2</u>	<u>Technical Sub-committee</u>
3.2 Sub-comité Técnico	3	<u>3.3</u>	<u>Role of Committee</u>
3.3 Funciones del Comité	3	<u>3.4</u>	<u>Requests for Road Improvement</u>
3.4 Solicitudes para el Mejoramiento de Caminos	3	<u>3.5</u>	<u>Data Bank</u>
3.5 Banco de Datos	4	<u>3.6</u>	<u>Stage 1 Selection Criteria</u>
3.6 Criterios de Selección de la 1 ^a Etapa	4	<u>3.7</u>	<u>Stage 2 Selection Criteria</u>
3.7 Criterios de Selección de la 2 ^a Etapa	5	<u>3.8</u>	<u>Stage 3 Selection</u>
3.8 Selección de la 3 ^a Etapa	5		
<u>Sección 4.</u>	6	<u>Section 4.</u>	<u>Design</u>
<u>Diseño</u>		<u>4.1</u>	<u>Design Standards</u>
4.1 Normas de Diseño	6	<u>4.2</u>	<u>Emphasis on Labor-intensive Construction</u>
4.2 Enfasis en el Uso Intensivo de Mano de Obra	7	<u>4.3</u>	<u>Force Account Eligibility</u>
4.3 Elegibilidad de Construcción por Administración	7	<u>4.4</u>	<u>Inspection</u>
4.4 Inspección	7		
<u>Sección 5.</u>		<u>Section 5.</u>	<u>Community Participation in Road Maintenance and Construction.</u>
<u>Participación Comunitaria en Mantenimiento y Construcción Vial.</u>	7	<u>5.1</u>	<u>Community Action Section, MOP</u>
5.1 Departamento de Participación Comunitaria de MOP	7		

	<u>Page</u> Página	
5.2 Plan de Ejecución	7	5.2 Implementation Plan
5.3 Asistencia Especial de MOP	9	5.3 Special Assistance from MOP
5.4 Capacitación para las Comunidades	9	5.4 Training for Communities
Sección 6. Asistencia Técnica	9	Section 6. Technical Assistance
6.1 A Largo Plazo	9	6.1 Long-term
6.2 A Corto Plazo	10	6.2 Short-term
Sección 7 Procedimiento y Desembolso Financieros	10	Section 7 Financial Procedures and Disbursements
Sección 8. Procedimientos de FAR	11	Section 8. FAR Procedures
Sección 9. Requisitos Generales de Documentación	13	Section 9. Standard Documentation Requirements
Adjunto 1 Plan General de Financiamiento	16	Attachment 1 Overall Financial Plan

ANEXO 1
ANNEX 1AID PROJECT LOAN AGREEMENT No.525-T-048
CONVENIO DE PRESTAMO AID No.525-T-048PROJECT DESCRIPTION
DESCRIPCION DEL PROYECTOSección 1. Introducción

1.1 El Proyecto consiste en mejorar y construir los caminos de penetración en las áreas rurales que unen las fincas a los centros de mercadeo y procesamiento. Las obras darán énfasis a la reconstrucción, reacondicionamiento o mejoras de los actuales caminos de tierra a un nivel siempre transitabile. Se utilizarán métodos de construcción intensivos en mano de obra y se sacará el máximo provecho de la mano de obra local y de los materiales de construcción locales.

Los beneficiarios principales, o grupo beneficiario, serán los agricultores de subsistencia, los pequeños productores agrícolas y pecuarios y los pobres rurales.

1.2 Aproximadamente 1,400 kms. de camino han sido identificados en las regiones consideradas adecuadas para fomentar un mayor desarrollo agrícola. De este total, el Proyecto mejorará o construirá aproximadamente 820 kms. de tramos de camino de mayor prioridad. Durante los 4 años de ejecución de obras, esta lista se ampliará para incluir caminos adicionales. Se espera que los caminos seleccionados para ser incorporados al Proyecto sean aquellos incluidos en la lista que revelen el más alto grado de beneficios netos conforme a los criterios de selección de sub-proyectos (Ver Proceso de Selección)

Section 1. Introduction

1.1 The Project consists of the improvement and construction of feeder roads in rural areas linking farms to marketing and processing centers. The work will emphasize the reconstruction, reconditioning or improvement of existing dirt roads to a minimum all-weather standard. Labor intensive road construction methods will be utilized. Maximum use will be made of local area labor and construction materials.

The principal beneficiaries, or target group, will be subsistence farmers, small farmers and ranchers and the rural poor.

1.2 Approximately 1,400 kms. of roads have been identified in regions considered suitable for further agricultural development. Of that total, this Project will upgrade or construct about 820 kms. of the highest priority road segments. During the 4 year implementation, this list will be expanded to include additional roads. It is expected that the roads selected for incorporation into the Project will be those from the list which demonstrate the highest degree of net benefits based on the subproject selection criteria. (See Selection Process).

1.3 Los caminos que serán mejorados incluyen caminos de tierra así como caminos con superficie de grava deterioradas, y se limitarán principalmente a aquellas áreas con un potencial de suelo Tipo I y II.

1.4 Las excepciones que justificarían el uso de suelos de menor potencial en este Proyecto sería en aquellos casos en que se garantizan aportes o insumos adicionales, tales como fertilizantes, servicios de extensión, mejoramiento en la tenencia de tierras, etc., así como en el caso de los asentamientos del Gobierno de Panamá. Sólo en casos excepcionales se abrirán nuevos derechos de vías. En estos casos se tomarán en consideración los aspectos ambientales y se aplicarán las medidas necesarias.

Sección 2. Desarrollo Institucional

2.1 El Proyecto establecerá e institucionalizará a nivel gubernamental una capacidad inter-ministerial para evaluar y seleccionar racionalmente los caminos de acceso rurales que precisan mejoras o que serán construidos. Se creará un Comité de Selección de Caminos Rurales para seleccionar los caminos, asignar prioridades y recomendar el método de ejecución (por administración o contrato).

2.2 El Proyecto institucionalizará un sistema de selección, mantenimiento y ampliación de la red de caminos rurales en base a la utilización de métodos intensivos en mano de obra y mano de obra local al máximo posible.

2.3 Un énfasis especial del Proyecto será mejorar la capacidad del Gobierno para diseñar y construir caminos minimizando los posibles impactos ambientales.

1.3 The types of roads to be improved will range from dirt tracks to deteriorated gravel surfaced roads and will be limited primarily to those areas with Class I and II soils potential.

1.4 The exceptions which would justify the use of lower potential soils in this Project are when additional inputs are assured, such as fertilizer, extension services, improved land use patterns, etc., and in the case of Government of Panama sponsored asentamientos. Only in exceptional cases would new rights of way be opened. In these cases environmental concerns would be fully considered and appropriate safeguards applied.

Section 2. Institutional Development

2.1 The Project will establish and institutionalize within the COP an interministerial capacity to rationally evaluate and select rural access roads for improvement or construction. A Rural Road Selection Committee will be created which will select roads, assign priorities and recommend the method of execution (force account or contract).

2.2 The Project will institutionalize a system to select, maintain and expand the rural road network which will utilize labor intensive methods and local labor contribution to the greatest extent possible.

2.3 Throughout the Project a major focus will be the improvement of the Government's capacity to design and build minimum standard roads that mitigate potential impacts on the environment.

Sección 3. Proceso de Selección de Caminos Rurales

3.1 El Gobierno de Panamá establecerá formalmente un Comité de Selección de Caminos Rurales compuesto por un representante del Ministerio de Desarrollo Agropecuario (MIDA) y un representante del Ministerio de Obras Públicas (MOP). El Ministerio de Planificación y Política Económica (MPPE) proveerá, cuando sea necesario, orientación sobre la política a seguir.

3.2 Este Comité utilizará para propósitos de analizar detalladamente los caminos propuestos, un sub-comité compuesto por lo menos de un ingeniero y antropólogo o sociólogo del MOP y un miembro representante del MIDA.

3.3 El Comité determinará cuales son los caminos factibles en términos ambientales, económicos y sociales. Una vez determinada la aceptación inicial de los caminos propuestos, el proceso de selección establecerá las prioridades relativas en base a la relación beneficio/costo del camino o conjunto de caminos en un área específica.

3.4 El MOP recibirá solicitudes del MIDA y de las comunidades para el mejoramiento de caminos. Otras agencias gubernamentales, además del MIDA, podrán presentar solicitudes sustentadas por programas que estén ejecutando o serán ejecutados en las áreas rurales. Toda solicitud, antes de ser considerada por el Comité de Selección, deberá incluir la siguiente información:

- (1) Un mapa del camino propuesto que permita al Comité de Selección de Caminos Rurales localizarlo en sus mapas especializados, incluso en aquellos que señalan el potencial de los suelos;

Section 3. Rural Road Selection Process

3.1 The Government of Panama will formally establish a rural road selection committee composed of a representative from the Ministry of Agricultural Development (MIDA) and a representative from the Ministry of Public Works (MOP). The Ministry of Planning and Economic Policy (MPPE), as appropriate, will provide policy guidance.

3.2 This Committee will use a sub-committee composed of an engineer and anthropologist or sociologist from MOP and a representative from MIDA for the purpose of analyzing in detail proposed roads.

3.3 The Committee will determine which roads are environmentally economically and socially viable. Once the basic acceptability of candidate roads is determined, the selection process will establish relative priorities based on benefit/cost ratios, of the road or group of roads in one specific area.

3.4 MOP will receive requests from MIDA and communities for road improvement. Other Government agencies, in addition to MIDA, may also generate requests as they carry out programs in the rural areas. In order to be considered by the Selection Committee, any request must contain the following information:

- (1) An adequately drawn map of the candidate road that will allow the Rural Roads Selection Committee to locate it on specialized maps including those showing soils potential,

(2) La extensión del camino;

(3) Un cálculo aproximado del número y la extensión de las fincas servidas por el camino; y

(4) Una lista de los principales cultivos producidos en la zona del camino.

3.5 Las solicitudes se enviarán al Comité de Selección. La exactitud de la información proporcionada será revisada y combinada con información adicional obtenida del Banco de Datos que el Comité establecerá para la ejecución del Proyecto. El Banco de Datos será una fuente de información que contendrá mapas del uso de los suelos, datos del Censo, mapas climatológicos y topográficos, planes de inversión de los diversos ministerios y descripciones de proyectos financiados con fondos internacionales.

3.6 Cada camino propuesto debe entonces pasar por tres etapas de prueba. En la primera etapa, el Comité de Selección, usando la información establecida en el punto 3.5 arriba mencionado, se determinará si el camino cumple con los siguientes criterios:

(1) El camino deberá estar localizado en un área con suelos clasificados conforme a su potencial agrícola como IA, IP, IIA o IIP. (Se harán excepciones en aquellos casos justificados tales como los "asentamientos" o lugares similares en los cuales se garanticen aportes o insumos adicionales, y también para empalmes cortos).

(2) La zona agrícola servida por el camino deberá tener una altura inferior a 1,525 metros a fin de evitar problemas de erosión en la zona agrícola salvo en aquellos casos en que el Prestatario y el Prestamista acuerden lo contrario;

(2) The road's length;

(3) An estimate of the number and range of farm sizes served by the road; and

(4) A list of principal crops grown in the area of the road.

3.5 The requests will be channeled to the Selection Committee. The information provided will be reviewed for accuracy and combined with additional information obtained from the Data Bank which the Committee will establish for the Project. The Data Bank will be a resource library which will contain such information as land use capability maps, census data, climatological and topographic road maps, investment plans of the various ministries, and project descriptions for international donor funded projects.

Each candidate road must then pass through three stages of examination. In the first stage, the Selection Committee, using the information established in 3.5, above, will determine if the road meets the following criteris:

(1) The road must be located in an area containing soils of the IA, IP, IIA or IIP classifications for agricultural potential (exceptions may be made where otherwise justified for "asentamientos" or similar settlements where necessary additional inputs are assured, and also for short connecting links);

(2) The agricultural area served by the road must be below 1,525 meters altitude in order to avoid erosion problems in the agricultural area except as Lender and Borrower may otherwise agree:

(3) El camino deberá empalmar con una red de caminos siempre transitables;

(4) No existe otro camino alterno transitable en toda época del año y no se planifica su construcción durante la vigencia del Proyecto.

(5) El camino no será propuesto para mejoras superiores a los niveles mínimos de diseño de ingeniería de este Proyecto durante la vigencia de ejecución, salvo aquellos casos en que se justifiquen técnicamente para asegurar la vida útil del camino.

(6) En base a cálculos preliminares, es aparente que la mayoría de la población es parte del grupo beneficiario; y

(7) El camino debe mostrar potencialmente una relación positiva de beneficio/costo.

3.7 Si el camino propuesto reune estos criterios de selección, se procederá a efectuar un estudio físico del camino y sus áreas circundantes utilizando un formulario de encuesta acordado por las Partes. La información obtenida se utilizará para comparar el camino o red de caminos propuestos con los criterios de la segunda etapa del proceso de selección. Los criterios de la segunda etapa son los siguientes:

(1) La mayor accesibilidad generada por el camino o conjunto de caminos no afectarán adversamente el ambiente o la población local;

(2) La mayoría de la población que reside en el área de influencia del camino o el conjunto de caminos deberá ser parte del grupo beneficiario y la mayor parte de la tierra en esa área deberá ser en el uso y ocupación exclusiva del grupo beneficiario; y

(3) The road must connect with an all-weather transport network;

(4) An alternative all-weather transport facility serving the same area does not exist, nor is one planned during the life of the Project.

(5) The road is not a candidate for improvement beyond minimum all-weather standards during the life of the Project except in those cases where there is technical justification in order to assure the useful life of the road.

(6) Based on preliminary estimates, it appears that the majority of the population is in the target group; and

(7) The road shows a potential positive relation of the benefit/cost ratio.

3.7 If the candidate road meets all these selection criteria, a physical survey of the road and its surrounding areas will be carried out using a Survey Inspection Report agreed to by the Parties. The information obtained will be used to compare the candidate road or road network against the criteria for the second phase of the selection process. Stage two criteria are as follows:

(1) The greater accessibility created by the road or road network will not have significant adverse effects on the environment or the local population;

(2) The majority of the population living within the area of influence of the road or road network must be in the target group, and the majority of the land in that area must be in the exclusive use and occupancy of the target group; and

(3) La relación beneficio/costo del camino propuesto es por lo menos uno.

3.8 Si el camino propuesto o el conjunto de caminos reune todos estos criterios, se procederá entonces a la tercera etapa del proceso de selección. Durante esta etapa los miembros del Comité de Selección evaluarán y recomendarán que se apruebe el financiamiento del camino o caminos propuestos. Si el camino o el conjunto de caminos es aprobado, se colocará según su prioridad en la lista de ejecución, que será presentada a la AID con la documentación respectiva de camino o red de caminos que cumplan con todos los criterios de selección.

Sección 4. Diseño

4.1 En general, la superficie del camino será de 5.0 metros de ancho con 0.5 metros de hombros sobre una plataforma de 6 metros y con cunetas de drenaje de por lo menos 50 cms. de profundidad en cada lado. En casos en que las barreras naturales limiten el ancho del derecho de vía, tanto la plataforma del camino como la superficie serán de 5 metros (sin hombros con cunetas de drenaje de sproximadamente 50 cms. de profundidad en cada lado). En lo posible, el material de préstamo que se requiera provendrá de las cunetas laterales a fin de evitar el transporte de relleno para el camino. Las normas básicas y el alineamiento permitirán posibles mejoras en el futuro a niveles viales superiores a medida que las condiciones económicas lo permitan. Una capa de desgaste de 15 cms. de material selecto será colocada a lo ancho de 5 metros sobre una subrasante mejorada y compactada para sostener una carga de 8 toneladas por eje. El drenaje se proporcionará por medio de cunetas laterales con desviaderos y el drenaje transversal para el volumen de agua proyectado se hará a través de tuberías de concreto y alcantarillas. Para las quebradas se hará uso extensivo de

(3) The candidate road's benefit/cost ratio is at least one.

3.8 If the candidate road or road network meets all these criteria, it moves to the third stage of the selection process. At this point the staff level of the Selection Committee will evaluate and recommend that the candidate road or roads be approved for funding. If the road or road network is approved, it will be placed according to its priority on a list of roads scheduled for construction and sent to AID with the respective documentation to demonstrate that the road or road network conforms to all selection criteria.

Section 4. Design

4.1 In general, the roadway surface will be 5 meters wide with 0.5 meter shoulder on a 6-meter platform and with drainage ditches at least 50 cm. deep on each side. Where existing features limit the width of the right-of-way, both the road platform and surface will be 5 meters (no shoulders with drainage ditches of about 50 cm. depth on each side). To the extent possible, any borrow material required will be taken from the side ditches to avoid long haulage of fill for the road embankment. The basic standards and alignment will permit future improvements to higher road standards when and as economic conditions warrant. A 15-cm. wearing surface of local select granular material will be placed to a width of 5 meters over an improved subgrade and compacted to support an 8-ton axle load. Drainage will be provided by means of side ditches with frequent ditch turnouts, and transverse drainage by concrete pipe and box culverts as required to accommodate projected storm drainage runoff. For streambed crossings, extensive use will be made of concrete masonry pipe fords which lend themselves to labor-intensive construction methods.

vados de concreto que se prestan para métodos de construcción basados en el uso intensivo de mano de obra.

4.2 Se espera que la mayor parte de las obras se ejecutarán por contrato. En todas las actividades relacionadas al Proyecto se recalcará el uso intensivo de mano de obra. Todos los contratos incluirán cláusulas especificando que se utilizará al máximo la mano de obra local no especializada y los materiales de construcción locales. Este Proyecto no financiará la compra de equipo mecánico de construcción excepto herramientas, traillas para arrastre y carretones bajos a menos que las Partes convengan lo contrario por escrito.

4.3 Algunos caminos podrán ser ejecutados por el MOP o el MIDA. El MOP se comprometerá a la construcción por administración de puentes y vados o a actividades que los pequeños contratistas no estén en capacidad de efectuar o aquellas tareas que el MOP pueda ejecutar más económicamente.

4.4 La División Técnica de Ingeniería del MOP a través de sus direcciones inspeccionará las obras a fin de asegurar la calidad del trabajo. Esto también garantizará la utilización de métodos de construcción intensivos en mano de obra conforme a lo acordado.

Sección 5. Participación Comunitaria en Mantenimiento y Construcción Vial

5.1 Una nueva sección denominada Departamento de Participación Comunitaria será creada dentro del MOP a fin de apoyar trabajos de mantenimiento y construcción intensivos en mano de obra.

5.2 Los siguientes lineamientos para la participación comunitaria se seguirán

4.2 It is expected that a major portion of the work will be performed by contract. Labor intensive road construction will be emphasized on all Project related activities. It will be a provision of all contracts that local unskilled labor and construction materials be utilized to the maximum extent possible. Mechanical road construction equipment to be procured under this Project will be limited to hand tools, drags and low bed carts except as the Parties may otherwise agree in writing.

4.3 Some roads may be built by either MOP or MIDA. MOP force account will be limited to bridge and ford construction or to activities which are either beyond the capacity of small local contractors or where MOP can perform the tasks much more economically.

The Technical Division of Engineering of MOP through its offices will provide inspection to assure the quality of work. It will also ensure that labor-intensive methods of construction are utilized to the extent agreed.

Section 5. Community Participation in Road Maintenance and Construction

5.1 A new office called the Community Action Section to support labor intensive work in maintenance and construction will be created within MOP

5.2 The following step-by step plan will be implemented in the

durante el primer año de construcción. Conforme a las necesidades, los lineamientos se perfeccionarán y modificarán anualmente a fin de adaptarlos a las condiciones cambiantes y/o existentes.

(1) Se hará contacto con las comunidades situadas en áreas donde se llevará a cabo la construcción durante el primer año para definir las normas de mantenimiento y los trabajos que efectuará la comunidad.

Se incitará a cada comunidad participando en el programa que proporcione una lista de los trabajadores disponibles en el área, los cuales podrían organizarse en equipos de mantenimiento de caminos así como agrupaciones laborales para los trabajos de construcción bajo contrato y por administración.

(2) El MOP proporcionará herramientas manuales financiadas por el Proyecto, instrucción en su uso eficiente y seguro, y orientación sobre las normas de mantenimiento que se deberán cumplir.

(3) El mantenimiento de estos caminos se efectuará mediante el programa de ayuda mutua, que realizará el MOP con la contribución de las comunidades beneficiarias. Esta contribución será de aproximadamente el 10% del costo de mantenimiento y reparación de los caminos locales y las estructuras complementarias. El MOP aportará el saldo dentro de su presupuesto, con equipo, materiales y mano de obra. En última instancia, el MOP será el único responsable de la ejecución del mantenimiento de estos caminos.

(4) Se efectuarán inspecciones a los caminos periódicamente para asegurar el cumplimiento de las normas establecidas. Esto garantizará información actualizada sobre el estado de los caminos.

first construction year. The method will be refined and modified as required each year thereafter to better fit existing or changing conditions.

(1) Communities in the first year construction areas will be contacted to identify the maintenance standards required and the level of effort of each community.

Each community enrolled in the program will be encouraged to list available labor in the area that could be used for workteams of laborers for road maintenance and as a labor manpower pool for contract and force account construction work.

(2) MOP will provide hand tools, financed by the Project, instruction in their safe and efficient use, and guidance regarding maintenance standards to be met.

(3) Maintenance of these roads will be accomplished through a self help program to be implemented by MOP with contributions from the target communities. These contributions will amount to approximately 10% of the cost of maintaining and repairing local roadways and associated facilities. The MOP budget will fund the balance with equipment, materials and labor. Ultimately, MOP will have sole responsibility for maintaining these roads.

(4) Inspections of the roadways will be made periodically to assure that facilities meet established standards. This will assure current information on road conditions.

5.3 El Director Provincial del MOP proporcionará asistencia especial a la comunidad mediante el suministro de equipo pesado y trabajadores para retirar obstrucciones en el camino o reparar tramos sumamente deteriorados.

5.4 Las comunidades necesitarán capacitación en mantenimiento preventivo, principalmente a través de capacitación en sitio. La capacitación será complementada de ser posible por un sistema audio visual demostrando el uso apropiado de las herramientas manuales y definiendo sus usos. Este sistema podría utilizarse para concientizar a la comunidad acerca de la importancia del medio ambiente y familiarizar a los poblados con la flora y fauna en peligro dentro de esas áreas.

Sección 6. Asistencia Técnica

6.1 En base a un estudio de las necesidades específicas de capacitación, se decidió concentrar la asistencia técnica en tres especialidades:

(1) Un ingeniero de materiales, durante aproximadamente 24 meses hombres, para proporcionar capacitación en servicio en el uso óptimo de los materiales locales de construcción. El asesor poseerá experiencia en la administración de laboratorios de suelos y en normas de control de calidad.

(2) Un sociólogo o antropólogo, durante aproximadamente 24 meses hombres, con experiencia en la organización y motivación de comunidades para el mantenimiento de sus caminos y demás obras comunitarias.

5.3 The Provincial Director of MOP will provide special assistance to the community through the assignment of heavy equipment and operators for the removal of severe road blockages or repair of highly deteriorated road sections.

5.4 The communities will require training in preventive maintenance, mostly on-the-job instruction. The training will be supported in so far as possible by audio visual aids demonstrating the proper use of hand tools and a definition of their task. This format may also be used to bring awareness to communities of the importance of the environment and familiarize the villages with endangered flora and fauna in their areas.

Section 6. Technical Assistance

6.1 Specific training needs were explored and a decision made to concentrate technical assistance in three specialties:

(1) A materials engineer, approximately 24 person months, to provide on-the-job training in optimum use of local road construction materials. The advisor must possess experience in soils laboratory administration and quality control standards.

(2) Sociologist or anthropologist, approximately 24 person months with experience in organizing and motivating communities in the maintenance of their roads and community works.

(3) Un experto en protección ambiental, con experiencia en ingeniería, durante aproximadamente 12 meses hombres, para revisar los actuales procedimientos de planificación y construcción del MOP y recomendar cambios a fin de minimizar los efectos adversos sobre el ambiente.

6.2 Además, aproximadamente 5 meses hombres de asistencia técnica a corto plazo en las áreas de impacto ambiental, desarrollo comunitario y economía de transportes se esperan que se necesitarán mientras dure el programa, así como aproximadamente 13 meses hombres para capacitación fuera de Panamá en las especialidades de economía de transporte y medio ambiente.

Sección 7 Procedimiento y Desembolso Financieros

7.1 Los reembolsos para la construcción de caminos estarán basados en el sistema de Costo Fijo (FAR) conforme a las especificaciones de ingeniería acordadas para cada tramo de camino. (Un tramo de camino es la porción total de camino que se mejorará o construirá, incluyendo estructuras de drenaje (alcantarillas) pero excluyendo puentes, vados, etc.) Se establecerán precios fijos (FAR) por separado de acuerdo a los diferentes niveles de trabajo requeridos para cumplir con las normas aceptables para cada tramo de camino. Además, los precios fijos (FAR) para puentes y vados se establecerán por separado en base a metros lineales. Durante la preparación del proyecto, se establecieron tres precios diferentes por kilómetro de camino (A, B y C). Estos precios estarán sujetos a revisión al iniciarse la construcción del primer tramo de camino y se podrán utilizar los precios fijados de acuerdo a los diferentes niveles de trabajo requeridos.

(3) Environmentalist with an engineering background approximately 12 person months, to review present MOP planning and construction procedures and recommend changes with regard to minimizing adverse effects on the environment.

6.2 In addition, approximately five person months of short term technical assistance in the fields of measurement of environmental impact, community development and transportation economics are expected to be required during the life of the program as well as approximately 13 person months for training outside Panama in transportation economics and environment.

Section 7 Financial Procedures and Disbursements

7.1 Reimbursement for construction of roads will be based on a system of Fixed Amount Reimbursement for agreed upon engineering specifications for each individual road segment. (A road segment is the complete length of road which is to be upgraded or constructed, including drainage structures (culverts), but excluding bridges and fords.) Separate FAR prices will be established for the different levels of effort required to attain the desired standard for each individual road segment. Separate FAR prices will also be established on a linear meter basis for bridges and fords. Three different prices per Kilometer (A, B & C) of road were established during project preparation. These prices will be subject to review at the time of initiating the first road segment for construction and prices based on different levels of effort may be used.

7.2 En el futuro, los precios se revisarán anualmente o cuando lo acuerden las Partes. La determinación y revisión de precios también se aplica a puentes y vados. El costo fijo total (FAR) de cada tramo será calculado de la siguiente forma: a) determinando el número total de kilómetros dentro del tramo que requiere cada nivel de trabajo; b) multiplicando los kilómetros o fracciones de kilómetros calculados en (a) por su respectivo costo fijo (FAR) acordado; y, c) sumando las cantidades obtenidas en (b).

7.3 Reembolsos se efectuarán a base de costos fijos previamente acordados por el total del camino, incluyendo los costos de puentes y vados sin tomar en cuenta los costos reales de construcción a menos que una modificación de estos costos haya sido aceptada por escrito por la AID.

Sección 8. Procedimientos de FAR

8.1 Aunque existan en la misma área tramos de caminos idénticos o similares, aún será necesario determinar por separado un precio fijo (FAR) total para cada tramo y el sistema de

costos fijos (FAR) se aplicará a cada tramo de camino. No se aplicará ningún promedio de costo fijo (FAR) para un grupo de tramos de caminos.

8.2 El MOP estará a cargo de la inspección de la obra. Sin embargo, la AID también efectuará inspecciones periódicas durante la construcción.

8.3 Tan pronto como cada tramo de camino sea completado, el MOP solicitará a la AID la inspección del mismo para su aceptación final y someterá una solicitud de reembolso por aquellos tramos que cumplan con las especificaciones establecidas.

7.2 Thereafter, prices will be reviewed annually or at such other time as the Parties may agree. This establishment and review of prices also pertains to bridges and fords. The total FAR cost for each road segment will be arrived at by: a) determining the total number of kilometers within a segment required for each level of effort; b) multiplying the kilometers or fractions of kilometers determined in (a) by their respective agreed upon FAR price and, c) summing the amounts arrived at in (b).

7.3 Reimbursement will be based on the agreed upon fixed amount for the completed total road segment plus any bridges and/or fords, regardless of actual costs, unless otherwise agreed to in writing by AID.

Section 8. FAR Procedures

8.1 Even if identical or near identical road segments are located in the same area, it will still be necessary to establish a separate total FAR price for each segment and the FAR method

will be applied to each individual road segment. An average FAR price will not be applied to any group of road segments.

8.2 MOP will be in charge of inspecting the work. However, AID will also make periodic inspections during construction.

8.3 As each road segment is completed, MOP will request AID to inspect it for final acceptance and MOP will request reimbursement for those segments which meet the agreed upon specifications.

8.4 Todos los reembolsos para la construcción de caminos bajo el sistema de Costo Fijo (FAR) serán hechos a nombre de una cuenta especial denominada "MOP/AID Construcción de Caminos de Acceso", la cual será establecida en el Banco Nacional de Panamá (BNP).

8.5 Las solicitudes de reembolso se originarán en la División Técnica de Ingeniería del MOP.

8.6 El costo fijo (FAR) de cada tramo de camino será compartido entre el Gobierno de Panamá y la AID en base a una proporción 30/70. Bajo el sistema de costo fijo (FAR), la AID reembolsará una cantidad que no superará el 70% de la cantidad acordada.

8.7 Los adelantos bajo el sistema de Costo Fijo (FAR) serán calculados en base a los programas de construcción acordados a fin de asegurar la existencia de suficientes fondos para mantener la construcción. Los adelantos no excederán el 50% del costo total acordado de cualquier tramo de camino. Todos los adelantos podrán ser aumentados o reducidos conforme a la ejecución de las actividades programadas.

8.8 En caso de que el sistema de reembolso de Costo Fijo (FAR) no se utilice, la AID reembolsará un 70% del total del costo de la construcción de cada tramo de camino. Los reembolsos se harán conforme a los procedimientos establecidos en la Sección 9. La cantidad del adelanto será determinada por la proyección trimestral de gastos necesarios y podrá aumentarse o reducirse según el nivel de ejecución de obras.

8.4 All reimbursements for road construction under the FAR system will be made directly to a special account "MOP/AID Access Roads Construction" which will be established in the Banco Nacional de Panamá (BNP).

8.5 The requests for reimbursement will originate in the Technical Division of Engineering of MOP.

8.6 The FAR cost of each road segment will be shared between the GOP and AID on a 30/70 ratio. Under FAR, AID will reimburse an amount not to exceed 70% of the agreed upon fixed amount.

8.7 Advances under the FAR method will be calculated on the basis of agreed upon construction schedules to assure sufficient funds to maintain construction. Advances will not exceed 50% of the agreed upon total price for any road segment. All advances may be increased or decreased depending upon the rate of implementation of programmed activities.

8.8 If the FAR method of reimbursement is not used, AID will reimburse 70% of the total construction cost of each road segment. Reimbursement will be in accordance with the procedures established in Section 9. The amount of an advance will be determined by the quarterly projected expenditure requirements, and it may be increased or decreased depending on the rate of implementation.

8.9 Si el sistema de Costo Fijo (FAR) no se utiliza, la AID reembolsará el 70% del total del costo de los puentes y vados, y el reembolso se hará conforme a los procedimientos establecidos en el Sección 9. La cantidad del adelanto será determinada por la proyección trimestral de gastos necesarios y podrá aumentarse o reducirse según el nivel de ejecución de obras. El sistema de reembolso de puentes y vados a utilizarse puede variar de método de desembolso para la construcción de caminos.

Sección 9. Requisitos Generales de Documentación

9.1 Todos los servicios deberán hacerse conforme a las normas establecidas en los adjuntos de la Carta de Ejecución No. 1, en lo que concierne a fuente y origen, procedimientos de licitación, requisitos de embarque y otras formas de compra.

9.2 Los siguientes requisitos de documentación se aplican al MOP en el caso de reembolsos solicitados directamente a la AID. Una descripción detallada y/o explicación de la documentación se incluirá en los adjuntos de la Carta de Ejecución No. 1.

9.3 Los contratos para asistencia técnica deberán ser presentados a la AID para su aprobación previa ejecución. Las Solicitudes de Reembolso deberán venir acompañadas de los siguientes documentos:

(1) Copia de todos los contratos o convenios aplicables.

(2) Copia de la factura del Contratista marcada "Pagada" u otra evidencia de pago que indique el período trabajado y los pormenores reclamados.

8.9 If the FAR method of reimbursement is not used, AID will reimburse 70% of the total cost of all bridges and fords, and reimbursement will be made in accordance with the procedures established in Section 9. The amount of an advance will be determined by the quarterly projected expenditure requirements, and it may be increased or decreased depending on the rate of implementation. The method of reimbursement for bridges and fords is not linked to a requirement for similar disbursement procedures for road construction.

Section 9. Standard Documentation Requirements

9.1 All procurement must conform with the guidelines set forth in attachments to Implementation Letter No. 1, with regard to source origin, bidding procedures, shipping requirements and other procurement practices.

9.2 The following documentation requirements apply to the MOP when requesting reimbursements directly from AID. Detailed description and/or explanation of the documentation will be included in attachments to Implementation Letter No. 1

9.3 Contracts for technical assistance must be presented to AID for approval prior to execution. Requests for Reimbursement must be accompanied by the following:

(1) Copy of all applicable contracts or agreements.

(2) Copy of Contractor's invoice marked "paid" or other evidence of payment, showing period covered and items claimed.

(3) Copia de informes señalando horas de asistencia al trabajo o un certificado de un funcionario del Gobierno de Panamá constatando que el Contratista ha trabajado las horas detalladas en la factura.

(4) Comprobante SF 1034

(5) Copia de cualquier informe interino exigido por el Contrato y copia del informe final antes de efectuar el desembolso final bajo el Contrato.

9.4 La siguiente documentación deberá acompañar a las Solicitudes de Reembolso por la Compra Local de Bienes o Materiales:

(1) Orden de Compra

(2) Factura del Proveedor marcada "Pagada" y/o evidencia de pago.

(3) Comprobantes de recibos.

(4) Certificado de Fuente y Origen firmado por el Vendedor.

(5) Comprobante SF 1034

9.5 Las Solicitudes de Reembolso por la compra de bienes o materiales importados para uso específico del Proyecto deberán incluir la misma documentación enumerada en la Sección 9.4, además de lo siguiente:

(1) Documentación de Embarque.

(2) Certificado del Proveedor y Compendio del Contrato (Formulario AID 282).

9.6 Las Solicitudes de Reembolso por Servicios de Construcción deberán ser acompañadas por la documentación que se enumera a continuación. Todos los contratos deben ser presentados a la AID para su aprobación previa ejecución.

(3) Copy of time and attendance reports or certification of responsible GOP official that contractor was in attendance as stated in invoice.

(4) Voucher SF 1034.

(5) Copy of any interim report required by the contract, and copy of final report prior to making final disbursement under the contract.

9.4 Requests for Reimbursement for procurement of local commodities or materials must be accompanied by the following:

(1) Purchase Order

(2) Supplier's invoice marked "PAID" and/or evidence of payment.

(3) Receiving Reports

(4) Certificate of Source and Origin signed by vendor.

(5) Voucher SF 1034.

9.5 Requests for Reimbursement for purchase of commodities or materials imported for specific use of the Project will contain the same documentation listed in Section 9.4 and also the following:

(1) Shipping documentation.

(2) Supplier's Certificate and Contract Abstract AID Form 282.

9.6 Requests for Reimbursement for Construction Services must be accompanied by the documentation listed below. All contracts must be presented to AID in advance for their approval prior to execution.

(1) Copia de la factura del Contratista marcada "Pagada" u otra evidencia de pago.

(2) Certificado de Cumplimiento para Pagos Progresivos y/o Pagos Finales.

(3) Comprobante SF 1034.

9.7 Las Solicitudes de Reembolso por Otros Servicios requerirán documentación similar a la mencionada en los párrafos anteriores, incluyendo pero no limitada a lo siguiente:

(1) Copia de cualquier contrato o convenio aplicable.

(2) Evidencia de recibo de servicios.

(3) Certificado de Fuente y Origen firmado por el Vendedor.

(4) Evidencia de pago y copia de la factura.

(1) Copy of Contractor's invoice marked "PAID" or other evidence of payment.

(2) Certificates of Performance for Progress Payments and/or Final Payments.

(3) Voucher SF 1034.

9.7 Requests for Reimbursement for Other Services will require similar documentation to that mentioned in the above paragraphs, including but not limited to the following:

(1) Copy of any applicable contract or agreement.

(2) Evidence of receipt of services.

(3) Certificate of Source and Origin signed by vendor.

(4) Evidence of payment and copy of invoice.

Adjunto 1
(Attachment 1)

Plan General de Financiamiento
(Overall Financial Plan)

(US \$000)

<u>COMPONENTE</u> <u>(COMPONENT)</u>	<u>AID</u>	<u>GOP</u>	<u>TOTAL</u>
<u>Construcción</u> <u>(Construction)</u>			
Caminos (Roads)	7,887	3,380	11,267
Puentes (Bridges)	1,210	518	1,728
Vados (Fords)	445	191	636
Sub-total	9,542	4,089	13,631
<u>Administración y Supervisión</u> <u>de la Construcción</u> <u>(Administration and Supervision</u> <u>of Construction)</u>			
Mantenimiento (Maintenance)			
Maquinaria del MOP (MOP Machinery)	462	462	
Mano de Obra (Labor)	376	376	
Inspección de Mantenimiento (Maintenance Inspection)	42	42	
Herramientas Manuales (Hand Tools)	29	29	
Equipo Especial (Special Equipment)	10	—	10
Sub-total	39	880	919
<u>Asistencia Técnica</u> <u>(Technical Assistance)</u>			
Largo Plazo (Long Term)	350	350	
Corto Plazo (Short Term)	35	35	
Sub-total	385	385	
<u>Capacitación</u> <u>(Training)</u>			
GRAND TOTAL	<u>10,000</u>	<u>6,605</u>	<u>16,605</u>

JORDAN
Amman Water and Sewerage

*Agreement signed at Amman August 28, 1978;
Entered into force August 28, 1978.*

A.I.D. Loan Numbers: 278-K-023A
278-K-023B

Project Number :278-0220

PROJECT

LOAN AGREEMENT

BETWEEN

THE HASHEMITE KINGDOM OF JORDAN

AND THE

UNITED STATES OF AMERICA

FOR

AMMAN WATER AND SEWERAGE

DATE: AUGUST 28, 1978

TABLE OF CONTENTS

<u>PROJECT LOAN AGREEMENT</u>		
	<u>PAGE</u>	<u>[Pages herein]</u>
Article 1: The Agreement	1	4869
Article 2: The Project	1	4869
SECTION 2.1. Definition of Project	1	4869
Article 3: Financing	1	4869
SECTION 3.1. The Loan	1	4869
SECTION 3.2. Incremental Loan	1	4869
SECTION 3.3. Borrower Resources for the Project.	2	4870
SECTION 3.4. Project Assistance Completion Date	2	4870
Article 4: Loan Terms	2	4870
SECTION 4.1. Interest Rate and Terms of Repayment	2	4870
SECTION 4.2. Application, Currency, and Place of Payment	3	4871
SECTION 4.3. Prepayment	3	4871
SECTION 4.4. Renegotiation of Terms	3	4871
SECTION 4.5. Termination on Full Payment	3	4871
Article 5: Conditions Precedent to Disbursement	3	4871
SECTION 5.1. Initial Disbursement	3	4871
SECTION 5.2. Disbursement for Construction Services for the King Talal Water Transmission System	4	4872
SECTION 5.3. Disbursement for Other Construction Services	5	4873
SECTION 5.4. Notification	5	4873
SECTION 5.5. Terminal Dates for Conditions Precedent	5	4873
Article 6: Special Covenants	6	4874
SECTION 6.1. Project Evaluation	6	4874
SECTION 6.2. Water Monitoring System	6	4874
SECTION 6.3. Sludge Disposal	6	4874
SECTION 6.4. Increased Sewage Treatment	6	4874
SECTION 6.5. Access of Lower Income Families	7	4875
SECTION 6.6. Annual Withdrawal from King Talal Reservoir	7	4875
SECTION 6.7. Solid Waste Disposal	7	4875
SECTION 6.8. Rate Structure	7	4875
Article 7: Procurement Source	7	4875
SECTION 7.1. Foreign Exchange Costs	7	4875
SECTION 7.2. Local Currency Costs	7	4875
Article 8: Disbursements	8	4876
SECTION 8.1. Disbursement for Foreign Exchange Costs	8	4876

	<u>PAGE</u>	{ <i>Pages herein</i> }
SECTION 8.2. Disbursement for Local Currency Costs	8	4876
SECTION 8.3. Other Forms of Disbursement	9	4877
SECTION 8.4. Rate of Exchange	9	4877
SECTION 8.5. Date of Disbursement	9	4877
 Article 9: Miscellaneous	 9	 4877
SECTION 9.1. Investment Guaranty Project Approval	9	4877
SECTION 9.2. Communications	9	4877
SECTION 9.3. Representatives	10	4878
SECTION 9.4. Standard Provisions Annex ^[1]	10	4878

^[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 278-0220

Project Loan Agreement

Date: August 28, 1978

Between

The Hashemite Kingdom of Jordan ("Borrower")

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 above ("Parties") with respect to the undertaking by the Borrower 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 assisting the Hashemite Kingdom of Jordan in the overall expansion of the water supply, water distribution sewerage and sewage treatment systems for Amman. 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 9.3, without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Twenty Eight Million Five Hundred Thousand United States ("U.S.") dollars (\$28,500,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal."

SECTION 3.2. Incremental Loan. An incremental Loan of \$10,500,000 is expected to be made for the Project subject to the availability of funds to A.I.D. for this purpose. Such incremental loan is expected to be made by amendment to this agreement.

^[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

The Loan may be used to finance foreign exchange costs, as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project.

SECTION 3.3. Borrower Resources for the Project. (a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner. (b) The resources provided by Borrower for the Project will be not less than the equivalent of U.S. \$27,445,000, including costs borne on an "in-kind" basis.

SECTION 3.4. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is December 31, 1981, 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 Loan will have been performed and all goods financed under the Loan 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 Loan 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 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms.

SECTION 4.1. Interest Rate and Terms of Repayment. The amount loaned will consist of (1) an amount not to exceed \$19.0 Million (Loan Part A), and (2) an amount not to exceed \$9.5 Million (Loan Part B). The Borrower shall repay Loan Part A to A.I.D. in United States Dollars within forty (40) years from the date of the first disbursement of the Loan, including a grace period of not to exceed ten (10) years. The Borrower shall repay Loan Part B in United States Dollars within thirty (30) years from the first disbursement of the Loan, including a grace period of not to exceed ten (10) years. The Borrower shall pay to A.I.D. in United States Dollars interest from the date of first disbursement of Loan Part A and Loan Part B at the rate of (a) two percent (2%) per annum during the first ten (10) years, and (b) three percent (3%) per annum thereafter, on the outstanding disbursed balance of the Loans and on any due and unpaid interest accrued thereon.

SECTION 4.2. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.3. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.4. Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of The Hashemite Kingdom of Jordan which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of National Planning Council (NPC) in The Hashemite Kingdom of Jordan.

SECTION 4.5. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement

SECTION 5.1. Initial Disbursement. Prior to any disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which any disbursement will be made, the Borrower 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) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.3, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) A copy of an executed and delivered Reloan Agreement between the Borrower and AWSA by which the Borrower agrees to make available to AWSA the proceeds of the Loan for the purposes stated in Section 2.1 and Annex 1 herein.

(d) A plan for the utilization of the King Talal Dam reservoir, including:

i. Estimated monthly withdrawal schedule for Amman municipal use and for irrigation to 1989; and

ii. Evidence of agreement between AWSA and Jordan Valley Authority (JVA) for the allocation of water from the reservoir in accordance with the schedule specified in subparagraph (i), including the involvement of JVA in regulating extraction from King Talal;

(e) (i) an integrated project implementation schedule; and
(ii) evidence of financial commitments by the Borrower, the International Bank for Reconstruction and Development ("IRBD") and the Saudi Fund for the King Talal transmission system and the water distribution and sewerage system;

(f) An executed contract for project implementation assistance; and

(g) Evidence that the overhead power line and other electrical installations not included in the construction contracts under the Project but necessary for the operation of the King Talal water transmission system will be installed on a timely basis.

SECTION 5.2. Disbursement for Construction Services for the King Talal Water Transmission System.

Prior to any disbursement, or to the issuance of any commitment under the Loan to finance construction services for the King Talal Water Transmission System, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.

- (a) An executed construction contract for the work to be financed under the Loan;
- (b) An executed contract for construction supervision;
- (c) A design for disposal of waste water and chemical sludge from water pre-treatment and treatment;
- (d) A training plan for the operation and maintenance of the King Talal Water Transmission System;
- (e) An executed contract for the water intake structure and the water transmission pipeline; and
- (f) Evidence that AWSA has unencumbered use of the right-of-way for the pipeline and all other components of the system.

SECTION 5.3. Disbursement for Other Construction Services.

Prior to any disbursement, or to the issuance of any commitment under the Loan to finance construction services for areas 1S, 5W. and Wahdat/Shelish, and the expansion of the sewage treatment plant, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D. the following, prior to disbursement for each particular contract:

- (a) An executed contract for supervisory Engineering services for the particular construction contract;
- (b) An executed construction contract;
- (c) Evidence of unencumbered use of the right-of-way or other land required for carrying out the particular contract; and
- (d) For construction services related to the expansion of the sewage treatment plant, a training plan for the operations and maintenance of the facilities to be constructed/installed under the Project.

SECTION 5.4. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1, 5.2 and 5.3 have been met, it will promptly notify the Borrower.

SECTION 5.5. Terminal Dates for Conditions Precedent.

- (a) If all of the conditions specified in Section 5.1 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 Borrower.

(b) If all of the conditions specified in Sections 5.2 and 5.3 have not been met within 180 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 cancel the then undisbursed balance of the Loan, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Borrower. In the event of such termination, the Borrower will repay immediately the Principal then outstanding and any accrued interest; on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate.

Article 6: Special Covenants

SECTION 6.1. 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 6.2. Water Monitoring System. Borrower covenants that within one year from the effective date of this Agreement, a water monitoring system will be established to monitor the quality and quantity of water in the King Talal Reservoir, the upper and lower aquifers, and the Zerqa River to the King Talal Reservoir. As part of the monitoring system, Borrower agrees to undertake a review of industrial and municipal pollution of the Zerqa River above the King Talal Dam and to establish procedures to maintain mutually acceptable standards of water quality of the Zerqa River.

SECTION 6.3. Sludge Disposal. Borrower covenants that within one year following the effective date of this Agreement, a plan for the disposal of dried sludge from the sewage treatment plant will be prepared and reviewed with A.I.D., and within two years following the effective date of this Agreement the agreed upon plan will be implemented.

SECTION 6.4. Increased Sewage Treatment. Borrower covenants to undertake, within one year from the effective date of this Agreement, a feasibility study to review the requirements for expanding the treatment of the increased quantity of piped sewage which will result from the Project. Upon completion, Borrower, in consultation with A.I.D., will prepare and implement a plan to expand the sewage treatment plant.

SECTION 6.5. Access of Lower Income Families. Borrower will undertake, within one year from the effective date of this Agreement, a study of the financial constraints limiting the access of lower income families to the water and sewerage system and identify means of assisting those families as needed. The results of the study will be reviewed by the Borrower and A.I.D., following which, Borrower will establish procedures, as agreed between the Borrower and A.I.D. and within a mutually acceptable time frame, to assure access of lower income families.

SECTION 6.6. Annual Withdrawal from King Talal Reservoir. If Borrower determines that the total annual withdrawal from the King Talal Reservoir will exceed the level stipulated in the reservoir operational plan submitted in conformity with the conditions precedent to initial disbursement, Borrower agrees to review the proposed revised operational plan with A.I.D., including an assessment of the environmental implications of the anticipated increased total annual withdrawal and to take such steps as may have been agreed upon in such review.

SECTION 6.7. Solid Waste Disposal. Borrower covenants to undertake, within one year from the effective date of this Agreement, a study of solid waste disposal within Amman, including the relationship between current solid waste disposal and Amman's water resources. Results of the study will be reviewed by Borrower and A.I.D. and the agreed results of such review incorporated in procedures for disposal of Amman's solid wastes.

SECTION 6.8. Rate Structure. Borrower agrees to review with A.I.D. possible rate schedules for water and sewerage service during the course of the Project and devise a rate structure which will make the AWSA financially viable.

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2 will be used exclusively to finance the costs of good and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in The Hashemite Kingdom of Jordan ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 8: Disbursements**SECTION 8.1. Disbursement for Foreign Exchange Costs.**

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 Borrower'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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 disbursement hereunder 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 Borrower to make available the local currency for such costs, and (B) thereafter making available to the Borrower through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Borrower or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Borrower, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

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. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2, if funds provided under the Loan are introduced into the Hashemite Kingdom of Jordan by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of The Hashemite Kingdom of Jordan at the highest rate of exchange which, at the time the conversion is made, is not unlawful in The Hashemite Kingdom of Jordan.

SECTION 8.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order; (b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2(b)(1); or (c) if local currency is obtained in accordance with Section 8.2(b)(2), on the date on which A.I.D. opens or amends the Special Letter of Credit there referred to.

Article 9: Miscellaneous

SECTION 9.1. Investment Guaranty Project Approval

Construction work to be financed under this Agreement is agreed to be a project approved by The Hashemite Kingdom of Jordan pursuant to the agreement between it and the United States of America on the subject of investment guarantees, and no further approval by The Hashemite Kingdom of Jordan will be required to permit the United States to issue investment guarantees under that agreement covering a contractor's investment in that project.

SECTION 9.2. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail Address: National Planning Council
Amman, Jordan

Alternate address for telegrams:

National Planning Council
Amman, Jordan

To A.I.D.:

Mail Address: USAID Mission
Amman, Jordan

Alternate address for telegrams:

USAID AMMAN

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. The Borrower, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

SECTION 9.3. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of the President, National Planning Council and A.I.D. will be represented by the individual holding or acting in the office of Mission Director in Jordan, 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 Borrower, 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 9.4. Standard Provision Annex. A "Project Loan Standard Provision Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

^[1] See footnote 1, p. 4868.

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

THE HASHEMITE KINGDOM OF JORDAN

By: Dr. Hanna OdehTitle: President, National Planning Council

UNITED STATES OF AMERICA

By: Roscoe S. SuddarthTitle: Charge d'Affaires, a.i.

PROJECT DESCRIPTION

1. OBJECTIVE: The objective of the Project is to expand the capacity of the Amman Water and Sewerage Authority to provide a reliable supply of water and increased sewerage to the city Amman. It is anticipated that expansion of the water distribution and sewerage systems within Amman will increase the number of persons connected to piped water from an estimated 52 percent in 1977 to 75 percent by 1981 and increase the number of persons connected to the sewerage system from 17 percent in 1977 to 54 percent by 1981. The expansion of the present sewerage treatment plant to be accomplished under this Project is expected to be sufficient to handle the anticipated increase in sewage resulting from expansion of the sewerage system. In addition, the Jordan Electric Authority will construct an electrical transmission line to serve the water transmission system from King Talal Dam to Amman. The cost of this activity is not included in the Project cost estimates. AWSA will not be charged for the line but will pay a flat rate per kilowatt hour for power.

2. PROJECT COMPONENTS: The Project has the following physical facilities and elements of technical assistance as components:

- (a) Construction of a water transmission system from the King Talal Reservoir to Amman, including the water intake structure, pipeline, water treatment facilities, pumping station and reservoir.
- (b) Construction of approximately 276 kilometers of water mains, laterals, house connection, and related pumping stations and reservoirs.
- (c) Construction of approximately 264 kilometers of sewer mains, laterals, and house connections.
- (d) Expansion and improvement of the sewage treatment plant.
- (e) All engineering services required to design the facilities listed above and to supervise their construction, the installation of all equipment and supervision of the testing of the equipment and facilities.

3. EVALUATION: The objective of the Project is to expand the capacity of the Amman Water and Sewerage Authority (AWSA) to provide a reliable supply of water and increased sewerage services to the city of Amman. The following indicators will be utilized to verify achievement of Project objectives in 1981:

- (a) Water of acceptable quality available on regular basis to consumers connected to the AWSA System;
- (b) Up to 15 million cubic meters figure of water of adequate quality supplied to the AWSA system from the King Talal reservoir;

(c) Household water connections reach approximately 75 percent of the population in Amman.

(d) Household sewer connections reach approximately 54 percent of the population in Amman.

(e) Sewerage treatment plant operating within acceptable standards in terms of quality of effluent and disposal of sludge.

(f) Unaccounted - for water losses reduced from 38 percent of total water produced in 1977 to 30 percent.

AWSA records will be the major source of information for the verification of achievement of objectives. In the final Project report to be prepared by AWSA on completion of the Project, there will be provided sufficient information related to the above indicators to allow evaluation of the project.

4. COST ESTIMATE:

(a) The total cost of the Project as described above in paragraph 2, above, is estimated at approximately \$99,400,000 including contingencies escalation and interest during construction.

(b) The cost of the Project is expected to be financed as follows:

	(U.S. \$000)
A.I.D.	\$39,000
Saudi Financed Fund	19,000
QDA	14,000
AWSA	27,400
<hr/>	
TOTAL:	\$99,400

5. PROJECT SCHEDULE: The following are estimated for completion of construction for the major elements of the Project:

Executed Contract for Water Transmission System	November 1978
Initial Contracts for Amman City Water and Sewerage Systems	November 1978
Contract for Sewage Treatment Plant	November 1978
Contract for Construction Management Services	November 1978

Completion of Sewerage Treatment Plant Activities	April 1980
Completion of Amman City Water and Sewerage Systems	December 1980
Completion of Electric Power Supply Line	June 1980
Completion of King Talal System	October 1981

**JORDAN
POTASH PLANT**

*Agreement signed at Amman August 28, 1978;
Entered into force August 28, 1978.
And amending agreement
Signed at Amman January 25, 1979;
Entered into force January 25, 1979.*

A.I.D. Loan Number 278-K-021
Project Number 278-0210

**PROJECT
LOAN AGREEMENT
BETWEEN
THE HASHEMITE KINGDOM
OF JORDAN
AND THE
UNITED STATES OF AMERICA
FOR
POTASH PLANT**

Date: AUGUST 28, 1978

(4883)

TIAS 9492

TABLE OF CONTENTS**Project Loan Agreement****ARTICLE 1: The Agreement****ARTICLE 2: The Project**

Section 2.1 Definition of Project

ARTICLE 3: Financing

Section 3.1. The Loan

Section 3.2. Borrower Resources for the Project

Section 3.3. Project Assistance Completion Date

ARTICLE 4: Loan Terms

Section 4.1. Interest

Section 4.2. Repayment

Section 4.3. Application, Currency, and Place of Payment

Section 4.4. Prepayment

Section 4.5. Renegotiation of Terms

Section 4.6. Termination on Full Payment

ARTICLE 5: Conditions Precedent to Disbursement

Section 5.1. Conditions Precedent to Disbursement

Section 5.2. Additional Disbursement

Section 5.3. Notification

Section 5.4. Terminal Dates for Conditions Precedent

ARTICLE 6: Special Covenants

Section 6.1. Debt/Equity Ratio

Section 6.2. Payment of Dividends and Expenditures

Section 6.3. Indebtedness

Section 6.4. Port Facilities

Section 6.5. Road Maintenance

Section 6.6. Management and Training

Section 6.7. Credit Facilities and Sources

Section 6.8. Compacting and Other Facilities

Section 6.9. Fresh Water Resources

ARTICLE 7: Procurement Source

Section 7.1. Foreign Exchange Costs

ARTICLE 8: Disbursements

- Section 8.1. Disbursement for Foreign Exchange Costs
- Section 8.2. Other Forms of Disbursement
- Section 8.3. Date of Disbursement

ARTICLE 9: Miscellaneous

- Section 9.1. Investment Guaranty Project Approval
- Section 9.2. Communications
- Section 9.3. Representatives
- Section 9.4. Standard Provisions Annex^[1]

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 278-0210

**PROJECT LOAN AGREEMENT DATED AUGUST 28, 1978
BETWEEN THE HASHEMITE KINGDOM OF JORDAN
("BORROWER") 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 Borrower 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 construction by the Arab Potash Company Ltd. ("APC") of production facilities for 1.2 million tons of potash (potassium chloride) of standard fertilizer grade (containing 60% to 62% K₂O) annually, including the construction of storage facilities, a steam plant, fresh water supply systems and a township and the furnishing of a truck fleet; the project also includes technical assistance, including engineering and construction supervision, accounting and financial management assistance and plant operation and management training. Annex 1, attached, amplifies the above definition of the Project.

ARTICLE 3: Financing

SECTION 3.1. The Loan. (a) To assist the Borrower to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended^[1], agrees to lend the Borrower under the terms of this Agreement not to exceed five million United States ("U.S.") dollars (\$5,000,000) ("Loan") to finance the foreign exchange costs of design engineering services. The aggregate amount of disbursements under the Loan is referred to as "Principal."

(b) An incremental loan of \$33,000,000 is expected to be made for the Project subject to the availability of funds to A.I.D. for this purpose. Such incremental loan is expected to be made by amendment to this agreement.

^[1] 75 Stat. 424; 22 U.S.C. §2151 note.

(c) The Loan and any incremental loan for the Project will be relent by the Borrower to the Arab Potash Company.

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

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

(b) The resources provided by Borrower for the Project will be not less than the equivalent of U.S. \$100 million consisting of equity contributions to APC and deferrals of interest differential.

SECTION 3.3. Eligibility Date. Notwithstanding the provisions in C.2 of Standard Provisions Annex, Disbursements made or to be made under the contract for design engineering services dated November 5, 1977 are eligible for financing under the Loan.

SECTION 3.4. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is March 31, 1984, 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 Loan will have been performed and all goods financed under the Loan 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 Loan 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 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest.

Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order to their maturity.

SECTION 4.5. Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Jordan, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either party to the other to so negotiate will be made pursuant to Section 9.2, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.2 the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the National Planning Council in Amman, Jordan.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE 5: Conditions Precedent to Disbursement of the Loan.

SECTION 5.1. First Disbursement. Prior to any disbursement under the Loan or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made under the Loan, the Borrower 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) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.3., and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) A firm financing plan for the Project including but not limited to a confirmation of the amounts to be provided by each participating donor institution;

(d) A legal opinion from both APC and the Borrower that APC has undertaken all such action as required to permit the increase of the share capital of APC to Jordanian Dinar 63 million.

(e) A copy of an executed and delivered Reloan Agreement between the Borrower and APC by which the Borrower agrees to make available to APC the proceeds of the Loan for the purposes stated in Section 2.1 and Annex 1 herein.

SECTION 5.2. Additional Disbursement. Prior to any disbursement under an incremental loan or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for any amount under an incremental loan, the Borrower 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) Executed and delivered agreements by the Borrower and/or APC with all lenders other than A.I.D. and commercial lenders in an aggregate amount equivalent to not less than \$142,000,000.

(b) Evidence that substantially all the shares to be issued to bring APC's capital to not less than Jordanian Dinar 63 million have been subscribed to;

(c) Copies of executed contracts with firms acceptable to A.I.D. for the supply of technical advisory and of accounting and financial services;

(d) Evidence that a firm acceptable to A.I.D. has been selected with which APC will enter into a contract for supplying operating management and training assistance;

(e) A plan by the Borrower acceptable to A.I.D. for financing, constructing and operating potash storage and loading facilities at the Port of Aqaba;

(f) A written undertaking by the Borrower and the Jordan Electricity Authority (JEA) to construct transmission and related power supply facilities and all other facilities necessary to furnish an average of 10MW and a maximum of 17MW of electricity to APC's potash plant beginning March 1, 1981 and to take whatever other measures are necessary to provide the plant with adequate and timely supply of power to enable APC to operate its facilities efficiently; and

(g) Evidence that APC has appointed a qualified marketing executive.

SECTION 5.3. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1 and 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

(b) If all of the conditions specified in Section 5.2 have not been met within 150 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 cancel the then undisbursed balance of the Loan, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Borrower. In the event of such termination, the Borrower will repay immediately the Principal then outstanding and any accrued interest, on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate.

ARTICLE 6: Special Covenants.

SECTION 6.1. Debt/Equity Ratio. Borrower agrees that APC's debt/equity ratio shall not be higher than 60/40 during project execution nor higher than 55/45 after project completion.

SECTION 6.2. Limitation on Payment of Dividends and on Expenditures. Unless otherwise agreed by A.I.D., until APC's plant included in the Project shall have produced an aggregate of 1,080,000 metric tons of fertilizer grade potash equivalent to 90% of rated capacity during a period of twelve consecutive months or until December 31, 1985, whichever is the later, the Borrower shall cause APC not to:

(i) pay any dividend or make any other distribution with respect to its capital shares (other than dividends or distributions payable solely in such capital shares) or purchase, redeem or otherwise acquire, directly or indirectly for any consideration, any of such capital shares

or prepay part, or all, of the principal amount outstanding of any debt of APC, or make or incur any financial commitment to any of its subsidiaries, if any;

(ii) make any expenditures, or commitments for expenditures, for fixed or capital assets (including investments in or loans to other business entities) except expenditures, or commitments for expenditures, on account of:

- (A) repair, maintenance or replacement of assets;
- (B) investments in short-term marketable securities solely for the purpose of temporarily employing its idle funds;
- (C) expenditures, or commitments for expenditures, required for the carrying out of the Project; and
- (D) other expenditures, or commitments for expenditures, not exceeding in the aggregate the equivalent of \$1,000,000 in any fiscal year.

SECTION 6.3. Indebtedness. Except as A.I.D. shall otherwise agree, Borrower shall cause APC not to incur any indebtedness, other than for money borrowed for financing the Project:

(i) if, after the incurring of any such indebtedness, APC's ratio of indebtedness incurred and outstanding to equity would exceed 55/45; and

(ii) if after the incurrence thereof and including the indebtedness to be incurred, APC's projected debt service coverage ratio would fall below 1.5:1 for any fiscal year after the PACD.

SECTION 6.4. Port Facilities. Unless otherwise agreed by A.I.D. in writing, the Borrower shall construct or cause to be constructed facilities for the storage of 150,000 tons of bulk potash, screening and bagging facilities, storage of bagged potash and for the loading for overseas shipment of potash. Such facilities shall be completed by December 31, 1981.

SECTION 6.5. Road Maintenance. Borrower agrees to cause the Safi-Aqaba highway and all facilities and bridges related thereto to be adequately maintained and to cause all necessary repairs thereof to be made, all in accordance with sound engineering practices, and to provide, promptly as needed, the funds, facilities, equipment services and other resources required for the purpose.

SECTION 6.6. Management and Training. Unless otherwise agreed by A.I.D., the Borrower shall cause APC to undertake:

(i) to contract by March 31, 1979 with a firm acceptable to A.I.D. for assistance in the management of the potash production facilities and for training of APC's technical management and operating personnel; and

(ii) to continue employing advisors in production management until its ability to operate the plant successfully without such advisors can be demonstrated.

SECTION 6.7. Credit Facilities and Sources. Unless otherwise agreed by A.I.D., Borrower agrees to cause APC to submit to A.I.D. by June 30, 1979, an analysis of credit facilities needed to finance its sales in accordance with its marketing plan, together with an analysis of credit sources which may be needed, in addition to its own working capital, to finance such sales.

SECTION 6.8. Compacting and Other Facilities. Unless otherwise agreed by A.I.D., Borrower agrees to cause APC to submit to A.I.D. by March 31, 1979, its analysis of the advisability of installing compacting facilities and facilities for the production of potassium sulphate, together with relevant cost estimates and preliminary construction schedules in the event that installation of such facilities appears warranted.

SECTION 6.9. Fresh Water Resources. Borrower agrees to cause APC to continue its consultations with the Jordan Valley Authority (The "Authority") to ensure that plans for supplying the plant and township with fresh water are consistent with the Authority's plans for the development of water resources in the project area.

ARTICLE 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

ARTICLE 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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;

(i) 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 Borrower's behalf for the Project; or

(ii) 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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

ARTICLE 9: Miscellaneous.

SECTION 9.1. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by the Borrower pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by Jordan will be required to permit the United States to issue investment guaranties under the agreement covering a contractor's investment in that project.

SECTION 9.2. Communications. (a) Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To THE BORROWER:

Mail Address:

Alternate address for telegrams:

To A.I.D.:

Mail Address:

Alternate address for telegrams:

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.

(b) To expedite communication on details of project implementation, the Borrower authorizes A.I.D. and APC to communicate directly on all such matters; A.I.D. will furnish copies of written communications to the Borrower.

SECTION 9.3. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the Office of President, National Planning Council 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 Borrower, 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 9.4. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

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

THE HASHEMITE KINGDOM OF JORDAN

HANNA ODEH

By: Dr. Hanna Odeh
Title: *President, National Planning Council*

UNITED STATES OF AMERICA

ROSCOE S. SUDDARTH

By: Roscoe S. Suddarth
Title: *Charge d'Affaires, a.i.*

¹ See footnote 1, p. 4885.

ANNEX 1

Project Description

1. Objective. The objective at which the Project aims is a substantial increase in foreign exchange earnings by the Hashemite Kingdom of Jordan. Such increased earnings are expected to result from the export of approximately 1.2 million tons of fertilizer grade potash annually (potassium chloride containing 60 to 62 percent of K₂O).

2. Project Components. The Project, located near Safi at the Southern end of the Dead Sea, has the following physical facilities and elements of technical assistance as components:

(a) Construction of a solar evaporation system, consisting (i) of about 58 kilometers of dikes enclosing evaporation ponds which cover an area of approximately 70 square kilometers; and (ii) the pumps and related equipment and facilities necessary to transfer brine from the Dead Sea into the evaporation ponds and between those ponds;

(b) A carnallite harvesting system designed to remove carnallite from the bottom of the carnallite ponds and to transport it to the processing plant (refinery);

(c) Construction of a refinery based on the hot-leach/crystallization process, together with all the required equipment, to produce annually approximately 1.2 million tons of fertilizer grade potash, as defined in paragraph 1, above, from the harvested carnallite;

(d) Construction and equipment of water supply systems to provide the refinery and the township described below with process and potable water;

(e) Steam and power generating facilities to supply the refinery with the required process steam and to generate about 15 megawatts of electric power;

(f) Construction of a township consisting of about 380 housing units and the required roads, water and power supply facilities and other required infrastructure;

(g) A fleet of trucks of a size and design necessary to transport the output of the refinery by road to the Port of Aqaba;

(h) Truck loading facilities at the site of the refinery designed to handle the output of the refinery and storage facilities for about 60,000 tons of potash;

(i) All engineering services required to design all of the facilities enumerated above and to supervise their construction, the installation of all equipment and the testing and start-up of all the production and ancillary facilities;

(j) Technical advisory services needed to assist APC in the management of the design and construction activities;

(k) Financial advisory services needed to assist APC in the establishment of the required systems and procedures for accounting and financial control and reporting;

(l) Operations management assistance required to assist APC in the start-up and operation of the production and related facilities and in training its personnel for the management and operation of such facilities.

3. Cost Estimate and Financial Arrangements.

(a) The total cost of the Project as described in paragraph 2, above, is estimated at approximately \$429 million, including contingencies, escalation and interest during construction.

(b) The cost of the Project is expected to be financed as follows:

	<u>\$Millions</u>	Percent of Total
APC Equity	193	45
Debt	218	51
APC Cash Generations	18	4
Total	\$429	100

(c) Debt financing, including the expected final amount of this loan, is expected to be provided from the following sources:

	<u>\$Millions</u>
AID	38
IBRD	35
Kuwait Fund	35
Other Arab Sources	72
Commercial Institutions	20
Government of Jordan (deferral of interest differential)	18
 Total	 \$218

4. Project Schedule.

(a) The following are estimated dates for the completion of construction for major elements of the Project:

—Solar Evaporation System	March 1982
—Power Plant	July 1981
—Refinery	December 1981
—Township	June 1980

(b) The following are estimated dates for major events during start-up and initial operations:

(i) Deposition of Carnallite begins

—in pan C-1	August 1981
—in pan C-2	August 1982
—in pan C-3	August 1983
(ii) Refinery Start-up	July 1982

(iii) Production tests

—75% of capacity

January 1983

—100% of capacity

January 1983
October 1983

(iv) Production Targets:

	<u>Percentage of Plant Capacity</u>
August 1982 to July 1983	20
August 1983 to July 1984	56
August 1984 to July 1985	88
Thereafter	100

[AMENDING AGREEMENT]

A.I.D. Loan Number 278-K-021A
A.I.D. Project Number 278-0210

**FIRST AMENDMENT
TO
LOAN AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE HASHEMITE KINGDOM OF JORDAN
FOR
POTASH PLANT**

Date: JANUARY 25, 1979

Date: JANUARY 25, 1979

Between: The Hashemite Kingdom of Jordan ("Borrower") and the United States of America, acting through the Agency for International Development ("A.I.D.")

WHEREAS, on August 28, 1978, the Hashemite Kingdom of Jordan and A.I.D. entered into an Agreement known as A.I.D. Loan Number 278-K-021 ("the Agreement") providing for a loan of five million United States dollars (\$5,000,000) ("the Loan") to assist the Hashemite Kingdom of Jordan to meet project costs of carrying out the construction by the Arab Potash Company Ltd. ("APC") of production facilities for 1.2 million tons of potash annually.

WHEREAS, the Parties hereto now wish to amend that Loan Agreement to provide the additional amount of thirty-three million United States dollars (\$33,000,000) for a total loan amount of thirty-eight million United States dollars (\$38,000,000).

Now, THEREFORE, the Parties do hereby agree that:

1. The Loan Agreement is amended as follows:

(a) SECTION 3.1 (a) is amended by deleting the words "five million United States ("U.S.") dollars (\$5,000,000) ("Loan") to finance the foreign exchange costs of design engineering services," and substituting therefor the words "thirty-eight million United States ("U.S.") dollars (\$38,000,000) ("Loan") to finance the foreign exchange costs of the Project."

(b) The following sentence is hereby added to SECTION 3.1 (a) after the word "Principal":

"Specific reference to the original loan shall be to 'the \$5,000,000 Loan' and specific reference to the amount of the loan provided by this First Amendment shall be to 'the amount in Excess of \$5 million'."

(c) SECTION 3.1 (b) is amended by deleting the paragraph in its entirety and substituting therefor as follows:

"SECTION 3.1 (b). The entire proceeds of the Loan shall be relent by the Borrower to the Arab Potash Company.

The Loan may be used only to finance foreign exchange costs, as defined in SECTION 7.1, of goods and services required for the Project."

(d) SECTION 3.1 (c) is deleted in its entirety.

TIAS 9492

(e) SECTION 3.3 is amended by deleting the paragraph in its entirety and substituting therefor the following:

"**SECTION 3.3. Eligibility Dates.** Notwithstanding the provisions of C.2 of the Project Loan Standard Provisions Annex, disbursements made or to be made under the contract for design engineering services dated November 5, 1977 (the "Contract") are eligible for financing under the Loan. Disbursements made for the Project other than under the Contract shall be made in accordance with the provisions of C.2 of the Project Loan Standard Provisions Annex."

(f) SECTION 5.1 is amended by deleting the first full paragraph beginning with the word "SECTION" and ending with the word "A.I.D." and substituting the following:

"**SECTION 5.1. Disbursement for \$5,000,000 Loan.** Prior to any disbursement under the \$5,000,000 Loan, or to the issuance of documentation pursuant to which disbursement will be made under the \$5,000,000 Loan, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D."

(g) SECTION 5.2 is amended by deleting the first full paragraph beginning with the word "SECTION" and ending with the word "A.I.D." and substituting the following:

"**SECTION 5.2. Disbursement of Any Amount in Excess of \$5 million.** Prior to any disbursement for the Project for any amount in excess of \$5 million or to issuance by A.I.D. of documentation pursuant to which disbursement for the Project will be made for any amount in excess of \$5 million, the Borrower will, except as the Parties may otherwise agree in writing furnish to A.I.D. in form and substance satisfactory to A.I.D."

(h) SECTION 5.2. is amended by adding new subparagraph (h) as follows:

"(h) An opinion of counsel acceptable to A.I.D. that this First Amendment to the Loan Agreement has been duly authorized and/or ratified by, and executed on behalf of the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms."

(i) SECTION 5.2. is amended by adding new subparagraph (i) as follows:

"(i) Confirmation by the Borrower that results of tests carried out to the date of this First Amendment confirm that the design criteria used for establishing the quantity of carnallite

deposition are adequate to meet the proposed production of 1.2 million metric tons of potash annually."

2. Except as specifically amended hereby, the Loan Agreement dated August 28, 1978 between Borrower and A.I.D. shall remain in full force and effect.

IN WITNESS WHEREOF, the Hashemite Kingdom of Jordan and the United States of America, each acting through its duly authorized representative, have caused this First Amendment to the Loan Agreement to be signed in their names and delivered as of the date and year first above written.

HASHEMITE KINGDOM OF JORDAN

By: HANNA ODEH

Hanna Odeh

Title: *President, National Planning Council*

UNITED STATES OF AMERICA

By: NICHOLAS A. VELIOTES

Nicholas A. Velotes

Title: *Ambassador*

MALI
Renewable Energy

*Agreement signed at Bamako August 26, 1978;
Entered into force August 26, 1978.*

A.I.D. Project No. 688-0217

PROJECT GRANT AGREEMENT

between

THE REPUBLIC OF MALI

and the

UNITED STATES OF AMERICA

for

MALI RENEWABLE ENERGY

Appropriation: 72-11X1012

Allotment : 812-52-688-00-69-81

Date : AUG 26 1978

TABLE OF CONTENTSPROJECT GRANT AGREEMENT

Article 1 : The Agreement

Article 2 : The Project

- SECTION 2.1 Definition of Project
- SECTION 2.2 Incremental Nature of Project

Article 3 : Financing

- SECTION 3.1 The Grant
- SECTION 3.2 Grantee Resources for the Project
- SECTION 3.3 Project Assistance Completion Date

Article 4 : Conditions Precedent to Disbursement

- SECTION 4.1 First Disbursement
- SECTION 4.2 Disbursement of Funds for Technical Services
- SECTION 4.3 Disbursement of Funds for Architectural and Engineering Services
- SECTION 4.4 Disbursement of Funds for Construction
- SECTION 4.5 Notification
- SECTION 4.6 Terminal Dates for Conditions Precedent

Article 5 : Covenants

- SECTION 5.1 Project Evaluation
- SECTION 5.2 Other Covenants

Article 6 : Procurement Source

- SECTION 6.1 Foreign Exchange Costs
- SECTION 6.2 Local Currency Costs

Article 7 : Disbursements

- SECTION 7.1 Disbursement for Foreign Exchange Costs
- SECTION 7.2 Disbursement for Local Currency Costs
- SECTION 7.3 Other Forms of Disbursement
- SECTION 7.4 Rate of Exchange

Article 8 : Miscellaneous

- SECTION 8.1 Communications
- SECTION 8.2 Representatives
- SECTION 8.3 Controlling Language
- SECTION 8.4 Standard Provisions Annex

Annex 1 : Project Description
Attachment 1 - Financial Plan

Annex 2 : Standard Provisions Annex^[1]

^[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 688-0217

PROJECT GRANT AGREEMENT

BETWEEN

The Government of the Republic of Mali "Grantee"

AND

The United States of America, acting through the
Agency for International Development (A.I.D.)

1 : The Agreement

The purpose of this Agreement is to set out the understanding of the parties named above (Parties) with respect to the undertaking by the Grantee of the project described herein, and with respect to the financing of the project by the Parties.

2 : The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of the provision of technical assistance, training, and goods and services required: (1) to assist in the conduct of a five-year test designed to show whether new or improved small-scale renewable energy technologies can provide affordable and reliable alternatives to fossil-fuel or traditional energy technologies and (2) to assist in the development of Malian institutional capacity to plan, implement and evaluate alternative energy technologies. 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. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

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,^[1] agrees to grant the Grantee under the terms of this Agreement not to exceed TWO MILLION ONE HUNDRED SEVENTY FOUR THOUSAND ("U.S.") Dollars (\$2,174,000) ("Grant").

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

SECTION 3.2. Grantee Resources for the Project.

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

(b) The resources provided by the Grantee for the project will be not less than the equivalent of NINE HUNDRED FORTY-EIGHT THOUSAND US Dollars (\$948,000) in FY 1978 and ONE MILLION TWO HUNDRED SEVENTY-TWO THOUSAND US Dollars (\$1,272,000) over the life of the project, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services under the Grant will have been furnished for the project as contemplated in this Agreement.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

(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. A.I.D., giving notice in writing to the Grantee, may at any time 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.

4 : Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement of funds under the Grant, or to the issuance of commitment documents with respect thereto, the Grantee shall furnish to A.I.D., in form and substance satisfactory to A.I.D., documentary evidence of the establishment of an Interagency Project Committee chaired by the Director General of Hydrology and Energy and consisting of representatives from the Solar Energy Laboratory, National Meteorology, the National Directorates of Functional Literacy and Applied Linguistics (DNAFLA), Génie Rural, Energie du Mali, Training and Rural Action (DNFAR), and Water and Forests, the Malian Board for Livestock and Meat (OMBEVI), the Institute of Rural Economy (IER), USAID, and such other organizations as the chairman believes will contribute to the work of the committee. The Project Committee shall have the authority to coordinate the various aspects of the project.

SECTION 4.2. Disbursement of Funds for Technical Services. Prior to the disbursement of funds under the Grant for technical services other than architectural and engineering services for the Solar Energy Laboratory, or to the issuance of commitment documents with respect thereto, the Grantee shall furnish to A.I.D. the following in form and substance satisfactory to A.I.D.

- (a) A request for proposals to provide such technical services; and
- (b) An executed contract with a firm acceptable to A.I.D. for the furnishing of such services.

SECTION 4.3. Disbursement of Funds for Architectural and Engineering Services. Prior to the disbursement of funds for architectural and engineering services for the design of the Solar Energy Laboratory, or to the issuance of commitment documents with respect thereto, the Grantee shall furnish the following to A.I.D., in form and substance satisfactory to A.I.D.:

- (a) Documentary evidence of the availability of a new permanent site satisfactory to A.I.D. for the Solar Energy Laboratory; and
- (b) An executed contract with a firm acceptable to A.I.D. for such services.

SECTION 4.4. Disbursement of Funds for Construction. Prior to the disbursement of funds under the Grant for construction services for the solar energy laboratory facility, the Grantee shall furnish to A.I.D. the following, in form and substance satisfactory to A.I.D.:

- (a) Detailed plans, specifications and bid documents for such construction; and
- (b) An executed contract with a firm acceptable to A.I.D. for the provision of such construction services.

SECTION 4.5. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1, 4.2, 4.3, and 4.4 have been met, it will promptly notify the Grantee.

SECTION 4.6. Terminal Dates for Conditions Precedent. If the condition specified in Section 4.1 has not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

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 may otherwise agree in writing, a joint evaluation of project implementation shall take place every 6 months. It will: (a) evaluate progress toward attainment of the objectives of the project; (b) identify and evaluate problems or constraints which may inhibit such attainment; (c) assess means of helping overcome such problems; and (d) evaluate, to the degree feasible, the overall development impact of the project.

SECTION 5.2. Other Covenants. It is mutually agreed that:

(a) The Grantee shall ensure that the solar energy laboratory, and other agencies of the cooperating country participating in the project, are provided with suitably qualified personnel, and budgetary resources, in addition to the amount of this grant, required for the effective implementation of this project.

(b) Prior to the obligation of funds by A.I.D. to finance goods and services for phases III and IV of the project, the Grantee and A.I.D., through an independent contractor, shall conduct an evaluation of phases I and II of the project, agree to modifications of the project that may be appropriate as a result of such evaluation, and, provided the evaluation results are satisfactory, develop mutually agreeable preliminary plans and cost estimates for phases III and IV of the project. If the evaluation results are unfavorable, the project will not proceed to phase III or beyond unless and until corrective action is taken.

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, except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section V.1(b) with respect to marine insurance.

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 Republic of Mali. To the extent provided for under this Agreement, "Local Currency" may also include the provisions of local currency resources required for the project.

7 : Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of the condition precedent to first disbursement (Section 4.1.), the Grantee may obtain disbursement of funds under the Grant for the Foreign Exchange Costs of goods and 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 the 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.

(a) After satisfaction of the condition precedent to first disbursement (Section 4.1), the Grantee may obtain disbursements of funds under the Grant for local currency costs required for the project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. Dollars by purchase or (2) by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder shall 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 7.3. Other Forms of Disbursements. Disbursements of the Grant may also be made through such other means as the Parties may agree in writing.

SECTION 7.4. Rate of Exchange. If funds provided under the Grant are introduced into the Republic of Mali by A.I.D. or any other 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 Mali at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of Mali.

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: Ministry of Industrial Development and Tourism
Bamako, Mali

To A.I.D. USAID, American Embassy
 B.P. 34
 Bamako, Mali

Alternative address for cables: USAID, AMEMBASSY, Bamako.
Any such communications may be in English or in French. If A.I.D. communicates with the Grantee in both English and French, the English text is the controlling language. Other addresses may be substituted for the above upon the giving of notices.

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 the Minister of Industrial Development and Tourism and A.I.D. will be represented by the individual holding or acting in the office of the U.S.A.I.D. Mission Director in Mali, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the powers under Section 2.1. to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority

SECTION 8.3. Controlling Language. This Agreement is signed in both English and French. In all matters of interpretation concerning this Agreement, the English text will be the controlling language.

SECTION 8.4. Standard Provisions Annex. A Standard Provisions Annex (Annex 2)^[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF the Governments of the Republic of Mali 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 date and year first above written.

GOVERNMENT OF THE REPUBLIC OF MALI

THE UNITED STATES OF AMERICA

By:

Title: Minister of Foreign Affairs

By:

Title: Ambassador of the United States of America

By:

Title: Acting Director, USAID

¹ See footnote 1, p. 4905.

² A. Blondin Beye.

³ Patricia M. Byrne.

⁴ Myron G. Smith.

Annex 1
Project 608-0217PROJECT DESCRIPTION

The goal of the project is to adapt renewable energy technologies in order to improve the material conditions of life in rural Mali. More specifically, the project will attempt to (a) apply sources of renewable energy to tasks now largely accomplished by human muscle power, (b) help alleviate Mali's dependence on costly fossil fuels and firewood (with its negative economic and ecological consequences), and (c) gain a better understanding, based on scientific observation, of the technical, social and economic consequences of introducing renewable energy technologies in rural Africa.

There are two purposes in this project: to select appropriate sources and applications of renewable energy and develop processes for introducing renewable energy technologies in rural Africa.

There are two purposes in this project: to select appropriate sources and applications of renewable energy and develop processes for introducing them in rural Malian communities, and to develop the capacity of Mali's Solar Energy Laboratory to undertake continuing research and development that adapts renewable energy technologies for local use. Toward these ends, the project plans a coordinated program of institutional support, applied research and development, surveys of village resources and needs, and the launching of field demonstrations at two dozen sites. In short, it aims to prepare Mali for the introduction of alternative energy technologies in rural areas on a wide scale.

Two types of preparation will be required. There must be first of all a sustained effort to adapt proven technologies to the Malian situation. The substitution of local for imported materials in the fabrication of various devices will be as important as making design modifications that increase durability under Malian conditions. Secondly, efforts must be made to determine effective ways for village groups or individual village households to take over the ownership, operation and basic maintenance of the new devices. Both types of preparation will have to be successfully completed for each new technology before it can be distributed to villages, not only in Mali but possibly elsewhere in the Sahel.

The Malian organization responsible for the technical phase of the program is the Solar Energy Laboratory, a Division of the Directorate General for Hydrology and Energy, Ministry of Industrial Development and Tourism. However, this project requires the coordination of several Malian agencies which must act in concert for the achievement of the project's objectives. To ensure proper communication and coordination, a Project Committee will be officially established under the chairmanship

of the Director General of Hydrology and Energy. The Project Committee (with a single representative from each agency, including USAID) will meet from time to time as is necessary to review the project and resolve any inter-agency coordination issues. The committee will be the mechanism for making important project decisions, such as the selection of the 20 test villages. It will also serve to insure the effective allocation of project resources and the various technical inputs needed at design and implementation stages.

The members of the Project Committee will designate senior members of their respective services to serve as day-to-day points of contact on project matters or to assume special roles set forth in the project design. The Institute of Rural Economy (IER) will designate a senior member of its Evaluation Unit to participate in the design of the baseline studies and the socio-economic studies contemplated in Phase II (see below). Similarly, the Meteorological service will assign a staff member to participate in the design and evaluation of the village climatic studies.

The project is comprised of four phases: phase I (Institutional Support and Early Starts), phase II (Village Level Surveys), phase III (Village Level Testing), and phase IV (Evaluation). It is understood and agreed that, prior to the initiation of phase III, an evaluation will be conducted by a team of energy scientists and that a decision to proceed to phase III will be subject to the mutual agreement of both parties that the project is ready to proceed to phase III.

PHASE I

(a) Early Starts

In order to provide a momentum and demonstration effect for the program, and to gather valuable information for its subsequent phases, four early starts are contemplated. Each will consist of small pumps powered by arrays of photovoltaic cells. Two will be installed in the Dilly area (Camp Modibo and Demba Diawara) under the auspices of OMBEVI, one in Mopti, under the auspices of Genie Rural, and a fourth at the leper rehabilitation center at Samanko. In addition to operating and maintaining these devices, the sponsoring institution will also be responsible for gathering technical and socio-economic data in accordance with arrangements to be worked out between the Parties to this Agreement.

(b) Institutional Support

This element of phase I will consist of major support to the Solar Energy Laboratory for its applied research and development program. In addition, complementary assistance will be provided to the National School of Engineering, the Ecole Normale Supérieure, and the Central Veterinary Laboratory in accordance with the provisions and funding noted in the Project Agreement budget.

TIAS 9493

Support for the equipment and facilities of the Solar Energy Laboratory, as noted in the budget, is aimed at initiating a program of applied research for perfecting the adaptation of certain alternative energy technologies for use in Mali. This program will be started immediately upon satisfaction of the Conditions Precedent to First Disbursement of this Project Agreement and priority will be given to the procurement of the initial order of machine tools and scientific equipment, the early start solar pumps (I(a) above), and vehicles.

Initial priorities for the laboratory's research and development program, as worked out in pre-project discussions, include (a) testing and improvement of solar water heaters for urban uses and rural institutions (dispensaries, schools, etc.), (b) testing and improvements on crop and fish dryers, (c) development of an efficient, wood-burning stove using readily available materials, and (d) development of an efficient photovoltaic battery charger, emphasizing reliability and ease of operation. Other priorities may be added to the list in the course of phase II, as the laboratory has the absorptive capacity to take them on.

PHASE II

The second phase, of one year to eighteen months in duration (including a preparatory period), will begin six months from the initiation of phase I and will involve a coordinated activity planned by the Institute of Rural Economy with participation by other government agencies represented on the Project Committee. During phase II, meteorological and socio-economic studies will be undertaken at 25 villages determined (by the Project Committee) to have potential for experimentation with various devices using alternative energy sources. The studies will be planned by the IER, an American social scientist (provided by the project), and an engineer designated by the laboratory who will be its liaison for the field studies. Initiation of the studies will be preceded by a training program for the enumerators (two to each village) and for the four mid-level supervisory teams, each of which will cover a specific geographic zone and periodically visit six or so designated villages in its zone. These teams will include a Malian supervisor and a Peace Corps volunteer (or U.S. researcher), both appropriately trained in survey techniques.

In addition to the collection of data, a crucial aspect of phase II will be the selection of village cadres who will later assume the responsibility for the operation and maintenance of the device or devices that are planned for introduction. Selection of the cadre will depend upon village preferences, inter-action with the supervisory survey teams, and the characteristics of the devices to be introduced.

If, before the end of phases I and II, one or more devices should be developed that are ready for field testing, in the judgment of the

Project Committee, they may be installed and tested in the field provided the Project Committee is persuaded that a suitable site or sites have been found, that adequate operational and supervisory staff are available to monitor the devices and that the Solar Energy Laboratory or another appropriate GRM organization can provide the necessary technical support.

The major outputs from phase II will be village-level reports indicating (a) basic socio-economic base line data, (b) local energy sources available (wind, solar, biomass, etc.), (c) village preferences on tasks for which alternative energy will be used, (d) present or potential village capacity to operate and maintain energy devices, and (e) selection of village cadres. At the end of phase II, 20 of the most promising of the 25 villages surveyed will be selected by the Project Committee for the introduction of energy devices (phase III).

Prior to the initiation of phase III, a rigorous independent review and evaluation of the applications and development work of the laboratory will be held by a team of three energy scientists. The review will focus on whether the measuring, testing, and modification work at the laboratory on the priority energy devices has reached a point to assure confidence, that the devices developed can be tested effectively in the field and that the technical support for field testing will be adequate.

If the review is predominantly negative or mixed, the project will not proceed further until appropriate modifications are made and completed.

PHASE III

During phase III, which will last up to three years, several different devices and applications will be tested in the selected villages. Performance will be watched with some care, and the social and economic changes that result from the introduction of the new technology will be observed and recorded. The Solar Energy Laboratory, which will have devoted itself in the second phase to preparing devices for village testing, will continue to make adjustments in the light of experience gained during phase III.

Implementation of phase III will be carried out by the village cadres selected during phase II and backstopped technically by the Solar Energy Laboratory. In addition, the data-gathering network, established during phase II, will also continue to function, including the observation and recording of socio-economic data at the village level, and continued periodic visits by the supervisory teams. This work will be reinforced by the continued guidance and consultant services provided by the IER, a U.S. energy consultant and the social scientist consultant.

PHASE IV

The fourth phase of about six months will be devoted to a detailed analysis and evaluation of the experiments. Base-line data collected during phase II before the devices were introduced will be compared with data collected after more than two years of use of the new technology. The evaluation will attempt to determine whether the project has provided answers to the following questions:

1. Which technologies are most suitable for local operation and maintenance and, in each case, how should local control be organized?
2. What will be the impact of the new technology on income levels, income distribution and social welfare in the community? Who benefits the most? the least? not at all?
3. Which devices perform and endure well in their physical setting?
4. How do the costs per unit of output compare with other sources of energy that could be used in the same setting?
5. Are the technologies culturally and socially acceptable to those who use them or do they require changes in habits that are considered unacceptable?

The evaluation will take place under the joint direction of the IER, the Solar Energy Laboratory and USAID and will include the outside consultants who had been involved since the beginning, the IER evaluation unit, supervisory personnel, DNAFLA, and such others as may be useful in the light of the situation at the time. A six-month effort to compare the village sites before and after the tests, with full exploration of the performance of the devices, the villagers' adaptation to them, and the socio-economic changes induced, will be required. An evaluation report will be printed and distributed.

MALI RENEWABLE ENERGY PROJECT
Illustrative Project Financial Plan
(U.S. Dollars)

INPUTS		FY 1978 Funding AID	FY 1978 Funding GRN	Future Year Funding AID	Future Year Funding GRN	Total Funding AID	Total Funding GRN
I.	Technical Assistance						
A.	Energy scientist (2 yrs)	250,000	-	105,000	-	250,000	-
B.	Short-term consultants	100,000	-	<u>82,000</u>	-	205,000	-
C.	Evaluation	<u>105,000</u>				<u>187,000</u>	-
	Sub-Total	455,000		167,000		642,000	
II.	Training						
A.	U.S.	16,000	-	71,000	-	87,000	-
B.	In-country	<u>10,000</u>	-	<u>10,000</u>	-	<u>20,000</u>	-
	Sub-Total	26,000		81,000		107,000	
III.	Commodities						
A.	Vehicles	102,000	<u>778,000</u> ^{1/}	<u>687,000</u>	-	102,000	-
B.	Energy equipment	<u>534,860</u>				<u>1,221,860</u>	<u>778,000</u>
	Sub-Total	636,860	778,000	637,000		1,323,860	778,000
IV.	Other Costs						
A.	Construction	350,000	89,000 ^{2/}	-	-	350,000	39,000
B.	Operating expenses	363,900	81,000	591,000	324,000	934,900	405,000
C.	Contingencies	<u>342,240</u>	-	<u>380,000</u>	-	<u>722,240</u>	-
	Sub-Total	1,056,140	170,000	971,300	324,000	2,027,140	494,000
	TOTAL	2,174,000	948,000	1,926,000	324,000	4,100,000	1,272,000

^{1/} Equipment existing at Solar Energy Laboratory
^{2/} Land for new Solar Energy Laboratory

[Footnotes in the original.]

PROJET AID No. 688-0217

ACCORD DE SUBVENTION DE PROJET

ENTRE

LA REPUBLIQUE DU MALI

ET

LES ETATS-UNIS D'AMERIQUE

POUR

ENERGIE RENOUVELABLE AU MALI

En Date du: 26 AOUT 1978

TIAS 9493

TABLE DES MATIERESACCORD DE PROJET

Article 1: L'Accord

Article 2: Le Projet

SECTION 2.1. Définition du Projet

SECTION 2.2. Echelonnement du Projet

Article 3: Financement

SECTION 3.1. La Subvention

SECTION 3.2. Contribution du Donataire au Projet

SECTION 3.3. Date de Fin d'Assistance au Projet

Article 4: Conditions Préalables au Décaissement

SECTION 4.1. Premier Décaissement

SECTION 4.2. Décaissement de Fonds pour les Services Techniques

SECTION 4.3. Décaissement de Fonds pour les Services Architecturaux
et d'Ingénierie

SECTION 4.4. Décaissement de Fonds pour les Services de Construction

SECTION 4.5. Notification

SECTION 4.6. Dates Limites pour les Conditions Préalables

Article 5: Conventions Spéciales

SECTION 5.1. Evaluation du Projet

SECTION 5.2. Autres Conventions

Article 6: Source d'Achat

SECTION 6.1. Coûts en Devises Etrangères

SECTION 6.2. Coûts en Monnaie Locale

Article 7: Décaissements

SECTION 7.1. Décaissements pour les Coûts en Devises Etrangères

SECTION 7.2. Décaissements pour les Coûts en Monnaie Locale

SECTION 7.3. Autres Formes de Décaissement

SECTION 7.4. Taux de Change

Article 8: Divers

SECTION 8.1. Communications

SECTION 8.2. Représentants

SECTION 8.3. Langue Faisant Autorité

SECTION 8.4. Annexe des Dispositions Standards

Annexe 1 — Description du Projet et Plan Financier

Annexe 2 — Annexe des Dispositions Standards

PROJET A.I.D. No. 688-0217

ACCORD DE SUBVENTION DE PROJET

Entre

Le Gouvernement de la République du Mali (le Donataire)

Et

Les Etats-Unis d'Amérique, agissant par l'intermédiaire de
l'Agence pour le Développement International (A.I.D.)

Article 1: L'Accord

Le but de cet Accord est d'exposer les arrangements mutuels des parties nommées ci-dessus (Les "Parties") concernant l'entreprise par le Donataire, du Projet décrit dans le présent document et concernant le financement du Projet par les Parties.

Article 2: Le Projet

SECTION 2.1. Définition du Projet. Le Projet, qui est plus amplement décrit dans l'Annexe 1, consistera en la fourniture d'assistance technique, de formation, de biens et services nécessaires:
(1) à aider dans la conduite d'un essai de cinq ans destiné à démontrer si des technologies d'énergie renouvelable à petite échelle nouvelles ou importées peuvent fournir des alternatives sûres aux carburants fossiles ou technologies d'énergie traditionnelles et
(2) à aider au développement d'une capacité institutionnelle du Mali destinée à planifier, exécuter et évaluer des technologies d'énergie alternative. Dans les limites de la définition du Projet, les éléments de la description élargie citée à l'Annexe 1 peuvent être modifiés par accord écrit des représentants des Parties nommés dans la Section 8.2. sans amendement officiel de cet Accord.

SECTION 2.2. Echelonnement du Projet.

(a) On prévoit que la contribution de l'A.I.D. au Projet se fera par tranche: la première étant mise à disposition conformément à la Section 3.1. du présent Accord. Les tranches suivantes dépendront des fonds dont pourra disposer l'A.I.D. à cet effet ainsi que du consentement mutuel des Parties de poursuivre le Projet au moment de la tranche suivante.

Article 2: Le Projet (Suite)

(b) Dans les limites de la Date de Fin d'Assistance au Projet indiquée dans cet Accord, l'A.I.D., en se basant sur des consultations qu'il aura avec le Donataire, peut spécifier dans des Lettres d'Exécution de Projet les périodes de temps appropriées pour l'utilisation des fonds accordés par l'A.I.D. dans le cadre d'une tranche de fonds d'assistance donnée.

Article 3: Financement

SECTION 3.1. La Subvention. Pour aider le Donataire à faire face aux coûts de la réalisation du Projet, l'A.I.D., conformément à la Loi d'Assistance aux Pays Etrangers de 1961, telle qu'elle a été amendée, accepte d'accorder au Donataire conformément aux termes de cet Accord une somme qui n'excèdera pas DEUX MILLION CENT SOIXANTE-QUATORZE MILLE Dollars des Etats-Unis (2.174.000 \$ U.S.) ("Subvention").

La Subvention pourra être utilisée pour des financements en devises étrangères comme prévu à la Section 6.1., et des financements en monnaie locale, comme prévu à la Section 6.2., de biens et de services nécessaires au Projet.

SECTION 3.2. Contributions du Donataire au Projet.

(a) Le Donataire accepte de fournir ou de faire fournir au Projet tous les fonds en sus de la Subvention, et toutes les ressources nécessaires à la réalisation efficace et opportune du Projet,

(b) Les ressources fournies par le Donataire pour le Projet ne seront pas inférieures à l'équivalent de 948.000 (NEUF CENT QUARANTE-HUIT MILLE) U.S. Dollars pour l'année fiscale 1978 et 1.272.000 (UN MILLION DEUX CENT SOIXANTE-DOUZE MILLE) U.S. Dollars au cours de la durée du Projet, contributions "en nature" incluses.

SECTION 3.3. Date de Fin d'Assistance au Projet.

(a) La "Date de Fin d'Assistance au Projet" (PACD - Project Assistance Completion Date), fixée au 30 Septembre 1983, ou à toute autre date dont les Parties auront pu convenir par écrit, est la date à laquelle les Parties estimeront que tous les services financés dans le cadre de la Subvention auront été accomplis et tous les biens financés dans le cadre de cette Subvention auront été fournis au Projet comme prévu dans cet Accord.

Article 3: Financement (Suite)

(b) A moins que l'A.I.D. n'en décide autrement par écrit, l'A.I.D. n'émettra ou n'approvera pas de documents autorisant des décaissements de la Subvention pour des services effectués postérieurement au PACD, ou pour des biens fournis pour le Projet, comme prévu dans cet Accord, postérieurement au PACD.

(c) Les demandes de décaissement, accompagnées par les pièces justificatives nécessaires prescrites dans les Lettres d'Exécution du Projet, doivent parvenir à l'A.I.D. ou à toute banque décrite à la Section 7.1. au plus tard neuf (9) mois après le PACD ou à toute autre période dont l'A.I.D. pourra convenir par écrit. Après cette période, l'A.I.D., par avis écrit au Donataire, peut à tout moment réduire le montant de la Subvention de la totalité ou d'une partie, quelle qu'elle soit, des sommes pour lesquelles les demandes de décaissement, accompagnées des pièces justificatives nécessaires indiquées dans les Lettres d'Exécution de Projet, ne sont pas arrivées avant l'expiration de ladite période.

Article 4: Conditions Préalables au Décaissement

SECTION 4.1. Premier Décaissement. Avant le premier décaissement de fonds et avant l'émission des documents d'engagement aux termes de cet Accord, le Donataire devra fournir à l'A.I.D., en bonne et due forme et selon des conditions satisfaisantes pour l'A.I.D., une garantie quant à la formation d'un comité inter-service de projet présidé par le Directeur Général de l'Hydraulique et de l'Energie comprenant des représentants du Laboratoire de l'Energie Solaire, de la Météorologie Nationale, des Directions Nationales de l'Alphabétisation Fonctionnelle et de la Linguistique Appliquée (DNAFLA), du Génie Rural, de l'Energie du Mali, de la Formation et de l'Animation Rurale (DNFAR), et des Eaux et Forêts, de l'Office Malien du Bétail et de la Viande (OMBEVI), de l'Institut d'Economie Rurale (IER), et U.S.A.I.D., ainsi que d'autres organismes qui, selon le Président de ce comité, contribueront aux travaux du comité. Ce comité aura du reste la possibilité de coordonner les divers aspects de ce Projet.

SECTION 4.2. Décaissement de Fonds pour des Services Techniques. Avant le décaissement de fonds aux termes de cet Accord pour des services techniques à l'exclusion de services architecturaux et d'ingénierie pour le Laboratoire de l'Energie Solaire ou avant l'émission des documents d'engagement selon les termes du contrat, le Donataire devra fournir à l'A.I.D. les pièces suivantes en bonne et due forme,

Article 4: Conditions Préalables au Décaissement (Suite)

et selon des conditions satisfaisantes pour l'A.I.D.:

(a) Une demande d'offres pour la fourniture de tels services techniques; et

(b) Un contrat passé avec une firme reconnue et acceptable par l'A.I.D. pour la fourniture de tels services.

SECTION 4.3. Décaissement de Fonds pour des Services Architecturaux et d'Ingénierie. Avant le décaissement de fonds pour des services architecturaux et d'ingénierie des locaux du Laboratoire de l'Energie Solaire ou avant l'émission des documents d'engagement selon les termes du contrat, le Donataire devra fournir à l'A.I.D. les pièces suivantes en bonne et due forme, et selon des conditions satisfaisantes pour l'A.I.D.:

(a) Une garantie établissant la disponibilité d'un nouveau site permanent satisfaisant à l'A.I.D. pour l'installation du Laboratoire de l'Energie Solaire; et

(b) Un contrat passé avec une firme reconnue et acceptable par l'A.I.D. pour la fourniture de tels services.

SECTION 4.4. Décaissement de Fonds pour des Services de Construction. Avant le décaissement de fonds aux termes de cet Accord pour des services de construction pour le Laboratoire de l'Energie Solaire, le Donataire devra fournir à l'A.I.D. les pièces suivantes en bonne et due forme, et selon des conditions satisfaisantes pour l'A.I.D.:

(a) Des plans détaillés, des spécifications et des documents d'appel d'offres concernant cette construction; et

(b) Un contrat passé avec une firme reconnue et acceptable par l'A.I.D. pour la fourniture de tels services de construction.

SECTION 4.5. Notification. Lorsque l'A.I.D. aura déterminé que les conditions préalables spécifiées à la Section 4.1., 4.2., 4.3., et 4.4. ont été remplies, il en avertira le Donataire sans tarder.

Article 4: Conditions Préalables au Décaissement (Suite)

SECTION 4.6. Dates Limites pour les Conditions Préalables. Si la condition spécifiée dans la Section 4.1. n'a pas été remplie dans les 90 jours qui suivront la date de cet Accord, ou toute autre date ultérieure dont l'A.I.D. pourra convenir par écrit, l'A.I.D. peut, s'il le désire, résilier cet Accord par décision écrite au Donataire.

Article 5: Conventions Spéciales

SECTION 5.1. Evaluation du Projet. Les Parties conviennent d'établir un programme d'évaluation qui fera partie du projet. A moins qu'il en soit convenu autrement par écrit, une évaluation conjointe de l'exécution du projet aura lieu tous les six mois. On aura à (a) évaluer les progrès accomplis en vue de la réussite des objectifs du projet; (b) identifier et évaluer les problèmes ou les contraintes de nature à gêner l'atteinte de ces objectifs; (c) choisir des options pour résoudre les problèmes identifiés, et (d) évaluer, dans la mesure du possible, l'impact global du projet sur le plan du développement.

SECTION 5.2. Autres Conventions. Il est mutuellement convenu que:

(a) Le Donataire devra garantir que le Laboratoire de l'Energie Bolaire, ainsi que d'autres agences du pays coopérant participant au projet, recevront un personnel qualifié et des ressources financières en sus du montant de cette Subvention nécessaires à l'exécution efficace de ce projet.

(b) Avant l'engagement de fonds par l'A.I.D. pour le financement de biens et services pour les phases III et IV du projet, le Donataire et l'A.I.D., par l'intermédiaire d'un contractant indépendant, feront une évaluation des phases I et II du projet; sur cette évaluation, ils conviendront des modifications du projet qui seraient appropriées en fin de cette évaluation et, pourvu que les résultats de l'évaluation soient satisfaisants, ils concevront en commun accord, des plans préliminaires et des estimations de coûts pour les phases III et IV du projet. Si les résultats de l'évaluation sont défavorables, le projet n'avancera pas avec la phase III ou au-delà à moins que et jusqu'à ce qu'une action corrective soit entreprise.

Article 6: Source d'Achat

SECTION 6.1. Coûts en Devises Etrangères. Les décaissements effectués conformément à la Section 7.1. seront utilisés exclusivement pour financer les coûts de biens et de services nécessaires au projet ayant pour source et origine les Etats-Unis, à moins que l'A.I.D. n'en convienne autrement par écrit, et sauf en ce qui concerne l'assurance maritime comme stipulé dans l'Annexe des Dispositions Standards de la Subvention de projet, à la Section C.1.(b).

SECTION 6.2. Coûts en Monnaie Locale. Les décaissements effectués conformément à la Section 7.2. seront utilisés exclusivement pour financer les coûts de marchandises et de services nécessaires au projet ayant leur source et, à moins que l'A.I.D. n'en convienne autrement par écrit, leur origine en République du Mali. Dans les limites définies dans le cadre de cet Accord, la "Monnaie Locale" peut aussi comprendre l'apport de ressources en monnaie locale nécessaire au projet.

Article 7: Décaissements**SECTION 7.1. Décaissements pour les Coûts en Devises Etrangères.**

(a) Une fois que la condition préalable au premier décaissement (Section 4.1.) a été remplie, le Donataire peut obtenir des décaissements de Fonds au titre de la Subvention pour financer les Coûts en Devises Etrangères de biens ou de services nécessaires au projet conformément aux termes de cet Accord, par le jeu des méthodes suivantes, comme il en aura été convenu mutuellement:

(1) En soumettant à l'A.I.D., avec les pièces justificatives nécessaires telles que prescrites dans les Lettres d'Exécution de projet, (A) des demandes de remboursement pour ces biens ou ces services, ou (B) des demandes d'achat à l'A.I.D. pour l'acquisition de biens ou de services pour le projet au bénéfice du Donataire, ou,

(2) En demandant à l'A.I.D. d'émettre des Lettres d'Engagement pour des montants donnés (A) à une ou plusieurs banques des Etats-Unis, agréée par l'A.I.D., engageant l'A.I.D. à rembourser cette banque ou ces banques pour les paiements effectués par elles à des entrepreneurs ou des fournisseurs, par des Lettres de Crédit ou par un autre moyen, pour ces biens ou ces services, ou (B) directement à un ou plusieurs entrepreneurs ou fournisseurs, engageant l'A.I.D. à payer ces entrepreneurs et fournisseurs pour ces biens ou ces services.

Article 7: Décaissements (Suite)

(b) Les frais bancaires encourus par le Donataire pour ce qui est des Lettres d'Engagement et des Lettres de Crédit seront financés au titre de la Subvention à moins que le Donataire n'instruise l'A.I.D. de faire le contraire. Les autres frais dont les Parties peuvent convenir peuvent également être financés dans le cadre de la Subvention.

SECTION 7.2. Décaissement pour les Coûts en Monnaie Locale

(a) Une fois que la condition préalable au premier décaissement (Section 4.1.) a été remplie, le Donataire peut obtenir les décaissements des fonds au titre de la Subvention pour le financement des coûts en monnaie locale nécessaires à l'exécution du Projet conformément aux termes du présent Accord en soumettant à l'A.I.D., accompagnées des pièces justificatives requises comme le stipulent les Lettres d'Exécution du Projet, les demandes de financement de ces coûts.

(b) La monnaie locale requise pour ces décaissements peut être obtenue: (1) par l'acquisition par l'A.I.D. en dollars U.S. par achat, ou (2) par l'A.I.D. (A) en demandant au Donataire de mettre à disposition la monnaie locale requise pour financer ces coûts et (B) en mettant à disposition du Donataire par l'ouverture ou l'amendement de Lettres de Crédit spéciales en faveur du Donataire ou de son mandataire, un montant en dollars U.S. équivalent au montant en monnaie locale rendu disponible par le Donataire, dollars qui seront utilisés pour l'achat aux Etats-Unis dans le cadre de procédures appropriées décrites dans les Lettres d'Exécution du Projet.

L'équivalent en dollars de la monnaie locale rendu disponible au titre de la Subvention sera, dans le cas de l'alinéa (b)(1) ci-dessus, le montant en dollars U.S. requis par l'A.I.D. pour obtenir la monnaie locale, et dans le cas de l'alinéa (b)(2) ci-dessus, un montant calculé au taux de change indiqué dans le mémoire d'exécution de la lettre spéciale de crédit applicable à la date d'ouverture ou d'amendement de la lettre de crédit spéciale.

SECTION 7.3. Autres Formes de Décaissement. Les décaissements de la Subvention peuvent également être effectués par tous les autres moyens dont les Parties pourraient convenir par écrit.

Article 7: Décaissements (Suite)

SECTION 7.4. Taux de Change. Si les fonds fournis dans le cadre de la Subvention sont introduits en République du Mali par l'A.I.D. ou par tout organisme public ou privé dans le but de réaliser des engagements de l'A.I.D. dans le cadre de ce projet, le Donataire prendra toutes les dispositions nécessaires pour que ces fonds soient convertis dans la monnaie de la République du Mali au taux de change le plus élevé qui, au moment où s'effectue la conversion, n'est pas illégal en République du Mali.

Article 8: Divers

SECTION 8.1. Communications. Tous les avis, toutes les demandes, tous les documents ou autres communications présentés par une Partie à l'autre dans le cadre de cet Accord seront faits par écrit ou par télégramme ou par câble, et seront considérés comme dûment remis ou envoyés lorsqu'ils auront été expédiés à cette Partie aux adresses suivantes:

Au Donataire: Ministère du Développement Industriel et du
Tourisme - Bamako, Mali

A l'A.I.D. : USAID, Ambassade Américaine
B.P. 34
Bamako, Mali

Adresse Télégraphique: USAID, AMEMBASSY, BAMAKO

Toutes ces communications pourront être faites en anglais ou en français. Si l'A.I.D. communique avec le Gouvernement du Mali à la fois en anglais et en français, le texte anglais fera autorité. D'autres adresses peuvent être substituées à celles indiquées ci-dessus sur notification.

SECTION 8.2. Représentants. Pour tout ce qui est relatif à cet Accord, le Donataire sera représenté par la personne remplissant les fonctions de Ministre chargé du Développement Industriel et du Tourisme ou agissant en son nom et l'A.I.D. sera représenté par la personne remplissant les fonctions de Directeur de l'U.S.A.I.D. au Mali, chacune pouvant par notification écrite, désigner des représentants supplémentaires à toutes fins autres que l'exercice du pouvoir de révision des éléments de la description détaillée de l'Annexe 1, conformément à la Section 2.1. Le nom des représentants du Donataire, avec le modèle

Article 8: Divers (Suite)

des signatures, sera fourni à l'A.I.D. qui pourra accepter comme dûment autorisé tout instrument signé par ces représentants en exécution de cet Accord, jusqu'à réception de la notification écrite de la révocation de leur pouvoir de décision.

SECTION 8.3. Langue faisant Autorité. Cet Accord est préparé à la fois en français et en anglais. Pour toute question relative à cet Accord, le texte anglais fera foi.

SECTION 8.4. Annexe des Dispositions Standards. Une "Annexe des Dispositions Standards" à la Subvention de Projet (Annexe 2) est jointe à cet Accord et en fait partie intégrante.

EN FOI DE QUOI, le Donataire et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de ses représentants dûment autorisés, ont fait signer cet Accord en leur nom et l'ont fait remettre au jour et à l'année indiquée précédemment.

LE GOUVERNEMENT DE LA REPUBLIQUE
DU MALI

Signé par: J. S. Senghor
Titre: Ministre des Affaires Etrangères

LES ETATS-UNIS D'AMERIQUE

Signé par: William R. Payne
Titre: Amassador des Etats-Unis d'Amérique

Signé par: John J. Shultz
Titre: Directeur de l'USAID, p.i.

ANNEXE 1

PROJET 688-0217

DESCRIPTION DU PROJET

Le but de ce projet est d'adapter des technologies d'énergie renouvelable pour améliorer les conditions matérielles de vie dans les zones rurales du Mali. Le projet tentera plus spécialement:

(a) d'appliquer des sources d'énergie renouvelable aux tâches qui sont maintenant en grande partie accomplies par la force musculaire de l'homme, (b) de contribuer à alléger la dépendance actuelle du Mali des carburants fossiles dont les coûts sont en hausse constante, et du bois de chauffage avec ses conséquences néfastes dans le domaine économique et écologique, et (c) d'acquérir une meilleure compréhension basée sur des observations scientifiques, des conséquences techniques et socio-économiques que créerait l'introduction des technologies d'énergie renouvelable dans les zones rurales de l'Afrique.

Ce projet vise deux objectifs: choisir les sources et les moyens d'application appropriés de l'énergie renouvelable, et développer les processus de leur introduction dans les communautés rurales malientes, et développer la capacité du Laboratoire d'Energie Solaire du Mali pour entreprendre la recherche continue et le développement pour adapter les technologies de l'énergie renouvelable à l'utilisation locale. A cette fin, le projet propose un programme coordonné de soutien institutionnel, de recherche appliquée et de développement, des études de ressources et des besoins des villages, ainsi que la mise en œuvre de démonstrations sur le terrain sur plus de vingt sites. Enfin, il vise à préparer le Mali à introduire sur une grande échelle, des technologies d'énergie alternative dans les zones rurales.

Deux types de préparation seront nécessaires. Il doit tout d'abord y avoir un effort soutenu pour adapter des technologies éprouvées dans le contexte malien. La substitution de matériaux locaux aux matériaux importés dans la fabrication de différents appareils sera aussi importante que les modifications de conception permettant d'augmenter leur longévité dans les conditions prévalant au Mali. Deuxièmement, des efforts doivent également être faits pour déterminer des moyens efficaces permettant à des groupes de villageois ou à des familles villageoises individuelles de reprendre les droits de propriété et de se charger du fonctionnement et de l'entretien de base des nouveaux appareils. La réussite des deux types de préparation devra être assurée pour chaque nouvelle technologie avant qu'il soit possible d'envisager leur distribution dans les villages à une grande échelle, non seulement au Mali, mais probablement ailleurs dans le Sahel.

TIAS 9493

L'organisme malien qui aura la responsabilité de la phase technique du programme sera le Laboratoire de l'Energie Solaire, une division de la Direction Générale de l'Hydraulique et de l'Energie, Ministère du Développement Industriel et du Tourisme. Toutefois le projet comprend la coordination de plusieurs services maliens qui doivent agir de concert pour l'accomplissement des objectifs du projet. Afin d'assumer communication et coordination convenables, un Comité de Projet sera mis sur pied sous la présidence du Directeur Général de l'Hydraulique et de l'Energie. Le Comité de Projet (comprenant un représentant de chaque service et de l'USAID) se réunira de temps à autre ainsi que nécessaire pour réviser le projet et résoudre les litiges de coordination entre les services. Le Comité sera le mécanisme de prise de décisions importantes du projet, telle que la sélection des vingt villages de teste. Il servira également à assurer la répartition efficace des ressources du projet et des différents apports techniques qui seront nécessaires à certains stades de définition et d'exécution.

Les membres du Comité de Projet pourront désigner des cadres supérieurs de leurs services respectifs pour servir de points de contact de chaque jour des questions du projet ou pour assumer des rôles spécifiques définis dans l'identification du projet. L'Institut d'Economie Rurale (IER) désignera un cadre supérieur de son équipe d'évaluation pour participer à l'identification des études de base et des études socio-économiques longitudinales envisagées dans la Phase II (voir ci-dessous). De même, le Service de la Météorologie affectera un cadre de son personnel pour participer à l'identification et à l'évaluation des études climatiques des villages.

Le projet comporte quatre phases: la Phase I (soutien institutionnel et premiers démarrages), la Phase II (études au niveau du village), la Phase III (expérimentations au niveau du village), et la Phase IV (évaluation). Il est entendu et convenu que, avant le début de la Phase III, une évaluation sera entreprise par une équipe de spécialistes de l'énergie et que la décision de poursuivre la Phase III dépendra de l'accord mutuel des deux Parties qui décideront si le projet est prêt à poursuivre la Phase III.

Phase I

(a) Démarrages

Afin de donner au programme une impulsion et un effet de démonstration, et pour rassembler des renseignements précieux pour les phases suivantes, on envisage de procéder à quatre activités de démarrage.

Phase I (Suite)

Chacun consistera en l'installation de petites pompes actionnées par des séries de cellules photovoltaïques. Deux seront installées dans la région de Dilly (Camp Modibo et Demba Diawara) sous les auspices de l'OMBEVI, une à Mopti, sous les auspices du Génie Rural et une quatrième au centre de réhabilitation des lépreux à Samanko. En plus du fonctionnement et de l'entretien de ces appareils, l'institut en charge aura également la responsabilité de rassembler des données techniques et socio-économiques conformément aux dispositions qui auront été prises entre les parties de cet Accord.

(b) Support Institutionnel

Cet élément de la phase I consistera en un soutien important du Laboratoire de l'Energie Solaire pour son programme de recherche appliquée et de développement. En outre, une aide supplémentaire sera apportée à l'Ecole Nationale d'Ingénieurs, à l'Ecole Normale Supérieure et au Laboratoire Central Vétérinaire, conformément aux dispositions et aux fonds figurant au budget de l'Accord de Projet.

Le soutien financier pour le matériel et les installations du Laboratoire de l'Energie Solaire, tel qu'il figure dans le budget, a pour but d'amorcer un programme de recherche appliquée pour perfectionner l'adaptation de certaines technologies à énergie nouvelle pouvant être utilisées au Mali. Ce programme débutera dès que les conditions préalables au premier décaissement auront été remplies, et la priorité sera donnée au financement de la commande initiale de machines outils et de matériel scientifique, les pompes solaires (I (a) sus-mentionnées), et les véhicules sus-mentionnés.

Parmi les toutes premières priorités du programme de recherche et de développement du Laboratoire, telles qu'elles ont été établies au cours des discussions préparatoires du projet, citons:

(a) l'expérimentation et l'amélioration des chauffe-eau solaires à usage urbain et pour les institutions rurales (dispensaires, écoles, etc.), (b) l'expérimentation et l'amélioration des séchoirs à poissons et à céréales, (c) la mise au point d'un fourneau à bois efficace utilisant des matériaux facilement disponibles, (d) la mise au point d'un chargeur de batterie photovoltaïque efficace, qui alliera la viabilité à la simplicité de fonctionnement. D'autres priorités pourront être ajoutées à la liste au cours de la phase II et au fur et à mesure que le Laboratoire acquerra la capacité de les prendre en charge.

Phase II

La deuxième phase qui durera d'un an à dix-huit mois (y compris une période préparatoire), commencera six mois après le début de la phase I et se présentera sous la forme d'une action coordonnée, programmée par l'Institut d'Economie Rurale, et comprenant la participation d'autres agences gouvernementales représentées au Comité du Projet. Au cours de la phase II, des études météorologiques et socio-économiques seront entreprises dans 25 villages sélectionnés (par le Comité du Projet) comme présentant les possibilités d'expérimentation de différents appareils utilisant des sources d'énergie nouvelles. Les études seront préparées par l'IER et un Américain spécialiste des sciences sociales (fourni par le projet) et un ingénieur désigné par le Laboratoire qui s'occupera de la liaison avec les études sur le terrain. Le début des études sera précédé d'un programme de formation pour les recenseurs (2 pour chaque village) et pour les quatre équipes de techniciens chargés de la supervision, chacune couvrant une zone géographique spécifique et visitant périodiquement environ six villages qui lui auront été désignés dans sa zone. Ces équipes seront formées d'un superviseur Malien et d'un Volontaire du Corps de la Paix (ou d'un étudiant diplômé d'une université américaine), tous deux ayant reçu une formation appropriée en techniques d'études sur le terrain.

En plus du relevé de données, un des aspects fondamentaux de la phase II sera la sélection de cadres de village qui devront par la suite assumer la responsabilité du fonctionnement et de l'entretien de l'appareil ou des appareils que l'on prévoit d'installer. La sélection du cadre sera fonction des préférences au sein du village, des relations avec les équipes de supervision des études sur le terrain, et des caractéristiques des appareils qui seront installés.

Si, avant la fin des Phases I et II, un ou plusieurs appareils devraient être confectionnés ou adaptés et qui sont prêts pour le test sur le terrain selon l'opinion du Comité de Projet, ils peuvent être installés et testés sur le terrain à condition que le Comité de Projet soit convaincu qu'un ou des sites convenables ont été découverts, qu'un personnel de fonctionnement et de supervision soit disponible pour contrôler les appareils et que le Laboratoire de l'Energie Solaire ou tout autre organisme du GRM puisse fournir le support technique nécessaire.

Phase II (suite)

Les principaux résultats de la phase II seront des rapports au niveau du village indiquant (a) les données initiales socio-économiques de base, (b) les sources d'énergie locales disponibles (vent, ensoleillement, déchets, etc.), (c) les préférences du village concernant les tâches pour lesquelles on utilisera de l'énergie alternative, (d) la capacité actuelle ou potentielle du village pour le fonctionnement et l'entretien des appareils producteurs d'énergie, et (e) la sélection des cadres de village. A la fin de la phase II, 20 des villages les plus prometteurs parmi les 25 villages étudiés devraient être choisis par le Comité de Projet pour l'introduction d'appareils énergétiques (phase III).

Avant le début de la phase III, une étude globale et une évaluation rigoureuses et indépendant des applications et du travail de mise au point du Laboratoire seront entreprises par une équipe de trois spécialistes de l'énergie. L'étude fera en particulier apparaître si les mesures, les expérimentations et le travail de modification entrepris au Laboratoire sur les appareils énergétiques prioritaires, ont atteint un stade suffisant, permettant de penser avec certitude que les appareils confectionnés peuvent être testés efficacement sur le terrain et que le support technique pour le test sur le terrain sera adéquat et approprié.

Si l'étude globale fait apparaître une prédominance d'aspects négatifs ou peu concluants, le projet n'avancera pas jusqu'à ce que des modifications appropriées aient été faites et achevées.

Phase III

Pendant la phase III, qui pourra durer jusqu'à trois ans, plusieurs appareils différents et leurs différentes applications seront expérimentées dans les villages sélectionnés. On observera avec soin la façon dont ils fonctionnent, et les changements économiques et sociaux résultant de l'introduction de la nouvelle technologie seront observés et enregistrés. Le Laboratoire de l'Energie Solaire, qui se sera consacré au cours de la seconde phase à la préparation des appareils pour l'expérimentation dans les villages, continuera à procéder à des ajustements, au vu de l'expérience acquise au cours de la phase III.

L'exécution de la phase III sera entreprise par les cadres de villages sélectionnés au cours de la phase II, avec le soutien technique du Laboratoire de l'Energie Solaire. De plus, le réseau de relevé de données, établi au cours de la phase II continuera

Phase III (Suite)

également à fonctionner, y compris l'observation et l'enregistrement de renseignements socio-économiques au niveau du village et la poursuite des visites périodiques par les équipes de supervision. Ce travail sera renforcé par le contrôle continu et les services d'experts-conseil apportés par l'IER, un spécialiste en énergie d'une firme américaine d'experts-conseil et le spécialiste des sciences sociales.

Phase IV

La quatrième phase, d'une durée d'environ six mois, sera consacrée à une analyse et une évaluation détaillées des expérimentations. Les données initiales relevées au cours de la phase II, avant que les appareils n'aient été installés, seront comparées aux renseignements recueillis après plus de deux ans d'utilisation de la nouvelle technologie. L'évaluation essaiera de déterminer si le projet a apporté des réponses aux questions suivantes:

1. Quelles sont les technologies les mieux adaptées au fonctionnement et à l'entretien local, et, dans chaque cas, comment le contrôle local devrait-il être organisé?
 2. Quel sera l'impact de la nouvelle technologie sur le niveau des revenus, la distribution des revenus et le bien-être social dans la communauté? Qui en bénéficiera le plus? le moins? pas du tout?
 3. Quels sont les appareils qui, dans leur environnement, font preuve d'un fonctionnement et d'une endurance satisfaisante?
 4. Quelle comparaison peut-on établir entre les coûts par unité de rendement et les sources d'énergie nouvelles qui pourraient être utilisées dans le même environnement?
 5. Les technologies peuvent-elles être socialement et culturellement acceptées par ceux qui les utilisent, ou nécessitent-elles des changements d'habitudes jugés inacceptables?
- L'évaluation aura lieu sous la direction conjointe de l'IER et du directeur de projet du Laboratoire de l'Energie Solaire et U.S.A.I.D. et comprendra les experts-conseils externes ayant participé au projet dès son début, l'unité d'évaluation de l'IER, le personnel de supervision, la DNAFLA, et toutes les autres personnes dont la participation pourrait être utile dans la situation du moment.

Phase IV (Suite)

Six mois de travail seront nécessaires pour comparer les villages avant et après les expérimentations, avec une enquête détaillée sur le fonctionnement des appareils, leur adoption par les villageois, et les changements socio-économiques provoqués. Un rapport d'évaluation sera imprimé et distribué.

Pièce jointe 1 d'² l'Annexe 1
 Projet No. 688-Q217. PROJET D'ENERGIE RENOUVELABLE
Plan Financier du Projet
 (Dollar US)

APPORTS DU PROJET	Engagement de 1973		Prévisions des années à venir		Grand Total du Projet	
	AID	GRI	AID	GRI	AID	GRI
I. Assistant Technique						
A. Scientifique en énergie	250.000	-	105.000	-	250.000	-
B. Consultation à court terme	100.000	-	82.000	-	205.000	-
C. Evaluation	105.000	-	107.000	-	137.000	-
Sous-Total	455.000				642.000	
II. Formation						
A. aux Etats-Unis	16.000	-	71.000	-	87.000	-
B. Au Japon	10.000	-	10.000	-	20.000	-
Sous-Total	26.000		81.000		107.000	
III. Biens d'Équipement						
A. Véhicules	102.000	778.000 ^{1/}	637.000	-	102.000	-
B. Équipement d'énergie	534.860	778.000	637.000	-	1.221.860	778.000
Sous-Total	636.860				1.323.860	778.000
IV. Autres Coûts						
A. Construction	350.000	89.000 ^{2/}	-	-	350.000	89.000
B. Frais de fonctionnement	363.900	81.000	591.000	324.000	954.300	405.000
C. Contingences	34.240	-	380.000	-	722.240	-
Sous-Total	1.056.140	170.000	971.000	324.000	2.027.140	494.000
TOTAL	2.174.000	948.000	1.926.000	324.000	4.100.000	1.272.000

^{1/} Équipement existant au Laboratoire de l'Energie Solaire
^{2/} Terrain pour nouveau laboratoire

EGYPT

Housing and Community Upgrading for Low Income Egyptians

*Agreement signed at Cairo August 26, 1978;
Entered into force August 26, 1978.*

A.I.D. Project Number 263-0066

**PROJECT
GRANT AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT
THE
UNITED STATES OF AMERICA
AND THE
MINISTRY OF HOUSING
FOR
HOUSING AND COMMUNITY UP-
GRADING FOR LOW INCOME
EGYPTIANS**

Date: AUGUST 26, 1978

TABLE OF CONTENTS

Project Grant Agreement

	<i>Page</i>	<i>[Pages herein]</i>
ARTICLE 1: The Agreement	1	4942
ARTICLE 2: The Project	2	4942
Section 2.1. Definition of Project	2	4942
Section 2.2. Incremental Nature of Project	3	4942
ARTICLE 3: Financing	4	4943
Section 3.1. The Grant	4	4943
Section 3.2. Grantee Resources for the Project	4	4943
Section 3.3. Project Assistance Completion Date	4	4943
ARTICLE 4: Conditions Precedent to Disbursement.	5	4944
Section 4.1. First Disbursement	5	4944
Section 4.2. Additional Disbursement – Phase I	6	4944
Section 4.3. Additional Disbursement – Phase II	7	4944
Section 4.4. Notification	7	4945
Section 4.5. Terminal Date for Conditions Precedent.	8	4945
ARTICLE 5: Special Covenants	8	4945
Section 5.1. Project Evaluation	8	4945
Section 5.2. Egyptian Government Contribution	8	4946
Section 5.3. Miscellaneous Covenants	9	4946
ARTICLE 6: Procurement Source	11	4946
Section 6.1. Foreign Exchange Costs	11	4946
Section 6.2. Local Currency Costs	11	4947
ARTICLE 7: Disbursement	11	4947
Section 7.1. Disbursement for Foreign Exchange Costs	11	4947
Section 7.2. Disbursement for Local Currency Costs	12	4947
Section 7.3. Other Forms of Disbursement	13	4947
Section 7.4. Exchange Rate	13	4948

	<i>Page</i>	<i>[Pages herein]</i>
ARTICLE 8: Miscellaneous	13	4948
Section 8.1. Communications	13	4948
Section 8.2. Representatives	14	4948
Section 8.3. Standard Provisions Annex	14	4948
ANNEX 1 Project Description		
ANNEX 2 Evaluation Plan		
ANNEX 3 Standard Provisions Annex [¹]		

¹ Not printed herein. For text, see TIAS 8830; 29 UST 501.

A.I.D. Project No. 263-0066

**PROJECT GRANT AGREEMENT DATED: AUGUST 26, 1978
AMONG THE ARAB REPUBLIC OF EGYPT ("GRANTEE"),
THE MINISTRY OF HOUSING ("MOH"), 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 understanding of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described herein, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project

SECTION 2.1. Definition of Project. The Project will draw upon a combination of public and private resources and consists of the following principle components:

- (a) Construction of a New Community, which will consist of approximately 7,200 dwelling solutions designed to demonstrate the social acceptability and marketability of minimal housing to be sold at much reduced subsidy by the Grantee;
- (b) Upgrading of up to six existing communities which will be urbanized and existing housing improved and conserved;
- (c) Establishment of a technical training center which will be built to supplement the existing supply of craftsmen in the building trade; and
- (d) Providing technical assistance and training in the fields of housing management, housing and land policy, and housing credit.

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.

The Ministry of Housing shall be the implementing agency on behalf of the Grantee for this Project.

SECTION 2.2. Incremental Nature of Project

- (a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to

availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

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,^[1] agrees to grant the Grantee under the terms of this Agreement not to exceed Fifty Million United States Dollars (\$50,000,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian pound equivalent of Thirty Million United States Dollars (\$30,000,000).

SECTION 3.2. Grantee Resources for the Project.

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

(b) The resources provided by Grantee for the Project will be not less than the Egyptian Pound equivalent of Eighty Million U.S. Dollars (\$80,000,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD) which is August 31, 1983 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

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

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 any 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 persons holding or acting in the offices 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) Evidence that the Ministry of Housing has included in its budget for Fiscal Year 1979 adequate local currency for the Grantee's contribution to the Project for operation of the project during Fiscal Year 1979.
- (c) An executed contract acceptable to AID for technical assistance services for the MOH Implementation Unit with a firm acceptable to AID.
- (d) Such other information and documents as AID may reasonably require.

SECTION 4.2. Additional Disbursement - Phase I. Prior to disbursement under the Grant or to the issuance by AID of documentation pursuant to which disbursement will be made, other than for technical assistance services described in Section 4.1 (c) and other than for construction services and commodities, Grantee shall, except as AID may otherwise agree in writing, furnish in form and substance satisfactory to AID:

- (a) An executed contract acceptable to AID for design and supervisory services with an architectural and engineering services contractor acceptable to AID.
- (b) Evidence of formation of an implementation organization acceptable to AID under the jurisdiction of the MOH to include a steering committee and implementation unit to administer the project.
- (c) Evidence of firm reservation of land for both components of the project.
- (d) Such other documentation as AID may require.

SECTION 4.3. Additional Disbursement - Phase II. Prior to disbursement under the Grant, or the issuance by AID of documentation pursuant to which disbursement will be made, for construction services

and commodities, Grantee shall, except as AID may otherwise agree in writing, furnish in form and substance satisfactory to AID:

(a) An implementation plan prepared by MOH outlining specifications for design, social and community development activities, supporting action of other ministries and GOE agencies, schedules for progress and completion of the project, model sales/mortgage agreements, model improvement loan agreement, financial plan and a project evaluation plan.

(b) A legal opinion furnished by legal counsel to the MOH that the implementation plans for new community and upgrading components of the project are in compliance with the legal and regulatory authority of the MOH.

(c) Evidence that the Credit Foncier D'Egypte (CFE) has been engaged to implement financing arrangements for the project and that the agreement or commitment conforms with existing laws and regulations of the GOE.

(d) Evidence that the CFE as administrator for the project has established a special project account and has deposited a first installment for interim financing of construction for the project.

(e) Such other information and documents as AID may reasonably require.

SECTION 4.4. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1, and 4.2 and 4.3 have been met, it will promptly notify the Grantee.

SECTION 4.5. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to 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 evaluation program will contain the elements of the evaluation plan as set forth in Annex II, and 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 of 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. Egyptian Government Contribution. The Grantee shall submit for A.I.D. approval evidence of a commitment of the MOH to furnish the Egyptian pound equivalent of 80 million U.S. dollars in local currency and/or in-kind support over the life of the project in timely fashion.

SECTION 5.3. Miscellaneous Covenants. The Grantee shall:

(a) Carry out the project with due diligence and efficiency, and in conformity with sound engineering, construction, financial and administrative practices.

(b) Cause the project to be carried out in conformance with all the plans, specifications, and with all modifications therein approved by A.I.D. pursuant to the Grant Agreement including the provision on a timely basis of necessary local currency and in-kind support as specified in the Agreement and its Annexes. This covenant shall be deemed to include the understanding that the Grantee undertakes to use whatever legal enforcement measures are necessary and proper to assure that the Project conforms to the Agreement and the Annexes thereto.

(c) Make available on a timely basis all local currency, building materials, i.e. cement, steel, etc., and all other resources required for the punctual and effective implementation of the program.

(d) Devise, implement, and maintain a system of controls satisfactory to A.I.D. assuring that follow-on self-help expansion of the core units and all construction in the upgrading areas (whether or not funded under the Project) is carried out using approved building methods which will assure the structural integrity of each housing unit.

(e) Transfer title to or permit occupancy of any dwelling units constructed under this Project only when full and operational utility services, including sewerage connections, have been provided.

(f) Expand or erect additional industrial related facilities or other activities with significant environmental impact near the New Community site only upon prior evaluation of the potential environmental effects on the New Community and initiation of the steps necessary to ameliorate any significant negative effects thereby identified.

(g) Require in any upgrading sites where both water and sewer can be made available, the provision of sewer connections if water is connected to a dwelling.

ARTICLE 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursement 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 (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in

the Project Grant Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Disbursement 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 Egypt ("Local Currency Costs").

ARTICLE 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

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

(1) by submitting to AID, 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 and services.

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

SECTION 7.2. Disbursement for Local Currency Costs.

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

(b) The local currency needed for such disbursement shall be obtained by acquisition by A.I.D. with U.S. Dollars by purchase of local currency owned by the Arab Republic of Egypt.

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 Egypt 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 Egypt at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Egypt.

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:

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 individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation, the Minister of Housing, and the Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones. A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., Cairo, Egypt. Each, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 3)[¹] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have

¹ See footnote 1, p. 4941.

caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By: HAMED A. EL-SAYEH

Name: Dr. Hamed A. El-Sayeh
Title: *Minister of Economy and Economic Cooperation*

UNITED STATES OF AMERICA

By: HERMANN FR. EILTS

Name: Hermann Fr. Eilts
Title: *American Ambassador*

MINISTRY OF HOUSING

By: AHMED TALAAT

Name: Engineer Ahmed Talaat
Tewfik
Title: *Minister of Housing*

ANNEX 1

DESCRIPTION OF PROJECT

A. Introduction

This Project Grant Agreement provides assistance to the GOE Ministry of Housing for the purpose of demonstrating the means to resolve Egypt's urban needs particularly those of low-income workers and their families; and, in part by utilizing the results of this demonstration program, to assist the Ministry to formulate new housing and land policies and plans to guide Egypt in the future. It also provides assistance to the largest real estate bank in the A.R.E., the Credit Foncier D'Egypte, to enable it to modernize administrative procedures and to assist directly low-income families, mobilize savings and secure mortgage credit for new homes and home improvements.

The project is to be carried out through the following six closely related implementation programs:

1. The design, construction and sale of a variety of minimum dwelling solutions as part of an integrated and comprehensive physical and social new community plan.
2. The promotion, design and construction of urbanization improvements and improvements to existing dwellings in established 'informal' urban communities to conserve and upgrade the health, safety, and comfort function of these existing areas.
3. The design and introduction of automatic data processing procedures and consumer banking services specifically oriented towards

low-income workers-families and their needs for home ownership and home improvement.

4. The promotion and organization of cooperative and community associations made up of housing program beneficiaries who will help manage improvements in their communities.

5. The design, testing and market introduction of a variety of improved building materials, products and construction methods and the training of building craftsmen-contractors and design professionals in the use of conventional and improved methods particularly appropriate for low-cost housing.

6. The evaluation and analysis of the foregoing programs coupled with technical assistance to assist the Government of Egypt formulate effective land and housing policies and long and medium term plans to resolve the acute housing needs of the country.

This network of activities are planned to demonstrate the means to develop housing projects for low income families without excessive subsidy suitable to their needs, their capability and maintenance.

B. Goals of the Shelter Sector

The goal of this project is to reinforce the orientation of the GOE and the Ministry of Housing to provide acceptable housing for the population and an equitable distribution of housing resources and community services.

C. Indicators of Goal Achievement

The Ministry of Housing, as part of its defined functions, contributes to the articulation and implementation of Egyptian housing and urbanization policy. This project will assist the Ministry to more effectively implement its housing policy and planning functions. Other institutions such as the Ministry of Reconstruction, the Ministry of Planning, the Credit Foncier D'Egypte and the General Authority for Housing, Building and Planning Research have important roles to play as well. This project is designed to provide direct support to the MOH, in design and construction management activities, housing finance, building methods, and training.

Indicators of goal achievement are the occupancy of dwelling units provided in the new community with evident satisfaction of the beneficiaries; urbanization and active home improvement programs in upgrading areas expanded programs of housing finance for low-income families; successful utilization of opportunities for new building methods, products and ongoing training by craftsmen and professionals.

D. Project Outputs

The primary outputs to be achieved by this project associated with the Ministry of Housing and the Credit Foncier will be as follows:—

Ministry of Housing

1. A recommended national housing and land policy will be prepared.
2. Urbanization and construction of up to 7,200 dwelling solutions on a 150 hectare site in Helwan, complete with water, sewerage, solid waste collection, electric services, street lights, paved major streets, schools, health center and community center. An illustrative example of the distribution and mix of construction to be provided is as follows:
 - a) 6700 enclosed core dwellings on 50 to 65 square meter lots
 - 800 – 4 M2 toilet cores
 - 1300 – 10M2 partially enclosed units
 - 2000 – 10M2 enclosed units
 - 2000 – 20M2 two room units
 - 600 – 30M2 three room units
 - b) 500 – Site and service lots of 100 square meters
 - c) 5 – Primary schools
 - d) 2 – Preparatory schools
 - e) 2 – Secondary schools
 - f) 1 – Health Center
 - g) 1 – Community center
 - h) 1 – Coop.—Credit Admin. Building
 - i) 1 – Post Office, Fire Station
 - j) 1 – Open Market Plaza
 - k) 9 – Solid Waste Holding Stations
 - l) 1 – Temporary Sewage Treatment Facility

In addition, improved commercial space, government services space, a cooperative and credit building and improved recreation areas should be provided.

3. Urbanization of up to 112 hectares in existing ‘informal’ communities in Helwan and Ain Shams in Cairo, complete with water, sewerage, solid waste collection, electric services, street lights, paved major streets, and up to 5 primary schools, 4 preparatory schools, 14 health centers and 3 community centers.

4. A vocational training facility will be constructed, equipped and adequately staffed to graduate up to 900 skilled craftsmen per year in the building trades. In addition, testing and new product feasibility studies, seminars and other training activities will be completed to familiarize home improvement credit borrowers, small contractors and design professionals with appropriate building methods and materials for low cost housing and home improvement.

5. Cooperatives composed of project beneficiaries and community associations will be promoted, organized, and provided with technical assistance to maintain a high quality of neighborhood maintenance, undertake mutual programs of community improvement and services (including solid waste collection) and to be responsible for proper social integration of residents.

6. An implementation unit will be organized as part of the MOH supplemented by staff seconded from important and concerned ministries and GOE agencies which is skilled to expedite construction and commodity purchase for intensive and integrated programs of housing and urbanization; to promote, organize, assist and work through co-operatives and community association of project beneficiaries; provide assistance in transferring of land titling in informal settlements; resident selection and sales procedures; mortgage recuperation maintenance; financial reporting; monitoring and evaluation and policy and plan preparation for land and use of housing on a national scale.

7. As part of the new community marketing and innovative building products testing activities, a model house estate will be erected on a prominent location in Helwan to contain examples of each of the several illustrative building types plus a site and service lot solution of 50 to 65 M2 with a perimeter privacy wall and the same solution without the perimeter wall.

Credit Foncier D'Egypte

8. Procedures will be designed and executed to disburse and monitor the flow of funds to construction contractors and administrative agencies of the project.

9. A decentralized consumer credit institution will be planned, equipped and staffed to administer sales agreements, mortgage loans, home improvement loans and savings programs of low-income families.

E. Project Inputs

This Agreement provides for capital assistance, technical assistance, participant training, land, commodities, equipment and services to the Ministry of Housing and the Credit Foncier D'Egypte in relation to the six major project implementation programs noted in the beginning of this Annex 1 Project Description. Inputs are described below by major category and designated in Illustrative Budget Summaries on pages 13 [27], 14 [28] and 15 [29] which follow.

1. Technical assistance to AID/GOE in planning, new project development and monitoring.

a) Senior Advisor-Architect Planner. The advisor will work closely with the Housing Officer, AID in coordinating technical assistance and monitoring of the project, in advising on the development of additional assistance to the MOH and the Government of Egypt in urban development and in developing new projects for AID/GOE funding.

b) Social Development and Evaluation Specialist. This advisor, with appropriate back-up assistance, will expand social and urban physical survey program for the benefit of project evaluation and to serve as a data base for new project development.

c) Civil Engineer. Working closely with the AID/Housing Officer, AID Engineers and the Implementation Unit, this advisor will review

plans, specifications and other contract documents requiring AID concurrence and assist in developing new projects for AID/GOE funding.

2. Technical Assistance to the Ministry of Housing—Project Implementation Unit.

a) Community and Cooperative Specialist—Working with the implementation unit and related ministries this advisor will assist in administration of the cooperative development component of the new community and upgrading programs, and to assist housing cooperatives and community associations develop and manage supplementary services to maintain a safe and sanitary environment in their neighborhoods.

b) Home Improvement Advisor—The Advisor will assist the MOH and Credit Foncier in design and management of home expansion and improvement credit programs and in supervising the development of innovative building systems and products for low cost housing application. Included in the technical assistance illustrative budget is a fund of about \$75,000 for subcontracts for building systems testing, materials and local support staff.

3. Technical Assistance to the Credit Foncier—Branch Bank operation in Helwan.

Branch Bank Systems Advisor—This advisor will assist in design and organization of a savings and credit system for mortgages and home improvement loans for low-income beneficiaries, organization of accounting and disbursing procedures for construction and other services performed in the project and utilization of electronic data processing equipment.

4. Short Term Consultant Services to AID and to the MOH. Technical Assistance advisors from the U.S. will be provided as needed for specific purposes combined with service contracts with appropriate Egyptian institutions. Among their functions will be the following:

a. Building Systems Engineering—to design, test, and encourage adoption of low-cost building products and methods, and to assist in market testing of low-cost building products and preparation of investment feasibility studies for funding by others.

b. Evaluation—to assist in design and analysis of social and physical components of the project in conjunction with a service contract with an appropriate Egyptian evaluation agency. Included in the technical assistance illustrative budget is a fund of about \$100,000 for local evaluation services.

c. Housing Policy and Plan Formulation—to translate demonstrated results of the several project components and other elements of Egyptian goals and priorities into coherent policies and practical plans for future investment.

d. Land Policy and Plan Formulation—to coordinate housing and economic policy with the physical circumstance of the country to derive coherent policies and practical plans for growth.

e. Finance Policy—to assist in formulation of a policy and effective plan for housing finance within a new national housing policy.

4. Training.

In addition to the education and training programs implicit as part of specific technical assistance, training courses and seminars are provided for in this agreement for associated MOH and CFE staff, community maintenance and technical training institute staff, social promoters and community leaders, design professionals, small contractors and technical supervisors of home improvement credit. Training will take place in Egypt and the U.S. and will be conducted by professional consultants from the U.S., and Egypt. Subjects covered will be dictated by needs as they arise, but can include topics such as:

a) Innovative building systems and methods appropriate for lowest cost housing in Egypt;

b) Sewerage treatment facility maintenance;

c) Cooperative and community association promotion, development and administration;

d) Techniques of construction management, commodity purchasing, personnel administration, evaluation and reporting.

e) Branch bank administration and management; techniques and procedures for consumer banking operations, utilization of electronic data processing equipment.

f) Upgrading teaching skills for building trades teachers and technical supervisors of construction. Training will take place in the form of seminars, workshops and study tours throughout the course of the project implementation period. A total training program of 30 man-months in the United States and 175 man-months in Egypt is planned.

5. Capital Assistance

Capital assistance will be provided under this Agreement by AID and the Government of Egypt for execution of work for the urbanization of land, erection of building to house community facilities such as schools, health centers, government services, etc, erection of housing, provision of credit for housing improvement, and provision of technical services for design and construction management. As part of this input component, administration and management costs will be provided by the GOE.

Contingency costs for inflation and unforeseen circumstances will be shared at roughly a 2:1 ratio with the major burden assumed by the GOE.

6. Commodities, Equipment and Services: The GOE will transfer title of individual parcels which are part of 150 hectares of land in Helwan and will provide appropriate parcels of land as required in

Helwan and Ain Shams, Cairo for the erection of necessary community facilities, model house estate and Technical Training Institute for the Building Industry. Commodities and equipment will be purchased in the United States as required by this Project. In addition to commodities and equipment specifically anticipated in this Agreement, MOH will procure from other funding sources, and in timely manner, vehicles to assist the functioning of the MOH Implementation Unit, vehicles to supplement the solid waste collection services of the District of Helwan for use in program sites and electronic data processing equipment to assist the Credit Foncier D'Egypte.

Egypt based project support provided by the GOE will expedite priority procurement of strategic building materials, legalization of land titles in 'informal' communities, procurement of necessary government certifications and approvals.

ILLUSTRATIVE BUDGET SUMMARY

Agency For International Development
(In \$000,000)

Program	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
	($\frac{1}{2}$ year)					($\frac{1}{2}$ year)	
NEW COMMUNITY							
Construction	—	2.5	2.5	8.2	13.2	3.4	29.8
Improvement Credit	—	—	.2	.4	2.7	.7	4.0
Design/Supervision	—	1.8	.5	.4	.4	.2	3.3
UP-GRADING							
Construction	—	1.9	4.6	4.6	5.5	3.0	19.6
Improvement Credit	—	—	—	—	—	—	—
Design Supervision	—	—	—	—	—	—	—
Technical Assistance	.2	.7	.7	.7	.7	.4	3.4
Training	.1	.2	.1	—	—	—	.4
Inflation and Contingency	—	—	—	—	—	—	19.5
Total	.3	7.1	8.6	14.3	22.5	7.7	80.0

ILLUSTRATIVE BUDGET SUMMARY

Government of the Arab Republic of Egypt

(In Egyptian pounds equal to \$000,000)

Year 1 Year 2 Year 3 Year 4 Year 5 Year 6

Program	($\frac{1}{2}$ year)						($\frac{1}{2}$ year) Total
NEW COMMUNITY							
Land	5.7	—	—	—	—	—	5.7
Construction	—	.8	1.5	5.2	7.2	1.5	16.2
Improvement Credit	—	—	—	—	—	—	—
Design/Supervision	—	.2	.1	.1	—	—	.4
UP-GRADING							
Land	—	.6	—	—	—	—	.6
Construction	—	.6	1.3	1.3	1.4	.1	4.7
Improvement Credit	—	.2	.3	1.0	1.5	.5	3.5
Design/Supervision	—	.5	.3	.3	.2	.1	1.4
ADMINISTRATION-MANAGEMENT							
MOH	.1	.3	.5	.6	.7	.3	2.5
CFE Branch Bank	.3	.1	.2	.3	.3	.1	1.3
INFLATION AND CONTINGENCY							
Total	6.1	3.3	4.2	8.8	11.3	2.6	80.0

ILLUSTRATIVE BUDGET SUMMARY FOR TECHNICAL
ASSISTANCE—EVALUATION AND TRAINING
(IN \$000)

Program	Person/ Months	\$	LE
<u>1. Technical Assistance to AID/GOE</u>			
Senior Advisor—Architect Planner	60	450	150
Social Development—Evaluation Specialist	60	400	150
Civil Engineer (Egyptian)	60	—	75
<u>2. Technical Assistance to MOH</u>			
Community Cooperative Specialist	60	400	150
Home Improvement Credit Technician	60	400	150
Branch Bank Systems Advisor	24	190	75
<u>3. Consultants</u>			
Building Materials Research Eng.	12	48	25
Housing Finance Specialist	8	40	15
Land Policy Planner	4	16	8
Housing Policy Planner	4	16	8
Evaluation—Statistician	8	32	15
Subtotal	360	\$1992	821
<u>4. Special Contracts</u>			
Building Systems Testing	—	—	54
Survey and Evaluation	—	—	71
Subtotal	—	—	125
Total T/A—Evaluation	—	\$1992	946
<u>5. Participant Training</u>			
Innovation Building Systems	100	—	89
Sewerage Building Maintenance	5	30	—
Coop.—Community Assoc. Development	20	—	18
MOH—Technical Skills in U.S. in Egypt	10	60	—
Credit Foncier Tech. Skills in U.S. in Egypt	20	—	18
Technical Training Institute Skills in U.S. in Egypt	10	60	—
5	30	—	9
25	—	—	22
Total training	205	\$180	156

F. Implementation Targets

The following illustrative schedule of significant events in the course of project implementation represents an idea of suggested dates for MOH and AID Mission project management to be examined and verified in the course of preparation by the Ministry of the Project Implementation Plan. These implementation targets permit a projection of the completion financed and technical plans and the issuance of implementation documents. The following illustrative schedule of implementation is foreseen after the signing of the Agreement.

<u>Event</u>	<u>Completion Date</u>
1. Establish Office, equipment and staff implementation agency and steering committee	10/78
2. Establish US Technical Assistance Basic Team	11/78
3. Sign Egyptian A/E Contract	12/78
4. Establish T/A Housing policy-Land policy study	1/79
5. Sign U.S. A/E Contract	2/79
6. Home Improvement Credit Program Functioning	4/79
7. Initiate Commodity Procurement	4/79
8. Sign construction contract-First Area	4/79
9. Innovative Bldg. Matls./Methods Testing program begun	6/79
10. Complete New Community Urbanization plans	1/80
11. Complete construction of model house estate	4/80
12. Sign construction contract for housing and urbanization-New Community	4/80
13. Evaluation Program begun	5/80
14. Move-in on Model House Site	7/80
15. Move-in First New Community Section	3/81
16. Termination of project	6/83

G. Financial Plan

1. General

This Agreement provides for the contribution by AID as a Grant of the equivalent in Dollars and Egyptian Pounds of \$80 Million over the period of project implementation. The GOE, in turn, will contribute \$80 Million equivalent in-kind and cash for a total estimated project value of the equivalent of \$160 Million.

To assure an adequate flow of operating funds for the construction phase of the program, the Ministry of Housing and the Credit Foncier D'Egypte will enter into a Sub-Agreement where by, in return for a GOE guarantee of its funds, the CFE will advance up to LE 20 Million as interim financing to the Ministry. The CFE will serve as Depository, Administrator and Fiscal Agent of project contributions made from time to time by AID and the GOE. AID funds will be

utilized for all foreign exchange procurement requirements which are estimated at approximately fifty percent (50%) of the U.S. cost of the project. Local currency contribution requirements for AID will be secured from contributions in Dollars through Egyptian Central Bank mechanisms.

It is agreed that immediate payment of local funds will be made by the CFE upon approval of the MOH Implementation Unit (IU) and these disbursements will be charged to the project loan account. On a monthly basis, the accounting and control unit of the IU will examine disbursements occurring during the previous month, allocate responsibility for funds disbursed to the GOE and to USAID and will solicit funds in convenient increments from USAID and GOE. These disbursements of USAID and GOE will flow directly to the CFE and reduce the loan balance of the project.

2. Mortgage Credit Terms and Conditions

The interest rate for mortgage loans in the New Community program will be 8%, discounted at the discretion of the MOH to an effective 7% as a means to discourage speculation or violation of other terms of sale. The mortgage is payable within 30 years and beneficiaries may elect either a level monthly payment option or monthly fixed graduated payment option increasing annually which results in first payment beginning at about 50% of the level monthly payment rate.

Down payments required from buyers are established at 5% of the sales price for all dwelling solutions with a covered area of less than 30 meters square and lot sizes below 65 square meters. Dwelling solutions on larger lots and with covered areas of 30 meters square or larger require a down payment of 10% of the sales price for purchase. All dwelling solutions will be offered for deed purchase or cooperative purchase.

As part of their purchase contract residents of the New Community Program will be further required not to sell their dwelling solution without prior approval for at least three years.

The interest rate for home improvement credit will be 8% for a term not to exceed 30 years.

Eligibility for resident selection and mortgage credit in the New Community is open to all workers in Helwan who demonstrate a total wage with bonuses and allowances from their principle employer of LE 800 or less on August 25, 1978 or the equivalent salary at the time of purchase during the implementation period. No eligibility requirement is established for auction lots in the new community nor for home improvement credit within defined project up-grading areas.

3. Sales price and cost recovery

In anticipation of the development of a self-sustaining system of housing finance, this Agreement provides for a minimum of subsidy to be applied to the sales price of new low-cost housing in the new

community program of this project. It is agreed that the cost of land, streets, drainage, on-site water supply, sewerage, core housing solutions, Egyptian design and construction services shall be recovered from the beneficiaries through the sales price of the dwelling solution. The maximum monthly mortgage charge as a percent of family income should be approximately 20 percent and the maximum monthly charge as a percent of family income for home improvement loans is approximately 25 percent.

H. Functional Arrangements

The organization responsible to carry out the project is the Ministry of Housing (MOH) which, in turn, will be associated with the Credit Foncier D'Egypte and other government and quasi-government agencies in pursuing the administration and management of the project.

1. Implementation Unit

A Group comprising a project Implementation Unit will be set up by the MOH to discharge the key responsibility. The Unit will be composed of—

—The Project Steering Committee—which will have overall responsibility for policy, planning and intergovernmental and private sector agency coordination;

—The Project Implementation Agency—which will be in charge of all day-to-day implementing activities.

2. Credit Foncier D'Egypte

Services of the Credit Foncier D'Egypte in this project will be subject to a separate Agreement with the Ministry of Housing, however, the following services are envisioned. The Credit Foncier D'Egypte will establish a branch bank operation with facilities provided for it in Helwan and Ain Shams and will be Financial Administrator-Controller for the project, extend interim credit and receive funds from the GOE and AID for disbursement to contractors; participating government agencies; service organizations and non-government institutions as required in the implementation of the project.

The Credit Foncier will also provide services in the sales program of the New Community Program, accept savings deposits of beneficiaries and administer the home expansion and improvement credit program in the New Community and up-grading areas of the Project.

3. Design & Construction Management Services

a) New Community Program—Design services for urbanization will be provided by a US Architect-Engineer (A&E) firm in association with an Egyptian A&E firm. Construction management services for urbanization and building construction U.S. Commodity procure-

ment services and training in construction management will also be provided by this U.S. A&E firm under contract to the Implementation Unit. Design for building construction will be carried out under separate contract by an Egyptian A/E firm.

b) Up-Grading Program—Design and construction management services for urbanization will be carried out under one or more separate contracts to the Implementation Unit by Egyptian A/E firms.

c) Home Expansion and Improvement—Design of representative credit packages for home expansion and improvement will be carried out under contract to the Implementation Unit by an Egyptian A/E firm and construction management and technical construction supervision will be executed by the staff of the Implementation Unit in close cooperation with the Credit Foncier D'Egypte.

d) Egyptian source and origin commodities will be procured by the Implementation Unit.

4. Community Services and Development—The Implementation Unit will coordinate the design, equipping and staffing of planned community facilities such as schools, health and community centers and district government services with appropriate ministries and other agencies.

The Implementation Unit will promote, organize and provide technical assistance for the community development program which consists of the following:

In the new community program beneficiaries will be organized in approximately equal proportions into community associations of individual home owners and housing mutual associations which hold single title to land, dwellings and their improvements on behalf of each resident share-holder.

In the up-grading program urbanization and titling of land with access to home improvement credit shall be contingent upon the demonstrated responsiveness of residents through their organized community association to supplement project investments with their own efforts of maintenance and additional improvement. Where effective community associations do not already exist the Project Implementation Unit will promote, organize, and provide technical assistance to create effective associations.

5. Technical Assistance and Training

This Agreement provides that technical assistance and training will be coordinated by AID/MOH and will be provided in both long-term and short-term arrangement to:

a) The Implementation Unit for general project implementation, community/cooperative development, home improvement credit, community cooperative management, building products design, market analysis and evaluation and, through the A/E contract, for construction management.

- b) The CFE for branch bank operations and project financial management, electronic data processing methods.
- c) The Ministry of Housing for land, housing and housing finance policy and plan development.

6. Monitoring

USAID/Cairo will have primary responsibility to monitor the project through its Housing Office assisted by assigned USAID engineering officers. USAID will maintain a close working relationship with the Ministry of Housing, the Implementation Unit, the CFE and all construction service contractors, technical advisors and related personnel and will require written reports in English on a regular reporting schedule to assure effective monitoring of project activities and progress.

ANNEX 2

Evaluation Plan

The MOH and USAID will jointly conduct or contract for evaluations of project progress and final results as mutually agreed to support timely implementation and assurance of accomplishment of equal objectives. In support of this work, an evaluation section will be included in the MOH Project Implementation Agency.

A. Evaluation Objectives

The periodic and terminal evaluation of the project will be designed to:

1. Assess the effect of a comprehensive shelter and community service program in both new housing and upgrading areas, as regards to its ability to provide access to housing and services at a more favorable cost;
2. Measure the extent to which core units are expanded to accommodate family needs or to house new occupants;
3. Assess the impact of new credit terms on the expansion of core housing, upgrading of existing housing and development of new shelter program;
4. Test the capacity of the government agencies to implement and maintain programs, building on the concepts underlying this project; and
5. Measure the spin-off effects of the project on building materials production, new employment generation, skill training in the building trades, and related components.

B. Evaluation Schedule

Baseline data will be collected in the upgrading communities from July through October 1978. This will build on initial information gathered during the development phase of the project. Topics covered include basic socio-economic data (age, sex, family size, education income, etc. . . .) an assessment of felt priority needs for community improvements and general indices of resident satisfaction with various aspects of their living environment. A sample of 1200 families will be surveyed in the six upgrading areas, divided proportionally according to population size. An additional 250 families living in communities which have similar general geographic areas will be selected for control purposes.

During implementation and upon completion of the AID inputs to the project, four major evaluations are anticipated:—

1. The model home demonstration phase will be evaluated. Basically, this is to be a test of resident satisfaction with the core house design and the financial arrangements. Program modifications will be considered on the basis of the findings of this survey.

2. An interim in-depth evaluation focused on:

a) the 1500 housing unit, first integrated neighborhood in the new community: housing facilities and community organization, b) progress in community upgrading program regarding improvements, community facilities, and the build-up of community associations (including follow-up with control communities). In both new housing and upgrading communities, a comparison of the project with alternate house types and home improvement costs would be made, c) the functioning of the implementation unit responsible for this project and its relationship with A&E firms working with the unit. There will be an assessment made at this stage as to whether the original project design was followed and the manner in which the implementation process is contributing to the achievement of project purposes and goals. Surveys, interviews and analysis of documents pursuant to this interim evaluation will be conducted in the last quarter of 1981.

3. Follow-up evaluation to see if recommendations arising from interim evaluation have been put into practice.

4. Final in-depth evaluation on progress and impact of all project components, to take place after the end of the project. The focus of this evaluation will be on the physical and socio-economic changes which have taken place in the new and upgrading communities (in reference to control communities), the institutional performance and evolution of the MOH in relation to its work on this project, the impact of the innovations of housing finance and quality of home construction and improvement, and the effect the project has on GOE policy formation in the shelter sector.

It is planned that evaluations will be conducted as a joint effort of the MOH and USAID, utilizing in-house capacity and outside assistance, Egyptian or US, according to the needs.

Funding for all evaluation activities, local research and technical assistance and training will be included under the project.

KENYA

Agricultural Systems Support

*Agreement signed at Nairobi August 29, 1978;
Entered into force August 29, 1978.*

A.I.D. Project No. 615-0169

P R O J E C T A G R E E M E N T

Between The

R E P U B L I C O F K E N Y A

And The

U N I T E D S T A T E S O F A M E R I C A

Acting Through The

AGENCY FOR INTERNATIONAL DEVELOPMENT

AGRICULTURAL SYSTEMS SUPPORT PROJECT

DATE: August 29, 1978

TABLE OF CONTENTS

PROJECT AGREEMENT

		Page herein
Article 1:	The Agreement	1 4971
Article 2:	The Project	
	SECTION 2.1. Definition of Project	1 4971
	SECTION 2.2. Amplified Project Description	1 4971
	SECTION 2.3. Incremental Nature of Project	2 4972
Article 3:	Financing	
	SECTION 3.1.. The Loan, The Grant	2 4972
	SECTION 3.2. Cooperating Country Resources for the Project	2 4972
	SECTION 3.3. Additional Financial Details	3 4973
	SECTION 3.4. Project Assistance Completion Date	3 4973
Article 4:	Loan Terms	
	SECTION 4.1. Interest	3 4973
	SECTION 4.2. Repayment	4 4974
	SECTION 4.3. Application, Currency, and Place of Payment	4 4974
	SECTION 4.4. Prepayment	4 4974
	SECTION 4.5. Renegotiation of Terms	4 4974
	SECTION 4.6. Termination of Full Payment	5 4975
Article 5:	Conditions Precedent to Disbursement	
	SECTION 5.1. Initial Conditions - Disbursement for Certain Studies	5 4975
	SECTION 5.2. Additional Conditions - Government Contracts	5 4975
	SECTION 5.3. Additional Conditions - Agricultural Support Manpower Systems	5 4975
	SECTION 5.4. Additional Conditions - Egerton College	6 4976
	SECTION 5.5. Additional Conditions - Range Research Support	6 4976
	SECTION 5.6. Additional Conditions - Agricultural Finance Corporation	7 4977
	SECTION 5.7. Notification	7 4977
	SECTION 5.8. Terminal Dates for Satisfying Conditions Precedent	7 4977
Article 6:	Special Covenants	
	SECTION 6.1. Project Evaluation	8 4978
	SECTION 6.2. Submission of Plans and Documents - Various Project Components	8 4978
	SECTION 6.3. Housing	9 4979
	SECTION 6.4. Egerton College	9 4979
	SECTION 6.5. Range Research System Support	9 4979

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs	9	4979
SECTION 7.2. Local Currency Costs	10	4980

Article 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs	10	4980
SECTION 8.2. Disbursement for Local Currency Costs	11	4981
SECTION 8.3. Other Forms of Disbursement	11	4981
SECTION 8.4. Rate of Exchange	12	4982
SECTION 8.5. Date of Disbursement	12	4982

Article 9: Miscellaneous

SECTION 9.1. Communications	12	4982
SECTION 9.2. Representatives	13	4983
SECTION 9.3. Standard Provisions Annex ^[1]	13	4983

A M P L I F I E D P R O J E C T
D E S C R I P T I O N

Annex 1

A. The Project	1	4984
B. Project Components	1	4984
C. Project Evaluation	4	4987

Annex 2**Financial Plan and Procedures**

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

PROJECT AGREEMENT dated the 29th day of August, 1978
between the REPUBLIC OF KENYA ("the Government") 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 forth the understandings of the parties named above ("Parties") with respect to their respective undertakings concerning the Project described herein, and with respect to the financing of the Project by the Parties.

ARTICLE 2

The Project

SECTION 2.1. Definition of Project. The Project will consist of five components designed to assist the Government to strengthen and support agricultural services available to the smallholder farmer in Kenya. These components are (1) Agricultural Manpower Systems Support - to increase the quantity and quality of trained agricultural manpower in Kenya through expansion of Egerton College; through study of possible expansion of the Faculty of Agriculture, University of Nairobi; through study of possible establishment of a Coastal Institute of Agriculture; and through a program of participant training; (2) Range Research System Support - to expand Kenya's existing range research program and to examine methods of improving utilization of range resources in Kenya; (3) Credit System Support - to examine and strengthen credit facilities available to the rural smallholder farmer; (4) Cooperative System Support - to examine existing selected support services offered to the smallholder through the cooperative system and to improve and expand such services by increasing the number of trained personnel; and (5) Storage and Marketing System Support - to examine crop storage systems and related institutions and to increase the number of personnel trained in storage and related operations.

SECTION 2.2. Amplified Project Description. The Project is more particularly described in Annex I hereto, which forms part of this Agreement. Within the limits of the definition of the Project in Section 2.1., elements of the Project description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2., without formal amendment of this Agreement.

SECTION 2.3. Incremental Nature of Project.

(a) It is anticipated that A.I.D.'s total contribution to the Project will be provided in annual increments (allocations), with the initial such contributions being those identified in Section 3.1 of this Agreement. Subsequent increments (allocations) 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 each subsequent increment, to proceed. It is further anticipated that (i) A.I.D.'s overall Loan contribution to the Project will total Twenty Three Million, Six Hundred Thousand United States Dollars (\$23,600,000) and (ii) A.I.D.'s Grant contribution to the Project will total Twenty Six Million, One Hundred Eighteen Thousand United States Dollars (\$26,118,000).

(b) Within the Project Assistance Completion Date as specified in Section 3.4 of this Agreement, A.I.D., based upon consultation with the Government, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted and/or loaned by A.I.D. under an individual increment of assistance.

ARTICLE 3

Financing

SECTION 3.1. The Loan, The Grant. To assist the Government to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[1] hereby agrees to lend the Government under the terms of this Agreement a sum not to exceed Twenty Million, Two Hundred Thousand United States Dollars (\$20,200,000) ("Loan") and to grant the Government under the terms of this Agreement a sum not to exceed Three Million United States Dollars (\$3,000,000) ("Grant"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan and the Grant together are referred to as the "Assistance".

The Assistance may be used to finance foreign exchange costs, as defined in Section 7.1., and local currency costs, as defined in Section 7.2., of goods and services required for the Project described in Article 2.

SECTION 3.2. Cooperating Country Resources for the Project.

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

(b) The resources provided by the Government for the Project will be not less than 25 percent of the total Project costs, including costs borne on an "in-kind" basis. The Government contribution to the

¹75 Stat. 424; 22 U.S.C. § 2151 note.

Project is currently estimated to be the Kenyan Shilling equivalent of Eighteen Million, One Hundred Sixteen Thousand, Seven Hundred United States Dollars (\$18,116,700).

SECTION 3.3. Additional Financial Details. Annex 2 to this Agreement, which forms part hereof, provides (a) an allocation of each Party's contributions to the various components of the Project and (b) an identification, as to A.I.D.'s contribution, of the Loan and Grant allocations. Category (a) may be revised from time to time by mutual agreement, to be reflected in Project Implementation Letters. It is not contemplated that category (b) will be revised at any time.

SECTION 3.4. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), is the day by which the Parties estimate that all services financed under the Assistance will have been performed and all goods financed under the Assistance will have been furnished for the Project as contemplated in this Agreement. The PACD for this Project is March 31, 1985, except as the Parties may otherwise agree.

(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 Assistance 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 8.1 no later than three (3) 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 Government, may at any time or times reduce the amount of the Assistance 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

Loan Terms

SECTION 4.1. Interest. The Government will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum, on the disbursed balance of the Loan, for ten years following the date of the first disbursement of the Loan hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be payable no later than six (6) months after the first disbursement of the Loan hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Government will repay to A.I.D. the Principal within thirty (30) years from the date of the first disbursement of the Loan in forty-one (41) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Government with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Government may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Government and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Kenya, which enables the Government to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1., and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1., the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under this Sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the Government's Ministry of Finance and Planning in Kenya.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Government and A.I.D. relating to the Loan provisions of this Agreement will cease. Except as stated more specifically elsewhere in this Agreement, with respect to any obligations arising out of the expenditure of Grant funds, this Agreement will remain in full force and effect until the PACD has been reached.

ARTICLE 5

Conditions Precedent to Disbursement

SECTION 5.1. Initial Conditions - Disbursement for Certain Studies.

(a) Prior to any disbursement of the Assistance, or to the issuance by A.I.D. of documentation pursuant to which any disbursement will be made, the Government will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) An opinion of the Attorney General that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Government and that it constitutes a valid and legally binding obligation of the Government in accordance with its terms.

(2) A statement of the name of the person holding or acting in the office of the Government specified in Section 9.2., and of any additional representatives, together with a specimen signature of each person specified in such statement.

(b) Subject only to satisfaction of the requirements of Section 5.1.(a) above, the Assistance will be available to fund the following studies under direct A.I.D. contracts subject to procedures to be set forth in a Project Implementation Letter: (1) review of Kenya's farm level crop storage problems; (2) Cooperative Education Evaluation; (3) Cooperative Manpower and Training Study; and (4) Cooperative College Feasibility Study.

SECTION 5.2. Additional Condition - Government Contracts. Prior to any disbursement, or the issuance of any commitment document, for the purpose of financing under this Agreement any contract for technical, construction or other services to be entered into by the Government, A.I.D. will approve each such contract in writing. This requirement shall be satisfied separately for each such contract.

SECTION 5.3. Additional Condition - Agricultural Support Manpower Systems.

(a) Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement to finance the Agricultural Manpower Systems Support component of the Project, the Government will submit in form and substance satisfactory to A.I.D. plans indicating

what actions it will undertake, and pursuant to what schedule, with regard to the American Technical Assistance Corporation (ATAC) Report entitled "Professional and Subprofessional Agricultural Manpower in Kenya", specifically Section III, Manpower Utilization, and recommendations 1-26 contained therein.

(b) Following satisfaction of the Condition Precedent set forth immediately above, together with those contained in Section 5.1.(a) above, the Assistance will be available to fund the following studies under direct A.I.D. contracts subject to procedures to be set forth in Project Implementation Letters: (1) establishment and operation of a proposed Coast Institute of Agriculture and (2) expansion of the Faculty of Agriculture, University of Nairobi.

SECTION 5.4. Additional Conditions - Egerton College.

(a) Prior to any disbursement of the Assistance, or the issuance of any commitment documents under this Agreement, to finance either construction or technical assistance for Egerton College, the Government will furnish, in form and substance satisfactory to A.I.D., evidence that it will provide all requisite administrative, academic and maintenance staff for Egerton College, consistent with the detail provided in Annex I to this Agreement on a timely basis.

(b) Prior to any disbursement, or the issuance of any commitment documents under this Agreement, to finance construction for Egerton College, the Government will also furnish, in form and substance satisfactory to A.I.D., (i) all relevant contracts with Kenyan architectural and engineering firms, to be financed from other resources than the Assistance, calling for provision of design and other professional services necessary for the Egerton College construction; (ii) final plans, specifications and bid documents for that construction, together with a Work Plan indicating the steps Egerton College will take to monitor this construction.

(c) The above conditions precedent relative to Egerton College are additional to those contained in Section 5.1.(a), 5.2. and 5.3.(a) above.

SECTION 5.5. Additional Conditions - Range Research System Support.

(a) Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement for the Range Research component of the Project, the Government shall furnish in form and substance satisfactory to A.I.D., (1) evidence that a functioning Range Research Advisory Committee has been established or shortly will be established and (2) a statement as to what actions the Government will undertake, and pursuant to what schedule, with regard to the report of the American Technical Assistance Corporation (ATAC) dated November 1977, entitled "Agriculture Research in Kenya", specifically the "Summary", pages 1-5 thereof.

(b) The above conditions precedent relative to the Range Research Systems component are additional to those contained in Section 5.1.(a) and 5.2. above.

SECTION 5.6. Additional Conditions - Agricultural Finance Corporation (AFC).

(a) Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement to finance assistance to the AFC, the Government will submit, in form and substance satisfactory to A.I.D.:

(1) a comprehensive written report on actions which AFC has undertaken or proposes to undertake with respect to the findings and recommendations of the A.I.D.-sponsored AFC Management Study dated June 1977;

(2) evidence that AFC will undertake or cause to be undertaken a job classification, job appraisal, and salary revision study of its operations;

(3) evidence that AFC has hired, or that it shortly will hire, a qualified administrative officer who will be responsible for consolidating AFC's various administrative functions into a single administrative division and provide the necessary administrative leadership for this division.

(b) The above conditions precedent relative to AFC are additional to those contained in Section 5.1.(a) above.

SECTION 5.7. Notification. When A.I.D. determines that each of the conditions precedent set forth in Sections 5.1.(a) through 5.6. above has been met, it will promptly so notify the Government.

SECTION 5.8. Terminal Dates for Satisfying Conditions Precedent.

(a) If all of the conditions specified in Section 5.1.(a) above, have not been met within ninety days from the date of this Agreement, or such later date as A.I.D. may agree in writing, then A.I.D., at its option, may terminate this Agreement by written notice to the Government.

(b) If either (1) the conditions specified in Sections 5.3., 5.4. (a), 5.5. or 5.6. above have not been met within four months from the date of this Agreement, or such later date as A.I.D. may agree in writing, or

(2) the conditions specified in Section 5.4.(b) above have not been satisfied within fifteen months from the date of this Agreement, or such later date as A.I.D. may agree in writing; then A.I.D., at its option, may in whole or in applicable part cancel the then undisbursed balance of the Assistance, to the extent not irrevocably committed to third parties, and may terminate this Agreement in whole or in applicable part by written notice to the Government. In the event of such termination, the Government will repay immediately the applicable accrued interest; on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate to the extent cancelled, except with respect to any obligations arising out of the expenditure of Grant funds.

ARTICLE 6

Special Covenants

SECTION 6.1. Project Evaluation. The Government will establish, as part of this Project, and with A.I.D. concurrence and participation, an evaluation program to examine the progress made towards the availability of services to the smallholder farmer. In this regard the Government will provide, on a timely basis, required administrative and technical assistance (not financed by A.I.D.) for evaluations of the Project and its impact on the smallholder through the extension service. The agreed upon evaluation program is more particularly described in Annex 1 to this Agreement.

SECTION 6.2. Submission of Plans and Documents - Various Project Components.

(a) The Government will submit to A.I.D. at dates to be specified in Project Implementation Letters, and in form and substance satisfactory to A.I.D., (1) annual training plans for the Ministry of Agriculture and Ministry of Cooperative Development Training Programs to be financed under the Project's Manpower Systems Support component; (2) an annual Egerton College Staff Training and Work Plan, also under the Manpower Systems Support component; and (3) annual Research Plans under the Project's Range Research Systems Support component.

(b) The Government will submit to A.I.D. on a periodic basis, as set forth in Project Implementation Letters, but at least as part of the Egerton College Staff Training and Work Plan referenced in Section 6.2.(a) (2) above, updated statements of the evidence submitted in satisfaction of Section 5.4.(a) above as to Egerton College's plans to meet its staffing needs in the administrative, academic and maintenance categories. Such periodic submissions will deal, at a minimum, with adequacy of staffing levels at such times and with efforts taken and proposed to fill staffing requirements. In addition, the Egerton College Staff Training and Work Plans shall be accompanied by an updated statement of actions taken, and proposed to be taken, pursuant to Section 5.3 (a) above.

(c) The Government will also submit on a periodic basis, as set forth in Project Implementation Letters, but at least annually, updated statements as to (1) the Agricultural Finance Corporation's actions and planning toward implementing the recommendations identified in Section 5.5.(a)(2) above with reference to the submission made in satisfaction of that Section.

SECTION 6.3. Housing. The Government will make available, on a timely basis, adequate housing to A.I.D.-financed technical assistance personnel financed under any and all Project components. In the event such housing is not available on the arrival of such personnel, the Government will take such action as may be agreed to by A.I.D. to provide adequate temporary accommodations until permanent housing is provided.

SECTION 6.4. Egerton College. With regard to Egerton College, and in addition to the documentary requirements identified in Section 6.2. above:

(a) The Government will provide on a timely basis: (1) the requisite sponsorships for additional student positions above the present sponsorship level and (2) funding to meet the recurrent costs, including maintenance of buildings, of Egerton College, by means of a regularized adjustment of the economic fee, a Government subvention, or by such other means as the Government and A.I.D. may agree.

(b) The Government will also advise A.I.D. periodically, at dates to be specified in Project Implementation Letters, but in any event at least annually as part of the Egerton College Staff Training and Work Plan referenced in Section 6.2. above, as to the current status and proposed course of action to provide such funding.

SECTION 6.5. Range Research System Support. With regard to this Project component, and in addition to the documents identified in Section 6.2. above, the Government agrees to provide, on a timely basis, all required research and administrative staff and all necessary financing to support the research at Kiboko.

ARTICLE 7

Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursement pursuant to Section 8.1. below ("Foreign Exchange Costs") will be used exclusively to finance the costs of goods and services required for the Project and meeting the following source and origin requirements, except as A.I.D. may otherwise agree to in writing and except as provided in Annex 3 of this Agreement (Article C. thereof, with respect to Marine Insurance, motor vehicle procurement, and Grant financed air transportation):

(a) Except for ocean shipping and except as provided in subparagraph (b) immediately below, equipment and other goods and services financed under the Loan will have their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book in effect at the time orders are placed or contracts entered into for such goods or services.

(b) Ocean shipping financed under the Loan shall be procured from the United States and Kenya. The requirements and limitations for such financing are more fully set forth in Section C.6 of Annex 3 of this Agreement.

(c) Goods and services financed under the Grant will have their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services).

(d) Notwithstanding Article C. of Annex 3 of this Agreement or sub-paragraph (c) above, motor vehicles procured for the Range Research Systems Support component of the Project may have their source and origin in countries included in A.I.D. Geographic Code 935.

SECTION 7.2. Local Currency Costs.

(a) Disbursement pursuant to Section 8.2. below will, with the exception noted immediately below, 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 Kenya ("Local Currency Costs").

(b) Construction materials financed under the Loan for the construction of Egerton College will have their source and origin, as defined and limited by A.I.D. in a Project Implementation Letter, in countries included in A.I.D. Geographic Code 935.

ARTICLE 8

Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent contained in Article 5 above relative to particular Project components, or parts thereof as identified in Project Implementation Letters, the Government may obtain disbursements of funds under the Loan or the Grant for the Foreign Exchange costs of goods or services required for each such Project component, or part thereof, in accordance with the terms of the 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

(i) requests for reimbursement for such goods or services, or
(ii) requests for A.I.D. to procure or finance the procurement of commodities or services on the Government's behalf for the Project; or (2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (i) to one or more U.S. banks, acceptable 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 (ii) 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 Government in connection with Letters of Commitment and Letters of Credit incident to the Loan will be financed under the Loan unless the Government instructs A.I.D. to the contrary. Other charges, incident to the Loan, may also be financed under the Loan to the extent that the Parties may so agree.

SECTION 8.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent set forth in Article 5 above relative to particular Project components, or parts thereof as identified in Project Implementation Letters, the Government may obtain disbursement of funds under the Loan or the Grant for Local Currency Costs required for such components or parts thereof 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 disbursement hereunder may be obtained: (1) by acquisition by A.I.D. with United States Dollars by purchase; (2) by A.I.D.'s (a) requesting the Government to make available the local currency for such costs, and (b) thereafter making available to the Government through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Government or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Government, which dollars will be utilized for procurement from the United States under procedures to be described in Project Implementation Letters; (3) by such other means as the Parties may agree to in writing. The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of sub-section (b)(1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of sub-section (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 opening or amendment of the applicable Special Letter of Credit.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan or the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2., if funds provided under the Loan or the Grant are introduced into Kenya by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Government will make such arrangements as may be necessary so that such funds may be converted into currency of Kenya at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Kenya.

SECTION 8.5. Date of Disbursement. Disbursements of the Loan by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes a disbursement to the Government or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract or purchase order; (b) on the date on which A.I.D. disburses to the Government or its designee local currency acquired in accordance with Section 8.2.(b) (1); or (c) if local currency is obtained in accordance with Section 8.2.(b)(2), on the date on which A.I.D. opens or amends the Special Letter of Credit therein referred to.

ARTICLE 9

Miscellaneous

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the GOVERNMENT OF KENYA:

Mail Address: Permanent Secretary
Ministry of Finance and Planning
Post Office Box 30007
Nairobi, Kenya

Address for Cables: FINANCE, NAIROBI, KENYA

To A.I.D.:

Mail Address: Director
U.S.A.I.D. Mission to Kenya
Post Office Box 30261
Nairobi, Kenya

Address for Cables: USAID, AMEMBASSY, NAIROBI

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

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Government will be represented by the individual holding or acting in the office of Permanent Secretary, Ministry of Finance and Planning, and A.I.D. will be represented by the individual holding or acting in the office of the Director, A.I.D. Mission to Kenya. Each of these parties, 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 hereto. The names of the representatives of the Government, 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 and unless in receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Combined Loan and Grant Standard Provisions Annex" (Annex 3)^[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Republic of Kenya 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:

REPUBLIC OF KENYA

By: Mwai Kibaki ^[2]

Title: Minister, Ministry of Finance and Planning

UNITED STATES OF AMERICA

By: Wilbert J. Le Melle ^[3]

Title: The Ambassador

¹ See footnote 1, p. 4970.

² Mwai Kibaki.

³ Wilbert J. Le Melle.

AMPLIFIED PROJECT DESCRIPTION

This amplified Project description elaborates on the description provided in Section 2.1. of this Agreement. Except as may be specifically limited in this Annex, elements of the amplified description may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2. without formal amendment of this Agreement, provided that any such change is made within the limits of the definition of the Project as set forth in Section 2.1.

A. THE PROJECT

The Agricultural Systems Support Project (ASSP) consists of the following five main components, each of which is more particularly described below: (1) Agricultural Manpower Systems Support; (2) Range Research System Support; (3) Agricultural Credit System Support; (4) Cooperative System Support; and (5) Storage and Marketing System Support. The Project's overall objective is to contribute significantly toward the Government's goals of greatly enhanced smallholder productivity and (in real terms) per capita income. Assistance furnished under the Project is intended, in furtherance of this overall objective, to address and substantially alleviate the following existing constraints: (1) trained agricultural manpower; (2) smallholder access to agricultural credit institutions, services and infrastructure; and (3) adaptive research.

B. PROJECT COMPONENTS

(1) Agricultural Manpower Systems Support: This component consists of the following:

(a) Egerton College Expansion: The Loan will finance construction, renovation and equipment for the expansion of Egerton College to permit total student enrollment to increase from the current level of 690 to 1,632 by 1985. The construction will be financed through a Government contract following procedures to be specified in a Project Implementation Letter. Funds will be disbursed on a cost reimbursable basis to Government, or by other means acceptable to the Parties.

Equipment for Egerton College and residential furnishings for technical assistance staff will also be financed via a Government contract using the services of the Afro-American Purchasing Center or by other mutually acceptable means.

To enable the Egerton College faculty to expand quickly in line with the phased enrollment increase, the Government will contract (from Project Grant funds) with a U.S. university to provide approximately 91 worker years of technical assistance. The Project Grant will also fund participant training for approximately 43 Egerton Kenyan faculty members

for a total of approximately 138 training years. The training will be financed through the technical assistance contract and managed by the U.S. university.

In connection with the Egerton College program, the Government will finance all architectural, engineering and quantity surveyor costs for both design and construction supervision services at Egerton. The Government will also finance part of the building renovation cost, the construction of sports facilities, the purchase of two vehicles and the provision of all building furnishings. Finally, the Government, through Egerton College, will finance the increased College operating costs and one-way participant training travel to the U.S. for faculty members.

(b) Training Fund: As part of this Project's broad effort to upgrade the Government's agricultural manpower resources, the Grant provides a training fund whereunder, through A.I.D.'s participant procedures or by such other means as the Parties shall agree, approximately 100 participants from the Ministry of Agriculture will receive U.S. training in many areas of agriculture related to Project objectives. The Government, through that Ministry, will finance the one-way travel expenses of participants trained through this training fund. Specific training to be funded will be subject to mutual annual agreement, based on a submission and review of the Work Plans called for pursuant to Section 6.2.(a)(1) of this Agreement.

(c) Studies: From Grant funds, A.I.D. will contract with appropriate U.S. institutions for studies to determine the feasibility of establishing a Coast Agriculture Institute and of expanding the Faculty of Agriculture of the University of Nairobi. These studies will receive counterpart support, office support and in-country transportation from Government. The Coast Agriculture Institute study will call for the development of academic and technical feasibility information leading to preliminary sketch plans and other data relevant to establishment of an institute to have an enrollment of approximately 660 persons, which would offer a two-year program leading to a certificate in agriculture and then, normally, to a position as farmer-contact agent in the Ministry of Agriculture's Extension Service. The Faculty of Agriculture study will develop similar data relevant to possible expansion of that Faculty's student capacity to approximately 805 B.Sc. students to be placed, largely, as technical officers and field administrators with the Extension Service.

(2) Range Research Systems: This Project component will finance (through the Grant) a Government contract providing approximately 31 worker years of technical assistance in specialized areas at the Range Research Station at Kiboko. The Grant will also finance contract consultant services to provide short-term research technical assistance at the same Station. The technical assistance will be provided through a contract with a U.S. university. A total of approximately 57 years of academic

and non-academic training will be provided to upgrade Government's personnel research skills. Participant training will be financed through the university contract with contractor personnel responsible for coordination and management of training activities. The Grant will also finance equipment and commodities.

The Government's contribution will finance the operating expenses of the Kiboko research station, construction of 19 houses and one-way participant travel in support of the U.S. research training.

(3) Agriculture Credit System Support: The Grant will fund a contract for approximately 14 years of long term U.S. technical assistance to upgrade the management skills of the Agriculture Finance Corporation and to provide on-site training skills. Also, the Grant will fund approximately 50 participant years of U.S. academic training, approximately 12 participant years of U.S. non-academic training and an AFC in-country training program to improve the management of agriculture credit resources at all levels within the AFC.

Government, through the AFC, will finance general office support, partial quarters allowance, local travel expenses and professional counterparts for the technical assistance staff. The AFC will also finance one-way participant travel and salary expenses for the U.S. academic and non-academic training plus classroom facilities and participant salary expenses for the in-country training program.

(4) Cooperative System Support: The Grant will fund a contract for approximately 61 worker months of long and short-term U.S. technical assistance to provide advisory training services to the Ministry of Cooperative Development. The Grant will also fund contracts for three studies, namely: (1) an evaluation leading to recommendations for improvements in the Ministry's Cooperative Education and Training System; (2) a study leading to recommendations concerning professional and sub-professional manpower needs in the cooperative sector over the next decade and (3) a review of curriculum and facilities and other aspects of the feasibility of improving and expanding the Cooperative College. These studies will, in general, be intended to generate data on the development needs and constraints of the cooperative systems in Kenya and to recommend corrective action as appropriate. The Government, through the Ministry of Cooperative Development, will provide general office support, field transportation and professional counterparts for the A.I.D.-funded training advisors and for each of the three study teams.

U.S. academic training will be provided over Life of Project for approximately 50 participant (two years each) and U.S. non-academic

training will be provided for approximately 45 participants, for a total of approximately 250 training months (including 10 months of training for board members of the Cooperative Bank of Kenya). Training will be pursuant to A.I.D. participant procedures, except as the Parties shall otherwise agree, and shall be in various selected categories of relevance to the objectives of this Project component. Specific training to be funded will be subject to mutual agreement, based on submission and review of the Work Plan called for pursuant to Section 6.2.(a)(1) of this Agreement. One-way participant travel and participants' salary costs will also be provided by the Government for U.S. academic and non-academic participants.

(5) Food Storage System Support: The Grant will fund a contract for 24 worker months of U.S. technical assistance to prepare a food storage study examining the feasibility of projects aimed at improving on-farm storage and cooperative storage, both for the benefit primarily of smallholders. Grant financing will also be provided for approximately 110 months of U.S. academic training and approximately 15 months of U.S. non-academic training.

The Government will provide office space, in-country transportation and professional counterparts to the technical assistance team conducting the storage study. The Government will also finance one-way air travel for U.S. participant training.

C. PROJECT EVALUATION

The primary importance of the Project's evaluation system, described below, is the development of timely and useful information as to (a) whether Project components are serving the intended objective of effectively reaching the Kenyan smallholder and (b) if not, or if significant improvements are possible in accomplishing this objective, identification of appropriate remedial actions. Details concerning the evaluation system, additional to those set forth below, will from time to time be contained in Project Implementation Letters.

The evaluation system to be followed for this Project shall have three components: (1) annual A.I.D./Government evaluations; (2) individual component evaluations as these may be deemed necessary; and (3) special in-depth evaluations. These evaluations are more particularly described as follows:

(1) The first annual A.I.D./Government evaluation will commence 12 months from the date on which initial conditions precedent to disbursement, set forth in Section 5.1. above are met. This evaluation will focus on the initial phases, performance to date, whether any actions are required to address problems which might arise at a later date, and the progress and results of the feasibility studies being conducted under the Agricultural Manpower, Cooperative System, and Storage and Marketing

components of the Project. These evaluations will be held annually, and the involved Government officials will be invited to participate. As implementation proceeds, the focus of these reviews will shift toward evaluating progress in achieving Project purpose and outputs, recognizing that these purposes and outputs will not wholly be realized until Project conclusion.

(2) Special studies or evaluations of individual components, in greater depth than the annual reviews, will be held as and when a need is determined by A.I.D., in consultation with Government, to exist. These will address special concerns which may arise for any one Project component, as opposed to the broader in-depth comprehensive evaluation discussed below.

(3) There will also be three Project-wide, in-depth evaluations in U.S. fiscal years 1980, 1982 and 1984. These evaluations will focus on linkages between Project components and the ability of all components to impact on the smallholder. In the process of examining the impact on the smallholder, the reviews will include an analysis of the Extension Service, constraints to its effective operation, and actions being taken, being planned, or appropriate in order to overcome constraints. The in-depth evaluations will be preceded, late in U.S. fiscal year FY 1979 or the first quarter of FY 1980, by a baseline survey. In-depth evaluations will cover the Egerton College expansion; Range Research and Credit components; use of training funds for the Ministries of Agriculture and Cooperative Development; technical assistance to cooperatives; and training in the storage category.

All evaluations and studies will be conducted through direct A.I.D. contracts, funded from the Grant, except as the Parties may otherwise agree. The Government will provide office and secretarial requirements, field transportation and professional counterparts to all evaluation and study teams.

FINANCIAL PLAN AND PROCEDURES

The Tables below set forth, by Project component, the contribution to the Project currently contemplated by the Parties. Those Tables are subject to change by the Parties without formal amendment of the Agreement provided that no such changes cause (a) A.I.D.'s Grant or Loan contributions to the Project to exceed the amounts stated with respect to each such contribution as set forth in Section 3.1., or (b) the Government's contribution to the Project to be less than the amount stated thereof in Section 3.2.(b). Changes in the Tables, if any, will be from time to time a subject for mutual discussion and agreement, thereafter to be recorded in Project Implementation Letters.

Disbursement of Project funds consistent with this Agreement will be made pursuant to the procedures set forth in Article 8 above. Project Implementation Letters may elaborate on and revise those procedures from time to time.

TOTAL PROJECTFUNDING SUMMARY
(In Millions U.S. \$)

	<u>LOAN</u>		<u>GRANT</u>		<u>TOTAL</u>	<u>%</u>
	<u>FX</u>	<u>LC</u>	<u>FX</u>	<u>LC</u>		
1. A.I.D.	6.1	17.5	25.9	.2	49.7	73.3
2. GOK	-	5.5	-	12.6	18.1	26.7
	<u>6.1</u>	<u>23.0</u>	<u>25.9</u>	<u>12.8</u>	<u>67.8</u>	<u>100.0</u>

AGRICULTURE MANPOWER SYSTEMFUNDING SUMMARY
(U.S. \$ 000)

	<u>Loan</u>	<u>A.I.D.</u>	<u>GOK</u>
		<u>Grant</u>	
1. Egerton Long-Term TA	-	7,862.4	5,863.7
2. Egerton Capital Investment.....	23,558.0	504.0	5,471.7
3. Egerton Participant Training....	-	2,378.2	43.0
4. Coast Institute Study.....	-	150.0	21.8
5. University of Nairobi Study	-	66.0	10.2
6. MOA Training Fund	-	3,460.0	1,100.0
<u>TOTAL</u>	<u>23,558.0</u>	<u>14,420.6</u>	<u>12,510.4</u>

RANGE RESEARCH SYSTEMFUNDING SUMMARY

(\$000)

(All Grant Funded)

	A.I.D.	GOK
1. Kiboko Long Term Technical Assistance	3,152.7	3,988.5
2. Kiboko Short Term TA	608.4	-
3. Research Commodity & Services Procurement	346.0	-
4. Academic Participant Training	925.2	18.0
5. Non-Academic Participant Training	109.8	18.0
TOTAL	5,142.1	4,024.5

AGRICULTURE CREDIT SYSTEMFUNDING SUMMARY

(\$000)

(All Grant Funded)

1. AFC Long Term TA	1,276.8	206.1
2. AFC Academic Training	865.0	275.0
3. AFC Non-Academic Training	395.2	88.0
4. AFC in-country Training	130.2	306.5
TOTAL	2,667.2	875.6

COOPERATIVE SYSTEMFUNDING SUMMARY

(\$000)

(All Grant Funded)

1. Cooperative Training Advisory Service.....	509.7	52.8
2. Cooperative Education and Trg. Evaluation	28.0	2.6
3. Cooperative Manpower Study	21.8	2.6
4. Cooperative Academic Training	1,730.0	300.0
5. Cooperative Non-Academic Training	682.5	212.0
6. Cooperative College Feasibility Study	45.0	3.4
TOTAL	3,017.0	573.4

STORAGE AND MARKETING SYSTEMFUNDING SUMMARY

(\$000)

(All Grant Funded)

	<u>A.I.D.</u>	<u>GOK</u>
1. Storage Academic Training	172.0	7.0
2. Storage Non-Academic Training	43.3	5.0
3. National Grain Storage Study	204.0	39.0
TOTAL	419.3	51.0

PROJECT EVALUATION SYSTEMFUNDING SUMMARY

(\$000)

(All Grant Funded)

	<u>A.I.D.</u>	<u>GOK</u>
27 Consultant months plus 10 consultant months for component-specific evaluations	465	61.3

COMPONENT FUNDING SUMMARY

(\$000)

A.I.D. GOK TOTAL

1. Agriculture Manpower System.....	37,978.6	12,510.4	50,489.0
2. Research System	5,142.1	4,024.5	9,166.6
3. Agriculture Credit System	2,667.2	875.6	3,542.8
4. Cooperative System	3,017.0	573.4	3,590.4
5. Storage And Marketing System	419.3	51.0	470.3
6. Evaluation	465.0	61.3	526.3
TOTAL	49,689.2	18,096.2	67,785.4

COSTA RICA

Urban Employment and Community Improvement

*Agreement signed at San José August 30, 1978;
Entered into force August 30, 1978.*

Préstamo de A.I.D. N° 515-W-028

Proyecto de A.I.D. N° 515-0153

CONVENIO DE PRESTAMO
ENTRE
LOS GOBIERNOS DE COSTA RICA
Y DE
LOS ESTADOS UNIDOS DE NORTE AMERICA
PARA UN PROYECTO URBANO DE
EMPLEO Y MEJORAMIENTO COMUNAL

Fecha: 30 de agosto de 1978

A.I.D. Loan N° 515-W-028

A.I.D. Project N° 515-0153

PROJECT LOAN AGREEMENT
BETWEEN
THE GOVERNMENT OF COSTA RICA
AND THE
UNITED STATES OF AMERICA
FOR
URBAN EMPLOYMENT AND COMMUNITY IMPROVEMENT

Date: August 30, 1978

INDICECONVENIO DE PRESTAMO PARA EL PROYECTO

	<u>Página</u>
ARTICULO I: El Convenio	1
ARTICULO II: El Proyecto	1
SECCION 2.1. Definición del Proyecto	1
ARTICULO III: Financiación	2
SECCION 3.1. El Préstamo	2
SECCION 3.2. Recursos del Prestatario para el Proyecto	2
SECCION 3.3. Fecha de Terminación de la Asistencia al Proyecto	2
ARTICULO IV: Términos del Préstamo	3
SECCION 4.1. Intereses	3
SECCION 4.2. Pago	4
SECCION 4.3. Aplicación, Moneda y Lugar de Pago	4
SECCION 4.4. Pagos Anticipados	4
SECCION 4.5. Nueva Negociación de los Términos	5
SECCION 4.6. Terminación por Pago Total	5
ARTICULO V: Condiciones Previas para el Desembolso	6
SECCION 5.1. Primer Desembolso	6
SECCION 5.2. Condiciones Previas a Desembolsos para el Componente de la Pequeña Industria	7
SECCION 5.3. Condiciones Previas a Sub-Préstamos para Industrias de Propiedad Laboral ("WOOFs")	7
SECCION 5.4. Notificación	8
SECCION 5.5. Fechas Finales para las Condiciones Previas	8
ARTICULO VI: Estipulaciones Especiales	9
SECCION 6.1.a. Evaluación del Proyecto	9
b. Mantenimiento de un Fondo para la Pequeña Industria	9
c. Contribución al Prestatario	9
d. Uso de los Sub-Préstamos	9
e. Estudio de las Tasas de Interés	9

TIAS 9496

	<u>Página</u>
ARTICULO VII: Fuentes de Adquisiciones	10
SECCION 7.1. Costos en Moneda Extranjera	10
SECCION 7.2. Costos en Moneda Local	10
ARTICULO VIII: Desembolsos	10
SECCION 8.1. Desembolsos para Costos en Moneda Extranjera	10
SECCION 8.2. Desembolsos para Costos en Moneda Local	11
SECCION 8.3. Otras Formas de Desembolso	12
SECCION 8.4. Tipo de Cambio	12
SECCION 8.5. Fecha de Desembolso	12
ARTICULO IX: Misceláneos	13
SECCION 9.1. Aprobación del Proyecto de Garantía de Inversión	13
SECCION 9.2. Comunicaciones	13
SECCION 9.3. Representantes	14
SECCION 9.4. Anexo de Disposiciones Normativas	14
SECCION 9.5. Idioma	15

ANEXO I: Descripción del Proyecto

TABLE OF CONTENTS
PROJECT LOAN AGREEMENT

	<u>Page</u>	<i>{Pages herein}</i>
ARTICLE I: The Agreement	1	4999
ARTICLE II: The Project	1	4999
SECTION 2.1. Definition of the Project	1	4999
ARTICLE III: Financing	2	5000
SECTION 3.1. The Loan	2	5000
SECTION 3.2. Borrower Resources for the Project	2	5000
SECTION 3.3. Project Assistance Completion Date	2	5000
ARTICLE IV: Loan Terms	3	5001
SECTION 4.1. Interest	3	5001
SECTION 4.2. Repayment	4	5002
SECTION 4.3. Application, Currency, and Place of Payment	4	5002
SECTION 4.4. Prepayment	4	5002
SECTION 4.5. Renegotiation of Terms	5	5003
SECTION 4.6. Termination Upon Full Payment	5	5003
ARTICLE V: Conditions Precedent to Disbursement	6	5004
SECTION 5.1. First Disbursement	6	5004
SECTION 5.2. Conditions Precedent to Disbursement for Small Industry Component	7	5005
SECTION 5.3. Conditions Precedent to Sub- Lending for Worker-Owned and Operated Firms (WOOFs)	7	5005
SECTION 5.4. Notification	8	5006
SECTION 5.5. Terminal Dates for Conditions Precedent	8	5006
ARTICLE VI: Special Covenants	9	5007
SECTION 6.1.a. Project Evaluation	9	5007
b. Maintenance of Small Industry Fund	9	5007
c. Borrower Contribution	9	5007
d. Use of Sub-Loans	9	5007
e. Interest Rate Study	9	5007

	<u>Page</u>	<i>[Pages herein]</i>
ARTICLE VII: Procurement Source	10	5008
SECTION 7.1. Foreign Exchange Costs	10	5008
SECTION 7.2. Local Currency Costs	10	5008
ARTICLE VIII: Disbursements	10	5008
SECTION 8.1. Disbursements for Foreign Exchange Costs	10	5008
SECTION 8.2. Disbursements for Local Currency Costs	11	5009
SECTION 8.3. Other Forms of Disbursement	12	5010
SECTION 8.4. Rate of Exchange	12	5010
SECTION 8.5. Date of Disbursement	12	5010
ARTICLE IX: Miscellaneous	13	5011
SECTION 9.1. Investment Guaranty Project Approval	13	5011
SECTION 9.2. Communications	13	5011
SECTION 9.3. Representatives	14	5012
SECTION 9.4. Standard Provisions Annex [¹]	14	5012
SECTION 9.5. Language of the Agreement	15	5013

ANNEX I: Project Description

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

CONVENIO DE PRESTAMO PARA PROYECTO de fecha 30 de agosto de 1978, entre los Gobiernos de Costa Rica y de los Estados Unidos de Norte América, actuando éste por medio de la Agencia para el Desarrollo Internacional (A.I.D.).

PROJECT LOAN AGREEMENT dated August 30, 1978, between the Government of Costa Rica and the United States of America, acting through the Agency for International Development (A.I.D.).

ARTICULO I

El Convenio

El propósito de este Convenio es establecer los acuerdos entre los Gobiernos ("Partes") con respecto tanto al compromiso del Prestatario del Proyecto descrito más adelante, como a la financiación del mismo por las Partes.

ARTICLE I

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 Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICULO II

El Proyecto

SECCION 2.1. Definición del Proyecto. El Proyecto, que se describe con más detalles en el Anexo I, Descripción Ampliada del Proyecto, consistirá en brindar asistencia al Prestatario en el financiamiento de un programa diseñado para aumentar el empleo y la productividad y mejorar las condiciones de vida de las personas de escasos recursos de las zonas urbanas de San José, así como institucionalizar un sistema gubernamental coordinado cuya finalidad sea reducir la incidencia de pobreza urbana y que se pueda repetir en cualquier otro lugar de Costa Rica. El Anexo I, que acompaña el presente Convenio, amplía la definición del Proyecto mencionado anteriormente.

Dentro de los límites de la definición anterior, se podrían cambiar algunos elementos de la descripción ampliada formulada en el Anexo I, mediante acuerdo escrito de los representantes autorizados de las Partes, que se mencionan en la Sección 9.3., sin necesidad de una enmienda formal a este Convenio.

ARTICLE II

The Project

SECTION 2.1. Definition of the Project. The Project, which is further described in Annex I, Amplified Description of the Project, will consist of assistance to the Borrower in financing a project designed to increase employment and productivity and to improve the living conditions of San José's urban poor; and to institutionalize a coordinated government-supported system for reducing urban poverty which is replicable elsewhere in Costa Rica. Annex I attached, amplies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 9.3., without formal amendment of this Agreement.

ARTICULO IIIFinanciación

SECCION 3.1. El Préstamo. A fin de ayudar al Prestatario en la financiación de los gastos necesarios para la realización del Proyecto, la A.I.D., de conformidad con el Acta de Asistencia al Exterior de 1961, y sus enmiendas, conviene en otorgarle un préstamo, de acuerdo con los términos de este Convenio, que no excederá los Cinco Millones Quinientos Mil dólares (\$5,500,000) de los Estados Unidos de Norteamérica. El monto total de los desembolsos dentro del Préstamo se denominará en adelante el "Principial".

El Préstamo puede usarse para financiar los bienes y servicios requeridos por el Proyecto, pagables tanto en moneda extranjera, según se define en la Sección 7.1., como en moneda local, conforme se describe en la Sección 7.2.

SECCION 3.2. Recursos del Prestatario para el Proyecto.

(a) El Prestatario conviene en proveer todos los fondos además de los del Préstamo y los otros recursos requeridos, para llevar a cabo el Proyecto en forma efectiva y oportuna.

(b) Los recursos destinados por el Prestatario para el Proyecto no deberán ser menores que el equivalente a Once Millones Trescientos Noventa Mil dólares (\$11,390,000) de los Estados Unidos incluyendo costos sufragados en "especie".

SECCION 3.3. Fecha de Terminación de la Asistencia al Proyecto.

(a) La Fecha de Terminación de la Asistencia al Proyecto (FTAP), será el 31 de Diciembre de 1981, u otra fecha que se podrá convenir por escrito, siendo aquella en que las Partes estimen que todos los servicios y bienes financiados con el Préstamo habrán sido realizados los primeros, y proporcionados al

ARTICLE IIIFinancing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended, [¹] agrees to lend the Borrower under the terms of this Agreement not to exceed Five Million Five Hundred Thousand United States (U.S. dollars \$5,500,000) (Loan). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used to finance foreign exchange costs, as defined in Section 7.1., and local currency costs, as defined in Section 7.2., of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

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

(b) The resources provided by Borrower for the Project will be not less than the equivalent of Eleven Million Three Hundred and Ninety Thousand United States ("U.S.") dollars (\$11,390,000) including costs borne on an in-kind basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The Project Assistance Completion Date (PACD), December 31, 1981, 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 Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contem-

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

Proyecto los segundos de acuerdo con lo establecido en este Convenio.

(b) Excepto que la A.I.D. declare por escrito lo contrario, no emitirá o aprobará ninguna documentación que autorice desembolsos del Préstamo para servicios realizados o bienes proporcionados para el Proyecto después de la FTAP, de acuerdo con lo establecido en este Convenio.

(c) Las solicitudes de desembolsos, acompañadas de los documentos justificativos necesarios prescritos en Cartas de Cumplimiento del Proyecto, deberán ser recibidas por la A.I.D. o por cualquier banco mencionado en la Sección 8.1., dentro de los nueve (9) meses después de la FTAP, o de otro período en que la A.I.D. consienta por escrito. Después de tal período, la A.I.D., previa notificación por escrito al Prestatario, puede en cualquier momento reducir el monto del Préstamo en su totalidad o en aquella o aquellas partes para las cuales no se hubiere recibido solicitudes de desembolsos, acompañadas de los documentos justificativos necesarios prescritos en las Cartas de Cumplimiento del Proyecto, antes de la expiración de dicho período.

ARTICULO IV

Términos del Préstamo

SECCION 4.1. Intereses. El Prestatario pagará a la A.I.D. intereses a una tasa del dos por ciento (2%) anual por diez (10) años comenzando después de la fecha del primer desembolso conforme a este Convenio, y a una tasa de tres por ciento (3%) por año de ahí en adelante sobre el saldo pendiente del principal y cualquier interés vencido y no pagado. El interés sobre el saldo pendiente se calculará a partir de la fecha de cada desembolso (de acuerdo con la Sección 8.5.), y será pagadero semestralmente.

plated 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 Loan 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 disbursements, accompanied by necessary supporting documentation prescribed in Project 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 Borrower, may at any time or times reduce the amount of the Loan 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 IV

Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding disbursed balance of the Loan and on any due and unpaid interest. Interest on the outstanding disbursed balance will accrue from the date (as defined in Section 8.5.) of each respective disbursement, and will be payable semi-annually.

El primer pago de interés vencerá y será pagadero a más tardar seis (6) meses después de efectuado el primer desembolso, en una fecha que será especificada por la A.I.D.

SECCION 4.2. Pago. El Prestatario pagará a la A.I.D. el Principal dentro de veinte (20) años a partir de la fecha del primer desembolso del Préstamo, en veintiuna (21) cuotas semestrales, aproximadamente iguales, del Principal más intereses. La primera cuota será pagadera nueve años y medio (9-1/2) después de la fecha en que vence el primer pago de intereses, de conformidad con la Sección 4.1. La A.I.D. pondrá a disposición del Prestatario un plan de amortización de acuerdo con esta Sección, después del último desembolso dentro del Préstamo.

SECCION 4.3. Aplicación, Moneda y Lugar de Pago. Todos los pagos de intereses y del Principal del presente Convenio serán hechos en dólares de los Estados Unidos y se aplicarán, primero, al pago de intereses devengados y después al reembolso del Principal. Salvo que la A.I.D. lo especifique de otra manera por escrito, todos los pagos serán hechos al Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., y serán considerados como hechos, una vez recibidos por la Office of Financial Management.

SECCION 4.4. Pagos Anticipados. Estando al día en todos los pagos de intereses y reembolsos, el Prestatario podrá pagar por adelantado, sin recargos, la totalidad o cualquier porción del Principal. A menos que la A.I.D. acuerde de otra forma por escrito, cualesquier de tales pagos anticipados serán aplicados a las cuotas del Principal en el orden inverso al de su vencimiento.

The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within twenty (20) years from the date of the first disbursement of the loan in twenty one (21) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECCION 4.5. Nueva Negociación de los Términos.

(a) El Prestatario y la A.I.D. acuerdan negociar, en el momento en que cualquiera de ellos lo solicite, una aceleración del reembolso del Préstamo, en el caso de que hubiere una mejora significativa y continuada en la situación económica y financiera interna y externa y en las perspectivas de Costa Rica, que permitiera al Prestatario reembolsar el Préstamo en un período más corto.

(b) Cualquier solicitud de una u otra de las Partes para esta negociación, se hará de conformidad con la Sección 9.2., y dando el nombre y la dirección de la persona o las personas que representarán a la Parte solicitante.

(c) Dentro de los treinta (30) días siguientes a la entrega de una solicitud para negociar, la Parte que la recibe comunicará a la otra, de conformidad con la Sección 9.2., el nombre y la dirección de la persona o de las personas que la representarán en tales negociaciones.

(d) Los representantes de las Partes se reunirán para llevar a cabo las negociaciones, antes de treinta (30) días después de la entrega de la comunicación enviada por la Parte que recibió la solicitud, según la subsección (c). Las negociaciones se llevarán a cabo en un lugar acordado por los representantes de las Partes. En caso de no existir acuerdo se realizarían en el Despacho del Ministro de Hacienda de Costa Rica.

SECCION 4.6. Terminación por Pago Total. Una vez que se haya pagado el Principal y cualquier interés que se hubiere acumulado, este Convenio y todas las obligaciones de las Partes de conformidad con el mismo, terminarán.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Costa Rica, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2., and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.2., the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the Borrower's Minister of Finance in Costa Rica.

SECTION 4.6. Termination Upon Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. will cease.

ARTICULO VCondiciones Previas para el Desembolso

SECCION 5.1. Primer Desembolso. Antes del primer desembolso dentro del Préstamo, o de la emisión por parte de la A.I.D. de cualquier documentación con base en la cual se efectuará aquél, el Prestatario deberá proporcionar, a no ser que las Partes acuerden lo contrario por escrito, en la forma y con el contenido satisfactorios, a la A.I.D.:

(a) Un dictamen legal del Procurador General de la República o de otro asesor legal de la aceptación de la A.I.D., en el sentido de que el Convenio de Proyecto ha sido debidamente autorizado, ratificado o ambas cosas, por el Prestatario y formalizado en su nombre y que por lo tanto constituye un compromiso válido y legalmente obligatorio del Prestatario en todos sus términos,

(b) Un documento certificado que indique el nombre o los nombres de la persona o las personas autorizadas, según el Convenio de Proyecto, para actuar como el representante o los representantes del Prestatario, lo mismo que un registro autenticado de su o sus firmas;

(c) Evidencia de que se ha establecido formalmente un Comité Coordinador Interinstitucional, formado por representantes del Ministerio de la Presidencia, la Oficina de Planificación Nacional y Política Económica (OFIPLAN), el Ministerio de Hacienda, lo mismo que las entidades ejecutoras participantes; y de que se ha creado una Unidad de Coordinación y Administración del Proyecto, la cual cuenta con el personal necesario;

(d) Un plan de ejecución y presupuestos estimados para todas las actividades financiadas por el Préstamo; y

ARTICLE VConditions Precedent to Disbursement

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower 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 legal opinion of the Attorney General of Costa Rica or other legal counsel acceptable to A.I.D. to the effect that the Project Agreement has been duly authorized and/or ratified by Borrower and executed on its behalf and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all its terms;

(b) A certified statement of the name(s) of the person(s) authorized under the Project Agreement to act as the representative(s) of Borrower under the Project Agreement with the authenticated specimen signature(s) of said representative(s);

(c) Evidence that an Interagency Coordinating Committee composed of representatives of the Ministry of the Presidency, the National Planning Office (OFIPLAN), Ministry of Finance as well as the participating implementing agencies has been formally established; and that a Project Coordination and Administration Unit has been created and staffed;

(d) An implementation plan and estimated budgets for all loan-financed activities; and

(e) Copias de los convenios interinstitucionales firmados, que definan los planes de trabajo propuestos y los procedimientos operativos de los Ministerios y las entidades ejecutoras participantes.

SECCION 5.2. Condiciones Previas a Desembolsos para el Componente de la Pequeña Industria. Antes de efectuar desembolsos dentro del Préstamo, o de que la A.I.D. emita documentos de conformidad a los cuales se realizarán desembolsos dentro del Préstamo para financiar crédito para pequeñas industrias, el Prestatario deberá proporcionar a la A.I.D., a no ser que ésta exprese lo contrario por escrito en forma y contenido satisfactorios:

(a) Una copia de los reglamentos para subpréstamos de la pequeña industria, incluyendo el criterio de eligibilidad de los sub-proyectos y de los sub-prestatarios, y un plan de trabajo para adiestrar a pequeños industriales;

(b) Evidencia de que la Dirección General de Asistencia Técnica a la Pequeña Industria y Artesanía (DGATPIA) del Ministerio de Economía, Industria y Comercio ha contratado y adiestrado suficiente personal de campo para responder a las necesidades a que se proyectan de asistencia técnica a los pequeños industriales;

(c) Evidencia de que el Prestatario ha establecido un Programa de Garantías para Crédito Productivo, o un programa similar de garantías de crédito, aceptable a la A.I.D., el cual contenga reservas adecuadas para imprevistos para cubrir posibles pérdidas en los sub-préstamos otorgados dentro del Proyecto.

SECCION 5.3. Condiciones Previas a Sub-Prestamos para Industrias de Propiedad Laboral (WOOFs). Antes de efectuar desembolsos dentro del Préstamo o de que la A.I.D. emita documentos de conformidad a los cuales se realizarán desembolsos para financiar crédito para Indus-

(e) Copies of signed inter-agency agreements which define proposed work plans and operating procedures of participating Ministries and implementing agencies.

SECTION 5.2. Conditions Precedent to Disbursement for Small Industry Component. Prior to disbursements under the Loan, or the issuance by A.I.D. of documentation pursuant to which disbursements will be made under the Loan for financing credit for small industries, the Borrower will, except as otherwise agreed in writing by A.I.D., furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A copy of its small industry sub-lending regulations, including sub-project and sub-borrower eligibility criteria and an implementation plan for training small industrialists;

(b) Evidence that the Ministry of Economy, Industry and Commerce's Small Industry and Artisan Department (DGATPIA) has hired and trained sufficient field staff to respond to the projected technical assistance requirements of small industrialists;

(c) Evidence that the Borrower has established a Productive Credit Guaranty Program or similar credit guaranty program, acceptable to A.I.D., which contains adequate contingent reserves to cover potential losses on sub-loans made under the Project.

SECTION 5.3. Conditions Precedent to Sub-Lending for Worker-Owned and Operated Firms (WOOFs). Prior to disbursement under the Loan or to the issuance by A.I.D. of documentation pursuant to which disbursements will be made under the Loan for financing credit for

trias de Propiedad Laboral (WOOFs), el Prestatario deberá proporcionar a la A.I.D., en forma y contenido satisfactorios, a menos que la A.I.D. acuerde lo contrario por escrito, evidencia de que se ha obtenido la capacidad administrativa adecuada y de que cada proyecto que va a ser financiado es factible financiera, técnica y económicamente.

SECCION 5.4. Notificación. Cuando la A.I.D. haya determinado que las Condiciones Previas especificadas en las Secciones 5.1., 5.2. y 5.3. han sido cumplidas, lo notificará prontamente al Prestatario.

SECCION 5.5. Fechas Finales para las Condiciones Previas.

(a) Si todas las Condiciones especificadas en la Sección 5.1. no han sido satisfechas dentro de los 130 días posteriores a la fecha en que se firmó este Convenio, o en una fecha posterior que la A.I.D. acuerde por escrito, ésta tendrá la opción de terminar este Convenio mediante notificación escrita al Prestatario.

(b) Si todas las Condiciones especificadas en la Sección 5.2. no han sido satisfechas dentro de los 180 días posteriores a la fecha en que se firmó este Convenio o en una fecha posterior que la A.I.D. acuerde por escrito, y/o todas las condiciones especificadas en la Sección 5.3. no han sido cumplidas dentro de los 360 días a partir de la fecha de este Acuerdo, o en cualquier fecha posterior en la que la A.I.D. esté de acuerdo por escrito, ésta tendrá la opción de cancelar el saldo del préstamo no desembolsado a la fecha, siempre y cuando no haya sido comprometido en forma irrevocable a terceros, y podrá terminar este Convenio mediante notificación escrita al Prestatario. En caso de tal terminación el Prestatario reembolsará inmediatamente el Principal pendiente en ese momento, y cualquier interés que se hubiere acumulado. Una vez recibida la totalidad de dichos pagos, este Convenio y todas las obligaciones de las Partes según el mismo, terminarán.

Worker-Owned and Operated Firms (WOOFs), the Borrower will, except as otherwise agreed in writing by A.I.D., furnish to A.I.D., in form and substance satisfactory to A.I.D., evidence that adequate managerial talent has been obtained and that each project to be financed is financially, technically, and economically feasible.

SECTION 5.4. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 5.1., 5.2., and 5.3. have been met, it will promptly notify the Borrower.

SECTION 5.5. Terminal Dates for Conditions Precedent.

(a) If all of the Conditions specified in Section 5.1. have not been met within 180 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 Borrower.

(b) If all of the Conditions specified in Section 5.2. have not been met within 180 days from the date of this Agreement or such later date as A.I.D. may agree to in writing, and/or all of the conditions specified in Section 5.3. have not been met within 360 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 cancel the then undisbursed balance of the Loan to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Borrower. In the event of such termination the Borrower will repay immediately the Principal then outstanding and any accrued interest. On receipt of such payments in full this Agreement and all obligations of the Parties hereunder will terminate.

ARTICULO VIEstipulaciones Especiales

SECCION 6.1.

(a) Evaluación del Proyecto. Las Partes acuerdan establecer un sistema de evaluación como parte del Proyecto. Salvo que las Partes manifiesten lo contrario por escrito, el sistema incluirá, durante la ejecución del Proyecto y en una o más oportunidades posteriores: (i) la evaluación del progreso en el logro de los objetivos del Proyecto; (ii) la identificación y evaluación de áreas problemáticas o limitaciones que puedan inhibir dichos logros; (iii) la determinación de la forma en que se puede utilizar dicha información para ayudar a solucionar tales problemas y (iv) la evaluación, hasta donde sea posible, del efecto general del Proyecto sobre el desarrollo.

(b) Mantenimiento de un Fondo para la Pequeña Industria. A no ser que la A.I.D. acepte lo contrario por escrito, el Prestatario se compromete a mantener el nivel de la cartera de crédito para la Pequeña Industria por lo menos en \$11.4 millones durante un período no menor a cinco años a partir de la finalización del Proyecto.

(c) Contribución al Prestatario. El Prestatario está de acuerdo en que de su contribución de contrapartida al Proyecto, no menos de \$3.3 millones de dólares, serán destinados para sub-préstamos a pequeñas industrias.

(d) Uso de los Sub-Préstamos. El Prestatario está de acuerdo en utilizar las recuperaciones del Principal de los sub-préstamos financiados por la A.I.D., únicamente para aquellos propósitos para los cuales los fondos del Préstamo de la A.I.D. están autorizados.

(e) Estudio de las Tasas de Interés. El Prestatario está de acuerdo en realizar, con fondos del Préstamo, antes de finalizar el segundo año subsiguiente al primer desembolso del Préstamo, un estudio de las tasas de interés, para analizar las consecuencias políticas, sociales y económicas a largo plazo de los préstamos a pequeñas empresas con tasas subvencionadas.

ARTICLE VISpecial Covenants

SECTION 6.1.

(a) 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: (i) evaluation of progress toward attainment of the objectives of the Project; (ii) identification and evaluation of problem areas or constraints which may inhibit such attainment; (iii) assessment of how such information may be used to help overcome such problems; (iv) evaluation, to the degree feasible, of the overall development impact of the Project.

(b) Maintenance of Small Industry Fund. Except as A.I.D. may otherwise agree in writing, the Borrower agrees that it will maintain the level of the Small Industry credit portfolio at no less than \$11.4 millions during a period of at least five years after the end of the Project.

(c) Borrower Contribution. The Borrower agrees that of its counterpart contribution to the Project, no less than \$3.3 million will be provided for sub-lending to small industries.

(d) Use of Sub-Loans. The Borrower agrees to utilize repayments of principal from A.I.D. funded sub-loans only for those purposes for which A.I.D. loan funds are authorized.

(e) Interest Rate Study. The Borrower agrees to carry out, with Loan funds, prior to the end of the second year after the first disbursement under the Loan, an interest rate study to analyze the long-range political, social, and economic consequences of lending to small businesses at subsidized rates.

ARTICULO VIIFuentes de Adquisiciones

SECCION 7.1. Costos en Moneda Extranjera. Los desembolsos efectuados de conformidad con la Sección 8.1., serán utilizados exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto, que tengan su fuente y origen en países incluidos en el Código 941 del Libro de Códigos Geográficos de la A.I.D., con excepción de los países miembros del Mercado Común Centroamericano, que esté en vigencia en el momento en que se formulen los pedidos o se suscriban los contratos para la adquisición de tales bienes o servicios ("Costos en Moneda Extranjera"), a menos que la A.I.D. esté de acuerdo en lo contrario por escrito, y con excepción de lo previsto en el Anexo II, Sección C.1. (b), "Disposiciones Normativas del Préstamo para el Proyecto", con respecto al seguro marítimo.

SECCION 7.2. Costos en Moneda Local. Los desembolsos efectuados de conformidad con la Sección 8.2. serán usados exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto, que tengan su fuente y su origen en Costa Rica y, países miembros del Mercado Común Centroamericano ("Costos en Moneda Local"), a menos que la A.I.D. acuerde lo contrario por escrito.

ARTICULO VIIIDesembolsos**SECCION 8.1. Desembolsos para Costos en Moneda Extranjera.**

(a) Después de cumplir con las condiciones previas, el Prestatario podrá obtener desembolsos de fondos dentro del Préstamo para los Costos en Mo-

ARTICLE VIIProcurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941, except for countries which are members of the Central American Common Market, of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the "Project Loan Standard Provisions", Annex II, Section C.1. (b) with respect to marine insurance.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, origin in Costa Rica and countries which are members of the Central American Common Market ("Local Currency Costs"), except as A.I.D. may otherwise agree in writing.

ARTICLE VIIIDisbursements**SECTION 8.1. Disbursements for Foreign Exchange Costs.**

(a) After satisfaction of Conditions Precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or

da Extranjera de bienes o servicios necesarios para el Proyecto, de conformidad con los términos de este Convenio, por medio de algunos de los siguientes métodos que pueden ser elegidos de mutuo acuerdo:

(i) presentando a la A.I.D., con los documentos justificativos necesarios prescritos en Cartas de Cumplimiento del Proyecto, solicitudes para reembolsos por dichos bienes y servicios, o para que la A.I.D. adquiera bienes o servicios en nombre del Prestatario, para el Proyecto;

(ii) solicitando que la A.I.D. emita Cartas de Compromiso por determinadas sumas a uno o más bancos de los Estados Unidos, comprometiéndose la A.I.D. a reintegrar a dicho banco o bancos los pagos efectuados por éste o éstos a contratistas o proveedores, con Cartas de Crédito u otros medios similares, por bienes o servicios; o directamente a uno o más contratistas o proveedores, comprometiéndose la A.I.D. a pagar a dichos contratistas o proveedores por tales bienes o servicios.

(b) Los gastos bancarios incurridos por el Prestatario en relación con las Cartas de Compromiso y las Cartas de Crédito, serán financiados dentro del Préstamo, a menos que el Prestatario indique a la A.I.D. lo contrario. Otros gastos, acordados por las Partes, también podrán ser financiados dentro del Préstamo.

SECCION 8.2. Desembolso para Costos en Moneda Local.

(a) Una vez satisfechas las condiciones previas, el Prestatario podrá obtener desembolsos de fondos del Préstamo para cubrir Costos en Moneda Local necesarios para el Proyecto, de conformidad con los términos de este Convenio, mediante la presentación a la A.I.D. de solicitudes para financiar tales costos, acompañadas de los documentos justificativos necesarios prescritos en las Cartas de Cumplimiento del Proyecto.

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:

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

(ii) by requesting A.I.D. to issue Letters of Commitment for specified amounts to one or more U.S. banks, 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 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursements for Local Currency Costs.

(a) After satisfaction of Conditions Precedent, the Borrower may obtain disbursements of funds under the Loan 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) La moneda local necesaria para tales desembolsos se puede obtener de la siguiente manera:

(i) mediante la compra por parte de la A.I.D. de moneda local con dólares de los EE.UU. (o de los fondos en moneda local pertenecientes al Gobierno de los Estados Unidos); o

(ii) que la A.I.D. solicite que el Prestatario proporcione la moneda local para tales costos, poniendo luogo a su disposición mediante la apertura o enmienda por parte de la A.I.D. de cartas de Crédito Especiales a favor del Prestatario o de su designado, una cantidad de dólares de los EE.UU. equivalente al monto en moneda local proporcionado por él. Tales dólares deberán ser utilizados para adquisiciones en los Estados Unidos, de acuerdo con los procedimientos adecuados descritos en las Cartas de Cumplimiento del Proyecto.

SECCION 8.3. Otras Formas de Desembolso. Los desembolsos del Préstamo también pueden efectuarse de otras maneras acordadas por escrito por las Partes.

SECCION 8.4. Tipo de Cambio.

A menos que sea establecido en forma más específica bajo la Sección 8.2., si los fondos en dólares suministrados dentro del Préstamo son introducidos a Costa Rica por la A.I.D. o por cualquier entidad pública o privada con el fin de cumplir con las obligaciones de la A.I.D. emanadas de este Convenio, el Prestatario hará los trámites necesarios para que dichos fondos puedan convertirse a moneda nacional al tipo de cambio legal más alto en el momento en que se efectúe la conversión.

SECCION 8.5. Fecha de Desembolso.

Los desembolsos de la A.I.D. se considerarán como efectuados:

(a) en la fecha en que la A.I.D. efectúe un desembolso al Prestatario o a su designado, o a un banco, a un contratista o a un proveedor, de conformidad con una

(b) The local currency needed for such disbursement hereunder may be obtained:

(i) by acquisition by A.I.D. with U.S. dollars by purchase (or from local currency already owned by the U.S. Government); or

(ii) by A.I.D. requesting the Borrower to make available the local currency for such costs, and thereafter making available to the Borrower, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Borrower or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Borrower, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange.

Except as may be more specifically provided under Section 8.2., if funds provided under the Loan are introduced into Costa Rica by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of Costa Rica at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Costa Rica.

SECTION 8.5. Date of Disbursement.

Disbursements by A.I.D. will be deemed to occur:

(a) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a Bank, contractor or supplier pursuant to a Letter of Com-

Carta de Compromiso, un contrato, o una orden de compra;

(b) en la fecha en que la A.I.D. desembolsa al Prestatario o a su designado la moneda local adquirida de conformidad con la Sección 8.2. (b)(i); o

(c) si la moneda local fuese obtenida de acuerdo a la Sección 8.2. (b)(ii), en la fecha en que la A.I.D. abra o enmienda la Carta de Crédito Especial ahí mencionada.

ARTICULO IX

Misceláneos

SECCION 9.1. Aprobación del Proyecto de Garantía de Inversión. Se acuerda que el trabajo de construcción a finanziarse dentro de este Convenio, es un proyecto aprobado de conformidad con el acuerdo entre Costa Rica y los Estados Unidos de Norte América referente a garantías de inversiones, y que no se necesita ninguna aprobación adicional de Costa Rica para permitir a los Estados Unidos emitir garantías de inversiones dentro del convenio que cubre la inversión del contratista en ese proyecto.

SECCION 9.2. Comunicaciones. Cualquier notificación, solicitud u otra comunicación de cualquiera de las Partes a la otra dentro de este Convenio, se hará por escrito o por medio de telegrama o cable, y será considerada como debidamente enviada cuando se haga a las siguientes direcciones:

Al Prestatario:

Dirección Postal:

Ministerio de Hacienda
San José - Costa Rica

Dirección Cablegráfica:

MINIHACIENDA
San José - Costa Rica

mitment, contract, or purchase order;

(b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2. (b)(i); or

(c) if local currency is obtained in accordance with Section 8.2. (b)(ii), on the date on which A.I.D. opens or amends the Special Letter of Credit there referred to.

ARTICLE IX

Miscellaneous

SECTION 9.1. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by Costa Rica pursuant to the agreement between it and the United States of America on the subject of investment guarantees, and no further approval by Costa Rica will be required to permit the United States to issue investment guarantees under that agreement covering contractor's investment in that project.

SECTION 9.2. Communications. Any notice, request, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail Address:

Ministry of Finance
San José - Costa Rica

Alternate address for telegrams:

MINIHACIENDA
San José - Costa Rica

A la A.I.D.:

Dirección Postal:

USAID/COSTA RICA
Embajada de los Estados Unidos
San José - Costa Rica

Dirección Cablegráfica:

USAID/AMEMBASSY
San José - Costa Rica

Todas las comunicaciones serán en el idioma Inglés, a menos que las Partes acuerden lo contrario por escrito. Otras direcciones podrán substituir a las anteriores después de la dchida notificación. El Prestatario, además, deberá proveer a la Misión local de la USAID con una copia de toda comunicación enviada a la A.I.D. en Washington.

SECCION 9.3. Representantes. Para todos los fines relacionados con este Convenio, el Prestatario estará representado por la persona que sustente el cargo de Ministro de Hacienda y la A.I.D. estará representada por el Director de la Misión, o en su defecto por la persona que interinamente ocupe su lugar. Tales personas mediante notificación por escrito, podrán designar representantes adicionales para cualquier propósito además del de ejercer la función establecida en la Sección 2.1., para revisar los elementos de la descripción ampliada en el Anexo I. Los nombres de los representantes del Prestatario, con el registro de sus respectivas firmas deberán ser entregados a la A.I.D., la cual podrá aceptar como debidamente autorizado cualquier documento firmado por tales representantes, en el cumplimiento de este Convenio, hasta recibir aviso por escrito de la revocación de la autoridad a ellos conferida.

SECCION 9.4 Anexo de Disposiciones Normativas. Un "Anexo de Disposiciones Normativas de Préstamo para el Proyecto" (Anexo II) acompaña este Convenio y forma parte de él.

To A.I.D.:

Mail Address:

USAID/COSTA RICA
U.S. Embassy
San José - Costa Rica

Alternate Address for telegrams:

USAID/AMEMBASSY
San José - Costa Rica

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. The Borrower, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D./Washington.

SECTION 9.3. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of the Minister of Finance and A.I.D. will be represented by the individual holding or acting in the office of the 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 I. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as fully authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.4. Standard Provisions Annex.
A "Project Loan Standard Provisions Annex" (Annex II) [¹] is attached to and forms part of this Agreement.

¹ See footnote 1, p. 4998.

SECCION 9.5. Idioma. Este Convenio está redactado tanto en Inglés como en Español. En caso de ambigüedad o conflicto entre las dos versiones, la versión de Inglés será la que servirá de referencia.

EN FE DE LO CUAL, el Gobierno de Costa Rica y el de los Estados Unidos de Norte América, cada uno actuando por medio de sus representantes debidamente autorizados, han hecho que este Acuerdo se firme en su nombre, y se ejecute a partir de la fecha y el año que lo encabezan.

SECTION 9.5. Language of the Agreement. This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version will control.

IN WITNESS WHEREOF the Borrower 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.

REPUBLICA DE COSTA RICA


Rodrigo Carazo Odio
PRESIDENTE DE LA REPUBLICA


Hernán Sáenz Jiménez
MINISTRO DE HACIENDA

LOS ESTADOS UNIDOS DE NORTE AMERICA


Marvin Weissman

Ambassador of the United States
of America to Costa Rica


Stephen P. Knaebel

Director
United States A.I.D.
Mission to Costa Rica

ANEXO IDESCRIPCION DEL PROYECTOI. INTRODUCCION

El propósito del Proyecto es incrementar los ingresos y mejorar la calidad de vida de las personas de escasos recursos de las zonas urbanas de San José. Esto se logrará mediante la institucionalización de un sistema gubernamental coordinado para brindar servicios que reduzcan la incidencia, así como los efectos de la pobreza urbana. Al finalizar el Proyecto este sistema estará operando en el Área Metropolitana de San José y disponible para ejecutarse en otras áreas urbanas del país.

El Proyecto consiste en tres actividades interrelacionadas: empleo y productividad; vivienda e infraestructura comunal; política y planificación urbana y administración del Proyecto. El componente de empleo y productividad tiene como meta aumentar el suministro de mano de obra mediante servicios de adiestramiento y colocación para las personas desempleadas y subempleadas así como a través de la generación de nuevas oportunidades de empleo para los operarios no calificados o semi-calificados por medio del suministro de crédito garantizado, asistencia técnica y adiestramiento a las pequeñas industrias. Adicionalmente, el Proyecto financiará un experimento con empresas de propiedad laboral.

El componente de mejoramiento de vivienda e infraestructura estará dirigido a la solución del problema de vivienda e infraestructura comunal inadecuadas en determinados núcleos del Área Metropolitana. El Proyecto financiará varias alternativas de alojamiento (lotes y servicios, casas que constan únicamente de paredes exteriores y techo, préstamos para mejoramiento de viviendas, y compra de titulación de terrenos) así como proyectos de infraestructura comunal (acueductos, alcantarillado, pavimentación y electrificación) que estarán al alcance de las posibilidades financieras de las personas de escasos recursos. El financiamiento de este componente se hará mediante un Programa de Garantía de Vivienda (HIG), así como a través del préstamo de la AID y los fondos de contrapartida del Preatendario.

ANNEX IPROJECT DESCRIPTIONI. INTRODUCTION

The goal of the Project is to increase the income and improve the quality of life of San José's urban poor. This will be accomplished by institutionalizing a coordinated government-supported system for providing services which will reduce the incidence as well as the effects of urban poverty. By the end of the Project, this system will be fully operating in the San José Metropolitan Area and will be available for replication in other urban areas of the country.

The Project consists of three interrelated activities: employment and productivity; shelter and community infrastructure; and urban policy, planning and project administration. The employment and productivity component of the Project is directed at increasing the effective labor supply through training and placement services for the under-employed and by generating new employment opportunities for the unskilled and semi-skilled through provision of guaranteed credit, technical assistance and training for small industries. In addition, the Project will finance an experiment with worker-owned firms.

The shelter and infrastructure improvement component will address the problem of poor housing and substandard community infrastructure and services in selected nucleos in the Metropolitan Area. The Project will finance various shelter solutions (sites and services, core housing, home improvement loans, land purchase and titling) as well as community infrastructure projects (water, sewer, and drainage systems, paving, and electrification) which are geared to the ability of the poor to pay. The financing for this component will be provided through a subsequent Housing Investment Guarantee Program as well as through AID loan and Borrower counterpart funds.

El componente de política y planificación urbana y administración del Proyecto financiará asistencia técnica, estudios, adiestramiento y gastos operativos para mejorar la efectividad del aparato de planificación urbana del Prestatario y para coordinar la realización del Proyecto.

El Proyecto será administrado por una unidad especial que se establecerá en la Presidencia de la República, la cual dependerá de un comité inter-institucional que coordinará las actividades que para este Proyecto realicen las siguientes entidades: Ministerio de Hacienda; Oficina de Planificación Nacional y Política Económica (OFIPLAN); Instituto Mixto de Ayuda Social (IMAS); Ministerio de Trabajo; Instituto Nacional de Aprendizaje (INA); Ministerio de Economía, Industria y Comercio (MEIC); Sistema Bancario Nacional (SBN); Instituto Tecnológico de Costa Rica (ITCR); Dirección Nacional de Desarrollo de la Comunidad (DINADECO); Instituto de Fomento y Asesoría Municipal (IFAM); e Instituto Nacional de Vivienda y Urbanismo (INVU).

II. EMPLEO Y PRODUCTIVIDAD

Este componente está dividido en dos partes, una dirigida al suministro de empleo y la otra a la demanda de trabajadores.

A. Incremento en el Suministro de Empleo

El objetivo de esta parte es colocar 8,000 personas de escasos recursos de las zonas urbanas que están desempleadas o sub-empleadas. Tres mil serán capacitadas antes de colocarlas y 3,000 serán adiestradas en servicio. Se espera que unas 2,000 personas no necesitarán adiestramiento, pero si servicios de colocación. La realización de este objetivo requerirá un acuerdo inter-institucional para coordinar las actividades del IMAS, el Ministerio de Trabajo y el INA.

The urban policy, planning and project administration component will finance technical assistance, studies, training and support costs to improve the effectiveness of the Government's urban planning apparatus and to coordinate implementation of the Project.

The Project will be administered by a special unit to be established within the Office of the Presidency. It will be responsible to an inter-agency committee which will coordinate Project activities of the following agencies: Ministry of Finance; National Planning Office (OFIPLAN); Social Welfare Institute (IMAS); Ministry of Labor; National Apprenticeship Institute (INA); Ministry of Economy, Industry and Commerce (MEIC); National Banking System (SBN); Technological Institute of Costa Rica (ITCR); National Community Development Office (DINADECO); Municipal Development Institute (IFAM); and National Housing Institute (INVU).

II. EMPLOYMENT AND PRODUCTIVITY

This component is divided into two parts, one addressing the supply of labor and the other addressing demand for labor.

A. Increasing the Labor Supply

The objective of this part is to place 8,000 unemployed and under-employed urban poor in jobs. Three thousand will be trained prior to placement and three thousand will be trained on-the-job. It is expected that two thousand will not need training but will need placement services. Accomplishing this objective will require an inter-agency agreement, coordinating activities of IMAS, the Ministry of Labor and INA.

El IMAS, mediante sus agentes de extensión, buscará a los candidatos en los tugurios, los remitirá a la oficina más cercana de Servicios de Empleo del Ministerio de Trabajo, y brindará subsidios a los que se estén adiestrando en el INA que así lo requieran. Para llevar a cabo su trabajo de identificación de trabajadores, seguimiento y funciones administrativas, el IMAS aumentará su personal de trabajo social en aproximadamente 15 personas (3 asignadas a cada una de sus oficinas locales en el Área Metropolitana de San José) y les brindará materiales y equipo de oficina.

El Servicio de Empleo del Ministerio de Trabajo identificará las vacantes existentes, entrevistará y examinará a los candidatos para determinar sus habilidades y aptitudes, colocará a los que estén capacitados en las plazas disponibles, referirá a los demás para su debida capacitación y administrará un programa de adiestramiento en servicio. Adicionalmente llevará a cabo encuestas periódicas en lugares de trabajo para determinar las vacantes existentes y proyectadas y la clase de trabajadores que se requieren. Estas encuestas se realizarán cada 6 meses y estimarán la demanda existente y proyectada de trabajadores. Esta y otras informaciones similares serán usadas por el Prestatario como base para el reclutamiento y colocación de trabajadores calificados que estén disponibles para ocupar las vacantes existentes (por parte del Ministerio de Trabajo); así como para anunciar, reclutar y adiestrar trabajadores en áreas específicas a corto plazo (Ministerio de Trabajo e INA).

Para cumplir con sus responsabilidades en este Proyecto, el Ministerio de Trabajo aumentará su personal mediante la contratación de seis técnicos en planificación y estadística con respecto a la mano de obra; aproximadamente 23 personas para el servicio de colocación y cuatro para el programa de adiestramiento en servicio.

IMAS, through its extension agents, will seek out job candidates from low income urban neighborhoods (tugurios), direct them to the nearest Ministry of Labor Employment Service Office, and provide subsidies to needy INA trainees. To carry out its worker identification, follow-up, and administrative functions, IMAS will supplement its social work staff by approximately 15 persons (3 assigned to each of the San José Metropolitan zonal offices) and supply and equip the offices for them.

The Ministry of Labor's Employment Service will identify existing job vacancies, interview and test candidates to determine job skills and aptitudes, place candidates who possess required skills directly into available jobs, refer others for training and administer an on-the-job training program. In addition the Ministry of Labor will conduct periodic establishment surveys to determine actual and projected job vacancies and job skill requirements. These surveys will be conducted every six months and will estimate actual and projected labor demand. This information and other data will be used by the Borrower as a basis for recruiting and placing skilled workers who are ready to fill existing vacancies (by the MOL); as well as for advertising, recruiting, and training workers in specific areas of short supply (MOL and INA).

To fulfill its responsibilities under the Project, the Ministry of Labor will increase its staff in manpower and statistics by six technicians, in employment placement by about 23 people and in on-the-job training by four people. Technical assistance, training, vehicles, office furniture and equipment and over-

Como respaldo a estos programas, financiará además la asistencia técnica, el adiestramiento, los vehículos, el mobiliario y equipo de oficina y los gastos generales de administración que se requieren.

El INA tendrá a su cargo la realización de todos los programas de capacitación, exceptuando el de adiestramiento en servicio; diseñará cursos en base a las características de las plazas vacantes y de los candidatos enviados por el Ministerio de Trabajo. A fin de planear e impartir cursos para 3,000 personas, el INA aumentará su personal, comprará equipo para adiestramiento, alquilará locales para la enseñanza y cubrirá los demás gastos de operación necesarios.

B. Incremento en la Demanda de Mano de Obra

El objetivo de la segunda parte del componente de empleo y productividad es establecer un fondo de garantía para créditos y un programa de asistencia técnica y adiestramiento para las pequeñas industrias urbanas con el propósito de incrementar su productividad y de generar empleo para las personas de escasos recursos de las zonas urbanas. Se estima que durante los primeros tres años de actividades del Proyecto, aproximadamente 970 pequeñas industrias disfrutarán de créditos, asistencia técnica y capacitación administrativa, de acuerdo con sus necesidades, y que se crearán cerca de 3,500 plazas. Otras 120 personas formarán parte de empresas de propiedad laboral en un programa experimental para crear y administrar tres industrias bajo esta modalidad.

Las tres principales entidades participantes en esta parte del Proyecto son el Ministerio de Economía, Industria y Comercio, el Sistema Bancario Nacional y el INA.

Para cubrir las 970 firmas estimadas, el Proyecto ampliará el programa de la Dirección General de Asistencia Técnica a la Pequeña Industria y Artesanía (DGATPIA)

head costs will support these efforts.

INA will be responsible for all but the on-the-job portion of the training program, drawing up courses in response to characteristics of the job openings and candidates presented by the Ministry of Labor. To plan and conduct courses for 3,000 people, INA will increase its staff, purchase training equipment, rent training facilities and cover other operational costs accordingly.

B. Increasing Labor Demand

The objective of the second part of the employment and productivity component is to establish a guaranteed credit fund and a technical assistance and training program for small urban industries to increase productivity and to generate employment for the urban poor. It is estimated that during the three years of Project activity approximately 970 small industries will be assisted with credit, technical assistance and management training, as needed, and that some 3,500 new jobs will be created. Up to 120 additional people will be joint worker-owners in an experimental program to create and manage up to three worker-owned industries.

The three principal entities participating in this aspect of the Project are the Ministry of Economy, Industry and Commerce, the National Banking System and INA.

To reach the estimated 970 firms, the Project will expand the Ministry of Economy's Small Industry and Artisanry Office's (DGATPIA) technical assistance

del Ministerio de Economía. En este programa los técnicos de DGATPIA elaborarán planes de trabajo y recomendarán créditos, asistencia técnica y adiestramiento para los pequeños industriales. Si se quiere ayuda crediticia, los técnicos determinarán la factibilidad técnica y financiera del proyecto en el que se piensa utilizar el crédito y los ayudarán a llenar sus solicitudes de préstamo. Todos los pequeños industriales cuyas solicitudes de crédito requieran cobertura de garantía, necesitarán de la aprobación previa de los técnicos de DGATPIA. Esta oficina brindará asistencia técnica directa mediante su propio personal o a través de otras fuentes para resolver problemas técnicos específicos que se detecten en las pequeñas industrias. También preparará 35 estudios de factibilidad indicando las posibilidades de expansión y distribuirá una serie de 25 panfletos instructivos de fácil comprensión.

Este más intenso y extensivo programa de DGATPIA requerirá la contratación y el adiestramiento de 36 personas más, la obtención de asistencia presupuestaria adicional para los mayores gastos operativos proyectados, la compra de vehículos y de varios tipos de equipos de oficina, y fondos para cubrir los costos de las publicaciones, así como de las renovaciones de las oficinas. El Proyecto también contempla más de 28 meses/hombre de asistencia técnica y 6 meses/hombre de adiestramiento especializado en el país.

Cuando los técnicos de DGATPIA consideren que los pequeños industriales necesitan mejorar sus capacidades empresariales básicas, los referirán a los cursos que el INA imparte sobre administración de negocios y contabilidad, tecnología de la producción, relaciones laborales y mercadeo. El INA también hará encuestas en áreas donde haya muchos pequeños industriales para poder determinar los cursos apropiados, los horarios y lugares más convenientes y sus métodos y contenidos más adecuados. En el transcurso del Proyecto, el INA realizará 40 cursos para más de 800 pequeños industriales.

program. In this program DGATPIA technicians will develop work plans recommending loans, direct technical assistance, and/or training for small industrialists. If credit is needed, the technicians will assess the financial and technical feasibility of the intended credit use and assist the small industrialists in completing their loan requests. All small industry credit requests seeking guarantee coverage will require approval by a DGATPIA technician. DGATPIA will provide direct technical assistance from its own staff or from other sources to resolve specific technical problems encountered in small industries. It will also prepare 35 feasibility reports indicating expansion possibilities and distribute a series of 25 easy-to-read instructional pamphlets.

This more intensive and expanded program of DGATPIA will require the hiring and training of an additional 36 individuals, increased budgetary support for larger projected operating expenses, the purchase of vehicles and various types of office equipment, and funds to cover the costs of publications and office renovations. The Project will also provide up to 28 person months of technical assistance and 6 person months of specialized in-country training.

When DGATPIA technicians find that small industrialists need to upgrade their basic entrepreneurial skills, they will refer them to INA's courses in business management and accounting, production technology, employee relations and marketing. INA will also canvass areas with high concentrations of small industrialists to enable it to select appropriate courses, the timing and location of such courses, and their method and content. Over the life of the Project, INA will conduct 40 courses for up to 800 small industrialists.

Para impartir estos cursos, el INA contratará y adiestrará 7 funcionarios adicionales a tiempo completo, financiará las encuestas y las giras necesarias; además, comprará equipo educativo.

Los pequeños empresarios carentes de habilidades técnicas serán remitidos a los programas de asistencia técnica y adiestramiento antes mencionados. En respuesta a sus necesidades financieras, se establecerá un fondo de crédito, un sistema de garantías y una serie de reformas bancarias. La AID aportará US\$2.5 millones para préstamos y el Prestatario destinará US\$3.3 millones para crédito a la pequeña industria. El Sistema Bancario Nacional establecerá un fondo de garantías para préstamos a la pequeña industria, y tomará otras medidas para aumentar el flujo de crédito hacia este sector, tales como: incremento en la promoción de créditos, simplificación y uniformación de la documentación, y uso del Ministerio de Economía como una entidad de asistencia técnica.

El Proyecto incluye la creación de tres empresas de propiedad laboral como un experimento para determinar si este concepto es administrativamente factible y si esas empresas pueden brindar a la propiedad laboral salarios y ganancias adecuadas. Los fondos del préstamo brindarán crédito y asistencia técnica a esas tres empresas, así como cierta ayuda financiera a la institución del gobierno que supervisará el establecimiento y manejo de las mismas. El Sistema Bancario Nacional administrará el crédito. Las funciones de la entidad supervisora serían: (1) producir un plan detallado, describiendo la estructura legal y social de las tres empresas y los pasos necesarios para su creación y operación. (2) Contrato para administración de las empresas por parte de una entidad comercial costarricense calificada. (3) Brindar asistencia técnica a las empresas según sus necesidades; y (4) evaluar el experimento después de un período de observación adecuado.

To offer these courses, INA will hire and train seven additional full time staff members, finance participant surveys and necessary travel, and purchase instructional equipment.

The small businessman's lack of technical skill will be addressed through the aforementioned training and technical assistance programs. To respond to his credit needs, a loan fund, a guaranty system and a series of banking reforms will be established. AID will allocate up to \$2.5 million in loan funds and the Borrower will provide \$3.3 million for small industrial credit. The National Banking System will establish a guaranty fund for lending to small industry, and will take other steps to increase the flow of credit to this group, such as increased promotion of credit, standardization and simplification of documentation, and the use of the Ministry of Economy as a technical assistance agency.

The Project includes the creation of up to three worker-owned and operated firms (WOOFs) as an experiment to determine if the worker ownership concept is organizationally feasible and if these firms can return to the worker-owners adequate wages and profits. Loan funding will provide credit and technical assistance to the three WOOFs as well as limited financial assistance to the government institution which will oversee the establishment and management of the WOOFs. The SBN will administer the credit. The functions of the supervising institution will be to: (1) produce a detailed plan describing the legal and social structure of the three WOOFs and the necessary steps for their creation and operation (2) contract for management of the WOOFs with a qualified Costa Rican business entity; (3) provide technical assistance to the WOOFs as needed; and (4) evaluate the experiment after an adequate period of observation.

III. VIVIENDA E INFRAESTRUCTURA COMUNAL

El componente de vivienda e infraestructura comunal tiene como objetivo establecer un proceso legal de ubicación; financiar 1,000 loteos con núcleo sanitario y 1,000 viviendas básicas que consten únicamente de paredes exteriores y techo; hacer 3,000 préstamos para mejoramiento de viviendas ya existentes, 400 préstamos para titulación de propiedades y 100 para compra de terrenos; establecer un sistema de valorización; y construir \$6.0 millones en proyectos de infraestructura comunal que respondan a las necesidades de las comunidades, según lo manifiesten las asociaciones de desarrollo comunal.

El Proyecto promoverá un acercamiento integrado y coordinado, usando a DINADECO (para organización de la comunidad); el INVU (para construcción de viviendas) y el IFAM (para desarrollo municipal) a fin de ejecutar e institucionalizar el programa. El costo de estos programas será asumido por los beneficiarios, cuyos pagos se usarán a su vez para financiar proyectos similares en otras áreas y para otras familias de bajos ingresos.

La financiación de este programa se hará mediante \$11.4 millones de Garantía de Vivienda, una contribución del Frestatario como fondos de contrapartida de \$3,680,000 y hasta \$426,000 de los fondos del préstamo de la AID. Aunque esta componente será objeto de un convenio por separado, se describe aquí en vista de su relación con el resto del programa.

Por consiguiente, es la intención de las partes negociar, celebrar y ejecutar con este fin un acuerdo complementario bajo la autoridad de AID/HIG. Sujeto a la celebración del anterior acuerdo, el Frestatario conviene en lo siguiente:

III. SHELTER AND COMMUNITY INFRASTRUCTURE

The objectives of the shelter and community infrastructure component are to establish a lot legalization process; provide 1,000 serviced lots with sanitary core and 1,000 serviced shell houses; make 3,000 loans for home improvement, 400 loans for title registration and 100 loans for lot purchases; establish a valorization system; and construct \$6.0 million of urban infrastructure which responds to the needs of local communities, as expressed by community associations.

The Project will promote an integrated, coordinated approach using DINADECO (community organization), INVU (housing construction) and IFAM (municipal development) to implement and institutionalize the program. The cost of these programs will be borne by the beneficiaries, with repayments used to finance similar projects for other areas and other low income families.

The financing for this program will be provided by a \$11.4 million Housing Investment Guaranty (HIG), a Borrower's contribution of \$3,680,000, and up to \$426,000 of AID loan funds. While this component will be the subject of a separate implementation agreement, due to the nature of the housing investment guaranty program, it is described here because of its relationship to the rest of the Program.

Therefore, it is the intention of the parties hereto to negotiate, execute and implement a companion Agreement under the AID-HIG authority. Subject to the execution of the foregoing Agreement, the Borrower agrees as follows:

1. Destinar \$426,000 del producto de este préstamo para asistencia técnica en apoyo a las actividades de vivienda e infraestructura del futuro proyecto de HIG.
2. De los fondos del Prestatario, el INVU destinará \$680,000 para apoyar las actividades de vivienda del HIG y el Prestatario dará \$3,000,000 al IFAM para financiar las actividades de infraestructura del Proyecto de Garantía de Inversión para Vivienda.

La provisión de los fondos antes mencionados por parte del Prestatario y los términos y condiciones con respecto a los \$11,400,000 provenientes de inversionistas privados norteamericanos, que serán garantizados por el Programa de Garantía de Inversión para Vivienda de la AID, será el componente de vivienda e infraestructura de este Proyecto, según se detalla en este documento, serán objeto de un Convenio por aparte, a ser negociado y celebrado por las partes en fecha futura.

A. Mejoramiento de Vivienda

1. Lotes y Servicios

Esta opción se ofrecerá a cerca de 2,000 familias. Los lotes proyectados serán seleccionados por el INVU y las municipalidades. DINADECO a través de su organización orientará a los compradores potenciales, los organizará en asociaciones, y ayudará al INVU a promover el programa de auto ayuda para la construcción. El INVU solamente será responsable del diseño del proyecto, y de la licitación, supervisión y aceptación de los trabajos de construcción. Se ofrecerán dos planes: lotes con núcleos sanitarios en los cuales el comprador pueda construir rápidamente una vivienda temporal que más adelante se pueda mejorar; y lotes con núcleos sanitarios y viviendas básicas. El INVU llevará a cabo la revisión de los

1. To provide \$426,000 from the proceeds of this loan for technical assistance in support of the shelter and infrastructure activities of the envisioned HIG Project.

2. From Borrower resources, INVU will provide \$680,000 in support of the shelter activities of the HIG and the Borrower will provide \$3,000,000 to IFAM in support of the infrastructure activities of the Housing Investment Guarantee Project.

The provision of the Borrower's funds mentioned above and the terms and conditions related to the \$11,400,000 provided by United States private investors and guaranteed by the AID Housing Investment Guarantee Program for the shelter and infrastructure component of this Project, as described herein, will be the subject of a separate Agreement. This Agreement is to be negotiated and executed by the parties at a future date.

A. Shelter Improvement

1. Sites and Services

An estimated 2,000 families will be offered this option. Project sites will be selected by INVU and the municipalities. DINADECO through its outreach efforts will orient potential buyers, organize them into associations, and assist INVU in promoting self-help construction. INVU will be solely responsible for project design, and for construction bidding, supervision, and acceptance. Two plans will be offered: serviced lots with a sanitary core on which the buyer can quickly construct a temporary shelter which may be improved over time; and serviced lots with a sanitary core and a basic house. INVU will carry out credit checks, administer the collection of mortgage payments, and

créditos, administrará la recaudación de los pagos hipotecarios y dará asesoría técnica a las familias que estén ampliando sus propias viviendas.

2. Mejoramiento de Viviendas

DINADECO, como parte de sus funciones de contacto con las comunidades también informará a los propietarios que a través del INVU hay fondos disponibles para mejorar sus viviendas. El INVU organizará una unidad de asistencia técnica para examinar las casas de los solicitantes y sugerir las mejoras que deben hacerse, revisará las propuestas e inspeccionará el trabajo una vez terminado. Las mejoras las realizarán pequeños contratistas. La revisión de los créditos, los desembolsos y las recaudaciones serán administrados por la oficina financiera del INVU.

3. Compra y Titulación de Terrenos

En este experimento DINADECO y las Asociaciones de Desarrollo Comunal que coordina buscarán las oportunidades para que los precaristas o quienes alquilan propiedades puedan comprar las tierras en que viven. La selección de solicitudes de crédito se hará de forma que incluya la mayor variedad de los diferentes problemas de tenencia de tierras que un programa de titulación y compra de terrenos a gran escala abarcaría, de manera que permita al Prestatario obtener experiencia práctica con diferentes tipos de soluciones.

B. Mejoramiento Comunal

El IFAM creará un fondo de \$6 millones para financiar proyectos de infraestructura, en las áreas que el Prestatario ha designado como deterioradas. Se dará preferencia a aquellos proyectos que beneficien a un mayor porcentaje de familias de escasos recursos y mejoren las condiciones de salud y seguridad del área escogida. Ya han sido seleccionadas 19 comunidades o núcleos como áreas apropiadas para iniciar estas actividades, en base a

give technical guidance to families expanding their shelter on their own.

2. Home Improvements

DINADECO, as part of its outreach function, will also inform homeowners that funds are available through INVU to finance home improvements. INVU will set up a technical assistance unit to inspect the applicant's house and suggest improvements, review proposals and check completed work. The work will be performed by small contractors. Credit checks, disbursements, and collections will be administered by INVU's financial office.

3. Land Purchase and Titling

In this experiment DINADECO and the Neighborhood Associations it deals with will look for opportunities for squatters or renters to buy the land they occupy. The selection of credit recipients will reflect the various land tenure problems which would be confronted in a full-scale titling and lot purchase program; and thus will provide the Borrower practical experience in dealing with different kinds of solutions.

B. Community Improvement

IFAM will create a \$6 million fund to finance infrastructure projects all located in areas designated as deteriorated by the Borrower. Preference will be given to those projects which benefit the largest percentage of low income families and improve the health and safety conditions of the target area. Nineteen neighborhoods or núcleos have already been selected as appropriate initial areas for these activities, based

las necesidades de mejoramiento de la infraestructura y a la cantidad de personas de escasos recursos que viven en ellas.

Las Asociaciones de Desarrollo Comunal contarán con la asesoría de DINADECO en la preparación de las propuestas -- sistemas de acueductos y alcantarillados, pavimentación y alumbrado -- a fin de que las municipalidades las remitan al IFAM para su estudio y de ser aceptadas, para su financiación y supervisión. La construcción la llevarán a cabo contratistas privados, con excepción de los proyectos de acueductos y alcantarillados, que deberán realizarse mediante el Instituto Costarricense de Acueductos y Alcantarillados (AyA).

Estos proyectos se pagarán mediante un sistema de valorización, con impuestos a las propiedades de cada beneficiario en particular. El IFAM dará asistencia técnica a las municipalidades en la determinación de tasas apropiadas, de forma que puedan ser cubiertas por las personas de escasos recursos. El IFAM también financiará mejoramientos comunales en las áreas en que el INVU efectúe las actividades de mejoramiento de viviendas, compra y titulación de terrenos que forman parte de este Proyecto.

Antes de que se inicie la construcción correspondiente, la unidad de valorización del IFAM ayudará a la municipalidad en la fijación de las tasas para cada beneficiario en particular. Las municipalidades o el AyA, según corresponda, serán responsables de la recuperación de los costos y cobrarán trimestralmente, utilizando los sistemas establecidos, con asesoría del IFAM. Para llevar a cabo el sistema de valorización, el IFAM creará una pequeña unidad dentro de su División de Asistencia Técnica.

C. Asistencia Técnica y Adiestramiento Vivienda

Los programas propuestos para el mejoramiento de viviendas y comunidades dan un fuerte énfasis a la coordinación entre las instituciones participantes, que son el INVU, el IFAM, DINADECO y los

on the need for infrastructure improvements and the number of poor people living in these neighborhoods.

The Community Development Associations will be assisted by DINADECO in preparing proposals --water, drainage, and sewer systems, paving, lighting-- for municipalities to submit to IFAM to study, and if acceptable, to finance and supervise. The construction will be performed by private contractors, except for those involving water and sewage, which will be carried out by the Water and Sewage Authority (AyA).

These projects will be paid for through a valorization system, with assessments on the property of individual beneficiaries. IFAM will provide technical assistance to the municipalities in determining levels of assessment affordable by the poor. IFAM will also finance community improvements associated with INVU's efforts under the home improvement and land purchase and titling elements of this Project.

Before construction starts, the valorization unit of IFAM will assist the municipality in establishing cost assessments for individual beneficiaries. The municipalities or AyA, as appropriate, will be responsible for cost recovery and will bill and collect quarterly using their existing systems, with assistance from IFAM. To carry out the valorization system, IFAM will establish a small unit within its Technical Assistance Division.

C. Technical Assistance and Training - Shelter

The proposed shelter and community improvement programs place a strong emphasis on coordination between the participating institutions, that is INVU, IFAM, DINADECO, and the municipal govern-

gobiernos locales del Área Metropolitana de San José. Por lo tanto, \$150,000 del fondo del préstamo propuesto para asistencia técnica se usarán para contratar un administrador residente para que brinde asistencia al proyecto, quien se concentrará en la promoción y fomento de la cooperación interinstitucional en los programas de vivienda y mejoramiento comunal. Este funcionario también estará calificado para brindar asistencia en los aspectos más técnicos de la realización del proyecto, particularmente para asegurar que los costos del mismo se reduzcan al mínimo y que las soluciones estén al alcance de los grupos de menores ingresos. Finalmente, ayudará a RHUDO/ROCAP y a la Misión de la AID en Costa Rica en la supervisión del programa.

Adicionalmente se brindará asistencia técnica al INVU para establecer procedimientos que puedan garantizar los máximos beneficios a los usuarios del préstamo de mejoramiento de vivienda; al IFAM para organizar la unidad de valorización; a DINADECO para promover y organizar los esfuerzos de desarrollo de la comunidad en áreas urbanas.

El adiestramiento en los Estados Unidos y en otros países sustentará la creación de una efectiva unidad de valorización en el IFAM y fortalecerá la capacidad de los funcionarios de DINADECO.

La oficina local de DINADECO en el área Metropolitana de San José adquirirá vehículos y equipo audiovisual.

IV. POLITICA Y PLANIFICACION URBANA Y ADMINISTRACION DEL PROYECTO

Al mismo tiempo que este elemento incluirá asistencia técnica en la planificación y ejecución del Proyecto, su mayor énfasis estará en la investigación de las causas y soluciones de la pobreza urbana, así como en mejorar la efectividad del destinatario a este respecto. Los principales objetivos incluyen asegurar la retención de este Proyecto, la elaboración

ments of the San José Metropolitan Area. Therefore, \$150,000 of the proposed loan-funded assistance will be used to provide a full-time, resident assistant project administrator, who will concentrate on promoting and encouraging inter-agency cooperation in the shelter and community improvement program. The technician will also be qualified to provide guidance in the more technical aspects of project implementation, particularly to assure that project costs are minimized and that the solutions are affordable to the lowest possible income groups. Finally, the technician will assist RHUDO/ROCAP and USAID/Costa Rica in monitoring program implementation.

In addition, technical assistance will be provided to assist INVU to develop procedures that will assure maximum benefits to home improvement loan recipients; to assist IFAM to organize a valorization unit; to help DINADECO to promote and organize community development efforts in urban areas.

Training in the United States and third countries will support creation of an effective valorization unit in IFAM and strengthen DINADECO's staff capability.

Vehicles, office equipment and audio-visual equipment will be purchased for DINADECO's metropolitan zone office.

IV. URBAN POLICY, PLANNING AND PROJECT ADMINISTRATION

While this element will include technical assistance in Project planning and execution, its major focus will be on research into the causes and remedies of urban poverty, and on improvements in the Government's response to this poverty. Principal objectives include insuring the replicability of this Project, the development of national policies in housing

de políticas nacionales en materia de vivienda y creación de empleos que satisfagan las necesidades de las personas de escasos recursos de las zonas urbanas, y la preparación de los programas subsiguientes con respecto a la pobreza de las zonas urbanas en ciudades regionales de Costa Rica.

A. Políticas

Para ayudar en la elaboración de políticas integrales con respecto a las zonas urbanas, el Proyecto llevará a cabo una serie de estudios que:

1. Analicen los cambios institucionales que podrían permitir una mejor coordinación y ejecución del proyecto;
2. Examinen el efecto de las actuales políticas urbanas en el incremento de oportunidades de empleo y servicios para las personas de escasos recursos;
3. Determinen los efectos económicos y sociales de las tasas de interés artificialmente bajas;
4. Analicen las implicaciones de las políticas en relación a los precios establecidos por los factores de producción y la tecnología intensiva de mano de obra para los sectores con mayor grado de desempleo crónico; y
5. Elaboren políticas de financiación de viviendas y de tasas de interés.

Adicionalmente se brindará asistencia técnica a corto plazo en la metodología y procesos para la elaboración de una política de vivienda.

B. Planificación Urbana

Este Proyecto financiará hasta 39 meses/número de asistencia técnica para ayudar al Prestatario a analizar: (1) el efecto potencial de las actividades de empleo y vivienda en la emigración de las personas de escasos recursos de las zonas

and employment generation which meet the needs of the urban poor, and the preparation of subsequent programs dealing with urban poverty in the secondary cities of Costa Rica.

A. Policy

To assist in the development of comprehensive urban policies, the Project will conduct a series of studies which:

1. Analyze institutional changes which could lead to improved coordination and Project execution;
2. Examine the effect of current urban policies on increasing employment opportunities and services to the poor;
3. Determine the economic and social effects of artificially low interest;
4. Analyze the implications of factor pricing policies and labor intensive technology for the hardcore unemployed; and
5. Develop housing finance and interest rate policies.

In addition, short-term assistance in the methodology and process for developing a housing policy will be provided.

B. Planning

This Project will finance up to 39 person months of technical assistance to help the Borrower analyze: (1) the potential impact of employment and housing activities on the flow of rural poor to the city; (2) the degree and nature of poverty

rurales hacia la ciudad; (2) el grado y la naturaleza de la pobreza en ciudades secundarias, incluyendo aquellas que se encuentran en el conglomerado urbano; (3) la relación de la pobreza urbana en San José con respecto al desarrollo regional y el crecimiento de ciudades secundarias, particularmente aquellas que se encuentren en el conglomerado urbano; y (4) la continua movilización de personas de escasos recursos dentro de las áreas urbanas y su habilidad para aprovecharse de los programas que no están dirigidos a una determinada zona geográfica. El resultado será una mejor definición del grupo meta, especialmente en relación a las diferencias entre aquellos pobres "crónicos" que dependen de los programas de bienestar social y los que tratan de superarse y pueden aprovechar los programas de vivienda y empleo.

Este elemento también financiará 10 años/hombre para adiestramiento en el exterior para funcionarios de OFIPLAN en análisis y formulación de políticas gubernamentales, así como los costos de evaluación de todo el Proyecto.

C. Administración del Proyecto

El Proyecto será administrado por una unidad especial que se establecerá dentro de la Presidencia de la República. La Presidencia contratará un Coordinador de Proyecto experimentado y altamente calificado, por lo menos a medio tiempo, quien será auxiliado por dos profesionales a tiempo completo y un pequeño grupo de funcionarios administrativos. En tanto que la Unidad de Coordinación y Administración del Proyecto estará administrativamente ubicada dentro de la Presidencia, un Comité Interinstitucional de alto nivel compuesto por ejecutivos de las principales entidades ejecutoras, así como de los Ministerios de la Presidencia, Hacienda y OFIPLAN, la supervisará y será directamente responsable de ella. La Unidad de Coordinación y Administración tendrá a su cargo la planificación y coordinación de los programas. le reportará sobre el progreso del Proyecto

in secondary cities, including those in the Urban Agglomeration; (3) the relationship of urban poverty in San José to regional development and the growth of secondary cities, particularly those in the Urban Agglomeration; and (4) the continued mobility of the poor within urban areas and their ability to take advantage of non-geographically targeted programs. The result will be a better definition of the target group, especially the distinctions between the hardcore poor who are dependent upon welfare transfers and the upwardly mobile poor who can take advantage of housing and employment programs.

This element will also finance 10 person-years of overseas training for OFIPLAN staff in public policy analysis and formulation as well as the costs of evaluating the entire Project.

C. Project Administration

The Project will be administered by a special unit to be established within the Presidency. An experienced and highly qualified Project Coordinator will be hired by the Presidency on at least a half-time basis; he will be assisted by two full-time professionals and a small clerical staff. While organizationally placed within the Presidency, the Project Coordination and Administration Unit will be supervised by and be directly responsible to a high level Inter-Agency Coordinating Committee composed of key representatives of the major implementing agencies as well as the Ministries of the Presidency and Finance and OFIPLAN. The Coordination and Administration Unit will be responsible for program planning and coordination. It will report on Project progress to the Inter-Agency Committee and advise that committee on the allocation and control

al Comité Interinstitucional y asesorará a dicho Comité en la asignación y control de los recursos. Adicionalmente la Unidad de Coordinación y Administración establecerá sub-comités interinstitucionales según se requieran para asegurar la adecuada coordinación y funcionamiento del programa con respecto a diferentes áreas funcionales (por ejemplo: DINADECO, IFAM e INVU para la ejecución del programa de vivienda; MEIC, Sistema Bancario Nacional e ITCO para el desarrollo de la pequeña industria; INIA, Ministerio de Trabajo e IMAS para capacitación y colocación de trabajadores).

of Project resources. Additionally, the Coordination and Administration Unit will establish inter-agency sub-committees as needed to ensure proper coordination and program operations involving discrete functional areas (e.g., DINADECO, IFAM and INVU for shelter program operations; MEIC, National Banking System and ITCO for small industry development; INIA and the Ministry of Labor, and IMAS for job training and placement).

V. PLAN FINANCIERO
(Miles de Dólares)

<u>Componentes</u>	<u>AID</u>	<u>HG</u>	<u>GOCR</u>	<u>TOTAL</u>
1. Empleo y Productividad				
A. Suministro de Empleo				
a. Proyección de la demanda de empleo (MT)	42.5	-	167	209.5
b. Contacto, referencia, colocación y adiestramiento en servicio (IMAS, MT)	237	-	1,051	1,288
c. Capacitación de trabajadores (INA, MT)	367	-	830	1,197
B. Demanda de Trabajo				
a. Asistencia técnica a la pequeña empresa (DGATPIA)	244.5	-	750	994.5
b. Adiestramiento (INA)	15	-	250	265
c. Crédito (SBN)	2,500	-	3,300	5,800
d. Empresas de propiedad laboral	1,054	-	500	1,554
2. Habitación e Infraestructura Comunal				
A. Mejoramiento de Vivienda				
a. Lotes y servicios (INVU)	-	5,390	680	6,070
b. Mejoramiento de vivienda (INVU)	-	2,360	-	2,360
c. Compra y titulación de terrenos (INVU)	-	150	-	150
B. Mejoramientos Comunales (IFAM)	-	3,000	3,000	6,000
C. Asistencia Técnica y Adiestramiento (INVU, IFAM, DINADECO)	426	-	762	1,183
3. Política y Planificación Urbana y Administración del Proyecto				
A. Política Urbana	145	-	-	145
B. Planificación y Evaluación	413	-	-	413
C. Administración del Proyecto	<u>56</u>	<u>-</u>	<u>100</u>	<u>156</u>
	5,500	11,400	11,390	28,290

V. FINANCIAL PLAN
(Thousands of U.S. Dollars)

<u>Components</u>	<u>AID</u>	<u>HIG</u>	<u>Borrower</u>	<u>TOTAL</u>
1. Employment and Productivity				
A. Labor Supply				
a. Forecasting job demand (MOL)	42.5	-	167	209.5
b. Contact, referral, placement & on-the-job training (IMAS, MOL)	237	-	1,051	1,288
c. Job training (INA, MOL)	367	-	330	1,197
B. Labor Demand				
a. Small business technical assistance (DGATPIA)	244.5	-	750	994.5
b. Training (INA)	15	-	250	265
c. Credit (SBN)	2,500	-	3,300	5,800
d. Worker-Owned and Operated Firms	1,054	-	500	1,554
2. Shelter and Community Infrastructure				
A. Shelter Improvement				
a. Sites and services (INVU)	-	5,390	680	6,070
b. Home improvements (INVU)	-	2,360	-	2,860
c. Land purchase & titling (INVU)	-	150	-	150
B. Community Improvements (IFAM)	-	3,000	3,000	6,000
C. Technical Assistance and Training (INVU, IFAM, DINADECO)	426	-	762	1,188
3. Urban Policy, Planning and Project Administration				
A. Urban Policy	145	-	-	145
B. Planning & Evaluation	413	-	-	413
C. Project Administration	56	-	100	156
	5,500	11,400	11,390	28,290

CAMEROON

Transcameroon Railroad III

*Agreement signed at Yaounde August 30, 1978;
Entered into force August 30, 1978.*

A.I.D. Loan Number 631-W-006
Project Number 631-0011

**PROJECT LOAN AGREEMENT
BETWEEN THE
UNITED REPUBLIC OF CAMEROON
AND THE
UNITED STATES OF AMERICA
FOR
TRANSCAMEROON RAILROAD III
(DOUALA TO EDEA AND MANDJAB STATION)**

Dated: AUGUST 30, 1978

Prêt de l'A.I.D. Numéro 631-W-006
Projet Numéro 631-0011

**ACCORD DE PRET POUR PROJET
ENTRE
LA REPUBLIQUE UNIE DU CAMEROUN
ET
LES ETATS-UNIS D'AMERIQUE
POUR
TRANSCAMEROUNAIS III
(DOUALA-EDEA ET GARE MANDJAB)**

En date du: 30 AOÛT 1978

TABLE OF CONTENTS

Project Loan Agreement

	<i>Page</i>	<i>[Pages herein]</i>
ARTICLE 1: The Agreement	1	5036
ARTICLE 2: The Project	1	5036
Section 2.1. Definition of Project	1	5036
ARTICLE 3: Financing	2	5037
Section 3.1. The Loan	2	5037
Section 3.2. Borrower Resources for the Project	2	5038
Section 3.3. Project Assistance Completion Date	2	5038
ARTICLE 4: Loan Terms	3	5039
Section 4.1. Interest	3	5039
Section 4.2. Repayment	4	5039
Section 4.3. Application, Currency, and Place of Payment	4	5040
Section 4.4. Prepayment	4	5040
Section 4.5. Renegotiation of Terms	5	5041
Section 4.6. Termination on Full Payment	5	5042
ARTICLE 5: Conditions Precedent to Disbursement	6	5042
Section 5.1. First Disbursement	6	5042
Section 5.2. Notification	7	5043
Section 5.3. Terminal Dates for Conditions Prec- edent	7	5043
ARTICLE 6: Special Covenants	7	5044
Section 6.1. Project Evaluation	7	5044
ARTICLE 7: Procurement Source	8	5044
Section 7.1. Foreign Exchange Costs	8	5044
Section 7.2. Local Currency Costs	8	5045
ARTICLE 8: Disbursements	9	5045
Section 8.1. Disbursement for Foreign Exchange Costs	9	5045
Section 8.2. Disbursement for Local Currency Costs	10	5046
Section 8.3. Other Forms of Disbursement	11	5048
Section 8.4. Rate of Exchange	11	5048
Section 8.5. Date of Disbursement	11	5048

	<i>Page</i>	[<i>Pages herein</i>]
ARTICLE 9: Miscellaneous	11	5049
Section 9.1. Investment Guaranty Project Approval	11	5049
Section 9.2. Communications	12	5049
Section 9.3. Representatives	12	5050
Section 9.4. Standard Provisions Annex [¹]	13	5050
Section 9.5. Language of Agreement	13	5051

^¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

TABLE DES MATIÈRES

Accord de Prêt pour Projet

	Page
ARTICLE 1: L'Accord	1
ARTICLE 2: Le Projet	1
Section 2.1. Définition du Projet	1
ARTICLE 3: Financement	2
Section 3.1. Le Prêt	2
Section 3.2. Ressources de l'Emprunteur pour l'exécution du Projet	2
Section 3.3. Date d'achèvement d'assistance pour le Projet	2
ARTICLE 4: Conditions du Prêt	3
Section 4.1. Intérêt	3
Section 4.2. Remboursement	4
Section 4.3. Application, monnaie et lieu du paiement	4
Section 4.4. Paiement anticipé	4
Section 4.5. Réaménagement des conditions	5
Section 4.6. Fin du paiement total	5
ARTICLE 5: Conditions à remplir avant le décaissement	6
Section 5.1. Premier décaissement	6
Section 5.2. Notification	7
Section 5.3. Dates finales d'accomplissement des con- ditions susmentionnées	7
ARTICLE 6: Conventions spéciales	7
Section 6.1. L'évaluation du project	7
ARTICLE 7: Sources d'Achat	8
Section 7.1. Coûts en devises	8
Section 7.2. Coûts en monnaie locale	8
ARTICLE 8: Décaissements	9
Section 8.1. Décaissements des coûts en devises	9
Section 8.2. Décaissements pour le financement des coûts en monnaie locale	10
Section 8.3. Autres formes de décaissement	11
Section 8.4. Taux de change	11
Section 8.5. Date du décaissement	11
ARTICLE 9: Divers	11
Section 9.1. Approbation du projet de garantie d'in- vestissement	11
Section 9.2. Communications	12
Section 9.3. Représentants	12
Section 9.4. Annexe relative aux dispositions standard	13
Section 9.5. Libellé de l'Accord	13

A.I.D. Project No. 631-0011

PROJECT LOAN AGREEMENT DATED AUGUST 30, 1978 BETWEEN THE UNITED REPUBLIC OF CAMEROON ("BORROWER") 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 Borrower 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 realignment and reconstruction of approximately 63 kilometers of existing rail distance between PK 4.765 and PK 112.090 of the Transcameroon Railroad, with the result of shortening the total distance by approximately 12 kilometers and eliminating some 130 curves. A new freight depot and switchyard and up

Projet A.I.D. no. 631-0011

ACCORD DE PRÉT POUR PROJET DATÉ DU 30 AOUT 1978 ENTRE LA REPUBLIQUE UNIE DU CAMEROUN ("EMPRUNTEUR") ET LES ETATS-UNIS D'AMERIQUE, AGISSANT PAR L'INTERMÉDIAIRE DE L'AGENCE POUR LE DÉVELOPPEMENT INTERNATIONAL ("A.I.D.")

ARTICLE 1: L'Accord

L'objet du présent Accord est de fixer les conditions que doivent remplir les parties susmentionnées ("Parties") quant à l'exécution par l'Emprunteur du projet décrit ci-dessous et quant au financement du projet par les Parties.

ARTICLE 2: Le Projet

SECTION 2.1. Définition du Projet. Le Projet qui est décrit plus en détail à l'Annexe 1 comprendra:

Le réalignement et la reconstruction d'environ 63 kilomètres de la voie ferrée actuelle entre les PK 4,765 et 112,090 du Chemin de Fer Transcamerounais, ce qui aura pour résultat de raccourcir la distance d'environ 12 kilomètres et d'éliminer quelque 130 courbes. Une nouvelle gare de marchandises et un centre de

to two steel truss rail bridges will be constructed at Edea, and the Mandjab and other stations will be rebuilt at new locations appropriate to the new track alignment.

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 9.3, without formal amendment of this Agreement.

ARTICLE 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Seven million Five hundred thousand United States ("U.S.") dollars (\$7,500,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used to finance foreign exchange costs, as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

triage, ainsi que deux ponts métalliques seront construits à Edea; de même, la gare de Mandjab et d'autres gares seront reconstruites sur de nouveaux emplacements conformes au nouvel alignement de la voie.

Dans les limites de la définition précitée du Projet, les éléments de la description élargie énoncée à l'Annexe 1 peuvent être modifiés par accord écrit des représentants agréés des parties nommées à la Section 9.3, sans amendement officiel du présent Accord.

ARTICLE 3: Financement

SECTION 3.1. Le Prêt. Pour aider l'Emprunteur à financer les coûts de l'exécution du Projet, l'A.I.D., conformément à la loi 1961 sur l'Aide étrangère telle qu'elle a été amendée, accepte de prêter à l'Emprunteur aux termes du présent Accord un montant qui ne dépassera pas sept millions cinq cent mille dollars des Etats-Unis ("E.U.") dollars (\$7,500,000) ("Prêt"). Le montant global des décaissements effectués au titre du Prêt est dénommé le "Principal".

Le prêt peut être utilisé pour financer les coûts en devises comme défini à la Section 7.1 et les coûts en monnaie locale comme défini à la Section 7.2, des biens et services nécessaires à l'exécution du Projet.

SECTION 3.2. Borrower Resources for the Project.

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

b) The resources provided by Borrower for the Project will be not less than the equivalent of U.S. \$7,800,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

a) The "Project Assistance Completion Date" (PACD), which is April 30, 1981, 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 Loan will have been performed and all goods financed under the Loan 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 Loan 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.

SECTION 3.2. Ressources de l'Emprunteur pour l'exécution du Projet.

a) L'Emprunteur accepte de fournir ou de faire fournir pour l'exécution du Projet, tous les fonds, outre le Prêt et toutes les autres ressources requises pour exécuter efficacement et en temps voulu le Projet.

b) Les ressources fournies par l'Emprunteur pour le Projet ne seront pas inférieures à l'équivalent de dollars E.U. 7.800.000, y compris les coûts supportés sur une base "en nature".

SECTION 3.3. Date d'achèvement d'assistance pour le Projet.

a) La "date d'achèvement d'assistance pour le Projet" (DAAP) à savoir le 30 avril 1981, ou toute autre date dont les Parties peuvent convenir par écrit, est la date à laquelle les Parties estiment que tous les services financés au titre du Prêt auront été exécutés et que tous les biens financés au titre de ce Prêt auront été fournis pour l'exécution du Projet comme l'envisage le présent Accord.

b) A moins que l'A.I.D. n'en convienne autrement par écrit, elle ne publiera ni n'approuvera des documents qui autoriseraient le décaissement du Prêt pour la prestation de services exécutés après la DAAP ou pour des biens fournis aux fins du Projet comme l'envisage le présent Accord, après cette date.

c) Les demandes de décaissement, accompagnées des pièces justificatives nécessaires qu'indiquent les lettres d'exécution du Projet, doivent parvenir à

-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 Borrower, may at any time or times reduce the amount of the Loan by all or by any part thereof or 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: Loan Terms

SECTION 4.1. Interest. The Borrower shall pay to A.I.D. in United States dollars interest from the date of first disbursement of the Loan at the rate of (a) two percent (2%) per annum during the first ten (10) years, and (b) three percent (3%) per annum thereafter on the outstanding disbursed balance of the Loan and on any due and unpaid interest accrued thereon. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within thirty (30) years from the date of the first disbursement of the Loan in forty-one (41) approximately

l'A.I.D. ou à la banque mentionnée à la Section 8.1 au plus tard neuf (9) mois après la DAAP ou toute période dont l'A.I.D. convient par écrit. Après cette période, l'A.I.D., après avoir envoyé avis écrit à l'Emprunteur, peut à n'importe quel moment réduire le montant du prêt de tout ou partie de ce montant pour lequel les demandes de décaissement accompagnées des pièces justificatives nécessaires qu'indiquent les lettres d'exécution du projet, n'ont pas été reçues avant l'arrivée à expiration de ladite période.

ARTICLE 4: Conditions du Prêt

SECTION 4.1. Intérêt. L'Emprunteur versera à l'A.I.D. un intérêt en dollars E.U. à partir de la date du premier décaissement du prêt au taux de (a) deux pour cent (2%) par an pendant les dix (10) premières années, et (b) trois pour cent (3%) par an par la suite sur l'encours du solde déboursé du prêt et sur tout intérêt couru, exigible et impayé. L'intérêt appliqué à l'encours du solde échoira à la date (définie à la Section 8.5) de chaque décaissement respectif et sera payable tous les six mois. Le premier versement de l'intérêt sera exigible et payable au plus tard six (6) mois après le premier décaissement, à une date que devra préciser l'A.I.D.

SECTION 4.2. Remboursement. L'Emprunteur remboursera à l'A.I.D. le Principal dans les trente (30) années qui suivent la date du premier décaissement du Prêt en quarante et une (41) tranches

equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

semi-annuelles approximativement égales du Principal et de l'intérêt. La première tranche du Principal sera payable neuf années et demie (9½) après la date à laquelle le premier paiement d'intérêt est dû en application de la Section 4.1. L'A.I.D. fournira à l'Emprunteur un calendrier de remboursement conformément à la présente section après le dernier décaissement effectué au titre du Prêt.

SECTION 4.3. Application, monnaie et lieu du paiement. Tous les paiements de l'intérêt et du Principal s'effectueront en dollars E.U. et seront d'abord appliqués aux paiements de l'intérêt dû puis au remboursement du Principal. A moins que l'A.I.D. ne l'indique autrement par écrit, les paiements seront effectués au Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., et seront considérés effectués lorsque l'Office de la Gestion Financière les aura reçus.

SECTION 4.4. Paiement anticipé. Dès qu'il aura payé tous les intérêts et tous les remboursements exigibles, l'Emprunteur peut payer à l'avance sans pénalité, la totalité ou une partie du Principal. A moins que l'A.I.D. en décide autrement par écrit, les paiements anticipés s'appliqueront aux versements du Principal en sens inverse de leur échéance.

SECTION 4.5. Renegotiation of Terms.

a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the United Republic of Cameroon, which enable the Borrower to repay the Loan on a shorter schedule.

b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Economic Affairs and Planning in the United Republic of Cameroon.

SECTION 4.5. Réaménagement des conditions.

a) L'Emprunteur et l'A.I.D. acceptent de négocier, lorsque l'un ou l'autre le demande, une accélération du remboursement du Prêt au cas où la situation et les perspectives financières économiques extérieures de la République Unie du Cameroun, connaissent une amélioration sensible et continue qui permette à l'Emprunteur de rembourser le Prêt sur une période plus courte.

b) La demande de négociation que présente l'une des Parties à l'autre se fera conformément à la Section 9.2, et mentionnera le nom et l'adresse de la personne ou des personnes qui représenteront la partie intéressée dans ces négociations.

c) Dans les trente (30) jours qui suivent la présentation d'une demande de négociation, la Partie requise communiquera à la Partie postulante en application de la Section 9.2, le nom et l'adresse de la personne ou des personnes qui représenteront la Partie requise dans ces négociations.

d) Les représentants des Parties se rencontreront pour entamer les négociations trente (30) jours au plus tard après la présentation de la communication de la partie requise au titre de l'alinéa c). Les négociations auront lieu en un endroit décidé de concert par les représentants des Parties, sous réserve que, en l'absence d'un accord mutuel, les négociations auront lieu au bureau de l'Emprunteur au Ministère de l'Economie et du Plan de la République Unie du Cameroun.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE 5: Conditions Précedent to Disbursement

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower 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) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.3, and of any additional representatives, together with a specimen signature of each person specified in such statement;

c) An executed contract for construction or other services for the project acceptable to A.I.D. with a firm acceptable to A.I.D.;

SECTION 4.6. Fin du paiement total. Après le paiement total du Principal et des intérêts cumulés, le présent Accord et toutes les obligations de l'Emprunteur et de l'A.I.D. y afférentes prendront fin.

ARTICLE 5: Conditions à remplir avant le décaissement

SECTION 5.1. Premier décaissement. Avant le premier décaissement effectué au titre du Prêt ou avant la publication par l'A.I.D. des documents en vertu desquels le décaissement sera fait, l'Emprunteur, à moins que les Parties n'en décident autrement par écrit, fournira à l'A.I.D. sous une forme et dans un fond établis à la satisfaction de cette dernière:

a) L'opinion d'un avocat-conseil acceptable par l'A.I.D. selon laquelle le présent Accord a été dûment autorisé et/ou ratifié par l'Emprunteur et exécuté en son nom et en vertu de laquelle le présent Accord constitue une obligation valable et juridiquement obligatoire de l'Emprunteur conformément à tous ses termes;

b) Une déclaration du nom de la personne représentant l'Emprunteur ou agissant en son nom comme l'indique la Section 9.3, et de tout autre représentant, ainsi qu'une signature specimen de chaque personne dont le nom figure dans ladite déclaration;

c) Un contrat signé pour la construction ou autres services du projet acceptable par l'A.I.D. et passé avec une firme acceptable par l'A.I.D.;

d) Evidence of a binding agreement between the Borrower and the European Economic Community ("EEC") under which the EEC will finance approximately U.S. \$12,500,000 for construction costs of the project;

e) Evidence of a binding agreement between the Borrower and the Federal Republic of Germany ("FRG") under which the FRG will finance approximately U.S. \$29,300,000 for construction costs of the project;

f) Evidence of a binding agreement between the Borrower and the Government of France ("France") under which France will finance approximately U.S. \$4,300,000 for construction costs of the project;

g) Evidence of a binding agreement between the Borrower and the Government of Canada ("Canada") under which Canada will finance approximately U.S. \$5,000,000 for procurement of materials for the project;

h) Evidence of the source and availability of funds for the Borrower's contribution required under Section 3.2.

SECTION 5.2. Notification.
When A.I.D. has determined that the conditions precedent specified in Section 5.1 have been met, it will promptly notify the Borrower.

SECTION 5.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within

d) La preuve qu'il existe des accords valables entre la République Unie du Cameroun (l'Emprunteur) et al Communauté Economique Européenne ("CEE") aux termes desquels la CEE fournira environ 12.500.000 dollars E.U. pour les frais de construction du projet;

e) La preuve qu'il existe des accords valables entre l'Emprunteur et la République Fédérale d'Allemagne ("RFA") aux termes desquels la RFA fournira environ 29.300.000 dollars E.U. pour les frais de construction du projet;

f) La preuve qu'il existe des accords valables entre l'Emprunteur et le Gouvernement de la France ("France") aux termes desquels la France fournira environ 4.300.000 dollars E.U. pour les frais de construction du projet;

g) La preuve qu'il existe des accords valables entre l'Emprunteur et le Gouvernement du Canada ("Canada") aux termes desquels le Canada fournira environ 5.000.000 dollars E.U. pour l'achat du matériel destiné au projet;

h) La preuve de la source et de la disponibilité des fonds de la contribution de l'Emprunteur requise au titre de la Section 3.2.

SECTION 5.2. Notification.
Lorsque l'A.I.D. a établi que les conditions mentionnées à la Section 5.1 ont été remplies, elle en notifiera rapidement l'Emprunteur.

SECTION 5.3. Dates finales d'accomplissement des conditions susmentionnées. Si toutes les conditions mentionnées à la Section

ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Borrower.

ARTICLE 6: Special Covenants

SECTION 6.1. 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.

ARTICLE 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 935, provided that goods and services in an amount equivalent to the A.I.D. Loan are procured for the Project from countries included in A.I.D. Geo-

5.1 n'ont pas été remplies dans les 90 jours qui suivent la date de signature du présent Accord ou à une date ultérieure dont l'A.I.D. peut convenir par écrit, l'A.I.D. a la faculté de mettre fin au présent Accord par écrit à l'Emprunteur.

ARTICLE 6: Conventions Spéciales

SECTION 6.1. L'évaluation du Projet. Les Parties décident d'établir un programme d'évaluation qui fera partie du Projet. Sauf indication contraire des Parties par écrit, le programme comprendra pendant l'exécution du Projet et à un ou plusieurs moments par la suite: a) une évaluation de l'état d'avancement du Projet; b) l'identification et l'évaluation des problèmes ou des contraintes qui peuvent entraver la réalisation des objectifs fixés; c) l'évaluation de la manière dont ces informations peuvent être utilisées pour contribuer à surmonter ces problèmes; et d) l'évaluation dans la mesure du possible de l'incidence globale de Projet sur le développement.

ARTICLE 7: Source d'Achat

SECTION 7.1. Coûts en devises. Conformément à la Section 8.1, les décaissements seront uniquement utilisés pour financer les coûts des biens et services requis pour l'exécution du Projet et ayant leur source et origine dans les pays que renferme le Code 935, à condition que ces biens et services d'un montant équivalent au prêt de l'A.I.D. aient leur source et origine dans les pays

graphic Code 941, except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1.b) with respect to marine insurance.

que renferme le Code Géographique 941 de l'A.I.D., à moins que l'A.I.D. n'en convienne autrement par écrit, et à moins que la Section C.1.b) de l'Annexe sur les dispositions types du Prêt pour Projet n'en stipule autrement quant à l'assurance maritime.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2 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 United Republic of Cameroon ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

SECTION 7.2. Coûts en monnaie locale. Conformément à la Section 8.2, les décaissements seront uniquement utilisés pour financer les coûts des biens et services nécessaires à l'exécution du Projet et ayant leur source et, à moins que l'A.I.D. n'en convienne autrement par écrit, leur origine en République Unie du Cameroun ("Coûts en monnaie locale"). Dans la mesure où le présent Accord le stipule, les "coûts en monnaie locale" peuvent également inclure la fourniture des ressources en monnaie locale requises pour l'exécution du Projet.

ARTICLE 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs.

a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 docu-

ARTICLE 8: Décaissements

SECTION 8.1. Décaissements des coûts en devises.

a) Après avoir rempli avec satisfaction les conditions susmentionnées, l'Emprunteur peut obtenir le décaissement des fonds au titre du Prêt pour le financement des coûts en devises des biens et services nécessaires à l'exécution du Projet et ce, conformément aux termes du présent Accord, par le jeu des méthodes ci-après qui ont été convenues d'un commun accord:

1) en présentant à l'A.I.D., accompagnées des pièces justi-

mentation 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 Borrower'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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursement for Local Currency Costs.

a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by sub-

ficiatives nécessaires comme le stipulent les lettres d'exécution du Projet, (A) les demandes de remboursement de ces biens et services, ou (B) les demandes à l'A.I.D. d'achat des biens et services au nom de l'Emprunteur pour l'exécution du Projet; ou

2) en demandant à l'A.I.D. d'émettre des lettres d'engagement pour des montants donnés (A) à une ou plusieurs banques des Etats-Unis, acceptables par l'A.I.D., engageant l'A.I.D. à rembourser cette banque ou ces banques pour les paiements effectués par elle à des entrepreneurs ou des fournisseurs, dans le cadre d'une lettre de crédit par exemple, pour l'achat de ces biens ou services, ou (B) directement à un ou plusieurs entrepreneurs ou fournisseurs engageant l'A.I.D. à payer ces entrepreneurs ou fournisseurs pour l'achat de ces biens et services.

b) Les frais bancaires encourus par l'Emprunteur pour ce qui est des lettres d'engagement ou des lettres de crédit seront financés au titre du Prêt à moins que l'Emprunteur n'instruise l'A.I.D. de faire le contraire. Les autres frais dont les Parties peuvent convenir peuvent également être financés dans le cadre du Prêt.

SECTION 8.2. Décaissement pour le financement des coûts en monnaie locale.

a) Après avoir rempli avec satisfaction les conditions susmentionnées, l'Emprunteur peut obtenir les décaissements des fonds au titre du Prêt pour le financement des coûts en monnaie locale nécessaires à l'ex-

mitting 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 disbursement hereunder may be obtained:

1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or

2) by A.I.D. (A) requesting the Borrower to make available the local currency for such costs, and (B) thereafter making available to the Borrower through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Borrower or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Borrower, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

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

éécution du Projet conformément aux termes du présent Accord en soumettant à l'A.I.D., accompagnées des pièces justificatives requises comme le stipulent les lettres d'exécution du Projet, les demandes de financement des coûts.

b) La monnaie locale requise pour ces décaissements peut être obtenue:

1) Par l'acquisition par l'A.I.D. en dollars E.U. par achat, ou de la monnaie locale que détient déjà le gouvernement des Etats-Unis; ou

2) Par l'A.I.D. (A) en demandant à l'Emprunteur de mettre à disposition la monnaie locale requise pour financer ces coûts, et (B) en mettant à disposition de l'Emprunteur par l'ouverture ou l'amendement de lettres de crédit spéciales en faveur de l'Emprunteur ou de son mandataire, un montant en dollars E.U. équivalent au montant en monnaie locale rendu disponible par l'Emprunteur, dollars qui seront utilisés pour l'achat aux Etats-Unis dans le cadre de procédures appropriées décrites dans les lettres d'exécution du Projet.

L'équivalent en dollars de la monnaie locale rendue disponible au titre du Prêt sera, dans le cas de l'alinéa b)(1) ci-dessus, le montant en dollars E.U. requis par l'A.I.D. pour obtenir la monnaie locale, et dans le cas de l'alinéa b)(2) ci-dessus, un montant calculé au taux de change indiqué dans le mémoire d'exécution de la lettre spéciale de crédit applicable à la date d'ouverture ou

the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2, if funds provided under the Loan are introduced into the United Republic of Cameroon by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of the United Republic of Cameroon at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the United Republic of Cameroon.

SECTION 8.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order; (b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2(b)(1); or (c) if local currency is obtained in accordance with Section 8.2(b)(2), on the date on which A.I.D. opens or amends the Special Letter of Credit there referred to.

d'amendement de la lettre de crédit spéciale.

SECTION 8.3. Autres formes de décaissement. Les décaissements du Prêt peuvent également s'effectuer par d'autres moyens dont les Parties peuvent convenir par écrit.

SECTION 8.4. Taux de change. Sauf indication spécifique prévue à la Section 8.2, si les fonds fournis dans le cadre du Prêt sont introduits en République Unie du Cameroun par l'A.I.D. ou par un organisme privé ou public pour satisfaire aux obligations de l'A.I.D., l'Emprunteur prendra les mesures nécessaires pour s'assurer que ces fonds peuvent être transformés dans la monnaie de la République Unie du Cameroun au taux de change le plus élevé, qui à l'époque de la conversion n'est pas illégal en République Unie du Cameroun.

SECTION 8.5. Date du décaissement. Les décaissements effectués par l'A.I.D. seront censés avoir lieu (a) à la date à laquelle l'A.I.D. effectue un décaissement à l'Emprunteur ou à son mandataire, ou à une banque, à un entrepreneur ou à un fournisseur en application d'une lettre d'engagement, d'un contrat ou d'un ordre d'achat; (b) à la date à laquelle l'A.I.D. décaisse à l'Emprunteur ou à son mandataire de la monnaie locale acquise conformément à la Section 8.2(b)(1); (c) si la monnaie locale est obtenue conformément à la Section 8.2(b)(2) à la date à laquelle l'A.I.D. ouvre ou amende la

lettre spéciale de crédit susmentionnée.

ARTICLE 9: Miscellaneous

SECTION 9.1. Investment Guaranty Project Approval.

Construction work to be financed under this Agreement is agreed to be a project approved by the United Republic of Cameroon pursuant to the agreement between it and the United States of America on the subject of investment guarantees, and no further approval by the United Republic of Cameroon will be required to permit the United States to issue investment guarantees under that agreement covering a contractor's investment in that project.

ARTICLE 9: Divers

SECTION 9.1. Approbation du projet de garantie d'investissement. Les travaux de construction que doit financer le présent Accord constitueront un projet approuvé par la République Unie du Cameroun conformément à l'Accord passé entre celleci et les Etats-Unis d'Amérique sur la question de garantie d'investissement et aucune autre approbation par la République Unie du Camerounne sera requise pour permettre aux Etats-Unis d'émettre les garanties d'investissement au titre de cet Accord qui couvrent les investissements réalisés par un entrepreneur dans ce projet.

SECTION 9.2. Communications.

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

To THE BORROWER:

Mail Address:

Minister of Economic Affairs and Planning
Yaounde, Cameroon

To A.I.D.:

Mail Address:

Director
USAID
B.P. 817
Yaounde, Cameroon

SECTION 9.2. Communications.

Tout avis, demande, document ou autre communication présenté par une Partie à l'autre dans le cadre du présent Accord sera présenté par écrit, télégramme ou câble et sera considéré comme remis ou envoyé lorsqu'il parviendra à la Partie intéressée à l'adresse ci-après:

A L'EMPRUNTEUR:

Ministre de l'Economie et du Plan
Yaoundé, Cameroun

A L'A.I.D.:

Directeur
USAID
B.P. 817
Yaoundé, Cameroun

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

SECTION 9.3. Representatives.

For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Minister of Economic Affairs and Planning, and A.I.D. will be represented by the individual holding or acting in the office of Director of U.S.AID, Yaounde, 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 Borrower, 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 9.4. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

Toutes les communications seront rédigées en anglais ou en français à moins que les Parties n'en conviennent autrement par écrit. D'autres adresses peuvent remplacer l'adresse ci-dessus sur avis de l'intéressé.

SECTION 9.3. Représentants.

Aux fins du présent Accord, l'Emprunteur sera représenté par une personne occupant le poste de Ministre de l'Economie et du Plan ou agissant au nom du Ministre de l'Economie et du Plan et l'A.I.D. sera représentée par la personne occupant le poste de Directeur, USAID, Yaoundé, ou agissant pour le compte du Directeur, USAID, Yaoundé, chacun d'eux pouvant, par avis écrit, désigner d'autres représentants à toutes les fins autres que celle d'exercer le pouvoir au titre de la Section 2.1 de réviser les éléments de la description élargie à l'Annexe 1. Les noms des représentants de l'Emprunteur accompagnés des signatures specimens seront communiqués à l'A.I.D. qui peut accepter comme dûment agréé n'importe quel instrument signé par ces représentants en application du présent Accord jusqu'à réception de l'avis écrit de révocation de leur autorité.

SECTION 9.4. Annexe relative aux dispositions standard. Une "Annexe relative aux dispositions standard régissant le prêt pour projet" (Annexe 2) figure ci-joint au présent Accord et en fait partie.

¹ See footnote 1, p. 5034.

SECTION 9.5. Language of Agreement. This Agreement is prepared in both English and French. In the event of ambiguity or conflict between the two versions, the English language version will control.

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

UNITED STATES OF AMERICA

By: MABEL M. SMYTHE
Title: *United States Ambassador
to the United Republic
of Cameroon*

SECTION 9.5. Libellé de l'Accord.

Le présent Accord est préparé en anglais et en français. En cas d'ambigüité ou de conflit entre les deux versions, la version anglaise seule fera foi.

EN FOI DE QUOI, l'Emprunteur et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de son représentant dément agréé, ont fait signer le présent Accord en leur nom et l'ont fait remettre à la date de l'année susmentionnée.

REPUBLIQUE UNIE DU CAMEROUN
Par: YOUSSEOUFA DAOUDA
Titre: *Ministre de l'Economie et
du Plan*

A.I.D. Loan Number 631-W-006
Project Number 631-0011

Prêt de l'A.I.D. Numéro 631-W-006
Projet Numéro 631-0011

ANNEX I

Amplified Description of Project

Transcameroon Railroad III

(Douala to Edea and Mandjab Station)

This multidonor project consists of:

- a) The realignment and reconstruction of five sections of railroad track from the Douala terminus to the station at Edea on the Transcameroon Railroad, as follows:

ANNEXE I

Description Elargie du Projet

Chemin de Fer Transcamerounais III
(de Douala à Edea et Gare de Mandjab)

Ce projet à bailleurs de fonds multiples comprend:

- a) Le réalignement et la reconstruction de cinq tronçons de la voie ferrée depuis le terminus de Douala jusqu'à la gare d'Edea sur le Chemin de Fer Transcamerounais, comme suit:

<u>Section</u>	<u>From</u>	<u>To</u>	<u>Existing Distance</u>	<u>New Distance</u>	<u>Reduction in Curves</u>
<u>Section</u>	<u>De</u>	<u>A</u>	<u>Distance Actuelle (km)</u>	<u>Nouvelle Distance (km)</u>	<u>Réduction des Courbes</u>
1	PK 4.765----	PK 8.966----	4. 201	4. 201	-1
2	PK 23.633----	PK 67.221----	43. 588	32. 574	113
3	PK 69.331----	PK 71.486----	2. 155	1. 959	5
4	PK 72.277----	PK 76.085----	3. 808	3. 129	7
5	PK 77.685----	PK 84.450----	6. 765	6. 530	5

- b) The construction of a new freight depot and switch-yard at Edea to reduce congestion and facilitate train crossing through town.
- c) The construction at Edea of up to two steel-truss rail bridges over the Bras Mort and/or Bras Vif of the Sanaga River.
- d) The realignment and reconstruction of a sixth section on the Transcameroon Railroad between PK 109.918 and PK 112.090 to permit the safer and more efficient passing of trains and the construction of a new station at Mandjab.

A.I.D. will finance an undivided share of up to \$7,500,000 of the general construction contract. Additional financing required for the project will be provided by the Federal Republic of Germany, the European Development Fund, the United Republic of Cameroon, Canada, and France.

- b) La construction d'une nouvelle gare de triage à Edea pour diminuer l'engorgement et faciliter la traversée de la ville par le train.
- c) La construction à Edea de deux ponts métalliques au dessus du Bras Mort et/ou du Bras Vif de la Sanaga.
- d) Le réalignement et la reconstruction d'un sixième tronçon du Chemin de Fer Transcamerounais entre le PK 109.918 et le PK 112.090 pour permettre un écoulement paisible satisfaisant du trafic et la construction d'une peuuelle gare à Mandjab.

L'A.I.D. participera pour un montant de 7.500.000 dollars E.U. au maximum au contrat général de construction. Les autres fonds nécessaires à la réalisation du project seront fournis par la République Fédérale d'Allemagne, le Fonds Européen de Développement, la République Unie du Cameroun, le Canada et la France.

PROJECT FINANCIAL PLANPLAN FINANCIER DU PROJET

Contributions stated in U.S. dollars (millions)

Contributions énoncées en dollars E.U. (millions)

	(Millions)
Federal Republic of Germany République Fédérale d'Allemagne	\$29. 3
European Development Fund Fonds Européen de Développement	12. 5
United Republic of Cameroon République Unie du Cameroun	7. 8
U.S. AID	7. 5
Canada	5. 0
France	4. 3

CARIBBEAN COMMUNITY SECRETARIAT

Basic Health Management Training

*Agreement signed at Bridgetown August 30, 1978;
Entered into force August 30, 1978.*

A.I.D. Project Number 538-0019

PROJECT

GRANT AGREEMENT

BETWEEN

CARIBBEAN COMMUNITY SECRETARIAT

AND THE

UNITED STATES OF AMERICA

FOR

BASIC HEALTH MANAGEMENT TRAINING

Dated: August 30, 1978

TIAS 9498

Table of ContentsProject Grant Agreement

	<u>Page</u>	{ <i>Pages herein</i> }
Article 1: The Agreement.....	1	5058
Article 2: The Project.....	1	5058
SECTION 2.1. Definition of Project.....	1	5058
SECTION 2.2. Incremental Nature of Project.....	2	5059
Article 3: Financing.....	2	5059
SECTION 3.1. The Grant.....	2	5059
SECTION 3.2. Grantee Resources for the Project.....	2	5059
SECTION 3.3. Project Assistance Completion Date.....	3	5060
Article 4: Conditions Precedent to Disbursement...	3	5060
SECTION 4.1. Initial Disbursement.....	3	5060
SECTION 4.2. Other than for Technical Assistance....	4	5061
SECTION 4.3. Notification.....	5	5062
SECTION 4.4. Terminal Dates.....	5	5062
Article 5: Special Covenants.....	5	5062
SECTION 5.1. Eligible Countries.....	5	5062
SECTION 5.2. Project Evaluation.....	6	5063
Article 6: Procurement Source.....	6	5063
SECTION 6.1. Foreign Exchange Costs.....	6	5063
SECTION 6.2. Local Currency Costs.....	6	5063

	<u>Page</u>	(Pages herein)
Article 7: Disbursement.....	7	5064
SECTION 7.1. Disbursement for Foreign Exchange Costs.	7	5064
SECTION 7.2. Disbursement for Local Currency Costs...	8	5065
SECTION 7.3. Other Forms of Disbursement.....	9	5066
SECTION 7.4. Rate of Exchange.....	9	5066
Article 8: Miscellaneous.....	9	5066
SECTION 8.1. Communications.....	9	5066
SECTION 8.2. Representatives.....	10	5067
SECTION 8.3. Standard Provision Annex.....	10	5067

ANNEXES

Annex 1	Project Description
Annex 2	Standard Provisions [¹]

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

Project Grant Agreement

Dated: August 30, 1978

Between

Caribbean Community Secretariat ("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 ("Project"), 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 a regional Health Management training program under which the Grantee will develop and implement a management training program to service the health needs appropriate to the needs of the Caribbean Region through the upgrading and expansion of the skills in the Ministries of Health employees and community health aides of the Eligible Countries (as such term is defined in Section 5.1. hereof). Annex 1, attached hereto, 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. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

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

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,^[1] agrees to grant under the terms of this Agreement not to exceed One Million United States ("U.S.") Dollars (\$1,000,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1. and local currency costs, as defined in Section 6.2. of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project.

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.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is the date which is the third anniversary plus six months of the date of this Agreement, 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. Conditions Precedent to Initial Disbursement

Prior to any disbursement or to the issuance of any commitment documents under the Project Agreement, Grantee shall furnish to A.I.D., in

form and substance satisfactory to A.I.D.:

- a) a legal opinion of the General Counsel of Grantee or other legal counsel acceptable to A.I.D. to the effect that the Project Agreement has been duly authorized and/or ratified by the Board of Directors of Grantee and executed on its behalf and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all its terms; and
- b) a certified statement of the name of the person(s) authorized under the Project Agreement to act as Grantee's representative under the Agreement with authenticated specimen signatures of said representatives.

SECTION 4.2. Conditions Precedent to Disbursement other than for Technical Assistance. Except as A.I.D. may otherwise agree in writing, prior to any disbursement or to the issuance of any commitment documents under the Project Agreement to finance other than technical assistance, Grantee shall furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- (i) A written plan for the hiring and scheduled placement of the staff required for the Project;
- (ii) A written statement from each eligible Grantee member country giving:
 - (a) the name of an individual appointed to serve as Project Coordinator for the duration of the Project;
 - (b) a policy statement, issued by the Government of the eligible Grantee member country through the Ministry, Department or Agency responsible for Health, authorizing supervisors to make every effort to release staff to participate in project activities; and

- (c) an agreement providing the appropriate Government inputs identified equal to those in the Project Paper.
- (iii) A plan of activities for 1978 and 1979 which shall incorporate the A.I.D. Grant.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1. and 4.2. have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 4.1. have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5:

SECTION 5.1. Special Covenants. Grantee, except as A.I.D. shall otherwise agree in writing, shall covenant to:

- (a) utilize funds made available under the Project for financing and technical assistance activities only in the following countries ("Eligible Countries"):
Antigua, Barbados, Belize, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia, Montserrat and St. Vincent;
- (b) submit for A.I.D. approval any grant-financed contract which exceeds \$5,000;
- (c) provide a written commitment stating that every effort will be made to secure funds from regular budgetary sources to support continuation of core staff and activities following termination of the A.I.D. contribution;

- (d) maintain and support health programs which develop regional unity and better utilize existing resources.

SECTION 5.2. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the evaluation program will include, during the implementation of the Project and at one or more points thereafter:

- (1) evaluation of progress toward attainment of the objectives of the Project;
- (2) identification and evaluation of problem areas of constraints which may inhibit such attainment;
- (3) assessment of how such information may be used to help overcome such problems; and
- (4) evaluation, to the degree feasible, of the overall development impact of the Project.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1. (b), with respect to marine insurance.

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 Eligible countries ("Local Currency Costs").

Article 7: Disbursement**SECTION 7.1. Disbursement for Foreign Exchange Costs.**

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

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

SECTION 7.2. Disbursement for Local Currency Costs.

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

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. Dollars by purchase or from local currency already owned by the U. S.

Government; or

(2) by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

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 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 of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2. if funds provided under the Grant are introduced into the country in which a sub-project is located 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 such country at the highest rate of exchange which at the time the conversion is made, is not unlawful in such country.

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: CARIBBEAN COMMUNITY SECRETARIAT

Mail Address: P. O. Box 607
Third Floor, Bank of Guyana Building
Avenue of the Republic
Georgetown
Guyana

Alternate address
for cables: CARIBSEC GUYANA

To A.I.D.:

Mail Address: A.I.D. Representative
Regional Development Office/Caribbean
P. O. Box 302
Bridgetown, Barbados

Alternate address
for cables:

A.I.D.- Representative
American Embassy
Bridgetown, Barbados

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.

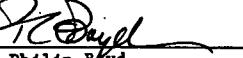
SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holdings or acting in the office of the Secretary General and A.I.D., will be represented by the individual holding or acting in the office of the A.I.D. Representative, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provision Annex. A "Project Grant Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

^[1] See footnote 1, p. 5057.

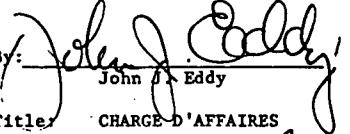
IN WITNESS WHEREOF, the Grantee and the United States of America,
each acting through its duly authorized representative, have caused this
Agreement to be signed in their names and delivered as of the day and year
first above written.

CARIBBEAN COMMUNITY SECRETARIAL

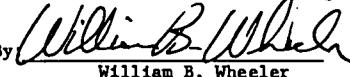
BY: 
Dr. Philip Eddy

Title: CHIEF, HEALTH SECTION

UNITED STATES OF AMERICA

By: 
John J. Eddy

Title: CHARGE D'AFFAIRES

By: 
William B. Wheeler

Title: AID REPRESENTATIVE

Annex 1

Project DescriptionA. Goal, Purpose and Strategy

The goal of the Project is to improve the Health Status of the people of the Windward and Leeward Islands, Barbados and other eligible Grantee member countries in the CARICOM region.

The purpose of the Project is to enhance the managerial capacity of personnel of all levels within the Ministries of Health of the Leeward and Windward Islands, Barbados and other eligible Grantee member countries. The Project represents a unified approach to health training through a regional institution and is based upon utilization of local staff and facilities for implementation. By strengthening the regional institution, the Project encourages efficiencies, common efforts and cost sharing for health services directed to populations of limited revenue producing ability.

B. The Program

A.I.D. grant funds of \$1,800,000 in the three years of life of Project will be used by Grantee to develop and implement a training system which will up-grade and expand the skills of health staffs of the eligible Grantee member countries. The training program is designed for applicability to various management groups from Ministries to Community Health Aides thereby achieving a uniformity and "Team" plan.

C. Administration of the Program

Grantee will be responsible for administering the grant for the training program in accordance with A.I.D.'s guidelines.

Responsibility for project implementation will be delegated by Grantee to the Health Section of the Functional Cooperative Division.

The Chief of the Health Section will devote ten percent of his time to overseeing this project and coordination with other Grantee initiatives in health. In the process of implementing this project, the Health Section will:

1. Continue to identify and define problems in the area of health management.
2. Prepare the project work plan and ensure its timely implementation.
3. Schedule and coordinate logistic activities.
4. Design curricula for the various training modules.
5. Determine appropriate mode of response to specialized technical assistance requests from island governments and provide positive reinforcement to the islands by ensuring the rapid deployment of technical assistance.
6. Integrate project activities with other health activities as well as with activities of other sectors in the region.
7. Maintain an active system of communication with the participating governments and local Projects Coordinators as well as key agencies and institutions.
8. Report periodically on the project to the Health Ministers Conference and carry out the decisions of the Conference pertaining to and consistent with this project.
9. Assemble basic materials for "Management Development Resource Center" (library, etc.) and collect and disseminate supplementary materials to establish a center in each country.

10. Develop and maintain a system to identify personnel of the region with special skills related to health.
11. Conduct periodic evaluation of project activities. The Health Section will obtain the additional staff required to implement the project.

D. Financial Plan

The following table shows the estimated summary costs of the project elements and the source of funds:

(US\$ '000)

SOURCE	AID GRANT	GRANTEE	ISLANDS	TOTAL
TRAINING	518.6	-	301.9*	820.5
TECH. ASST.	520.7	24.0*	-	544.7
COMMODITIES	125.8	27.0	120.0	272.8
IMPLEMENTING AGENCY SUPPORT	445.4	-	-	445.4
SUB TOTAL	1610.5	51.0	421.9	2083.4
CONTINGENCY	189.5	5.8	46.3	241.6
TOTAL	1800.0	56.8	468.2	2325.0

*Estimates of in-kind support to the project, includes facility allocation. [Footnote in the original.]

EL SALVADOR
Small Farm Irrigation Systems

*Agreement signed at San Salvador August 30, 1978;
Entered into force August 30, 1978.*

A.I.D. Loan Number 519-T-021

PROJECT
LOAN AGREEMENT
BETWEEN
EL SALVADOR
and the
UNITED STATES OF AMERICA
for
SMALL FARM IRRIGATION SYSTEMS

Dated: August 30, 1978

Table of ContentsProject Loan Agreement

	<u>Page</u>	(Pages herein)
Article 1: The Agreement	1	5077
Article 2: The Project	1	5077
SECTION 2.1. Definition of Project	1	5077
Article 3: Financing	1	5077
SECTION 3.1. The Loan	1	5077
SECTION 3.2. Borrower Resources for the Project	2	5078
SECTION 3.3. Project Assistance Completion Date	2	5078
Article 4: Loan Terms	2	5078
SECTION 4.1. Interest	2	5078
SECTION 4.2. Repayment	3	5079
SECTION 4.3. Application, Currency, and Place of Payment	3	5079
SECTION 4.4. Prepayment	3	5079
SECTION 4.5 Renegotiation of Terms	3	5079
SECTION 4.6. Termination on Full Payment	4	5080
Article 5: Conditions Precedent to Disbursement	4	5080
SECTION 5.1. First Disbursement	4	5080
SECTION 5.2. Additional Disbursement	5	5081
SECTION 5.3. Notification	5	5081
SECTION 5.4. Terminal Dates for Conditions Precedent	5	5081
Article 6: Special Covenants	5	5081
SECTION 6.1. Project Evaluation	5	5081
SECTION 6.2. Additional Covenants	6	5082
Article 7: Procurement Source	6	5082
SECTION 7.1. Foreign Exchange Costs	6	5082
SECTION 7.2. Local Currency Costs	7	5083

		[<i>Pages herein</i>]
Article 8:	Disbursements	7 5083
SECTION 8.1.	Disbursement for Foreign Exchange Costs	7 5083
SECTION 8.2.	Disbursement for Local Currency Costs	7 5083
SECTION 8.3.	Other Forms of Disbursement	8 5084
SECTION 8.4.	Rate of Exchange	8 5084
SECTION 8.5.	Date of Disbursement	8 5084
Article 9:	Miscellaneous	8 5084
SECTION 9.1.	Investment Guaranty Project Approval	8 5084
SECTION 9.2.	Communications	9 5085
SECTION 9.3.	Representatives	9 5085
SECTION 9.4.	Standard Provisions Annex ^[1]	10 5086
SECTION 9.5.	Language of Agreement	10 5086
Signature Page of Loan Agreement		10 5086

Table of ContentsProject DescriptionANNEX I

A.	Purpose	1 5087
B.	Description	1 5087
C.	A.I.D. and GOES Commitments	2 5088
D.	Summary Financial Plan	3 5089

^[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

Project Loan Agreement

Dated August 30, 1978

Between

The Republic of El Salvador ("Borrower")

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 Borrower 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 a program for the development of small-scale irrigation systems to increase the production and productivity of the small farmer in El Salvador. The Project will be carried out by the Ministry of the Interior through the Division of Community Development (DIDEKO), by means of their Office of Small Scale Irrigation Systems (OSSIS) and with the collaboration of the Ministry of Agriculture and Livestock (MAG) through the Division of Irrigation and Flood Control (DGRD).

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 9.3, without formal amendment of this Agreement.

Article 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed two million three hundred thousand United States ("U.S.") dollars (\$2,300,000) ("Loan"). The aggregate amount of disbursement under the Loan is referred to as "Principal."

^[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

The Loan may be used to finance foreign exchange costs, as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

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

(b) The resources provided by Borrower for the Project will be not less than the equivalent of U.S. \$2,000,000 including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 1, 1983, 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 Loan will have been performed and all goods financed under the Loan 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 Loan 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 3.1 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 Borrower, may at any time or times reduce the amount of the Loan 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: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on

the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within twenty (20) years from the date of the first disbursement of the Loan in twenty-one (21) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D. C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of El Salvador, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Planning in El Salvador.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, furnish to A.I.D. in form and substance satisfactory to A.I.D.

(a) An opinion of the Attorney General of El Salvador or other counsel acceptable to A.I.D. to the effect that the Loan Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.3, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) A Time Phased Implementation Plan for the Project including the following:

(1) The criteria for the selection of subprojects;

(2) Plans for the training of extension agents, engineer agronomists and community promoters, including selection criteria;

(3) Written evidence that the Ministry of Agriculture and Livestock (MAG), through the National Center for Agricultural Research (CENTA), will provide agricultural extension services for the Project;

(4) Plans for the maintenance of the irrigation systems built under the Project;

(5) Plans for the utilization of long and short term technical assistance;

(6) Initial guidelines for the formation and operation of community groups for the small-scale irrigation subprojects;

(d) Evidence of the establishment of the Office of Small Scale Irrigation Systems (OSSIS) with staffing acceptable to A.I.D.,

(e) Evidence of the allocation of adequate GOES budgetary support to OSSIS and to the Project;

(f) Evidence of a written executive agreement between the Ministries of Agriculture and Livestock, and of the Interior, providing for appropriate definition of the Project related roles of DIDEKO and DGRD.

SECTION 5.2. Additional Disbursement. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, subsequent to September 30, 1981, the Borrower will furnish to A.I.D. in form and substance satisfactory to A.I.D., a policy statement setting forth over a ten year period the plans of the Borrower with respect to small scale irrigation development, including a commitment by the Borrower to engage in research and development of alternative systems.

SECTION 5.3. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1 and 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Dates for Conditions Precedent.

If all of the conditions specified in Section 5.1 have not been met within 180 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 Borrower.

Article 6: Special Covenants.

SECTION 6.1. 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 6.2. Additional Covenants. Borrower hereby covenants and warrants:

- (a) To carry out the Project in accordance with site selection procedures acceptable to A.I.D. and to ensure that beneficiaries of the irrigation systems constructed under the Project are members of the community group organized for each sub-project;
- (b) To establish a Project Committee consisting of representatives from the Ministry of the Interior (MI) and the Ministry of Agriculture and Livestock (MAG), for the purpose of systematic oversight and evaluation of the Project;
- (c) To provide continuing budgetary and personnel support for the maintenance of irrigation systems built under the Project;
- (d) To provide, for at least five years after final disbursement under the Loan, sufficient budgetary allocations to DGRD and DIDEKO to maintain OSSIS staff and budget at sufficient levels to maintain the same level of small-scale irrigation subproject promotion and construction that took place during Loan disbursement;
- (e) To provide appropriate complimentary services to the small farmer beneficiaries of the Project, such as production credit, agricultural production inputs and marketing information and support;
- (f) That the equipment obtained with Loan funds will be utilized only in the conduct of the Project during the life of the Project, and only for the continuation of the organization, construction and maintenance of small scale irrigation projects among the Project beneficiary group for the duration of the life of the equipment.

Article 7. Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries (other than countries of the Central American Common Market) included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2 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 Central American Common Market.

Article 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 Borrower'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 Letter 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 disbursement hereunder 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 Borrower to make available the local currency for such costs, and (B) thereafter making available to the Borrower through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Borrower or its designee an amount of U.S. Dollars equivalent to the amount of local currency made available by the Borrower, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

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. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2, if funds provided under the Loan are introduced into El Salvador by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of El Salvador at the highest rate of exchange which, at the time the conversion is made, is not unlawful in El Salvador.

SECTION 8.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order; (b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2 (b) (1); or (c) if local currency is obtained in accordance with Section 8.2 (b) (2), on the date on which A.I.D. opens or amends the Special Letter of Credit there referred to.

Article 9: Miscellaneous.

SECTION 9.1. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by El Salvador pursuant to the agreement between it and the

United States of America on the subject of investment guarantees, and no further approval by El Salvador will be required to permit the United States to issue investment guarantees under that agreement covering a contractor's investment in that project.

SECTION 9.2. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail Address:

Mr. Minister
Ministry of Interior
San Salvador, El Salvador, C. A.

Alternate address for telegrams:

Mr. Minister
Ministerio del Interior
Palacio Nacional
San Salvador, El Salvador, C. A.

To A.I.D.:

Mail Address:

Director, USAID/Mission to El Salvador
American Embassy,
San Salvador, El Salvador, C. A.

Alternate address for telegrams:

USAID
American Embassy
San Salvador, El Salvador, C. A.

All such communications will be in English and Spanish, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Borrower, in addition will provide the USAID Mission with a copy of each communication sent to A.I.D.

SECTION 9.3. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or

acting in the offices of the Minister of the Interior, and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, USAID Mission to El Salvador, 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 Borrower, 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.

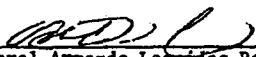
SECTION 9.4. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex II)^[1] is attached to and forms part of this Agreement.

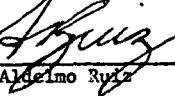
SECTION 9.5. Language of Agreement. This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version will control.

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

EL SALVADOR

UNITED STATES OF AMERICA

By: 
General Armando Leonidas Rojas

By: 
Ing. Alfonso Ruiz

Title: Minister of the Interior

Title: Director, USAID/El Salvador

¹ See footnote 1, p. 5076.

Project Description**Annex I**

A. Purpose - The specific purpose of the Small Farm Irrigation Systems Project is to expand the capability of the GOES to assist low income small farmers obtain and utilize needed water resources.

B. Description - The Project consists of a program for the development of small-scale irrigation systems to increase the production and productivity of the small farmer in El Salvador.

Project implementation will be carried out by the Ministry of the Interior (MI) through the Division of Community Development (DIDECO), by means of their Office of Small Irrigation Systems (OSSIS), and with the collaboration of the Ministry of Agriculture and Livestock (MAG) through the Division of Irrigation and Flood Control (DGRD).

To effect project implementation a project office will be established. The project office will be called the "Office of Small Irrigation Systems" (OSSIS) and will function as an office of DIDECO. The OSSIS will be staffed by personnel from both DGRD and DIDECO and funded by budgetary allocations from each Division. OSSIS will have the responsibility for drawing up plans and detailed specifications for each subproject. Members of the OSSIS will supervise the actual construction of the sub-projects and provide subsequent technical assistance to the beneficiaries in the maintenance and operation of their irrigation systems.

DIDECO will provide community organization support services and organize the labor force in each community using its staff of promotores. Each promotor will determine community interest for a small scale irrigation project by developing contacts with the local leadership and informing the OSSIS of this interest, prompting a feasibility analysis by engineers assigned to the OSSIS. Following determination of technical feasibility (principally determining whether there is enough water supplied by the source -- river, stream, reservoir, spring etc. - to irrigate the area of land contemplated and whether the site lends itself to simple and uncomplex construction methods and materials), the OSSIS staff will determine the economic feasibility of the subproject. DIDECO's promotores then will organize the local labor force in connection with the community leadership, set up a community group and, in general, serve as a link to the OSSIS for the community and the subsequent construction of the irrigation subproject.

Participating in the implementation of the project will be the National Center for Agricultural Research (CENTA) which will provide approximately 100 extension agents to be trained in water and land use management

during the first 3 years of the project. These extension agents will remain under the direction of CENTA and be funded out of CENTA's budget allocation from the GOES.

Additionally, the MAG will have a role in the project by providing market information to the OSSIS on basic grains, fruits and vegetables. A portion of the personnel of the project office will devote time, as needed, to providing subproject beneficiaries, through DIDEKO's promotores, advice on marketing problems and general market information on the crops planted in each subproject. The promotores, in their turn, will maintain detailed information on before and after irrigation conditions in their subprojects and provide this information to the relevant personnel in the OSSIS. The promotores also will assist in the evaluations of the project by this provision of data and their contact with the communities and subprojects.

Loan financed technical assistance provided by the project advisor, in addition to the construction materials, equipment and training financed by the loan, together with GOES budget and staff support will strengthen the institutional capacities of DGRD and DIDEKO. This technical assistance, combined with the increased experience in small scale irrigation project development, will assist the GOES in its research and development efforts of alternative types of small scale irrigation designed to improve and expand related technologies to facilitate optimum development of irrigation within the small farm sector. The training provided to the extension agents of CENTA will add to their capabilities and provide a new facet to that institution's capacity for reaching the small farmer target group.

Small farmer groups that participate in the project will not be required to pay costs of the irrigation systems constructed. The GOES will in effect grant part of the cost of each system to the community. Each community will, however, provide all the required labor for its system construction plus additional local materials.

The project will be implemented throughout the country giving priority to critical development areas and wherever feasible small scale appropriate technology irrigation projects may be undertaken with the target group and where sufficient community interest exists to provide the necessary self-help local labor and materials for construction.

C. AID and GOES Commitments - AID will provide loan funds in support of the Project which will be used for:

- (i) Construction of approximately 5,000 hectares of small scale irrigation systems, including construction materials and equipment;

- (ii) Project support vehicles;
- (iii) Short-term training in irrigation science for approximately 4 engineer-agronomists;
- (iv) Approximately 48 person-months of technical assistance in the form of a long-term Project advisor from the U.S. to assist in and coordinate all implementation activities; and,
- (v) Approximately 12 person-months of short-term technical assistance to assist in the implementation and evaluation of the Project.

The GOES will establish the OSSIS and provide for its necessary staffing. The GOES also will provide administration and salary costs of all personnel to work in the OSSIS and will provide all Project vehicles' support costs such as fuel, lubricants and maintenance. Communities that participate in the Project will contribute their labor and locally available construction materials.

D. Summary Financial Plan

(In US \$000 or equivalent)

	A.I.D. LOAN	HOST COUNTRY		
		GOVERNMENT	PRIVATE	TOTAL
Construction Materials & Equipment	\$1,250			\$1,250
Vehicles	275			275
Technical Assistance	320			320
Participant Training	70			70
Administration		\$1,322		1,322
Fuel, Lubricants & Maintenance		245		245
Overhead		165		165
Local Labor			980	980
Inflation & Contingency	385	268	220	873
TOTAL	\$2,300	\$2,000	\$1,200	\$5,500

TRADUCCION NO OFFICIAL

ALIANZA PARA EL PROGRESO

CONTRATO DE PRESTAMO

ENTRE

LA REPUBLICA DE EL SALVADOR

Y

LOS ESTADOS UNIDOS DE AMERICA

PARA EL PROGRAMA DE SISTEMAS DE

IRRIGACION PARA PEQUEÑOS AGRICULTORES

FECHA: 30 de Agosto de 1978

TIAS 9499

IndiceContrato de Préstamo

	<u>Página</u>
Artículo 1: El Convenio	1
Artículo 2: El Proyecto	1
SECCION 2.1. Definición del Proyecto	1
Artículo 3: Financiación	1
SECCION 3.1. El Préstamo	1
SECCION 3.2. Recursos del Prestatario para el Proyecto	2
SECCION 3.3. Fechas de Terminación de la Asistencia al Proyecto	2
Artículo 4: Términos del Préstamo	3
SECCION 4.1. Intereses	3
SECCION 4.2. Amortización	3
SECCION 4.3. Aplicación, Moneda y Lugar de Pago	3
SECCION 4.4. Pagos Anticipados	3
SECCION 4.5. Renegociación de los Términos	3
SECCION 4.6. Cancelación Mediante Pago Total	4
Artículo 5: Condiciones Previas al Desembolso	4
SECCION 5.1. Primer Desembolso	4
SECCION 5.2. Desembolso Adicional	5
SECCION 5.3. Notificación	5
SECCION 5.4. Fechas Límites para las Condiciones Previas	6
Artículo 6: Estipulaciones Especiales	6
SECCION 6.1. Evaluación del Proyecto	6
Artículo 7: Fuentes de Adquisiciones	7
SECCION 7.1. Costos en Moneda Extranjera	7
SECCION 7.2. Costos en Moneda Local	7
Artículo 8: Desembolsos	7
SECCION 8.1. Desembolsos para Costos en Moneda Extranjera	7
SECCION 8.2. Desembolsos para Costos en Moneda Local	8

	<u>Página</u>
SECCION 8.3. Otras Formas de Desembolso	9
SECCION 8.4. Tipo de Cambio	9
SECCION 8.5. Fecha de Desembolso	9
 Artículo 9: Misceláneas	 9
SECCION 9.1. Aprobación de Proyectos de Garantía de Inversión	9
SECCION 9.2. Comunicaciones	9
SECCION 9.3. Representantes	10
SECCION 9.4. Anexos de Estipulaciones Standard	11
SECCION 9.5. Diferencias de Interpretación	11
 Página de Firma del Convenio de Préstamo	 11
 <u>Reseña del Proyecto</u>	
<u>Anexo I</u>	
A. Propósito	1
B. Descripción	1
C. Compromisos de A.I.D. y GOES	3
D. Resumen del Plan Financiero	4

CONVENIO DE PRESTAMO

Fecha: 30 de Agosto, 1978

Entre

La República de EL SALVADOR ("Prestatario")

y

LOS ESTADOS UNIDOS DE AMERICA, actuando por medio de la Agencia para el Desarrollo Internacional ("A.I.D.").

Artículo 1: El Convenio.

El propósito de este Convenio es establecer los acuerdos entre las Partes arriba mencionadas ("Partes") con respecto al compromiso del Prestatario, en la ejecución del Proyecto descrito más abajo y con respecto al financiamiento del Proyecto por ambas Partes.

Artículo 2: El Proyecto.

SECCION 2.1. Definición del Proyecto. El Proyecto, el cuál se describe en detalle en el Anexo I, consistirá de un programa para el desarrollo de sistemas de irrigación en pequeña escala para incrementar la producción y la productividad de los pequeños agricultores en El Salvador. El proyecto será ejecutado por el Ministerio del Interior a través de la Dirección de Desarrollo Comunal (DIDEKO), por medio de su Oficina de Pequeñas Obras de Riego (OPOR) y con la colaboración del Ministerio de Agricultura y Ganadería (MAG) a través de la Dirección General de Riego y Drenaje (DGRD).

Dentro de lo definido, los elementos de la descripción más detallada indicados en el Anexo I pueden ser cambiados mediante un acuerdo por escrito de los representantes autorizados de las Partes nombradas en la Sección 9.3., sin una enmienda formal de este Convenio.

Artículo 3: Financiación.

SECCION 3.1. El Préstamo. Para asistir al Prestatario en el financiamiento de los costos para la realización del Proyecto, A.I.D., de conformidad con la Alianza para el Progreso y de conformidad con el Acta de Asistencia al Exterior de 1961, y sus enmiendas, conviene en otorgar un préstamo al Prestatario, de acuerdo a los términos de este

Convenio, que no excederá de dos millones trescientos mil dólares de los Estados Unidos de América ("EE.UU.") (\$2,300,000) ("Préstamo"). El monto total de los desembolsos bajo el Préstamo se denominará en adelante el "Capital".

El Préstamo puede ser utilizado para financiar costos en moneda extranjera, de acuerdo a la definición de la Sección 7.1, y costos en moneda local, de acuerdo a la definición en la Sección 7.2, de bienes y servicios requeridos para el Proyecto.

SECCION 3.2. Recursos del Prestatario para el Proyecto.

(a) El Prestatario conviene en proporcionar o hacer que se proporcione para el Proyecto, todos los fondos, además del Préstamo, y todos los otros recursos requeridos para llevar a cabo el Proyecto en forma efectiva y oportuna.

(b) Los recursos suministrados por el Prestatario para el Proyecto no deberán ser menor al equivalente en dólares de los EE.UU. de \$2,000,000 incluyendo costos sufragados en "especie".

SECCION 3.3. Fecha de Terminación de Asistencia al Proyecto.

(a) La "Fecha de Terminación de Asistencia al Proyecto" (FTAP), es el 1º de septiembre de 1983, u otra fecha en que las Partes podrán convenir por escrito, es la fecha en que las Partes estiman que todos los servicios financiados bajo el Préstamo habrán sido realizados y todos los bienes financiados bajo el Préstamo habrán sido proporcionados para el Proyecto de acuerdo a lo establecido en este Convenio.

(b) A menos que A.I.D. acuerde lo contrario por escrito, A.I.D. no emitirá o aprobará ninguna documentación que autorice desembolsos del Préstamo para servicios realizados después de la FTAP o para bienes suministrados para el Proyecto, de acuerdo a lo establecido en el Convenio, después de la FTAP.

(c) Las solicitudes de desembolsos, acompañadas de los documentos justificativos necesarios prescritos en las Cartas de Implementación del Proyecto, deberán ser recibidas por A.I.D. o por cualquier banco descrito en la Sección 8.1 dentro de los nueve (9) meses después de la FTAP, o de otro período acordado por A.I.D. por escrito. Después de tal período, A.I.D., por medio de notificación por escrito al Prestatario, puede en cualquier momento o momentos, reducir el monto del Préstamo por un monto parcial o total para el cuál no se han recibido solicitudes de desembolsos, acompañados de los documentos justificativos necesarios prescritos en las Cartas de Implementación del Proyecto, antes de la expiración de dicho período.

Artículo 4: Términos del Préstamo.

SECCION 4.1. Intereses. El Prestatario pagará a A.I.D. los intereses devengados a razón del dos por ciento (2%) anual, por diez años, a partir de la fecha del primer desembolso en virtud de este Convenio y posteriormente a razón del tres por ciento (3%) anual sobre saldo pendiente del Capital y sobre cualquier interés vencido y no pagado. El interés sobre el saldo pendiente se devengará a partir de la fecha de cada desembolso (de acuerdo a la Sección 8.5), y serán pagados semestralmente. El primer pago de intereses vencerá y deberá ser pagado no más tarde de los seis (6) meses después de efectuado el primer desembolso, en fecha a ser especificada por A.I.D.

SECCION 4.2. Amortización. El Prestatario pagará a A.I.D. el Capital dentro de los veinte (20) años a partir de la fecha del primer desembolso del Préstamo en veinte y una (21) cuotas semestrales aproximadamente iguales del Capital e intereses. La primera cuota del Capital deberá ser pagada nueve años y medio (9-1/2) después de la fecha del primer pago de intereses devengados de conformidad con la Sección 4.1. A.I.D. pondrá a disposición del Prestatario un cuadro de amortización de acuerdo con esta Sección después del último desembolso del Préstamo.

SECCION 4.3. Aplicación, Moneda, y Lugar de Pago. Todos los pagos de intereses y del Capital del presente Convenio serán hechos en dólares Estadounidenses y serán aplicados en primer lugar al pago de intereses devengados y después a la amortización del Capital. Salvo que A.I.D. especifique de otra forma por escrito, todos los pagos serán hechos al Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., y serán considerados hechos una vez recibidos por la Oficina de Administración Financiera.

SECCION 4.4. Pagos Anticipados. Estando al día en todos los pagos de intereses y reembolsos adecuados y vencidos, el Prestatario podrá pagar por adelantado, sin recargos, todo o parte del Capital. A menos que A.I.D. acuerde lo contrario por escrito, cualquiera de tales pagos anticipados será aplicado a las cuotas del Capital en el orden inverso a su vencimiento.

SECCION 4.5. Renegociación de los Términos del Préstamo.

(a) El Prestatario y A.I.D. acuerdan negociar, en el momento o momentos en que cualquiera de las Partes lo solicite, una aceleración del reembolso del Préstamo en el caso de haber una mejora significativa y continuada de la situación económica y financiera interna y externa y en las perspectivas del Gobierno de El Salvador, que permita al Prestatario reembolsar el Préstamo en un período mas corto.

(b) Cualquier solicitud de cualquiera de las Partes a la otra para esta negociación será efectuada de conformidad con la Sección 9.2 y dará el nombre y dirección de la persona o personas que representará(n) a la Parte solicitante en tales negociaciones.

(c) Dentro de los treinta (30) días siguientes a la entrega de una solicitud para negociar, la Parte que recibe la solicitud comunicará a la otra, de conformidad con la Sección 9.2, el nombre y dirección de la persona o personas que representará(n) en tales negociaciones a la Parte que recibió la solicitud.

(d) Los representantes de las Partes se reunirán para llevar a cabo las negociaciones, no más tarde de los treinta (30) días después de la entrega de la comunicación enviada por la Parte que recibió la solicitud, bajo la subsección (c). Las negociaciones se llevarán a cabo en un local acordado mutuamente por los representantes de las Partes, toda vez que, en caso de no existir acuerdo mútuo, las negociaciones tendrán lugar en la oficina del Sr. Ministro de Planificación del Prestatario en El Salvador.

SECCION 4.6. Cancelación Mediante Pago Total. Despues del pago total del Capital y de cualquier interés vencido, este Convenio y todas las obligaciones del Prestatario y de A.I.D. emergentes del mismo, se darán por terminados.

Artículo 5: Condiciones Previas al Desembolso.

SECCION 5.1. Primer Desembolso. Antes del primer desembolso bajo el Préstamo, o la emisión por A.I.D. de cualquier documentación en base a la cuál se efectuarán desembolsos, el Prestatario deberá salvo manifestación contraria por escrito de las Partes, proveer a A.I.D., en forma y contenido satisfactoria a A.I.D.:

(a) Un dictamen del Fiscal General de El Salvador o de representante legal, aceptable para A.I.D., de que este Convenio ha sido debidamente autorizado y/o ratificado por, y ejecutado en representación de, el Prestatario, y que constituye una obligación válida y legal del Prestatario de conformidad con todos sus términos;

(b) El nombre de la persona en funciones o interinando en la oficina del Prestatario especificado en la Sección 9.3, y de cualquier representante adicional, juntamente con un espécimen de la firma de cada persona especificada como representante;

(c) Un calendario de implementación del proyecto incluyendo lo siguiente:

- (1) Criterio para la selección de los sub-proyectos;
 - (2) Un plan para llevar a cabo el entrenamiento de agentes de extensión, ingenieros agrónomos y promotores comunales, incluyendo los criterios de selección;
 - (3) Evidencia por escrito de que el Ministerio de Agricultura y Ganadería (MAG), a través del Centro Nacional de Tecnología Agropecuaria (CENTA) suministrará los servicios de extensión agrícola para el proyecto;
 - (4) Un plan de mantenimiento para los sistemas de irrigación que se construyan bajo el proyecto;
 - (5) Un plan para el empleo de técnicos para la cooperación técnica para corto y largo plazo;
 - (6) Un manual de guía inicial para la formación y operación de los grupos comunitarios organizados de los sub-proyectos de irrigación en pequeña-escala.
- (d) Evidencia de que se ha establecido la Oficina de Pequeñas Obras de Riego (OPOR) con el personal adecuado y aceptable a la A.I.D.;
 - (e) Evidencia que las distribuciones presupuestarias adecuadas por parte del GOES han sido efectuadas para el funcionamiento de la OPOR y del Proyecto;
 - (f) Evidencia por escrito del acuerdo ejecutivo en los ramos de Agricultura y Ganadería e Interior donde se indique con una definición apropiada, los papeles relacionados en el Proyecto por parte de DIDEKO y de DGRD.

SECCION 5.2. Desembolso Adicional. Antes del desembolso bajo el Préstamo, o de la emisión por A.I.D. de cualquier documentación en base a la cual se efectuarán desembolsos, subsiguientes al 30 de septiembre de 1981, el Prestatario suministrará a la A.I.D. en forma y contenido satisfactorios a la A.I.D., una declaración de la política que llevará a cabo en el establecimiento, por parte del prestatario, de un plan para un período de diez años, en el cual desarrollará proyectos de irrigación en pequeña-escala, incluyendo un compromiso por parte del prestatario, que llevará a cabo investigación y desarrollo de sistemas alternos.

SECCION 5.3. Notificación. Cuando A.I.D. haya determinado que las condiciones previas especificadas en la Sección 5.1 y 5.2 han sido cumplidas, notificará inmediatamente al Prestatario.

SECCION 5.4 Fechas Límites para las Condiciones Previas.

(a) Si todas las condiciones especificadas en la Sección 5.1 no han sido cumplidas dentro de 180 días a partir de la fecha de este Convenio, o en una fecha posterior que A.I.D. haya acordado por escrito, A.I.D., a su opción, podrá terminar este Convenio mediante notificación escrita al Prestatario.

Artículo 6: Estipulaciones Especiales.

SECCION 6.1. Evaluación del Proyecto. Las partes acuerdan establecer un programa de evaluación como parte del Proyecto. Salvo que las Partes manifiesten lo contrario por escrito, el programa incluirá, durante la implementación del Proyecto y en una oportunidad u oportunidades posterior(es): (a) la evaluación del progreso para el logro de los objetivos del Proyecto; (b) identificación y evaluación de áreas de problemas o impedimentos que puedan inhibir dichos logros; (c) evaluación de la forma en que se pueden utilizar tales informaciones para ayudar a solucionar tales problemas; y (d) evaluación, hasta donde sea posible, del impacto general del desarrollo del Proyecto.

SECCION 6.2. Estipulaciones Adicionales. El prestatario por medio del presente conviene y garantiza que:

(a) Llevará a cabo el proyecto de acuerdo con los procedimientos aceptables para A.I.D., de selección de sitios, y asegurará que los beneficiarios, de los sistemas de irrigación que sean construidos bajo el proyecto, sean miembros del grupo comunitario organizado para cada sub-proyecto.

(b) Establecerá un Comité del Proyecto integrado por representantes del Ministerio del Interior (MI) y del Ministerio de Agricultura y Ganadería (MAG) para llevar a cabo un control sistemático y una evaluación del Proyecto.

(c) Suministrará fondos en su presupuesto y personal necesario para llevar a cabo el mantenimiento de los sistemas de irrigación bajo el Proyecto.

(d) Suministrará por lo menos por cinco años después del último desembolso bajo el Préstamo, suficientes fondos de presupuesto para las oficinas de DGRD y DINECO para mantener personal para la OPOR y presupuestarán a un nivel suficiente para mantener el mismo nivel de promoción y construcción de subproyectos de irrigación en pequeña-escala que se llevaran a cabo durante el tiempo de desembolso del Préstamo.

(e) Suministrar los servicios complementarios adecuados para los pequeños agricultores beneficiados bajo el Proyecto, tales como

créditos de avío, insumos para la producción agrícola e información sobre mercadeo y de apoyo.

(f) Que el equipo comprado con fondos del Préstamo será utilizado solamente para llevar a cabo la ejecución del Proyecto, durante la vida del mismo, y solamente para la continuación de la organización, la construcción y mantenimiento de proyectos de irrigación en pequeña escala para el grupo de beneficiarios bajo el Proyecto, durante la vida del equipo.

Artículo 7: Fuentes de Adquisiciones.

SECCION 7.1. Costos en Moneda Extranjera. Los desembolsos efectuados de conformidad a la Sección 8.1 serán utilizados exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto, que tengan su fuente y origen en países incluidos (otros que los países del Mercado Común Centroamericano) en el Código 941 del Libro de Código Geográfico de A.I.D. en vigencia en el momento que se formulan los pedidos o se celebren los contratos para la adquisición de tales bienes o servicios ("Costos en Moneda Extranjera"), a menos que A.I.D. acuerde lo contrario por escrito, y con excepción de lo previsto en el Anexo de Reglas Especiales del Préstamo para el Proyecto, Sección C.1(b) con respecto a seguro marítimo.

SECCION 7.2. Costos en Moneda Local. Los desembolsos efectuados de conformidad con la Sección 8.2 serán utilizados exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto, que tengan su fuente y, a menos que A.I.D. acuerde lo contrario por escrito, su origen en los países del Mercado Común Centroamericano.

Artículo 8: Desembolsos.

SECCION 8.1. Desembolsos para Costos en Moneda Extranjera.

(a) Después de cumplir con las condiciones previas, el Prestatario puede obtener desembolsos de fondos bajo el Préstamo para los Costos de conformidad con los términos de este Convenio, por medio de algunos de los siguientes métodos que pueden elegirse por mutuo acuerdo:

(1) presentando a A.I.D., con los documentos justificativos necesarios prescritos en Cartas de Implementación del Proyecto, (A) solicitudes para reembolsos por tales bienes y servicios, o (B) solicitudes para que A.I.D., adquiera bienes o servicios por parte del Prestatario para el Proyecto; o

(2) solicitando que A.I.D. emita Cartas de Compromiso por montos específicos (A) a uno o más bancos de los Estados Unidos, satisfactorios a A.I.D., comprometiendo a A.I.D. a reembolsar a tales bancos por pagos efectuados por ellos a contratistas o proveedores, bajo Cartas de Crédito o por medios similares, por tales bienes o servicios, o (B) directamente a uno o más contratistas o proveedores, comprometiendo a A.I.D. a pagar a tales contratistas o proveedores por tales bienes o servicios.

(b) Los gastos bancarios incurridos por el Prestatario en relación con las Cartas de Compromiso y Cartas de Crédito serán financiados bajo el Préstamo a menos que el Prestatario indique a A.I.D. lo contrario. Otros gastos acordados por las Partes también pueden ser financiados bajo el Préstamo.

SECCION 8.2. Desembolso para Costos en Moneda Local.

(a) Después de cumplir con las condiciones previas, el Prestatario puede obtener desembolsos de fondos bajo el Préstamo para Costos en Moneda Local necesarios para el Proyecto, de conformidad con los términos de este Contrato, mediante la presentación a A.I.D. de solicitudes para financiar tales costos con los documentos justificativos necesarios prescritos en Cartas de Implementación.

(b) La moneda local necesaria para tales desembolsos puede ser obtenida en la siguiente forma:

(1) mediante compra por A.I.D. de moneda local con dólares estadounidenses; o

(2) por A.I.D. (A) que puede pedir que el Prestatario facilite la moneda local para tales costos, y (B) facilitando posteriormente al Prestatario, mediante la apertura o enmienda por A.I.D. de Cartas de Crédito Especiales a favor del Prestatario o de su representante, un monto de dólares estadounidenses equivalente al monto en moneda local entregado por el Prestatario. Tales dólares serán utilizados para adquisiciones de los Estados Unidos de acuerdo a procedimientos adecuados descritos en las Cartas de Implementación del Proyecto.

El equivalente en dólares de la moneda local facilitada en virtud del presente Convenio será, en el caso de la subsección (b) (1) mencionada arriba, el monto de dólares de los Estados Unidos requerido por A.I.D. para obtener la moneda local, y en el caso de la subsección (b) (2) mencionada arriba, un monto calculado al tipo de cambio especificado en el Memorandum de Implementación de Cartas de Crédito Especiales aplicables en virtud de este Convenio a la fecha de apertura o enmienda de la Carta de Crédito Especial.

SECCION 8.3. Otras Formas de Desembolso. Los desembolsos del Préstamo también pueden efectuarse por otros medios acordados por escrito por las Partes.

SECCION 8.4. Tipo de Cambio. A menos que sea establecido en forma más específica bajo la Sección 8.2, si los fondos proveídos bajo el Préstamo son introducidos a El Salvador por A.I.D. o por cualquier agencia pública o privada con el fin de cumplir con las obligaciones de A.I.D. emergentes de este Convenio, el Prestatario hará los trámites que sean necesarios para que tales fondos puedan ser convertidos a la moneda de El Salvador al tipo de cambio más alto que, en el momento en que se efectúa la conversión, no sea ilegal en El Salvador.

SECCION 8.5. Fecha de Desembolso. Los desembolsos de A.I.D. serán considerados como realizados (a) en la fecha en que A.I.D. efectua un desembolso al Prestatario o a su representante, o a un banco, contratista o proveedor de conformidad con una Carta de Compromiso, contrato, u orden de compra; (b) en la fecha en que A.I.D. desembolsa al Prestatario o a su representante la moneda local adquirida de conformidad con la Sección 8.2(b)(1); o (c) si la moneda local es obtenida de acuerdo a la Sección 8.2(b)(2), en la fecha en que A.I.D. abre o enmienda la Carta de Crédito Especial pertinente.

Artículo 9: Misceláneas.

SECCION 9.1. Aprobación de Proyecto de Garantía de Inversión. Se acuerda que el trabajo de construcción a ser financiado bajo este Convenio es un proyecto aprobado por El Salvador de conformidad con el convenio entre El Salvador y los Estados Unidos de América referente a garantías de inversiones, y que no se necesitará ninguna aprobación adicional de El Salvador para permitir a los Estados Unidos a emitir garantías de inversiones bajo el convenio que cubre la inversión del contratista en ese proyecto.

SECCION 9.2. Comunicaciones. Cualquier notificación, pedido, documento, u otra comunicación enviada por cualquiera de las Partes a la otra bajo este Convenio, será por escrito o por telegrama o cable, y será considerada como debidamente dada o enviada cuando sea entregada a tal parte, en la siguiente dirección:

Al Prestatario:**Dirección Postal:**

Señor Ministro
Ministerio del Interior
Palacio Nacional
San Salvador, El Salvador, C. A.

Dirección Cablegráfica:

Ministerio del Interior
Palacio Nacional
San Salvador, El Salvador, C. A.

A A.I.D.:**Dirección Postal:**

Director de la Misión de USAID
Embajada Americana
San Salvador, El Salvador, C. A.

Dirección Cablegráfica:

USAID
American Embassy
San Salvador, El Salvador, C. A.

Todas las comunicaciones serán en el idioma Inglés y Castellano, a menos que las Partes acuerden lo contrario por escrito. Las direcciones mencionadas precedentemente podrán ser sustituidas por otras después de la debida notificación. El Prestatario deberá suministrar a la Misión de USAID una copia de cada comunicación enviada a A.I.D.

SECCION 9.3 Representantes. Para todos los fines relacionados con este Convenio, el Prestatario estará representado por la persona en funciones o interinando en la sede del Ministerio del Interior y la A.I.D. estará representada por la persona en funciones de Director de la Oficina de USAID para El Salvador. Tales personas, mediante notificación por escrito, pueden designar representantes adicionales para cualquier propósito, con excepción del de ejercer la función establecida en la Sección 2.1. para revisar elementos de la descripción ampliada en el Anexo I. Los nombres de los representantes del Prestatario, con el espécimen de sus firmas, deberán ser entregados a A.I.D., que puede aceptar como debidamente autorizado, cualquier instrumento firmado por tales representantes, en la implementación de este Convenio, hasta recibir aviso por escrito de la revocación de la autoridad de dichos representantes.

SECCION 9.4. Anexo de Estipulaciones Standard. Un "Anexo de Estipulaciones Standard de Préstamo para el Proyecto" (Anexo II) acompaña a, y forma parte de este Convenio.

SECCION 9.5. Diferencias de Interpretación. Este Convenio está preparado tanto en Inglés como en Castellano. En caso de ambigüedad o conflicto entre las dos versiones, la versión en Inglés será usada para resolver diferencias de interpretación.

EN FE DE LO CUAL, el Prestatario y los Estados Unidos de América, mediante sus representantes debidamente autorizados, celebran este Convenio a ser firmado en su nombre, en el día, mes y año mencionados en primer lugar.

EL SALVADOR

ESTADOS UNIDOS DE AMERICA

Por: _____
General Armando Leonidas Rojas

Por: _____
Ing. Aldelmo Ruiz

Cargo: Ministro del Interior

Cargo: Director, USAID/El Salvador

Anexo I

A. Propósito - El propósito específico del Proyecto de Sistemas de Riego para Pequeños Agricultores es el de desarrollar la capacidad del GOES para ayudar a los pequeños agricultores de bajos ingresos a obtener y utilizar los recursos de agua disponibles.

B. Descripción - El Proyecto consiste en un programa para el desarrollo de sistemas de riego para incrementar la producción y productividad del pequeño agricultor en El Salvador.

La Implementación del Proyecto la llevará a cabo el Ministerio del Interior (MI) a través de la Dirección de Desarrollo Comunal (DIDECO), por medio de su Departamento, Oficina de Pequeñas Obras de Riego (OPOR), y con la colaboración del Ministerio de Agricultura y Ganadería (MAG) a través de la Dirección General de Riego y Drenaje (DGRD).

Para realizar la implementación del proyecto se establecerá una oficina para el proyecto. La oficina del proyecto será llamada la "Oficina de Pequeñas Obras de Riego (OPOR)", funcionará efectivamente como una oficina dependiente de DIDECO. La OPOR será provista de personal de ambas DGRD y DIDECO, financiada con asignaciones presupuestarias de ambas Direcciones. OPOR tendrá la responsabilidad de preparar los planos y las especificaciones detalladas para cada subproyecto. Miembros de la OPOR supervisarán la construcción de los subproyectos y proporcionarán asistencia técnica subsecuentemente a los beneficiarios en el mantenimiento y operación de sus sistemas de riego.

DIDECO proporcionará servicios de apoyo en la organización de las comunidades y organizará la mano de obra en cada comunidad usando su personal de promotores. Cada promotor determinará el interés de la comunidad para un proyecto de riego, desarrollando contactos con el liderazgo local, e informando después a la OPOR de este interés, impulsando un análisis de factibilidad por los ingenieros asignados a la OPOR. Una vez determinada la factibilidad técnica (determinando principalmente si existe suficiente agua de la fuente - río, quebrada, depósito, riachuelo, etc. para irrigar el área de tierra contemplada y si el lugar se presta para simples métodos de construcción y de materiales), la OPOR, determinará la factibilidad económica del subproyecto. Entonces los promotores de DIDECO organizarán la mano de obra local en conexión con el liderazgo de la comunidad, formando grupos comunitarios y, en general, servir de contacto entre la OPOR y la comunidad y la construcción subsecuente del subproyecto de riego.

Participando en la implementación del proyecto estará el Centro Nacional de Tecnología Agropecuaria (CENTA) el cual proporcionará aproximadamente 100 extensionistas para ser capacitados en la administración del uso del agua y tierra durante los 3 primeros años del Proyecto. Estos extensionistas quedarán bajo la dirección de CENTA y serán financiados bajo el presupuesto asignado a CENTA por el GOES.

Además, el MAG tendrá su participación en el proyecto al brindar información del mercado de granos básicos, frutas y vegetales a la OPOR. Una parte del personal de la oficina del proyecto dedicará tiempo, como sea necesario, para brindarle a los beneficiarios de los subproyectos, a través de los promotores de DIDEKO, asesoría en problemas de mercadeo e información general de mercados para cada producto que se siembre en cada subprojeto. Los promotores, a su vez, mantendrán información detallada acerca de las condiciones de riego antes y después en sus subproyectos y proporcionarán esta información al personal respectivo en la OPOR. Los promotores asistirán además en las evaluaciones del proyecto al proporcionar esta información y sus contactos con las comunidades y subproyectos.

La cooperación técnica proporcionada por el asesor del proyecto financiado por el préstamo, además de los materiales de construcción, equipo y capacitación financiado por el préstamo, junto con el presupuesto del GOES y apoyo de personal reforzarán la capacidad institucional de DGRD y DIDEKO. Esta cooperación técnica, combinada con la experiencia incrementada en el desarrollo de pequeños proyectos de riego asistirá al GOES en sus esfuerzos de investigación y desarrollo de tipos alternos de riego diseñados para mejorar e incrementar las tecnologías relacionadas para facilitar un desarrollo óptimo de riego dentro del sector de pequeños agricultores. La capacitación brindada a los extensionistas del CENTA sumará a sus capacidades y proporcionará un nuevo medio a la capacidad de esa institución para alcanzar el objetivo que es el grupo de pequeños agricultores.

A los grupos de pequeños agricultores que participen en el proyecto no se les requerirá que paguen el costo de los sistemas de riego construidos. El GOES donará en efecto a la comunidad parte del costo de cada sistema. Cada comunidad, por lo tanto, proporcionará toda la mano de obra requerida para la construcción de sus sistemas así como todo el material local.

El proyecto será implementado a través del país con prioridad en las áreas críticas y donde la factibilidad de tecnología apropiada de pequeños proyectos de riego puedan ser llevados a cabo con el grupo objetivo y donde exista suficiente interés de la comunidad para brindar la mano de obra de ayuda mutua necesaria y materiales para la construcción.

C. Compromisos de AID y GOES — La A.I.D. suministrará fondos del préstamo en apoyo del Proyecto a ser utilizados en la siguiente forma:

(i) La construcción de aproximadamente 5,000 hectáreas de sistemas de riego en pequeña-escala, incluyendo materiales y equipo de construcción;

(ii) Vehículos de apoyo para el Proyecto.

(iii) Entrenamiento a corto plazo en la técnica de riego para por lo menos 4 ingenieros-agronómicos;

(iv) Aproximadamente 48 meses-hombre de cooperación técnica en la forma de un asesor a largo plazo, de los Estados Unidos de Norte América, para asistir y coordinar todas las actividades de ejecución; y,

(v) Aproximadamente 12 meses-hombre de cooperación técnica de corto plazo para ayudar en la ejecución y evaluación del proyecto.

El GOES establecerá la OPOR y suministrará el personal necesario. El GOES también suministrará el pago de administración y de salarios de todo el personal que trabajará en OPOR y suministrará todos los gastos de funcionamiento de los vehículos del Proyecto, tales como, gasolina, lubricantes y mantenimiento. Las comunidades que participen en el Proyecto contribuirán con la mano de obra y materiales del lugar para la construcción.

TIAS 9499

D. Resumen Del Plan Financiero

(En US \$miles o su equivalente)

	<u>PRESTAMO</u> <u>A.I.D.</u>	<u>PAÍS PRESTATARIO</u> <u>GOBIERNO</u>	<u>PRIVADO</u>	<u>TOTAL</u>
Materiales de Construcción y Equipo	\$1,250			\$ 1,250
Vehículos	275			275
Cooperación Técnica	320			320
Becarios	70			70
Administración		\$1,322		1,322
Combustible, Lubricantes y Mantenimiento		245		245
Gastos Generales Fijos		165		165
Mano de Obra Local			980	980
Inflación e Imprevistos	385	268	220	873
TOTAL	<u>\$2,300</u>	<u>\$2,000</u>	<u>\$1,200</u>	<u>\$ 5,500</u>

FRANCE

Double Taxation: Taxes on Income and Property

Protocol, with exchange of notes, amending the convention of July 28, 1967, as amended.

Signed at Washington November 24, 1978;

Ratification advised by the Senate of the United States of America July 9, 1979;

Ratified by the President of the United States of America July 30, 1979;

Ratified by France August 1, 1979;

Ratifications exchanged at Paris September 27, 1979;

Proclaimed by the President of the United States of America October 20, 1979;

Entered into force October 27, 1979;

Effective January 1, 1979.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Protocol to the Convention between the United States of America and the French Republic with Respect to Taxes on Income and Property of July 28, 1967, as amended by the Protocol of October 12, 1970, was signed at Washington on November 24, 1978, together with a related exchange of notes, the texts of which are hereto annexed;

The Senate of the United States of America by its resolution of July 9, 1979, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification of the Protocol and related exchange of notes;

The Protocol and related exchange of notes were ratified by the President of the United States of America on July 30, 1979, in pursuance of the advice and consent of the Senate, and was ratified on the part of the French Republic;

It is provided in Article 2 of the Protocol that the Protocol shall enter into force one month after the date of exchange of the instruments of ratification and have effectiveness as specified in Article 2;

The instruments of ratification of the Protocol were exchanged at Paris on September 27, 1979, and accordingly the Protocol, with related exchange of notes, enters into force on October 27, 1979, with effectiveness as specified in Article 2;

Now, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Protocol with related exchange of notes, to the end that they shall be observed and fulfilled with good faith on and after October 27, 1979, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this twentieth day of October
in the year of our Lord one thousand nine hundred seventy-
[SEAL] nine and of the Independence of the United States of
America the two hundred fourth.

JIMMY CARTER

By the President:

WARREN CHRISTOPHER

Acting Secretary of State

PROTOCOL
TO THE CONVENTION BETWEEN
THE UNITED STATES OF AMERICA
AND THE FRENCH REPUBLIC
WITH RESPECT TO TAXES ON INCOME AND PROPERTY
OF JULY 28, 1967, AS AMENDED
BY THE PROTOCOL OF OCTOBER 12, 1970

The President of the United States of America and the President of the French Republic, desiring to amend the Convention between the United States of America and the French Republic with respect to taxes on income and property of July 28, 1967, as amended by the Protocol of October 12, 1970,[¹] have appointed for that purpose as their respective plenipotentiaries:

The President of the United States of America: The Honorable George S. Vest, Assistant Secretary of State for European Affairs, and

The President of the French Republic: His Excellency François de Laboulaye, Ambassador of France,

who have agreed upon the following provisions.

¹ TIAS 6518, 7270; 19 UST 5280; 23 UST 20.

ARTICLE 1

1. In Article 1, paragraph (1) is replaced by the following:

"(1) The taxes which are the subject of the present Convention are:

(a) In the case of the United States, the Federal income taxes imposed by the Internal Revenue Code and the excise tax on insurance premiums paid to foreign insurers. The excise tax imposed on insurance premiums paid to foreign insurers, however, is covered only to the extent that the foreign insurer does not reinsurance such risks with a person not entitled to exemption from such tax under this or another convention.

(b) In the case of France:

- (i) the income tax, the corporation tax, including any withholding tax, prepayment (*précompte*) or advance payment with respect to the aforesaid taxes; and
- (ii) the tax on Stock Exchange transactions."

2. Article 2 is amended as follows:

(1) Subparagraph (1)(a) of Article 2 is replaced by:

"(a) The term 'United States' means the United States of America and, when used in a geographical sense, includes the States thereof and the District of Columbia. Such term also includes any area outside the States and the District of Columbia which is, in accordance with international law, an area within which the United States may exercise rights with respect to the natural resources of the seabed and sub-soil.

The term 'France' means the French Republic and, when used in a geographical sense, means the European and Overseas departments of the French Republic. Such term also includes any area outside those departments which is, in accordance with international law, an area within which France may exercise rights with respect to the natural resources of the seabed and sub-soil."

(2) A new subparagraph (1)(e) is added, and the present subparagraph (1)(e) is renumbered (1)(f):

"(e) the term 'international traffic' means any transport by a ship or aircraft, except where such transport is solely between places in the other Contracting State."

3. Article 6 is amended by introducing the following new paragraph (4), the current paragraphs (4) and (5) becoming the new paragraphs (5) and (6):

"(4) A partner shall be considered to have realized income or incurred deductions to the extent of his ratable share of the profits or losses of the partnership. For this purpose, the character of any item of income or deduction accruing to a partner shall be determined as if it were realized or incurred from the same source and in the same manner as realized or incurred by the partnership. A partner will be considered to have realized or incurred a proportionate share of each item of income and deduction of the partnership, except to the extent that his share of the profits depends on the source of the income."

4. Article 7 is replaced by the following article:

"ARTICLE 7

Shipping and Air Transport

- (1) Notwithstanding Articles 6 and 12:
 - (a) Where a resident of the United States derives income from the operation in international traffic of ships or aircraft, or gains from the sale, exchange or other disposition of ships or aircraft used in international traffic by such resident, such income or gains shall be taxable only in the United States.
 - (b) Where a resident of France derives income from the operation in international traffic of ships or aircraft, or gains from the sale, exchange or other disposition of ships or aircraft used in international traffic by such resident, such income or gains shall be taxable only in France.
- (2) The provisions of this Article shall also apply to the proportionate share of income derived by a resident of a Contracting State from participation in a pool, a joint business or an international operating agency. The proportionate share shall be treated as derived directly from the operation in international traffic of ships or aircraft.

- (3) In the case of a corporation, the provisions of paragraphs (1) and (2) shall apply only if more than 50 percent of the capital of such corporation is owned, directly or indirectly:
- (a) by individuals who are residents of the Contracting State in which such corporation is resident or of a State with which the other Contracting State has a convention which exempts such income; or
 - (b) by such Contracting State.
- However, if more than 50 percent in value of the shares of a corporation or of its parent are listed on one or more recognized securities exchanges in a Contracting State, and there is substantial trading activity in those shares on such exchange or exchanges, then the provisions of paragraphs (1) and (2) shall apply if it can be shown that 20 percent or more of the capital of such corporation is owned, directly or indirectly, by individuals and the Contracting State specified in this paragraph.
- (4) For the purposes of this Article, income derived from the operation in international traffic of ships or aircraft includes:
- (a) profits derived from the rental on a full or bareboat basis of ships or aircraft if operated in international traffic by the lessee or if such rental profits are incidental to other profits described in paragraph (1), or
 - (b) profits of a resident of a Contracting State from the use or maintenance of containers (including trailers, barges and related equipment for the transport of containers) used for the transport in international traffic of goods or merchandise if such income is incidental to other profits described in paragraph (1)."

5. Article 10 is amended by adding a new paragraph (9) as follows:

"(9) Notwithstanding the provisions of paragraphs (2) and (3), and subject to the provisions of paragraph (4), interest on any loan of whatever kind granted by a bank shall be exempt in the State in which such interest has its source."

6. Article 14 is amended by adding a new paragraph (4) as follows:

"(4) Article 6, paragraph (4), shall apply by analogy. In no event, however, shall that provision result in France exempting under Article 23 more than 50 percent of the earned income from a partnership accruing to a United States citizen who is a resident of France. The amount of such a partner's income which is not exempt under Article 23 solely by reason of the preceding sentence shall reduce the amount of partnership earned income from sources within France on which France can tax partners who are not residents of France."

7. In Article 15, paragraph (3) shall be amended as follows:

"(3) Remuneration received by an individual for personal services performed aboard ships or aircraft operated by a resident of a Contracting State shall be exempt from tax by the other Contracting State if the income from the operation of the ship or aircraft is exempt from tax in the other Contracting State under Article 7 and such individual is a member of the regular complement of the ship or aircraft."

8. Article 20 is amended to read as follows:

"Article 20

Social Security Payments

Social security payments (whether representing employee or employer contributions or accretions thereto) paid by one of the Contracting States to an individual who is a resident of the other Contracting State or a citizen of the United States shall be taxable only in the former Contracting State."

9. In Article 22, paragraph (4)(a) is amended by adding the following sentence immediately after the first sentence:

"For this purpose the term 'citizen' shall include a former citizen whose loss of citizenship had as one of its principal purposes the avoidance of income tax, but only for a period of 10 years following such loss."

10. Article 23 shall be replaced by the following new article:

"Article 23

Relief from Double Taxation

Double taxation of income shall be avoided in the following manner:

- (1) In the case of the United States: In accordance with the provisions and subject to the limitations of the law of the United States (as it may be amended from time to time without changing the general principle hereof) the United States shall allow to a citizen, resident or corporation of the United States as a credit against its tax specified in paragraph (1)(a) of Article 1 the appropriate amount of income taxes paid to France. Such appropriate amount shall be based upon the amount of French tax paid but shall not exceed that portion of the United States tax which net income from sources within France bears to the entire net income.
- (2) In the case of France:
 - (a) income referred to below derived by a resident of France shall be exempt from the French taxes mentioned in subparagraph (1)(b)(i) of Article 1:
 - (i) income (other than income referred to in paragraph (2)(b) of this Article) which is taxable in the United States under this Convention other than by reason of the citizenship of the taxpayer; and
 - (ii) in the case of an individual who is a citizen of the United States,
 - (a) income dealt with in Articles 14 or 15 to the extent the services are performed in the United States;
 - (b) income which would be exempt from United States tax under Articles 17 or 18 if the recipient were not an individual who is a citizen of the United States;

- (c) income dealt with in paragraph (1) of Article 19, to the extent attributable to services performed while his principal place of employment was in the United States.
- (b) As regards income taxable in the United States under Articles 9, 10, 11 or 12 and income to which paragraph (4)(b) of Article 22 applies, France shall allow to a resident of France a tax credit corresponding to the amount of tax levied by the United States under this Convention other than by reason of citizenship. Such tax credit, not to exceed the amount of French tax levied on such income, shall be allowed against taxes mentioned in subparagraph (1)(b)(i) of Article 1 of the Convention in the bases of which such income is included.
- (c) Notwithstanding the provisions of subparagraphs (a) and (b), French tax may be computed on income chargeable in France by virtue of this Convention at the rate appropriate to the total of the income chargeable in accordance with French law.
- (3) In the case of an individual who is both a resident of France and a citizen of the United States:
- (a) the amount of the tax credit referred to in subparagraph (b) of paragraph (2) shall be equal to the amount of tax which the United States would be entitled to levy in respect of the item of income if the individual deriving the income were not a citizen of the United States, but shall not exceed the amount of French tax levied on such item of income;
- (b) the United States, in determining the amount of credit allowable for foreign taxes, shall consider as income from sources within the United States only that portion of each item of income referred to in subparagraph (b) of paragraph (2) which is equal to the ratio of $\frac{X}{Y}$ where:
- (i) X is the rate of tax which the United States would be entitled to levy if the individual deriving the income were not a citizen of the United States, and

(ii) Y is the effective rate of tax (before reduction by investment tax credit or foreign tax credit) which the United States levies for the year on the individual's gross income.

The proportion of each item of income which is not considered as from sources within the United States under this subparagraph shall be considered as from sources within France. The provision of this subparagraph shall apply only to the extent that an item of income is included in gross income for purposes of determining French tax.

(c) If for any taxable year a partnership of which an individual member is both a resident of France and a citizen of the United States so elects, for United States tax purposes,

(i) any income which solely by reason of paragraph (4) of Article 14 is not exempt from French tax under this Article shall be considered income from sources within France; and

(ii) the amount of income to which subparagraph (i) applies shall reduce (but not below zero) the amount of partnership earned income from sources outside the United States which would otherwise be allocated to partners who are not residents of France. For this purpose the reduction shall apply first to income from sources within France and then to other income from sources outside the United States.

This provision shall not result in a reduction of United States tax below that which the taxpayer would have incurred without the benefit of deductions or exclusions available solely by reason of his presence or residence outside the United States.

(4) A resident of a Contracting State who maintains one or several abodes in the territory of the other Contracting State shall not be subject in that other State to an income tax according to an "imputed" income based on the rental value of that or other abodes."

ARTICLE 2

This Protocol shall be ratified and instruments of ratification shall be exchanged at Paris. It shall enter into force one month after the date of exchange of the instruments of ratification.

Its provisions shall for the first time have effect with respect to taxable years beginning on or after January 1, 1979.

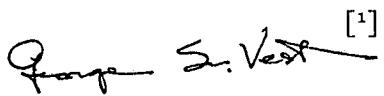
ARTICLE 3

This Protocol shall remain in force as long as the Convention between the United States of America and the French Republic with respect to taxes on income and property of July 28, 1967, as amended by the Protocol of October 12, 1970, shall remain in force.

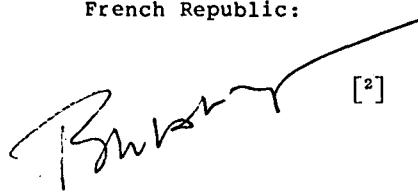
IN WITNESS WHEREOF, the respective plenipotentiaries have signed the present Protocol and affixed thereto their seals.

DONE at Washington in duplicate, in the English and French languages, both texts being equally authoritative, this 24th day of November, 1978.

For the President of the
United States of America:

 [1]

For the President of the
French Republic:

 [2]

¹ George S. Vest.

² François de Laboulaye.

Le Président des Etats-Unis d'Amérique
et
le Président de la République française,
désireux de modifier la Convention entre les Etats-Unis d'Amérique
et la République française en matière d'impôts sur le revenu et la
fortune du 28 juillet 1967, modifiée par l'avenant du 12 octobre 1970,
sont désigné à cette fin comme leurs plénipotentiaires respectifs:

Le Président des Etats-Unis d'Amérique: The Honorable George S. Vest,
Assistant Secretary of State for European Affairs
Le Président de la République française: François de Laboulaye,
Ambassadeur aux Etats-Unis d'Amérique
lesquels sont convenus des dispositions suivantes:

ARTICLE 1

1. Le paragraphe 1 de l'article 1 est remplacé par le
paragraphe suivant:

"(1) Les impôts qui font l'objet de la présente
Convention sont les suivants:

- a) Pour les Etats-Unis, les impôts fédéraux sur le
revenu prévus par l'Internal Revenue Code et le
droit d'accise sur les primes d'assurances payées
à des assureurs étrangers. Toutefois, le droit
d'accise perçu sur les primes d'assurances payées
à des assureurs étrangers n'entre dans le champ
d'application de la présente Convention que dans
la mesure où l'assureur étranger ne réassure pas
les risques en question avec une personne qui ne
peut prétendre être exonérée d'un tel droit en
vertu des dispositions de cette ou de toute autre
Convention.

b) Pour la France :

- (i) l'impôt sur le revenu, l'impôt sur les sociétés, y compris toute retenue à la source, tout précompte ou tout versement anticipé afférents aux impôts visés ci-dessus, et
- (ii) l'impôt sur les opérations de bourse".

2. L'article 2 est modifié de la manière suivante :

"(1) L'alinéa a) du paragraphe 1 de l'Article 2 est remplacé par l'alinéa suivant :

a) L'expression "Etats-Unis" désigne les Etats-Unis d'Amérique et comprend, lorsqu'elle est utilisée dans le sens géographique, les Etats membres et le District de Columbia. Cette expression comprend également les zones situées hors des Etats membres et du District de Columbia sur lesquelles, en conformité avec le droit international, les Etats-Unis peuvent exercer les droits relatifs aux ressources naturelles du lit de la mer et du sous-sol marin.

Le terme "France" désigne la République française et comprend, lorsqu'il est utilisé dans le sens géographique, les départements européens et d'outre-mer de la République française. Ce terme comprend également les zones situées hors desdits départements, sur lesquelles, en conformité avec le droit international, la France peut exercer les droits relatifs aux ressources naturelles du lit de la mer et du sous-sol marin.

(2) Un nouvel alinéa e) du paragraphe 1 est ajouté, et l'actuel alinéa e) devient le nouvel alinéa f) :

"e) L'expression "trafic international" désigne tout transport effectué par un navire ou par un aéronef, sauf lorsque ledit transport n'est effectué qu'entre des points situés dans l'autre Etat contractant".

3. L'article 6 est modifié par l'adjonction du nouveau paragraphe (4) suivant, les paragraphes (4) et (5) actuels devenant les paragraphes (5) et (6) nouveaux :

"(4) Un associé sera considéré comme ayant réalisé des revenus ou bénéficié de déductions en proportion de sa quote-part des bénéfices ou des pertes de la société de personnes. Dans ce but, la nature de tout élément de revenu ou de toute déduction attribué à un associé sera déterminée comme s'il avait été réalisé ou obtenu à partir de la même source et de la même manière qu'il a été réalisé ou obtenu par la société de personnes. Un associé sera considéré comme ayant réalisé ou obtenu une part proportionnelle de chaque élément de revenu ou de déduction, réalisé ou obtenu par la société de personnes, sauf dans la mesure où sa part de bénéfices dépend de la source des revenus".

4. L'article 7 est remplacé par l'article suivant :

"ARTICLE 7
NAVIGATION MARITIME ET AERIENNE

1. Nonobstant les articles 6 et 12 :

a) Lorsqu'un résident des Etats-Unis retire des revenus de l'exploitation en trafic international de navires ou d'aéronefs ou des gains provenant de la vente, de l'échange ou de tout autre mode d'aliéna-

tion de navires ou d'aéronefs utilisés par ledit résident en trafic international, ces revenus ou ces gains ne sont imposables qu'aux Etats-Unis.

- b) Lorsqu'un résident de France retire des revenus de l'exploitation en trafic international de navires ou d'aéronefs, ou des gains provenant de la vente, de l'échange ou de tout autre mode d'aliénation de navires ou d'aéronefs utilisés par ledit résident en trafic international, ces revenus ou ces gains ne sont imposables qu'en France.

2. Les dispositions du présent article s'appliquent aussi à la quote-part des revenus qu'un résident d'un Etat contractant tire de sa participation à un groupe, à une exploitation en commun ou à un organisme international d'exploitation. La quote-part du revenu est considérée comme retirée directement de l'exploitation, en trafic international, de navires ou d'aéronefs.

3. Dans le cas d'une société, les dispositions des paragraphes 1) et 2) s'appliquent seulement si plus de 50 pour cent du capital de ladite société sont détenus, directement ou indirectement :

- (a) par des personnes physiques qui sont des résidents de l'Etat contractant dont ladite société est un résident ou d'un Etat avec lequel l'autre Etat contractant a une convention qui exerce un tel revenu ; ou
- (b) par ledit Etat contractant.

Toutefois, si plus de 50 pour cent de la valeur des actions d'une société ou de sa société-mère sont cotés sur une ou plusieurs bourses officielles d'un Etat contractant, et si ces titres, sur

ce ou ces marchés, font l'objet de transactions substantielles, les dispositions des paragraphes 1) et 2) s'appliquent s'il peut être justifié que 20 pour cent ou plus du capital de ladite société sont détenus directement ou indirectement, par les personnes physiques et par l'Etat contractant mentionnés dans le présent paragraphe.

4. Aux fins du présent article, les revenus tirés de l'exploitation en trafic international de navires ou d'aéronefs comprennent :

- (a) les bénéfices tirés de la location à temps ou coque nue de navires ou d'aéronefs s'ils sont exploités en trafic international par le locataire ou si ces bénéfices de location sont accessoires aux autres bénéfices mentionnés au paragraphe 1), ou
- (b) les bénéfices d'un résident d'un Etat contractant provenant de l'utilisation ou de l'entretien de conteneurs (y compris les remorques, péniches et équipements connexes pour le transport des conteneurs) utilisés pour le transport en trafic international de biens ou de marchandises si ces revenus sont accessoires aux autres bénéfices mentionnés au paragraphe 1)".

5. L'article 10 est modifié par l'adjonction du nouveau paragraphe 9 suivant :

(9) "Nonobstant les dispositions des paragraphes 2 et 3, et sous réserve des dispositions du paragraphe 4, les intérêts payés sur des prêts de n'importe quelle nature consentis par un établissement bancaire sont exonérés dans l'Etat où ils ont leur source".

6. L'article 14 est modifié par l'adjonction du nouveau paragraphe 4 suivant :

"(4) L'article 6, paragraphe (4), s'applique par analogie. En aucun cas toutefois, cette

disposition ne pourra se traduire pour la France par l'exonération en vertu de l'article 23 de plus de 50 pour cent des revenus gagnés d'une société de personnes revenant à un citoyen américain qui est un résident de France. Le montant des revenus d'un tel associé, qui n'est pas exonéré en vertu de l'article 23 seulement à raison de la phrase précédente, sera déduit du montant des revenus gagnés de la société de personnes provenant de sources situées en France sur lesquels la France peut imposer les associés qui ne sont pas des résidents de France".

7. Le paragraphe 3 de l'article 15 est modifié comme suit :

"(3) La rémunération qu'une personne physique reçoit pour les services personnels qu'elle rend à bord de navires ou d'aéronefs exploités par un résident d'un Etat contractant est exonérée d'impôt par l'autre Etat contractant si les revenus provenant de l'exploitation du navire ou de l'aéronef sont exonérés d'impôt dans l'autre Etat contractant en vertu de l'article 7 et si ladite personne physique est un membre de l'équipage régulier du navire ou de l'aéronef".

8. L'article 20 est modifié afin de se lire comme suit :

"ARTICLE 20
PRESTATIONS DE SECURITE SOCIALE

Les prestations de sécurité sociale (qu'elles correspondent à la cotisation mise à la charge du salarié ou à la cotisation patronale ou à des augmentations de celles-ci) versées par un Etat contractant à une personne physique qui est

un résident de l'autre Etat contractant, ou un citoyen des Etats-Unis, ne sont imposables que dans le premier Etat contractant".

9. Le paragraphe 4 a) de l'article 22 est complété par l'ajonction, immédiatement après la première phrase, de la phrase suivante :

"A cette fin, le terme "citoyen" comprend tout ancien citoyen dont l'une des raisons principales pour laquelle il a renoncé à sa nationalité (citizenship) a été de se soustraire à l'impôt sur le revenu, mais seulement pendant une période de 10 ans suivant une telle renunciation".

10. L'article 23 est remplacé par le nouvel article suivant :

**"ARTICLE 23
SUPPRESSION DE LA DOUBLE IMPOSITION**

La double imposition des revenus est évitée de la manière suivante :

(1) En ce qui concerne les Etats-Unis :

En conformité avec les dispositions et sous réserve des limites prévues par la législation américaine (telle qu'elle peut être modifiée sans en changer son principe général) les Etats-Unis accordent aux citoyens, résidents ou sociétés des Etats-Unis comme crédit déductible de l'impôt prévu au paragraphe (1) a) de l'article 1, le montant approprié des impôts sur le revenu qu'ils ont acquitté à la France. Ce montant est basé sur l'impôt français qui a été acquitté mais ne peut excéder la fraction de l'impôt des Etats-Unis correspondant au rapport existant entre le revenu

net de source française et le revenu net total.

(2) En ce qui concerne la France :

- a) Les revenus ci-après mentionnés dont bénéfice un résident de France sont exonérés des impôts français mentionnés au paragraphe 1 b) (i) de l'article 1 :
 - (i) les revenus (autres que ceux dont il est traité au paragraphe 2 b) du présent article) qui sont imposables aux Etats-Unis en vertu de la présente Convention pour une raison autre que la nationalité du contribuable ;
et
 - (ii) dans le cas d'une personne qui a la nationalité des Etats-Unis :
 - (a) les revenus dont il est traité aux articles 14 et 15 dans la mesure où les services sont rendus aux Etats-Unis ;
 - (b) les revenus qui seraient exonérés de l'impôt américain en vertu des articles 17 et 18 si le bénéficiaire n'avait pas la nationalité américaine ;
 - (c) les revenus dont il est traité au paragraphe 1 de l'article 19, pour la part qui se rapporte aux services rendus alors que son principal lieu d'emploi se trouvait aux Etats-Unis.
- b) En ce qui concerne les revenus imposables aux Etats-Unis en vertu des articles 9, 10, 11 ou 12, et les revenus auxquels le para-

graphe 4 (b) de l'article 22 s'applique, la France accorde aux résidents de France un crédit d'impôt d'un montant égal à celui de l'impôt prélevé aux Etats-Unis en vertu de la présente Convention pour une raison autre que la nationalité. Ce crédit d'impôt, qui ne peut excéder le montant de l'impôt français prélevé sur ces revenus, est imputable sur les impôts mentionnés à l'alinéa (1) b) (i) de l'article 1 de la présente Convention, dans les bases desquels ces revenus sont compris.

c) Nonobstant les dispositions des alinéas a) et b), l'impôt français est calculé sur les revenus imposables en France en vertu de la présente Convention au taux correspondant au total des revenus imposables selon la législation française.

(3) Dans le cas d'une personne qui est à la fois un résident de France et un citoyen des Etats-Unis :

a) Le montant du crédit d'impôt mentionné à l'alinéa b) du paragraphe 2 est égal au montant de l'impôt que les Etats-Unis seraient en droit de prélever à raison de la nature du revenu si la personne qui bénéficie de ce revenu n'était pas un citoyen des Etats-Unis, mais ne peut excéder le montant de l'impôt français prélevé sur ce revenu.

b) Les Etats-Unis, pour déterminer le montant du crédit pour impôt étranger, considèrent comme revenu de source américaine seulement la part de chaque élément de revenu auquel il est fait référence à l'alinéa b) du paragraphe 2 qui est égal au rapport $\frac{x}{y}$,

dans lequel :

- (i) x est le taux de l'impôt que les Etats-Unis seraient en droit de prélever si la personne bénéficiant du revenu n'avait pas la nationalité américaine, et
- (ii) y est le taux de l'impôt (avant imputation du crédit d'impôt pour investissement ou du crédit pour impôt étranger) que les Etats-Unis prélèvent effectivement sur le revenu brut annuel de ladite personne.

La part de chaque élément du revenu qui n'est pas considérée comme revenu de source américaine en vertu du présent alinéa est considérée comme revenu de source française. La disposition du présent alinéa s'applique seulement dans la mesure où un élément de revenu est compris dans le revenu brut aux fins de détermination de l'impôt français.

- c) Si, pour une année fiscale quelconque, une société de personnes dont un associé personne physique est à la fois un résident de France et un citoyen des Etats-Unis, en fait l'option, pour l'application de l'impôt américain,
 - (i) tout revenu qui n'est pas exonéré de l'impôt français en vertu du présent article seulement à raison du paragraphe 4 de l'article 14, sera considéré comme provenant de source française ;
 - et
 - (ii) le montant des revenus auquel s'applique l'alinéa (i) sera déduit (mais pas en-dessous de zéro) du montant des revenus gagnés de la société de personnes provenant de sources extérieures

aux Etats-Unis qui aurait été autrement attribué aux associés qui ne sont pas résidents de France. Dans ce but, la déduction s'appliquera en premier lieu aux revenus de source française, puis aux autres revenus de sources situées hors des Etats-Unis.

Cette disposition ne pourra aboutir à réduire l'impôt américain à un montant inférieur à celui dont le contribuable aurait été redevable s'il n'avait pas bénéficié des déductions ou des exonérations attachées à sa seule présence ou résidence en dehors des Etats-Unis.

- (4) Un résident d'un Etat contractant qui dispose d'une ou plusieurs résidences sur le territoire de l'autre Etat contractant ne peut être soumis dans cet autre Etat à un impôt sur le revenu selon une base forfaitaire déterminée d'après la valeur locative de cette ou de ces résidences".

ARTICLE 2

Le présent avenant sera ratifié et les instruments de ratification seront échangés à Paris. Il entrera en vigueur un mois après la date de l'échange des instruments de ratification.

Ses dispositions s'appliqueront pour la première fois aux années d'impositions commençant à compter du 1er janvier 1979.

ARTICLE 3

Le présent avenant demeurera en vigueur aussi longtemps que la Convention entre la République

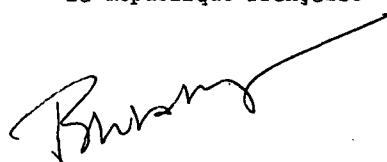
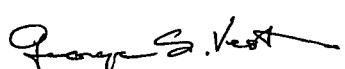
française et les Etats-Unis d'Amérique en matière d'impôts sur le revenu et la fortune du 28 juillet 1967, modifiée par l'avenant du 12 octobre 1970, demeurera en vigueur.

En foi de quoi, les plénipotentiaires des deux Etats ont signé le présent avenant et y ont apposé leurs sceaux.

Fait à Washington , en deux exemplaires en langues anglaise et française, les deux textes faisant également foi, le vendredi 24 novembre 1978.

Pour le Président des
Etats-Unis d'Amérique

Pour le Président de
la République française



[EXCHANGE OF NOTES]

DEPARTMENT OF STATE
WASHINGTON

Washington, November 24, 1978

Excellency:

In connection with the Protocol signed today, I should like to state our understanding with respect to two important unresolved issues and certain other matters concerning the application of the Protocol.

1. The United States takes the position that the tax credit (avoir fiscal) available to French investors in French corporations should extend on a nondiscriminatory basis to United States investors in French corporations. Under the terms of the Protocol signed in 1970 to the income tax convention between our two countries, the avoir fiscal is extended to United States portfolio investors. But in the absence of a similar extension to United States direct investors, the United States Government considers that the French tax credit system discriminates against investments made in France through the intermediary of a United States parent corporation, as compared to investments made by a French parent corporation.

We recognize the revenue concerns of France with respect to this issue and are prepared to accept, in the case of dividends from French subsidiaries to United States parent corporations, one half of the credit available to French shareholders less the 5 percent withholding tax at source allowed by the treaty (Article 9).

We are very concerned that the Government of France is not able to agree at this time to extend one half of the avoir fiscal to United States direct investors. We have agreed to conclude the Protocol without such a provision only because the change in French tax law which takes effect January 1, 1979 would otherwise subject United States citizens residing in France to double taxation, and we do not want them to be so penalized. We appreciate, however, that the Government of France will continue considering this issue and agrees to reopen discussions on the subject of the avoir fiscal as soon as feasible, and in any event if the credit is extended in full or in part to direct investors of other countries.

His Excellency
Francois de Laboulaye
Ambassador of France

2. It is the position of the Government of France that the so-called "unitary apportionment" method used by certain states of the United States to allocate income to the United States offices or subsidiaries of French corporations, results in inequitable taxation and imposes excessive administrative burdens on French corporations doing business in those states. Under that method the profit of a French company on its United States business is not determined on the basis of arm's length relations but is derived from a formula taking account of the income of the French company and its worldwide subsidiaries as well as the assets, payroll, and sales of all such companies.

For a French multinational corporation with many subsidiaries in different countries to have to submit its books and records for all of these corporations to a United States state, in English, imposes a costly burden.

It is understood that the Senate of the United States has not consented to any limitation on the taxing jurisdiction of the states by treaty and that a provision which would have restricted the use of unitary apportionment in the case of United Kingdom corporations was recently rejected by the Senate. The Government of France continues to be concerned about this issue as it affects French multinationals. If an acceptable provision on this subject can be devised, the United States agrees to reopen discussions with France on this subject.

3. The Explanatory Note issued by the French and American Governments will cease to have effect for periods to which this Protocol applies. With respect to the taxation of American residents in France under this Convention, the two governments have agreed that:

a. Contributions to pension, profit-sharing, and other retirement plans which qualify under the United States Internal Revenue Code will not be considered income to an employee and will be deductible from the income of a self-employed individual, to the extent that such contributions are required by the terms of the plan and are comparable to similar French arrangements;

b. Payments received by the beneficiary in respect of the plans referred to in (a) will be included in income for French tax purposes, to the extent not exempt under subparagraph (2)(a)(ii)(c) of Article 23 of the Convention, at the time when, and to the extent that, such payments are considered gross income under the Internal Revenue Code;

c. Benefits received by reason of exercise of stock options will be considered compensation for French tax purposes at the time and to the extent the exercise of the option or disposition of stock gives rise to ordinary income for United States tax purposes;

d. United States state and local income taxes imposed in respect of income from personal services and any other business income (except income which is exempt from French tax under the Convention) shall be allowed as business expenses;

e. The French Government will attempt to reach a reasonable solution with American residents of France regarding the taxation of employer-provided benefits which are not considered income by the United States;

f. In applying the provisions of French law referred to by paragraph 2(c) of Article 23, the French Government clarified how the exemption with progression provision applies. The tax due is that proportion of the tax on total income which taxable (non-exempt) income bears to total (exempt plus taxable) income. For example, if a taxpayer has a total income of \$20,000 of which by reason of this Convention only \$12,000 is taxable by France, the French tax will be 60 percent ($12,000/20,000$) of the tax computed on a total income of \$20,000.

If this is in accord with your understanding, I would appreciate a confirmation from you to this effect.

Accept, Excellency, the renewed assurances of my highest consideration.



Ambassade de France

aux Etats-Unis

Washington, le 24 novembre 1978

Monsieur le Ministre,

J'ai l'honneur d'accuser réception de votre lettre du 24 novembre 1978, dont le texte suit :

" En relation avec l'avenant signé ce jour, j'aime-
"rais que nous fassions état de notre interprétation tant
"en ce qui concerne les deux problèmes importants qui sont
"restés sans solution que certaines autres questions concer-
"nant l'application dudit avenant.

" 1. Les Etats-Unis considèrent que l'avoir fiscal
"dont bénéficient les investisseurs français dans les sociétés
"françaises devrait, dans un but de non-discrimination, être
"étendu aux investisseurs américains dans des sociétés
"françaises. Certes aux termes de l'avenant de 1970 à la
"convention fiscale franco-américaine en matière d'impôt sur
"le revenu, le bénéfice de l'avoir fiscal est étendu aux
"investisseurs américains de placements. Mais, en l'absence
"d'une telle extension aux investisseurs directs américains,
"le Gouvernement des Etats-Unis considère que le système
"français de l'avoir fiscal est discriminatoire vis-à-vis
"des investissements réalisés en France par l'intermédiaire
"d'une société-mère américaine, par rapport aux investisse-
"ments effectués par une société-mère française.

Son Excellence
George S. VEST
Secrétaire d'Etat adjoint
pour les Affaires européennes

" Nous sommes conscients des problèmes budgétaires "que représente pour la France cette question et nous sommes "disposés à accepter, dans le cas de dividendes versés par "des filiales françaises à des sociétés-mères américaines, "la moitié de l'avoir fiscal dont bénéficient les action- "naires français après perception de la retenue à la source "de 5 % prévue par la convention (article 9).

" Nous regrettons que le Gouvernement français ne "puisse pas accepter, à l'occasion de cette négociation, "d'étendre le bénéfice de la moitié de l'avoir fiscal aux "investisseurs directs américains. Nous avons accepté de "conclure cet avenant en l'absence d'une telle disposition "seulement parce que les modifications apportées à la "législation fiscale française qui prendront effet à partir "du 1er janvier 1979 auraient eu pour résultat de soumettre "à une double imposition les Américains résidant en France "et nous ne voulons pas qu'ils soient ainsi pénalisés. Toute- "fois, nous prenons note de ce que le Gouvernement français "continuera à étudier ce problème et de ce qu'il accepte de "reprendre les négociations sur ce sujet dès que possible et, "en tout état de cause si l'avoir fiscal est accordé en "totalité ou en partie aux investisseurs directs d'autres "pays.

" 2. Le Gouvernement français considère que la "méthode dite "de répartition unitaire" (unitary "apportionment) qui est utilisée par certains Etats membres "des Etats-Unis pour attribuer des revenus aux bureaux et "aux filiales américaines de sociétés françaises, se traduit "par une imposition inéquitable et fait peser des charges "administratives excessives sur les sociétés françaises qui "exercent leur activité dans ledits Etats. Selon cette "méthode, le bénéfice réalisé par une société française à "l'occasion de l'exercice d'une activité aux Etats-Unis n'est "pas déterminé sur la base du principe des relations de "pleine concurrence mais est calculé à partir d'une formule "prenant en compte non seulement les revenus de la société "française et ses filiales situées dans le monde entier mais "encore les biens, les salaires et les ventes de l'ensemble "de ces sociétés.

" Une société multinationale française ayant de
"nombreuses filiales situées dans plusieurs pays subit des
"dépenses onéreuses en raison de l'obligation d'avoir à
"fournir en anglais à un Etat américain les livres de
"compte et les registres de l'ensemble de ces sociétés.

" Il est entendu que le Sénat des Etats-Unis n'a
"pas accepté qu'une quelconque limitation soit apportée
"par une convention à la compétence fiscale des Etats et
"qu'une disposition qui était destinée à limiter l'usage
"de la méthode de répartition unitaire (unitary apportionment)
"dans le cas des sociétés du Royaume-Uni a été récemment
"rejetée par le Sénat. Le Gouvernement français continue
"d'être concerné par ce problème dans la mesure où il
"affecte des sociétés multinationales françaises. Si une
"disposition acceptable sur ce point pouvait être trouvée,
"les Etats-Unis accepteraient de reprendre les négociations
"avec la France sur ce sujet.

" 3. La note explicative publiée par le Gouvernement
"français et par le Gouvernement des Etats-Unis cessera de
"produire ses effets pour les périodes auxquelles s'applique
"l'avenant. En ce qui concerne l'imposition des Américains
"résidents de France en vertu de la présente convention, les
"deux gouvernements sont convenus que :

" a) les contributions à des programmes de pensions,
"de partage de bénéfices, ou d'autres fonds de retraites,
"qui répondent aux conditions fixées par le Code des Impôts
"des Etats-Unis ne seront pas considérées comme un revenu
"du salarié et seront déductibles des revenus des personnes
"physiques indépendantes, dans la mesure où de telles
"contributions sont exigées par les termes mêmes de ces
"programmes et sont comparables à celles qui figurent dans
"des programmes français similaires ;

" b) les paiements reçus par le bénéficiaire en
"vertu des programmes visés à l'alinéa a) seront compris
"dans ses revenus pour l'application de l'impôt français,
"dans la mesure où ils ne sont pas exonérés en vertu de
"l'alinéa (2) a) (ii) (c) de l'article 23 de la convention,
"lorsque et pour autant que de tels paiements sont considérés
"comme des revenus bruts au regard du Code des Impôts
"américain ;

" c) les avantages obtenus par suite de la levée
" d'une option d'achat d'actions seront considérés comme une
" rémunération pour l'application de l'impôt français
" lorsque et pour autant que la levée de l'option ou
" l'aliénation des actions donnent naissance à un revenu
" ordinaire pour l'application de l'impôt américain ;

" d) les impôts américains sur le revenu perçus par
" les Etats et par les collectivités locales à raison des
" revenus afférents à des services personnels et de tout
" revenu industriel et commercial (à l'exception des revenus
" exonérés de l'impôt français en vertu de la convention)
" constituent une dépense professionnelle ;

" e) le Gouvernement français s'efforcera de trouver
" avec les Américains résidents de France une solution
" raisonnable pour l'imposition des avantages fournis par
" l'employeur et qui ne sont pas considérés comme des
" revenus par les Etats-Unis ;

" f) pour l'application des dispositions de la loi
" française visée au paragraphe 2 (c) de l'article 23, le
" Gouvernement français a précisé de quelle manière s'appliquait
" la disposition relative à l'exonération avec progressivité.
" L'impôt dû est égal à la proportion de l'impôt sur le
" revenu total qui est obtenue en faisant le rapport entre
" le revenu imposable (non exonéré) et le revenu total (revenu
" exonéré plus revenu imposable). Par exemple, si un contribua-
" ble a un revenu total de \$ 20.000 dont , en vertu de la
" présente Convention, seulement 12.000 \$ sont imposables en
" France, l'impôt français sera égal à 60 pour cent
" (12.000/20.000) de l'impôt correspondant à un revenu global
" de \$ 20.000.

" Si les dispositions qui précèdent correspondent
" à votre interprétation, j'aimerais recevoir une confirmation
" de votre part à cet effet.

J'ai l'honneur de vous confirmer que les dispositions
qui précèdent correspondent bien au point de vue du Gouvernement
français et recueillent son accord ./.

Veuillez agréer, Monsieur le Ministre, l'assurance
de ma très haute considération.



François de LABOULAYE

TRANSLATION

Embassy of France
in the United States

Washington, November 24, 1978

Excellency:

I have the honor to acknowledge receipt of your note of November 24, 1978, which reads as follows:

In connection with the Protocol signed today, I should like for us to state our understanding with respect to two important unresolved issues and certain other matters concerning the application of the Protocol.

1. The United States considers that the tax credit (avoir fiscal) available to French investors in French corporations should extend on a non-discriminatory basis to United States investors in French corporations. Under the terms of the Protocol signed in 1970 to the income tax convention between our two countries, the avoir fiscal is extended to United States portfolio investors. But in the absence of a similar extension to United States direct investors, the United States Government considers that the French tax credit system discriminates against

His Excellency
George S. Vest,
Assistant Secretary of State
for European Affairs.

TIAS 9500

investments made in France through a United States parent corporation, as compared to investments made by a French parent corporation.

We recognize the revenue concerns of France with respect to this issue and are prepared to accept, in the case of dividends paid by French subsidiaries to United States parent corporations, one-half of the avoir fiscal available to French shareholders after collection of the 5 percent withholding tax at source allowed by the Convention (Article 9).

We regret that the Government of France is not able to agree at this time to extend one-half of the avoir fiscal to United States direct investors. We have agreed to conclude the Protocol without such a provision only because the changes in French tax law which will take effect January 1, 1979 would otherwise subject United States citizens residing in France to double taxation, and we do not want them to be so penalized. We note, however, that the Government of France will continue considering this issue and that it agrees to reopen discussions on this subject as soon as possible, and, in any event if the avoir fiscal is extended in full or in part to direct investors of other countries.

2. The Government of France considers that the so-called "unitary apportionment" method used by certain states of the United States to allocate income to the United States offices or subsidiaries of French

corporations results in inequitable taxation and imposes excessive administrative burdens on French corporations doing business in those states. Under that method the profit of a French company on its United States business is not determined on the basis of arm's-length relations but is derived from a formula taking into account not only the income of the French company and its worldwide subsidiaries but also the assets, payroll, and sales of all such companies.

For a French multinational corporation with many subsidiaries in different countries to have to submit its books and records for all of these corporations to a United States state, in English, imposes a costly burden.

It is understood that the Senate of the United States has not consented to any limitation on the taxing jurisdiction of the states by treaty and that a provision which would have restricted the use of unitary apportionment in the case of United Kingdom corporations was recently rejected by the Senate. The Government of France continues to be concerned about this issue as it affects French multinationals. If an acceptable provision on this subject could be devised, the United States would agree to reopen discussions with France on this subject.

3. The explanatory note issued by the French and American Governments will cease to have effect for periods to which this Protocol

applies. With respect to the taxation of American residents in France under this Convention, the two governments have agreed that:

- a. Contributions to pension, profit-sharing, and other retirement plans which qualify under the United States Internal Revenue Code will not be considered income to an employee, and will be deductible from the income of a self-employed individual, to the extent that such contributions are required by the terms of the plan and are comparable to similar French arrangements;
- b. Payments received by the beneficiary under the plans referred to in (a) will be included in income for French tax purposes, to the extent that they are not exempt under subparagraph (2) (a) (ii) (c) of Article 23 of the Convention, when and to the extent that such payments are considered gross income under the United States Internal Revenue Code;
- c. Benefits received by reason of exercise of stock options will be considered compensation for French tax purposes when and to the extent that the exercise of the option or disposition of stock gives rise to ordinary income for United States tax purposes;
- d. United States state and local income taxes imposed in respect of income from personal services and any other business income (except income which is exempt from French tax under the Convention) shall constitute

a business expense;

e. The French Government will attempt to reach a reasonable solution with American residents of France regarding the taxation of employer-provided benefits which are not considered income by the United States;

f. In applying the provisions of French law referred to in paragraph 2(c) of Article 23, the French Government specified how the provision concerning exemption with progression applies.

The tax due is that proportion of the tax on total income which taxable (non-exempt) income bears to total (exempt plus taxable) income.

For example, if a taxpayer has a total income of \$20,000, of which, by reason of this Convention, only \$12,000 is taxable in France, the French tax will be 60 percent ($12,000/20,000$) of the tax for a total income of \$20,000.

If this is in accord with your understanding, I should appreciate a confirmation from you to this effect.

I have the honor to confirm that the foregoing provisions are indeed in accord with the view of the French Government and are approved by it.

Accept, Excellency, the assurance of my very high consideration.

Francois de Laboulaye

François de Laboulaye

INDONESIA

Sederhana Irrigation and Land Development: Grant

*Agreement signed at Jakarta August 31, 1978:
Entered into force August 31, 1978.*

Project No. 497-0252

PROJECT
GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF INDONESIA
and the
UNITED STATES OF AMERICA
for
SEDERHANA (SIMPLE) IRRIGATION
AND
LAND DEVELOPMENT PROJECT II

Dated: AUGUST 31, 1978

A.I.D. Project No. 497-0252

Project Grant AgreementTable of Contents

	<i>Page</i>	<i>[Pages herein]</i>
ARTICLE 1: The Agreement	1	5146
ARTICLE 2: The Project	1	5146
Section 2.1 Definition of Project	1	5146
ARTICLE 3: Financing	2	5146
Section 3.1 The Grant	2	5146
Section 3.2 Grantee Resources for the Project	2	5146
Section 3.3 Project Assistance Completion Date	3	5147
ARTICLE 4: Conditions Precedent to Disbursement	4	5147
Section 4.1 First Disbursement	4	5147
Section 4.2 Disbursement for Training	4	5147
Section 4.3 Notification	5	5148
Section 4.4 Terminal Dates for Conditions Precedent	5	5148
ARTICLE 5: Special Covenants	5	5148
Section 5.1 Project Evaluation	5	5148
Section 5.2 Training	6	5148
ARTICLE 6: Procurement Source	6	5148
Section 6.1. Foreign Exchange Costs	6	5148
Section 6.2. Local Currency Costs	6	5148
ARTICLE 7: Disbursement	7	5148
Section 7.1 Disbursement for Foreign Exchange Costs	7	5148
Section 7.2 Disbursement for Local Currency Costs	8	5149
Section 7.3 Other Forms of Disbursement	8	5149
Section 7.4 Rate of Exchange	8	5149
ARTICLE 8: Miscellaneous	9	5149
Section 8.1. Communications	9	5149
Section 8.2. Representatives	9	5150
Section 8.3. Standard Provisions Annex ^[1]	10	5150
Amplified Description of Sederhana (Simple) Irrigation and Land Development Project II		<i>Annex 1</i>

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 497-0252

**PROJECT GRANT AGREEMENT DATED: AUGUST 31, 1978
BETWEEN GOVERNMENT OF INDONESIA 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 financing the foreign exchange and local currency costs of consultant services and training for Grantee's simple irrigation program. Such services are designed to assist the Grantee in planning and implementing Sederhana (Simple) irrigation systems including both the physical systems and the social infrastructure which are essential for adequate operation and maintenance of the systems.

Annex 1, attached which forms a part of this Agreement 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 8.3, without formal amendment of this agreement.

ARTICLE 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs (consultant services and training) of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [¹] agrees to grant the Grantee under the terms of this Agreement not to exceed four million five hundred thousand United States ("U.S.") dollars (\$4,500,000) ("Grant").

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

SECTION 3.2. Grantee Resources for the Project

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

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

The Government of Indonesia agrees that its contributions will be provided on a timely basis.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of twelve million two hundred thousand United States dollars (\$12,200,000) including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1983 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 offices 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) A time schedule for the evaluation program referred to in section 5.1.

SECTION 4.2. Disbursement for Training. Prior to disbursement under the Grant or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for training costs, the Borrower 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 plan which sets forth the purpose, scope and curricula for the proposed training; and
- (b) A cost estimate for the training.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in sections 4.1 and 4.2 have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Dates for Conditions Precedent

If the conditions specified in section 4.1 have not been met within 90 days from the date of this Agreement or such later date or dates as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to 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 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. Training. The Grantee covenants that all training carried out under the Grant will conform with the training plan submitted by the Grantee pursuant to the provisions of section 4.2.

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 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.

SECTION 6.2. Local Currency Costs. Disbursement 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 Indonesia.

ARTICLE 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs

(a) After satisfaction of the 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 Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs

(a) After satisfaction of the 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) These disbursements may be made by A.I.D. at A.I.D.'s option in local currency acquired by A.I.D. by purchase or from local currency already owned by the U.S. Government.

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. If funds provided under the Grant are introduced into Indonesia 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 Indonesia at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Indonesia.

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:

GRANTEE: Director General, Water Resources Development,
Ministry of Public Works

Jalan Pattimura 20
Kebayoran Baru
Jakarta, Indonesia

Director General of Food Crops,
Ministry of Agriculture
Pasar Minggu
Jakarta, Indonesia

A.I.D.: Mr. Thomas C. Niblock, Director
U.S. Agency for International Development
American Embassy
Jl. Medan Merdeka Selatan No. 5
Jakarta, Indonesia

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of Director General of Water Resources Development, Ministry of Public Works and Director General of Food Crops, Ministry of Agriculture, and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, USAID Mission to Indonesia, 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 instruments signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2)¹ is attached to and forms part of this Agreement.

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

REPUBLIC OF INDONESIA

By: M PANGGABEAN

M. Panggabean
Minister for Foreign Affairs, ad interim

UNITED STATES OF AMERICA

By: THOMAS C. NIBLOCK

Thomas C. Niblock
Director, USAID/Indonesia

¹ See footnote 1, p. 5145.

ANNEX 1

**Amplified Description of the Project
(Same for Loan and Grant Agreement)**

1. Purpose: To assist the Government of Indonesia (GOI) in planning, implementing, and operating and maintaining Sederhana irrigation schemes; in increasing Indonesia's food crops production, particularly rice production; and in increasing the income and employment opportunities in the rural areas of Indonesia.

2. Financing: The Project will be financed from funds provided both by A.I.D. and the Government of Indonesia. A.I.D. will provide in US FY 1978 up to \$14,700,000 in loan funds under A.I.D. Loan No. 497-T-054 and up to \$4,500,000 in grant funds under A.I.D. Grant No. 497-0252. These funds will assist the GOI in carrying out its Sederhana Program for fiscal years 1978/79 and 1979/80. In consideration of A.I.D.'s providing \$19,200,000 in FY 1978 and FY 1979, the GOI agrees to provide not less than \$12,200,000 making total funds available of \$31,400,000 for the Project as described in the detailed Financial Plan (Table I page 8). This plan sets forth the estimated expenditures for the various components of the Project and the estimated implementation targets.

Subject to the availability of funds, an additional \$10,300,000 of loan funds will be made available in US FY 1979 by amendment to this Agreement (still within the GOI FY 78/79). This would increase the loan amount to \$25,000,000 and the grant amount remain the same at \$4,500,000, thus making a total A.I.D. contribution of \$29,500,000. At such time the GOI would provide an additional amount of not less than \$8,500,000 for the Project making a total GOI contribution of \$20,700,000. In such event the total contributions of A.I.D. and the GOI for the Project would be \$50,200,000. This is detailed in Table II, page 9.

Subject to the availability of funds and the Agreement of the Parties, the Loan amount furnished by A.I.D. may be increased in subsequent years by \$91,200,000 up to a total of \$116,200,000 and the Grant amount may be increased by \$8,700,000 up to a total of \$13,200,000. This proposed additional funding of \$99,900,000 is intended to assist the GOI in the design and construction of approximately 120,000 ha. of major works and 110,000 ha. of the complementary tertiary program for Sederhana subprojects during GOI FY 79/80 and 80/81, together with other Sederhana activities. In event of this additional funding by A.I.D., the GOI would provide additional funding of \$75,600,000 making a total GOI contribution for the Project of not less than \$96,300,000. The combined contribution of A.I.D. and the GOI for the Project would then be \$225,700,000 as is detailed in Table III, page 10.

Changes up to 30% may be made to line item amounts shown in the Financial Plans (Tables I and II) for this phase without formal amendment of this Agreement provided that A.I.D. approves any such changes in writing, and that the total A.I.D. contribution is not

increased or the Borrower's agreed contribution for this phase is not decreased below that shown on the applicable plan.

3. Project Duration: Funds from the A.I.D. loan and grant will be available from August 1978 through August 1983 in accordance with Section 3.3 of the Loan Agreement and Section 3.3 of the Grant Agreement. It is anticipated that funds provided in these Agreements will assist in the financing of the Sederhana Program activities in GOI FY 1978/79 and part of OGI FY 1979/80.

4. Targets: The consulting services and training components of the Project will assist in strengthening the capability of the GOI agencies concerned and the local private consulting and construction sectors to design and construct Sederhana irrigation facilities. The consulting services will be aimed primarily at on-the-job training for Indonesian government and local private sector technicians involved in the design and construction of Sederhana irrigation works. These consulting services are anticipated to be funded from the A.I.D. grant as shown in the Financial Plans. Assistance also will be provided to assist in upgrading GOI training facilities as to curriculum, equipment, training materials and training facilities. The consultants, who will assist the GOI in reviewing and recommending improvements in their training programs as well as the training for technicians from the local private sector, may be funded from the A.I.D. Grant. Local private sector training shall be administered by the DGFC and DGWRD. In-country training as well as any training equipment, facilities and/or training materials are expected to be funded in part from the A.I.D. Loan.

Although the GOI had planned to construct irrigation facilities for 60,000 ha. under its Sederhana Program in GOI FY 79/80 with the assistance of funds provided by the A.I.D. Loan, the Loan funds if increased to \$25,000,000 as set forth in Table II, are considered sufficient for construction of irrigation facilities for only 30,000 ha. The Sederhana irrigation facilities to be financed in part by A.I.D. Loan funds may include new irrigation systems, rehabilitation of existing irrigation systems, and/or extension of irrigation systems.

Loan funds will also assist in the design and construction of tertiary canals included in the Complementary Tertiary Program. Loan funding if increased to \$25,000,000 as set forth in Table II, is provided for approximately 35,000 ha. of the 110,000 ha. within Sederhana sub-projects for which tertiary canals are presently needed and which are not included in the GOI's Special Tertiary Program.

Loan and grant funds will be provided to assist the small farmers in the formation of water user associations, for the operation and maintenance (O&M) of tertiary systems, and for training of members and employees of water user associations in O&M. Training in O&M may also be provided to central and local government employees associated with O&M of Sederhana systems. In addition, A.I.D. loan funds may be used to finance clearing, leveling and draining land in preparation of forming paddies or shaping of the land for cultivation.

It is estimated that the farmers will contribute the equivalent of \$2.9 million through their labor for paddy formation and land shaping. All areas for which A.I.D. funds are used for design, construction, water user associations, land clearing, and land leveling, must be included within the GOI's Sederhana Irrigation and Reclamation Program. However, consulting services will also be provided for the Borrower's Special Tertiary Program, approximately a third of which is comprised of Sederhana subprojects.

5. Complementary Activities: The funds being provided by this Loan Agreement and companion Grant Agreement will contribute to meeting the targets described in paragraph 2 above and as shown in the attached Financial Plans. In addition to these activities, the Borrower, with funds other than those being provided by this Loan Agreement and companion Grant Agreement, will carry out the following activities which are an integral part of the Borrower's FY 78/79 Sederhana Program: (a) construct the major works for new Sederhana irrigation systems covering an estimated 30,000 hectares; and (b) upgrade Sederhana irrigation systems serving approximately 90,000 hectares. In addition the Borrower during the next three or four years will construct tertiary irrigation and drainage systems for an estimated 360,000 hectares within existing irrigation systems (Special Tertiary Program). Approximately a third of this 360,000 hectares is within previously constructed Sederhana irrigation systems.

6. Project Management: The Project shall be managed by DGWRD and DGFC unless the GOI, by written notice to A.I.D., requests the transfer of responsibility for element(s) of the Project to another GOI agency. The design and construction of irrigation and drainage facilities down to the tertiary level shall be administered by the Directorate General of Water Resources Development (DGWRD) through the provincial public works, except that the Complementary Tertiary Program may be administered by the DGFC. The agricultural components of on-farm works and land clearing and preparation shall be administered by the DGFC through the provincial agricultural services. Both the DGWRD and DGFC shall coordinate their training programs with their respective training offices. The assistance to water user associations shall be administered by the DGFC who shall coordinate all assistance in this area with Departemen Dalam Negeri (Ministry of Home Affairs) and local government officials. Consulting services shall be provided under the grant and shall be administered by the Department having the primary responsibility for the services contracted. However, if a single contract is used to provide consulting services for both the DGFC and DGWRD, the DGWRD shall be the administrator of such a contract and shall be responsible for coordinating contractual matters with the DGFC.

7. Commodities: Purchase of commodities for activities supported under this loan is authorized. All purchases funded in part or whole under the loan must be mutually agreed upon by the Borrower and A.I.D.

TABLE I
FY 1978/79 Sederhana II Project Financial Plan with A.I.D. funding of US\$ 19.2 million
(millions of US.\$)

	AID Funding				GOI Total	
	Grant		Loan			
	FX	LC	FX	LC		
I. Construction of Major Works (Est. 18,000 ha)	0	0	0	7.0	7.0	
II. Complementary Tertiary Program (Est. 21,000 ha)	0	0	0	3.6	3.6	
III. Water user Associations (Est. 200 P3A)	0	0	0	0.7	0.7	
IV. Land Clearing & Preparations (Est. 10,000 ha)	0	0	0	2.9	2.9	
V. Consulting Services and Evaluation	1.7	0.8	0	0	2.5	
A. DGWRD	1.1	0.5	0	0	1.6	
B. DOA					0	
VI. Training	0.1	0.1	0	0.1	0.3	
A. DGWRD	0.1	0.1	0	0.1	0.3	
B. DOA	0	0	0.3	0	0.3	
VII. Equipment					0	
TOTALS	3.0	1.5	0.3	14.4	19.2	
A.I.D. Grant	\$4.5 million		Foreign Exchange Costs			
A.I.D. Loan	\$14.7 million		Local Currency Costs			
Total	\$19.2 million					

Notes: FX—Foreign Exchange Costs
LC—Local Currency Costs

TABLE II
FY 1978/79 Sederhana II Project Financial Plan with A.I.D. funding of US\$ 29.5 million
(millions of US\$)

	AID Funding				GOI	Total		
	Grant		Loan					
	FX	LC	FX	LC				
I. Construction of Irrigation Works (Est. 30,000 ha)	0	0	0	11.9	11.9	23.8		
II. Complementary Tertiary Program (Est. 35,000 ha)	0	0	0	6.2	6.2	8.3		
III. Water User Associations (Est. 400 P3A)	0	0	0	1.2	1.2	2.4		
IV. Land Clearing and Preparation (Est. 20,000 ha)	0	0	0	4.9	4.9	9.8		
V. Consulting Services and Evaluation								
A. DGWRD	1.7	0.8	0	0	2.5	0		
B. DOA	1.1	0.5	0	0	1.6	0		
VI. Training								
A. DGWRD	0.1	0.1	0	0.2	0.4	0.3		
B. DOA	0.1	0.1	0	0.2	0.4	0.3		
VII. Equipment	0	0	0.4	0	0.4	0.4		
TOTALS	3.0	1.5	0.4	24.6	29.5	50.2		

Notes: FX—Foreign Exchange Costs
LC—Local Currency Costs

A.I.D. Grant \$4.5 million
A.I.D. Loan \$25.0 million
Total \$29.5 million

TIAS 9501

TABLE III
FY 1978/79, 79/80 and 80/81 Sederhana II Project Financial Plan
(millions of US\$)

	AID Funding				GOI Total	
	Grant		Loan			
	FX	LC	FX	LC		
I. Construction of Irrigation Works (Est. 120,000 ha)	0	0	0	43.4	43.4	
II. Complementary Tertiary Program (Est. 110,000 ha)	0	0	0	23.7	8.0	
III. Water User Associations (Est. 950 P3A)	0	0	0	2.8	2.7	
IV. Land Clearing & Preparing (Est. 100,000 ha)	0	0	0	20.9	20.9	
V. Consulting Service and Evaluation						
A. DGWRD	4.9	2.3	0	0	7.2	
B. DOA	2.2	1.0	0	0	3.2	
VI. Training						
A. DGWRD	0.2	0.1	0	1.1	1.4	
B. DOA	0.2	0.1	0	1.1	1.1	
VII. Equipment Inflation and Contingency	1.5	0.7	0.1	22.7	25.0	
TOTALS	9.0	4.2	0.5	115.7	129.4	
A.I.D. Grant	\$13,200,000				96.3	
A.I.D. Loan	\$116,200,000					
Total	\$129,400,000				225.7	

Notes: FX—Foreign Exchange Costs
LC—Local Currency Costs

NICARAGUA
Rural Education Development

*Agreement signed at Managua August 30, 1978;
Entered into force August 30, 1978.*

**CONVENIO DE PRESTAMO DEL PROYECTO
PROJECT LOAN AGREEMENT**

**DESARROLLO DE EDUCACION RURAL
RURAL EDUCATION DEVELOPMENT**

**Préstamo de A.I.D. No. 524-V-033
A.I.D. Loan No. 524-V-033**

CONVENIO DE PRESTAMO
PROJECT LOAN AGREEMENT

CONTENIDO

TABLE OF CONTENTS		[Pages herein]
ARTICULO 1: El Convenio	1 ARTICLE 1: The Agreement	5162
ARTICULO 2: El Proyecto Sección 2.1. Definición del Proyecto	1 ARTICLE 2: The Project Section 2.1. Definition of Project	5162
ARTICULO 3: Financiamiento. Sección 3.1. El Préstamo Sección 3.2. Recursos del Prestatario para el Proyecto Sección 3.3. Fecha Final para Completar el Proyecto	2 ARTICLE 3: Financing Section 3.1. The Loan Section 3.2. Borrower Resources for the Project. Section 3.3. Project Assistance Completion Date.	5163
ARTICULO 4: Términos del Préstamo Sección 4.1. Intereses Sección 4.2. Amortización Sección 4.3. Aplicación, Maneda y Lugar de Pago Sección 4.4. Pagos Anticipados Sección 4.5. Renegociación de Términos Sección 4.6. Terminación por Pago Total	4 ARTICLE 4: Loan Terms Section 4.1. Interest Section 4.2. Repayment Section 4.3. Application, Currency and Place of Payment Section 4.4. Prepayment Section 4.5. Renegotiation of Terms Section 4.6. Termination Upon Full Payment	5165
ARTICLE 5: Condiciones Previas al Desembolso Sección 5.1. Primer Desembolso Sección 5.2. Condiciones Previas al Desembolso Con la Excepción de Servicios de Consulta o Entrenamiento Sección 5.3. Condición Previa al Desembolso para Cada Componente del Proyecto Sección 5.4. Condición Previa al Desembolso Despues del 30 de Septiembre de 1979	ARTICLE 5: Conditions Precedent to Disbursement Section 5.1. First Disbursement Section 5.2. Conditions Precedent to Disbursement Except for Consulting Services or Training. Section 5.3. Condition Precedent to Disbursements for Each Project Component. Section 5.3. Condition Precedent to Disbursement After September 30, 1979.	5168
		5169

(Pages
herein)

Sección 5.5 Condición Previa al Desembolso para el Componente de los Sistemas de Servicios de Educación Rural (Componente Cinco)	9	Section 5.5 Condition Precedent to Disbursement for Rural Education Delivery Systems Component (Component Five)	5170
Sección 5.6 Condiciones Previas a Desembolsos Despues del 30 de Septiembre de 1980	9	Section 5.6 Conditions Precedent to Disbursement After September 30, 1980	5170
Sección 5.7 Condición Previa al Desembolso Despues del 30 de Junio de 1981	10	Section 5.7 Condition Precedent to Disbursement After June 30, 1981	5171
Sección 5.8. Condición Previa al Desembolso después del 31 de Enero durante cada Año del Proyecto	10	Section 5.8. Condition Precedent to Disbursement After January 31, During each Year of the Project	5171
Sección 5.9. Notificación	11	Section 5.9. Notification	5172
Sección 5.10 Fechas Finales para Satisfacer las Condiciones Previas	11	Section 5.10. Terminal Dates for Conditions Precedent	5172
ARTICULO 6: Estipulaciones Especiales		ARTICLE 6: Special Covenants	
Sección 6.1. Evaluación del Proyecto	11.	Section 6.1. Project Evaluation	5172
ARTICULO 7: Fuente para Adquisiciones		ARTICLE 7: Procurement Source	
Sección 7.1. Costos en Moneda Extranjera	12	Section 7.1. Foreign Exchange Costs	5173
Sección 7.2. Costos en Moneda Local	12	Section 7.2. Local Currency Costs	5173
Sección 7.2. Local Currency Costs	13	Section 7.2. Local Currency Costs	5174
ARTICULO 8: Desembolsos		ARTICLE 8: Disbursements	
Sección 8.1. Desembolsos para Costos en Moneda Extranjera	13	Section 8.1. Disbursements for Foreign Exchange Costs	5174
Sección 8.2 Desembolsos para Costos en Moneda Local	14	Section 8.1. Disbursements for Local Currency Costs	5175

		[Pages herein]	
Sección 8.3. Otras Formas de Desembolso	15	Sección 8.3. Other Forms of Disbursement	5176
Sección 8.4. Tipo de Cambio	15	Section 8.4. Rate of Exchange	5176
Sección 8.5. Fecha de Desembolso	15	Section 8.5. Date of Disbursement	5176
 ARTICULO 9: Varios	 16	ARTICLE 9: Miscellaneous	 5177
Sección 9.1. Aprobación del Proyecto de Inversiones Garantizados	16	Section 9.1. Investment Guaranty Project Approval	5177
Sección 9.2. Comunicaciones	16	Section 9.2. Communications	5177
Sección 9.3. Representantes	17	Section 9.3. Representatives	5178
Sección 9.4. Anexo de Disposiciones Generales	18	Section 9.4. Standard Provisions Annex [¹]	5179
Sección 9.5. Idioma Predominante	18	Section 9.5. Language of Agreement	5179

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

Proyecto de la A.I.D. No. 524-0115
 Préstamo de la A.I.D. No. 524-V-033

A.I.D. Project No. 524-0115
 A.I.D. Loan No. 524-V-033

CONVENIO DE PRESTAMO
 DEL PROYECTO

Fechado: AUG 30 1978

Entre
 El Gobierno de la República de
 Nicaragua ("Prestatario")

Y
 Los Estados Unidos de América
 por intermedio de la Agencia
 para el Desarrollo Internacional
 ("A.I.D.")

ARTICULO 1: El Convenio.

El propósito de este Convenio es el establecer las bases entre las partes arriba mencionadas ("Partes") con respecto a la ejecución por el Prestatario del Proyecto descrito a continuación y con respecto al financiamiento del Proyecto por las Partes.

ARTICULO 2: El Proyecto.

SECCION 2.1. Definición del Proyecto. El Proyecto, el cual se describe más ampliamente en el Anexo 1, consistirá en extender, mejorar e integrar los servicios educacionales proporcionados a dos de las áreas rurales de menores recursos del Prestatario. El Anexo 1, adjunto, amplía la definición anterior del Proyecto.

PROJECT LOAN AGREEMENT

Dated: AUG 30 1978

Between

The Government of the Republic
 of Nicaragua ("Borrower")

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 Borrower 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 the Project. The Project, which is further described in Annex 1, will consist of the extension, improvement and integration of the educational services furnished to two of the Borrower's lowest income rural areas. Annex 1, attached, amplifies the above definition of the Project.

Dentro de los límites de la definición anterior del Proyecto, los elementos de la descripción ampliada expresadas en el Anexo 1, pueden cambiarse mediante convenio escrito entre los representantes autorizados de las Partes mencionadas en la Sección 9.3., sin tener que enmendar formalmente este Convenio.

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 9.3., without formal amendment to this Agreement.

ARTICULO 3: Financiamiento.

SECCION 3.1. El Préstamo. Con el fin de ayudar al Prestatario a cubrir los costos del Proyecto, la A.I.D. dentro de lo previsto por la Alianza para el Progreso y de conformidad con la Ley de Asistencia Extranjera de 1961, tal como fue enmendada, conviene en prestar al Prestatario, bajo las condiciones de este Convenio, una cantidad que no excede Siete Millones Quinientos Mil Dólares de los Estados Unidos ("U.S.") (\$7,500,000) ("Préstamo"). Al monto total de desembolsos bajo el Préstamo se le llama "Principal". El Préstamo puede ser utilizado para financiar costos en Moneda Extranjera, tal como se define en la Sección 7.1. y costos en Moneda Local, tal como se define en la Sección 7.2., de bienes y servicios necesarios para el Proyecto.

SECCION 3.2. Recursos del Prestatario para el Proyecto.

(a) El Prestatario conviene en proporcionar o hará que se proporcionen para el Proyecto, todos los fondos, en adición al Préstamo, y cualquier otro recurso que se requiera para la ejecución del Proyecto en forma efectiva y puntual.

ARTICLE 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended, [¹] agrees to lend the Borrower under the terms of this Agreement, not to exceed Seven Million Five Hundred Thousand United States ("U.S.") dollars (\$7,500,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan may be used to finance foreign exchange costs as defined in Section 7.1., and local currency costs, as defined in Section 7.2., of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

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

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

(b) Las recursos proporcionados por el Prestatario para el Proyecto serán no menores del equivalente de Trece Millones de Dólares de los Estados Unidos (\$13,000,000) incluyendo los costos sufragados "en especie."

SECCION 3.3. Fecha Final para Completar el Proyecto.

(a) La "Fecha Final para Completar el Proyecto" (FFCP), que es el 30 de Septiembre de 1983, o cualquier otra fecha que las Partes convengan por escrito, es la fecha en que las Partes estiman que todos los servicios financiados bajo el Préstamo, habrán sido realizados y todos los bienes financiados bajo el Préstamo habrán sido suministrados para el Proyecto tal como se establece en este Convenio.

(b) A menos que la A.I.D. convenga lo contrario por escrito, la A.I.D. no emitirá ni aprobará documentación que autorice desembolso del Préstamo por servicios realizados después de la FFCP, o por bienes suministrados para el Proyecto tal como se contempla en este Convenio, después de la FFCP.

(c) Las solicitudes para desembolso acompañadas por la documentación de respaldo necesaria prescrita en Cartas de Implementación del Proyecto, deberán ser recibidas por la A.I.D. o por cualquier banco descrito en la Sección 8.1, a más tardar nueve (9) meses después de la FFCP, o en cualquier otra fecha que la A.I.D. convenga por escrito. Después de dicho período, la A.I.D., mediante aviso por escrito al Prestatario, puede

(b) The resources provided by Borrower for the Project, will be not less than the equivalent of U.S. Thirteen Million United States Dollars ("U.S.") (\$13,000,000) including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1983, 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 Loan will have been performed and all goods financed under the Loan 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 Loan 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 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 Borrower, may at any time or times,

en cualquier momento, reducir total o parcialmente el monto del Préstamo para cantidades por las cuales no se han presentado solicitudes de desembolso antes del vencimiento de dicho período acompañadas por la documentación relacionada y necesaria según se especifica en las Cartas de Implementación del Proyecto.

ARTICULO 4: Términos del Préstamo.

SECCION 4.1. Intereses. El Prestatario pagará a la A.I.D. un interés devengado a una tasa del dos por ciento (2%) anual durante diez (10) años contados a partir de la fecha del primer desembolso bajo este Préstamo a razón del tres por ciento (3%) anual de esa fecha en adelante, calculados sobre el saldo no pagado del Principal y sobre cualquier interés vencido y no pagado. El interés sobre el saldo adeudado comenzará desde la fecha de cada desembolso respectivo (tal como se define en la Sección 8.5) y será pagadero semestralmente. El primer pago de interés se vencerá y se pagará en un plazo no mayor de seis (6) meses a partir del primer desembolso bajo este Préstamo en una fecha que será especificada por la A.I.D.

SECCION 4.2. Amortización. El Prestatario pagará a la A.I.D. el Principal dentro de un plazo de veinte (20) años contados a partir de la fecha del primer desembolso del Préstamo, en veintiuna (21) cuotas semestrales aproximadamente iguales de Principal e interés. La primera amortización al Principal será pagadera nueve y medio (9-1/2) años contados a partir de la fecha en que se vence

reduce the amount of the Loan 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: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement thereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5.) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within twenty (20) years from the date of the first disbursement of the Loan in twenty-one (21) approximately equal semi-annual payments of Principal and Interest. The first installment of Principal will be payable nine and one half (9-1/2) years from the date on which the first interest payment is due in accordance with Section

el primer pago de intereses de acuerdo con la especificada en la Sección 4.1. La A.I.D. proporcionará al Prestataria una tabla de amortización de acuerdo con esta Sección después del desembolso final bajo este Préstamo.

SECCION 4.3. Aplicación, Mineda y Lugar de Pago. Todas las pagos de interés y Principal en virtud de este Préstamo deberán efectuarse en dólares de los Estados Unidos y deberán abonarse primera al pago de intereses vencidos y después al pago del Principal. A menos que la A.I.D. especifique lo contrario por escrito, todas estas pagas deberán hacerse al Contralor, Office of Financial Management, Agency for International Development, Department of State, Washington D. C., U.S.A., 20523, y se considerarán efectuadas cuando hayan sido recibidas por la Office of Financial Management.

SECCION 4.4. Pagas Anticipadas. Después de pagadas todas las intereses y reembolsas vencidas, el Prestataria tendrá derecho a pagar par adelantada sin recargo, toda a parte del Principal. A menos que la A.I.D. convenga lo contrario por escrito, cualquier pago par adelantada será aplicado a los pagos del Principal en orden inverso a su vencimiento.

SECCION 4.5. Renegociación de Términos.

(a) El Prestataria y la A.I.D. convienen en negociar, cuando cualquiera de las Partes lo solicite, una aceleración del reembolso del Préstamo en el caso en que se presente cualquier mejora significativa y continua en la posición financiera

4.1. A.I.D. will provide the Borrower an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington D.C., 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.5. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external

y económica interna y externa y en las perspectivas de Nicaragua, que permitan al Prestatario pagar el Préstamo en un plazo más corto.

(b) Cualquier solicitud de una de las partes a la otra para llevar a cabo una negociación será gestionada de acuerdo con la Sección 9.2., y dará el nombre y dirección de la persona o personas que representarán a la Parte solicitante en dichos negociaciones.

(c) Dentro de treinta (30) días después de la entrega de la solicitud para negociar, la Parte solicitada comunicará a la otra, de acuerdo con la Sección 9.2., el nombre y la dirección de la persona o personas que representarán a la Parte solicitada en dichas negociaciones.

(d) Los representantes de las Partes se reunirán para llevar a cabo las negociaciones a más tardar dentro de treinta (30) días después de la entrega de la comunicación de la Parte solicitada bajo la sub-sección (c). Las negociaciones se llevarán a cabo entre los representantes de las Partes en un lugar mutuamente convenido, siempre que, en ausencia de un acuerdo mutua, las negociaciones se llevarán a cabo en la oficina del Ministerio de Educación Pública en Nicaragua.

SECCION 4.6. Terminación par Paga Total. Una vez pagado totalmente el Principal y cualquier interés que se haya devengado, este Convenio y todas las obligaciones del Prestatario y de A.I.D. bajo el mismo quedan sin efecto.

economic and financial position and prospects of Nicaragua, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either party to the other to so negotiate will be made pursuant to Section 9.2., and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate with the other, pursuant to Section 9.2. the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the Minister of Public Education in Nicaragua.

SECTION 4.6. Termination Upon Full Payment. Upon payment in full of the Principal and any accrued interest this Agreement and all obligations of the Borrower and A.I.D. hereunder it will cease.

ARTICULO 5: Condiciones Previas al Desembolso.

SECCION 5.1. Primer Desembolso. A menos que las Partes convengan lo contrario por escrito y previo al primer desembolso bajo el Préstamo, o a la emisión por parte de la A.I.D. de documentación por medio de la cual se efectuará el desembolso el Prestatario someterá a la A.I.D. las siguientes documentos en forma y substancia satisfactoria a la A.I.D.:

(a) Una opinión legal del Fiscal General del Estado de Nicaragua, o de cualquier otro asesor legal que sea aceptable a la A.I.D., indicando que este Convenio de Proyecto ha sido debidamente autorizado y/o ratificado por, y celebrado en nombre del Prestatario, y que constituye una obligación válida y legal del Prestatario de conformidad con todos sus términos.

(b) Una declaración del nombre de la persona que desempeñe el cargo o que actúe en funciones de la oficina del Prestatario especificado en la Sección 9.3. y de cualquier otro representante adicional junto con la firma autógrafa de cada persona especificada en dicha declaración.

SECCION 5.2. Condiciones Previas al Desembolso Con la Excepción de Servicios de Consulto o Entrenamiento. A menos que las Partes convengan lo contrario por escrito y previo a desembolso bajo el Préstamo, o a la emisión por parte de la A.I.D. de documentación mediante la cual se efectuará el desembolso para cualquier fin salvo el de financiar entrenamiento bajo el Componente de Reforma Administrativa (Componente Uno) o servicios de asesoría, el Prestatario someterá a la A.I.D.

ARTICLE 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower 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 legal opinion of the Attorney General of Nicaragua or other counsel acceptable to A.I.D. to the effect that the Project Agreement has been duly authorized, and/or ratified by and executed on behalf of the Borrower and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms.

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.3. and of any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 5.2. Conditions Precedent to Disbursement Except for Consulting Services or Training. Prior to disbursement under the Loan, or to the issuance, by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose other than to finance the training under the Administrative Reform Component (Component One), or consulting services, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D.

en forma y substancia satisfactoria a la A.I.D. un Plan General de Implementación por etapas del Proyecto para todas las actividades del Programa, incluyendo un programa de las asignaciones de la contrapartida y un plan por etapas para la provisión y el financiamiento del mantenimiento satisfactorio de aquellas escuelas construidas conforme a anteriores proyectos de la A.I.D.

SECCION 5.3. Condición Previa al Desembolso para Cada Componente del Proyecto. A menos que las Partes convengan lo contrario por escrito, y previo a desembolso bajo el Préstamo, o a la emisión por parte de la A.I.D. de documentación mediante la cual se efectuará el desembolso (con la excepción de financieros servicios de consulta o entrenamiento para el Componente Uno), para financiar cualesquiera de los cinco componentes del Proyecto, el Prestatario someterá a la A.I.D. un Plan detallado de Implementación por etapas para tal componente.

SECCION 5.4. Condición Previa al Desembolso Después del 30 de Septiembre de 1979. A menos que las Partes convengan lo contrario por escrito y previo a desembolso bajo el Préstamo, o a la emisión por parte de la A.I.D. de documentación mediante la cual se efectuará el desembolso después del 30 de Septiembre de 1979, o cualquier otra fecha que la A.I.D. acordare por escrito, el Prestatario someterá a la A.I.D. en forma y substancia satisfactoria a la A.I.D., evidencia de que el Prestatario está implementando activamente el Componente Uno, incluyendo contratos aprobados por la A.I.D. para servicios de consulta.

in form and substance satisfactory to A.I.D. a general time-phased Project Implementation Plan for all program activities, including a schedule of counterpart allocations and a time-phased plan for the provision and financing of satisfactory maintenance of those schools constructed pursuant to prior A.I.D. projects.

SECTION 5.3. Condition Precedent to Disbursements for Each Project Component. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made (other than to finance consulting services or Component One, training) to finance anyone to the five Project Components, the Borrower 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 detailed time-phased implementation plan for such Component.

SECTION 5.4. Condition Precedent to Disbursement After September 30, 1979. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made subsequent to September 30, 1979, or such other date to which A.I.D. agrees in writing, furnish to A.I.D. satisfactory to A.I.D., evidence that the Borrower is actively implementing Component One, including A.I.D. approved contracts for consulting services.

SECCION 5.5. Condición Previo al Desembolso para el Componente de las Sistemas de Servicios de Educación Rural (Componente Cinco). A menos que los Partes convengan lo contrario por escrito, y previo al desembolso bajo el Préstamo o a la emisión por parte de la A.I.D., de documentación mediante lo cual se efectuará el desembolso para financiar el Componente Cinco, el Prestatario someterá a la A.I.D. en forma y substancia satisfactoria a lo A.I.D.:

(a) Un plan preliminar para la reforma administrativo del Ministerio de Educación Pública (MPE) preparado conforme al Componente Uno.

(b) Evidencia de que el MPE ha desarrollado planes detallados de implementación para, y que tienen capacidad para, llevar a cabo el Componente de Desarrollo Comunitario (Componente Dos), y el Componente de Desarrollo de Curriculum (Componente Tres) y el Componente de Entrenamiento (Componente Cuatro) y que estos planes están siendo implementados.

SECCION 5.6. Condiciones Previas a Desembolsos Despues del 30 de Septiembre de 1980. Previo al desembolso bajo el Préstamo, o a la emisión por parte de la A.I.D., de documentación mediante lo cual se efectuará el desembolso bajo este Convenio después del 30 de Septiembre de 1980, o cualquier otra fecha que la A.I.D. acordare por escrito, el Prestatario podrá someter a la A.I.D. en forma y substancia satisfactorio a la A.I.D.:

(a) La satisfacción de todas las condiciones previas bajo la Sección 5.5. arriba mencionada;

SECTION 5.5. Condition Precedent to Disbursement for Rural Education Delivery Systems Component (Component Five). Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made to finance Component Five, the Borrower will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(a) A draft plan for administrative reform of the Ministry of Public Education (MPE) prepared pursuant to Component One.

(b) Evidence that MPE has developed detailed implementation plans for, and adequate capability to carry out the Community Development Component (Component Two), and the Curriculum Development Component (Component Three), and the Training Component (Component Four) and that these plans are being implemented.

SECTION 5.6. Conditions Precedent to Disbursements After September 30, 1980. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made under this Agreement subsequent to September 30, 1980, or such other date to which A.I.D. agrees in writing, the Borrower shall furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) The satisfaction of all conditions precedent under Section 5.5. above.

- (b) Un plan de mantenimiento para las escuelas y el equipo del Proyecto;
- (c) Provisión para la administración de dicho plan;
- (d) Financiamiento de dicho plan para los rubros apropiados en el Presupuesto para 1981 del MEP.

SECCION 5.7. Condición Previa al Desembolso después del 30 de Junio de 1981. Previo a cualquier emisión por parte de la A.I.D. de documentación por medio de la cual se efectuará el desembolso bajo este Convenio después del 30 de Junio de 1981, o cualquier otra fecha que la A.I.D. acordare por escrito, el Prestatario someterá a la A.I.D. en forma y substancia satisfactoria a la A.I.D., evidencia de que el Plan para reforma administrativa sometida bajo la Sección 5.5. arriba, para el MEP, ha sido puesto en operación.

SECCION 5.8. Condición Previa al Desembolso después del 31 de Enero Durante Cada Año del Proyecto. Previo a cualquier emisión por parte de la A.I.D. de documentación mediante la cual se efectuará el desembolso bajo este Convenio después del 31 de Enero de cada año del Proyecto, o cualquier otra fecha que la A.I.D. acordare por escrito, el Prestatario someterá en forma y substancia satisfactoria a la A.I.D., evidencia de que el presupuesto del Prestatario para ese año contiene los rubros apropiados requeridas por los programas de las asignaciones de contrapartida y las provisiones de financiamiento para mantenimiento sometidas conforme la Sección 5.6. arriba mencionada y cualquier otro rubro que fuere necesario para la implementación exitosa del Proyecto.

- (b) A maintenance plan for Project schools and equipment;
- (c) Provision for the administration of said plan;
- (d) Funding of said plan by appropriate line items in the MPE budget for 1981.

SECTION 5.7. Condition Precedent to Disbursement After June 30, 1981. Prior to any issuance by A.I.D. of documentation pursuant to which disbursement will be made under this Agreement subsequent to June 30, 1981, or such other date to which A.I.D. may agree in writing, the Borrower shall furnish to A.I.D. in form and substance satisfactory to A.I.D., evidence that the plan for administrative reform submitted under Section 5.5. above, for the MPE shall have been put into operation.

SECTION 5.8. Condition Precedent to Disbursement After January 31, During each Year of the Project. Prior to any issuance by A.I.D. of documentation to which disbursement will be made under this Agreement subsequent to January 31, of each year of the Project, or such other date to which A.I.D. agrees in writing, the Borrower shall furnish in form and substance satisfactory to A.I.D. evidence that the Borrower budget for that year contains appropriate line items required by the schedules of counterpart allocations and maintenance financing provisions submitted pursuant to Section 5.6. above, and such other line items as may be necessary for successful Project implementation.

SECCION 5.9. Notificación. Al determinar la A.I.D. que las condiciones previas descritas en las Secciones 5.1. al 5.8. inclusive han sido satisfechas, la A.I.D. notificará inmediatamente al Prestatario.

SECCION 5.10. Fechas Finales para Satisfacer las Condiciones Previas.

(a) Si todas las condiciones especificadas en la Sección 5.1. no hubieran sido cumplidas dentro de 120 días a partir de la fecha de este Convenio, o cualquiera otra fecha posterior que la A.I.D. convenga por escrito, la A.I.D., podría a su opción, dar por terminado este Convenio notificando por escrito al Prestatario.

(b) Si todas las condiciones especificadas en la Sección 5.2. no hubieren sido cumplidas dentro de 180 días a partir de la fecha de este Convenio y/o las Secciones 5.4., 5.6., 5.7., y 5.8. no han sido cumplidas según fueron establecidas, o en cualquier otra fecha posterior que la A.I.D. acordare por escrito, la A.I.D. podrá a su opción cancelar el saldo no desembolsado del Préstamo, hasta donde éste no haya sido comprometido con terceras partes y, podrá dar por terminado este Convenio notificando por escrito al Prestatario. En el caso de terminación, el Prestatario pagará inmediatamente el Principal que esté pendiente en ese momento y cualquier interés devengado; al recibo de tal pago total, el Convenio y todas las obligaciones contraídas por cada una de las Partes quedarán sin efecto.

ARTICULO 6: Estipulaciones Especiales.

SECCION 6.1. Evaluación del Proyecto. Las Partes convienen:

SECTION 5.9. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1. through 5.8. have been met, it will promptly notify the Borrower.

SECTION 5.10. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1. 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 Borrower.

(b) If all of the conditions specified in Section 5.2. have not been met within 180 days from the date of this Agreement and/or Sections 5.4., 5.6., 5.7., and 5.8., have not been met as stated, or such later date as A.I.D. may agree to in writing A.I.D. at its option may cancel the then undisbursed balance of the Loan, to the extent not irrevocably committed to third parties and may terminate this Agreement by written notice to the Borrower. In the event of such termination, the Borrower will repay immediately the Principal then outstanding and any accrued interest; on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate.

ARTICLE 6: Special Covenants.

SECTION 6.1. Project Evaluation.
The Parties agree:

(a) En crear un programa de evaluación como parte del Proyecto. A menos que las Partes convengan lo contrario por escrito, el Proyecto incluirá durante la implementación del Proyecto, y una o más veces después: (1) evaluación del progreso hacia el logro de los objetivos del Proyecto (2) identificación y evaluación de áreas con problemas o restricciones que puedan impedir dicho logro; (3) avalúo en cuanto a como tal información puede ser usada para ayudar a superar dichos problemas; y (4) evaluación, hasta donde sea factible, del impacto total de desarrollo del Proyecto.

(b) El Prestatario convendrá en que se presupuestará continuamente sumas adecuadas para satisfacer los costos recurrentes de las instituciones y las instalaciones desarrolladas conforme el Proyecto después de la Fecha Final para Completar la Actividad del Proyecto.

ARTICULO 7: Fuente para Adquisiciones.

SECCION 7.1. Costos en Moneda Extranjera. Los desembolsos de acuerdo con la Sección 8.1. serán usados exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto que tengan su fuente y origen en países incluidos en el Código 941 del Libro de Códigos Geográficos de la A.I.D. que esté vigente en la fecha en que se efectúen los pedidos o se hayan celebrado los contratos para tales bienes y servicios a menos que la A.I.D. convenga lo contrario por escrito, y a menos que, tal como se estipula en el Anexo de Disposiciones Generales del Préstamo del Proyecto, Sección C.1.(b) con respecto a seguro marítimo.

(a) To establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the Project will include, during the implementation of the Project and at one or more points thereafter: (1) evaluation of progress toward attainment of the objectives of the Project; (2) identification and evaluation of problem areas or constraints which may inhibit such attainment; (3) assessment of how such information may be used to help overcome such problems and (4) evaluation, to the degree feasible, of the overall development impact of the Project.

(b) The Borrower shall covenant that it will continually budget subsequent to the Project Activity Completion Date sums adequate to meet the recurring costs of the institutions and facilities developed pursuant to the Project.

ARTICLE 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services, except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1. (b) with respect to marine insurance.

SECCION 7.2. Costos en Moneda Local. Los desembolsos de acuerdo con la Sección 8.2. serán usados exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto que tengan su fuente y, o menos que lo A.I.D. convenga lo contrario por escrito, su origen en países miembros del Mercado Común Centroamericano.

ARTICULO 8. Desembolsos.

SECCION 8.1. Desembolsos para Costos en Moneda Extranjero.

(a) Despues de satisfechos los condiciones previas, el Prestatario podrá obtener desembolsos de fondos bajo el Préstamo para Costos en Moneda Extranjera para bienes y servicios necesarios para el Proyecto de acuerdo con las condiciones de este Convenio, mediante cualquiera de los siguientes métodos a que mutuamente se convenga:

(1) Mediante la presentación o lo A.I.D. con la documentación de resaldo necesario tal como se prescribe en Cartas de Implementación del Proyecto, (i) de solicitudes de reembolso para dichos bienes o servicios, o (ii) de solicitudes para que lo A.I.D. adquiera artículos o servicios en nombre del Prestatario para el Proyecto; o

(2) Mediante una solicitud a la A.I.D. para que emita Cartas de Compromiso por montos específicos (i) en uno o más bancos de los Estados Unidos satisfactorios a la A.I.D. a reembolsar a dicho banco o bancos, los pagos que estos efectúen a contratistas o suplidores bajo Cartas de Crédito

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2. 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 countries which are members of the Central American Common Market.

ARTICLE 8. Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods and 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, (i) requests for reimbursement for such goods or services, or (ii) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) By requesting A.I.D. to issue Letters of Commitment for specified amounts (i) 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 Letter

a bajo otra forma, por dichas bienes o servicios, o (ii) directamente a una o más contratistas o suplidores, comprometiendo a la A.I.D. a pagar a dichos contratistas o suplidores por dichos bienes o servicios.

(b) Los gastos bancarios incurridos por el Prestatario en relación con cartas de Compromiso y Cartas de Crédito serán financiadas bajo el Préstamo, a menos que el Prestatario dé instrucciones contrarias a la A.I.D. Cuálquier otra gasto a que las Partes convengan puede también ser financiado bajo el Préstamo.

SECCION 8.2. Desembolsos para Costos en Moneda Local.

(a) Despues de satisfacer las condiciones previas, el Prestatario podrá obtener desembolsos de fondos bajo el Préstamo para Costos en Moneda Local necesarios para el Proyecto de acuerdo con los términos de este Convenio, mediante la presentación a la A.I.D., con la documentación de respaldo necesaria tal como lo prescriben las Cartas de Implementación del Proyecto, de solicitudes para financiar dichos costos.

(b) La moneda local que se necesite para tales desembolsos puede obtenerse así:

(1) Mediante la adquisición de parte de la A.I.D. de dólares Norteamericanos, 6

(2) Que la A.I.D. (i) solicite al Prestatario que aparte la moneda local para tales costos, y (ii) luego ponienda a disposición del Prestatario, mediante la apertura o enmienda par parte de la A.I.D.

of Credit or otherwise, for such goods or services, or (ii) 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 Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan 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 disbursement hereunder may be obtained:

(1) By acquisition by A.I.D. with U.S. dollars by purchase, or

(2) By A.I.D. (i) requesting Borrower to make available the local currency for such costs, and (ii) thereafter making available to the Borrower through the opening or amendment by A.I.D. of

de Cartas de Crédito Especiales a favor del Prestatario o de quien éste designe, un monto en Dólares de los Estados Unidos equivalentes a la moneda local aportada por el Prestatario, cuyos dólares serán usados para adquisiciones de los Estados Unidos bajo procedimientos para adquisiciones descritos en Cartas de Implementación del Proyecto.

SECCION 8.3. Otras Formas de Desembolso. Los desembolsos del Préstamo se podrán efectuar también por medio de otras formas a que las Partes convengan por escrito.

SECCION 8.4. Tipo de Cambio. A menos que se estipule más específicamente bajo la Sección 8.2., si los fondos proporcionadas bajo el Préstamo son introducidos a Nicaragua por la A.I.D. o cualquier agencia pública o privada con el fin de llevar a cabo las obligaciones de la A.I.D. bajo este Convenio, el Prestatario hará los arreglos necesarios de manera que dichos fondos puedan ser convertidos a moneda Nicaragüense al tipo de cambio más alto que, al momento de efectuar la conversión, no sea ilegal en Nicaragua.

SECCION 8.5. Fecha de Desembolso. Los desembolsos de la A.I.D. se considerarán como efectuados: (a) en la fecha en que la A.I.D. efectúe un desembolso a nombre del Prestatario o su designado, ó a un banco, contratista, o suplidar, de acuerdo con una Carta de Compromiso, contrato u orden de compra; (b) en la fecha en la que la A.I.D. efectúa un desembolso a nombre del Prestatario o de la persona que actúe en funciones de éste, de moneda local adquirida de acuerdo con la Sección 8.2.(b) (1), o (c) si se obtiene moneda local de acuerdo con la Sección 8.2. (b) (2), en la fecha en que

of Special Letters of Credit in favor of the Borrower or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Borrower which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2., if funds provided under the Loan are introduced into Nicaragua by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such fund may be converted into the currency of Nicaragua at the highest rate of exchange, which, at the time the conversion is made is not unlawful in Nicaragua.

SECTION 8.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur: (a) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor, or supplier pursuant to a Letter of Commitment, contract, or purchase order; (b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2. (b) (1); or (c) if local currency is obtained in accordance with Section 8.2. (b) (2), on the date on which

la A.I.D. abre o enmienda la Carta de Crédito Especial a que se refiere esta Sección.

ARTICULO 9: Varios.

SECCION 9.1. Aprabación del Proyecto de Inversiones Garantizadas.
Por este medio se establece que el trabajo de construcción a ser financiado bajo este Convenio entre el Gobierno de Nicaragua y el Gobierno de los Estados Unidos de América sobre el tópico de inversiones garantizadas, y no será necesaria ninguna aprobación adicional de parte del Gobierno de Nicaragua para permitir a los Estados Unidos emitir garantías de inversión bajo este Convenio cubriendo las inversiones de un contratista en ese proyecto.

SECCION 9.2. Comunicaciones.
Cualquier notificación, solicitud, documento o otra comunicación entregada por cualquiera de las Partes o a la otra de conformidad con este Convenio, deberá ser por escrito, por telegramo, cable, y deberá considerarse como debidamente entregada, hecha, o enviada a la Parte a quien va dirigida, por las siguientes direcciones:

Al Prestatario:

Dirección Postal:

Ministra de Educación Pública
Ministerio de Educación Pública
Managua, D.N., Nicaragua

A.I.D. opens or amends the Special Letter of Credit there referred to.

ARTICLE 9: Miscellaneous:

SECTION 9.1. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by the Government of Nicaragua pursuant to the Agreement between it and the United States of America on the subject of investment guarantees, and no further approval by the Government of Nicaragua will be required to permit the United States to issue investment guarantees under that agreement covering a contractor's investment in that project.

SECTION 9.2. Communications.
Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Borrower:

Mail Address:

Minister of Public Education
Ministry of Public Education
Managua, D.N., Nicaragua

Dirección Cablegráfica:

Ministerio de Educación Pública
Managua, Nicaragua

Cable Address:

Ministry of Public Education
Managua, Nicaragua

A la A.I.D.:**Dirección Postal:**

USAID/Nicaragua
c/a Embajada Americana
Managua, Nicaragua

Ta A.I.D.:**Mail Address:**

USAID/Nicaragua
c/a American Embassy
Managua, Nicaragua

Dirección Cablegráfica:

USAID/AMEMBASSY
Managua, Nicaragua

Cable Address:

USAID/AMEMBASSY
Managua, Nicaragua

Toda comunicación será en idioma Inglés a menos que las Partes convengan lo contrario por escrita. Las direcciones anteriores podrán ser sustituidas por otras, previa notificación. El Prestatario, además proporcionará a la Misión A.I.D. una copia de cualquier comunicación que envíe a la A.I.D. en Washington.

All such communications will be in English unless the Parties otherwise agree to in writing. Other addresses may be substituted for the above upon the giving of notice. The Borrower, in addition, will provide the A.I.D. Mission with a copy of any communication sent to A.I.D. in Washington.

SECCION 9.3. Representantes.

Para todas las propósitos relacionados con este Convenio, el Prestatario estará representado por la persona que desempeñe el cargo, o que actúe en funciones de la Oficina del Ministro de Educación Pública y la A.I.D. estará representada por la persona que desempeñe el cargo o actúe en funciones interinamente de la oficina del Director, cada uno de las cuales podrá designar por escrita a otros representantes adicionales para cualquier objetiva, menos para ejercer su poder bajo la Sección 2.1. para revisar los elementos de la descripción ampliada en el Anexo 1. Los nombres de las representantes del Prestatario, con sus firmas autógrafas

SECTION 9.3. Representatives.

For all purposes relevant to this Agreement the Borrower will be represented by the individual holding or acting in the office of the Minister of Public Education and A.I.D. will be represented by the individual holding or acting in the office of the Director, USAID/Nicaragua, 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 Borrower with specimen signatures, will be provided to

serán proporcionadas a la A.I.D., quienes deben aceptar como debidamente autorizado cualquier documento firmado por dichos representantes en la implementación de este Convenio, hasta que reciban aviso escrito de la revocación de dicha autoridad.

SECCION 9.4. Anexo de Disposiciones Generales. Se adjunta, y forma parte de este Convenio, un "Anexo de Disposiciones Generales del Préstamo del Proyecto." (Anexo 2).

SECCION 9.5. Idioma Predominante. Este Convenio ha sido preparado tanto en Inglés como en Español. En el caso de omisión o ambigüedad o conflicto entre las versiones, la versión en Inglés prevalecerá.

EN FE DE LO CUAL, el Prestotorio y los Estados Unidos de América, cada uno de ellos actuando por medio de sus representantes debidamente autorizados han convenido firmar este Convenio en sus nombres y entregado el día señalado por escrito al comienzo de este documento.

LA REPUBLICA DE NICARAGUA

Por: 
 Samuel Genie Amoya
 Ministro de Hacienda y Crédito
 Público.
 Por: 
 María Elena de Porras
 Ministro de Educación Pública

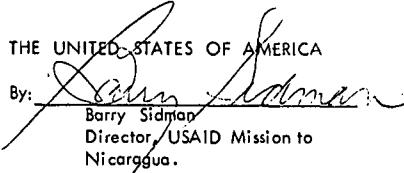
A.I.D., which may accept as duly authorized any instrument signed by such representatives, in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.4. Standard Provisions
Annex. A "Project Loan Standard Provisions Annex" (Annex 2) [¹] is attached and forms part of this Agreement.

SECTION 9.5. Language of Agreement.
 This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English version shall control.

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

THE UNITED STATES OF AMERICA

By: 
 Barry Sidman
 Director, USAID Mission to
 Nicaragua.

¹ See footnote 1, p. 5181.

ANEXO 1

ANNEX 1

DESCRIPCION AMPLIADA DEL PROYECTO

AMPLIFIED DESCRIPTION OF THE PROJECT

A.I.D. Loan No. 524-V-033

Préstamo de la A.I.D. No. 524-V-033

ANEXO 1DESCRIPCION DEL PROYECTOI. ESTRATEGIA Y OBJETIVOS

El Proyecto de Educación Rural representa la cuarta fase y dimensión del respaldo de la A.I.D. al Programa de Desarrollo Rural Integrado del Prestatario. El bajo nivel educativo y la falta de destrezas de la población rural de escasos recursos sirven de contrapeso a la estrategia de desarrollo rural integrado del Prestatario, y limitan específicamente la efectividad de los programas individuales de los respectivos ministerios y agencias involucradas. El Proyecto de Educación Rural aumentará los niveles educativos y las destrezas de la clase pobre rural de las áreas escogidas.

La Meta general del Proyecto es mejorar el bienestar socio-económico de la población rural pobre de Nicaragua. Para lograr ésta, la Meta Sectorial es ampliar, mejorar e integrar las oportunidades de educación rural en las áreas rurales. El propósito del Proyecto es asegurar que la población rural reciba un mayor número de servicios educativos apropiados, en un ambiente de aprendizaje mejorado, usando métodos educativos con costos razonables.

Para lograr lo anterior, el Proyecto consta de cinco componentes interrelacionados que se describen a continuación. Las actividades del Proyecto, hasta el máximo que sea factible, estarán dirigidas específicamente a las Regiones II y V.

ANNEX 1PROJECT DESCRIPTIONI. STRATEGY AND OBJECTIVES

The Rural Education Project represents the fourth phase and dimension of A.I.D.'s support to the Borrower's Integrated Rural Development Program. The low educational and skill levels of the rural poor act as a constraint to the Borrower's integrated rural development strategy, and specifically limit the effectiveness of the individual programs of the respective ministries and agencies involved. This Rural Education Project will increase the educational and skill levels of the rural poor in the agreed upon target areas.

The overall Project Goal is to improve the socio-economic welfare of the rural poor in Nicaragua. To do so, the Sector Goal is to expand, improve and integrate rural education opportunities in rural areas. The project Purpose is to ensure that the rural population receives a greater number of relevant educational services in an improved learning environment using cost-effective educational methods.

To accomplish the above, the Project consists of five interrelated components described below. Project activities, to the maximum extent feasible, will be directed specifically to Regions II and V.

II. COMPONENTES DEL PROYECTO**A. Componente Uno, Reforma Administrativa y Mejoramiento Gerencial.**

Este Componente está diseñado para fortalecer la capacidad institucional y administrativo del Ministerio de Educación Pública (MPE), con el fin de que pueda llevar a cabo un programa de educación rural amplio a un costo mínimo para Nicaragua. Se llevará a cabo un programa amplio de reforma administrativo y mejoramiento gerencial que comprenda las áreas de planificación, organización y dotación de personal, coordinación, operaciones y presupuesto. Aunque se tiene programada una amplia asesoría extranjera en respaldo de lo anterior, la implementación de los cambios recomendados depende del Prestatario.

Las siguientes representan aquellas actividades que actualmente han sido planeadas para ser implementadas bajo este Componente, pero que estarán sujetas a las modificaciones y adiciones que las circunstancias requieran.

1. Planificación: Se mejorará la capacidad de planificación dentro del MPE, estableciendo unidades de planificación para el desarrollo de planes de estudio, investigaciones educativas, evaluación, desarrollo y producción de materiales y planificación cualitativa. Entre las diversas sub-actividades está el desarrollo de una serie de metas educativas aprobadas por el Prestatario, objetivos y prioridades, así como el desarrollo de un sistema de información gerencial apropiado para planificación y para toma de decisiones.

II. PROJECT COMPONENTS**A. Component One, Administrative Reform and Management Improvement.**

This Component is designed to strengthen the institutional and management capability of the Ministry of Public Education (MPE) in order that it can carry out an expanded rural education program at minimum cost to Nicaragua. An extensive program of administrative reform and management improvement in the areas of planning, organization and staffing, coordination, operations and budgeting will be undertaken. While extensive foreign advisory assistance is programmed in support of the above, implementation of recommended changes is dependent on the Borrower.

The following represents those activities presently planned to be implemented under this Component but which will be subject to modification and addition as circumstances require.

1. Planning: Improved planning capability will be developed within the MPE including planning units for curriculum development, educational research, evaluation, materials development and production and qualitative planning. Among various subactivities will be the development of a set of Borrower approved educational goals, objectives and priorities and the development of a management information system suitable for management planning and decision making.

2. Organización: Se estudiará para el MEP una estructura corregida de su organización, la cual facilitará la implementación de un programa ampliado de educación rural. También se preparará un "Manual de Política - Reglamentos - Procedimientos", incorporando la reorganización anterior.

3. Personal: Entre las diversas sub-actividades que deberán llevarse a cabo estarán: (a) la preparación de descripciones de puestos, especificando obligaciones y responsabilidades; (b) un plan completo de compensación, cubriendo salario, jubilación y beneficios complementarios para todo el personal del MEP, el cual tendrá disposiciones especiales en cuanto a los incentivos que se necesitan para reclutar y retener a maestros en las áreas rurales; (c) un programa de entrenamiento, tanto para el personal clave como para el personal administrativo de nivel medio; y (d) un sistema mejorado de supervisión.

4. Coordinación: Se llevarán a cabo convenios formales describiendo las respectivas obligaciones y responsabilidades entre el MEP y el Instituto para el Bienestar Campesino (INVIERNO) y el Ministerio de Salud Pública (MSP) bajo el programa de Desarrollo Rural Integrado. Se creará un mecanismo operativo a nivel técnico con el fin de facilitar la colaboración dia-a-día entre estas instituciones.

5. Operaciones: Se desarrollará en el MEP un sistema de comunicación entre departamentos, se modernizará el sistema de archivos y registros del MEP, se desarrollará un sistema de distribución eficiente y descentralizado de suministros y equipo escolar, y se fortalecerá substancialmente el programa de mantenimiento

2. Organization: A revised organizational structure that will facilitate implementation of an expanded rural education program will be developed for the MEP. Also a "Policy - Rules - Procedures Handbook" will be developed incorporating the above reorganization.

3. Staffing: Among the various subactivities to be undertaken will be: (a) development of position descriptions specifying roles and responsibilities, (b) a complete compensation plan covering salary, retirement and supplementary benefits of all MPE personnel which will make special provision for the incentives needed to recruit and retain teachers in rural areas; (c) a training program for both senior and middle-level management personnel and; (d) improved supervisory system.

4. Coordination: Formal agreements will be developed describing respective roles and responsibilities among the MPE Institute for Rural Welfare (INVIERNO) and Ministry of Public Health under the Integrated Rural Development Program. At the technical level, an operational mechanism will be established to facilitate day-to-day collaboration among these institutions.

5. Operations: An interdepartmental communication system for the MPE will be developed, the MPE records system will be modernized, an efficient decentralized distribution system for school supplies and equipment will be developed and the MPE's school maintenance program will be

de edificios escolares del MEP.

6. Presupuesta: Será revisada, cuando sea necesario, el sistema presupuestario/financiera para que éste se ajuste a la realidad, a la vez que se desarrollará un presupuesto efectivo de mantenimiento, y se harán los esfuerzos pertinentes para reducir la relación de salarios a gastos de operación.

Con el fin de iniciar las anteriores mejoras se han proyectado las siguientes actividades de respaldo. Se tiene planeado un programa de asistencia técnica de gran alcance. Los contratos de asistencia técnica que resulten serán financiados predominantemente por la Donación de la A.I.D., con algún financiamiento por parte del Prestatario. La siguiente es una lista tentativa de los asesores técnicos que se considera contratar: Asesor en Administración Escolar (Líder de Grupo), Asesor en Sistema de Información sobre Planificación/Administración; Asesor en Evaluación y Asesor en Reparación/Construcción de Escuelas, complementada por 18 meses-hombre de servicios de asesoría técnica especializada aproximadamente.

Se tienen planeados, además dos estudios especiales. El primero será una investigación a fondo de las funciones actuales del MEP, con el fin de proporcionar una base de información sólida para las propuestas de reforma administrativa. El segundo estudio, que será llevado a cabo concurrentemente, producirá datos básicos de las necesidades educativas específicas de la población rural de las Regiones II y V. Se recopilarán datos primarios y secundarios

substantially strengthened.

6. Budgeting: The budgeting/financial system will be revised, as necessary, to make it responsive while an effective maintenance budget will be developed, and efforts will be made to reduce the ratio of salaries to operating expenditures.

To assist in instituting the foregoing improvements the following supportive activities are planned. A technical assistance program of substantial scope is planned. The resultant technical assistance contracts will be predominantly A.I.D. Grant financed with some Borrower financing. The following is a tentative list of the technical advisers envisaged: Education Management Advisor (Team Leader); Planning/Management Information Systems Advisor, Evaluation Advisor and School Repair/Construction Advisor supplemented by approximately 18 person months of specialized technical advisory services.

Additionally, two special studies are planned. The first will be a thorough investigation of present MPE functions to provide a solid informational base for administrative reform proposals. The second study, to be carried out concurrently, will develop "baseline" data of the specific educational needs of the rural population in Regions II and V. Primary and secondary data will be collected on such topics as (a)

sobre tópicos tales como: (a) necesidades educativas de adolescentes y adultos, (b) planes de estudio existentes y necesidades de planes de estudio; (c) horas favorables para transmisiones radiales, etc. Ambos estudios serán financiados mediante la Donación de la A.I.D., con algún respaldo financiero del Prestatario.

Se proporcionará entrenamiento a corto y largo plazo al personal del MEP en áreas tales como educación por radio, educación rural, medición y evaluación desarrollo de un plan de estudios primarios, planificación y administración educativa, programación de computadora, tecnología de la educación por radio, producción y desarrollo de material educativo, etc. Dicho entrenamiento será financiado por el Préstamo de la A.I.D.

En respaldo a lo anterior, la adquisición de equipo de oficina esencial, v. gr., máquinas duplicadoras y foto-copiadoras, máquinas de escribir, calculadoras, etc., y con la previa aprobación necesaria de la A.I.D. el tiempo de computadora que se necesite y sus respectivos insumos, serán financiados con fondos del Préstamo de la A.I.D.

Al finalizar el Proyecto se espera lograr un MEP eficiente y efectivo, el cual operacionalmente pueda llenar las necesidades educativas de la clase campesina pobre.

B. Componente Dos, Desarrollo Comunal Integrado.

El Componente Dos está diseñado para desarrollar la capacidad de la comunidad para participar activamente en de-

adlescent and adult educational needs; (b) existing curriculum and curriculum needs; (c) favorable radio broadcast hours, etc. Both studies will be A.I.D. Grant financed with some Borrower financial support.

Training, short and long term, will be provided for MPE personnel in such areas as radio education, rural education, measurement and evaluation, primary curriculum development, educational planning and management, computer programming, radio education technology, education materials development and production, etc. Such training will be A.I.D. Loan financed.

In support of the above, procurement of essential office equipment, e.g., duplicating machines and copiers, typewriters, calculators, etc. and with necessary prior A.I.D. approvals some computer time and software will be financed with A.I.D. Loan funds.

The End-of-Project status sought will be an efficient, operationally effective MPE which can meet the educational needs of the rural poor.

B. Component Two, Integrated Community Development.

Component Two is designed to develop community capacity to participate actively in determining the nature of the

terminar la naturaleza de los servicios y programas educativos promovidos en sus comunidades por el MEP. Esto representa una desviación de los enfoques anteriores respecto a la educación rural en Nicaragua. La participación de la comunidad es contemplada como una llave hacia el mejoramiento de la educación formal y no-formal planeada bajo el proyecto. Por lo tanto, se formarán Comités Escolares Locales (CEL) en las áreas rurales de las Regiones II y V. Los CEL serán el mecanismo mediante el cual la comunidad se comunicará con el personal del MEP, establecerá lazos de colaboración con las otras comunidades, identificará necesidades educativas de su área, supervisará el progreso educativo, y respaldará y mantendrá en cualquier otra forma las actividades escolares. Los criterios y responsabilidades de los CEL participantes serán definidos en subsiguiente documentación.

El MEP deberá coordinar la formación de los CEL con programas de desarrollo comunal ya puestos en marcha por INVIERNO y el MSP, con el fin de evitar traslape y duplicación y con el fin de lograr la máxima acción comunitaria unificada. Los maestros y supervisores actuales del MEP, que recibirán entrenamiento en servicio bajo el Componente Cuatro, servirán como punto de lanza en el esfuerzo del MEP de desarrollo de la comunidad. Estas estarán respaldadas por los promotores del MEP que estarán ubicados en las Regiones II y V. Estos a su vez, estarán respaldados por un personal entrenado de la oficina de Managua que consistirá de dos (aproximadamente) empleados adicionales permanentes dentro del Departamento de Educación no-formal existente del MEP. Este personal central será

educational services and programs provided their communities by the MPE. This represents a departure from prior approaches to rural education in Nicaragua. Local participation is now seen as a key to the formal and non-formal education improvements planned under the Project. Accordingly, Local School Committees (LSCs) will be formed in the rural areas of Region II and V. The LSCs will be the mechanism through which the community will communicate with the MPE personnel, establish cooperating links with other communities, identify the educational needs of their area, monitor educational progress, and otherwise support and maintain local school activities. The criteria and responsibilities of participatory LSCs will be spelled out in subsequent loan documentation.

The MPE is to coordinate the formation of LSCs with the on-going community development programs of INVIERNO and MOH to avoid duplication and to seek maximum unified community action. Existing MPE teachers and supervisors, who will receive in-service training under in Component Four, will serve as the leading edge in the MPE community development efforts. They will be backstopped by our specialized MPE promoters who will be stationed in Regions II and V. They in turn, will be backstopped by a trained office staff in Managua, of two (approximately) additional permanent employees within the MPE's existing Department of Non-Formal Education. This central staff will be directly responsible for developing

el directamente responsable de desarrollar y respaldar los esfuerzos de la comunidad rural respaldados por el Proyecto. El MEP, además de proporcionar respaldo directo al personal actual de campo (maestros y supervisores) en cuanto a desarrollar la participación de la comunidad en lo que a educación se refiere, esta oficina central, también coordinará sus esfuerzos con el personal central de INVIERNO y del MSP. Se elaborarán diversos materiales de desarrollo comunal, tales como boletines, manuales, cartas informativas, etc., en respaldo de esta sub-actividad del Componente.

Para lograr lo anterior, la A.I.D. financiará con fondos de la Donación los servicios de asesoría de un experto en desarrollo comunal, y se usarán fondos del Préstamo de la A.I.D. para financiar bienes de respaldo, tales como vehículos corrientes para promoción o equipados especialmente y equipo audio-visual. El personal de operación (de campo) de la oficina central) será proporcionado por el MEP.

Al finalizar el Proyecto bajo este Componente, se espera que existan Comités Escolares Locales (CEL) efectivos, los cuales lograrán la participación activa en el suministro y operación de instalaciones y servicios de educación del MEP, en estas mismas comunidades.

C. Componente Tres, Desarrollo del Plan de Estudios y Producción de Materiales Conexos.

Este Componente enfoca un consenso aceptado en el sentido de que el actual plan de estudios a nivel primario del MEP corresponde a los primeros grados, v. gr. 1^a

and supporting project supported field community development efforts. In addition to providing direct support to existing MPE field personnel (teachers and supervisors) in developing community participation in education this central office will also coordinate its efforts with INVIERNO and MOH headquarters personnel. Various community development materials such as bulletins, manuals, newsletters, etc. will be developed in support of this Component sub-activity.

To achieve the above, A.I.D. will grant finance the advisory services of a community development expert and A.I.D. Loan funds will be used to finance necessary commodity support, such as regular and specially equipped promotion vehicles and audio-visual equipment. Operating staff (field and central office) will be provided by the MPE.

The End of Project status sought under this Component will be effective local school committees (LSC) which will provide for the active participation of target communities in the supply and operation of MPE education facilities and services in these same communities.

C. Component Three, Curriculum Development and Related Materials Production.

This Component addresses a general consensus that the present MPE curriculum for the primary school grades, i.e., 1 through 4,

al 4º, no responde en cuanto a llenar las necesidades de las comunidades rurales se refiere. Mientras varios de los otros Componentes enfocan la falta de instalaciones físicas, esta actividad trata principalmente de un plan de estudios para educación básica respaldada por la radio, que llene las necesidades de los niños escalares, adolescentes, y adultos de primaria sin escuela del área rural. Para lograr ésto, se han planeado las siguientes actividades:

1. El plan de estudios para primaria correspondiente a los cuatro primeros grados, será revisado de manera que refleje la realidad rural y será adaptada a transmisiones radiales. El desarrollo del plan de estudios se concentrará en salud y nutrición, agricultura y estudios sociales (cultura, Historia, Geografía). El plan de estudios de matemáticas ya habrá sido adaptado para la radio mediante el Proyecto de Matemáticas por Radio ya en marcha, y en consecuencia, servirán de modelo en el desarrollo de las otras disciplinas.

2. En igual forma, se revisará el plan de estudios para adultos de manera que se relacione con los requisitos de destrezas en el trabajo con adolescentes y adultos rurales, y será también adaptado a transmisiones radiales, a las que seguirán forums comunitarios y/o presentaciones por medio de grabaciones en aproximadamente la mitad de las comunidades rurales servidas por INVIERNO y el MSP.

3. Se usará donde sea aplicable, el plan de estudios desarrollado bajo el actual préstamo del Banco Mundial para darle adiestramiento a instructores de maestros, supervisores y maestros graduados, maestros regulares

is not responsive to meeting the needs of rural communities. Whereas several of the other components address the lack of physical facilities, this activity is devoted primarily to the development of a radio-supported basic education curriculum to meet the needs of rural primary school age children and unschooled adolescents and adults. To date so, the following activities are planned:

1. The primary school curriculum for the first four grades will be revised to reflect rural realities and will be adapted for radio broadcast. Curriculum development will concentrate on reading, health and nutrition, agriculture and social studies (culture, History, Geography). The mathematics curriculum will have been adapted to radio by the ongoing Radio Mathematics Project and, accordingly, serve as a model in the development of other disciplines.

2. Similarly, the adult education curriculum will be revised to relate directly to the job skill requirements of rural adolescents and adults and will be adapted to radio broadcasts to be followed by community forums and/or cassette tape presentation in approximately half of the rural communities served by INVIERNO and the MOH.

3. The applicable training curricula developed under the current World Bank Loan will be used to train teacher trainers, supervisors and master teachers, regular and comarca

maestros de comarca y maestros de escuelas normales y maestros de adolescentes y adultos. Donde el plan de estudios del Banco Mundial no se considere aplicable, o no pueda adaptarse al plan de estudios por la radio, será modificado de conformidad.

4. Se prepararán lecciones basadas en el plan de estudios corregido para los cuatro primeros grados de primaria y de educación de adultos, se grabarán en cintas magnetofónicas y se transmitirán diariamente por la radio en las últimas etapas del Proyecto. Se prepararán guías para maestros, hojas de trabajo para estudiantes y material visual, los cuales se acompañarán a cada lección. Estas lecciones serán usadas en las Escuelas de Agricultura para el Campesino (EAC) y en los Centros Familiares de Educación Rural (CFER), actividad patrocinada bajo el Componente V.

5. La evaluación del nuevo plan de estudios por la radio se llevará a cabo mediante pruebas previas y posteriores de una materia completa, y evaluaciones en lo que respecta a revisiones y modificaciones de lecciones individuales. Se proporcionará asistencia técnica para efectuar el diseño e implementación de la evaluación del plan de estudios. Se rendirá una evaluación escrita resumida al final del primero, tercero y quinto año del Proyecto.

Para lograr lo anterior, se proyecta que el MEP proporcione unos 29 nuevos miembros de personal para complementar a los 15 miembros que están trabajando en el Proyecto de Matemáticas por Radio.

teachers, normal school teachers, and teachers of adolescents and adults. Where the World Bank curricula are found inappropriate or not readily applicable to the radio-assisted classroom curricula, they will be revised accordingly.

4. Lessons based on the revised curricula for the first four primary grades and adult education will be prepared and recorded on cassette tapes and will be broadcast on a daily schedule in the latter stages of the project. Teacher's guides, student worksheets and visual materials will be developed to accompany each lesson. These lessons will also be used in the Campesino Agricultural Schools (EAC) and the Rural Family Education Centers (CFER) activities sponsored under Component V.

5. Evaluation of the new radio-assisted curriculum will be carried through pre and post-testing of entire subject areas and developmental evaluation involving revisions of individual lessons. Technical assistance will be provided for the design and implementation of curriculum evaluation. A written summary evaluation will be conducted at the end of the first, third and fifth years of the Project.

To accomplish the above, it is projected that the MPE will employ some 29 new staff members, to supplement the 15 staff members already working on the Radio Mathematics Project.

Se preparará una cantidad creciente de materiales para planes de estudio, cintas magnetofónicas grabadas, guías, hojas de trabajo, etc. Se proporcionará una amplia asistencia técnica en respaldo de todas las actividades relacionadas con planes de estudios.

Se usarán fondos de la Donación y el Préstamo de la A.I.D. para financiar los costos de la asistencia técnica, complementada por una pequeña contribución del Prestatario. La A.I.D. por medio de fondos del Préstamo compartirá con el Prestatario los costos de desarrollar y producción de materiales, v. gr., cintas para transmisiones radiales, guías, hojas de trabajo, etc. El Prestatario financiará totalmente el costo de la operación.

Lo que se espera lograr al final de este Proyecto es mejorar el Plan de Estudios de los grados 1º al 4º, además de un relevante plan de estudios para adultos. Ambas serán adaptados para ser transmitidos diariamente por radio, para su recepción en las aulas escalares por los maestros participantes, además de materiales de respaldo para la utilización efectiva de los planes de estudio antes mencionados.

D. Componente Cuatro, Entrenamiento de Supervisores y Maestros.

Esta actividad del Proyecto se propone llenar la necesidad de mejores maestros en las áreas rurales, mejor equipados y responsables, mediante la estrategia básica de primero entrenar al ya existente personal clave del MEP, quienes a la vez entregarán a otros. A medida que se necesite más

An increasing amount of curriculum materials tapes, guides, worksheets, etc., will be developed under the Project. Extensive technical assistance will be provided in support of all curriculum activities.

A.I.D. Grant and Loan funds will be used to finance the considerable technical assistance costs involved, supplemented by a small Borrower contribution. A.I.D. by means of Loan funds, will share with the Borrower the cost of the development and the production of educational materials, e. g. broadcast tapes, guides, worksheets, etc. The Borrower will fully fund all the operational costs involved.

The End of Project status sought will be an improved grades 1 through 4 curriculum, plus relevant adult education curricula, both of which will be adapted for and disseminated via daily radio broadcast and appropriate classrooms monitors for all recipient teachers, plus supporting materials to use the curricula effectively.

D. Component Four, Training for Supervising and Teaching.

This Project activity purposes to meet the need for better trained, equipped and committed teachers in target rural areas by means of a basic strategy of first training existing MPE core staff who in turn will train others. As additional manpower requirements are incurred, new staff will be

personal, éste se contratará y entrenará.

El adiestramiento se logrará mediante un programa nuevo y prolongado de adiestramiento pre-empleo y en el trabajo de los instructores de maestros, supervisores, maestras graduadas, maestros regulares del MEP, y maestros comunitarios de Comarca que trabajarán en las áreas rurales de las Regiones II y V. El personal docente de los centros rurales para el adiestramiento de adolescentes, consistente en Centros Familiares para Educación Rural (CFER), Escuelas Agrícolas para el Campesino (EAC), y otros maestros, que estarán usando el plan de estudios acelerado de educación básica para adolescentes y adultos por radio, también recibirán adiestramiento sobre el contenido y metodología de enseñanza desarrollados bajo el Componente III.

Lo anterior se logrará mediante el adiestramiento apropiado de un grupo de 24 instructores de maestros y aproximadamente 100 supervisores del personal del MEP de las regiones II y V. Esto se llevará a cabo mediante un programa de adiestramiento por etapas, es decir, que se vaya aumentando progresivamente el número de entrenados cada año, hasta que se logre el número necesario. El grupo inicial de instructores de maestros y supervisores será responsable de adiestrar a los instructores y supervisores siguientes.

Este adiestramiento se llevará a cabo en el Centro Nacional de Educación y Ciencias (CENEC) de Managua. Este adiestramiento en el CENEC será llevado a cabo en estrecha colaboración con el proyecto de educación financiado por el

recruited and trained.

The training is to be accomplished by a new and continuing program of pre-service and in-service training for MPE teacher trainers, supervisors, master teachers, regular teachers, and Comarca community teachers who work in the rural areas of Regions II and V. Teaching personnel from the rural adolescent training centers consisting of Rural Family Education Centers (CFER) and Campesino Agriculture Schools (EAC), and other teachers who will be using the accelerated basic education radio-supported adolescent/adult curriculum, will also receive training on the content and teaching methodology of the new curriculum developed under Component III.

The above is to be achieved by the appropriate training of a cadre of some 24 teacher trainers and approximately, 100 supervisors of MPE personnel from Regions II and V. This is to be accomplished by means of a phased training program, that is an increasing number trained per year, until the target figure is met. The initial core of teacher trainers and supervisors will be responsible for training subsequent trainers and supervisors.

This training will be conducted at the National Education and Sciences Center (CENEC) in Managua. This training at the CENEC will be carried out in close collaboration with the World Bank financed education

Banco Mundial, el cual incluye el mejoramiento de las instalaciones y el desarrollo de un plan de estudios amplio para el entrenamiento de maestros del CENEC. Se suministrará donde se requieran bajo este Componente, los materiales, guías para maestros y libros correspondientes.

Los instructores y supervisores de maestros antes mencionados serán entonces responsables, durante el período operacional del Préstamo, de adiestrar al personal docente de campo que requiere el Proyecto. Este adiestramiento se llevará a cabo en sitios escogidos de las Regiones II y V. También el personal docente de las escuelas normales, secundarias, e institutos existentes del MEP en las Regiones II y V, así como de las universidades locales, participarán en talleres de orientación y de planes de estudio, de manera que tengan pleno conocimiento de todo lo relacionado al plan de adiestramiento del MEP.

Lo anterior incluirá, pero no estará limitado, al siguiente adiestramiento:

Aproximadamente
100 maestros graduados

Aproximadamente
1,477 maestros regulares

Aproximadamente
400 maestros de Comarca

Aproximadamente
1,100 maestros asignados al Programa de Educación Básica Acelerada.

project which includes the improvement of facilities and development of comprehensive training curriculum for the CENEC Appropriate materials, teacher's guides and books, will be supplied wherever required under this Component.

The above mentioned teacher trainers and supervisors will be responsible over the operational period of the Loan, to train the field teaching staff required by the Project. This training will be conducted at selected training sites within Regions II and V. Also teaching personnel at the MPE's existing Regions II and V normal and secondary schools and institutes as well as local universities will participate in orientation and curriculum workshops so they may become fully knowledgeable of MPE training developments.

The above will include but not be confined to the following training:

Approximately
100 master teachers.

Approximately
1,477 regular teachers

Approximately
400 Comarca teachers

Approximately
1,100 teachers assigned to the Accelerated Basic Education Program.

Aproximadamente
40 miembros de personal
para escuelas normales y
secundarias.

Para asegurar que el adiestramiento sea eficiente, se ha contemplado desde el inicio del proyecto la contratación de asistencia técnica financiada por la Donación de la A.I.D., principalmente en los ramos de desarrollo comunal y educación de maestros, métodos de enseñanza por la radio y adiestramiento de maestras para la educación de adultos.

Los fondos del Préstamo de la A.I.D. financiarán asistencia técnica y equipo para entrenamiento (v. gr., equipo visual y cintas magnetofónicas grabadas). El Prestatario financiará todos los costos de operación y algunos costos de contratos.

Al finalizar el Proyecto bajo este Componente, se espera que el MEP tenga un cuerpo de maestros entrenados en las Regiones II y V, competentes para impartir el plan de estudios corregido, y materiales de respaldo desarrollados bajo el Componente III del Proyecto.

**E. Componente Cinco,
Fortalecimiento del Sistema
de Educación Rural.**

El Componente Cinco, compuesto de unas siete subactividades, enfoca los problemas de infraestructura, de apoyo

Approximately
40 normal and secondary
school staff

To assist in assuring that the most efficient training is undertaken, A.I.D. Grant financed contract technical assistance is contemplated at the very beginning, primarily in community development and teacher education, radio-assisted teaching methods and adult education teachers training.

A.I.D. Loan funds will finance technical assistance and training equipment (e.g., video tape equipment and tapes). The Borrower will fund all operational costs and some contract costs.

The end of Project status sought under this Component will be a trained MPE teacher corps in Regions II and V competent to deliver the revised rural curriculum and supporting materials developed under Component III of the Project.

**E. Component Five,
Strengthening the Rural
Education Delivery System**

Component Five, composed of some seven sub-activities, addresses the significant infrastructure, support and

y de servicio más significativos y principales, que difi cultan que se imparta educación escolar rural en las áreas escogidas del Proyecto. Por lo tanto, esta actividad es para mejorar o proporcionar, según corresponda, las instalaciones básicas y equipo, así como los servicios cuya falta actualmente obstaculizan una educación rural efectiva en las Regiones II y V. Debido a la naturaleza física de esta actividad, v.gr., reparación, construcción, mantenimiento, además de adquisiciones, constituye el más costoso de todos los cinco Componentes y, en muchos aspectos, representa la culminación del Proyecto.

1. Actividad A.
Construcción de Circuitos de Escuelas de Comarca.

Se establecerán, con su respectivo personal en las áreas rurales de las Regiones II y V, donde actualmente no existen instalaciones para educación, aproximadamente 100 Circuitos de Escuelas de Comarca (CEC), incorporando aproximadamente 400 aulas y 100 viviendas para maestros graduados.

Los CEL de un área determinada, solicitarán que se forme un CEC en su área. Los CEC serán establecidos si llenan ciertos criterios convenidos entre el MEP-A.I.D. Para establecerlos se utilizarán métodos de ayuda mútua hasta donde sea factible, en la construcción de las aulas (un promedio de cuatro por CEC) y vivienda de alojamiento para el Maestro Graduado. Después

service constraints that impair the delivery of rural education in the Project's target areas. Accordingly, this activity is to improve or provide, as appropriate, the physical facilities and equipment as well as services presently obstructing effective rural education in Regions II and V. Because of the physical nature of this activity, i.e., repair, construction, maintenance plus procurement, it constitutes the most costly of all five Components and, in many respects, represents the culmination of the Project.

1. Activity A.
Construction of Comarca School Circuits.

Approximately one hundred Comarca School Circuits (CSCs), incorporating approximately 400 classrooms and 100 master teachers' houses will be established and staffed in the rural areas of Regions II and V where no educational facilities exist presently.

The LSC in a given area will request that a CSC be formed in its area. If it meets certain agreed upon MPE-A.I.D. criteria, a CSC will be established. In doing so, to the extent feasible, self-help methods will be utilized in the construction of the classrooms (average of four per CSC) and living quarters of the Master Teacher. After the MPE has formally approved the

que el MEP haya aprobado formalmente la solicitud de la Comunidad para establecer un CEC, una entidad apropiada, v.gr., una organización sin fines de lucro como CARE, un contratista o una unidad del MEP, será responsable de planear y supervisar la construcción, así como de proporcionar los materiales y equipos necesarios para completar la unidad CEC. La comunidad, donde sea aplicable, proporcionará el terreno y la mano de obra especializada. Además, por medio del CEC, se le solicitará a la comunidad que escogerán a una persona de ese lugar para que sirva como maestro de Comarca de la comunidad, cuyas actividades y actuación también supervisará este grupo.

Todos los costos de la construcción serán financiados con fondos del Préstamo de la A.I.D. El Prestatario financiará todos los costos de operación resultantes, tales como los salarios de los nuevos maestros de Comarca de la comunidad. La comunidad beneficiada proporcionará el terreno y mano de obra, donde sea aplicable.

Al finalizar el proyecto se espera que la Unidad de Escuelas de Comarca proporcionará educación a unos 20,000 estudiantes quienes anteriormente no tenían acceso a esta educación, v.gr., niños, adolescentes y adultos en las Regiones II y V.

community's request for a CSC, an appropriate entity, e.g., non-profit organization such as CARE, a contractor or an MPE unit, will be responsible for planning and supervising the required construction and providing the necessary materials and equipment to complete the CSC unit. The community will provide the land and the voluntary unskilled labor; where possible, necessary skilled labor will be contracted locally. In addition, through the LSC, the local community will be asked to select for training a local person to serve as its Comarca community teacher, whose activities and performance this group will also monitor.

A.I.D. Loan funds will finance all construction costs. The Borrower will finance all resultant operational costs such as the salaries of new Comarca community teachers. The recipient community will provide the land and labor where applicable.

The End-of-Project status sought will be Comarca School Units to provide approximately 20,000 students, i.e., children adolescents and adults, in Regions II and V an education which, previously was not available to them.

2. Actividad B.

Rehabilitación de las
Escuelas Primarias
Rurales Existentes

Un estudio anterior reveló que aproximadamente el 50% de las aulas de Primaria rurales de las Regiones II y V necesitan ser reparadas, y en algunos casos estas reparaciones son serias. Por ejemplo, algunas escuelas están cerradas porque representan un peligro o son inadecuadas para utilizarse, a la vez que otras tienen un ambiente pobre para impartir clases debido a deficiencias estructurales menos serias.

Este Componente se encargará de la reparación y rehabilitación de aproximadamente 530 escuelas de primaria rurales existentes. Hasta donde sea factible, se incentivará a las comunidades a que usen medios de ayuda mutua para hacer las reparaciones necesarias, siendo el diseño, supervisión, mano de obra especializada y materiales, suministrados por el MEP. Además, tal como se mencionó, el Componente proporcionará aproximadamente 240 maestros para impartir clases en las escuelas que se rehabilitarán, además de dotar de maestros a aquellas escuelas adicionales que actualmente no los tienen, y que por tal motivo no funcionan.

El Préstamo de la A.I.D. proporcionará financiamiento para los costos de supervisión e inspección de arquitectura e ingeniería. El Prestatario financiará todos los otros costos de reparación y rehabilitación, a

2. Activity B.

Rehabilitation of Existing
Rural Primary Schools

Prior study reveals that approximately 50% of the rural primary classrooms in Regions II and V are in need of repair and at times extensive repairs. For example, some schools are closed because they are hazardous or unfit for occupancy, while others provide a poor learning environment due to less serious deficiencies.

This Component will provide for the repair and rehabilitation of approximately 530 existing rural primary schools. To the extent feasible, local communities will be encouraged to utilize self-help means to make the necessary repairs with the design, supervision, skilled labor, materials and supplies being provided by the MPE. In addition, as mentioned, the Component will provide approximately 140 teachers in those additional schools presently lacking teachers which results in a non-functioning school.

A.I.D. Loan financing will provide for A & F supervision and inspection costs involved. The Borrower will finance all other repair and rehabilitation costs, except that forthcoming from local community self-help

excepción de aquellos que resulten de esfuerzos de ayuda mutua de la comunidad, y de proporcionar todos los maestros regulares nuevos programados bajo este Componente.

Lo que se espera lograr al final de este proyecto es un significativo mejoramiento en las instalaciones físicas de las aulas, y el dotar de maestros a éstas y otras escuelas primarias en las Regiones II y V.

**3. Actividad C –
Amoblado de las Escuelas
Primarias Nuevas y de Las
ya Existentes**

Este Componente enfoca lo seriamente inadecuados que son los muebles de las escuelas primarias de las Regiones II y V, lo cual fué verificado por un estudio previo, además de dotar de mobiliario escolar a las aulas nuevas que resulten del Proyecto. Muchas escuelas rurales existentes carecen de los muebles más elementales, v.g., escritorios y pupitres, sillas, etc.

Aproximadamente 360 aulas, que básicamente no tienen muebles, serán provistas de muebles apropiados, tales como escritorios, pupitres, sillas, pizarrones, suministros y armarios para libros, mesas para estudiantes y maestros, etc. Se proporcionará el mobiliario necesario para aproximadamente 761 aulas que están amobladas inadecuadamente, v.g., tienen aproximadamente el 50% de los requisitos mínimos. Se llevará a cabo un estudio antes de cualquier compra, para determinar la forma más económica y eficiente de comprar el mobiliario requerido.

efforts and the staffing of all new regular teachers programmed under this Component.

The End-of-Project status sought will be a marked upgrading of classroom physical facilities and the staffing of these and other unstaffed primary schools in Regions II and V.

**3. Activity C –
Furnishing New and Existing
Primary Schools**

The Component addresses the serious inadequacy of primary school furnishings in Regions II and V which was verified by prior study, plus the furnishing of new classrooms resulting from the Project. Many existing rural schools lack the most fundamental furnishings, i.e., desks, chairs, etc.

Approximately 360 classrooms without furniture will be provided appropriate furnishings such as teacher and student desks and chairs, blackboards, supply and book cabinets, students' and teachers' tables, etc. An approximately 761 classrooms which are inadequately furnished, i.e., have approximately 50% of the minimum requirements, will be provided the furniture they need. A study will be undertaken before any purchase, to determine the most cost-effective, efficient manner to purchase the furnishings required.

El Préstamo de la A.I.D. financiará el costo de los muebles. Lo que se espera lograr al final de este Proyecto es equipar adecuadamente las escuelas primarias de las áreas rurales de las Regiones II y V, lo que redundará en un mejoramiento de la educación rural.

4. Actividad D - Actual Mantenimiento de Escuelas

Uno de los principales factores que ha contribuido a la necesidad actual de reparación de escuelas es la falta ó ineficacia de un programa efectivo de mantenimiento de escuelas. Este Componente, conjuntamente con un plan de mantenimiento que será desarrollado bajo la "Reforma Administrativa" del Componente I, por el asesor en mantenimiento, estipulará la necesidad de un fondo anual del MEP para mantenimiento, en base a escuela y número de estudiantes. Un concepto fundamental de este Componente es que los CEL serán cada vez más responsables del mantenimiento y conservación, y los recursos necesarios para ello serán proporcionados por el MEP.

El Prestatario, por medio del presupuesto formal anual del MEP, proporcionará, comenzando en el segundo año del proyecto, fondos anuales cada vez mayores, para el proyecto de mantenimiento de las escuelas del Proyecto.

Lo que se espera lograr al final de este Proyecto es un programa de mantenimiento operacional que sirva a las escuelas primarias rurales de las Regiones II y V.

A.I.D. Loan funds will finance all furniture costs. The End-of-Project status sought is adequately equipped, primary school rooms in Regions II and V rural areas that will be conducive to improved rural education.

4. Activity D - On-going School Maintenance

A major factor contributing to the current need for school repairs, is the lack of or inadequacy of an effective school maintenance program. This Component, in conjunction with a maintenance plan to be developed under Component I's "Administrative Reform" with the maintenance advisor, will provide for an annual MPE maintenance fund, based on a per-school-per-student basis. An underlying concept of this Component is that the LSC will become increasingly responsible for maintenance and up-keep and the necessary financial resources to do so will be provided by the MPE.

The Borrower, by means of annual formal budget, will provide, starting in the second year of the project, increasing annual funds for the maintenance of Project-assisted schools in Regions II and V.

The End-of-Project status sought will be an operational maintenance program to serve rural primary schools in Regions II and V.

5. Actividad E, Respaldo y Servicios.

Este Componente enfoca el problema serio de transporte inadecuado para el personal de supervisor y respaldo del MEP, v. gr., personal de mantenimiento construcción, personal de suministros escolares, personal de desarrollo comunitario, etc., para visitar las escuelas rurales con el fin de ver realmente cuáles son los problemas. Debido a la falta de transporte para el campo, muchos miembros del personal del MEP tienen una orientación predominante urbana. Siendo ésta una actividad principalmente para adquisiciones, también proporcionará un monto para el suministro de implementos de huertos escolares para cada CEL, mediante solicitud.

Por lo tanto, se adquirirán unos 40 vehículos apropiados, además de aproximadamente veinte mulas para los áreas aisladas, para proporcionar transporte en respaldo a las actividades del Proyecto en los Regiones II y V. Además, los implementos de huertos escolares, que consistirán principalmente de semillas y plantas, fertilizantes, herbicidas e implementos básicos de jardinería, serán proporcionados a los CEL. La actividad de jardinería deberá implementarse en colaboración estrecho con los agrónomos de INVIERNO y los promotores de PLANSAR, cuando sea posible.

Se usarán fondos del Préstamo de la A.I.D. para adquirir los vehículos y las mulas requeridas, además de los implementos de jardinería. El Prestotario proporcionará todos los costos operacionales conexos, v. gr., costos de mantenimiento y operación de vehículos, etc.

5. Activity E, Educational Support and Services.

This Component addresses the serious constraint of inadequate transportation for MEP supervisory and support staff, e.g. maintenance/building personnel, school supply personnel, community development personnel, etc., to visit rural schools in order to actually see what the problems are. Because of the lack of field transport, many MPE personnel have a predominant urban orientation. Being principally a procurement activity, this activity also will provide for the supply of garden kits to each eligible LSC upon request.

Accordingly, some 40 appropriate vehicles will be purchased, plus approximately twenty mules for the more isolated areas, to provide transport in support of Project activities in Regions II and V. In addition, garden kits consisting predominantly of seeds and plants, fertilizers, herbicides and basic garden tools will be provided to LSCs. The garden sub-activity is to be implemented in close collaboration with local INVIERNO agronomos and PLANSAR promoters when possible.

A.I.D. Loan funds will be used to purchase the vehicles and the mules required plus the school garden kits. The Borrower will provide all related operational costs, e.g., drivers, maintenance and operational vehicle costs, etc.

Al final del Proyecto se espera tener un sistema efectivo de transporte que sirva a las Regiones II y V, y un programa funcional de jardines escolares que tendrá un impacto positivo en la alimentación y salud del cuerpo de estudiantes y población circundante de las áreas escogidas.

6. Actividad F, Centros Rurales para Adolescentes.

La necesidad de aumentar los conocimientos de leer y escribir para hacer cuentas, fue puesta en evidencia en nuestro estudio anterior. Este Componente construirá y ampliará los esfuerzos anteriores en esta área, con el fin de lograr un ambiente donde los adolescentes rurales (edades de 14 o 20) puedan vivir y aprender destrezas apropiadas a su ambiente rural.

Para lograr esto, se tiene planeado ampliar el número de dos tipos de Centros Rurales para Adolescentes en las Regiones II y V. Los Centros serán una repetición de los exitosos CFER que está operando FUNDE, y los Escuelas Agrícolas para el Campesino (EAC) ya en operación patrocinadas por el MEP.

Se establecerán aproximadamente seis (6) nuevos CFER y 6 nuevos CAS en las Regiones II y V bajo este Componente.

Se usarán fondos del Préstamo de la A.I.D. para financiar los costos de arquitectura/ingeniería y supervisión involucrados, así como los costos de moblado y equipamiento para estas instalaciones. Se usarán fondos del Prestatario para financiar los costos reales de construcción, además de todos los costos operacionales resultantes.

The End-of Project status sought will be an effective transportation system to serve Regions II and V and a functioning school garden program that will have a positive nutritional and health impact of the target student body and neighboring rural populace.

6. Activity F, Rural Adolescent Centers.

The need to increase adolescent literacy and numeracy was made clearly evident in an earlier study. This Component will build upon and expand prior efforts in this area so as to provide an environment in which rural adolescents (ages 14 to 20) can live and learn basic skills relevant to their rural environment.

To do so, it is planned to expand the number of two types of Rural Adolescent Centers in Regions II and V. The Centers are to be a replication of the successful CFERs being carried out by FUNDE and the fully developed Campesino Agriculture Schools (EAC) sponsored by the MPE.

Approximately six (6) new CFERs and 6 new EACs in Regions II and V are to be established under this Component.

A.I.D. Loan funds will be used to finance the A&E and supervision costs as well as the furnishings and equipment costs of these facilities. Borrower funds will be used to finance actual construction costs plus all resultant operational costs.

Lo que se espera lograr al finalizar el Proyecto es incrementar el acceso de los analfabetas adolescentes a aquellas destrezas y conocimientos relacionadas directamente con su vida diaria en las áreas rurales de las Regiones II y V.

7. Actividad G, Capacidad de Transmisión y Recepción Radial.

Debido a la naturaleza dispersa de la población rural en áreas como las Regiones II y V, el MPE ha escogido la radio como el principal medio de transmisión del nuevo plan de estudios rural que se desarrollará bajo el Componente III. Este medio de orientar el plan de estudios es esencial si los maestros de primaria rurales van a usar en forma efectiva el nuevo plan de estudios desarrollado por el Proyecto.

Por lo tanto, el Prestatario, instalará dos estaciones de radio de aproximadamente 20 kw de capacidad cada una, las cuales serán instaladas en Jinotega (Región V) y Masaya (Región II), respectivamente. Personal del MPE adiestrado adecuadamente bajo el Proyecto será responsable de la operación de las estaciones. Se desarrollará un plan de implementación detallada para programar el inicio de estas transmisiones, en base a materiales para el plan de estudios cuidadosamente revisada. Para que captén estas transmisiones radiales, se comprarán para todas las escuelas receptoras, radio/grabadoras/tocacintas especiales.

Se usarán fondos del Préstamo de la A.I.D. para financiar la compra de todo el equipo de la estación de radio, más

The End-of-Project status sought will be increased access for unschooled adolescents to those skills and knowledge directly relevant to daily life in the rural areas of Regions II and V.

7. Activity G, Radio Transmission and Receiving Capability.

Given the dispersed character of the rural population in areas such as Regions II and V, the MPE has chosen radio as the primary transmission media for the new rural curriculum to be developed under Component III. Such a means of curriculum guidance is essential, if rural primary teachers are to effectively use the new Project developed rural curriculum.

Accordingly, the Borrower will install two radio stations of approximately 20 kw capacity each, in Jinotega (Region V) and Masaya (Region II) respectively. MPE personnel, appropriately trained under the Project, will be responsible for station operations. A detailed implementation plan will be developed to schedule the start up of these stations based on carefully pretested curriculum materials. To receive the resultant broadcasts, special radio/recorder/players will be purchased for all recipient schools.

A.I.D. Loan funds will be used to finance the procurement of all radio station

los radio/grabadoras que se colocarán en las escuelas. El Prestatario financiará los costos que resulten de la operación y mantenimiento de las estaciones, más la adquisición de los terrenos y los costos de construcción involucrados.

Lo que se espera lograr al final del Proyecto es una capacidad efectiva de transmisión y recepción radial en las Regiones II y V que proporcione el mecanismo para transmitir a la juventud rural en las áreas un plan de estudios relevante de educación básica. Además, la estación de radio se convertirá en el punto central para el Programa de Desarrollo Rural Integrado del Prestatario en las áreas escogidas del Proyecto.

equipment plus the radio/recorders to be placed in the schools. The Borrower will finance the resultant operational and maintenance costs of the two stations plus the land acquisition and construction costs involved.

The End-of-Project status sought is an effective radio transmission and reception capability in Regions II and V that will provide the mechanism for delivery to the rural youth of the areas, a relevant basic educational curriculum. Additionally, the radio stations will become focal points for the Borrower Integrated Rural Development Program in the Project's target areas.

Estructura de la Implementación del ProyectoProject Implementation StructureA. Medidas Administrativas del MEP

El Ministro de Educación Pública dirigirá la ejecución de todos los Componentes del Proyecto. El Ministro nombrará un Director Ejecutivo para el Proyecto a tiempo completo, bien calificado y aceptable a la A.I.D. También se nombrarán Gerentes de Proyecto, bien calificados a tiempo completo para cada componente del Proyecto de Desarrollo de Educación Rural, aceptables a la A.I.D. Ellos informarán y serán directamente responsables ante el Director Ejecutiva. El Director Ejecutivo del Proyecto, los Gerentes de Proyecto de los varios Componentes, y los Directores de Departamento de Educación Primaria, Planes de Estudio, Producción de Materiales, Inversiones, Planificación y Evaluación del MEP; constituirán un Consejo Asesor del Proyecto, presidido por el Director Ejecutivo, quien informará directamente al Ministro. El Consejo Asesor del Proyecto se reunirá periódicamente v. gr., semanalmente, para revisar el progreso y los problemas, y para decidir la acción que se debe tomar. El consejo será el foco principal para establecer metas, asignar papeles y responsabilidad, establecer calendarios y prioridades y coordinar las actividades del Proyecto con otras agencias.

B. Coordinación Inter-Agencial del Presupuestario.

Un Comité de Coordinación Inter-Institucional coordinará los aspectos inter-agenciales e inter-disciplinarios del Proyecto de Desarrollo de Educación Rural.

A. MPE Administrative Arrangements.

The Minister of Public Education will direct the execution of all Project Components. The Minister will designate a full-time, well-qualified Executive Director of the Project, acceptable to A.I.D. Qualified full-time Project Managers, likewise acceptable to A.I.D., will be appointed for each Component of the Rural Education Development Program. They will report and be directly responsible to the Executive Director. The Executive Director of the Program, the Project Managers of the several Components and the MPE Directors of the Department of Primary Education, Curriculum, Materials Production, Investments, Planning and Evaluation will constitute a Project Advisory Council, chaired by the Executive Director that will report directly to the Minister. The Program Advisory Council will meet periodically, e.g., weekly, to review progress and problems and to decide on actions required. The council will be the focal point for setting targets, assigning roles and responsibilities, setting schedules and priorities, and coordinating project activities with other agencies.

B. Borrower Inter-Agency Coordination.

An Inter-Institutional Coordination Committee will coordinate the inter-agency and inter-disciplinary aspects of the Rural Education Development Project.

El MPE, MSP, e INVIERNO serán miembros regulares, y los representantes de las otras entidades públicas y privadas, participarán cuando sea necesario. El Director Ejecutivo del Programa presidirá las reuniones regulares y especiales, según sea necesario. Se redactará un convenio formal en el cual se detallará la colaboración en los campos de salud, agricultura, nutrición y educación de las varias partes participantes.

C. Evaluación del Proyecto.

El progreso del Proyecto será evaluado y las metas sectoriales serán evaluadas nuevamente, durante una revisión anual amplia del Proyecto por parte del Prestatario y de la A.I.D., la cual será programada durante la duración del Proyecto a menos que se convenga lo contrario. La revisión será un trabajo conjunto entre el Prestatario y la A.I.D. basada en información preparada por el Departamento de Evaluación de la División de Planificación del MPE. Los fondos de la Donación de la A.I.D. serán proporcionados en respaldo de dicha actividad de evaluación bajo el Componente I y III.

The MPE, MOH and INVIERNO will be regular members and representatives of other entities, public and private, will participate as necessary. The Executive Director of the Program will chair regular and special meetings as necessary. A formal agreement will be developed which will spell out the collaboration by the participating parties in the fields of health, agriculture, nutrition and education.

C. Project Evaluation.

Project progress will be evaluated and sector targets reassessed during a comprehensive annual review of the Project by the Borrower and A.I.D. to be schedules once a year, except as otherwise agreed. The review will be a joint undertaking of the Borrower and A.I.D. based upon data prepared by the Evaluation Department of the MPE's Division of Planning. A.I.D. Grant funds will be provided in support of such evaluation activity under Component I and III.

SUDAN
Southern Manpower Development

*Agreement signed at Khartoum August 30, 1978;
Entered into force August 30, 1978.*

PROJECT
GRANT AGREEMENT
BETWEEN
THE DEMOCRATIC REPUBLIC OF THE SUDAN
and the
UNITED STATE OF AMERICA
for
SOUTHERN MANPOWER DEVELOPMENT PROJECT

August 30, 1978
Khartoum, Sudan

TABLE OF CONTENTS

<u>PROJECT GRANT AGREEMENT</u>		<u>Page</u>	<u>[Pages herein]</u>
Article 1:	The Agreement	1	1 5208
Article 2:	The Project	1	1 5208
SECTION 2.1	Definition of Project	1	1 5208
SECTION 2.2	Incremental Nature of Project	1	1 5208
Article 3:	Financing	2	2 5209
SECTION 3.1	The Grant	2	2 5209
SECTION 3.2	Grantee Resources for the Project	2	2 5209
SECTION 3.3	Project Assistance Completion Date	2	2 5209
Article 4:	Conditions Precedent to Disbursement	3	3 5210
SECTION 4.1	First Disbursement	3	3 5210
SECTION 4.2	Notification	3	3 5210
SECTION 4.3	Terminal Dates for Conditions Precedent	3	3 5210
Article 5:	Special Covenants	3	3 5210
SECTION 5.1	Project Evaluation	3	3 5210
SECTION 5.2	Radio Facilities	4	4 5211
SECTION 5.3	Construction Sites	4	4 5211
SECTION 5.4	Operating Costs	4	4 5211
SECTION 5.5	Counterpart Personnel	4	4 5211
SECTION 5.6	Participant Training	4	4 5211
SECTION 5.7	Housing	4	4 5211
Article 6:	Procurement Source	4	4 5211
SECTION 6.1	Foreign Exchange Costs	4	4 5211
Article 7:	Disbursement	5	5 5212
SECTION 7.1	Disbursement for Foreign Exchange Costs	5	5 5212
SECTION 7.2	Other Forms of Disbursement	6	6 5213
SECTION 7.3	Rate of Exchange	6	6 5213
Article 8:	Miscellaneous	6	6 5213
SECTION 8.1	Communication	6	6 5213
SECTION 8.2	Representatives	7	7 5214
SECTION 8.3	Standard Provisions Annex ^[1]	7	7 5214

ANNEXES:

1. Amplified Project Description

Attachment I: Project Financial Plan

^[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 650-0021

Project Grant Agreement

August 30, 1978

Between

The Democratic Republic of the Sudan

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 in the context of the economic, technical, and related Assistance Agreement (Bilateral Agreement) between the parties named above ("Parties"), dated March 31, 1958,^[1] and reaffirmed by exchange of notes June 16, 197¹, the understandings of the 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 assist the Grantee to increase the quantity and quality of trained agricultural personnel working with the smallholder farmer in the Southern Region of the Sudan. 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. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed. It is further anticipated that, subject to the above qualifications, A.I.D.'s overall contribution to the Project will total \$5,260,000.

(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 appro-

¹ TIAS 4014, 4085; 9 UST 348, 1079.

priate 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,^[1] agrees to grant the Grantee under the terms of this Agreement for the United States fiscal year 1978 not to exceed Two Million United States ("U.S.") Dollars (\$2,000,000) ("Grant"). The Grant may be used only to finance foreign exchange costs, as defined in Section 6.1, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project.

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

(b) The resources provided by Grantee over the life of the Project will be not less than the equivalent of U.S. \$2,040,000, including costs borne on an "in-kind" basis.

SECTION 3.3 Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is June 30, 1983, 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

¹75 Stat. 424; 22 U.S.C. § 2151 note.

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

SECTION 4.2. Notification. When A.I.D. has determined that the condition precedent specified in Section 4.1 has been met, it will promptly notify the Grantee.

SECTION 4.3. Terminal Dates for Conditions Precedent. If the condition specified in Section 4.1 has not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to 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 of 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.

The evaluation program is further described in Annex 1 of this Agreement.

SECTION 5.2. Radio Facilities. The Grantee covenants to expedite the process whereby the contractor financed under the Project may obtain all permits, licenses and documentation required for the installation and use of project-funded radio communications facilities to be used by the A.I.D.-financed technical assistance personnel in furtherance of the objectives of this Project. It is understood that, except as A.I.D. may otherwise agree in writing, A.I.D.-financed technical assistance personnel will not be stationed in Juba, Yambio, or Rumbek until such permits, licenses and other required documentation are obtained, installation on the facilities has begun, and it is reasonably certain installation will be completed on a timely basis.

SECTION 5.3. Construction Sites. Sites selected for the construction of Project-financed facilities will be chosen by joint agreement of the Parties. Selection will be made with consideration of, inter alia, A.I.D.'s environmental requirements.

SECTION 5.4. Operating Costs. The Grantee, in accordance with its undertaking pursuant to Section 3.2 above, covenants to meet the operating cost requirements of the Yambio and Rumbek training institutions.

SECTION 5.5. Counterpart Personnel. The Grantee covenants to provide counterpart personnel from the staff of the Ministry of Agriculture (hereinafter the "Ministry"), the Yambio Institute for Agricultural Technicians, and the Rumbek Agricultural Training Center, to work with the A.I.D.-financed technical assistance personnel. Counterpart personnel will have appropriate backgrounds so as to maximize their training experience.

SECTION 5.6. Participant Training. The Grantee covenants to select, on a timely basis, qualified personnel as participant trainees under the Project and will take such steps as are necessary to assure that personnel trained will be utilized in positions commensurate with the nature and level of training received.

SECTION 5.7. Housing. The Grantee agrees that, although title to housing constructed hereunder will vest in the Grantee, nonetheless, upon completion of the Project such housing can be utilized to house other A.I.D.-financed technical assistance personnel or for such other purposes as the Parties may at that time agree to.

Article 6: Procurement Source.

SECTION 6.1. Foreign Exchange Costs.

- (a) Except as stated otherwise in Subparagraph (b) below,

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 Code 941 of the A.I.D. Geographic Code Book in effect at the time orders are placed or contracts entered into for such goods or services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

(b) Notwithstanding the general limitations contained in Subparagraph (a) above or the Project Grant Standard Provisions Annex attached hereto,

- (i) construction firms may have as their nationality countries included in Code 935 of the A.I.D. Geographic Code Book in effect at the time contracts are entered into for such construction services;
- (ii) motor vehicles procured for the Project may have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book in effect at the time orders are placed or contracts are entered into for such vehicles;
- (iii) commodities, within the limits to be set forth in Project Implementation Letters, may have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book in effect at the time orders are placed or contracts entered into for such commodities.

Article 7: Disbursement.

SECTION 7.1. Disbursement for Foreign Exchange Costs.

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

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

SECTION 7.2. 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 7.3. Rate of Exchange. Except as may be more specifically provided elsewhere, if funds provided under the Grant are introduced into Sudan 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 the currency of Sudan at the official rate of exchange.

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: Ministry of National Planning

Mail Address: Khartoum, Sudan

Alternate address for cables: N/A

To A.I.D.:

Mail Address: U.S. Agency for International Development
c/o American Embassy
P.O. Box 699
Khartoum, Sudan

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. The Grantee, in addition, will provide the USAID Mission with a copy of any communication sent to A.I.D./Washington.

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 Under-Secretary, Ministry of National Planning and A.I.D. will be represented by the individual holding or acting in the office of AID Representative each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

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

DEMOCRATIC REPUBLIC OF THE SUDAN

BY: R. Abdel Wahab [2]
Under-Secretary,
Ministry of National Planning

UNITED STATES OF AMERICA

BY: Richard W. Bogosian [3]
Charge d'Affaires

¹ See footnote 1, p. 5207.

² R. Abdel Wahab.

³ Richard W. Bogosian.

ANNEX 1

AMPLIFIED PROJECT DESCRIPTION

This amplified project description elaborates on the description provided in Section 2.1 of this Agreement. Except as may be otherwise stated on this Annex, elements of the amplified description may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2 without formal amendment of this Agreement provided that any such change is made within the limits of the definition of the Project as set forth in Section 2.1.

I. General Description.

The purpose of the Southern Manpower Development Project is to assist the Grantee to strengthen the human resources base in the agricultural sector of the Southern Region through improvements in the training and utilization of agricultural personnel who work, or will work, with smallholder farmers. Assistance will be directed towards the Ministry of Agriculture (the MOA or Ministry) in Juba, which has responsibility for agricultural development throughout the Southern Region; and at the two institutions in the South that are currently providing pre-service training to agricultural technicians and extension personnel. One of these, the Rumbek Agricultural Training Center, trains field assistants or village-level extensionists; the other, the Yambio Institute for Agricultural Technicians, trains technicians and district-level extensionists.

Three components comprise the objectives of the project. These are listed here and discussed in detail below:

1. Strengthen the capacity of the Yambio Institute for Agricultural Technicians to train -- and retrain -- diploma-level technicians in gaining an understanding of small farming systems and applying that knowledge to techniques of extension and knowledge transfer.

2. Strengthen and lend direction to the Agricultural Training Center at Rumbek through curriculum reorientation and revision and through the introduction of a program of direct extension activities in the Rumbek area involving students and staff at the Training Center, Provincial and District agricultural staff and the participation and training of small farmers and pastoralists.

3. Strengthen the capacity of the Ministry of Agriculture in Juba to plan, manage and support viable programs of agricultural training and extension in the Southern Region, through provision

of advisory assistance to the Department of Extension and the Department of Research and Training, and through establishment of operational linkages between these Departments, the College of Adult Education and Training at the University of Juba, and the institutions at Yambio and Rumbek..

Additionally, because of the special problems of Project support in the Southern Region, a fourth, "support", component has been included in the project, i.e., to establish a logistical capacity to support this (and, perhaps, others) project in the Southern Region.

II. Detailed Project Description and Project Inputs by the Parties.

A. Strengthen the capacity of the Yambio Institute for Agricultural Technicians to train -- and re-train -- diploma-level technicians in gaining an understanding of small farming systems and to apply that knowledge to techniques of extension and knowledge transfer.

The Project will provide technical assistance, and training and commodity support to the Yambio Institute for Agricultural Technicians, in order to achieve the following outputs:

1. Establishment of an integrated instructional program focusing on the agricultural and socioeconomic aspects of traditional farming systems in the Southern Sudan. This activity will encompass (a) a more intensive and redirected program of theoretical and practical training oriented to the environment around Yambio, and (b) an ongoing program of data collection and analysis designed to improve the knowledge base on farming systems throughout the Southern region.

To support this activity, the project will provide the Yambio with two long-term advisors for 30 months each: a specialist in the agricultural and extension aspects of farming systems, and a specialist in the analysis of socioeconomic factors which influence the decision-making of small farmers and pastoralists. Additional short-term assistance will be provided to the Institute in the areas of agricultural information systems (2-1/2 person/months); staff and curriculum development (2-1/2 person/months); and agricultural research, extension methodology, and cooperatives and marketing (1 person/month each). The short-term specialists will provide curriculum development and evaluation services corresponding to their particular fields.

Members of the technical assistance team will work with

Institute staff in developing elements of a core curriculum and practical training program.

In the area around Yambio, the technicians will work with the Ministry of Agriculture personnel, Institute staff and students to design and execute a program of supervised field trials in which selected "treatments" (new inputs and/or improved practices) are introduced and monitored through a full cropping cycle on the fields of cooperating small farmers. This activity will provide Yambio students with direct experience in conducting field trials and evaluating their results.

The technicians will also assist with the generating of a systematic data base on farm management practices (including livestock and range management) throughout the South, utilizing Institute students during vacation periods to gather survey data, and carrying out in-depth studies themselves to investigate specific problems identified in the surveys.

A.I.D.-financed project inputs to support this activity will consist of the long and short-term technical assistance; housing for the long-term technicians; vehicles, spare parts and fuel for the technicians and for the Institute's extension teacher; 70 bicycles for use in students' field training; fuel to enable Ministry of Agriculture personnel to participate in and supervise the field training program; and a supply of agricultural inputs, including seeds and farm tools:

2. Strengthening of the Institute's capacity to prepare its women trainees for effective careers in agricultural development.

The project will provide short- and long-term technical assistance in the field of women in development. This assistance will be directed at strengthening the Yambio curriculum to meet women's training needs. Curriculum revision will focus on the role of women in agricultural production as well as in nutrition, household decisionmaking, and in the processing and marketing of food and cash crops.

This work will be carried out initially by a short-term specialist, ideally provided through A.I.D.'s Women in Development Office. It will be continued through the local hire recruitment of a qualified women's extension/development specialist. This specialist will collaborate with the project advisors in Juba and with Ministry policymakers in order to rationalize the position and role of women in the Ministry's overall program.

3. Integration of the Yambio Institute into a program of in-service training and continuing education, organized and directed by the Ministry of Agriculture and the College of Adult Education and Training at the University of Juba. This activity will serve Yambio graduates and other agricultural personnel working in the Southern Region, and will utilize Institute facilities and teaching staff for selected courses.

The major responsibility for planning and implementing this program will rest with members of the technical assistance team based in Juba. Four continuing education courses per year at the Yambio Institute will be held during the life of the project, with an average duration of three weeks and 15 participants per session. The long-term technicians based at Yambio, as well as other Institute teaching staff, will collaborate with Ministry of Agriculture and Juba University staff in preparing and teaching these in-service courses.

A.I.D.-financed project inputs in support of this activity will consist of a dormitory/classroom unit to be constructed at the Yambio Institute, with accommodation for 15 persons; and transportation and subsistence for participants in courses conducted at Yambio.

4. Provision of a teaching methods seminar for agricultural teaching staff and of a plan for continuing seminars to be conducted by the College of Adult Education and Training.

The project will provide a two-person expatriate team to conduct an intensive three-week course in teaching methods for the staff of the two institutions during the Christmas holidays beginning in December 1979. The seminar, which will demonstrate a wide variety of classroom and practical teaching techniques appropriate to the agricultural sciences, will also involve two faculty members from the College of Adult Education and Training at the University of Juba. Upon completion of the seminar the two-person team will work with these faculty members to lay plans for the institutionalization of a Teaching Methods Seminar to be conducted on a regular basis by the University.

5. Upgrading of the professional qualifications of the Yambio teaching staff through study tours, short courses and fellowships in African countries.

During the summer of 1979, the project will fund a six-week instructional tour for the Sudanese Principal, Vice-Principal and extension instructor of the Yambio Institute to selected research and teaching institutes in African countries.

A principal outcome of this trip (in addition to the intrinsic learning experience) will be the selection by these staff members of appropriate institutions for short- and long-term training of Yambio staff. On the basis of these selections, the project will finance short courses (average length: six weeks) in extension methods or small farming systems for three staff members per year for each of three years. The project will also provide two two-year fellowships for B.Sc. courses for two Southern Sudanese extension demonstrators from the Yambio Institute.

6. Establishment of a library and provision of complementary teaching and learning materials.

The long-term advisors will work with the librarians at Yambio and at the University of Juba to select an initial complement of books and to organize the Institute library for the use of Yambio staff and students. The project will also purchase for the Institute other low-cost teaching and learning materials to support the improved core curriculum and field training activities.

The Southern Regional Government, through the Ministry of Agriculture, will meet the recurrent costs of the Yambio Institute (including Sudanese staff salaries). Total SRG contribution to activities at the Institute over the life of the project will be equivalent to U.S. \$1,458,590.

B. Strengthen and lend direction to the Agricultural Training Center at Rumbek through curriculum reorientation and revision and through the introduction of a program of direct extension activities in the Rumbek area involving students and staff at the Center, provincial and district agricultural staff and the participation and training of small farmers and pastoralists.

The project will provide technical assistance, training and commodity support to the Rumbek Agricultural Training Center in order to achieve the following outputs:

1. Development of the Center's capacity to train up to 120 village-level agricultural extensionists per year with skills appropriate to small farmer environments in the Southern Sudan.

To accomplish this, the project will provide a long-term technician plus a house, a vehicle and fuel for the technician. This technician will be a field-oriented agricultural training

and management advisor and will serve as the counterpart to the Rumbek Director for two and one-half years. The advisor will assist the Director in curriculum reorientation and revision, in overall planning and management of the Center, in the preparation of recommendations to the Ministry of Agriculture for rationalization and redefinition of the Center's activities, and in the organization and supervision of student and farmer field training activities. The long-term advisor will be assisted in these efforts by the Ministry of Agriculture advisors in Juba as well as by short-term assistance.

2. Establishment of an extended field training component within the Center course.

The project will provide a "direct outreach" component to the Rumbek training program. This program will add up to six months to the current six months of training received by Rumbek Center students. Supervision and direction of student extension activities will be provided by Ministry of Agriculture personnel assigned to Lakes Province as well as by Rumbek staff.

To support this activity, the project will provide vehicles, fuel, temporary shelter (tukuls and tents), food allowances for the students and their Ministry of Agriculture supervisors, and agricultural inputs (including serum, syringes, sprayers, seeds, ox-plows and other farm implements).

3. Organization of 20 field days per year for farmer/pastoralist groups involving specific aspects of improved livestock and crop production.

These training sessions will occur in the farmers' own communities and villages and will be organized at the community level by the Rumbek trainees. The project will provide organizational assistance (through the long-term advisor) and transport and support for MOA or other specialists who will serve as demonstrators for these sessions. Demonstrators will be primarily recruited from among the existing extension personnel of Lakes Province.

4. Evaluation of the results of the field extension efforts, leading to revision and improvement of the Center's recruitment criteria, its curriculum and its overall approach to the training of village-level extensionists.

To support this activity, the project will provide, in addition to the long-term advisor, short-term assistance in the

following fields: veterinary sciences (two person/months), animal traction (1.5 person/months), and marketing (one person/month). As with the long-term advisor, the short-term specialists will perform tasks which will assist in achieving all four outputs at Rumbek.

The Southern Regional Government, through the MOA, will meet the recurrent costs of the Center (including staff salaries) and the costs of construction already in progress. The Ministry will also be responsible for the salaries of its own technicians and extension staff working within Lakes Province. The total SRG contribution to the activities in Rumbek over the life of the project will be equivalent to U.S. \$350,000.

C. Strengthen the capacity of the Ministry of Agriculture in Juba to plan, manage and support viable programs of agricultural training and extension in the Southern Region, through provision and advisory assistance to the Department of Extension and the Department of Research and Training, and through establishment of operational linkages between both of these Departments, the College of Adult Education and Training at the University of Juba, and the institutions at Yambio and Rumbek.

The project will provide technical assistance, training and limited commodity support to the Regional Ministry of Agriculture and to the College of Adult Education and Training, at the University of Juba in order to achieve the following outputs:

1. Formulation and implementation of a plan within the Department of Extension for the placement and utilization of Yambio and Rumbek graduates, which includes the support, direction and assistance necessary to sustain small farmer and pastoralist development programs in the Southern Sudan.

The project will provide an agricultural planning and extension specialist who will serve as an advisor to the Deputy Director for Extension within the MOA. The advisor, who will have a 30-month assignment, will assist the MOA in defining priorities and establishing a program for resource allocation within the following areas: stimulation of food crop and cash production among traditional farmers; improved management and marketing of livestock; and large donor-assisted schemes.

The advisor will assist the MOA in conducting a manpower survey which will identify training and manpower needs. Based on the summary, he will assist the Department of Extension

in preparing detailed plans for the staffing, operations, support and evaluation of the MOA extension program. He will also help to coordinate and evaluate field training and extension activities based at Yambio and Rumbek, in order to provide the MOA with recommendations regarding the recruitment, training and placement of personnel who will work directly with small farmers and pastoralists. The advisor will be provided with housing, a vehicle, fuel and local hire staff.

In addition to the long-term advisor, the project will provide three person/months of short-term assistance in the fields of agricultural extension strategies (two months); and agricultural credit and marketing (one month). These specialists will assist the long-term technicians in conducting evaluations and preparing recommendations in their respective fields.

2. Formulation and implementation of a plan within the MOA's Department of Research and Training to incorporate available knowledge on the socioeconomic and technical aspects of agricultural production into the training of agricultural technicians and extensionists at Yambio and Rumbek.

The project will provide a long-term advisor who will serve as team leader for the entire technical assistance team and who will work directly with the Deputy Director for Research and Training within the Regional Ministry of Agriculture for a period of 30 months. The advisor will help to synthesize the results of low-level agricultural interventions at various sites and projects within the Southern Region, and will help to coordinate the MOA's overall training program. The advisor will have a house, a vehicle, fuel and local hire staff funded by the A.I.D. contribution to the project.

The project will also provide short-term technical assistance to the Department of Research and Training in the following specialties: agricultural research (two months), and agricultural information systems (one month). These short-term specialists will assist in conducting evaluations and preparing recommendations in their respective fields.

3. Establishment of a capacity within the Ministry of Agriculture, and the College of Adult Education and Training at the University of Juba, to conduct, organize and support continuing education for technicians, extension agents and other key agricultural personnel.

The project will utilize the long-term technicians based at the Yambio Institute, and within the MOA at Juba, and

will construct physical facilities (a dormitory/classroom unit accommodating 15 persons) on the campus of the Yambio Institute. The advisor in the MOA's Department of Research and Training will have principal responsibility for coordinating this effort. He will serve as liaison between the Ministry and the College of Adult Education and Training, and will help to develop systematic procedures for scheduling, for selection of participants and instructors, and for provision of administrative and logistical support.

During the life of the project, four such courses will be held annually at the Yambio Institute. The project will provide all transportation and subsistence support for participants and instructors in the courses held at Yambio.

4. Establishment of a capacity, within the College of Adult Education and Training at the University of Juba, to upgrade the skills of Yambio and Rumbek instructors through a continuing program of short courses in teaching methods.

Initially, the project will organize and conduct an intensive course in teaching methods for staff at the Rumbek Center and the Yambio Institute during the semester break in December 1979. This input has been described under the Yambio component of the project (see above). The short-term specialists provided for the intensive course in December 1979 will work with staff from the College of Adult Education and Training and the project advisors in the MOA to develop plans for an annual series of teaching methods workshops for Yambio and Rumbek (and possibly other institutions) teaching staff to be held each year at the Yambio Institute or other appropriate locations.

The advisor in the Department of Research and Training will serve as liaison between the MOA, the Institutes and the College of Adult Education and Training. An additional three person/months of short-term assistance from a teaching methods specialist will be provided during the life of the project to evaluate and ensure continuity for this activity.

The Government's contributions in support of this component will consist of salaries and benefits to participating staff at the Ministry of Agriculture and the College of Adult Education at the University of Juba, and MOA vehicles allocated for use in project-related activities. Over the life of the project GOS contributions to this component will be equivalent to U.S. \$206,500.

D: Establish a logistical capacity to support the project. For transportation and storage of fuel, foodstuffs and other commodities, the project will utilize the support system that has already been established by UNDP. This arrangement is both practical and logical, since one of the institutions supported by the project (Yambio) is also being supported by UNDP/FAO. The arrangement with UNDP will essentially involve cost-sharing for the procurement, transportation and storage of bulk commodities.

Under this arrangement the selected contractor will be responsible for coordinating all administrative and logistic matters. The contractor will provide a full-time logistics specialist and an administrative officer who will be stationed in Juba for a period of three years. These specialists will be supported by REDSO/EA, a third country national logistics specialist in Nairobi, and the contractors' home office. They will work with the administrative unit of UNDP/Juba to coordinate the procurement, transportation and storage of commodities and with the construction unit of UNDP and local contractors to supervise all project construction. They will maintain radio communication with project personnel in Yambio and Rumbek and with the A.I.D. office in Khartoum. They will also keep records and an inventory of A.I.D.-procured commodities and assist the Ministry of Agriculture to improve its own logistical support system.

The contractor will also construct a combination office/warehouse, will furnish a radio base station, two vehicles with mobile radios and local hire staff to assist in administrative, book-keeping and warehousing tasks.

III. Implementation.

Project Implementation will largely be the responsibility of the contractor selected to provide the technical assistance personnel and related project support. It is anticipated that, in consultation with Ministry representatives, a direct A.I.D. contract will be executed with the firm or institution selected by means of A.I.D.'s competitive procurement procedures. Disbursements to the contractor will be made in accordance with the terms of that contract.

The contractor will be responsible for all project construction. The construction will consist of six houses (three in Juba, two in Yambio and one in Rumbek), an office warehouse (Juba), and a dormitory/classroom (Yambio). Supervision of this construction will be the responsibility of the contractor with specifications and site locations to be approved by the A.I.D. engineering office in REDSO/EA. The construction work itself will be subcontracted to a construction firm in Juba although assistance for procurement of materials and supervision of construction will be available from UNDP in Juba. (See Technical/Engineering Analysis.)

The contractor will also be responsible for all project procurement. Items to be procured will include, inter alia:

- diesel generators;
- household furniture and appliances;
- diesel Land Rovers, with spares;
- five-ton lorries;
- fuel for the vehicles;
- bicycles; and
- agricultural implements and commodities.

IV. Evaluation

Two evaluations will be conducted, one in October 1980, the second in October 1981. The first evaluation will be a progress evaluation designed to assist the Southern Regional Government and the contracting team in an appraisal of their methods of operation. The second, after two full years of technical assistance work, will be an in-depth evaluation in project results, and will assist the technical and advisory team in making final recommendations to the SRG and in filing final reports with A.I.D.,

The evaluation will focus on measuring progress toward achievement of outputs and accomplishment of the project purpose. They will also help diagnose problems that have impeded progress. Special attention should be paid to any social issues raised in project implementation, including questions of appropriate recruitment of trainees and effective placement of graduates.

Short-term advisors will help identify and collect information that will be used for these evaluations. The evaluations themselves will be conducted by USAID/Sudan jointly with the GOS with assistance from REDSO/EA and AID/W.

Subsequent Project Implementation Letters will further elaborate on evaluation requirements and procedures.

V. Financial Plan

The table below represents a planned schedule of obligations, by project inputs, for the A.I.D. and Government contributions to the project. The A.I.D. contribution, beyond the amount obligated by this Agreement, is subject to the availability to A.I.D. of funds and the mutual agreement of the Parties to proceed with the project.

DRAFT

Attachment I

Project Financial Plan
(Dollars-Thousands)

As of August 30, 1978

Project No. 650-0021

	Cumulative Obligations/ Commitments as of August 30, 1978			Future Years Anticipated			TOTAL
	AID (FX)	Grantee (LC)	Other (FX)	AID (FX)	Grantee (LC)	Other (FX)	
Technical Assistance	525	-	-	1,650	937	576	2,175
Construction	75	-	-	271	166	29	346
Commodities	100	-	-	887	504	79	987
Training	25	-	-	88	321	102	113
Other	50	-	-	184	112	104	234
Inflation/Contingency	225	-	-	1,180	-	-	1,402
TOTAL	1,000	-	-	4,260	2,040	890	5,257
							2,040
							890

SUDAN
Primary Health Care

*Agreement signed at Khartoum August 30, 1978;
Entered into force August 30, 1978.*

PROJECT
GRANT AGREEMENT
BETWEEN
THE DEMOCRATIC REPUBLIC OF THE SUDAN
and the
UNITED STATES OF AMERICA
for
PRIMARY HEALTH CARE - PART II
(Northern Provinces)

Khartoum, Sudan

August 30, 1978

TABLE OF CONTENTSPROJECT GRANT AGREEMENT

	<u>Page</u>	<i>{Pages herein}</i>
Article 1: The Agreement	1	5231
Article 2: The Project	1	5231
SECTION 2.1 Definition of Project	1	5231
SECTION 2.2 Incremental Nature of Project	1	5231
Article 3: Financing	2	5232
SECTION 3.1 The Grant	2	5232
SECTION 3.2 Grantee Resources for the Project	2	5232
SECTION 3.3 Project Assistance Completion Date	2	5232
Article 4: Conditions Precedent to Disbursement	3	5233
SECTION 4.1 First Disbursement	3	5233
SECTION 4.2 Additional Disbursement	3	5233
SECTION 4.3 Terminal Dates for Conditions Precedent	3	5233
Article 5: Special Covenants	3	5233
SECTION 5.1 Project Evaluation	3	5233
SECTION 5.1.1 Environmental Examination	4	5234
SECTION 5.2 Input Plan	4	5234
SECTION 5.3 Construction Financing	4	5234
SECTION 5.4 Project Support	4	5234
SECTION 5.5 Vehicle Maintenance and Use	4	5234
SECTION 5.6 Counterpart Personnel	4	5234
SECTION 5.7 Construction Site Selection	4	5234
SECTION 5.8 Pharmaceuticals and Other Supplies and Equipment	5	5235
SECTION 5.9 Project Coordination	5	5235
SECTION 5.10 Training	5	5235
SECTION 5.11 Staffing of PHCUs	5	5235
Article 6: Procurement Source	5	5235
SECTION 6.1 Foreign Exchange Costs	5	5235
SECTION 6.2 Local Currency Costs	5	5235
Article 7: Disbursement	5	5235
SECTION 7.1 Disbursement for Foreign Exchange Costs	5	5235
SECTION 7.2 Disbursement for Local Currency Costs	6	5236
SECTION 7.3 Other Forms of Disbursement	7	5237
SECTION 7.4 Rate of Exchange	7	5237
Article 8: Miscellaneous	7	5237
SECTION 8.1 Communications	7	5237
SECTION 8.2 Representatives	7	5237
SECTION 8.3 Standard Provisions Annex [1]	8	5238

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

Annexes:

1. Amplified Project Description

Attachment I: Project Financial Plan

A.I.D. Project No. 650-0011

Project Grant Agreement

August 30, 1978

Between

The Democratic Republic of the Sudan

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 in the context of the Economic, Technical, and Related Assistance Agreement (Bilateral Agreement) between the parties named above ("Parties"), dated March 31, 1958,^[1] and reaffirmed by exchange of notes June 16, 1973, the understandings of the 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 the Project. The Project, which is further described in Annex I, will assist the Grantee to develop a delivery system for the provision of primary health care service to the rural population of certain provinces in the Northern Region of the Sudan. A.I.D. will assist by financing related technical assistance, training, commodities and supplies, and construction of primary health care units. Annex I, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 8.3, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed. It is further anticipated that, subject to the above qualifications, AID's overall contribution to the project will total \$5,863,000.

^a TIAS 4014, 4085; 9 UST 348, 1079.

(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,^[1] and the Bilateral Agreement agrees to grant the Grantee under the terms of this Agreement not to exceed one million, nine hundred thousand United States ("U.S.") Dollars (\$1,900,000) ("Grant"). It is anticipated that A.I.D. will make available additional funds for the Project in subsequent years subject to Section 2.2. of this Agreement.

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

SECTION 3.2. Grantee Resources for the Project

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

(b) The resources provisionally allocated in the National Six Year Plan by the Grantee for the life of Project will be approximately equivalent to U.S. \$22,600,000 including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is June 30, 1982, 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.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

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

SECTION 4.2. Notification. When A.I.D. has determined that the condition precedent specified in Section 4.1. have been met, it will promptly notify the Grantee.

SECTION 4.3. Terminal Dates for Conditions Precedent.

(a) If the condition specified in Section 4.1. has not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as described in Annex 1 and as may be more fully described in subsequent correspondence between the Parties. 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 of 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 5.1.1. Environmental Examination. The Cooperating Country and A.I.D. agree that except as A.I.D. may otherwise agree in writing, prior to undertaking construction of any PHCU financed by A.I.D., an environmental examination(s) will be undertaken as required by A.I.D. Regulation 16 and the results of such examination(s) will be taken into account in determining whether to construct that facility.

SECTION 5.2. Input Plan. The Grantee covenants to submit to A.I.D. for its approval, within 90 days from the date of this Agreement or such later date as the Parties may agree in writing, a projected schedule for the provision by the Grantee of Project inputs and recurrent cost support for the Project. This schedule may be modified from time to time as the Parties deem necessary.

SECTION 5.3. Construction Financing. Except as otherwise agreed to by the Parties in writing, the Parties agree that financing for the construction of the Primary Health Care Units (PHCUs) will be accomplished on a Fixed Amount Reimbursement (FAR) basis, more fully described in Annex 1 hereto:

SECTION 5.4. Project Support. The Grantee covenants that it will make available on a timely basis, adequate office space, secretarial and other such local support for A.I.D.-financed technical assistance personnel as may be reasonably required.

SECTION 5.5. Vehicle Maintenance and Use. The Grantee covenants, with regard to vehicles financed by A.I.D., to:

- (a) maintain such vehicles;
- (b) provide adequate fuel supplies and spare parts for such vehicles; and
- (c) except as A.I.D. may otherwise agree in writing, use such vehicles only for Project purposes.

SECTION 5.6. Counterpart Personnel. The Grantee covenants that it will provide, on a timely basis, all qualified counterpart personnel required to work with the A.I.D.-financed advisors.

SECTION 5.7. Construction Site Selection. The Grantee covenants that it will select sites for the PHCUs in accordance

with the procedures and environmental and site selection criteria set forth in Article C of Annex 2 hereto. The Parties agree that, unless A.I.D. otherwise agrees in writing prior to undertaking construction of any PHCU, an environmental examination(s) will be made as required by A.I.D. regulations and the result of such examination(s) will be taken into account in determining whether to construct that facility.

SECTION 5.8. Pharmaceuticals and Other Supplies and Equipment
The Grantee covenants to take such steps as are necessary to ensure that Project financed facilities will be adequately maintained and that necessary drugs, pharmaceuticals and other supplies and equipment will be provided on a continuing and timely basis.

SECTION 5.9. Project Coordination. The Parties agree to take such steps as are necessary to effectively coordinate the activities under the Northern and Southern Sudan Primary Health Care Projects.

SECTION 5.10. Training. The Grantee covenants that it will make available for training as Community Health Workers and Nomadic Community Health Workers adequate numbers of qualified personnel on a timely basis.

SECTION 5.11. Staffing of PHCUs. The Grantee covenants to take such steps as are necessary to ensure that PHCUs are staffed promptly after the facility is completed and supplies and equipment are in place.

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 (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

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 Sudan.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

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

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

SECTION 7.2. Disbursement for Local Currency Costs

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

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. Dollars by purchase or from local currency already owned by the U.S. Government; or

(2) by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b)(1) above, an amount calculated at the rate of exchange specified in the applicable Special Letters of Credit Implementation Memorandum as of the date of the opening or amendment of the applicable Special Letters of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into the Sudan 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 Sudan at the official rate of exchange.

Article 8: Miscellaneous.

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Grantee: Ministry of National Planning

Mail Address: Khartoum, Sudan

Alternate address for cables: N/A

To A.I.D.:

Mail Address: U. S. Agency for International Development
c/o American Embassy
P.O. Box 699
Khartoum, Sudan

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. The Grantee, in addition, will provide U.S.A.I.D. Mission with a copy of each communication sent to A.I.D./Washington, D.C.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting as Under-Secretary, Ministry of National Planning

and A.I.D. will be represented by the individual holding or acting in the office of A.I.D. Representative, 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 their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

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

DEMOCRATIC REPUBLIC OF THE SUDAN
BY: _____ [²]
Under-Secretary
Ministry of National Planning

UNITED STATES OF AMERICA
BY: Richard W. Bogosian [³]
Charge d'Affaires

¹ See footnote 1; p. 5229.

² R. Abdel Wahab.

³ Richard W. Bogosian.

Annex 1AMPLIFIED PROJECT DESCRIPTION

This amplified project description elaborates on the description provided in Section 2.1 of this Agreement. Except as may be otherwise stated in this Annex, elements of the amplified description may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2 without formal amendment of this Agreement provided that any such change is made within the limits of the definition of the Project as set forth in Section 2.1.

I. Project Description

The project will focus primarily on the development and implementation of the Government's Primary Health Care Program (PHCP) in the Northern Region of Sudan. The underlying theme of this Program is the delivery of a balanced program of curative, promotive and preventive care to the people of Sudan - particularly the rural poor and the nomads. The PHCP consists of four key components:

- Community Health Workers (CHW) and Nomad Community Health Workers (NCHW), who will provide simple curative and preventive services, and participate in promotive health programs;
- Primary Health Care Units (PHCU), which are small health facilities serving a population of approximately 4,000 persons, and are staffed by the CHWs;
- a logistics/supply system which will provide equipment, drugs and supplies to the CHWs, NCHWs, and PHCUs;
- a health and management information system which will collect data on the health problems, services delivered, and supplies utilized at the PHCU.

The project will support these program activities in the Northern Region of Sudan, particularly in its four poorest provinces.

The program functions, generally, as follows:

The CHW is selected by the community, the local government and the Ministry of Health from among persons with junior secondary school education. After receiving nine months of training the CHW is assigned to a Primary Health Care Unit. The PHCU is a relatively simple health facility built to serve approximately 4,000 persons living within a radius of about 10 miles. It is

the most peripheral facility in the health delivery system. Five such units and their CHWs are supervised by a Medical Assistant operating from a dispensary which, together with the five PHCUs, comprise a Primary Health Care Complex.

One important aspect of the PHCP is the attention paid to the health needs of the nomad population. Under the PHCP a separate category of health worker is trained - the Nomad Community Health Worker. This person is concerned with the special health problems of nomads and is responsible for providing minimal health care to approximately 1,500 persons. The NCHW does not work from a static facility but follows the movements of the tribe. Both the CHWs and NCHWs are responsible for:

- a) promotion of health in the community by improving rural sanitation, instituting village refuse disposal, fostering safe water supplies and better nutrition based on local foods;
- b) stressing preventive medicine through health education and assistance in immunization campaigns; and
- c) provision of curative care limited to ten or twelve locally important diseases.

II. The A.I.D. Assistance

In support of Sudan's Primary Health Care Program, A.I.D. will provide the following assistance (commitment of funds by A.I.D. for the project above the amount obligated by this Agreement is subject to the availability to A.I.D. of funds and mutual agreement of the parties to this Agreement to proceed):

1. Technical Assistance

AID will provide 140 person/months of technical assistance over three years to this project. Long-term assistance will constitute 108 months and short-term assistance 32 months.

a) A long-term community health medical advisor (36 person/months) will serve as a counterpart to the Director General for Rural and Provincial Affairs, Ministry of Health (MOH). Together they will assist overall policy direction of the PHCP. The community health advisor, in addition to assisting in directing the PHCP, will be expected to assist the MOH in coordinating other donor inputs to the overall national health priorities of the Government.

b) A logistics and supply expert (36 person/months) will work in the MOH for the Director General of Supply and Logistics.

This advisor will assist the MOH to develop a viable logistics/supply system for the PHCP. Since the contractor providing the technical assistance team will be responsible for order and delivery of all U.S.-funded vehicles to this project, the logistics/supply advisor will be responsible for ensuring that delivered vehicles are assigned to both central and provincial offices based on priority needs of the PHCP.

c) A vital statistics expert (36 person/months) will assist the MOH to improve its ability to obtain vital statistics in the Sudan. The Director General of Statistics, MOH, will direct this advisor's efforts to develop a national health statistics information system which will utilize the PHCP as a key element in gathering the required data.

d) Approximately 27 person/months of short-term advisory services to the project are being provided to respond to specific needs of the MOH in developing appropriate responses to health program requirements in the PHCP and other areas of national concern including endemic and communicable disease control and information system development (excluding vital statistics).

e) Funds are also provided for approximately 4-1/2 person/months of short-term advisors to assist in the mid-project evaluation which will be conducted at the end of the second year.

2. Training

The training inputs to the project include:

a) Three long-term participants will be selected by the MOH each to receive 12 months' training in the U.S. Each participant will be expected to obtain an M.A. or equivalent degree and return to an ongoing position in the MOH. The participants will study in three specific areas -- statistics, public health, and logistics/management -- in order to take over the responsibilities of the three long-term U.S. advisors upon their departure.

b) Short-term, In-country, or Third Country training will most likely take place at the Public Health Institute in Cairo; however, other appropriate institutions may be selected by the MOH. This short-term training component will focus on upgrading the public health and managerial background of provincial and regional medical assistants and tutors. Training will be offered to 36 such officials (12 each year of the project) for approximately 8 weeks each.

c) Short-term U.S. training will be offered to selected MOH personnel including assistant commissioners, deputy assistant

commissioners and health personnel from MOH headquarters for up to three months per participant. The project will fund up to four participants each year (12 over life of the project) with final selection of the candidates and courses of study to be decided upon by the MOH, AID-funded project advisors, and USAID/S's project manager after review of the manpower training needs of the MOH and the PHCP.

d) In-Country training to be funded by AID consists of two types: 1) reorientation training for health supervisory personnel and other personnel rendering health services in rural areas; and 2) refresher courses for community health workers.

The reorientation training is designed to give provincial health personnel above the CHW level a brief but detailed ten-day course on the PHCP. Course participants will be fully briefed on their role in primary health care, the capabilities and responsibilities of the CHWs, and the commitment and plans of the GOS PHCP through 1984. Presently, project plans call for 103 sessions with 40 participants in each session in order to provide one-time training to these key provincial health employees.

Refresher training is also designed to be a one-time training effort that will reach each CHW after having received the nine-month basic CHW training and after having been in the field for one year. The course is an opportunity to assist CHWs address the medical problems they have had to deal with over the previous year. Over three years, it is estimated that 28 ten-day courses will be held with CHWs in each course.

3. Commodities/Supplies

Project commodities and supplies financed by A.I.D. include the following:

a) 50 vehicles - each of the twelve Northern provinces will receive, for use in the PHCP, two 4-5 ton capacity trucks and two four-wheel drive vehicles. Additionally, two vehicles will be for the use of the MOH in Khartoum or other locations as may be mutually agreed upon. Each vehicle will be supplied with an initial stock of spare parts up to 20% of the value of the vehicle.

b) data forms - approximately \$150,000 of project funds will be used to print and distribute the data forms developed by the MOH and World Health Organization.

c) photocopy machine - for use in the MOH.

d) drug and equipment supplies - approximately \$417,000 of project funds will be utilized to procure certain drug and equipment supplies. These commodities will be used in the provinces of North Kordofan, South Kordofan, North Darfur, and South Darfur to stock, on a one-time, start-up basis, the PHCUs constructed with A.I.D. funds and as a one-time initial supply of equipment and drugs for approximately 600 NCHWs in this region. Recurrent costs of resupplying these units and health workers will be the responsibility of the Government.

4. Construction

A.I.D. will finance the construction of 35 PHCUs in the above named four provinces.

III. The Government's Contribution

In addition to meeting the recurrent costs of the PHCP as a whole, the Government will provide, for this project, recurrent and other costs, including salaries, for personnel trained under the project; vehicle maintenance, fuel and driver salaries associated with the A.I.D.-financed vehicles; and recurrent equipment and drug supplies for A.I.D.-constructed PHCUs.

IV. Implementation

1. Procurement

Technical assistance provided under the project will be procured by means of a direct A.I.D. contract with an appropriate U.S. institution or firm. The procurement of this contractor will be done in cooperation with the Government and MOH and will be in accordance with standard A.I.D. procedures as these may be described in subsequent PILs.

Training will be coordinated between the Ministry, A.I.D., and the technical assistance contractor, standard A.I.D. procedures with regard to participant training will be applicable.

Commodities, aside from project vehicles, will be procured by such means as the Government and A.I.D. may agree. It is presently anticipated that the technical assistance contractor will undertake to assure effective delivery of the project vehicles ordered by USAID.

2. Disbursement

Disbursements to finance the technical assistance contractor will be made in accordance of the provisions of the A.I.D. contract with the firm or institution selected to do the work.

The construction component of this project will be financed using the Fixed Amount Reimbursement (FAR) method. Under the FAR method of financing the Government may claim reimbursement of a fixed amount for each PHCU completed in accordance with plans and specifications previously approved by A.I.D. For PHCUs begun in FY 1979 the Government may claim reimbursement of the Sudanese pound equivalent of \$25,398 for each unit satisfactorily completed. For PHCUs begun in 1980, the Sudanese pound equivalent of \$30,778 may be so claimed. A.I.D. may advance to the Government an amount up to 50 percent of the cost of each unit to be constructed. Thus, the amount actually reimbursed to the Government upon completion of construction will be the amounts stated above less any advance. Advances may be obtained in accordance with procedures which will be described in PILs but, generally, only after all relevant conditions precedent have been satisfied and after A.I.D. has approved construction plans and specifications and an adequate and acceptable site(s) has been selected.

3. Evaluation

Two project evaluations are scheduled:

- an interim evaluation at month 24, and
- a final evaluation at month 36.

a) Interim Evaluation

This evaluation will address progress at the central and northern regional level.

The analysis will concern itself with the four key elements of this project:

- training/reorientation/refresher course for CHWs, NCHWs and their supervision,
- construction of PHCUs,
- development of a functioning logistics supply system,
- implementation of a health data and management information system.

An additional important element of the evaluation will involve assessment of CHW community promotive and preventive activities. These will include such efforts as vector control work, health education talks and immunization team activities.

Month 24 has been selected for this evaluation as a significant number of CHWs and NCHWs will have been trained and posted, and PCHUs built. The accompanying logistics/supply and health data systems should also have begun operations.

Of great assistance to this evaluation effort will be the fact that PHCP pre-implementation baseline studies have already been performed by the Government. The first follow-up studies will have been conducted, and the results will be available to the evaluation effort.

The interim evaluation of the project at month 24 will be conducted with the participation of A.I.D., the Government, and outside professional expertise in the field of rural health systems in developing countries.

b) Final Evaluation

The final evaluation will focus on:

- institutional and systems accomplishments during the life of the project, reflecting progress since the interim evaluation,
- an impact analysis of the entire network and its effect on the delivery of health care to the poor in Northern Sudan.

The impact analysis will measure achievement of project purposes and goals. It may be possible to perform additional impact analyses of certain baseline vital statistics data such as infant mortality and death rates. These analyses will depend on the completeness of a planned baseline study to be conducted in the North and South with the assistance of IDRC. This baseline study is scheduled to be conducted in 1978 and be repeated again 20 months later.

V. Financial Plan

The table below (Attachment I) represents a planned schedule of obligations, by project input, for the A.I.D. and Government of Sudan contributions to the project. The A.I.D. contribution to the project, beyond the amount obligated by this Agreement, is subject to the availability to A.I.D. of funds and the mutual agreement of the Parties to proceed with the project.

Attachment I

PROJECT FINANCIAL PLAN
(Dollars-Thousands)

As of August 1978

Project No. 650-0011

Project Inputs	Cumulative Obligations/ Commitments as of August, 1978			Future Years Anticipated Obligations			TOTAL		
	AID (FX) (LC)	Grantee (FX) (LC)	AID (FX) (LC)	AID (FX) (LC)	Grantee (FX) (LC)	AID (FX) (LC)	Grantee (FX) (LC)	Grantee (FX) (LC)	Grantee (LC)
Technical Assistance	395	-	-	1,500	1,019	-	18,932	1,414	-
Training	66	160	-	40	277	256	-	160	343
Commodities/Supplies	995	150	521	131	1,033	30	1,041	260	2,028
Construction	-	-	-	950	-	-	-	950	-
Contingency	145	31	-	-	328	29	-	-	472
TOTAL	1,601	341	521	1,671	3,607	315	1,041	19,352	5,207
									656
									1,562
									21,023

BANGLADESH
Ashuganj Fertilizer Project

*Agreement amending the agreement of February 12, 1975.
Signed at Dacca August 31, 1978;
Entered into force August 31, 1978.*

A.I.D. Loan No. 388-T-003

**AMENDMENT NO. 1
TO
LOAN AGREEMENT
BETWEEN
THE PEOPLE'S REPUBLIC OF BANGLADESH
AND THE
UNITED STATES OF AMERICA
FOR THE
ASHUGANJ FERTILIZER PROJECT**

Dated: AUGUST 31, 1978

Amendment No. 1 dated August 31, 1978 between the People's Republic of Bangladesh ("Government") and the United States of America acting through the Agency for International Development ("A.I.D.").

WHEREAS, the Government and A.I.D. entered into Loan Agreement No. 388-T-003 on February 12, 1975,^[1] and

WHEREAS, A.I.D. has agreed to lend the Government additional funds for the Project:

NOW THEREFORE, The Government and A.I.D. agree to amend Loan Agreement No. 388-T-003 as follows:

1. ARTICLE I, The Loan. Section 1.01

The first two sentences are amended to read: "Subject to the terms and conditions of this Agreement, A.I.D. hereby agrees to lend to the Government, pursuant to the Foreign Assistance Act of 1961, as amended,^[2] an amount not to exceed fifty-three million United States dollars (\$53,000,000) ("The Loan") to assist the Government in carrying out the Project referred to in Section 1.02 ("The Project"). The loan shall be used exclusively to finance the foreign exchange and local costs of goods and services required for the Project".

2. ARTICLE IV, Conditions Precedent to Disbursement

(A) Add SECTION 4.05 as follows:

"SECTION 4.05. Conditions Precedent to Initial Disbursement of Supplementary Financing

Prior to disbursement of supplementary funds up to \$8,000,000 or the issuance of commitment documents relating thereto under the Loan, as amended, the Government shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

"(a) An opinion of the Ministry of Law of Bangladesh or other counsel acceptable to A.I.D. that the agreement or agreements making these funds available to the Project have been duly authorized or ratified by and executed on behalf of the Government, and that it constitutes a valid and legally binding obligation of the Government;

"(b) Evidence that the Project Agreement executed on behalf of AFCC is amended, duly authorized and ratified such that all necessary corporate, administrative and governmental actions have been completed to make the proceeds of the Amended Loan available to AFCC for the Project;

"(c) Evidence that the Government and AFCC are pursuing in good faith and with progress satisfactory to A.I.D. the negotiations and development of agreements with other lenders for obtaining the additional financing needed for the Project;

¹ TIAS 8040; 26 UST 385.

² 75 Stat. 424; 22 U.S.C. § 2151 note.

“(d) Evidence that the Government and AFCC have made arrangements to obtain interim consulting services to cover project management needs until adequate services are secured for the balance of the construction and commissioning period”.

(B) Add SECTION 4.06 as follows:

“SECTION 4.06. Conditions Precedent to Subsequent Disbursement of Supplementary Financing”

Prior to the release of the balance of supplementary financing for disbursement or the issuance of commitment documents relating thereto, Government shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

“(a) Evidence that the Government and AFCC have entered into agreements with each other and the other lenders for obtaining the additional supplementary financing needed for the Project;

“(b) Evidence that AFCC has entered into a contract(s) to obtain adequate management assistance to control Project activities, complete and commission the plant and capacitate AFCC for initial production operations”.

“(c) Evidence that the Government is pursuing a plan to assure an adequate and timely supply of natural gas for the AFCC plant”.

(C) Add SECTION 4.07 as follows:

“SECTION 4.07. Terminal Dates for Meeting Conditions Precedent for Supplementary Financing”

“(a) If all of the conditions specified in Section 4.05 shall not have been met within ninety (90) days from the date of this amended Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by giving written notice to the Government. Upon giving of such notice, this Agreement and all obligations of the parties thereunder shall terminate”.

“(b) Except as A.I.D. may otherwise agree in writing, if all of the conditions specified in Section 4.06 have not been satisfied on or before March 31, 1979, A.I.D., at its option, may terminate this Agreement by giving written notice to the Government. Upon giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate”.

(D) Add SECTION 4.08 as follows:

“SECTION 4.08. Notification of Meeting Conditions Precedent for Supplementary Financing”

When A.I.D. has determined that the conditions precedent in Sections 4.05 and 4.06 have been met, it will promptly notify the Borrower.

3. ARTICLE V, Covenants

At the end of 5.01(g) the following provision is added:

"(h) The Government shall provide and utilize for the Project financial and other resources within the requirements of the Project. A resources plan, to be mutually agreed upon by the lenders and the Government will be included as part of Annex I, Project Description, to this Agreement.

4. ARTICLE VII, Procurement

Delete SECTION 7.01 and substitute the following:

"SECTION 7.01. Procurement from the United States and Code 941 Countries

Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Sections 8.01, 8.02 and 8.03 shall be used exclusively to finance the procurement for the Project of goods and services, and marine insurance, having both their source and origin in the United States of America and other countries included in Code 941 of the A.I.D. Geographic Code book in effect at the time of such procurement and, when determined by A.I.D. to be appropriate, cost effective and necessary for the success of the Project, the cooperating country itself, Bangladesh".

5. ARTICLE X. Miscellaneous

(a) SECTION 10.02. The mail address of the Government is amended to read:

"Secretary
External Resources Division
Ministry of Planning
Government of Bangladesh
Sher-e-Bangla Nagar
Dacca, Bangladesh".

The cable address of the Government is amended to read:

"BAHISSAMPAD"

The mail address of A.I.D. is amended to read:

"USAID/Bangladesh
G.P.O. Box No. 2593
Ramna
Dacca-2, Bangladesh".

(b) SECTION 10.03. The first sentence is amended to read:

"For all purposes relative to this Agreement, the Government will be represented by the individual holding or acting in the office of the Secretary, External Resources Division, Ministry of Planning, and

A.I.D. will be represented by the individual holding or acting in the Office of Director, USAID Mission/Bangladesh".

6. Annex I. Description of the Project

The list of eligible items appearing on page two is modified to read:

- "1. Ammonia storage, refrigeration and bottling.
- 2. Condensate stripper, water treatment and cooling towers.
- 3. Sewer and effluent treatment.
- 4. Construction equipment and materials.
- 5. Transport equipment, boats and vehicles.
- 6. Bagging and bag-making equipment.
- 7. Site preparation and other construction services.
- 8. Technical and management services related to construction and commissioning.
- 9. Miscellaneous support services, offsites, chemicals, catalysts and spare parts for construction and operation".

7. Annex I. A Financial Resources Plan will be incorporated into the Description of the Project.

8. All other of the terms and conditions of the Loan Agreement dated February 12, 1975, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the Government and A.I.D., each acting through its respective duly authorized representative, have caused this Amendment No. 1 to be signed in their names and delivered as of the date and year first above written.

FOR THE PRESIDENT OF THE
PEOPLE'S REPUBLIC OF
BANGLADESH

THE UNITED STATES OF
AMERICA

By: MUHAMMED ALI
Title: *Joint Secretary*
External Resources Division
Ministry of Planning

By: DAVID T. SCHNEIDER
Title: *Ambassador*

REPUBLIC OF KOREA

Double Taxation: Taxes on Income

*Convention, with related notes, signed at Seoul June 4, 1976;
Ratification advised by the Senate of the United States of America
July 9, 1979;
Ratified by the President of the United States of America July 25,
1979;
Ratified by the Republic of Korea December 16, 1976;
Ratifications exchanged at Washington September 20, 1979;
Proclaimed by the President of the United States of America
October 23, 1979;
Entered into force October 20, 1979.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Convention between the United States of America and the Republic of Korea for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and the Encouragement of International Trade and Investment was signed at Seoul on June 4, 1976, together with a related exchange of notes, the texts of which are hereto annexed;

The Senate of the United States of America by its resolution of July 9, 1979, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification of the Convention and related exchange of notes;

The Convention and related exchange of notes were ratified by the President of the United States of America on July 25, 1979, in pursuance of the advice and consent of the Senate, and was ratified on the part of the Republic of Korea on December 16, 1976;

It is provided in Article 31 of the Convention that the Convention shall enter into force on the thirtieth day following the exchange of instruments of ratification and shall have effect as specified in Article 31;

The instruments of ratification of the Convention were exchanged at

Washington on September 20, 1979, and accordingly the Convention, with related exchange of notes, entered into force on October 20, 1979, with effectiveness as specified in Article 31;

Now, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Convention, with related exchange of notes, to the end that they be observed and fulfilled with good faith on and after October 20, 1979, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this twenty-third day of October
[SEAL] in the year of our Lord one thousand nine hundred
seventy-nine and of the Independence of the United
States of America the two hundred fourth.

JIMMY CARTER

By the President:

WARREN CHRISTOPHER

Acting Secretary of State

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE
REPUBLIC OF KOREA FOR THE AVOIDANCE OF DOUBLE TAXATION
AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO
TAXES ON INCOME AND THE ENCOURAGEMENT OF INTERNATIONAL
TRADE AND INVESTMENT.

The Government of the United States of America and the
Government of the Republic of Korea, desiring to
conclude a convention for the avoidance of double
taxation of income and the prevention of fiscal evasion
and the encouragement of international trade and
investment have appointed for that purpose as their
respective Plenipotentiaries:

The Government of the United States of America:
His Excellency Richard L. Schneider,
Ambassador Extraordinary and Plenipotentiary
of the United States of America to the
Republic of Korea;

The Government of the Republic of Korea:
His Excellency Park Tong-jin,
Minister of Foreign Affairs of the
Republic of Korea;

Who, having communicated to each other their full powers,
found in good and due form, have agreed upon the following
articles.

Article 1

TAXES COVERED

(1) The taxes which are the subject of this Convention are:

(a) In the case of the United States, the Federal income taxes imposed by the Internal Revenue Code (the [1] United States tax), and

(b) In the case of Korea, the income tax and the corporation tax (the Korean tax).

(2) This Convention shall also apply to taxes substantially similar to those covered by paragraph (1) which are imposed in addition to, or in place of, existing taxes after the date of signature of this Convention.

(3) For the purpose of Article 7 (Nondiscrimination), this Convention shall also apply to taxes of every kind imposed at the National, state, or local level. For the purpose of Article 28 (Exchange of Information) this Convention shall also apply to taxes of every kind imposed at the National level.

Article 2

GENERAL DEFINITIONS

(1) In this Convention, unless the context otherwise requires:

(a) (i) The term "United States" means the

¹ 68A Stat. 3; 26 U.S.C. §§ 1-8023.

United States of America; and

(ii) When used in a geographical sense, the term "United States" means the states thereof and the District of Columbia. Such term also includes:

(A) The territorial sea thereof, and

(B) The seabed and subsoil of the submarine areas adjacent to the coast thereof, but beyond the territorial sea, over which the United States exercises sovereign rights, in accordance with international law, for the purpose of exploration and exploitation of the natural resources of such areas, but only to the extent that the person, property, or activity to which this Convention is being applied is connected with such exploration or exploitation.

(b) (i) The term "Korea" means the Republic of Korea; and

(ii) When used in a geographical sense, the term "Korea" means all the territory in which the laws relating to Korean tax are in force. The term also includes:

(A) The territorial sea thereof, and

(B) The seabed and subsoil of the sub-

marine areas adjacent to the coast thereof,
but beyond the territorial sea, over which
Korea exercises sovereign rights, in accordance
with international law, for the purpose of
exploration and exploitation of the natural
resources of such areas, but only to the extent
that the person, property, or activity to which
this Convention is being applied is connected
with such exploration or exploitation.

- (c) The term "Contracting State" means the United States or Korea, as the context requires.
- (d) The term "person" includes an individual, a partnership, a corporation, an estate, a trust, or any body of persons.
- (e) (i) The term "United States corporation" or "corporation of the United States" means a corporation which is created or organized under the laws of the United States or any state thereof or the District of Columbia, or any unincorporated entity treated as a United States corporation for United States tax purposes; and
- (ii) The term "Korean corporation" or "corporation of Korea" means a corporation (other than a United States corporation) which has its

head or main office in Korea, or any entity treated as a Korean corporation for Korean tax purposes.

(f) The term "competent authority" means:

- (i) In the case of the United States, the Secretary of the Treasury or his delegate, and
- (ii) In the case of Korea, the Minister of Finance or his delegate.

(g) The term "State" means any National State, whether or not one of the Contracting States.

(h) The term "citizen" means:

- (i) In the case of the United States, a citizen of the United States, and
- (ii) In the case of Korea, a national of Korea.

(2) Any other term used in this Convention and not defined in this Convention shall, unless the context otherwise requires, have the meaning which it has under the laws of the Contracting State whose tax is being determined. Notwithstanding the preceding sentence, if the meaning of such a term under the laws of one Contracting State is different from the meaning of the term under the laws of the other Contracting State, or if the meaning of such a term is not readily determinable under the laws of one of the Contracting States, the competent authorities of the Contracting States

may, in order to prevent double taxation or to further any other purpose of this Convention, establish a common meaning of the term for the purposes of this Convention.

Article 3

FISCAL DOMICILE

(1) In this Convention:

(a) The term "resident of the United States" means:

(i) A United States corporation, and
(ii) Any other person (except a corporation or an entity treated under United States law as a corporation) resident in the United States for purposes of its tax, but in the case of a person acting as a partner or fiduciary only to the extent that the income derived by such person is subject to United States tax as the income of a resident.

(b) The term "resident of Korea" means:

(i) A Korean corporation, and
(ii) Any other person (except a corporation or any entity treated under Korean law as a corporation) resident in Korea for purposes of its tax, but in the case of a person acting as a partner or fiduciary only to the extent that the income derived by such person is subject to Korean tax as the income of a resident.

- (c) In determining the residence of a partnership which makes a payment, a partnership shall be considered a resident of the State under the laws of which it was created or organized.
- (2) Where by reason of the provisions of paragraph (1) an individual is a resident of both Contracting States:
- (a) He shall be deemed to be a resident of that Contracting State in which he maintains his permanent home;
 - (b) If he has a permanent home in both Contracting States or in neither of the Contracting States, he shall be deemed to be a resident of that Contracting State with which his personal and economic relations are closest (center of vital interests);
 - (c) If his center of vital interests is in neither of the Contracting States or cannot be determined, he shall be deemed to be a resident of that Contracting State in which he has a habitual abode;
 - (d) If he has a habitual abode in both Contracting States or in neither of the Contracting States, he shall be deemed to be a resident of the Contracting State of which he is a citizen; and
 - (e) If he is a citizen of both Contracting States or of neither Contracting State the competent authorities of the Contracting States shall settle the question by

mutual agreement.

For the purpose of this paragraph, a permanent home is the place where an individual dwells with his family.

(3) An individual who is deemed to be a resident of one of the Contracting States and not a resident of the other Contracting State by reason of the provisions of paragraph (2) shall be deemed to be a resident only of the first-mentioned Contracting State for all purposes of this Convention, including Article 4 (General Rules of Taxation).

Article 4

GENERAL RULES OF TAXATION

(1) A resident of one of the Contracting States may be taxed by the other Contracting State on any income from sources within that other Contracting State and only on such income, subject to any limitations set forth in this Convention. For this purpose, the rules set forth in Article 6 (Source of Income) shall be applied to determine the source of income.

(2) The provisions of this Convention shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded--

(a) By the laws of one of the Contracting States in the determination of the tax imposed by that Contracting State, or

(b) By any other agreement between the Contracting States.

(3) The provisions of this Convention shall not affect Korean law so as to deny benefits accorded residents of the United States under the provisions of the Korean Foreign Capital Inducement Law Number 2598 of March 12, 1973 as amended or any similar law to encourage investment in Korea.

(4) Notwithstanding any provisions of this Convention except paragraph (5) of this Article, a Contracting State may tax a citizen or resident of that Contracting State as if this Convention had not come into effect.

(5) The provisions of paragraph (4) shall not affect:

(a) The benefits conferred by a Contracting State under Articles 5 (Relief from Double Taxation), 7 (Nondiscrimination), 24 (Social Security Payments), and 27 (Mutual Agreement Procedure); and

(b) The benefits conferred by a Contracting State under Articles 20 (Teachers), 21 (Students and Trainees), and 22 (Government Functions), upon individuals who are neither citizens of, nor have immigrant status in, that Contracting State.

(6) The competent authorities of the two Contracting States may prescribe regulations necessary to carry out the provisions of this Convention.

(7) There shall be allowed, for purposes of United States tax, in the case of a resident of Korea who is not a resident of the United States (other than an officer or employee of the Government of Korea or local authority thereof), as long as the United States Internal Revenue Code provides only one personal exemption, a deduction for personal exemptions, subject to the conditions prescribed in sections 151 through 154 of the Internal Revenue Code as in effect on the date of the signature of this Convention, for the spouse of the taxpayer and for each child of the taxpayer present in the United States and residing with him in the United States at any time during the taxable year, but such additional deduction shall not exceed that proportion thereof which the taxpayer's gross income from sources within the United States which is treated as effectively connected with the conduct of a trade or business within the United States within the meaning of section 864 (c) of the Internal Revenue Code for the taxpayer's taxable year bears to his entire income from all sources for such taxable year.

(8) The United States may impose its personal holding company tax and its accumulated earnings tax notwithstanding any provision of this Convention. However, a Korean corporation shall be exempt from the United States personal holding company tax in any taxable year if all of its stock is owned, directly

or indirectly, by one or more individuals who are residents of Korea (and not citizens of the United States) for that entire year. A Korean corporation shall be exempt from the United States accumulated earnings tax in any taxable year unless such corporation is engaged in trade or business in the United States through a permanent establishment at any time during such year.

Article 5

RELIEF FROM DOUBLE TAXATION

Double taxation of income shall be avoided in the following manner:

(1) In accordance with the provisions and subject to the limitations of the law of the United States (as it may be amended from time to time without changing the principles hereof), the United States shall allow to a citizen or resident of the United States as a credit against the United States tax the appropriate amount of Korean tax and, in the case of a United States corporation owning at least 10 percent of the voting power of a Korean corporation from which it receives dividends in any taxable year, shall allow credit for the appropriate amount of taxes paid to Korea by the Korean corporation paying such dividends with respect to the profits out of which such dividends are paid. Such appropriate amount

shall be based upon the amount of tax paid to Korea but the credit shall not exceed the limitations (for the purpose of limiting the credit to the United States tax on income from sources within Korea or on income from sources outside the United States) provided by United States law for the taxable year. For the purpose of applying the United States credit in relation to taxes paid to Korea, the rules set forth in Article 6 (Sources of Income) shall be applied to determine the source of income.

(2) In accordance with the provisions and subject to the limitations of the law of Korea (as it may be amended from time to time without changing the principles hereof), Korea shall allow to a citizen or resident of Korea as a credit against Korean tax the appropriate amount of income taxes paid to the United States and, in the case of a Korean corporation owning at least 10 percent of the voting power of a United States corporation from which it receives dividends in any taxable year, shall allow credit for the appropriate amount of taxes paid to the United States by the United States corporation paying such dividends with respect to the profits out of which such dividends are paid. Such appropriate amount shall be based upon the amount of tax paid to the United States but shall not exceed that portion of Korean tax which such citizen's or resident's net income from sources within the United States

bears to his entire net income for the same taxable year. For the purpose of applying the Korean credit in relation to taxes paid to the United States, the rules set forth in Article 6 (Source of Income) shall be applied to determine the source of income.

Article 6

SOURCE OF INCOME

For the purposes of this Convention:

(1) Dividends shall be treated as income from sources within a Contracting State only if paid by a corporation of that Contracting State.

(2) Interest shall be treated as income from sources within one of the Contracting States only if paid by that Contracting State, a political subdivision or a local authority thereof, or by a resident of that Contracting State.

Notwithstanding the preceding sentence--

(a) If the person paying the interest (whether or not he is a resident of one of the Contracting States) has a permanent establishment in one of the Contracting States in connection with which the indebtedness on which the interest is paid was incurred and such interest is borne by such permanent establishment, or

(b) If the person paying the interest is a resident

of one of the Contracting States and has a permanent establishment in a State other than a Contracting State in connection with which the indebtedness on which the interest is paid was incurred and such interest is paid to a resident of the other Contracting State, and such interest is borne by such permanent establishment, such interest shall be deemed to be from sources within the State in which the permanent establishment is situated.

(3) Royalties described in paragraph (4) of Article 14 (Royalties) for the use of, or the right to use, property (other than as provided in paragraph (5) with respect to ships or aircraft) described in such paragraph shall be treated as income from sources within one of the Contracting States only if paid for the use of, or the right to use, such property within that Contracting State.

(4) Income from real property and royalties from the operation of mines, quarries, or other natural resources (including gains derived from the sale of such property or the right giving rise to such royalties) shall be treated as income from sources within one of the Contracting States only if such property is located in that Contracting State.

(5) Income from the rental of tangible property (movable property) shall be treated as income from sources within one of the Contracting States only if such property is located in

that Contracting State. Income from the rental of ships or aircraft derived by a person not engaged in the operation of ships or aircraft in international traffic shall be treated as income from sources within a Contracting State only if the lessee is a resident of that Contracting State.

(6) Income received by an individual for his performance of labor or personal services, whether as an employee or in an independent capacity, or for furnishing the personal services of another person and income received by a corporation for furnishing the personal services of its employees or others, shall be treated as income from sources within one of the Contracting States only to the extent that such services are performed in that Contracting State. Income from personal services performed aboard ships or aircraft operated by a resident of one of the Contracting States in international traffic shall be treated as income from sources within that Contracting State if rendered by a member of the regular complement of the ship or aircraft. For purposes of this paragraph, income from labor or personal services includes pensions (as defined in paragraph (3) of Article 23 (Private Pensions and Annuities)) paid in respect of such services. Notwithstanding the preceding provisions of this paragraph, remuneration described in Article 22 (Governmental Functions) and payments described in Article 24 (Social Security Payments)

shall be treated as income from sources within one of the Contracting States only if paid by or from the public funds of that Contracting State or local authority thereof.

(7) Income from the purchase and sale of intangible or tangible personal (including movable) property (other than gains defined as royalties by paragraph (4) (b) of Article 14 (Royalties)) shall be treated as income from sources within one of the Contracting States only if such property is sold in that Contracting State.

(8) Notwithstanding paragraphs (1) through (7), industrial or commercial profits which are attributable to a permanent establishment which the recipient, a resident of one of the Contracting States, has in the other Contracting State, including income derived from real property and natural resources and dividends, interest, royalties (as defined in paragraph (4) of Article 14 (Royalties)), and capital gains, but only if the rights or property giving rise to such income, dividends, interest, royalties, or capital gains are effectively connected with such permanent establishment, shall be treated as income from sources within that other Contracting State.

(9) The source of any item of income to which paragraphs (1) through (8) of this article are not applicable shall be determined by each of the Contracting States in accordance

with its own law. Notwithstanding the preceding sentence, if the source of any item of income under the laws of one Contracting State is different from the source of such item of income under the laws of the other Contracting State or if the source of such income is not readily determinable under the laws of one of the Contracting States, the competent authorities of the Contracting States may, in order to prevent double taxation or further any other purpose of this Convention, establish a common source of the item of income for purposes of this Convention.

Article 7

NONDISCRIMINATION

(1) A citizen of one of the Contracting States who is a resident of the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than a citizen of that other Contracting State who is a resident thereof.

(2) A permanent establishment which a resident of one of the Contracting States has in the other Contracting State shall not be subject in that other Contracting State to more burdensome taxes than a resident of that other Contracting State carrying on the same activities. This paragraph shall not be construed as obliging one of the Contracting States to grant to individual residents of the other Contracting State any personal allowances, reliefs, or deductions for taxation purposes on

account of civil status or family responsibilities which the first-mentioned Contracting State grants to its own individual residents.

(3) A corporation of one of the Contracting States, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which a corporation of the first-mentioned Contracting State carrying on the same activities, the capital of which is wholly owned or controlled by one or more residents of the first-mentioned Contracting State, is or may be subjected.

Article 8

BUSINESS PROFITS

(1). Industrial or commercial profits of a resident of one of the Contracting States shall be exempt from tax by the other Contracting State unless such resident is engaged in industrial or commercial activity in that other Contracting State through a permanent establishment situated therein. If such resident is so engaged, tax may be imposed by that other Contracting State on the industrial or commercial profits of such resident

but only on so much of such profits as are attributable to the permanent establishment.

(2) Where a resident of one of the Contracting States is engaged in industrial or commercial activity in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to the permanent establishment the industrial or commercial profits which would be attributable to such permanent establishment if such permanent establishment were an independent entity engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the resident of which it is a permanent establishment.

(3) In the determination of the industrial or commercial profits of a permanent establishment, there shall be allowed as deductions expenses which are reasonably connected with such profits, including executive and general administrative expenses, whether incurred in the Contracting State in which the permanent establishment is situated or elsewhere.

(4) No profits shall be attributed to a permanent establishment of a resident of one of the Contracting States in the other Contracting State merely by reason of the purchase of goods or merchandise by that permanent establishment, or by the resident of which it is a permanent establishment, for the account of that resident.

(5) The term "industrial or commercial activity" means the active conduct of a trade or business. It includes the conduct of manufacturing, mercantile, insurance, banking, financing, agricultural, fishing, or mining activities, the operation of ships or aircraft, the furnishing of services, and the rental of tangible personal property (including ships or aircraft). Such term does not include the performance of personal services by an individual either as an employee or in an independent capacity.

(6) (a) The term "industrial or commercial profits" means income derived from industrial or commercial activity, and income derived from real property and natural resources and dividends, interest, royalties (as defined in paragraph (4) of Article 14 (Royalties)), and capital gains but only if the property or rights giving rise to such income, dividends, interest, royalties, or capital gains are effectively connected with a permanent establishment which the recipient, being a resident of one of the Contracting States, has in the other Contracting State, whether or not such income is derived from industrial or commercial activity.

(b) To determine whether property or rights are effectively connected with a permanent establishment, the factors taken into account shall include whether

the rights or property are used in or held for use in carrying on industrial or commercial activity through such permanent establishment and whether the activities carried on through such permanent establishment were a material factor in the realization of the income from such property or rights. For this purpose, due regard shall be given to whether or not such property or rights or such income were accounted for through such permanent establishment.

(7) Where industrial or commercial profits include items of income which are dealt with separately in other articles of this Convention, the provisions of those articles shall, except as otherwise provided therein, supersede the provisions of this Article.

Article 9

PERMANENT ESTABLISHMENT

(1) For purposes of this Convention, the term "permanent establishment" means a fixed place of business through which a resident of one of the Contracting States engages in industrial or commercial activity.

(2) The term "fixed place of business" includes but is not limited to:

- (a) A branch;
- (b) An office;

(c) A factory;
(d) A workshop;
(e) A warehouse;
(f) A store or other sales outlet;
(g) A mine, quarry, or other place of extraction
of natural resources; and

(h) A building site or construction or installation
project which exists for more than 6 months.

(3) Notwithstanding paragraphs (1) and (2), a permanent
establishment shall not include a fixed place of business used
only for one or more of the following:

- (a) The use of facilities for the purpose of storage,
display, or delivery of goods or merchandise belonging to
the resident;
- (b) The maintenance of a stock of goods or merchandise
belonging to the resident for the purpose of storage,
display, or delivery;
- (c) The maintenance of a stock of goods or merchandise
belonging to the resident for the purpose of processing
by another person;
- (d) The maintenance of a fixed place of business
for the purpose of purchasing goods or merchandise, or for
collecting information, for the resident;
- (e) The maintenance of a fixed place of business for

the purpose of advertising, for the supply of information, for scientific research, or for similar activities which have a preparatory or auxiliary character, for the resident; or

(f) The maintenance of a building site or construction or installation project which does not exist for more than 6 months.

(4) Even if a resident of one of the Contracting States does not have a permanent establishment in the other Contracting State under paragraphs (1) through (3) of this Article, nevertheless he shall be deemed to have a permanent establishment in that other Contracting State if he engages in trade or business in that other Contracting State through an agent who--

(a) Has an authority to conclude contracts in the name of that resident and regularly exercises that authority in that other Contracting State, unless the exercise of the authority is limited to the purchase of goods or merchandise for the account of the resident; or

(b) Maintains in that other Contracting State a stock of goods or merchandise belonging to that resident from which he regularly fills orders or makes deliveries.

(5) Notwithstanding subparagraphs (a), (c) and (d) of paragraph (3), if a resident of one of the Contracting States has a fixed place of business in the other Contracting State

and goods or merchandise are either:

- (a) Subjected to processing in that other Contracting State by another person (whether or not purchased in that other Contracting State); or
- (b) Purchased in that other Contracting State (and such goods or merchandise are not subjected to processing outside that other Contracting State)

such resident shall be considered to have a permanent establishment in that other Contracting State, if all or part of such goods or merchandise is sold by or on behalf of such resident for use, consumption, or disposition in that other Contracting State.

(6) Notwithstanding the provisions of paragraphs (4) and (5), a resident of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because such resident engages in industrial or commercial activity in that other Contracting State through a broker, general commission agent or any other agent of an independent status, where such broker or agent is acting in the ordinary course of his business.

(7) The fact that a resident of one of the Contracting States is a related person (as defined under Article 11 (Related Persons)) with respect to a resident of the other Contracting State or with respect to a person who engages in industrial or

commercial activity in that other Contracting State (whether through a permanent establishment or otherwise) shall not be taken into account in determining whether that resident of the first-mentioned Contracting State has a permanent establishment in that other Contracting State.

(8) The principles set forth in paragraphs (1) through (7) shall be applied in determining for the purpose of this Convention whether there is a permanent establishment in a State other than one of the Contracting States or whether a person other than a resident of one of the Contracting States has a permanent establishment in one of the Contracting States.

Article 10

SHIPPING AND AIR TRANSPORT

Notwithstanding Article 8 (Business Profits), income which a resident of one of the Contracting States derives from the operation in international traffic of ships or aircraft shall be exempt from tax by the other Contracting State. For purposes of this Article, income derived from the operation in international traffic of ships or aircraft includes income incidental to such operation, such as income derived from the use or lease of containers, trailers for the inland transportation of containers and other related equipment, but does not include other income from the inland transportation of containers.

Article 11

RELATED PERSONS

(1) Where a person subject to the taxing jurisdiction of one of the Contracting States and any other person are related and where such related persons make arrangements or impose conditions between themselves which are different from those which would be made between independent persons, any income, deductions, credits, or allowances which would, but for those arrangements or conditions, have been taken into account in computing the income (or loss) of, or the tax payable by, one of such persons, may be taken into account in computing the amount of the income subject to tax and the taxes payable by such person.

(2) For the purposes of this Convention, a person is related to another person if either person owns or controls directly or indirectly the other, or if any third person or persons owns or controls directly or indirectly both. For this purpose, the term "control" includes any kind of control, whether or not legally enforceable, and however exercised or exercisable.

Article 12

DIVIDENDS

(1) Dividends derived from sources within one of the Contracting States by a resident of the other Contracting State

may be taxed by both Contracting States.

(2) The rate of tax imposed by one of the Contracting States on dividends derived from sources within that Contracting State by a resident of the other Contracting State shall not exceed--

(a) 15 percent of the gross amount of the dividend;

or

(b) When the recipient is a corporation, 10 percent of the gross amount of the dividend if--

(i) During the part of the paying corporation's taxable year which precedes the date of payment of the dividend and during the whole of its prior taxable year (if any), at least 10 percent of the outstanding shares of the voting stock of the paying corporation was owned by the recipient corporation, and

(ii) Not more than 25 percent of the gross income of the paying corporation for such prior taxable year (if any) consists of interest or dividends (other than interest derived from the conduct of a banking, insurance, or financing business and dividends or interest received from subsidiary corporations, 50 percent or more of the outstanding shares of the voting stock of

which is owned by the paying corporation at the time such dividends or interest is received).

(3) Paragraph (2) shall not apply if the recipient of the dividends, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the shares with respect to which the dividends are paid are effectively connected with such permanent establishment. In such a case, paragraph (6) (a) of Article 8 (Business Profits) shall apply.

Article 13

INTEREST

(1) Interest derived from sources within one of the Contracting States by a resident of the other Contracting State may be taxed by both Contracting States.

(2) The rate of tax imposed by one of the Contracting States on interest derived from sources within that Contracting State by a resident of the other Contracting State shall not exceed 12 percent of the gross amount thereof.

(3) Notwithstanding paragraphs (1) and (2), interest derived from sources within one of the Contracting States shall be exempt from tax by that Contracting State if it is beneficially derived by the Government of the other Contracting State, by any local authority thereof, the central bank of that other Contracting State, or any instrumentality wholly owned by that Government

or that central bank or both, not subject to tax by that other Contracting State on its income.

(4) Paragraph (2) shall not apply if the recipient of the interest, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the indebtedness giving rise to the interest is effectively connected with such permanent establishment. In such case, paragraph (6) (a) of Article 8 (Business Profits) shall apply.

(5) Where any amount designated as interest paid to any related person exceeds an amount which would have been paid to an unrelated person, the provisions of this article shall apply only to so much of the interest as would have been paid to an unrelated person. In such a case the excess payment may be taxed by each Contracting State according to its own law, including the provisions of this Convention where applicable.

(6) The term "interest" as used in this Convention means income from bonds, debentures, Government securities, notes, or other evidences of indebtedness, whether or not secured and whether or not carrying a right to participate in profits, and debt-claims of every kind as well as all other income which, under the taxation law of the Contracting State in which the income has its source, is assimilated to income from money lent.

Article 14

ROYALTIES

(1) The tax imposed by one of the Contracting States on royalties derived from sources within that Contracting State by a resident of the other Contracting State shall not exceed 15 percent of the gross amount thereof, except as provided in paragraphs (2) and (3).

(2) Royalties derived from copyrights, or rights to produce or reproduce any literary, dramatic, musical, or artistic work, by a resident of one Contracting State, as well as royalties received as consideration for the use of, or the right to use, motion picture films including films and tapes used for radio or television broadcasting, may not be taxed by the other Contracting State at a rate of tax which exceeds 10 percent of the gross amount of such royalties.

(3) Paragraphs (1) and (2) shall not apply if the recipient of the royalty, being a resident of one of the Contracting States, has in the other Contracting State a permanent establishment and the right or property giving rise to the royalties is effectively connected with such permanent establishment. In such a case, paragraph (6) (a) of Article 8 (Business Profits) shall apply.

(4) The term "royalties" as used in this article means--

(a) Payment of any kind made as consideration

for the use of, or the right to use, copyrights of literary, artistic, or scientific works, copyrights of motion picture films or films or tapes used for radio or television broadcasting, patents, designs, models, plans, secret processes or formulae, trademarks, or other like property or rights, or knowledge, experience, or skill (know-how), or ships or aircraft (but only if the lessor is a person not engaged in the operation in international traffic of ships or aircraft), and

(b) Gains derived from the sale, exchange, or other disposition of any such property or rights (other than ships or aircraft) to the extent that the amounts realized on such sale, exchange, or other disposition for consideration are contingent on the productivity, use, or disposition of such property or rights.

The term does not include any royalties, rentals or other amounts paid in respect of the operation of mines, quarries, or other natural resources.

(5) Where an amount is paid to a related person which would be treated as royalty but for the fact that it exceeds an amount which would have been paid to an unrelated person, the provisions of this Article shall apply only to so much of the royalty as would have been paid to an unrelated person. In such a case, the excess payment may be taxed by each Contracting State according to its own law, including the

provisions of this Convention where applicable.

Article 15

INCOME FROM REAL PROPERTY

(1) Income from real property, including royalties and other payments in respect of the exploitation of natural resources and gains derived from the sale, exchange, or other disposition of such property or of the right giving rise to such royalties or other payments, may be taxed by the Contracting State in which such real property or natural resources are situated. For purposes of this Convention, interest on indebtedness secured by real property or secured by a right giving rise to royalties or other payments in respect of the exploitation of natural resources shall not be regarded as income from real property.

(2) Paragraph (1) shall apply to income derived from the usufruct, direct use, letting, or use in any other form of real property.

Article 16

CAPITAL GAINS

(1) A resident of one of the Contracting States shall be exempt from tax by the other Contracting State on gains from the sale, exchange, or other disposition of capital assets unless--

(a) The gain is derived by a resident of one of

the Contracting States from the sale, exchange, or other disposition of property described in Article 15 (Income from Real Property) situated within the other Contracting State.

(b) The recipient of the gain, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the property giving rise to the gain is effectively connected with such permanent establishment, or

(c) The recipient of the gain, being an individual who is a resident of one of the Contracting States--

(i) Maintains a fixed base in the other Contracting State for a period or periods aggregating 183 days or more during the taxable year and the property giving rise to such gains is effectively connected with such fixed base, or

(ii) Is present in the other Contracting State for a period or periods aggregating 183 days or more during the taxable year.

(2) In the case of gains described in paragraph (1) (a), the provisions of Article 15 (Income from Real Property) shall apply. In the case of gains described in paragraph (1) (b), the provisions of Article 8 (Business Profits) shall apply.

Article 17

INVESTMENT OR HOLDING COMPANIES

A corporation of one of the Contracting States deriving dividends, interest, royalties, or capital gains from sources within the other Contracting State shall not be entitled to the benefits of Article 12 (Dividends), 13 (Interest), 14 (Royalties), or 16 (Capital Gains) if--

(a) By reason of special measures the tax imposed on such corporation by the first-mentioned Contracting State with respect to such dividends, interest, royalties, or capital gains is substantially less than the tax generally imposed by such Contracting State on corporate profits, and

(b) 25 percent or more of the capital of such corporation is held of record or is otherwise determined, after consultation between the competent authorities of the Contracting States, to be owned directly or indirectly, by one or more persons who are not individual residents of the first-mentioned Contracting State (or, in the case of a Korean corporation, who are citizens of the United States).

Article 18

INDEPENDENT PERSONAL SERVICES

(1) Income derived by an individual who is a resident

of one of the Contracting States from the performance of personal services in an independent capacity, may be taxed by that Contracting State. Except as provided in paragraph (2), such income shall be exempt from tax by the other Contracting State.

(2) Income derived by an individual who is a resident of one of the Contracting States from the performance of personal services in an independent capacity in the other Contracting State may be taxed by that other Contracting State, if:

- (a) The individual is present in that other Contracting State for a period or periods aggregating 183 days or more in the taxable year;
- (b) Such income exceeds 3,000 United States dollars or its equivalent in Korean won in a taxable year; or
- (c) The individual maintains a fixed base in that other Contracting State for a period or periods aggregating 183 days or more in the taxable year, but only so much of his income as is attributable to such fixed base.

Article 19

DEPENDENT PERSONAL SERVICES

(1) Wages, salaries, and similar remuneration derived by an individual who is a resident of one of the Contracting

States from labor or personal services performed as an employee, including remuneration from services performed by an officer of a corporation, may be taxed by that Contracting State.

Except as provided by paragraph (2) such remuneration derived from sources within the other Contracting State may also be taxed by that other Contracting State.

(2) Remuneration described in paragraph (1) derived by an individual who is a resident of one of the Contracting States shall be exempt from tax by the other Contracting State if--

- (a) He is present in that other Contracting State for a period or periods aggregating less than 183 days in the taxable year;
- (b) He is an employee of a resident of the first-mentioned Contracting State or of a permanent establishment maintained in the first-mentioned Contracting State;
- (c) The remuneration is not borne as such by a permanent establishment which the employer has in that other Contracting State; and
- (d) Such income does not exceed 3,000 United States dollars or its equivalent in Korean won.

(3) Notwithstanding paragraph (2), remuneration derived by an individual from the performance of labor or personal services as an employee aboard ships or aircraft operated by a resident of one of the Contracting States in international

traffic shall be exempt from tax by the other Contracting State if such individual is a member of the regular complement of the ship or aircraft.

Article 20

TEACHERS

(1) Where a resident of one of the Contracting States is invited by the Government of the other Contracting State, a political subdivision, or a local authority thereof, or by a university or other recognized educational institution in that other Contracting State to come to that other Contracting State for a period not expected to exceed 2 years for the purpose of teaching or engaging in research, or both, at a university or other recognized educational institution and such resident comes to that other Contracting State primarily for such purpose, his income from personal services for teaching or research at such university or educational institution shall be exempt from tax by that other Contracting State for a period not exceeding 2 years from the date of his arrival in that other Contracting State.

(2) This Article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

Article 21

STUDENTS AND TRAINEES

(1) (a) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who is temporarily present in that other Contracting State for the primary purpose of --

- (i) Studying at a university or other recognized educational institution in that other Contracting State, or
- (ii) Securing training required to qualify him to practice a profession or professional specialty, or
- (iii) Studying or doing research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization,

shall be exempt from tax by that other Contracting State with respect to amounts described in subparagraph (b) for a period not exceeding 5 taxable years from the date of his arrival in that other Contracting State.

- (b) The amounts referred to in subparagraph (a) are--
- (i) Remittances from abroad for the purpose of his maintenance, education, study research, or training;

(ii) The grant, allowance, or award; and
(iii) Income from personal services performed in that other Contracting State in an amount not in excess of 2,000 United States dollars or its equivalent in Korean won for any taxable year.

(2) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who is temporarily present in that other Contracting State as an employee of, or under contract with, a resident of the first-mentioned Contracting State, for the primary purpose of--

(a) Acquiring technical, professional, or business experience from a person other than that resident of the first-mentioned Contracting State or other than a person related to such resident, or

(b) Studying at a university or other recognized educational institution in that other Contracting State, shall be exempt from tax by that other Contracting State for a period not exceeding 1 year with respect to his income from personal services in an aggregate amount not in excess of 5,000 United States dollars or its equivalent in Korean won.

(3) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who is temporarily present in that other Contracting State for a period not exceeding

1 year, as a participant in a program sponsored by the Government of that other Contracting State, for the primary purpose of training, research, or study, shall be exempt from tax by that other Contracting State with respect to his income from personal services in respect of such training, research, or study performed in that other Contracting State in an aggregate amount not in excess of 10,000 United States dollars or its equivalent in Korean won.

(4) The benefits provided under Article 20 (Teachers) and paragraph (1) of this Article shall, when taken together, extend only for such period of time, not to exceed 5 taxable years from the date of arrival of the individual claiming such benefits, as may reasonably or customarily be required to effectuate the purpose of the visit.

Article 22

GOVERNMENTAL FUNCTIONS

Wages, salaries, and similar remuneration including pensions, annuities, or similar benefits, paid from public funds of one of the Contracting States to a citizen of that Contracting State for labor or personal services performed as an employee of that Contracting State or an instrumentality thereof in the discharge of governmental functions shall be exempt from tax by the other Contracting State.

Article 23

PRIVATE PENSIONS AND ANNUITIES

(1) Except as provided in Article 22 (Governmental Functions), pensions and other similar remuneration paid to an individual who is a resident of one of the Contracting States in consideration of past employment shall be taxable only in that Contracting State.

(2) Alimony and annuities paid to an individual who is a resident of one of the Contracting States shall be taxable only in that Contracting State.

(3) The term "pensions and other similar remuneration", as used in this Article, means periodic payments made (a) by reason of retirement or death in consideration for services rendered, or (b) by way or compensation for injuries received in connection with past employment.

(4) The term "annuities", as used in this Article, means a stated sum paid periodically at stated times during life, or during a specified number of years, under an obligation to make the payments in return for adequate and full consideration (other than services rendered).

(5) The term "alimony", as used in this Article, means periodic payments made pursuant to a decree of divorce, separate maintenance agreement, or support or separation agreement which is taxable to the recipient under the internal laws of the Contracting State of which he is a resident.

Article 24

SOCIAL SECURITY PAYMENTS

Social security payments and other public pensions paid by one of the Contracting States to an individual who is a resident of the other Contracting State (or in the case of such payments by Korea, to an individual who is a citizen of the United States) shall be taxable only in the first-mentioned Contracting State. This Article shall not apply to payments described in Article 22 (Governmental Functions).

Article 25

EXEMPTION FROM SOCIAL SECURITY TAXES

(1) The taxes imposed by Chapter 21 of the Internal Revenue Code shall not apply with respect to wages paid for services performed in Guam by a resident of Korea while in Guam on a temporary basis as a nonimmigrant alien admitted to Guam pursuant to section 101 (a) (15) (H) (ii) of the United States Immigration and Nationality Act (8 U.S.C. 1101 (a) (15) (H) (ii)).

(2) The exemption provided in paragraph (1) shall continue only so long as the similar exemption provided by section 3121 (b) (18) of the Internal Revenue Code.

Article 26

DIPLOMATIC AND CONSULAR OFFICERS

Nothing in this Convention shall affect the fiscal privileges of diplomatic and consular officials under the general rules of international law or under the provisions of special agreements.

Article 27

MUTUAL AGREEMENT PROCEDURE

(1) Where a resident of one of the Contracting States considers that the action of one or both of the Contracting States results or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of the Contracting States, present his case to the competent authority of the Contracting State of which he is a resident. Should the resident's claim be considered to have merit by the competent authority of the Contracting State to which the claim is made, it shall endeavor to come to an agreement with the competent authority of the other Contracting State with a view to avoiding taxation contrary to the provisions of this Convention.

(2) The competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the application of this Convention. In particular, the competent authorities of the Contracting States may agree--

- (a) To the same attribution of industrial or commercial profits to a resident of one of the Contracting States and its permanent establishment situated in the other Contracting State;
- (b) To the same allocation of income, deductions, credits, or allowances between a person subject to the taxing jurisdiction of one of the Contracting States and any related person;
- (c) To the same determination of the source of particular items of income;
- (d) To the uniform accounting for income and deductions; or
- (e) To the same meaning of any term used in this Convention.

(3) The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of this Article. When it seems advisable for the purpose of reaching agreement, the competent authorities may meet together for an oral exchange of opinions.

(4) In the event that the competent authorities reach such an agreement, taxes shall be imposed on such income, and refund or credit of taxes shall be allowed, by the Contracting States in accordance with such agreement.

Article 28

EXCHANGE OF INFORMATION

(1) The competent authorities shall exchange such information as is necessary for carrying out the provisions of this Convention or for the prevention of fraud or for the administration of statutory provisions concerning taxes to which this Convention applies provided the information is of a class that can be obtained under the laws and administrative practices of each Contracting State with respect to its own taxes.

(2) Any information so exchanged shall be treated as secret, except that such information may be--

- (a) Disclosed to any person concerned with, or
- (b) Made part of a public record with respect to, the assessment, collection, or enforcement of, or litigation with respect to, the taxes to which this Convention applies.

(3) No information shall be exchanged which would be contrary to public policy.

(4) If specifically requested by the competent authority of one of the Contracting States, the competent authority of the other Contracting State shall provide information under this Article in the form of depositions of witnesses and copies of unedited original documents (including books, papers,

statements, records, accounts, or writings), to the same extent such depositions and documents can be obtained under the laws and administrative practices of each Contracting State with respect to its own taxes.

(5) The exchange of information shall be either on a routine basis or on request with reference to particular cases. The competent authorities of the Contracting States may agree on the list of information which shall be furnished on a routine basis.

(6) The competent authorities of the Contracting States shall notify each other of any amendments of the tax laws referred to in paragraph (1) of Article 1 (Taxes Covered) and of the adoption of any taxes referred to in paragraph (2) of Article 1 (Taxes Covered) by transmitting the texts of any amendments or new statutes at least once a year.

(7) The competent authorities of the Contracting States shall notify each other of the publication by their respective Contracting States of any material concerning the application of this Convention, whether in the form of regulations, rulings, or judicial decisions by transmitting the texts of any such materials at least once a year.

Article 29

EXTENSION TO TERRITORIES

(1) Either one of the Contracting States may, at any

time while this Convention continues in force, by a written notification given to the other Contracting State through diplomatic channels, declare its desire that the operation of this Convention, either in whole or in part or with such modifications as may be found necessary for special application in a particular case, shall extend to all or any of the areas (to which this Convention is not otherwise applicable) for whose international relations it is responsible and which impose taxes substantially similar in character to those which are the subject of this Convention. When the other Contracting State has, by a written communication through diplomatic channels, signified to the first-mentioned Contracting State that such notification is accepted in respect of such area or areas, and the notification and communication have been ratified and instruments of ratification exchanged, this Convention, in whole or in part, or with such modifications as may be found necessary for special application in a particular case, as specified in the notification, shall apply to the area or areas named in the notification and shall enter into force and effect on and after the date or dates specified therein. None of the provisions of this Convention shall apply to any such area in the absence of such acceptance and exchange of instruments of ratification in respect of that area.

(2) At any time after the date of entry into force of an extension under paragraph (1), either of the Contracting States may, by 6 months' prior notice of termination given to the other Contracting State through diplomatic channels, terminate the application of this Convention to any area to which it has been extended under paragraph (1), and in such event this Convention shall cease to apply and have force and effect, beginning on or after the first day of January next following the expiration of the 6-month period, to the area or areas named therein, but without affecting its continued application to the United States, Korea, or to any other area to which it has been extended under paragraph (1).

(3) In the application of this Convention in relation to any area to which it is extended by notification by the United States or Korea, reference to the "United States" or "Korea", as the case may be, shall be construed as referring to that area.

(4) The termination in respect of the United States or Korea of this Convention under Article 32 (Termination) shall, unless otherwise expressly agreed by both Contracting States, terminate the application of this Convention to any area to which the Convention has been extended under this Article by the United States or Korea.

Article 30

ASSISTANCE IN COLLECTION

(1) Each of the Contracting States shall endeavor to collect on behalf of the other Contracting State such taxes imposed by that other Contracting State as will ensure that any exemption or reduced rate of tax granted under this Convention by that other Contracting State shall not be enjoyed by persons not entitled to such benefits.

(2) In no case shall this Article be construed so as to impose upon one of the Contracting States the obligation to carry out measures at variance with the laws, administrative practices, or public policy of either Contracting State with respect to the collection of its own taxes.

Article 31

ENTRY INTO FORCE

This Convention shall be ratified and instruments of ratification shall be exchanged at Washington as soon as possible. It shall enter into force on the thirtieth day following the exchange of instruments of ratification and shall then have effect for the first time:

(a) As respects the rate of withholding taxes and Article 25 (Exemption from Social Security Taxes), to amounts paid on or after the first day of the second

month following the date on which this Convention enters into force;

(b) As respects other taxes, to taxable years beginning on or after January 1 of the year following the date on which this Convention enters into force.

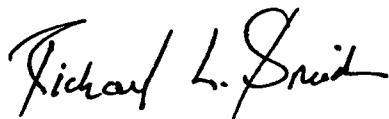
Article 32

TERMINATION

This Convention shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Convention at any time after 5 years from the date on which this Convention enters into force provided that at least 6 months' prior notice of termination has been given through diplomatic channels. In such event, the Convention shall cease to have force and effect as respects income of taxable years beginning (or, in the case of withholding taxes and social security taxes, payments made) on or after January 1 next following the expiration of the 6-month period.

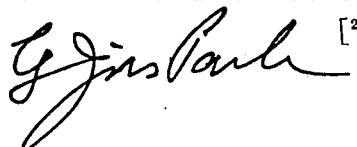
DONE at SEOUL in duplicate in the English and Korean languages
this 4th day of June 1976.

FOR THE UNITED STATES OF AMERICA:

 [1]

[SEAL]

FOR THE REPUBLIC OF KOREA:

 [2]

[SEAL]

¹ Richard L. Schneider.
² T. Jin Park.

미합중국과 대한민국 간의

소득에 관한 조세의 이종·과세 회피와

합세방지 및 국제무역과 투자의 증진을 위한 협약

미합중국 정부와 대한민국 정부는,

소득에 대한 이종 과세의 회피와 탈세방지 및 국제부역과 투자의 증진을 위한 협약의 체결을 위하여,

그 어떠한 목적으로 각자의 전권대표를 아래와 같이 임명하였으며,

미합중국 정부 : 대한민국 주차 미합중국 특명전권대사
리처드·에·슈나이더 각하

대한민국 정부 : 대한민국 외무부장관
박동진 각하

상기인들은 그들의 전권위임장을 상호 교환한 후 양국 해당임을 확인하여,

다음의 제 조항에 합의하였다.

제 1 조

대상 조세

(1) 이 협약의 대상이 되는 조세는 다음과 같다.

(a) 미국의 경우에는 내국세법에 의하여 부과되는 연방소득세(미국의 조세)

(b) 한국의 경우에는 소득세 및 법인세(한국의 조세)

(2) 이 협약은 상기 (1)항에 의하여 포함되는 조세와 실질적으로 유사한 조세로서 이 협약의 서명일자 이후에 현행 조세에 추가하여 부과되거나 또는 현행 조세에 대체하여 부과되는 조세에 대하여도 적용된다.

(3) 제 7조(무차별)의 목적상 이 협약은 중앙정부·주정부 또는 지방정부의 수준에서 부과되는 모든 종류의 조세에 대하여도 적용된다. 제 28조(정보의 교환)의 목적상 이 협약은 중앙정부의 수준에서 부과되는 모든 종류의 조세에 대하여도 적용된다.

제 2 조

일반적 정의

(1) 달리 문맥에 다르지 아니하는 한, 이 협약에 있어서 아래의 용어들은 각기 다음의 의미를 가진다.

(a) (i) "미국"이란 합은 미합중국을 의미한다.

(ii) "미국"이란 합은, 지리적 의미로 사용되는 경우에, 미국의 제 주와 쿠알라룸푸르별구를 의미한다. 미국이란 합은 또한 다음의 것을 포함한다.

(A) 미국의 영해

(B) 해저지역의 자연자원의 탐사 및 채취를 목적으로 국제법에 따라 미국이 주권적 권리를 행사하는 영해 밖의 미국의 연안에 인접한 해저지역의 해상과 하층권. 다만, 이 협약이 적용되는 인·재산 또는 활동이 그려한 탐사 또는 채취와 관련되는 범위에 한한다.

(b) (1) "한국"이타 함은 대한민국을 의미한다.

(ii) "한국"이타 함은, 지리적 의미로 사용되는 경우에, 한국의 조세에 관한 법이 효력을 가지는 모든 영역을 의미한다. 한국이타 함은 또한 다음의 것을 포함한다.

(A) 한국의 영해

(B) 해저지역의 자연자원의 탐사 및 채취를 목적으로 국계법에 따라 한국이 주권적 권리를 행사하는 영해 밖의 한국의 연안에 인접한 해저지역의 해상과 하층. 다만, 이 협약이 적용되는 일·재산 또는 활동이 그 어떤 탐사 또는 채취와 관련되는 범위에 한한다.

(c) "체약국"이타 함은 문맥에 따랐던 미국 또는 한국을 의미한다.

(d) "인"이타 함은 개인·조합·법인·유산재단·신학재단 또는 기관의 단체를 포함한다.

(e) (1) "미국법인" 또는 "미국의 법인"이타 함은 미국 또는 미국의 제주 또는 콜럼비아 특별구의 법에 따라 설립되거나 또는 조직되는 법인, 또는 미국의 조세 목적상 미국법인으로 취급되는 법인과 없는 단체를 의미한다.

(ii) "한국법인" 또는 "한국의 법인"이타 함은 한국 내에 본점 또는 주 사무소를 두고 있는 법인(미국법인 제외), 또는 한국의 조세 목적상 한국법인으로 취급되는 단체를 의미한다.

(f) "건강있는 당국"이타 함은 다음의 것을 의미한다.

(i) 미국의 경우에는 재무부장관 또는 그의 대리인

(ii) 한국의 경우에는 재무부장관 또는 그의 대리인

(g) "국가"라 함은, 어느 하나의 체약국을 말하는 가의 여부에 관계없이, 종 암정부가 대표하는 국 가를 의미한다.

(h) "시민"이라 함은 다음의 것을 의미한다.

(1) 미국의 경우에는 미국의 시민

(ii) 한국의 경우에는 한국의 국민

(2) 이 협약에서 사용되나 이 협약에서 정의되지 아니한 기타의 용어는, 달리 본 맥에 따르지 아니하는 한, 그 조세가 결정되는 체약국의 법에 따라 내포하는 의미를 가진다. 상기 규정에 불구하고 일방 체약국의 법에 따른 그의한 용어의 의미가 타방 체약국의 법에 따른 용어의 의미와 상이하거나, 또는 그의한 용어의 의미가 어느 한 체약국의 법에 따라 용이하게 결정될 수 없는 경우에, 양 체약국의 권한있는 당국은 이종 관세를 방지하거나 또는 이 협약의 기타의 목적을 촉진하기 위하여 이 협약의 목적상 등 용어의 공통적 의미를 확정할 수 있다.

제 3 조

관세상의 주소

(1) 이 협약에 있어서 하기 용어는 각기 다음의 의미를 가진다.

(a) "미국의 거주자"라 함은 다음의 것을 의미한다.

(1) 미국법인

(ii) 미국의 조세 목적상 미국에 거주하는 기타의 인(법인 또는 미국의 법에 따라 법인으로 취급되는 단체를 제외함). 다만, 조합원 또는 수탁자로서 행동하는 인의 경우에, 그의한 인에 의하여 발생되는 소득은 거주자의 소득으로서 미국의 조세에 따라야 하는 범위에 포함된다.

(b) "한국의 거주자"라 함은 다음의 것을 의미한다.

(1) 한국법인

(ii) 한국의 조세 목적상 한국에 거주하는 기아의 인(법인 또는 한국의 법에 따라 법인으로 취급되는 단체를 제외함). 다만, 조합원 또는 수탁자로서 행동하는 인의 경우에, 그려한 인에 의하여 발생되는 소득은 거주자의 소득으로서 한국의 조세에 따랐어야 하는 범위에 한한다.

(c) 지불을 행하는 조합의 거주지를 결정함에 있어서 조합은 조합의 설립 또는 조직에 적용된 국가의 법에 따라 그 국가의 거주자로 간주된다.

(2) 상기 (1)항의 규정에 의한 사유로 인하여 어느 개인이 양 체약국의 거주자인 경우에는 다음과 같이 취급된다.

(a) 동 개인은 그가 주거를 두고 있는 그 체약국의 거주자로 간주된다.

(b) 동 개인이 양 체약국 내에 주거를 두고 있거나 또는 어느 체약국에도 주거를 두고 있지 아니하는 경우에, 그는 그의 인적 및 경제적 관계가 가장 밀접한 그 체약국(중대한 이해관계의 중심지)의 거주자로 간주된다.

(c) 동 개인의 중대한 이해관계의 중심지가 어느 체약국에도 없거나 또는 결정될 수 없을 경우에, 그는 그가 일상적 거소를 두고 있는 그 체약국의 거주자로 간주된다.

(d) 동 개인이 양 체약국 내에 일상적 거소를 두고 있거나 또는 어느 체약국에도 거소를 두고 있지 아니하는 경우에, 그는 그가 시민으로 소속하고 있는 체약국의 거주자로 간주된다.

(e) 동 개인이 양 체약국의 시민으로 되어 있어 있거나 또는 어느 체약국의 시민도 아닌 경우에, 체약국의 권한있는 당국은 상호 합의에 의하여 그 문제를 해결한다.

본 항의 목적상 주거는 어느 개인이 그 가족과 함께 거주하는 장소를 말한다.

(3) 상기 (2)항의 규정에 의한 사유로 인하여 일방 체약국의 거주자로 간주되나 하방 체약국의 거주자로 간주되지 아니하는 개인은, 제 4조(과세의 일반규칙)를 포함하여, 이 협약의 모든 목적상 상기 일방 체약국의 거주자로서만 간주된다.

제 4 조

과세의 일반규칙

(1) 일방 체약국의 거주자는, 이 협약에서 정한 제한에 따를 것으로 하여, 하방 체약국 내에 원천을 둔 소득에 대하여 도록 그의한 소득에 대해서만 등 하방 체약국에 의하여 과세될 수 있다. 동 목적상 제 6조에 정한 제 규칙(소득의 원천)은 소득의 원천을 결정하기 위하여 적용된다.

(2) 이 협약의 제 규정은 다음의 것에 의하여 현재 또는 차후에 부여되는 비과세·면제·비용공제·세액공제 또는 기타의 공제를 어떠한 방법으로도 제한하는 것으로 해석되어서는 아니된다.

(a) 일방 체약국에 의하여 부과되는 조세를 결정함에 있어서 등 일방 체약국의 법, 또는

(b) 양 체약국간의 기타 합의

(3) 이 협약의 제 규정은, 개정된 1973년 3월 12일자의 한국 외자도입법(법률 제 2598호) 또는 한국 내에 투자를 장려하기 위한 유사한 법의 규정에 따라 미국의 거주자에게 부여되는 혜택을 거부할 수 있도록, 한국의 법에 영향을 주지 아니한다.

(4) 본 조 하기 (5)항을 제외한 이 협약의 어떠한 규정에도 불구하고 어느 체약국은, 이 협약이 혜택을 밝상하지 아니하였던 것처럼, 등 체약국의 시민 또는 거주자에 대하여 과세할 수 있다.

(5) 상기 (4)항의 규정은 다음의 것에 대하여 영향을 주지 아니한다.

(a) 제 5조(이중 과세의 회피), 제 7조(모차별), 제 24조(사회보장지급금) 및 제 27조(상호 합의 절차)에 따라 어느 체약국이 부여하는 혜택

(b) 제 20조(고직자), 제 21조(학생 및 혼연생) 및 제 22조(정부 기능)에 따라, 어느 체약국의 시민이 아니거나 또는 등 체약국에의 이주자의 신분을 가지고 있지 아니한 개인에 대하여, 등 체약국이 부여하는 혜택

(6) 양 체약국의 권한있는 당국은 이 협약의 제 규정의 시행에 필요한 규정을 제정할 수 있다.

(7) 미국의 조세 목적상 미국의 거주자가 아닌 한국의 거주자(한국 정부 또는 그 지방공공단체의 공무원 또는 고용원 제외)의 경우에, 미국의 내국세법이 하나의 인적 공제만을 규정하는 한, 이 협약의 서명일자에 유효한 내국세법 제 151조 내지 154조에 규정된 조건에 따라 것으로 하여, 미국에 체재하며 과세연도중 납세자와 언제나 미국에 등거하는 등 납세자의 배우자 및 그 자녀에 대하여 인적

공제가 허여된다. 다만, 그 범위는, 동 남세의무자의 과세연도중에
내국세법 제 864조 (c)항의 의미 내에서, 미국 내의 상업 또는 사업의 수행에
실질적으로 관련된 것으로 취급되는 소득으로서 미국 내에 원천을 둔 동 남세의무자의
총 소득이, 그 과세연도중 동 남세의무자의 모든 원천으로부터 생기는 전체 소득에
차지하는 비율을 초과할 수 없다.

(8) 미국은 이 협약의 어떠한 규정에도 불구하고 개인지주회사세와 유보
소득세를 부과할 수 있다. 다만, 주식의 일부가 전과세연도중 한국의 거주자인
(미국의 시민이 아닌자) 1인 이상의 개인에 의하여 직접적으로 또는 간접적으로
소유되고 있는 경우에 한국법인은 당해 과세연도중 미국의 개인지주회사세로부터
면제된다. 한국법인은 특정의 과세연도중 어느 시기에 고정사업장을 통하여 미국
내에서 상업 또는 사업을 영위하지 아니하는 한, 당해 과세연도중 미국의 유보
소득세로부터 면제된다.

제 5 조
이종 과세의 회피

소득에 대한 이종 과세는 다음과 같은 방법으로 회피된다.

(1) 미국법(법은 그 원칙을 변경하지 아니하고 수시로 개정될 수 있음)의
규정에 의거하고 또한 미국법의 제한에 따라 이를 조건으로 하여, 미국은 미국의
시민 또는 거주자에 대하여 미국의 조세로부터 적절한 한국의 세액을 공제하며,
또한 한국법인의 의견권의 최소한 10퍼센트를 소유하고 있는 미국법인이 특정의
과세연도중 동 한국법인으로부터 배당을 받을 경우에, 동 배당지급의 원인이 되는

이운에 관해서는 등 배당을 지급하는 한국법인이 한국에 납부한 적절한 세액을 공제하는 것을 허용한다. 그 어떤 적절한 세액은 한국에 납부한 세액에 기초를 두어야 하며, 그 세액공제는 등 과세연도중 미국의 법에 규정된 한도액(한국 내에 원천을 든 소득 또는 미국 외에 원천을 든 소득에 대한 미국의 조세에 대한 세액공제를 제한하는 것을 목적으로 함)을 초과하여서는 아니된다. 한국에 납부한 조세에 관해서 미국의 세액공제를 적용할 목적으로 제 6조(소득의 원천)에 규정된 제 규칙이 소득의 원천을 결정하기 위하여 적용된다.

(2) 한국법(법은 그 원칙을 변경하지 아니하고 수시로 개정될 수 있음)의 규정에 의거하고 또한 한국법의 제한에 따를 것을 조건으로 하여, 한국은 한국의 국민 또는 거주자에 대하여 미국에 납부한 적절한 소득세액을 한국의 조세로부터 공제하며, 또한 미국법인의 의결권의 최소한 10퍼센트를 소유하고 있는 한국법인이 특정의 과세연도중 등 미국법인으로부터 배당을 받을 경우에, 등 배당지급의 원인이 되는 이운에 관해서는 등 배당을 지급하는 미국법인이 미국에 납부한 적절한 세액을 공제하는 것을 허용한다. 그 어떤 적절한 세액은 미국에 납부한 세액에 기초를 두어야 하며, 등 국민 또는 거주자의 미국 내에 원천을 든 순소득이 등 일한 과세연도 중 그의 전체 순소득에 차지하는 비율에 해당하는 한국의 조세액의 부분을 초과하여서는 아니된다. 미국에 납부한 조세에 관해서 한국의 세액공제를 적용할 목적으로 제 6조(소득의 원천)에 규정된 제 규칙이 소득의 원천을 결정하기 위하여 적용된다.

제 6 조

소득의 원천

이 협약의 목적상 소득의 원천은 다음과 같이 취급된다.

(1) 배당은 어느 체약국의 범인에 의하여 지급되는 경우에만 그 체약국 내에 원천을 돈 소득으로 취급된다.

(2) 이자는, 어느 체약국·그 정치적 하부조직 또는 지방공공단체 또는 동 체약국의 거주자에 의하여 지급되는 경우에만, 동 체약국 내에 원천을 돈 소득으로 취급된다.ただし、경기 규정에도 불구하고 다음의 경우에 이자는 고정사업장이 소재하고 있는 국가 내에 원천을 돈 것으로 간주된다。

(a) 동 이자를 지급하는 인(그가 어느 체약국의 거주자인가의 여부에 관계없음)이 그 이자 지급의 원인이 되는 채무의 발생에 관련된 고정사업장을 일방 체약국 내에 두며 도와 등 이자가 동 고정사업장에 의하여 부담되는 경우, 또는

(b) 동 이자를 지급하는 인이 일방 체약국의 거주자이며, 어느 체약국 이외의 기타 국가 내에 고정사업장을 두면서 그 이자 지급의 원인이 되는 채무가 동 고정사업장에 관련하여 발생되며, 그 이자가 타방 체약국의 거주자에게 지급되며 도와 그 이자가 동 고정사업장에 의하여 부담되는 경우

(3) 제 14조(사용료) (4)항에 규정된 재산(선박 또는 항공기에 관해서 본 조 (5)항에 규정된 것 이외의 재산)의 사용 또는 사용할 권리에 대하여 동 조 항에 규정된 사용료는 어느 체약국 내의 동 재산의 사용 또는 사용할 권리에 대하여 지급되는 경우에만 동 체약국 내에 원천을 돈 소득으로 취급된다.

(4) 부동산 및 공산·채석장 또는 기타 자연자원의 운용으로부터 발생하는 사용료(그러한 재산의 매각 또는 그려한 사용료를 발생시키는 권리로부터 얻는 이득을 포함함)에 의한 소득은 그러한 재산이 어느 체약국 내에 소재하는 경우에만 동 체약국 내에 원천을 돈 소득으로 취급된다.

(5) 유형재산(동산)의 임대소득은 그려한 재산이 어느 체약국 내에 소재하는 경우에만 동 체약국 내에 원천을 둔 소득으로 취급된다. 국제운수상의 선박 또는 항공기의 운행에 종사하지 아니하는인이 취득하는 선박 또는 항공기의 임대소득은 그 입차인이 어느 체약국의 거주자인 경우에만 그 체약국 내에 원천을 둔 소득으로 취급된다.

(6) 피고용인으로서 또는 독립적 자격으로서 노무 또는 개인적 용역의 수행에 대하여 또는 타인의 개인적 용역을 제공한 것에 대하여 개인이 받는 소득과, 법인의 피고용인 또는 기타의 자의 개인적 용역을 제공한 것에 대하여 법인이 받는 소득은, 그려한 용역이 어느 체약국 내에서 수행되는 범위에 한하여 동 체약국 내에 원천을 둔 소득으로 취급된다. 어느 체약국의 거주자에 의하여 국제운수에 운행되는 선박 또는 항공기에 합승하여 수행하는 개인적 용역으로부터 받는 소득은 그 용역이 동 선박 또는 항공기의 정규 승무원료의 일원으로 제공되는 경우에 동 체약국 내에 원천을 둔 소득으로 취급된다. 본 항의 목적상 노무 또는 개인적 용역으로부터 받는 소득은 그려한 용역에 대하여 지급되는 연금(제 23조(민간 회직연금 및 보험연금) (3)항에 규정된 것)을 포함한다. 본 항의 전기 제 규정에도 불구하고 제 22조(정부 기능)에 규정된 보수 및 제 24조(사회보장 지급금)에 규정된 지급금은 어느 체약국 또는 그 지방공공단체의 공적 자금에 의하여 지급되는 경우에만 동 체약국 내에 원천을 둔 소득으로 취급된다.

(7) 무형 또는 유형의 개인재산(동산을 포함함)의 매매로부터 얻는 소득(제 14조(사용료) (4) (b)항에 의한 사용료로 규정된 이득은 제외됨)은 그려한 재산이 어느 체약국 내에서 매각되는 경우에만 동 체약국 내에 원천을 둔 소득으로 취급된다.

(8) 상기 (1)항 내지 (7)항에 불구하고, 일방 체약국의 거주자인 수령자가
다방 체약국 내에 두는 고정사업장에 귀속되는 산업상 또는 상업상의 이윤과
부동산 및 자연자원으로부터 발생하는 소득·배당·이자·사용료(제 14조(사용료))
(4)항에 정의된 것) 및 양도소득은, 그려한 소득·배당·이자·사용료 또는
양도소득을 발생시키는 권리 또는 재산이 등 고정사업장에 실질적으로 관련되는
경우 예만, 등 타방 체약국 내에 원천을 둔 소득으로 취급된다.

(9) 본 조 (1)항 내지 (8)항이 적용되지 아니하는 항목의 소득원천은 각
체약국의 법에 따랐다 그 체약국에 의하여 결정된다.ただし 규정에 불구하고 일방
체약국의 법에 의한 어떤 항목의 소득원천이, 타방 체약국의 법에 의한 그려한
항목의 소득원천과 상이하거나 또는 그려한 소득원천이 어느 체약국의 법에
의하여 용이하게 결정될 수 없을 경우에, 양 체약국의 관한 있는 당국은 이중과세를
회피하기 위하여 또는 이 협약의 기타 목적을 촉진하기 위하여 이 협약의 목적을
위한 항목의 소득에 대한 공동의 원천을 확정할 수 있다.

제 7 조

부 차 별

(1) 타방 체약국의 거주자인 일방 체약국의 시민은 등 타방 체약국 내에서
등 타방 체약국의 거주자인 등 타방 체약국의 시민이 부담하는 것 보다 더 많은
조세를 부담하지 아니한다.

(2) 일방 체약국의 거주자가 타방 체약국 내에 두고 있는 고정사업장은 등
타방 체약국 내에서 동일한 활동에 종사하는 등 타방 체약국의 거주자가 부담하는
것 보다 더 많은 조세를 부담하지 아니한다. 본 항은 어느 체약국이 그 개인

거주자에게 시민으로서의 지위 또는 가족부양 책임으로 인하여 부여하는 조세
목적상의 인적공제·면제 또는 비용공제를 등 체약국이 타방 체약국의 개인
거주자에게 부여해야 하는 의무를 부과하는 것으로 해석되어서는 아니된다.

(3) 그 자본의 전부 또는 일부가 타방 체약국의 1인 이상의 거주자에
의 ~~체약국~~ 직접적으로 또는 간접적으로 소유되거나 또는 지배되고 있는 어느
체약국의 법인은, 동일한 활동에 종사하는 등 체약국의 법인으로서 그 자본의
전부가 등 체약국의 1인 이상의 거주자에 의하여 소유되거나 또는 지배되고 있는
동 법인이 부담하거나 또는 부담할 수 있는 조세와 이에 관련되는 요건 이외의
다른 또는 더 많은 조세 또는 이에 관련되는 요건을 등 체약국 내에서 부담하지
아니한다.

제 8 조 사업소득

(1) 일방 체약국의 거주자의 산업상 또는 상업상의 이윤은, 그 거주자가
타방 체약국에 소재하는 고정사업장을 통하여 등 타방 체약국 내에서 산업상
또는 상업상의 활동에 종사하지 아니하는 한, 등 타방 체약국에 의한 조세로부터
면제된다. 등 거주자가 삼기 활동에 종사하는 경우에는 등 거주자의 산업상 또는
상업상의 이윤에 대하여 등 타방 체약국이 과세할 수 있으나, 고정사업장에
귀속되는 등 이윤에 대해서만 과세된다.

(2) 일방 체약국의 거주자가 타방 체약국에 소재하는 고정사업장을 통하여
등 타방 체약국 내에서 산업상 또는 상업상의 활동에 종사하는 경우에는, 등

고정사업장이, 동일한 또는 유사한 조건하에서, 동일한 또는 유사한 활동에 종사하고, 또한 어느 고정사업장을 가진 거주자와 전적으로 독립해서 거래하는 독립적 사업체로 가정하는 경우에, 등 고정사업장에 귀속되는 산업상 또는 산업상의 이윤은 각 체약국 내에서 등 고정사업장에 귀속된다.

(3) 고정사업장의 산업상 또는 산업상의 이윤을 결정함에 있어서, 경영비와 일반 관리비를 포함하여 합리적으로 그 이윤에 관련되는 경비는 고정사업장에 소재하는 체약국 내에서 또는 다른 곳에서 발생하는가에 관계없이 비용공제가 적용된다.

(4) 일방 체약국의 거주자의 계산으로, 등 거주자가 타방 체약국 내에 등 고정사업장에 의하거나 또는 등 고정사업장을 가진 그 거주자에 의하여 재화 또는 상품이 구입되는 이유만으로, 이윤은 등 거주자의 고정사업장에 귀속되지 아니한다.

(5) "산업상 또는 산업상의 활동"이타 함은 산업 또는 사업의 능동적 수행을 의미한다. 등 활동에는 제조업·상업·보험업·운행업·금융업·농업·수산업 또는 항공 활동의 수행과 선박 또는 항공 기의 운행·용역의 제공 및 유형의 개인재산(선박 또는 항공 기를 포함함)의 임대가 포함된다. 피고용인으로서 또는 독립적 자격으로 개인이 인적 용역을 수행하는 것은 등 용역에 포함되지 아니한다.

(6) (a) "산업상 또는 산업상의 이윤"이타 함은 산업상 또는 산업상의 활동으로 얻는 소득과 부동산 및 자연자원으로부터 얻는 소득·배당·이자·사용료(제 14조(사용료) (4)항에 규정된 것) 및 양도소득을 의미한다. 다만, 등 소득이 산업상 또는 산업상의 활동으로부터 얻어진 것인가에 관계없이 그 어떤 소득·배당·이자·사용료 또는 양도소득을 발생시키는 재산 또는 권리가

일방 체약국의 거주자인 수령자가 타방 체약국 내에 두고 있는 고정사업장과
실질적으로 관련된 경우에만 그려하다.

(b) 재산 또는 권리가 고정사업장과 실질적으로 관련되어 있는 가를
결정하기 위하여 고려되어야 할 요소는, 등 권리 또는 재산이 고정사업장을
통하여 산업상 또는 산업상의 활동 수행에 사용되고 있는가, 또는 사용을
위하여 보유되고 있는가, 그리고 등 고정사업장을 통하여 수행된 활동이 등
재산 또는 권리로부터 또는 소득의 취득에 있어서 실질적 요소이었던
것인 가를 포함한다. 이러한 목적상 등 재산 또는 권리 또는 등 소득이 등
고정사업장을 통하여 계상되었는지의 여부를 정당히 고려하여야 한다.

(7) 산업상 또는 산업상의 이윤은 이 협약의 다른 제 조항에서 별도로
취급되는 소득의 항목을 포함하는 경우에, 등 조항에서 달리 규정되는 것을 제외하고,
등 조항의 제 규정은 본 조의 규정을 대체한다.

제 9 조

고정사업장

(1) 이 협약의 목적상 "고정사업장"이라 함은 어느 체약국의 거주자가
산업상 또는 산업상의 활동에 종사하는 사업상의 고정된 장소를 의미한다.

(2) "사업상의 고정된 장소"라 함은 다음의 것을 포함하나 그에 한정되지
아니한다.

- (a) 치 검
- (b) 사무소
- (c) 공장
- (d) 작업장
- (e) 창고
- (f) 상점 또는 기타 판매소
- (g) 광산·채석장 또는 기타 자연자원의 채취장
- (h) 6개월을 초과하여 존속하는 건축공사 또는 건설 또는 설비공사

(3) 상기 (1)항 및 (2)항에 불구하고 고정사업장에는 다음의 어느 하나 또는 그 이상의 목적만을 위하여 사용되는 사업상의 고정된 장소가 포함되지 아니한다.

- (a) 거주자에 속하는 재화 또는 상품의 보관·전시 또는 인도를 위한 시설의 사용
- (b) 저장·전시 또는 인도 목적상 거주자에 속하는 재화 또는 상품의 재고 보유
- (c) 타인에 의한 가공 목적상 거주자에 속하는 물품 또는 상품의 재고 보유
- (d) 거주자를 위한 물품 또는 상품의 구입 목적상 또는 정보수집을 위한 사업상의 고정된 장소의 보유
- (e) 거주자를 위한 광고, 정보의 제공, 과학적 조사 또는 예비적 또는 보조적 성격을 가지는 유사한 활동을 위한 사업상의 고정된 장소의 보유, 또는

(f) 6개월을 초과하여 존속하지 아니하는 건축공사 또는 건설 또는
설비공사의 보유

(4) 일방 체약국의 거주자가 본 조 (1)항 내지 (3)항에 따랐다 타방 체약국
내에 고정사업장을 가지고 있지 아니한 경우에도, 다음과 같은 대리인을 통하여 동
타방 체약국 내에서 상업 또는 사업에 종사하는 경우에, 등 거주자는 등 타방
체약국 내에 고정사업장을 가진 것으로 간주된다.

(a) 등 거주자 명의의 계약 체결권을 가지며 또한 등 타방 체약국
내에서 동 권한을 정규적으로 행사하는 대리인. 다만, 등 권한의 행사가
등 거주자의 계산으로 재화 또는 상품을 구입함에 한정되지 아니하는
경우이어야 한다. 또는

(b) 등 대리인이 정규적으로 주문에 응하거나 또는 인도를 행하는
그 거주자에 속하는 재화 또는 상품의 재고를 등 타방 체약국 내에 보유하는
대리인

(5) 상기 (3)항의 세항 (a)·(c) 및 (d)에 불구하고 일방 체약국의
거주자가 타방 체약국 내에 사업상의 고정된 장소를 가지며, 또한 재화 또는
상품이 (a) 등 타방 체약국 내에서 다른에 의하여 가공되어야 하거나 (등 타방
체약국 내에서 구입된 것인가의 여부에 관계없음), 또는 (b) 등 타방 체약국
내에서 구입되는 경우(등 재화 또는 상품이 등 타방 체약국 외에서 가공되어야 하는
것은 아님)에, 등 재화 또는 상품의 전부 또는 일부가 등 타방 체약국 내에서의
사용·소비·처분을 위하여 등 거주자에 의하여 또는 등 거주자를 위하여 매각되면,
등 거주자는 등 타방 체약국 내에 고정사업장을 가진 것으로 간주된다.

(6) 상기 (4)항 및 (5)항의 제 규정에 불구하고 일방 체약국의 거주자가
타방 체약국 내에서 종 개인·일반 위탁매매인 또는 기타의 독립적 지위를 가진
대리인으로서 정상적인 방법으로 사업을 행하고 있는 등 종 개인 또는 대리인을
통하여 산업상 또는 산업상의 활동에 종사하고 있는 이유만으로, 등 거주자는 등
타방 체약국 내에 고정사업장을 가진 것으로 간주되지 아니한다.

(7) 일방 체약국의 거주자가, 타방 체약국의 거주자 또는 등 타방 체약국
내에서 산업상 또는 산업상의 활동에 종사하는 인(고정사업장을 통하거나 또는
다른 방법에 의함)과의 특수관계인(제 11조(특수관계인)에 규정된 자)이타는 사실은,
등 일방 체약국의 거주자가 등 타방 체약국 내에 고정사업장을 가지고 있는가를
결정함에 있어서, 고려되어서는 아니된다.

(8) 상기 (1)항 내지 (7)항에 규정된 제 원칙은, 이 협약의 목적상 어느
체약국 이외의 다른 국가 내에 고정사업장이 있는가 또는 어느 체약국의 거주자
이외의 타인이 어느 체약국 내에 고정사업장을 가지고 있는가를 결정함에 있어서
적용된다.

제 10 조

해운 및 항공운수

제 8조(사업소득)에 불구하고 일방 체약국의 거주자가 국제운수상 선박 또는
항공기의 운행으로부터 얻는 소득은 타방 체약국에 의한 조세로부터 면제된다.
본 조의 목적상 선박 또는 항공기의 국제운수상의 운행으로부터 발생되는 소득에는
콘테이너 및 콘테이너의 내용운송을 위한 트레일러와 기타 관련되는 장비의 사용

또는 임대로부여 발생되는 소득과 같이 동 운행에 부수되는 소득이 포함되나,
콘테이너의 내륙운송으로부여 발생되는 기타의 소득은 포함되지 아니한다.

제 11 조

특수관계인

(1) 어느 체약국의 조세관할권에 따랐어야 하는 인과 기타의 인이 특수관계에 있으며, 또한 그들한 특수관계인 간에 독립인 간에 행하여지는 것과는 상이한 약정을 그들간에 체결하거나, 또는 조건을 부과하는 경우에, 등 약정 또는 조건이 없었을 때면 상기 어느 인의 소득(또는 손실) 또는 그 인의 납부세액 계산에 고려되었을 것이나 그 약정 또는 조건 때문에 계상되지 아니한 소득·비용공제·세액공제 또는 소득공제는, 과세의 대상이 되는 소득액 또는 등 특수관계인이 납부해야 할 세액을 계산함에 있어서 고려될 수 있다.

(2) 이 협약의 목적상 어느 인이 직접적으로 또는 간접적으로 타인을 소유하거나 또는 지배하는 경우, 또는 어느 제3자가 직접적으로 또는 간접적으로 상기 양자를 소유하거나 또는 지배하는 경우에, 그 인은 등 타인과 특수관계를 가진 것으로 본다. 이 협약의 목적상 "지배"라 함은, 법적으로 실시할 수 있는지의 여부에 관계없이, 또한 여하히 행사되는가 또는 행사할 수 있는가를 불문하고, 모든 종류의 지배를 포함한다.

제 12 조

배당

(1) 해방 체약국의 거주자가 일방 체약국 내의 원천으로부터 받는 배당은 양 체약국에 의하여 과세될 수 있다.

(2) 타방 체약국의 거주자가 일방 체약국 내의 원천으로부터 받는 배당에 대하여 동 일방 체약국이 부과하는 세율은 다음의 것을 초과해서는 아니된다.

(a) 총 배당액의 15퍼센트, 또는

(b) 배당 수취인이 법인인 경우에는 다음의 사정하에서 총 배당액의 10퍼센트

(i) 배당지급 일자에 선행하는 지금 법인의 과세연도의 일부 기간 중 및 그 직전 과세연도의 전체 기간 중에 지금 법인의 발행된 의결권 주식중 적어도 10퍼센트를 배당수취 법인이 소유하며, 또한

(ii) 상기 직전 과세연도중에 지금 법인의 총소득의 25퍼센트 이하가 이자 또는 배당으로 구성되는 경우(은행·보험 또는 금융업으로 발생한 이자와 동 배당 또는 이자의 수취시에 발행된 의결권 주식 중 50퍼센트 이상을 지금 법인이 소유하고 있는 차회사로부터 받는 배당과 이자는 제외됨).

(3) 일방 체약국의 거주자인 배당수취인이 타방 체약국 내에 고정사업장을 가지며, 또한 배당을 지금 받는 주식이 등 고정사업장과 실질적으로 관련을 가지는 경우에는, 상기 (2) 항이 적용되지 아니한다. 그 어떤 경우에는 제 8조(사업소득) (6) (a) 항의 규정이 적용된다.

제 13 조

이 차

(1) 타방 체약국의 거주자에 의하여 일방 체약국 내의 원천으로부터 발생한 이자는 양 체약국에 의하여 과세될 수 있다.

(2) 바방 체약국의 거주자에 의하여 일방 체약국 내의 원천으로부터 발생한 이자에 대하여 일방 체약국이 부과하는 세율은 그 이자 총액의 12퍼센트를 초과해서는 아니된다.

(3) 상기 (1)항 및 (2)항에 불구하고 일방 체약국 내의 원천으로부터 발생한 이자는, 그 소득이 바방 체약국의 과세대상이 되지 아니할 것으로 하여, 바방 체약국 정부·그 지방공공단체 또는 그 중앙은행에 의하여 그 수익으로 발생되거나, 또는 동 정부 또는 동 중앙은행 또는 정부와 중앙은행의 양자가 전적으로 소유하고 있는 기관에 의하여 그 수익으로 발생되는 경우에는, 동 일방 체약국에 의한 과세로부터 면제된다.

(4) 일방 체약국의 거주자인 이자의 수취인이 바방 체약국 내에 고정사업장을 가지며 또한 동 이자를 발생시키는 재무가 동 고정사업장과 실질적으로 관련되어 있는 경우에 상기 (2)항은 적용되지 아니한다. 그러한 경우에는 제 8조(사업소득)

(6) (a)항이 적용된다.

(5) 어느 특수관계인에게 이자로서 지급된 표시금액이 비특수관계인에게 지급되었을 때 금액을 초과하는 경우에, 본 조의 규정은 비특수관계인에게 지급되었을 이자액에 대해서만 적용된다. 그러한 경우에 초과 지급액은, 적용할 수 있다면, 이 협약의 제 규정을 포함하여 각 체약국의 법에 따라 각 체약국에 의하여 과세될 수 있다.

(6) 이 협약에서 사용되는 "이자"란 합은 공채·사채·국채·어음 또는, 그 탑보의 유통과 이의 참가권의 수반 여부에 관계없는, 기타의 채무증서와 모든 종류의 채권으로부터 발생하는 소득 및 그 소득의 원천이 있는 체약국의 세법에 따라 금전의 대보에서 발생한 소득으로 취급되는 기타의 소득을 의미한다.

제 14 조

사 용 토

(1) 바방 체약국의 거주자에 의하여 일방 체약국 내의 원천으로부터
발생되는 사용료에 대하여 동 일방 체약국이 부과하는 조세는, 하기 (2)항 및
(3)항에 규정된 경우를 제외하고는, 그 사용료 총액의 15퍼센트를 초과해서는
아니된다.

(2) 저작권 또는 문학·연극·음악 또는 예술작품의 생산 또는 재생산권으로
부여 일방 체약국의 거주자에 의하여 발생되는 사용료와, 타디오 또는 텔레비전
방송용 필름과 레이프를 포함하여 영화필름의 사용 또는 사용권에 대한 대가로
받는 사용료는, 동 사용료 총액의 10퍼센트를 초과하는 세율로써 등 타방 체약국에
의하여 과세될 수 없다.

(3) 일방 체약국의 거주자인 사용로 수취인이 타방 체약국 내에 고정사업장을
가지며, 또한 동 사용료를 발생시키는 권리 또는 재산이 등 고정사업장과
실질적으로 관련되어 있는 경우에는, 상기 (1)항 및 (2)항이 적용되지 아니한다.
그러한 경우에는 제 8조(사업소득) (6) (a)항이 적용된다.

(4) 본 조에서 사용되는 "사용료"의 함은 다음의 것을 의미한다.

(a) 문학·예술·과학작품의 저작권 또는 영화필름·타디오 또는
텔레비전방송용 필름 또는 레이프의 저작권·특허·의장·신안·도면·비밀공정
또는 비밀공식·상표 또는 기하 이와 유사한 재산 또는 권리·지식·경험·
기술·선판 또는 항공 기(임대인이 선판 또는 항공 기의 국계운수상의
운행에 종사하지 아니하는 자인 경우에 한함)의 사용 또는 사용권에 대한
대가로서 받는 모든 종류의 지급금

(b.) 그역한 재산 또는 권리(선박 또는 항공기는 제외됨)의 매각·교환 또는 기타의 처분에서 발생한 소득 중에서 등 매각·교환 또는 기타의 유상처분으로 취득된 금액이 그역한 재산 또는 권리의 산신성·사용 또는 처분에 사용하는 부분

사용로에는 광산·채석장 또는 기타 자연자원의 운용에 관련하여 지급되는 사용료·임차료 또는 기타의 금액은 포함되지 아니한다.

(5) 특수관계인에게 사용로로서 지급된 금액이 비특수관계인에게 지급되는 금액을 초과하는 경우에, 본 조의 제 규정은 비특수관계인에게 지급되는 사용로의 상당액에 대해서만 적용된다. 그역한 경우에 초과 지급금은, 적용할 수 있는 경우에, 이 협약의 제 규정을 포함하여 각 체약국의 법에 따랐다 각 체약국에 의하여 과세될 수 있다.

제 15 조

부동산 소득

(1) 사용로 및 자연자원의 채취에 관련된 기타의 지급금을 포함한 부동산 소득과, 동 사용로 또는 기타의 지급금을 발생시키는 재산 또는 권리의 매각·교환 또는 기타의 처분으로부터 발생하는 이득은, 그역한 부동산 또는 자연자원이 소재하는 체약국에 의하여 과세될 수 있다. 이 협약의 목적상 부동산에 의하여 담보가 설정되었거나 또는, 사용로 혹은 자연자원의 채취에 관련되는 기타의 지급금을 발생시키는 권리에 의하여 담보가 설정된, 채무에 대한 이자는 부동산 소득으로 간주되지 아니한다.

(2) 상기 (1)항은 부동산의 용지권·직접사용·임대 또는 기타 형태의 사용으로부터 발생한 소득에 적용된다.

제 16 조

양 도 소 득

(1) 일방 체약국의 거주자는, 아래의 경우에 해당되지 아니하는 한, 자본적 자산의 매각·교환 또는 기타의 처분으로부터 발생하는 소득에 대하여 타방 체약국에 의한 과세로부터 면제된다.

(a) 타방 체약국에 소재하는 재산으로서 제 15조(부동산 소득)에 규정된 재산의 매각·교환 또는 기타의 처분으로부터 일방 체약국의 거주자에 의하여 등 소득이 발생되는 경우

(b) 일방 체약국의 거주자인 등 소득의 수취인이 타방 체약국 내에 고정사업장을 가지며 노동 등 소득을 발생시키는 재산이 등 고정사업장과 실질적으로 관련되는 경우

(c) 일방 체약국의 거주자인 개인으로서 등 소득의 수취인이

(i) 과세연도중 총 183일 이상의 단일기간 또는 계 기간 동안 타방 체약국 내에 고정시설을 유지하며 노동 등 이득을 발생시키는 재산이 등 고정시설과 실질적으로 관련되어 있거나, 또는

(ii) 등 수취인이 과세연도중 총 183일 이상의 단일기간 또는 계 기간 동안 타방 체약국에 체재하는 경우

(2) 상기 (1) (a)항에 규정된 소득의 경우에는 제 15조(부동산 소득)의 규정이 적용된다. 상기 (1) (b)항에 규정된 소득의 경우에는 제 8조(사업소득)의 규정이 적용된다.

제 17 조

투자회사 또는 지주회사

타방 체약국 내의 원천으로부터 배당·이자·사용료 또는 양도소득을 발생시키는 일본 체약국의 법인은, 다음의 경우에, 제 12조(배당)·제 13조(이자)·제 14조(사용료) 또는 제 16조(양도소득)상의 혜택을 받을 권리를 가지지 아니한다.

(a) 특별조치에 의한 이유로 등 배당·이자·사용료 또는 양도소득에 대하여 상기 일본 체약국이 등 법인에 부과하는 조세가, 등 일본 체약국이 법인 소득에 대하여 일반적으로 부과하는 조세보다 실질적으로 적으며, 또한

(b) 등 법인 자본의 25퍼센트 이상이, 상기 일본 체약국의 개인 거주자가 아닌(또는 한국법인의 경우에는 미국시민) 1인 이상의 인에 의하여 직접적으로 또는 간접적으로 소유되는 것으로 등록되어 있거나, 또는 양 체약국의 권한있는 당국간의 협의를 거쳐 달리 결정되는 경우

제 18 조

독립의 인적용역

(1) 일본 체약국의 거주자인 개인이 독립된 자격으로 인적용역을 제공하여 취득하는 소득은 등 일본 체약국에 의하여 과세될 수 있다. 하기 (2)항에 규정된 경우를 제외하고 등 소득은 타방 체약국에 의한 과세로부터 면제된다.

(2) 일본 체약국의 거주자인 개인이 타방 체약국 내에서 독립된 자격으로 인적용역을 제공하여 취득하는 소득은, 다음의 경우에, 등 타방 체약국에 의하여 과세될 수 있다.

- (a) 동 개인이 과세연도 중 총 183일 이상의 단일기간 또는 계 기간 동안 동 타방 체약국 내에 체재하는 경우
- (b) 상기 소득이 과세연도 중 미화 3,000불 또는 이에 상당하는 원화를 초과하는 경우, 또는
- (c) 동 개인이 동 과세연도 중 총 183일 이상의 단일기간 또는 계 기간 동안 동 타방 체약국 내에 고정시설을 유지하는 경우. 다만, 이 경우에는 동 고정시설에 귀속되는 소득액에 한한다.

제 19 조

근로소득

(1) 법인의 직원으로서 제공한 용역에 대한 보수를 포함하여, 피고용인으로서 제공한 노무 또는 인적용역으로부터 일방 체약국의 거주자인 개인에 의하여 발생되는 임금·급여 및 이와 유사한 보수는, 동 일방 체약국에 의하여 과세될 수 있다. 하기 (2)항에 규정된 경우를 제외하고 타방 체약국 내의 원천으로부터 발생되는 보수는 동 타방 체약국에 의해서도 과세될 수 있다.

(2) 일방 체약국의 거주자인 개인에 의하여 발생되는 상기 (1)항에 규정된 보수는, 다음의 경우에, 타방 체약국에 의한 과세로부터 면제된다.

(a) 동 개인이 과세연도 중 총 183일 미만의 단일기간 또는 계 기간 동안 동 타방 체약국 내에 체재하는 경우

(b) 동 개인이 동 일방 체약국의 거주자 또는 동 일방 체약국 내에 보유하고 있는 고정사업장의 피고용인인 경우

(c) 그용주가 등 바방 체약국 내에 두고 있는 고정사업장이 등
보수를 부담하지 아니하는 경우, 및

(d) 등 소득이 미화 3,000불 또는 이에 상당하는 원화를 초과하지
아니하는 경우

(3) 상기 (2)항에 불구하고 일방 체약국의 거주자가 국제은행상 운행하는
선박 또는 항공기에 탑승하는 피고용인으로서 노부 또는 인적용역의 제공으로부터
등 개인이 취득하는 보수는, 등 개인이 등 선박 또는 항공기의 경고 승무원조의
일원인 경우에, 등 바방 체약국에 의한 과세로부터 면제된다.

제 20 조

고 칙 차

(1) 일방 체약국의 거주자가, 바방 체약국의 정부·그 정치적·학부조직
또는 지방공공단체 또는 등 바방 체약국 내의 기타 인가된 교육기관에 의하여,
대학 또는 기타 인가된 교육기관에서의 강의 또는 연구의 목적으로 또는 강의와
연구의 양자를 위한 목적으로, 2년을 초과하지 아니할 예정의 기간 동안 등 바방
체약국으로 출장되고 또한 일차적으로 그역할 목적을 위하여 등 바방 체약국에
오는 경우, 상기 대학 또는 교육기관에서의 강의 또는 연구에 대한 인적용역으로
부터 받는 등 거주자의 소득은, 등 거주자가 바방 체약국에 도착한 일자로부터
2년을 초과하지 아니하는 기간 동안 등 바방 체약국에 의한 과세로부터 면제된다.

(2) 상기 연구가, 공공의 이익을 위하여 아니하고 일차적으로 특정인 또는
특정인들을 위하여 수행되는 경우에, 등 연구로부터 받는 소득은 본 조가 적용되지
아니한다.

제 21 조

학생 및 훈련생

(1) (a) 타방 체약국에 일시적으로 체재하게 되는 당시에 일방 체약국의 거주자인 개인으로서, 하기의 일차적 목적을 위하여 동 타방 체약국에 일시적으로 체재하는 자는, 동 개인이 동 타방 체약국에 도착한 일자로부터 5 개의 과세연도를 초과하지 아니하는 기간 동안, 하기 세항 (b)에 규정된 금액에 대하여 동 타방 체약국에 의한 과세로부터 면제된다.

(1) 동 타방 체약국 내의 대학 또는 기타 인가된 교육기관에서의 수학

(ii) 전문직업 또는 전문적 특기의 실무에 종사하기 위한 자격에 필요한 연수, 또는

(iii) 정부·종교·자선·과학·문학 또는 교육 기관으로부터 받는 보조금·수당 또는 장려금의 수취인으로서의 수학 또는 연구

(b) 상기 세항 (a)에 언급된 자금은 다음의 것을 말한다.

(1) 동 개인의 생계·교육·수학·연구 또는 훈련 목적을 위한 해외로부터의 송금

(ii) 보조금·수당 또는 장려금

(iii) 동 타방 체약국에서 수행한 인적용역으로부터 받는 소득으로서 과세연도 중 미화 2,000불 또는 이에 상당하는 원화를 초과하지 아니하는 금액

(2) 타방 체약국에 일시적으로 체재하게 되는 당시에 일방 체약국의 거주자인 개인으로서, 하기의 일차적 목적을 위하여 동 일방 체약국의 거주자의 피고용인으로서

또는 등 거주자와의 계약에 따랐을 때 타방 체약국에 일시적으로 체재하는 자는,
미화 5,000불 또는 이에 상당하는 원화를 초과하지 아니하는 총액으로서 인적용역으로
부여 받는 소득에 대하여, 1년을 초과하지 아니하는 기간 동안, 등 타방 체약국에
의한 과세로부터 면제된다.

(a) 등 일방 체약국의 등 거주자 이외의 인 또는 등 거주자와 관련이
있는 인 이외의 인으로부터의 기술상·전문직업상 또는 사업상의 경험 습득,
또는

(b) 등 타방 체약국 내의 대학 또는 기타 인가된 교육 기관에서의 수학

(3) 타방 체약국에 일시적으로 체재하게 되는 당시에 일방 체약국의 거주자인
개인이, 혼연·연구 또는 수학의 일차적 목적을 위하여 등 타방 체약국의 정부가
후원하는 사업계획에의 참가자로서 1년을 초과하지 아니하는 기간 동안 등 타방
체약국에 일시적으로 체재하는 자는, 미화 10,000불 또는 이에 상당하는 원화를
초과하지 아니하는 총액으로서, 등 타방 체약국에서 수행한 혼연·연구 또는 수학에
관련된 인적용역으로부터 받는 소득에 대하여, 등 타방 체약국에 의한 과세로부터
면제된다.

(4) 제 20조(고직자)와 본 조 (1)항에 규정된 혜택은, 통산할 경우에 등
혜택을 주장하는 개인의 도착 일자로부터 5개의 과세연도를 초과하지 아니하는
기간으로서, 합리적으로 또는 공정적으로 등 체재 목적의 달성을 필요로 하는 기간에
대해서만 그 적용이 연장된다.

제 22 조

정 부 기 능

일방 체약국 또는 그 정부 기능을 수행하는 기관의 피고용인으로서 제공한
노무 또는 인적용역에 대하여, 등 일방 체약국의 공공 자금으로부터 등 일방
체약국의 시민에게, 회직연금·보험연금 또는 유사한 이익을 포함하여 지급되는
임금·급료 및 유사한 보수는, 등 아방 체약국에 의한 과세로부터 면제된다.

제 23 조

민간 회직연금 및 보험연금

(1) 제 22조(정부 기능)에 규정된 경우를 제외하고 과거의 고용에 대한
대가로서 일방 체약국의 거주자인 개인에게 지급되는 회직연금 및 기타의 유사한
보수는 등 일방 체약국에서만 과세된다.

(2) 일방 체약국의 거주자인 개인에게 지급되는 별거수당과 보험연금은
등 일방 체약국에서만 과세된다.

(3) 본 조에서 사용되는 "회직연금 및 기타의 유사한 보수"라 함은,
(a) 제공된 용역에 대한 대가로서 회직 또는 사망의 이유에 의하거나, 또는 (b)
과거의 고용에 관련하여 받는 상해보상의 방법으로 지급되는 정기 지급금을
의미한다.

(4) 본 조에서 사용되는 "보험연금"이라 함은 적당하고 충분한 대가의
대상으로(제공된 용역에 대한 것을 제외함) 지급 의무에 따라 생존 기간 또는 특정
연한 동안 소정의 시기에 정기적으로 지급되는 소정의 금액을 의미한다.

(5) 본 조에서 사용되는 "별거수당"이타 할은 이론명령·별거수단합의서·부양 또는 별거합의서에 따른 정기적 지급금으로서 수취인이 거주자로 되어 있는 체약국의 국내법에 따라 등 수취인에게 과세될 수 있는 것을 의미한다.

제 24 조

사회보장 지급금

일방 체약국에 의하여 타방 체약국의 거주자인 개인에게(한국이 그역한 지급을 하는 경우에는 미국의 시민인 개인) 지급되는 사회보장 지급금과 기타의 공적 연금은 등 일방 체약국 내에서만 과세된다. 본 조는 제 22조(정부 기능)에 규정된 지급금에 적용되지 아니한다.

제 25 조

사회보장세의 면제

(1) 내국세법 제 21장에 의하여 부과되는 조세는, 미국의 이민 및 국적법 (8 U.S.C. 1101 (a) (15) (B) (11)) 제 101조 (a) (15) (B) (11)항에 따따 곱도의 입국 허가를 받은 비이민 목적의 외국인으로서, 일시적으로 곱도에 체재하는 동안, 한국의 거주자가 곱도에서 제공하는 용역의 대가로서 지급받는 임금에 대하여 적용되지 아니한다.

(2) 상기 (1)항에 규정된 면제는 내국세법 제 3121조(6) (18)항에 의하여 규정된 유사한 면제가 허용되는 기간 동안만 계속된다.

제 26 조

외교관 및 영사관

이 협약의 어느 규정도 국제법의 일반규칙 또는 특별규정의 규정에 의거한
외교관 및 영사관의 관세상의 특권에 영향을 주지 아니한다.

제 27 조

상호 합의 절차

(1) 일방 체약국 또는 양 체약국의 관세 처분이 일방 체약국의 거주자에 대하여 이 협약에 의거하지 아니하는 관세의 결과를 가져오거나 또는 가져올 것으로 등 거주자가 간주하는 경우에, 등 거주자는 양 체약국의 국내법에 의하여 규정된 구제절차에 불구하고, 그가 거주자로 되어 있는 체약국의 권한있는 당국에 그 사건에 대한 이의를 신청할 수 있다. 등 청구를 받은 체약국이 권한있는 당국에 의하여 등 거주자의 청구가 이유 있는 것으로 간주되는 경우에, 등 체약국은 이 협약의 규정에 배치되는 관세를 회피할 목적으로 하방 체약국의 권한있는 당국과의 합의에 도달하도록 노력한다.

(2) 양 체약국의 권한있는 당국은 이 협약의 적용에 관하여 발생하는 혼란 또는 의문을 상호 합의에 의하여 해결하도록 노력한다. 특히, 양 체약국의 권한있는 당국은 다음의 사항에 관하여 합의할 수 있다.

(a) 일방 체약국의 거주자와 하방 체약국 내에 소재하는 등 거주자의 고정사업장에 산업상 또는 상업상의 이윤을 동일하게 귀속하는 것

- (b) 일방 체약국의 조세 광활에 따랐어야 하는 인과 특수관계인 간에 소득·비용공제·세액공제 또는 소득공제를 동일하게 할당하는 것
- (c) 특정 소득항목의 원천을 동일하게 결정하는 것
- (d) 소득과 비용공제를 일관성 있게 계산하는 것, 또는
- (e) 이 협약에서 사용되는 용어를 동일하게 정의하는 것

(3) 양 체약국의 권한있는 당국은, 본 조에서 의미하는 합의에 도달할 목적으로, 상호간에 직접적으로 의견교환을 할 수 있다. 합의에 도달할 목적으로 유의하다고 간주되는 경우에, 권한있는 당국은 구두의 의견교환을 위하여 상호 회합할 수 있다.

(4) 권한있는 당국이 그역한 합의에 도달하는 경우에는, 동 합의에 따랐 양 체약국이 동 소득에 대하여 과세하여 도합 조세의 일부 또는 세액공제를 허여한다.

제 28 조

정보교환

(1) 권한있는 당국은, 이 협약의 제 규정을 이행하고, 부정행위를 방지하며 도합 이 협약이 적용되는 조세에 관한 법령상 제 규정의 시행에 필요한 정보를 교환한다. 다만, 동 정보는 각 체약국의 법과 행정관례에 따라 그 조세에 관한 입수할 수 있는 종류의 것일 것을 조건으로 한다.

(2) 상기와 같이 교환된 정보는, 다음의 경우를 제외하고, 비밀로 취급된다.

(a) 등 정보가 관계자에게 공개될 수 있는 경우, 또는

(b) 등 정보가 이 협약이 적용되는 조세의 부과·징수·강제집행 또는
등 조세에 관한 소송에 관련되는 공적기록의 일부가 될 수 있는 경우

(3) 공공정책에 위배되는 정보는 포함되어서는 아니된다.

(4) 일방 체약국의 권한있는 당국에 의하여 특별히 요청을 받는 경우에 타방
체약국의 권한있는 당국은, 증인의 증언과(서적·서류·진술·기록·계산서 또는 저작물을
포함함) 미연집 원작의 사본 형태로, 본 조에 따른 정보를 제공한다. 동 증언과
문서는 양 체약국의 법과 행정권력에 따라 그 조세에 관하여 입수할 수 있는 동일한
법위의 것으로 한다.

(5) 정보의 포함은 경규적으로 하거나 또는 특별한 사건에 관하여 요청을
받아 행한다. 양 체약국의 권한있는 당국은 경규적으로 제공되는 정보의 목록에
관하여 합의할 수 있다.

(6) 양 체약국의 권한있는 당국은, 제 1조(대상조세) (1)항에 언급된 세법의
개정 및 제 1조(대상조세) (2)항에 언급된 조세의 채택에 관하여, 그 개정 또는 새
법령을 적어도 연 1회 송부함으로써 상호 통보한다.

(7) 양 체약국의 권한있는 당국은, 규정·통첩 또는 사법적 결정의 형태에
관계없이, 각 체약국에 의한 이 협약의 적용에 관한 자료의 발간을 적어도 연 1회
송부함으로써 상호 통보한다.

제 29 조

적용지역의 확대

(1) 어느 일방 체약국은, 이 협약이 계속하여 유효한 기간 동안 언제라도 외고경로를 통하여 타방 체약국에 대한 서면 통고로써, 동·일방 체약국이 국제 관계에 대하여 책임을 지며 또한 이 협약의 대상이 되고 있는 조세와 그 성질이 실질적으로 유사한 조세를 부과하는 지역의 전부 또는 일부(이 협약이 달리 적용되지 아니하는 지역)에 대하여, 이 협약의 적용이, 전면으로 또는 부분으로 또는 특수한 경우의 특별한 적용을 위하여 필요하다고 간주되는 수정을 가하여, 확대된다는 의망을 표시할 수 있다. 상기 지역에 관하여 상기 통고를 수탁한다는 것을 외고경로를 통한 서면의 회신으로 타방 체약국이 상기 일방 체약국에 건답하고 또한 동 통고와 회신이 비준되며 또한 비준서가 교환되는 경우에 이 협약은, 전면으로 또는 부분으로 또는 동 통고에 명시된대로 특수한 경우의 특별한 적용을 위하여 필요하다고 간주되는 수정을 가하여, 동 통고에 표시된 지역에 대하여 적용되며 또한 동 통고에 명시된 일자에 발효한다. 그 밖한 지역에 관한 상기의 수탁과 비준서의 교환이 없는 경우에는 이 협약의 어느 규정도 동 지역에 적용되지 아니한다.

(2) 상기 (1)항에 따른 적용 확대에 관한 발효일자 후에는 언제라도, 체약국의 어느 일방은 외고경로를 통하여 타방 체약국에 대한 6개월 전의 종료 통고로써 상기 (1)항에 따랐던 적용이 확대되었던 지역에 대한 이 협약의 적용을 종료시킬 수 있으며, 또한 그 밖한 경우에 이 협약은 6개월의 기간만으로 후 그 익년 1월 1일부터 상기 통고속에 표시한 지역에 대하여 적용되지 아니하며 또한 효력을 가지지 아니하나, 미국·한국 또는 상기 (1)항에 따랐던 적용이 확대되었던 기타의 지역에 대한 이 협약의 계속적인 적용에 영향을 주지 아니한다.

(3) 미국 또는 한국에 의한 통고에 의하여 적용이 확대되는 지역에 관하여
이 협약을 적용함에 있어서 "미국" 또는 "한국"이타 함은, 경우에 따로, 등
지역을 언급하는 것으로 해석된다.

(4) 제 32조(종료)의 규정에 따른 미국 또는 한국에 대한 이 협약의
종료는, 양 체약국에 의하여 명시적으로 달리 합의되지 아니하는 한, 본 조에 따로
미국 또는 한국에 의하여 협약의 적용이 확대되었던 지역에 대한 이 협약의 적용을
종료시킨다.

제 30 조

징수 협조

(1) 각 체약국은, 이 협약에 따로 타방 체약국에 의하여 부여된 조세의
면제 또는 경감세율이 그 어떠한 이익을 받을 권리가 없는자에 의하여 양유되어서는
아니되는 것을 보장하도록, 등 타방 체약국에 의하여 부과되는 조세를 등 타방
체약국을 대신하여 징수하는 것에 노력한다.

(2) 어느 경우에도 본 조는, 조세의 징수에 관한 어느 체약국의 법·행정관례
또는 공공정책과 상치되는 조치를 취할 의무를, 어느 체약국에 지우는 것으로
해석되어서는 아니된다.

제 31 조

발효

이 협약은 비준되어야 하며, 비준서는 가능한 한 조속히 협정문에서 교환된다.
이 협약은 비준서의 교환으로부터 30일 후에 효력을 발생하며, 아래와 같이 처음으로
시행된다.

(a) 원천징수세율 및 제 25조(사회보장세의 면제)에 관해서는 이 협약의
발효일자 이후 두 번째 달의 첫째 일자 이후에 지급되는 금액에 대하여 시행됨.

(b) 기타의 조세에 관해서는 이 협약의 발효일자의 그 익년 1월 1일
이후에 시작되는 과세연도부터 시행됨.

제 32 조

총 토

이 협약은 어느 협약국에 의하여 종료될 때까지 효력을 가진다. 외교경로를
통한 적어도 6개월 전의 종료 통고를 행할 조건으로, 이 협약이 발효한 일자로부터
5년이 경과한 후에는 언제나도 어느 협약국은 협약을 종료시킬 수 있다. 그 어떠한
경우에 이 협약은 6개월의 기간만료 후 그 익년 1월 1일 이후에 시작되는 과세연도의
소득(원천세와 사회보장세의 경우에는 지급된 금액)에 대하여 효력을 가지지 아니한다.

1976년 6월 4일 서울에서 영어와 한국어로 원본 2통을 작성하였다.

미합중국을 위하여

대한민국을 위하여

[RELATED NOTES]

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 152

SEOUL, June 4, 1976

EXCELLENCY:

I have the honor to refer to the Income Tax Convention signed between the Governments of Korea and the United States. During the course of the negotiations leading up to the signed Convention, the Korean representatives (A) stressed the need for increased provisions in the Convention that would constitute special incentives to promote the flow of United States capital and technology to Korea and (B) stated that the Convention applies to the Korean Defense Tax imposed in connection with the taxes referred to in Article 1 (1) of the Convention.

The United States delegation was unable to agree to provisions for special investment incentives, but I want to assure you that my Government recognizes the importance which your Government places on increased investment in Korea. Accordingly, when circumstances permit, my Government will be prepared to resume discussions with a view to incorporating provisions into this Convention that will minimize the interference of the United States tax system with incentives offered by the Government of the Republic of Korea and that will be consistent with the income tax policies of the United States Government regarding other developing countries.

I should appreciate your confirmation that the Government of the Republic of Korea interprets the words "Korean Tax" in Article 1 (1) as including the Korean Defense Tax assessed on the taxes referred to therein.

Accept, Excellency, the renewed assurances of my highest consideration.

RICHARD L. SNEIDER

His Excellency

PARK TONG-JIN,

Minister of Foreign Affairs,
Seoul.

MINISTRY OF FOREIGN AFFAIRS
SEOUL

JUNE 4, 1976

EXCELLENCY:

I have the honor to acknowledge the receipt of your Excellency's Note dated June 4, 1976 with regard to increased investment of the

TIAS 9506

United States in Korea and with regard to the application of the Tax Convention to the Korean Defense Tax imposed in connection with the taxes referred to in Article 1 (1) of the Convention.

I have further the honor to note that the United States will be prepared, when circumstances permit, to resume discussions with a view to incorporating provisions into the Convention that will minimize the interference of the U.S. tax system with incentives offered by the Government of Korea and that will be consistent with the income tax policies of the United States Government regarding other developing countries.

I also have the honor to confirm that the definition of Korean tax in Article 1 (1) of the Tax Convention includes the Korean Defense Tax assessed on the taxes referred to therein.

Accept, Excellency, the renewed assurances of my highest consideration.

T. JIN PARK

Minister of Foreign Affairs

His Excellency

RICHARD L. SNEIDER

*Ambassador Extraordinary and Plenipotentiary of
the United States of America to
the Republic of Korea*

NEPAL

**Rural Development and Resource Conservation
and Utilization**

*Agreement signed at Kathmandu August 31, 1978;
Entered into force August 31, 1978.*

A.I.D. Project Number 367-0133

PROJECT GRANT AGREEMENT

BETWEEN

HIS MAJESTY'S GOVERNMENT OF NEPAL

and the

UNITED STATES OF AMERICA

for

RAD/RCUP* DESIGN

Dated: August 31, 1978

*Rural Development Project/Resource Conservation and Utilization
Project

Table of ContentsProject Grant Agreement

	Page	[Pages herein]
Article 1: The Agreement	1	5349
Article 2: The Project	1	5349
SECTION 2.1. Definition of Project	1	5349
SECTION 2.2. Annex 1	2	5350
Article 3: Financing	2	5350
SECTION 3.1. The Grant	2	5350
SECTION 3.2. HMG/N Resources for the Project	2	5350
SECTION 3.3. Project Assistance Completion Date	3	5351
Article 4: Conditions Precedent to Release	4	5352
SECTION 4.1. Release	4	5352
SECTION 4.2. Releases - Activity C	4	5352
SECTION 4.3. Releases for Discrete Sub-Activities	4	5352
SECTION 4.4. Notification	5	5353
SECTION 4.5. Terminal Dates for Conditions Precedent	5	5353
Article 5: Project Evaluation and Reports	5	5353
SECTION 5.1. Project Evaluation	5	5353
SECTION 5.2. Quarterly Reports	6	5354
Article 6: Procurement Source	6	5354
SECTION 6.1. Foreign Exchange Costs	6	5354
SECTION 6.2. Local Currency Costs	6	5354
Article 7: Release	6	5354
SECTION 7.1. Release for Foreign Exchange Costs	6	5354
SECTION 7.2. Release for Local Currency Costs	7	5355
SECTION 7.3. Other Forms of Release	8	5356
SECTION 7.4. Rate of Exchange	8	5356
Article 8: Miscellaneous	8	5356
SECTION 8.1. Communications	8	5356
SECTION 8.2. Representatives	9	5357
SECTION 8.3. Standard Provisions Annex 2 ^[1]	10	5358

Annex 1 - Amplified Description of Project

^[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 367-0133

Project Grant Agreement

Dated: August 31, 1978

Between

His Majesty's Government of Nepal (hereinafter referred to as
"HMG/N")

And

The United States of America, acting through the Agency for
International Development (hereinafter referred to as "A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of
the Parties named above with respect to the undertaking by the Parties
of the Project and with respect to the financing of the Project by the
Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project will provide
necessary resources to carry out selected development or conservation
activities as well as design activities for a) the Rural Development
Project - Rapati Zone (RAD) and b) the Resource Conservation and
Utilization (RCU) projects and c) to support the closely related second
stage of the Nepalese A.S.I.P. (Agriculture Sector Implementation Project)
after the A.I.D./Government Affairs Institute (hereinafter referred to
as "GAI") contract is completed. In design efforts, the Project will
produce studies, detailed plans, trained personnel and pilot activities
in the field necessary to proceed with the design and implementation of

RAD and RCU projects. The element of the Project dealing with Agricultural Projects Services Centre (APROSC) staff and Facilities Development will aim at the further institutionalization of the A.S.I.P. in Nepal. This includes further staff and facilities development and purchase of equipment.

SECTION 2.2. Annex 1. 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.

Article 3: Financing

SECTION 3.1. The Grant. To assist HMG/N to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [¹] agrees to grant HMG/N under the terms of this Agreement not to exceed two million nine hundred thousand United States ("U.S.") Dollars (\$2,900,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1., and local currency costs, as defined in Section 6.2., of goods and services required for the Project.

SECTION 3.2. HMG/N Resources for the Project

(a) HMG/N agrees to provide or cause to be provided for the Project, in addition to the Grant, the other resources required to carry out the Project effectively and in a timely manner.

(b) The total resources, including costs borne on an "in-kind"

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

basis, provided by HMG/N shall not be less than the equivalent of U.S. \$100,000.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (hereinafter referred to as "PACD"), which is August 15, 1980, or such other date as the Parties may agree to in writing, is the date by which the Parties expect 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 release 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 release, 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., after consultation with HMG/N, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for release, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Release

SECTION 4.1. Release. Prior to the release under the Grant, or to the issuance by A.I.D. of documentation pursuant to which a release will be made, HMG/N 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 from the Ministry of Finance that this Agreement has been duly authorized and executed on behalf of HMG/N and that it constitutes a valid obligation of HMG/N;
- (b) A statement of the name of the person holding or acting in the office of HMG/N specified in Section 8.2.a, and of any additional representatives, together with a specimen signature of each person specified in such statement; and
- (c) The time schedule for the evaluation program referred to in Section 5.1.

SECTION 4.2. Releases - Activity C. Prior to release under the Grant, or to issuance by A.I.D. of documentation pursuant to which release will be made for any costs associated with the APROSC Facilities Development under Activity C, HMG/N will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. detailed design plans, specification and a plan for construction and acquisition of required equipment for the Center.

SECTION 4.3. Releases for Discrete Sub-Activities. Prior to release under the Grant for any costs for discrete sub-activities, other

than that mentioned in Section 4.2. above, HMG/N will furnish to A.I.D. in form and substance satisfactory to A.I.D. evidence that it has satisfied the engineering, financial, including, if practical, cost benefit analyses, and other criteria specified in Implementation Letter for each discrete sub-activities.

SECTION 4.4. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1., 4.2. and 4.3. have been met, it will promptly notify HMG/N.

SECTION 4.5. Terminal Dates for Conditions Precedent

(a) If all of the conditions specified in Section 4.1. have not been met within 60 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 HMG/N.

(b) If the condition specified in Section 4.2. has not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then unreleased balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to HMG/N.

Article 5: Project Evaluation and Reports

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project.

SECTION 5.2. Quarterly Reports. HMG/N agrees to prepare quarterly activity, financial and procurement reports for submission to A.I.D. Upon completion of all work performed under the design, the Project will be reviewed for overall accomplishment of Project purpose.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Releases 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 countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Releases 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 Nepal ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 7: Release

SECTION 7.1. Release for Foreign Exchange Costs

(a) After satisfaction of conditions precedent, HMG/N may obtain releases 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 HMG/N'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 HMG/N in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless HMG/N 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. Release for Local Currency Costs

(a) After satisfaction of conditions precedent, HMG/N may obtain releases 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 releases 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 Release. Releases 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 Nepal by A.I.D. or on behalf of A.I.D. by any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, HMG/N will make such arrangements as may be necessary so that such funds may be converted into currency of Nepal at the official rate of exchange at the time the conversion is made.

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 HMG/N:

Mail and Cable Address:

<u>For Ministry of Finance</u>	<u>For RAD</u>	<u>For RCU</u>	<u>For APROSC</u>
Joint Secretary Foreign Aid & Programming Division Ministry of Finance His Majesty's Government Babar Mahal Kathmandu, Nepal	Joint Secretary Ministry of Home-Panchayat His Majesty's Government Singha Durbar Kathmandu, Nepal	Director General Department of Soil and Water Conservation Ministry of Forests His Majesty's Government Babar Mahal Kathmandu, Nepal	Executive Director APROSC Lazimpat Kathmandu Nepal

To A.I.D.:

Mail and Cable Address: Director
U.S. Agency for International
Development
c/o American Embassy
Kathmandu, Nepal

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

(a) For purposes of implementing this Agreement, HMG/N will be represented by the Secretary, Ministry of Finance and A.I.D. will be represented by the Director, USAID/Nepal, each of whom, by written notice, may designate additional representatives. The names of the representatives of HMG/N, 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.

(b) The Secretary, Ministry of Finance will furnish a statement naming the HMG/N representative for each activity A, B, and C. Since each activity stands alone, representatives are to be individually designated.

SECTION 8.3. Standard Provisions Annex 2. A Project Grant Standard Provisions Annex 2 [¹] is attached to and forms part of this Agreement.

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

On Behalf of His Majesty's Government
of Nepal

BY: Devendra R. Panday [²]
Acting Secretary
TITLE: Ministry of Finance

On Behalf of The United States
of America

BY: Samuel H. Butterfield [³]
TITLE: Director, USAID/Nepal

¹ See footnote 1, p. 5348.

² Devendra R. Panday.

³ Samuel H. Butterfield.

ANNEX 1AMPLIFIED DESCRIPTION OF PROJECT

The RAD/RCUP Design Project consists of three activities, namely a) Rural Development Project - Rapati Zone: Project Design Project, Activity A, b) Resource Conservation and Utilization: Project Design Project, Activity B, and c) APROSC Staff and Facilities Development project, Activity C, which are described below:

Rural Development Project - Rapati Zone:Project Design Project - Activity AI. Activity A Description

The Rural Development Project - Rapati Zone portion of the Project Design Project represents a collaborative effort between HMG/N and A.I.D. to develop an Integrated Rural Development project to increase the income, productivity and quality of life of the rural people living in the Rapati Zone. Achievement of this purpose will be based on a process emphasizing self-reliance and participation. The activity is envisioned as the first phase of a series of projects in the Rapati Zone and is funded for two years, although major design work is expected to be accomplished within nine months. A.I.D. funds totalling up to \$1,373,000 will be applied to a variety of field operations, training and design activities which are briefly described below. More detailed plans for each component will be developed in the Letters of Implementation with the relevant agencies and offices of HMG/N. HMG/N inputs which will include but not be limited to, technical and field personnel, administrative

support, and operation and maintenance of vehicles, where appropriate, will be deliberated in the separate Letter of Implementation.

II. Activity A Components

A. Activity A Field Operations

This Grant provides up to \$400,000 for support of selected field operations in the Rapati Zone which have a direct impact on the lower-income groups, particularly in the hills. Activities to be supported with these funds include: 1) Small Rural Works, currently limited to gravity flow drinking water systems, small bridges and trails, particularly in the hills, which have a substantial benefit for the lower-income groups in the community; additional field operations as mutually agreed between HMG/N and A.I.D. may be supported within the limit of funds provided for this category; 2) Plant Nurseries, limited to planting stock for fruit, fodder, firewood and windbreak uses which will directly benefit the local community while contributing to erosion control and future wood supplies; and 3) Cottage Industries, including the establishment (construction) of a Branch Office of the Department of Cottage and Village Industries in the Zone as well as establishment (rental) of sub-centers, and training to selected Zone residents in handicrafts, as well as assisting them in obtaining raw materials, needed tools and equipment and in marketing their products.

Letters of Implementation developed jointly between A.I.D. and the designated HMG/N representative or designee for Activity A will specify all technical, financial and engineering plans for the above activities, including but not limited to site selection criteria, relation of the activity to the overall purpose of the Rapati Zone program, and any specific problems envisioned.

B. Activity A Training

Approximately \$150,000 are provided under the terms of this Grant for local and participant training related to the overall project goals. For local training, preference will be given to residents of the Rapati Zone. Participant training will be funded for employees of HMG/N and non-governmental development agencies who will, together with their employers, assure in writing that except under unforeseen circumstances, they will work in or on development activities for a minimum period of 2 years so that the skills acquired as a result of the training may be fully utilized to achieve the project goals. Costs of temporary replacements for persons undertaking participant training will also be allowed under this agreement.

C. Activity A Design and Development

Activity A will provide up to \$475,000 to cover the costs of design and development work for the first phase of a full Integrated Rural Development project for the Rapati Zone. The

funding will cover, but not be limited to, the costs of APROSC and other consultants for field work, workshops and seminars, local transportation, data processing, and APROSC overhead. Funds will also be used for the costs of contracting for up to 36 person months of expatriate consultants.

With the prior approval of HMG/N, detailed terms of reference for design and development of the project will from time to time be developed jointly by A.I.D. and APROSC. The Letters of Implementation containing these terms will also specify the release procedures to be used.

D. Activity A Design and Development Support

Activity A will provide \$298,000 under this Agreement for support functions to be managed by A.I.D., related to the carrying out of this project. This funding is for local transportation costs not otherwise provided, and for short and long term technical advisory and administrative services during the life of this project to assist A.I.D. in various aspects of development of the project paper for the next phase of the Rapati Zone program.

E. Activity A Contingency

Activity A will provide up to \$50,000 for contingencies for training and design to be described in Letters of Implementation.

III. Activity A Administration

HMG/N is responsible to see that the counterpart officials for this project are appointed at the earliest possible date. Line agencies of HMG/N are responsible for implementing or supporting the implementation of project activities. APROSC is responsible for project planning and carrying out analyses and studies required for project development. The District is the primary unit of project implementation, following the District Administration Plan.

Resource Conservation and Utilization - Project Design Project - Activity BActivity B Description

The purpose of Activity B is to carry out design and related initial implementation activities for A.I.D. assisted Resource Conservation and Utilization project (RCU) beginning October 1, 1979 (FY 1980). While the RCU project action plan is scheduled for implementation in October 1979, certain training components are carried out for the life of this agreement of 2 years.

The Department of Soil and Water Conservation will have primary responsibility to coordinate Activity B. The Department of Soil and Water Conservation in consultation with APROSC will assign an appropriate departmental personnel who will serve as the Nepalese project team leader.

Inputs will be required from a number of HMG/N agencies such as the Department of Agriculture and Ministry of Home and Panchayat.

Activity B Components

- I. Activity B Design which will include the detailed strategy plans, analyses and physical activities to be undertaken by the RCU project. The Design Team will be contracted under A.I.D. Title XII agreement. This team will include a minimum of 48 person months of time, including a combination of expatriate and in-country professionals, headed by a team leader.

II. Activity B Training will include three different kinds: (a) out-country one and two year degree levels, (b) observation trips to other countries and (c) in-country short courses and seminars.

III. Activity B Field Operations in areas to be selected which may include nursery establishment, rehabilitation of degraded areas, construction and equipping monitoring sites and improvement of field office facilities.

A fund of up to \$1,227,000 is made available under this agreement to carry out Activity B to support personnel (\$470,000); training (\$361,000); local transport (\$156,000); baseline studies (\$26,000); field operation (\$100,000); APROSC overhead (\$49,000); and miscellaneous (\$65,000).

Activity B Administration

APROSC is responsible for preparation of the Design Activity. Line agencies will be responsible for carrying out the various Field Operation activities. The training activity is a joint responsibility of APROSC, the Department of Soil and Water Conservation and A.I.D.

APROSC Staff and Facilities Development - Activity CActivity C Description

The purpose of Activity C is to support the further institutionalization of the Nepalese Agriculture Sector Implementation Project (ASIP) after the A.I.D./Government Affairs Institute (GAI) contract is completed. Limited continued support is needed to help maintain the high standard introduced under the project and to develop a program of continuing education for their graduates. There will be a direct benefit to RCU/RAD.

Activity C Components

The stated purpose will be met by (1) making transport available, (2) assisting in printing copies of manuals, (3) providing periodic consultants over the 2 year period, (4) exchanging training with similar groups in other countries, (5) conducting a course for senior officials, and (6) providing assistance in the construction of the APROSC training complex.

A fund of up to \$300,000 is being made available under this agreement to meet the objectives in training (\$135,000), ASIP operational support (\$65,000), and facilities construction (\$100,000).

Activity C Administration

APROSC is responsible for carrying out this activity.

INDEX

	Page		Page
Access roads, rural, Panama	4827	British Columbia, Long Range Aid to Navigation (LORAN-C) Station, agreement with Canada	4049
Agriculture:			
Development—			
Institutional, Chad	4671	Cairo water supply, agreement with Egypt	4424
Livestock and, Cameroon	4547	Cameroon:	
Managed input delivery and services, Ghana	4534	Livestock and agriculture development	4547
Systems—		Transcameroon Railroad III . .	5031
Small farm irrigation, El Salvador	5073	Canada:	
Small farmer, Philippines	4645	Boundary waters, pilotage services on Great Lakes and St. Lawrence	4027
Support, Kenya	4967	Long Range Aid to Navigation (LORAN-C) Station in British Columbia	4049
Alexandria sewage project, agreement with Egypt	4401	Preservation of halibut fishery of northern Pacific Ocean and Bering Sea and fishing off west coast of Canada	4067
Alien amateur radio operators, Haiti	4245	Whaling, international observer scheme	4139
Amman water and sewerage, agreement with Jordan	4865	Caribbean Community Secretariat, basic health management training	5054
Application of science and technology to rural development, India	4713	Chad, agricultural institutional development	4671
Arid and semi-arid lands management and desertification control, Mexico	4009	Child and maternal health aides, training, Tanzania	4622
Ashuganj fertilizer project, agreement with Bangladesh	5247	China, People's Republic of, trade exhibitions	4472
Aviation, nonscheduled air services, Yugoslavia	4350	Civil emergency preparedness, technical assistance, Iran	4354
Bangladesh:		Commercial and industrial job training for women, Morocco	4201
Ashuganj fertilizer project	5247	Commodity import program, Egypt	4577
Population planning	5247	Community improvement and urban employment, Costa Rica	4993
Basic health management training, Caribbean Community Secretariat	5054		
Bering Sea and northern Pacific Ocean, preservation of halibut fishery and fishing off west coast of Canada, agreement with Canada	4067		
Boundary waters, pilotage services on Great Lakes and St. Lawrence, agreement with Canada	4027		

INDEX

Page		Page	
Conservation and utilization, resource, and rural development, Nepal	5346	Economic aid:	
Agricultural systems support, Kenya	4967		
Construction:		Development—	
Airbase, Israel—		Agricultural institutional, Chad	4671
Agreement	4107	Land and Sederhana irrigation, grant, Indonesia	5144
Funding	4134	Livestock and agriculture, Cameroon	4547
Ashuganj fertilizer project, agreement with Bangladesh	5247	Rural—	
Egypt—		Application of science and technology, India	4713
Canal maintenance and restoration	4265	Resource conservation and utilization, Nepal	5346
Housing and community upgrading for low income Egyptians	4939	Egypt—	
Potash plant, Jordan	4883	Agreement	4488, 4591
Rural access roads, Panama	4827	Development planning studies	4624
Defense:		Housing and community upgrading for low income Egyptians	4939
Airbase construction, Israel—		Integrated social work centers	4699
Agreement	4107	Technical—	
Funding	4134	Feasibility studies	4569
Long Range Aid to Navigation (LORAN-C) Station in British Columbia, agreement with Canada	4049	Related assistance	4609
Desertification control and arid and semi-arid lands management, Mexico	4009	Health—	
Development:		Basic management training, Caribbean Community Secretariat	5054
Agricultural institutional, Chad .	4671	Population planning, Bangladesh	4523
Currency utilization for high priority activities, Jamaica	4518	Training of maternal and child aides, Tanzania	4622
Energy research, Japan	4365	Managed input delivery and agricultural services, Ghana	4534
Livestock and agriculture, Cameroon	4547	Morocco, women—	
Planning studies, Egypt	4624	Industrial and commercial job training	4201
Rural—		Nonformal education	4143
Application of science and technology, India	4713	Renewable energy, Mali	4903
Education, Nicaragua	5157	Sudan—	
Resource conservation and utilization, Nepal	5346	Primary health care	5227
Southern manpower, Sudan	5205	Southern manpower development	5205
Disaster aid, technical assistance for civil emergency preparedness, Iran	4354	Education:	
Dominican Republic, trade in textiles and textile products	4185	Nonformal for women, Morocco	4143
Double taxation, taxes:		Rural development, Nicaragua	5157
Income, Korea, Republic of	5253	Egypt:	
Income and property, France	5109	Alexandria sewage project	4401
		Canal maintenance and restoration	4265
		Cairo water supply	4424

INDEX

ix

Page	Page
Egypt—Continued	
Commodity import program	4577
Irrigation pumping.	4462
Urban electric distribution	4491
El Salvador, small farm irrigation systems.	5073
Employment, urban, and community improvement, Costa Rica	4993
Energy:	
Renewable, Mali.	4903
Research and development, Japan	4365
Exhibitions, trade, China, People's Republic of	4472
Farm irrigation systems, small, El Salvador	5073
Farmer systems, small, Philippines	4645
Feasibility and technical studies, Egypt	4569
Finance:	
Ashunganj fertilizer project, agreement with Bangladesh	5247
Currency utilization for high priority development activities, Jamaica	4518
Egypt—	
Alexandria sewage project.	4401
Cairo water supply.	4424
Canal maintenance and restoration	4265
Commodity import program.	4577
Irrigation pumping.	4462
Urban electric distribution	4491
India—	
Gujarat medium irrigation project	4789
Malaria control	4749
Jordan—	
Amman water and sewerage.	4865
Potash plant	4883
Rural—	
Access roads, Panama	4827
Education development, Nicaragua	5157
Transcameroon Railroad III, agreement with Cameroon.	5031
Urban employment and community improvement, Costa Rica	4993
Fisheries, preservation of halibut fishery of northern Pacific Ocean and Bering Sea and fishing off west coast of Canada, agreement with Canada	4067
Food Aid Convention and Wheat Trade Convention, modification and extension, International Wheat Agreement, 1971, multilateral protocols	4287
France, double taxation, taxes on income and property	5109
Funding of airbase construction, Israel	4134
Germany, Federal Republic of:	
Narcotic drugs.	4434
Transportation, cooperation on development of high speed ground systems	4100
Ghana, managed input delivery and agricultural services	4534
Great Lakes and St. Lawrence, pilotage services, boundary waters agreement with Canada	4027
Haiti, alien amateur radio operators	4245
Halibut fishery of northern Pacific Ocean and Bering Sea, preservation, and fishing off west coast of Canada, agreement with Canada	4067
Health:	
Basic management training, Caribbean Community Secretariat	5054
Malaria control, India	4749
Medical treatment for Korean veterans, agreement with Korea, Republic of	4480
Population planning, Bangladesh	4523
Primary care, Sudan	5227
Training of maternal and child aides, Tanzania	4622
High speed ground systems, cooperation on development, transportation, memorandum of understanding with Germany, Federal Republic of	4100
Housing and community upgrading for low income Egyptians, agreement with Egypt	4939

INDEX

Page		Page
	Korea, Republic of—Continued	
5109	Medical treatment for Korean veterans	4480
5253	Land:	
4713	Development and Sederhana irrigation, grant, agreement with Indonesia	5144
4789	Management, arid and semi-arid and desertification control, Mexico	4009
4749	Launching and associated services, furnishing, satellites agreement with Indonesia	4253
5144	Livestock and agriculture development, Cameroon	4547
4253	Lone Range Aid to Navigation (LORAN-C) Station in British Columbia, agreement with Canada	4049
4201	Low income Egyptians, housing and community upgrading for agreement with Egypt . .	4939
4699	Macao, trade in textiles and textile products	4487
4139	Malaria control, India	4749
4287	Mali, renewable energy	4903
4354	Managed input delivery and agricultural services, Ghana . . .	4534
4462	Manpower development, southern, Sudan	5205
5073	Maternal and child health aides, training, Tanzania	4622
4107	Medical treatment for Korean veterans, agreement with Korea, Republic of	4480
4134	Medium irrigation project, Gujarat, agreement with India .	4789
4518	Mexico:	
4365	Arid and semi-arid lands management and desertification control	4009
4201	Tourism	4443
4865	Modification and Extension of Wheat Trade Convention and Food Aid Convention, International Wheat Agreement, 1971, multilateral protocols	4287
4883	Jordan:	
4967	Amman water and sewerage . .	
5253	Potash plant	
	Korea, Republic of:	
	Double taxation, taxes on income	
	Kenya, agricultural systems support	
	Morocco:	
	Women—	
	Industrial and commercial job training	4201
	Nonformal education	4143

INDEX

xi

Page		Page
Rural:		
4434	Access roads, Panama	4827
Development—		
	Application of science and technology, India	4713
4049	Education, Nicaragua	5157
St. Lawrence and Great Lakes, pilotage services, boundary waters agreement with Canada		
5346		4027
Satellites, furnishing of launching and associated services, Indonesia		
5157		4253
Science and technology, application to rural development, India		
4143		4713
Sederhana irrigation and land development, grant, agreement with Indonesia		
4350		5144
Sewage project, Alexandria, agreement with Egypt		
4067		4401
Sewerage and water, Amman, agreement with Jordan		
4645		4865
Small farm irrigation systems, El Salvador		
4827		5073
Small farmer systems, Philippines		
4523		4645
Social work centers, integrated, Egypt		
4883		4699
Studies, Egypt:		
	Development planning	4624
	Technical and feasibility	4569
Sudan:		
	Primary health care	5227
	Southern manpower development	5205
Tanzania, training of maternal and child health aides		
4067		4622
Taxation, double, taxes on:		
	Income, Korea, Republic of	5253
	Income and property, France	5109
Technical:		
	Assistance for civil emergency preparedness, Iran	4354
	Egypt—	
	Economic and related assistance	4609
	Feasibility studies	4569
Technology and science, application to rural development, India		
5227		4713
Telecommunications, alien amateur radio operators, Haiti		
4903		4245
Resource conservation and utilization and rural development, Nepal		
4365		4443
5346	Tourism, Mexico	

INDEX

Page	Page
Trade:	
Exhibition, China, People's Republic of	4472
Textiles, Yugoslavia	4063
Textiles and textile products—	
Dominican Republic	4185
Macao	4487
Thailand	4360
Training:	
Basic health management, Caribbean Community Secretariat	5054
Integrated social work centers, Egypt	4699
Transportation:	
Cooperation on development of high speed ground systems, Germany, Federal Republic of	4100
Transcameroon Railroad III, agreement with Cameroon .	5031
Urban:	
Electric distribution, Egypt	4491
Employment and community improvement, Costa Rica .	4993
Utilization and conservation, resource, and rural development, Nepal	5346
Veterans, Korean, medical treatment, agreement with Korea, Republic of	
Water:	
Amman water and sewerage, agreement with Jordan .	4865
Canada—	
Boundary waters, pilotage services on Great Lakes and St. Lawrence	4027
Water—Continued	
Canada—Continued	
Preservation of halibut fishery of northern Pacific Ocean and Bering Sea and fishing off west coast . . .	4067
Egypt—	
Alexandria sewage project	4401
Cairo water supply	4424
Canal maintenance and restoration	4265
Irrigation pumping	4462
Irrigation—	
Gujarat medium project, agreement with India	4789
Sederhana and land development, grant, agreement with Indonesia	5144
Small farm systems, El Salvador	5073
West Germany. <i>See</i> Germany, Federal Republic of.	
Whaling, international observer scheme, Canada	4139
Wheat Trade Convention and Food Aid Convention, modification and extension, International Wheat Agreement, 1971, multilateral protocols .	4287
Women, Morocco:	
Industrial and commercial job training	4201
Nonformal education	4143
Work centers, integrated social, Egypt	4699
Yugoslavia:	
Nonscheduled air services	4350
Trade in textiles	4063