

No. 16221

**UNITED STATES OF AMERICA
and
MALI**

Grant Agreement – *Sahel drought recovery programme* (with annex). Signed at Bamako on 28 January 1974

Amendment No. 1 to the above-mentioned Agreement. Signed at Bamako on 28 January 1975

Amendment No. 2 to the above-mentioned Agreement of 28 January 1974, as amended. Signed at Bamako on 30 June 1975

Amendment No. 3 to the above-mentioned Agreement of 28 January 1974, as amended. Signed at Bamako on 22 August 1975

Authentic texts: English and French.

Registered by the United States of America on 27 January 1978.

SAHEL DROUGHT RECOVERY PROGRAM GRANT AGREEMENT¹

AGREEMENT, dated 1/28/74 between the GOVERNMENT OF MALI (“Government”), and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (“A.I.D.”).

WHEREAS, Mali has recently suffered and is continuing to suffer a disaster in the form of drought of major proportions which has caused and continues to cause widespread damage and human suffering; and

WHEREAS, the Government has undertaken a program of drought recovery and rehabilitation; and

WHEREAS, it is apparent that the magnitude of the Government’s drought recovery and rehabilitation efforts are beyond the financial resources of the Government; and

WHEREAS, the United States of America in a spirit of friendship and cooperation with the people of Mali desires to assist the Government’s efforts in the arduous task of recovery and rehabilitation;

NOW, THEREFORE, the Parties hereto agree as follows:

Article I. THE GRANT

Section 1.1. *Purpose of the Grant.* A.I.D. hereby agrees to grant to the Government, subject to the conditions hereinafter set forth, an amount not to exceed two million, six hundred thirty thousand dollars (\$2,630,000) (“Grant”) to assist the Government in carrying out the Program referred to in section 1.2 (“Program”) for drought recovery and rehabilitation in Mali.

Section 1.2. *The Program.* The Program shall consist of particular relief and rehabilitation activities (“Activities”) undertaken or caused to be undertaken by the Government in the following areas:

- (a) range management, livestock and water;
- (b) agricultural production;
- (c) storage and transportation;
- (d) health.

The Program is more fully described in Annex A, attached hereto, which Annex may be modified in writing by issuance of an Implementation Letter pursuant to section 7.5.

Section 1.3. *Eligible Activities.* Goods and services required to carry out listed Activities in Annex A, attached hereto, may be financed under this Grant subject to the restrictions indicated elsewhere in this Agreement and in any Implementation Letter issued pursuant to section 7.5.

Article II. CONDITIONS PRECEDENT TO DISBURSEMENT

Section 2.1. *Conditions precedent to disbursement.* Prior to the first disbursement to the Government, or to the Government’s disbursing agent as may be designated pursuant to section 6.1, or to the issuance of the first Letter of Commit-

¹ Came into force on 28 January 1974 by signature, in accordance with section 7.7.

ment under the Grant, the Government shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) the name of the person or persons designated as the representative or representatives of the Government pursuant to section 3.4 and a specimen signature of each such person;
- (b) the name of the Government's disbursing agent, certifying officer and specimen signature of said officer, as may be designated pursuant to section 6.1; and
- (c) such other documents as A.I.D. may reasonably request.

Section 2.2. *Conditions precedent to disbursement for Activities.* Prior to the first disbursement by the Government's designated disbursing agent, or to the issuance of the first Letter of Commitment for any specific Activity, the Government shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- (a) a description of the Activity, chosen from those Activities illustrated in Annex A, to be undertaken or caused to be undertaken by the Government and supported in whole or in part by this Grant;
- (b) a budget and projected work plan for that Activity and an estimate of the time required to carry it out; and
- (c) identification of the proposed administrative and implementing agency for the Activity.

Section 2.3. *Notification of meeting of conditions precedent.* A.I.D. shall notify the Government in writing when the conditions precedent to disbursement specified in sections 2.1 and 2.2 have been met.

Article III. GENERAL COVENANTS AND WARRANTIES

Section 3.1. *Covenants.* The Government, in consideration of this Grant, hereby covenants and agrees that:

(a) The Government explicitly recognizes that A.I.D. is providing supplemental financing for the Program for which the Government assumes responsibility for successful execution and completion.

(b) The Government shall use its best efforts to carry out or cause to be carried out the Activities financed hereunder with due diligence and efficiency and in conformity with sound engineering, financial and administrative practices.

(c) The Government and A.I.D. shall cooperate fully to assure that the purpose of the Grant will be accomplished. To this end, the Government and A.I.D. shall from time to time, at the request of either Party, exchange views through their representatives with regard to the progress of the Program and the implementation of Activities financed by this Grant.

(d) If A.I.D., or any public or private organization furnishing commodities through A.I.D. financing for operations hereunder in Mali, is under the law, regulations or administrative procedures of Mali, liable for customs duties and import taxes on commodities imported into Mali for purposes of carrying out this Agreement, the Government will pay, with funds other than those provided under this Grant, such duties and taxes on those commodities unless exemption is otherwise provided.

(e) If any personnel (other than citizens and residents of Mali), whether United States Government employees, or employees of public or private organizations under

contract with A.I.D., the Government or any agency authorized by the Government, who are present in Mali to provide services which A.I.D. has agreed to finance under this Agreement, are, under the laws, regulations, or administrative procedures of Mali, (i) liable for local income or social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States, or (ii) liable for property taxes on personal property, or any tariff or duty upon personal or household goods brought into Mali for their personal use, the Government shall pay, with funds other than those provided under this Grant, such taxes, tariffs, or duties unless exemption is otherwise provided.

(f) The Government shall make such arrangements as may be necessary so that funds introduced into Mali by A.I.D. hereunder shall be convertible into the currency of Mali at the highest rate which, at the time conversion is made, is not unlawful in Mali.

Article IV. RECORDS, REPORTS AND INSPECTION

Section 4.1. *Maintenance and audit of records.* The Government shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied books and records relating to the Program and this Agreement. Such books and records shall be adequate to show:

- (a) the receipt and disposition made of goods and services acquired with funds disbursed pursuant to this Agreement; and
- (b) the current status and progress of the Program.

Such books and records shall be regularly audited, or caused to be audited, by the Government in accordance with sound auditing standards and shall be maintained for three years after the date of the last disbursement by A.I.D.

Section 4.2. *Reports.* The Government shall furnish, or cause to be furnished, to A.I.D. such information and reports relating to the Grant as A.I.D. may request.

Section 4.3. *Inspections.* The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Activities carried out under the Program, the utilization of all goods and services financed under the Grant, and such books, records and other documents relating to the Program and the Grant as may be maintained by the Government, the Government's designated disbursing agent and/or implementing agency. The Government shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of Mali for any purpose relating to the Grant.

Article V. PROCUREMENT

Section 5.1. *Source and origin.* Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to section 6.1 shall be used exclusively to finance the procurement for the Program of goods and services, ocean shipping and marine insurance having their source and origin in Mali, the United States and/or other countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such procurement.

Section 5.2. *Eligibility date.* Except as A.I.D. may otherwise agree in writing, 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 December 17, 1973.

Section 5.3. *Reasonable price.* The Government shall exert its best efforts to assure that no more than reasonable prices shall be paid for any goods and services financed, in whole or in part, under this Grant.

Section 5.4. *Information and marking.* The Government will cooperate with A.I.D. in its efforts to disseminate appropriate information concerning the Program and shall comply with such reasonable instructions with respect to the marking of goods financed under the Grant as A.I.D. may issue from time to time.

Section 5.5. *Insurance.* Except as A.I.D. may otherwise agree in writing, the Government shall insure, or cause to be insured, all goods financed under the Grant against risks incident to their transit to the point of their use in the Program. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed. Any indemnification received by the Government under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Government for the replacement or repair of such goods. Any such replacements shall be of local, United States or other Code 935 source and origin and otherwise subject to the provisions of this Agreement.

Section 5.6. *Utilization of goods and services.* (a) Goods and services financed under the Grant shall be used for the Program, except as A.I.D. may otherwise agree in writing. The Government's accountability to A.I.D. for the use of such goods and services shall extend to the completion of the Activity or to such other time as A.I.D. may specify in Implementation Letters.

(b) Goods or services financed under the Grant may be used in concert with the drought related projects and activities of any other donor to assist in meeting the purposes of the Program.

Article VI. DISBURSEMENTS

Section 6.1. *Disbursements for the Program.* Upon satisfaction of conditions precedent, the Government may, from time to time, request disbursements by A.I.D. to finance costs of goods and services for the Program. The Government, or an institution, satisfactory to A.I.D., acting as the Government's disbursing agent and in the Government's behalf, will make expenditures authorized under this Grant and furnish A.I.D. with such information, reports and other disbursement documentation, relating to Activities financed under this Agreement, as A.I.D. may reasonably request for purposes of reimbursement. At the request of the Government and upon the written agreement of A.I.D., the Government, or its authorized disbursing agent, may be issued a reasonable advance to cover initial costs and the time element required to process reimbursement requests. Disbursement procedures shall be more fully prescribed in Implementation Letters.

Section 6.2. *Other forms of disbursement.* Disbursements of the Grant may also be made through such other means as the Government and A.I.D. may agree in writing.

Section 6.3. *Terminal date for disbursement.* Except as A.I.D. may otherwise agree in writing, no disbursement shall be made against documentation received by A.I.D. later than eighteen (18) months after the date of execution of this Agreement.

Section 6.4. *Refunds.* If A.I.D. determines that any disbursement (*a*) is not supported by valid documentation in accordance with this Agreement and the Letters of Implementation, or (*b*) is inconsistent with the purposes of the Agreement, A.I.D., at its option may, notwithstanding the availability of any other remedy provided for under the Agreement, require the Government to refund such amount to A.I.D. within thirty (30) days after receipt of a request therefor, provided that such request by A.I.D. shall be made not later than three (3) years after the date of final disbursement hereunder. Any refunds paid by the Government to A.I.D. pursuant to this section shall be considered as a reduction in the amount of A.I.D.'s obligation under this Agreement and shall not be available for reuse under the Agreement. Notwithstanding the fact that A.I.D. may have invoked its right to terminate the Agreement, the rights to A.I.D. set forth in this section shall remain in force after such termination.

Article VII. MISCELLANEOUS

Section 7.1. *Waiver of default.* No delay in exercising, or omission to exercise, any right accruing to A.I.D. under this Agreement shall be construed as a waiver of any of its rights, powers or remedies hereunder.

Section 7.2. *Communications.* Any notice, request or communication given, made or sent by the Government or A.I.D., pursuant to the Agreement shall be in writing and shall be deemed to have been duly given, made or sent to the Party to which it is addressed when it shall be delivered by hand or by mail, telegram, cable, or radiogram to such other Party at the following address:

To the Government:

Mail address:

Ministère de la défense, de l'intérieur et de la sécurité¹

Cable address:

Ministère de la défense, de l'intérieur et de la sécurité¹

To A.I.D.:

Mail address:

American Embassy, R&R,
Bamako, Mali

Cable address:

AmEmbassy Bamako

Other addresses may be substituted for the above upon giving of notice as provided herein. All notices, requests, communications and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

Section 7.4. *Representatives.* For all purposes relative to this Agreement, the Government will be represented by the individual holding or acting in the office of Minister of Defense* and A.I.D. will be represented by the individual holding or acting in the office of Area Development Officer for Senegal. Such individuals shall have the authority to designate by written notice additional representatives. In the event of any replacement or other designation of a representative hereunder, the Government

* Ministre de la défense, de l'intérieur et de la sécurité.

¹ Minister of Defense, Interior and Security.

shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Government designated pursuant to this section, it may accept the signature of any such representative or representatives as conclusive evidence that any action effected by such instrument is duly authorized.

Section 7.5. *Controlling language.* In cases of ambiguity or conflict between the English and French versions of this Agreement, the English version shall control.

Section 7.6. *Implementation Letters.* A.I.D. may from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

Section 7.7. *Termination.* The present Agreement shall enter into force when signed. Either Party may terminate this Grant Agreement by giving the other Party 30 days' written notice of intention to terminate it. Termination of this Agreement shall terminate any obligation of A.I.D. to make disbursements pursuant to section 6.1 or 6.2 except for disbursements which A.I.D. or the Government is committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Grant Agreement. It is expressly understood that the obligations under sections 5.6 (a) and 6.4 shall remain in force after such termination.

IN WITNESS WHEREOF, the Government and A.I.D., each acting through its respective duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the date and year first written above.

Government of Mali:

[Signed]

Name: KISSIMA DOUKARA, Chef de Bataillon

Title: Ministre de la défense, de l'intérieur
et de la sécurité¹
January 28, 1974

United States of America:

[Signed]

Name: THOR H. KUNIHOLM

Title: Chargé d'affaires a.i.
January 28, 1974

¹ Minister of Defense, Interior and Security.

ANNEX A TO GRANT AGREEMENT

PROGRAM DESCRIPTION

The Program financed hereunder is designed to help cover an unexpectedly large Government budget deficit resulting from the extraordinary spending requirements attributable to the Sahelian drought. This design will be fulfilled through financing activities of the Government which lend themselves to relatively swift implementation and fulfill a pressing need in the overall drought recovery picture of Mali. The specific activities and allocation of resources for them will be determined when the Government submits its Activity descriptions and accompanying summary budgets.

A.I.D. is prepared to finance Program Activities up to the following sector funding levels:

1. Range management, livestock and water	\$1,480
2. Agricultural production	—
3. Storage and transportation	950
4. Health	200

PROGRAM ACTIVITIES

- Integrated Agriculture-Livestock-Surface Water Development;
 - Construction of Pit Silos;
 - Animal Health;
 - Village Water;
 - Rural Public Health;
 - Storage;
 - Road Improvement;
 - Marine Transport.
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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
SAHEL DROUGHT RECOVERY PROGRAM GRANT AGREEMENT AMENDMENT No. 1¹

AGREEMENT, dated 28 January 1975, between the GOVERNMENT OF THE REPUBLIC OF MALI and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (“A.I.D.”).

NOW, THEREFORE, the Parties hereto agree as follows:

I. Section 1.1, article I, of the Grant Agreement dated 28 January 1974,² shall be amended to read as follows:

“A.I.D. hereby agrees to grant the Government, subject to the conditions hereinafter set forth, an amount not to exceed four million one hundred ninety-four thousand dollars (\$4,194,000) (“Grant”) to assist the Government in carrying out the Program referred to in section 1.2 (“Program”) for drought recovery and rehabilitation in Mali”.

II. Paragraph 2 of Annex A (Program Description) to the Grant Agreement No. I, dated 28 January 1974, shall be amended to reflect the following funding levels for the A.I.D. financed Program activities:

1. Range management, livestock and water	\$1,500,000
2. Agriculture production	\$ 0
3. Storage and transportation	\$2,434,000
4. Health	\$ 260,000

IN WITNESS WHEREOF, the Government and A.I.D., each acting through its respective duly authorized representative, have caused this Grant Agreement Amendment to be signed in their names and delivered as of the date and year first written above.

Government of the Republic of Mali:

[Signed]

Chef de Bataillon KISSIMA DOUKARA
Minister of Defense

Government of the United States of America:

[Signed]

Mr. RONALD D. LEVIN
Country Development Officer

¹ Came into force on 28 January 1975 by signature.

² See p. 174 of this volume.

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
SAHEL DROUGHT RECOVERY PROGRAM GRANT AGREE-
MENT AMENDMENT No. 2¹**

AGREEMENT, dated 30 June 1975, between the GOVERNMENT OF THE REPUBLIC OF MALI and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.).

Now, THEREFORE, the Parties hereto agree as follows:

I. Section 1.1, article I, of the Grant Agreement dated 28 January 1974,² as amended,³ shall be amended to read as follows:

"A.I.D. hereby agrees to grant the Government, subject to the conditions hereinafter set forth, an amount not to exceed five million three hundred and ninety-four thousand dollars (\$5,394,000) ("Grant") to assist the Government in carrying out the Program referred to in section 1.2 ("Program") for drought recovery and rehabilitation in Mali."

II. Section 1.2, article I, of the Grant Agreement dated 28 January 1974, as amended, is amended to include a new sub-paragraph: "(e) multi-sector."

III. Paragraph 2 of Annex A (Program Description) to the Grant Agreement dated 28 January 1974, as amended, is amended by deleting sub-paragraphs 1 through 4 and substituting:

1. Range management, livestock and water	\$1,500,000
2. Agriculture production	\$ 0
3. Storage and transportation	\$2,834,000
4. Health	\$ 260,000
5. Multi-sector	\$ 800,000

Except as specifically modified and amended hereby, the Grant Agreement dated January 28, 1974, as amended, shall remain in full force and effect. All references in said Agreement to the words "Grant Agreement" or "this Agreement" shall be deemed to mean the Grant Agreement as hereby amended.

IN WITNESS WHEREOF, the Government and A.I.D., each acting through its respective duly authorized representative, have caused this Grant Agreement Amendment to be signed in their names and delivered as of the date and year first written above.

Government of the Republic of Mali:

[Signed]

Chef de Bataillon KISSIMA DOUKARA
Minister of Defense

Government of the United States of America:

[Signed]

RONALD D. LEVIN
Country Development Officer

¹ Came into force on 30 June 1975 by signature.

² See p. 174 of this volume.

³ See p. 181 of this volume.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
SAHEL DROUGHT RECOVERY PROGRAM GRANT AGREEMENT AMENDMENT No. 3¹

AGREEMENT, dated August 22, 1975, between the GOVERNMENT OF THE REPUBLIC OF MALI and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (“A.I.D.”).

NOW, THEREFORE, the Parties hereto agree as follows:

I. Section 1.1, article I, of the Grant Agreement dated 28 January 1974,² as amended,³ shall be amended to read as follows:

“A.I.D. hereby agrees to grant the Government, subject to the conditions hereinafter set forth, an amount not to exceed five million eight hundred and ninety-four thousand dollars (\$5,894,000) (“Grant”) to assist the Government in carrying out the Program referred to in section 1.2 (“Program”) for drought recovery and rehabilitation in Mali.”

II. Paragraph 2 of Annex 4 (Program Description) to the Grant Agreement dated 28 January 1974, as amended, is amended by deleting sub-paragraphs 1 through 4 and substituting:

1. Range management, livestock and water	\$1,619,500
2. Agriculture production	\$ 0
3. Storage and transportation	\$3,175,800
4. Health	\$ 298,700
5. Multi-sector	\$ 800,000

Except as specifically modified and amended hereby, the Grant Agreement dated January 28, 1974, as amended, shall remain in full force and effect. All references in said Agreement to the words “Grant Agreement” or “this Agreement” shall be deemed to mean the Grant Agreement as hereby amended.

IN WITNESS WHEREOF, the Government and A.I.D., each acting through its respective duly authorized representative, have caused this Grant Agreement Amendment to be signed in their names and delivered as of the date and year first written above.

Government of the Republic of Mali:

[Signed]

Chef de Bataillon KISSIMA DOUKARA
Minister of Defense

Government of the United States of America:

[Signed]

JAMES A. GRAHAM *for* RONALD D. LEVIN
Country Development Officer

¹ Came into force on 22 August 1975 by signature.

² See p. 174 of this volume.

³ See pp. 181 and 182 of this volume.