

(1.5.2.1 Project Grant Agreement)

A.I.D. Project Number _____

PROJECT
GRANT AGREEMENT
BETWEEN
(Name of Country)
and the
UNITED STATES OF AMERICA
for
(Name of Project)

Dated:

A.I.D. Project No. _____

Project Grant Agreement

Dated _____, 19____

Between

[insert name of country] ("Grantee")^{1/}

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 _____ 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 8.3, without formal amendment of this Agreement.

[If Project is incrementally funded, insert Sec. 2.2]

[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.

^{1/} The phrase "Cooperating Country" may be used in lieu of "Grantee" throughout the Agreement.

Article 2: The Project (Continued)

(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., [in furtherance of the Alliance for Progress and] pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed _____ United States ("U.S.") Dollars (\$ _____) ("Grant").

[In preparing Agreement, select #1, #2, or #3 following as applicable]:

(#1: 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.]

(#2: 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.]

(#3: 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 equivalent of _____ U.S. Dollars (\$ _____).]

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. \$ _____, including costs borne on an "in-kind" basis.

Article 3: Financing (Continued)

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is _____, 19____, 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) 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 8.3., and of any additional representatives, together with a specimen signature of each person specified in such statement;]

Article 4: Conditions Precedent to Disbursement (Continued)

[(c) An executed contract for engineering or other services for the Project acceptable to A.I.D. with a firm acceptable to A.I.D.]

[(d) Other conditions to be inserted as appropriate, e.g., including financial obligations of the Grantee.]

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 [services] referred to in Section 4.1, 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) Invitations for bids or requests for proposals for procurement of construction services or project commodities estimated to exceed \$100,000, including any local currency portion, prior to their issuance;

[(b) Contracts financed under the Grant in excess of \$100,000, including any local currency portion, prior to their execution by the Grantee;

[(c) The evaluation program referred to in Section 5.1.]

[(d) Additional conditions to be inserted, as appropriate, including provisions relating to:

[Procurement and installation of goods; budgetary approvals; management; organization; training; maintenance and operation; other legal and administrative actions, such as permits, licenses, privileges, easements, etc.]

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Section 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 _____ 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.

(b) If all of the conditions specified in Section 4.2 have not been met within _____ 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 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 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.

[other special covenants as appropriate]

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, with respect to goods, their source and origin, and with respect to services their nationality 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 AID may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance. Ocean transportation costs will be financed under the grant only on vessels under flag registry of [the United States] [the Cooperating Country, *the United States*, and *other* countries included in AID Geographic Code 941], 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 required for the Project having their source and, except as AID may otherwise agree in writing, their origin in [name of country] ("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: 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 agree 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:

(1) by acquisition by A.I.D. with U.S. Dollars by purchase for 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

Article 7: Disbursement (Continued)

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 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 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 [name of country] 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 [name of country] at the highest rate of exchange which, at the time the conversion is made, is not unlawful in [name of country].

Article 8: Miscellaneous

SECTION 8.1. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by [name of country] pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by [name of country] will be required to permit the United States to issue investment guaranties under that agreement covering a contractor's investment in that project.

Article 8.1: Miscellaneous (Continued)

SECTION 8.2. 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 addresses:

To the Grantee:

Mail Address:

Alternate address for cables:

To A.I.D.:

Mail Address:

Alternate address for cables:

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

SECTION 8.3. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of _____ and A.I.D. will be represented by the individual holding or acting in the office of _____, 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 8.4. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

Article 8.1: Miscellaneous (Continued)

SECTION 8.5. Language of Agreement. This Agreement is prepared in both English and [French, Spanish, etc.]. In the event of ambiguity or conflict 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 and delivered as of the day and year first above written.

[NAME OF COUNTRY OR
GRANTEE]

By: _____

Title: _____

UNITED STATES OF AMERICA

By: _____

Title: _____

ANNEX 1

Amplified Description of the Project

Project Grant StandardProvisions Annex

Definitions: As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters

To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B: General Covenants

SECTION B.1. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Grantee will:

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

Article B: General Covenants (Continued)

SECTION B.3. Utilization of Goods and Services.

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

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

SECTION B.4. Taxation.

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

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territory of the Grantee, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

SECTION B.5. Reports, Records, Inspections, Audit.

The Grantee will:

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

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D.; such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

Article B: General Covenants (Continued)

(c) afford authorized representatives of a Party the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Party, and books, records, and other documents relating to the Project and the Grant.

SECTION B.6. Completeness of Information. The Grantee confirms:

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

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

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

SECTION B.8. Information and Marking. The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C: Procurement Provisions

SECTION C.1. Special Rules.

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of the Grantee will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

Article C: Procurement Provisions (Continued)

(d) Transportation by air, financed under the Grant, of property or persons, will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

SECTION C.2. Eligibility Date. No goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

SECTION C.3. Plans, Specifications, and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to A.I.D. upon preparation,

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services, which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this 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 Grant will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

Article C: Procurement Provisions (Continued)

(d) Consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be produced on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6. Shipping.

(a) Goods which are to be transported to the territory of the Grantee may not be financed under the Grant if transported either: (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried: (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval or on a non-U.S. flag air carrier if a U.S. flag carrier is available (in accordance with criteria which may be contained in Project Implementation Letters) without prior written A.I.D. approval; or (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels, and (2) at least fifty percent (50%) of the gross freight revenue generated by

Article C: Procurement Provisions (Continued)

all shipments financed by A.I.D. and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this sub-section must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C.7. Insurance.

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Grantee may be financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder are payable in U.S. dollars or, as A.I.D. may agree in writing, in the currency in which such goods were financed or in any freely convertible currency. If the Grantee (or government of Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government-Owned Excess Property. The Grantee agrees that wherever practicable, United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

Article D: Termination; Remedies.

SECTION D.1. Termination. Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancelable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

SECTION D.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefor.

(b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

Article D: Termination; Remedies (Continued)

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

SECTION D.3. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4. Assignment. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.

(1.5.2.2 Project Loan Agreement)

(proposed face sheet)

A.I.D. Loan Number _____

Project Number _____

PROJECT
LOAN AGREEMENT
BETWEEN
(Name of Country)
and the
UNITED STATES OF AMERICA
for
(Name of Project)

Dated:

(Note: Loans have a separate loan number - although grants have only a project number - for technical reasons which include the need to identify readily repayments under a given loan, and to track the subsequent history of the loan over a period up to 40 years.

A.I.D. Project No. _____

Project Loan Agreement

Dated _____, 19__

Between

[Insert name of country] ("Borrower")^{1/}

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 _____. 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., [in furtherance of the Alliance for Progress and] pursuant to the Foreign Assistance Act of 1961, as amended, agrees to lend the Borrower under the terms of this Agreement not to exceed _____ United States ("U.S.") dollars (\$ _____) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal."

^{1/} The phrase "Cooperating Country" may be used in lieu of "Borrower" throughout the Agreement.

Article 3: Financing (Continued)

[In preparing Agreement, select #1, #2, or #3 following as applicable]:

[#1: 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.]

[#2: 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.]

[#3: 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, except that, unless the parties otherwise agree in writing, Local Currency Costs financed under the Loan will not exceed the equivalent of _____ U.S. Dollars (\$ _____).]

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. \$ _____, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is _____, 19____, 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 8.5) 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 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 [name of country], 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.

Article 4: Loan Terms (Continued)

(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 [title of Minister] in [name of country].

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 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 engineering or other services for the Project acceptable to A.I.D. with a firm acceptable to A.I.D.];

[(d) Other conditions to be inserted as appropriate; e.g., including financial obligations of the Borrower.]

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, for any purpose other than to finance the [services] referred to in Section 5.1, 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) Invitations for bids or requests for proposals for procurement of construction services or project commodities estimated to exceed \$100,000, including any local currency portion, prior to their issuance;

[(b) Contracts financed under the loan in excess of \$100,000, including any local currency portion, prior to their execution by the Borrower.

[(c) The evaluation program referred to in Section 6.1;

Article 4: Loan Terms (Continued)

{(d) Additional conditions to be inserted, as appropriate, including, e.g., provisions relating to:

(Procurement and installation of goods; budgetary approvals; management; organization, training; maintenance, and operation; other legal and administrative actions, such as permits, licenses, privileges, easements, etc.)

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 _____ 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 _____ 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.

{other special covenants as appropriate}

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

Article 7: Procurement Source (Continued)

required for the project having with respect to goods, their source and origin and with respect to services, their nationality in [countries included in Code 941 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services] [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 AID 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. Ocean transportation costs will be financed under the loan only on vessels under flag registry of [the United States] [the cooperating country, *the United States, and other* countries included in AID Geographic Code 941], except as AID may otherwise agree in writing.

[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 AID may otherwise agree in writing, their origin in [name of country] ["Local Currency Costs"]]. [To the extent provided 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 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 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:

Article 8: Disbursements (Continued)

(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 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 [name of the country] 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 [name of country] at the highest rate of exchange which, at the time the conversion is made, is not unlawful in [name of country].

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.

(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 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.]

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 [name of country] pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by [name of country] 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:

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. 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 _____ and A.I.D. will be represented by the individual holding or acting in the office of _____, 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.

Article 9: Miscellaneous (Continued)

SECTION 9.4. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

[SECTION 9.5. Language of Agreement. This Agreement is prepared in both English and [French, Spanish, etc.]. 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.

[NAME OF COUNTRY OR BORROWER]

By: _____

Title: _____

UNITED STATES OF AMERICA

By: _____

Title: _____

Annex 1

Amplified Description of the Project

Provisions 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. [See Handbook 18, Appendix D.]

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 or aircraft under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval; or

(2) 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

(2) claims thereunder are payable in U.S. dollars or, as A.I.D. may agree in writing, 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, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government-Owned Excess Property The Borrower agrees that wherever practicable United States Government-owned excess 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 unrepaid Principal will be due and payable sixty (60) days thereafter, and, unless such Event of Default is cured within that time:

(1) such unrepaid 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,

(1.5.2.3 Grant Project Agreement(short form))

(Short-form)

GRANT PROJECT AGREEMENT

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

AND

(Grantee)

1. Project Title	2. AID Project Number
------------------	-----------------------

The above-named parties hereby mutually agree to carry out the Project described in this Agreement in accordance with (1) the terms of this Agreement, including any annexes attached hereto, and (2) any general agreement between the two governments regarding economic or technical cooperation.

3. Amount of AID Grant \$ _____	4. Grantee Contribution to the Project \$ _____	5. Project Assistance Completion Date
------------------------------------	----------------------------------------------------	---------------------------------------

6. This Agreement consists of this title page and

7. For the Grantee Typed Name	8. For the Agency for International Development Typed Name
Signature	Signature
Title	Title
Date	Date

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

PROJECT AGREEMENT

Annex A

PROJECT DESCRIPTION

1. Project Title	2. AID Project Number
------------------	-----------------------

3. This Project consists of:

4. Special Provisions

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

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

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

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

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

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

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

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

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

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

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

P. The Grantee agrees, upon request, to execute an assignment to AID of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with AID financed in whole or in part out of funds granted by AID under this Agreement.

(1.5.3 細目の決定)

PROJECT IMPLEMENTATION LETTER (PIL)		1. PIL Number
Project Title	3. Country	
4. AID Project Number	5. Date of Project Agreement	
6. Documentation <i>(Complete continuation sheets on bond, number pages and state PIL Number.)</i>		

7. For the Grantee Typed Name	8. For the Agency for International Development Typed Name
Signature	Signature
Title	Title
Date	Date

(1.5.4.1 合意の実施 : technical services に関するもの)

AID 1350-1 (3-87) PIO/T	AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1. Cooperating Country _____	Page 1 of _____ Pages	
		2. PIO/T No. _____	3. <input type="checkbox"/> Original or Amendment No. _____	
		4. Project/Activity No. and Title _____		
DISTRIBUTION	5. Appropriation Symbol _____		6. Budget Plan Code _____	
	7. Obligation Status <input type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document		8. Project Assistance Completion Date (Mo., Day, Yr.) _____	
	9. Authorized Agent _____		10. This PIO/T is in full conformance with PRO/AG No. _____ Date _____	
	11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> AID Grant or Cooperative Agreement (HB 13) <input type="checkbox"/> PASA/RSSA (HB 12) <input type="checkbox"/> Other		11b. Contract/Grant/Cooperative Agreement, PASA/RSSA Reference Number (if this is an Amendment) _____	
	12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. _____)			
	Maximum AID Financing Available	A. Dollars	(1) Previous Total	(2) Increase
	B. U.S.-Owned Local Currency		(3) Decrease	
			(4) Total to Date	
13. Mission References	14A. Instructions to Authorized Agent _____			
	14B. Address of Voucher Paying Office _____			
15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.				
A. The Project Officer certifies that the specifications in the statement of work or program description are technically adequate.		Phone No. _____ Date _____	B. The statement of work or program description lies within the purview of the initiating office and approved agency programs.	
C. _____		Date _____	D. Funds for the services requested are available	
E. _____		Date _____	Date _____	
16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to		17. For the Agency for International Development		
Signature _____ Date _____		Signature _____ Date _____		
Title _____		Title _____		

* See HD 3, Sup. A, App. C, Att B, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action.

18. Statement of work or program description for this project is described in Attachment No. _____

19. Special Provisions

- A. Language Requirements (specify) _____
(If marked, testing must be accomplished by AID to assure desired level of proficiency.)
- B. Access to classified information will will not be required by technical specialists. (Indicate level) _____
- C. Duty post(s) and duration of technical specialist(s) services at post(s) (month/s) _____
- D. Dependents will will not be permitted to accompany technical specialist(s).
- E. Geographic code applicable to procurement under this PIO/T is 000 899 935 941 Other (specify) _____
(If other than authorized in HB 1, Sup B, Chap 5, Para 5A1d, attach waiver(s).)
- F. Salary approval(s) to exceed FS-1 salary ceiling are attached in process N/A.
- G. Cooperating country acceptance of this project (applicable to AID/W projects only)
 has been obtained is in process is not applicable to services required by PIO/T.
- H. Justification for use of external resources for consulting services is attached N/A.
- I. Clearance for procurement of ADP equipment, software, and services is attached in process N/A.
- J. OMB approval of any report to be completed by ten or more members of the general public under the statement of work is
 attached in process N/A.
- K. Participant training is is not being funded as part of this PIO/T.
- L. Requirement (contracts only) is recommended for small business set-aside SBA 8(a) Program neither.
- M. Other (specify).

20. Provisions for Logistic Support

A. Specific Items (insert "X" in applicable column at right.
If entry needs qualification, insert asterisk and explain
below in C. "Comments")

	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER	N/A
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY		
(1) Office Space						
(2) Office Equipment						
(3) Housing and Utilities						
(4) Furniture						
(5) Household Appliances (Stoves, Refrig., etc.)						
(6) Transportation in Cooperating Country						
(7) Transportation To and From Country						
(8) Interpreter Services/Secretarial						
(9) Medical Facilities (Health Room)						
(10) Vehicles (official)						
(11) Travel Arrangements/Tickets						
(12) Nightwatchman for Living Quarters						
(13)						
(14)						
(15)						

(OTHER SPECIFY)

20. Provisions for Logistic Support (Continued)

B. Additional Facilities Available From Other Sources

- Diplomatic pouch PX Commissary
- Other (specify, e.g., duty free, entry, tax exemption)

C. Comments

21. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

- A. Relationships and Responsibilities
- B. Cooperating Country Liaison Officials
- C. AID Liaison Officials

22. Background information (additional information useful to authorized agent)

23. Summary of attachments that accompany the PIO/T (check applicable boxes)

- A. Detailed budget estimate in support of increased funding (Block 12)
- B. Evaluation criteria for competitive procurement (Block 14A)
- C. Justification for procurement by other than full and open competition or noncompetitive assistance
- D. Statement of work or program description (Block 18)
- E. Waiver(s) justification(s), clearance(s), certification(s) (Block 19) (specify number _____)

(1.5.4.2 合意の実施 : commodities に関するもの)

PIO/C	AGENCY FOR INTERNATIONAL DEVELOPMENT		<input type="checkbox"/> Worksheet <input type="checkbox"/> Issuance		PAGE 1 OF ____ PAGES
			1. Cooperating Country		2. PIO/C Number
			3. Project Number and Title		
4. Appropriation Symbol		5. Allotment Symbol and Charge		6. Funds Alloted To <input type="checkbox"/> AID/W <input type="checkbox"/> Mission	
7. Obligation Status <input type="checkbox"/> Administrative Reservation <input type="checkbox"/> By Agreement			8. <input type="checkbox"/> Original OR Amendment Number _____		
9. Authorized Agent			10. Method of Financing A. <input type="checkbox"/> U.S. Government B. <input type="checkbox"/> Direct Letter of Commitment		
11. Contracting Period (Mo., Day, Yr.) From: _____ To: _____		12. Delivery Period (Mo., Day, Yr.) From: _____ To: _____		13. Project Assistance Completion Date (Mo., Day, Yr.)	
14. Area of Source		16. DOLLAR VALUE			
		A. Previous Total	B. Increase	C. Decrease	D. Total to Date
16. Quantity, Description, Specifications, Instructions and Special Provisions					
17. MISSION REFERENCES					
18. MISSION CLEARANCES		DATE	MISSION CLEARANCES		DATE
19. Date of Original Issuance			20. Date of this Issuance		
21. For the Cooperating Country – The terms and conditions set forth herein are hereby agreed to: Signature _____ Date _____ Title _____			22. For the Agency for International Development Signature _____ Title _____ Date _____		

CONTINUATION SHEET	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P <input type="checkbox"/> PIO/T <input type="checkbox"/> PA/PR	<input type="checkbox"/> Worksheet <input type="checkbox"/> Invoice	PAGE _____ OF _____ PAGES
		1. Cooperating Country _____	
		2a. PIO Number _____	2b. Amendment <input type="checkbox"/> Original OR No. _____
Indicate block numbers	3. Project Number and Title _____		
	Use this form to complete the information required in any block of a PIO/P, PIO/T or PA/PR. For PIO/C, furnish the item number, quantity, description/specifications, including catalog stock number and price when available.		

(1.5.4.3 合意の実施 : participants (研修) に関するもの)

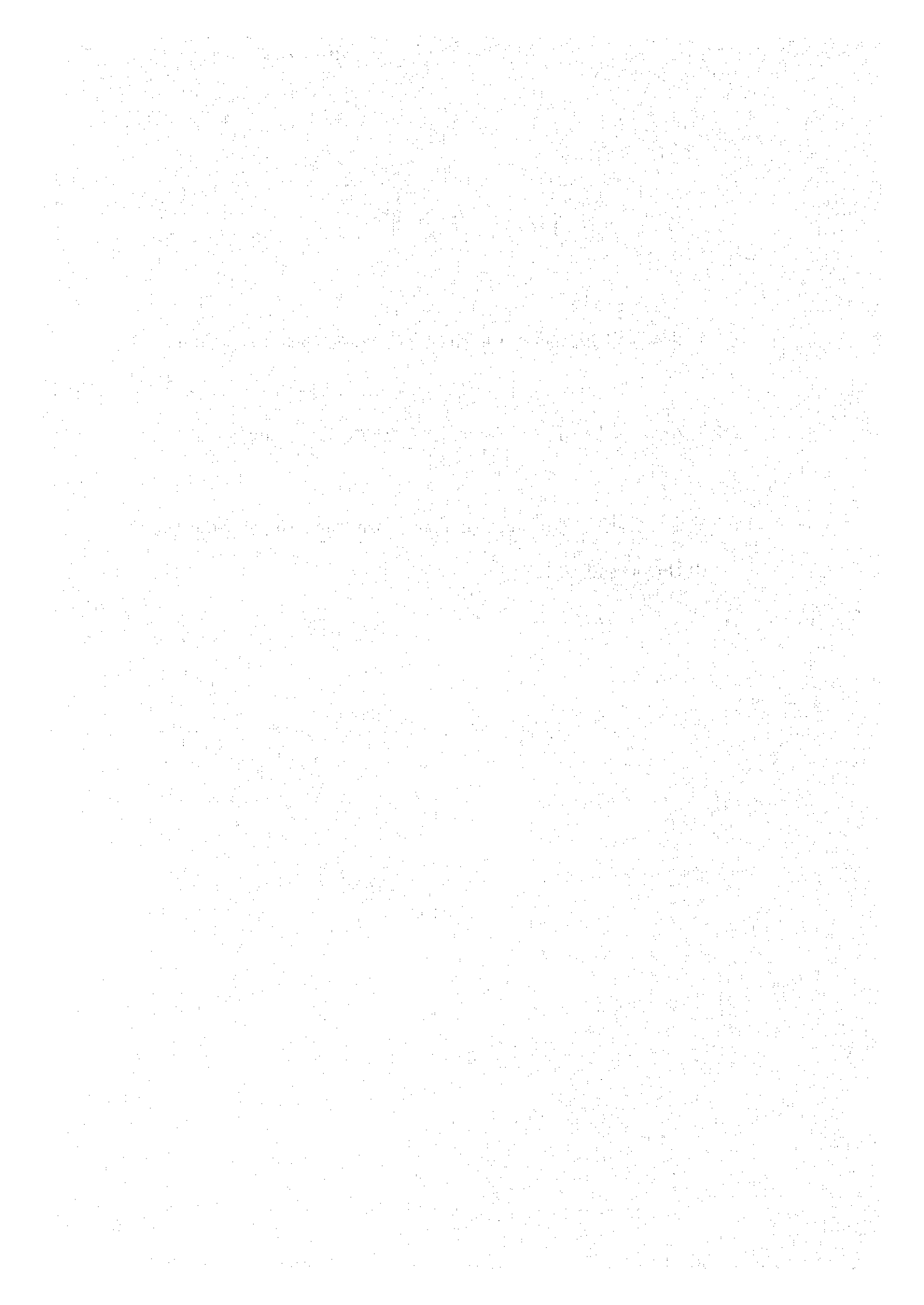
AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IMPLEMENTATION ORDER/ PARTICIPANTS (PIO/P) PAGE 1 OF _____		1. COOPERATING COUNTRY		2. PIO/P NUMBER	
		3. PROJECT ACTIVITY NUMBER & TITLE			
		4. APPROPRIATION		5. ALLOTMENT	
		6. DATE ORIGINAL ISSUE		7. DATE THIS ISSUANCE	
PROJECT COMPLETION DATE		9. DESIRED START DATE		10. TERMINAL START DATE	
11. NUMBER OF PARTICIPANTS		13. LOCATION/DURATION OF TRAINING			
2. <input type="checkbox"/> ORIGINAL <input type="checkbox"/> AMENDMENT NUMBER _____		<input type="checkbox"/> U.S. _____ P/M <input type="checkbox"/> Third Country _____ P/M <input type="checkbox"/> In Country _____ P/			
14. FINANCING					
AGENT	TYPE OF EXPENSE	A. PREVIOUS TOTAL	B. INCREASE	C. DECREASE	D. NEW TOTAL
AID	(a)				
MISSION	(b) Int. Travel				
	(c) Maint. Advance				
AID/W	(d)				
THIRD COUNTRY	(e)				
	(f)				
	(g)				
	(h)				
	(i)				
5. COOPERATING COUNTRY FINANCING					
16. U.S. TRUST ACCOUNT	A. TRUST ACCOUNT NUMBER		C. AUTHORIZED	D. CURRENCY UNIT	E. AMOUNT
	B. ALLOTMENT SYMBOL				
17. SPECIAL PROVISIONS					
A. REF: PIL NUMBER _____ GRANT _____ LOAN _____					
B. SUPPLEMENTARY INFORMATION					
C. NAME(S) OF PARTICIPANTS					
18. MISSION CLEARANCES					
SIGNATURE		DATE	SIGNATURE		DATE
19. HOST COUNTRY/BORROWER/GRANTEE			20. AGENCY FOR INTERNATIONAL DEVELOPMENT		
SIGNATURE					
TITLE		DATE			

1.6 カナダ

1.6.1 基本協定：General Agreement on Development Cooperation /74

1.6.2 プロジェクト取極：Memorandum of Understanding / 9 1

1.6.3 細目の決定：Management Plan: Open University Support Phase
III (Indonesia) /117



(1.6.1 基本協定)

GENERAL AGREEMENT
ON
DEVELOPMENT COOPERATION
BETWEEN
THE GOVERNMENT OF CANADA
AND

1989

GENERAL AGREEMENT
ON
DEVELOPMENT CO-OPERATION
BETWEEN
THE GOVERNMENT OF CANADA
AND
#

The Government of Canada and #,

Wishing to strengthen the existing cordial relations between the two countries and their peoples, and

Desiring to foster development co-operation between the two countries in conformity with the objectives of economic and social development of #,

Have agreed as follows:

ARTICLE I

The Government of Canada and # shall under this Agreement promote a programme of development co-operation, between their two countries, consisting of the following components:

- (a) the sending of appraisal and evaluation missions to ## to study and analyse development projects;
- (b) the granting of fellowships to nationals of the ## for studies and professional training in Canada, the ## or a third country;

- (c) the assignment of Canadian experts, advisers and other specialists to the ##;
- (d) the provision of equipment, materials, goods and services required for the successful execution of development projects in the ##;
- (e) the development and carrying out of studies and projects designed to contribute to the attainment of the objectives of this Agreement;
- (f) the encouragement and promotion of relations between firms, institutions and persons of the two countries; and
- (g) any other form of assistance which may be mutually agreed upon.

ARTICLE II

1. In support of the objectives of this Agreement, the Government of Canada and # may conclude subsidiary arrangements in respect of specific projects involving one or several components of the programme described in Article I.
2. Unless stated otherwise, subsidiary arrangements concerning contributions of the Government of Canada shall be considered as administrative arrangements.
3. Subsidiary arrangements shall make specific reference to this Agreement and the terms of this Agreement shall, unless stated otherwise, apply to such subsidiary arrangements.

ARTICLE III

Unless otherwise indicated, the Government of Canada shall assume the responsibilities described in Annex "A" and # shall assume the responsibilities described in Annex "B" in respect of any specific project established under a subsidiary arrangement. Annexes "A" and "B" shall be integral parts of this Agreement.

ARTICLE IV

The # shall ensure that development aid funds provided under any subsidiary arrangement are not used to pay any taxes, fees, customs duties or any other levies and charges imposed directly or indirectly by #, on any goods, materials, equipment, vehicles and services purchased or acquired for, or related to, the execution of any project being carried out in # pursuant to a subsidiary arrangement or by a Canadian non-governmental institution or organization as defined in Article XIV.

ARTICLE V

For the purposes of this Agreement:

- (a) "Canadian firm" means Canadian or other ### firms or institutions engaged in any project established under a subsidiary arrangement;
- (b) "Canadian personnel" means Canadians or ### or other non-permanent residents of the ##, who are working in the ## on any project established under a subsidiary arrangement;
and

(c) "dependant" means

- i) the spouse of a member of the Canadian personnel, including a person of the opposite sex with whom the member of the Canadian personnel has lived and publicly represented as his or her spouse for a period of not less than one year before the commencement of his or her period of service in ##;
- ii) a child of the member of the Canadian personnel or his or her spouse who is:
 - (a) under twenty-one years of age and dependent on the member of the Canadian personnel or his or her spouse for support, or
 - (b) twenty-one years of age or older and dependent on the member of the Canadian personnel or his or her spouse for support by reason of a mental or physical incapacity.

ARTICLE VI

The # shall indemnify and save harmless the Government of Canada, Canadian firms and Canadian personnel from civil liability for acts or omissions occurring in the course of the performance of their duties in the execution of any specific project established under any subsidiary arrangement except for acts arising from gross negligence or wilful misconduct of Canadian firms or Canadian personnel.

ARTICLE VII

The # shall exempt Canadian firms and Canadian personnel and their dependants from taxes imposed on income, provided such income arises from sources outside of the # or from Canadian aid funds as provided for in any subsidiary arrangement. In addition, # shall exempt Canadian firms and Canadian personnel, including their dependants, from any obligations to present written declarations in relation to these exemptions.

ARTICLE VIII

The # shall exempt Canadian firms and Canadian personnel from or bear the costs of customs and excise duties, sales taxes, charges, levies and fees, on all goods, materials, equipment, vehicles and services and on any other goods or services acquired in or imported into ## for, or related to, the execution of projects established under any subsidiary arrangement.

ARTICLE IX

The # shall exempt Canadian personnel from the payment of customs duties, excise duties and sales taxes in respect of bona fide personal effects and essential basic household equipment brought into, or purchased, in the # for their own use or the use of their dependants. Canadian personnel may purchase duty free locally manufactured/assembled items provided that such purchases shall be made from the manufacturers and delivery shall be made from bonded warehouses. In the event of theft, fire or other destruction, the exemptions under this Article may be re-exercised at any time during the assignment of the Canadian personnel.

ARTICLE X

The # shall exempt Canadian personnel from the payment of customs duties, excise duties and sales taxes in respect of one motor vehicle imported into the # or purchased locally for their personal use provided that:

- (a) such imported motor vehicle has been used by the Canadian personnel in their country of origin or the country of their last posting, or such motor vehicle is purchased locally within the period of six (6) months from the date of their arrival in the #; and
- (b) if the motor vehicle is sold or otherwise disposed of it shall be subject to the normal duties and other charges at the rate in force on the date the exemption was given and on the value at the time of disposal.

In the event of fire, theft, damage or destruction the exemptions under this Article may be re-exercised at any time during the assignment of the Canadian personnel.

ARTICLE XI

The # shall grant Canadian firms and Canadian personnel freedom from currency exchange restrictions in respect of the re-exportation of their salaries, fees, remunerations or other revenues transferred from abroad through authorized banking institutions in the ##.

ARTICLE XII

The # shall inform Canadian firms and Canadian personnel of local laws and regulations which may concern them in the performance of their duties.

ARTICLE XIII

The # shall facilitate the repatriation of Canadian personnel and their dependants in cases where, in the opinion of the Government of Canada, the lives or safety of the Canadian personnel and/or their dependants are endangered.

ARTICLE XIV

The # agrees to extend the privileges and exemptions referred to in Article VI to XIII and paragraph (10) of Article I of Annex "B" to Canadian non-governmental institutions or organizations and to their Canadian personnel engaged in the # on development assistance projects and their dependants.

A Canadian non-governmental institution or organization means a Canadian non-governmental institution or organization which project is funded in whole or in part by the Government of Canada pursuant to a contribution agreement between the Canadian non-government institution or organization and the Government of Canada.

Canadian personnel of the Canadian non-governmental institution or organization means Canadians or # or other non-permanent residents of the # working in that country on any development assistance project funded pursuant to a contribution agreement.

Dependants of Canadian personnel of the Canadian non-governmental institution or organization shall have the same meaning as given in Article V of this Agreement.

ARTICLE XV

The Government of Canada and # will endeavour to consult each other in respect of any matter that may from time to time arise from or in connection with this Agreement.

ARTICLE XVI

Differences which may arise relating to the interpretation and application of the provisions of this Agreement or of any subsidiary arrangement shall be settled by means of negotiations between the Government of Canada and # or in any other manner mutually agreed upon.

ARTICLE XVII

This Agreement shall enter into force on signature and shall remain in force until terminated by either party on six (6) months' notice in writing to the other party. The responsibilities of the Government of Canada and of # with regard to projects being carried out by virtue of subsidiary arrangements entered into pursuant to Article II of this Agreement and begun prior to the receipt of the termination notice referred to above shall continue until completion of such projects as if this Agreement remained in force in respect of and for the whole duration of such projects.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed this Agreement, in duplicate at _____, this _____ day of _____ 199_.

FOR AND ON BEHALF OF THE
GOVERNMENT OF CANADA

FOR AND ON BEHALF OF

Name:
Title:

Name:
Title:

ANNEX "A"

RESPONSIBILITIES OF THE GOVERNMENT OF CANADA

I. Unless otherwise indicated in any subsidiary arrangement, the Government of Canada shall finance the following expenditures based on the rates authorized in its regulations:

(A) Expenditures related to ## fellowship holders:

- (1) registration and tuition fees, books, supplies or materials required;
- (2) a living allowance;
- (3) medical and hospital expenses;
- (4) economy-class fares for travel by air or any other approved means of transportation, in compliance with the requirements of the fellowship programme.

(B) Expenditures related to Canadian personnel:

- (1) their salaries, fees, allowances and other benefits;
- (2) their travel expenses and those of their dependant between their normal place of residence and the port of entry and departure in the ##;

- (3) the cost of shipping, between their normal place of residence and the port of entry and departure in the ##, their personal and household effects, those of their dependants and the professional and technical materials required by the said personnel for the execution of their duties.

(C) Expenditures related to certain projects:

- (1) the cost of engineers, architects and other services required for the execution of projects;
- (2) the cost of providing equipment, materials, supplies other goods and of the transportation of same from their point of departure to the ##.

II. Contracts for the purchase of goods or commissioning of services financed by the Government of Canada and required for the execution of projects shall be signed by the Government of Canada or one of its agencies. However, it may be provided in any subsidiary arrangement that such contracts may be signed by # or one of its agencies in accordance with the terms and conditions specified in such subsidiary arrangement.

III. The Government of Canada shall provide # in a timely manner with the names of the Canadian personnel and their dependants entitled to the right and privileges set forth in this Agreement or in any subsidiary arrangement.

ANNEX "B"

RESPONSIBILITIES OF #

I. Unless otherwise indicated in any subsidiary arrangement, # shall provide or pay for:

(1) an allowance toward the cost of furnished accommodation for Canadian personnel and their dependants equivalent

(a) to the amount normally paid by # to its personnel that is or could be seconded or detached to the project; or

(b) to the maximum amount which, under its appropriate regulations, # may pay for accommodation costs of development assistance personnel.

The amount and method of payment of such allowance shall be determined in the relevant subsidiary arrangement;

(2) furnished premises and office services in compliance with the standards of #, including adequate facilities and materials, support staff, professional and technical material, telephone, mail and any other services which the Canadian personnel would need in order to carry out their duties;

(3) the recruiting and seconding of counterparts when required for the projects;

- (4) the travel expenses of the Canadian personnel and of their dependants between
 - (a) the port of entry and the place of residence of the Canadian personnel in the # at the beginning of their assignment; and
 - (b) the place of residence and the point of departure;
- (5) the cost of transportation of
 - (a) the personal effects and household equipment of the Canadian personnel and those of their dependants; and
 - (b) the professional and technical material required by the Canadian personnel in the execution of their duties in the #

between
 - (c) the port of entry and the place of residence of the Canadian personnel in the # at the beginning of their assignment; and
 - (d) the place of residence and the point of departure of the Canadian personnel in the # upon completion of their assignment;
- (6) any official assistance which may be required for the purpose of facilitating the travel of Canadian personnel in the performance of their duties in the ##;

- (7) demurrage charges due to delays in unloading equipment, products materials, supplies and other goods required for the execution of the Project and the personal and household effects of Canadian personnel and their dependants;
- (8) any official assistance which may be required for the purpose of expediting the clearance through customs of articles mentioned in paragraph (7);
- (9) storage and payment of any charges for articles mentioned in paragraph (7) during the period when they are held at customs and any measures required to protect these articles against natural elements, loss, fire and any other danger;
- (10) all permits, licences and other documents including costs related thereto, if any, for equipment, materials, supplies or goods required for the execution of projects and to enable Canadian firms and Canadian personnel to carry out their functions in the ##;
- (11) subject to any laws of the #, all necessary visas and all import or export permits, as the case may be, for the Canadian personnel and their dependants and for the personal effects of such Canadian personnel and their dependants;
- (12) the prompt inland transportation of all equipment, products, materials, supplies and other imported goods required for the execution of projects, from the port of entry into the ## to project sites, including where necessary, the obtaining of priority by the ## forwarding and transportation agents;

- (13) mileage allowance at the normal rates for journeys performed on official duties in accordance with the existing regulations of # governing transport and travelling claims. No claim is permitted for travelling between house and office. The Canadian personnel who does not own or use a personal car for official duties will be reimbursed for the cost of actual transportation used conformity with existing rules of #. The Canadian personnel on duty away from his place of posting will also be eligible for subsistence/day allowance as well as payment of hotel expenses/lodging allowance in accordance with the applicable regulations of #;
- (14) permission from the relevant Ministry or Ministries in accordance with the relevant laws and regulations to use all means of communication such as high frequency radio transmitters and receivers approved for use in ## and telephone and telegraph networks, depending on the needs of a specific project;
- (15) reports, records, maps, statistics and other information related to projects and likely to assist Canadian personnel in carrying out their duties; provided that they are not classified and have no relation to national security;
- (16) the issuance of a # driver's licence to Canadian personnel and their dependants without the requirement to undergo the normal testing procedure, provided a valid Canadian driver's licence is produced; and
- (17) other measures within its jurisdiction which may facilitate the execution of projects.

- II. The # shall provide the Canadian personnel and their dependants with free medical and dental attention at Government hospitals and clinics. No reimbursement will be made by # if the Canadian personnel and their dependants elect to be treated by private practitioners.
- III. The Government of the Republic of the # acknowledges that each Canadian personnel shall be entitled to a period of local leave of thirty (30) days a year.
- IV. The # shall consider the employment of fellowship holders who receive grant financed studies for at least a period equivalent to the period imposed on any holder of a fellowship.

(1.6.2 プロジェクト取極)

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF CANADA
CONCERNING THE OPEN UNIVERSITY SUPPORT
(PHASE III) PROJECT

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF CANADA

The Government of the Republic of Indonesia (hereinafter called "INDONESIA") and the Government of Canada (hereinafter called "CANADA"), desiring to record an understanding concerning a development cooperation project, the Open University Support (Phase III) Project, to assist in the development of human resources in Indonesia, have agreed as follows :

ARTICLE I
NATURE OF THE MEMORANDUM OF UNDERSTANDING

SECTION 1.01

This Memorandum of Understanding does not constitute an international treaty. It is intended only to set out the responsibilities of the two Governments in relation to the Open University Support (Phase III) Project.

ARTICLE II
RESPONSIBLE AUTHORITIES

SECTION 2.01

CANADA designates the Canadian International Development Agency (hereinafter called "CIDA") as the agency responsible for the implementation of its obligations under this Memorandum of Understanding. Canada hereby designates the Open Learning Agency

of British Columbia (hereinafter called "OLA") as the Canadian organization responsible for the implementation of the project hereunder.

SECTION 2.02

INDONESIA designates the Directorate General of Higher Education (hereinafter called "DGHE") as the agency responsible for the implementation of its obligations under this Memorandum of Understanding. Indonesia hereby designates Universitas Terbuka (hereinafter called "UT") as the Indonesian organization responsible for the implementation of the project hereunder.

ARTICLE III

THE PROJECT

SECTION 3.01

INDONESIA and CANADA shall participate in a Canadian-Indonesian development cooperation project called the Open University Support (Phase III) Project (hereinafter called the "Project"). The objective of the Project is to assist Universitas Terbuka in becoming an educationally effective, well-managed, cost-efficient and financially sound university. The Project is more particularly described in Annex "A".

ARTICLE IV

MANAGEMENT PLAN

SECTION 4.01

For implementation of the Project, INDONESIA and CANADA will develop a Management Plan which will constitute an operational

document between OLA and UT. The Management Plan will be completed and signed within ninety (90) days from the date of this Memorandum of Understanding and will contain, inter alia, the following :

- (a) a detailed description of the Project ;
- (b) an outline of the methods and means to be used to carry out the Project ;
- (c) a schedule for the implementation of the Project activities, including a milestone chart ;
- (d) the reporting requirements for the Project ;
- (e) the nature, timing and responsibilities for Project evaluations and the means by which they shall be made ;
- (f) the resources required for the Project ; and
- (g) a statement of additional obligations, duties and responsibilities of INDONESIA and CANADA together with their contributions.

ARTICLE V

CONTRIBUTION OF CANADA

SECTION 5.01

The contribution of CANADA shall consist of the provision of : graduate fellowships in Canada, equipment and other teaching materials, short-term training opportunities, professional management services and administrative support, and the services of a Canadian agency for monitoring and evaluation, all as more particularly set forth in Annex "A". The total value of CANADA's contribution shall not exceed four million eight hundred thousand Canadian dollars (\$4,800,000 CDN).

SECTION 5.02

The proceeds of the contribution shall not be used by INDONESIA to pay any taxes, fees, customs duties or any other levies imposed directly or indirectly by Indonesia on any goods, materials, equipment, vehicles and services purchased or acquired for, or related to, the execution of the Project.

ARTICLE VI

CONTRIBUTION OF INDONESIA

SECTION 6.01

The contribution of INDONESIA shall consist of the provision of qualified personnel, counterparts to Canadian advisors, and all labour, funds, materials, facilities, equipment, services and other Project requirements all as more particularly set forth in Annex "A". The total value of Indonesia's contribution shall be the equivalent in Rupiahs of approximately five million five hundred thousand Canadian dollars (\$5,500,000 CDN).

ARTICLE VII

DEFINITIONS OF CANADIAN FIRMS AND PERSONNEL

SECTION 7.01

For the purpose of this Memorandum of Understanding :

- (a) "Canadian firm" means Canadian or other non-Indonesian firms or institutions engaged in the Project ;
- (b) "Canadian personnel" means Canadians or non-Indonesians who are residing in the Republic of Indonesia for the purpose of working on the Project ;

(c) "Dependant" means :

- (i) a person recognized as the spouse of a member of the Canadian personnel,
- (ii) a child of the member of the Canadian personnel, or of his/her spouse, who is :
 1. under twenty-one years of age and dependent on the member of the Canadian personnel or his/her spouse for support, or
 2. twenty-one years of age or older and dependent on the member of the Canadian personnel or his/her spouse for support by reason of mental or physical incapacity.

ARTICLE VIII

INDEMNITY

SECTION 8.01

INDONESIA shall indemnify and save harmless CANADA, Canadian firms and Canadian personnel from civil liability, for acts or omissions occurring in the course of the performance of their duties in the execution of the Project except for acts arising from criminal acts, gross negligence or wilful misconduct of Canadian firms or Canadian personnel.

ARTICLE IX

TAX AND OTHER EXEMPTIONS

SECTION 9.01

INDONESIA shall, in accordance with the existing laws and regulations, exempt Canadian firms and Canadian personnel and

their dependants, from any taxes imposed on income, provided such income arises outside of Indonesia or from Canadian development assistance funds as provided in this Memorandum of Understanding.

In addition, INDONESIA shall exempt Canadian firms and Canadian personnel, including their dependants, from any obligations to present written declarations in relation to these exemptions.

SECTION 9.02

INDONESIA shall, in accordance with the existing laws and regulations, exempt Canadian firms and Canadian personnel from payment or shall bear the costs of import duties, customs tariffs, inspection fees, taxes including Value Added Tax, and all other duties or levies imposed by Indonesia on technical and professional equipment, products, materials, funds, and any other goods imported into Indonesia for or related to the execution of the Project by Canadian personnel, or persons designated by INDONESIA.

SECTION 9.03

INDONESIA shall, in accordance with the existing laws and regulations, exempt Canadian personnel and their dependants upon their first arrival in Indonesia and for a period of six (6) months thereafter, from customs duties, other duties, taxes including Value Added Tax, and other levies of similar nature, on personal effects and household appliances and vehicles, educational materials, medicines and foodstuffs, subject to the re-exportation or to the termination of the useful life of such effects or to the disposal of said effects to persons enjoying similar exemptions. In the event of fire or theft, this

exemption may be re-exercised at any time during the assignment of each Canadian personnel and their dependants.

SECTION 9.04

INDONESIA shall, in accordance with the existing laws and regulations, grant Canadian firms and Canadian personnel freedom from currency exchange restrictions in respect of the re-exportation of their salaries, fees, remunerations or other revenues transferred from abroad through authorized banking institutions in Indonesia.

SECTION 9.05

Upon request, INDONESIA shall inform Canadian firms and Canadian personnel and their dependants of local laws and regulations which may concern them in the performance of their duties.

SECTION 9.06

INDONESIA shall, in accordance with the existing laws and regulations, facilitate the repatriation of Canadian personnel and their dependants in cases where, in the opinion of CANADA or INDONESIA, the life or safety of the said Canadian personnel or their dependants is endangered.

SECTION 9.07

INDONESIA shall, in accordance with the existing laws and regulations, in a timely manner provide all Canadian personnel and their dependants with security clearances, multiple entry/exit visas for travel to and from Indonesia, residential permits, work permits, professional licenses, other similar documentation, and any required renewals, and shall exempt from

or reimburse the cost of fiscal tax for sanctioned travel.

SECTION 9.08

INDONESIA shall afford all accredited representatives of CIDA and Canadian personnel all necessary opportunity to visit identified project locations in order to carry out official activities, and shall arrange for and provide any clearances necessary for such visits.

ARTICLE X
INFORMATION

SECTION 10.01

INDONESIA and CANADA shall ensure that this Memorandum of Understanding is carried out with due diligence and efficiency, and each shall furnish to the other all such information relating to the Project as shall reasonably be requested.

ARTICLE XI
COMMUNICATIONS

SECTION 11.01

Any communications or documents given, made or sent by either INDONESIA or CANADA pursuant to this Memorandum of Understanding, shall be in writing and shall be deemed to have been duly given, made or sent to the party to which it is addressed at the time of its delivery by hand, mail, telegram, cable, telex or facsimile at its respective address, namely :

For INDONESIA :

Mail Address : Secretariat Cabinet of
the Republic of Indonesia
Jalan Veteran 18
Jakarta, Indonesia

Cable Address : SEKNEG JAKARTA

Telex : 44240 SEKNEG IA

For CANADA :

Mail Address : President
Canadian International Development
Agency
200, Promenade du Portage
Hull, Quebec, CANADA
K1A 0G4

Cable Address : CIDAHULL/BSE

Telex : 053-4140 CIDA HULL

Facsimile No. : (819) 953-5469

SECTION 11.02

Any one of the parties hereto may, by written notice to the other party hereto, change the address to which any notice or request intended for the party so giving such notice shall be addressed.

SECTION 11.03

All communications and documents submitted to CANADA shall be in either the English or the French language, and those submitted to INDONESIA shall be in the Indonesian or the English language.

ARTICLE XII
INTERPRETATION

SECTION 12.01

Differences which may arise in the interpretation and application of the provisions of this Memorandum of Understanding shall be settled by means of negotiations between INDONESIA and CANADA or by any other manner mutually agreed upon by their respective Governments.

ARTICLE XIII
ENTIRE UNDERSTANDING

SECTION 13.01

This Memorandum of Understanding together with Annex "A" which forms an integral part hereof constitutes the entire understanding between the Parties with respect to the Project.

ARTICLE XIV
CONSULTATION

SECTION 14.01

INDONESIA and CANADA will endeavour to consult each other in respect of any matter that may from time to time arise in connection with this Memorandum of Understanding.

ARTICLE XV
GENERAL PROVISIONS

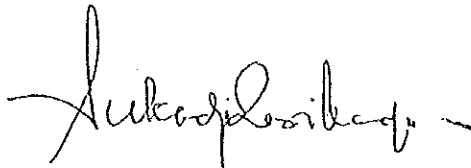
SECTION 15.01

This Memorandum of Understanding shall come into force and effect on the date of signature and shall expire on 31 March 1995. This Memorandum of Understanding may be amended from time to time, as deemed necessary, by mutual agreement by an exchange of letters between authorized representatives of the two Parties herein.

In the event that the Project is not completed by the date specified in this Memorandum of Understanding, the parties shall consult each other and agree on appropriate measures to conclude the Project.

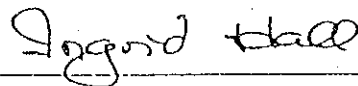
IN WITNESS WHEREOF, the undersigned have signed this Memorandum of Understanding in duplicate in Jakarta on the 8th day of June, 1990.

ON BEHALF OF THE
GOVERNMENT OF THE REPUBLIC
OF INDONESIA



PROF. DR. SUKADJI RANUWIHARDJO, MA.
Director General of Higher
Education,
Department of Education and
Culture

ON BEHALF OF THE
GOVERNMENT OF CANADA



INGRID HALL
Ambassador Extraordinary
and Plenipotentiary of
Canada

ANNEX "A"
PROJECT DESCRIPTION

BACKGROUND

Universitas Terbuka (UT) was established in 1984 by the Government of Indonesia in response to an increasing need for post-secondary school education particularly in remote areas. Student enrolment in 1988 was 125,000 with a target of 254,000 students by 1994 set by the Government in its five-year plan (Repelita V, 1989-1994).

CIDA has assisted in UT's development since 1985 through contribution agreements with a Canadian institution specializing in distance teaching, the Open Learning Agency of British Columbia (OLA). An initial Phase I (1985) had the broad objective of providing UT with information and advice which would assist UT in becoming effective, cost-efficient and academically sound. Phase II (1986-1989) had more specific objectives of strengthening the internal functions of UT through the development of both the human resources and the operational systems of the university. While significant progress was made in 7 of 10 "sub-objectives", it was recognized that all of the objectives would not be attained in the three year duration of Phase II. Further work would be required in areas such as the Student Registration and Record System, Warehousing, and Counterparting.

With this background in UT's institutional development, OLA proposed continuation of its assistance in order to: address

ongoing problems such as lack of electronic publishing capability for learning materials; rationalize changes in UT's processes; and assist in the planning process towards realizing UT's national mandate.

GENERAL DESCRIPTION OF THE PROJECT

GOAL : To support Indonesian efforts to develop the abilities and skills of human resources, and to foster self-sustaining HRD sector development through institutional development.

PURPOSE : To assist Universitas Terbuka in becoming an educationally effective, well-managed, cost-efficient and academically sound university.

The Project is focussed on institutional development of UT as a distance teaching institution.

DESCRIPTION OF PROJECT ACTIVITIES (PROJECT SUB-COMPONENTS)

The Project purpose will be achieved through the following activities :

Graduate Training

Post-graduate training for junior and mid-level staff of UT: up to four Ph.D. and 30 Master's candidates will receive pre-departure English language training in Jakarta followed by graduate programs in Canada at the Universities of British Columbia, Victoria and Simon Fraser, in disciplines which meet the needs of UT; up to 102 person-months of

English language training in Indonesia, and up to 84 person/years of post-graduate training in Canada.

Assistance to Regional Centres

Provision of technical assistance and computer equipment to improve the effectiveness of 32 existing regional UT centres and to assist in setting up a network of study centres; this includes the services of 1 Canadian advisor, microcomputers (up to 25), printers and modems.

Assistance with Courseware Production

Technical assistance and structured training to allow courseware (learning material) to be produced by UT in a self-supporting capacity: this includes the services of 1 Canadian advisor; 6 publishing/graphics trainees will attend short-term courses; selected UT personnel will receive instruction in Canadian operating systems.

Assistance with Practical Studies Programs

Technical assistance and UT staff visits to Canada in order to plan and put into effect programs of practical studies (Continuing Education) to be offered by UT: this includes the services of 1 Canadian advisor and 4 UT staff personnel who will attend and/or visit Canadian institutions to examine functioning models of Continuing Education.

Assistance with Institutional Systems

Technical assistance and short-term training in institutional systems in order to improve existing UT centres for examinations, registration, warehousing,

computing and the Office of the Rector: the services of 5 Canadian advisors (1 advisor to each centre and 1 advisor to the Rector) and appropriate software, books and periodicals for each centre will also be provided; the Rector and assistant will visit Canadian distance teaching institutions to review policy formulation and procedures; the UT Computing Centre Director will attend a Canadian computing facility.

Assistance with Research

Technical assistance and annual seminars and workshops for UT staff working in institutional and academic research: one Canadian advisor will assist the Director of the UT Research Centre and conduct annual seminars and workshops on research topics for the staff of UT; software, books and periodicals will also be provided to support the activities of the Canadian advisor.

Project Management

The Project will include up to 161 person-months of management and administrative services, resources and facilities to be provided in Canada and in Indonesia. The OLA will manage the Project from its own offices in British Columbia. No field office operation will be mounted.

Total technical assistance activity taking place under the Agreement will consist of up to 77 person-months of short-term advisory services in Indonesia.

Total short-term training activity, including practical attachments and other training opportunities in Canada for UT staff, will be up to 3 person-years..

Scope of CIDA's Contribution

Under this Agreement CIDA will, in addition to providing contribution funds to OLA pursuant to a Contribution Agreement, arrange monitoring and evaluation of the project by independent consultants.

Scope of Indonesia's Contribution

The Government of Indonesia's Directorate General of Higher Education will designate Universitas Terbuka (UT) to coordinate the Indonesian inputs to the Project.

UT will obtain and make provision for the necessary approvals, sanctions and agreements for utilizing the training opportunities, advisory services and equipment provided by CIDA.

UT will provide for the costs of salaries of UT trainees and staff participants in the Project, their expenses while in Indonesia, and the operating and maintenance costs of the equipment provided to UT under this Project.

UT will ensure that the necessary office facilities, lecture and seminar spaces, and supporting staff resources are available to assist the Canadian advisors in the performance of their assignments.

Project Review Committee

The Project Review Committee will be co-chaired by UT and the OLA, and attended by DGHE and the CIDA Project Team Leader or their representatives. The Committee will meet at least annually or as requested by CIDA and DGHE to review any outstanding project issues, the progress of the project, and project workplans.

DESCRIPTION OF THE OLA'S SERVICES

OLA will :

- (a) sign the Management Plan with GOI for the implementation of the Project;
- (b) arrange with University of British Columbia, University of Victoria and Simon Fraser University for the admission of graduate students in programs agreed to by UT;
- (c) provide Terms of Reference and fees for all Canadian participants including Project management, short-term advisors, specialists, student administrators and coordinators, and obtain approvals from CIDA and from UT for personnel proceeding to Indonesia;
- (d) prepare annual work plans and budgets for the Project for approval by CIDA;
- (e) designate the Project Director or a representative to be co-chairperson of the Project Review Committee;

- (f) provide progress reports, financial reports and progress claims to CIDA in accordance with the Contribution Agreement.

Short-Term Advisors

Short-term advisors will provide development assistance to UT in the following areas :

- (a) regional and study centres for distance teaching;
- (b) courseware design and production;
- (c) practical studies and Continuing Education in distance teaching;
- (d) examinations records systems;
- (e) computing centres;
- (f) warehousing and inventory systems;
- (g) registration records systems;
- (h) collegial policies and procedures;
- (i) institutional and academic research; and
- (j) other specialized areas that may arise during the course of the Project.

(1.6.3 細目の決定)

NOVEMBER 1989

MANAGEMENT PLAN

OPEN UNIVERSITY SUPPORT PHASE III

INDONESIA

CIDA PROJECT NO. 472/15207

Project Team:

Project Team Leader:	D. Horton
Principal Resource Officer:	P. McGinnis
Field Representative:	W. Lawrence
SPB:	J. Ali Khan

FOREWORD


The purpose of this Management Plan is to record the understanding between Universitas Terbuka and the Open Learning Agency of British Columbia with respect to the purpose of the Project, the method and schedule of monitoring the achievement of the purpose.

This Management Plan is supplementary and complementary to the Memorandum of Understanding to be signed between the Government of Indonesia and the Government of Canada, and the Contribution Agreement to be signed between the Open Learning Agency and CIDA.

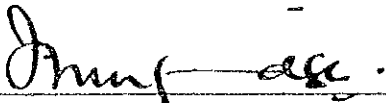
This Plan is considered to be a working document subject to amendment by mutual agreement amongst the parties.



for Universitas Terbuka



Date



for the Open Learning Agency of
British Columbia



Date

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ABBREVIATIONS

CE	Continuing Education
CIDA	Canadian International Development Agency
DGHE	Director General of Higher Education
ELT	English Language Training
GOC	Government of Canada
GOI	Government of Indonesia
GTP	General Training Program
HRD	Human Resources Development
LUC	Local University Coordinator
MOU	Memorandum of Understanding
OLA	Open Learning Agency
PUSLIT	Centre for Research, Universitas Terbuka
TOR	Terms of Reference
ULO	University Liaison Officer

Participating Universities

UT	Universitas Terbuka
SFU	Simon Fraser University
UBC	University of British Columbia
U Vic	University of Victoria

1. PROJECT DESCRIPTION

1.1 General Description of the Project

This Country Focus project has the overall objective of assisting Universitas Terbuka (UT) in becoming an educationally effective, well-managed, cost-efficient and academically sound university. This follows the objectives laid down in the previous two phases of assistance to UT. These previous phases are described in Appendix I - Background.

The project is based on institutional development with respect to UT as a distance teaching institution. Development assistance will be provided by Canadian experts in distance teaching methods and procedures. The provision of training and equipment will contribute to the overall development objective.

Specifically, the project concentrates on six distinct areas for UT development:

- (1) Post-graduate training will be provided for junior and mid-level staff of UT. Up to four PhD and 30 Master candidates will receive pre-departure English Language Training in Jakarta followed by graduate programs in Canada at the Universities of British Columbia, Victoria and Simon Fraser in disciplines which meet the needs of UT.
- (2) Development assistance and computer equipment will be provided to improve the effectiveness of 32 existing regional UT centres and to assist in setting up a network of study centres. This includes the services of 1 Canadian advisor and the supply of 25 PC systems comprised of microcomputers, printers and modems.
- (3) Development assistance and structured training will be provided in courseware (learning material) to be produced by UT in a self-supporting capacity. This includes the services of 1 Canadian advisor. Six publishing/graphics trainees will attend short term training courses in Canada, and two other UT staff personnel will receive instruction in Canadian operating systems.
- (4) Development assistance and UT staff visits to Canada will be provided in order to plan and put into effect programs of practical studies (Continuing Education) to be offered by UT. This

includes the services of 1 Canadian advisor and 4 UT staff personnel who will attend at Canadian institutions to examine functioning models of Continuing Education.

- (5) Development assistance and short term training in institutional systems will be provided in order to improve existing UT centres for examinations, registration, warehousing, computing and the Office of the Rector.

The services of 5 Canadian advisors (1 advisor to each centre and 1 advisor to the Rector) and appropriate software, books and periodicals for each centre will also be provided. The Rector and assistant will visit Canadian distance teaching institutions to review policy formulation and procedures. The UT Computing Centre Director will attend at a Canadian computing facility.

- (6) Development assistance and annual seminars and workshops will be provided for UT staff working in institutional and academic research. One Canadian advisor will assist the Director of the UT Research Centre and conduct annual seminars and workshops on research topics for the staff of UT. Software, books and periodicals will also be provided to support the activities of the Canadian advisor.

The project will include management and administrative services, resources and facilities to be provided in Canada and in Indonesia.

The project is scheduled to commence in July 1989 and will have a duration of approximately five years.

1.2 Project Strategy

CIDA will provide contribution funds under a Contribution Agreement with the Open Learning Agency (OLA) of British Columbia setting forth the terms and conditions for the use of the funds.

OLA will provide project management, student administration and advisory services to put into effect the project plan as set forth and agreed to in the Contribution Agreement.

Under the terms of the Contribution Agreement, CIDA will make quarterly payments in advance in the amounts

estimated by OLA against the costs of the Project. An advance is restricted to a limit of \$500,000 and the total value of advances outstanding at any one time is limited to \$1,000,000. Two initial advances will be available to cover the first two quarters. OLA must account for the first advance before a third advance will be approved. At no time shall there be more than two advances outstanding. Accounting for advances will be provided in the requests for payment submitted by OLA. Supporting documentation will be retained by OLA and made available for audit purposes as required by CIDA.

CIDA will prepare a Memorandum of Understanding for agreement with the Government of Indonesia, providing a description of the Project, and the roles and responsibilities of each country. In the MOU, Terbuka University and OLA will be designated as the agencies responsible to manage the project and ensure the respective inputs of each country.

A Project Review Committee will be established for the purposes of reviewing the work plans and management aspects of the project. The Committee will be co-chaired by the Rector of UT and OLA, and attended by DGHE and the CIDA Project Team Leader or their designated representatives.

Project evaluations will be carried out at the mid-point of the project by independent consultants engaged by CIDA. The results of this mid-term evaluation may affect continuation or modification of the project.

The Project will be monitored under a separate CIDA project. Monitoring tasks will include an assessment of the quality and quantity of CIDA's developmental assistance provided under this project.

1.3 Logical Framework Analysis

See Appendix II.

1.4 Work Breakdown Structure

The project activities are shown in Appendix III.

1.5 Scope of Canada's Inputs

Canada will provide contribution funds through CIDA over a period of five years to finance the costs of:

- a) up to 84 person-years of Fellowships for graduate studies in Canada;
- b) up to 102 person-months of English Language Training services in Indonesia for pre-departure Fellowships;
- c) up to 3 person-years of short term training, practical attachments and other training opportunities in Canada for UT staff personnel;
- d) up to 77 person-months of Canadian short term advisory services in Indonesia;
- e) up to 25 microcomputers and peripherals, software, textbooks and periodicals;
- f) up to 161 person-months of project management, student administration and specialized services in Canada; and
- g) office facilities, equipment and supplies provided by OLA for the implementation of the Project.

1.6 Scope of Indonesia's Inputs

The Government of Indonesia's Directorate General of Higher Education will designate Universitas Terbuka (UT) to coordinate the Indonesian inputs to the Project.

UT will obtain and make provision for the necessary approvals, sanctions and agreements for utilizing the training opportunities, advisory services and equipment provided by CIDA.

UT will provide for the costs of salaries of UT trainees and staff participants in the project, their expenses while in Indonesia, and the operating and maintenance costs of the equipment provided to UT under this project.

UT will ensure that the necessary office facilities, lecture and seminar spaces and supporting staff resources are available to assist the Canadian advisors in the performance of their assignments.

1.7 On-going Project Involvement

Applications and acceptances for graduate studies will be phased during the first three years of the project in order that students will have completed their graduate programs by the completion of the project.

GOI has set a target of 254,000 students to be enrolled in Universitas Terbuka by 1994, which is more than double the current enrolment. As the student enrolment grows, there will be a need for higher levels and increased diversity of UT staff expertise. This represents a major increase which will require continuing support from outside institutions.

1.8 Women in Development

In the previous Phase II project, approximately 60% of the students who will successfully complete graduate programs are women. Ten women who have already graduated in this phase have assumed high levels of responsibility in Indonesia.

Phase III will have similar significant womens' participation which will be assured by a WID strategy addressed in the annual work plans prepared by OLA. The strategy will involve:

- a) granting of scholarships to Indonesian women;
- b) development of expertise of women through participation in institutional and academic research;
- c) development of expertise of women in non-traditional disciplines through participation in scholarship programs and advanced levels of training; and
- d) setting a minimum of 50% participation of women.

Information concerning the participation of women will be provided by OLA to the GEP project.

1.9 Special Considerations

The following mechanisms are outside of the funding provided for this project but nonetheless are directly related to the conduct of this project and therefore to the responsibilities of the project participants:

- a) General Training Program (GTP) under which assistance will be provided in ELT, training coordination and trainee administration;
- b) HRD Program Monitoring Project which will include the monitoring of this project;
- c) WID Monitoring of the Indonesian Program which will include this project;
- d) Indonesian Program Evaluation; and
- e) CEA Forum/Seminar for the higher education components of HRD projects in the Indonesian program.

2. ORGANIZATION

2.1 Organization Chart

The organization for the project is shown in Appendix IV.

2.2 Roles and Responsibilities - Canada

2.2.1 CIDA

The CIDA Project Team under the direction of the Project Team Leader will:

- a) prepare the Project Approval Memorandum, the Project Management Plan, and the Memorandum of Understanding with GOI and obtain the necessary approvals;
- b) negotiate and sign the Contribution Agreement with OLA;
- c) on commencement of the project, provide briefings of CIDA audit requirements and financial reporting expected from OLA;

- d) arrange pre-departure briefings as required for the Canadian Advisors through the CIDA briefing centre;
- e) approve the Terms of Reference, and fees for all Canadian participants, including management personnel;
- g) prepare the Terms of Reference and arrangements for monitoring and evaluation services;
- h) review and approve progress and financial reports from OLA, monitoring reports, evaluation reports and other reports with respect to the project;
- i) attend or be represented at Project Review Committee meetings regarding the progress and conduct of the project and the review of annual Work Plans;
- j) overall, exercise control over the human resources, material and financial resources expended through CIDA and take such action as necessary to modify the project Contribution Agreement.

2.2.2 Canadian Embassy

The Canadian Embassy in Jakarta will be the principal channel of communication between the Government of Indonesia and the Government of Canada, and will:

- a) negotiate and sign the Memorandum of Understanding and subsequent amendments;
- b) consult with CIDA and representatives of the Government of Indonesia on any major developments or policy considerations that may affect the implementation of the project;
- c) assist the OLA and UT on policy issues that affect the implementation of the project;
- d) participate in Project Reviews Committee meetings as required to review the progress of the project;
- e) provide assistance to the project monitoring and evaluation teams as required, and keep CIDA informed of significant activities.

2.2.3 Open Learning Agency of British Columbia

OLA will:

- a) reach an agreement with CIDA and administer the Contribution Agreement in accordance with its approved terms and conditions;
- b) sign the Management Plan with CIDA and GOI for the conduct of the project;
- c) arrange with UBC, U Vic and SFU for the admission of graduate students in programs agreed to by UT;
- d) provide Terms of Reference and fees for all Canadian participants including project management, short term advisors, specialists, student administrators and coordinators. Obtain approvals from CIDA and from UT for personnel proceeding to Indonesia;
- e) prepare annual Work Plans and Budgets for the project for approvals by CIDA;
- f) manage all assets including finances and equipment, and particularly equipment which is not immediately transferred to the ownership of GOI;
- g) designate the Project Director or a representative to be co-chairman of the Project Review Committee;
- h) provide progress reports, financial reports and progress claims to CIDA in accordance with the Contribution Agreement.

2.2.4 Short Term Advisors

Short term advisors will provide development assistance to UT in the following areas:

- a) regional and study centres for distance teaching;
- b) courseware design and production;
- c) practical studies and Continuing Education in distance teaching;
- d) examinations records systems;
- e) computing centres;