

No. 16225

**UNITED STATES OF AMERICA
and
SENEGAL**

**Grant Agreement for the Sahel recovery and rehabilitation
program (with annex). Signed at Dakar on 23 March
1974**

**Amendment No. 1 to the above-mentioned Agreement.
Signed at Dakar on 5 and 7 August 1975**

Authentic texts: English and French.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
SÉNÉGAL**

**Accord de subvention pour le projet de relèvement et de
remise en état du Sahel (avec annexe). Signé à Dakar le
23 mars 1974**

**Amendement n° 1 à l'Accord susmentionné. Signé à Dakar
les 5 et 7 août 1975**

Textes authentiques : anglais et français.

Enregistrés par les États-Unis d'Amérique le 27 janvier 1978.

GRANT AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SENEGAL AND THE AGENCY FOR INTER- NATIONAL DEVELOPMENT FOR THE SAHEL RECOVERY AND REHABILITATION PROGRAM

Projects: 685-130-II-A, 685-120-I-B, 685-140-II-C, 685-130-I-D, 685-130-II-E,
685-530-IV-F, 685-755-II-G

Appropriation: 72-1141029

Allotment: 429-58-625-00-53-41

Fiscal Year: 1974

AGREEMENT, dated March 23, 1974, between the GOVERNMENT OF SENEGAL ("Government") and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

WHEREAS, Senegal 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 Senegal 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 one million three hundred ninety thousand dollars (\$1,390,000) ("Grant") to assist the Government in carrying out the Program referred to in section 1.2 ("Program") for drought recovery and rehabilitation in Senegal.

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.

¹ Came into force on 23 March 1974 by signature, in accordance with section 7.6.

Section 1.3. *Eligible Activities.* Goods and services required to carry out listed Activities in Annex A, attached hereto, are 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 Commitment 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 7.3 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.

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 that 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 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 proven 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 Senegal, is under the law, regulations or administrative procedures of Senegal, liable for customs duties and import taxes on commodities imported into Senegal for purposes of carrying out this Agreement, the Government exonerates those commodities from all duties and taxes.

(e) The Government of Senegal will exonerate any personnel (other than citizens and residents of Senegal, whether US Government employees or employees of public and private organizations under contract with A.I.D., the Government or any agency authorized by the Government, who are present in Senegal to provide services which A.I.D. has agreed to finance under this Agreement) liable under the laws, regulations or administrative procedures of Senegal, from:

- (i) 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) property taxes on vehicles, refrigerators, air conditioners etc., and any tariff or duty upon personal household goods brought into Senegal for their personal use.

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

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 usual 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 Senegal 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 Senegal, 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 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 instructions with respect to markings of the goods financed under the Grant, which A.I.D. may issue from time to time and which are judged to be reasonable by the Government and A.I.D.

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 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 earlier 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 or 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 twenty-four (24) 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 one (1) year 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 mail, telegram, cable, or radiogram to such other Party at the following address:

To the Government:

Mail address:

Minister of Finance and Economic Affairs
Centre Peytavin
Dakar, Senegal

To A.I.D.:

Mail address:

Director U.S.A.I.D.
Regional Development Office
American Embassy
B.P. 49
Dakar, Senegal

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 or French, except as A.I.D. may otherwise agree in writing.

Section 7.3. *Representatives.* For all purposes relative to this Agreement the Government will be represented by the individual holding or acting in the office of

Directeur des investissements, Ministère des finances et des affaires économiques, 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 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 7.4. *Controlling language.* In cases of ambiguity or conflict between the English and French versions of this Agreement, the English version shall control.

Section 7.5. *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 7.6. *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 Senegal:

[Signed]

BABACAR BA

Title: Minister of Finance and Economic Affairs

Date: 23 mars 1974¹

United States of America:

[Signed]

O. RUDOLPH AGGREY

Title: Ambassador

Date: 23 mars 1974¹

¹ 23 March 1974.

ANNEX A

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 Senegal. The specific activities and allocation of resources for them will be determined when the Government submits its Activity description 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	\$940,000
2. Agricultural production	\$350,000
3. Storage and transportation	—
4. Health	\$100,000

PROGRAM ACTIVITIES

The following is an illustrative list of the type of Program Activities eligible for financing under this Grant:

- Equipping Agricultural Villages with Pumps in Fleuve Region;
 - Range Rehabilitation and Protection;
 - Drought Relief through Extension Services;
 - Animal Health;
 - Irrigated Agricultural Production in Fleuve Region;
 - Rural Health Extension Outreach;
 - Assistance in Project Development and Analysis.
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AMENDMENT No. 1¹ TO THE GRANT AGREEMENT OF 23 MARCH 1974² BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SENEGAL AND THE AGENCY FOR INTERNATIONAL DEVELOPMENT FOR THE SAHEL RECOVERY AND REHABILITATION PROGRAM

Projects: 685-130-I-A, 685-120-I-B, 685-140-II-C, 685-130-II-E, 685-530-IV-F, 685-130-II-H, 685-125-I-I
Appropriations: 72-1141029 72-11X1031
Allotments: 429-52-685-00-53-53, 431-52-685-00-53-51, 431-52-685-00-53-61
Fiscal Years: 1974, 1975, 1976.

AGREEMENT, dated August 1975, between the GOVERNMENT OF THE REPUBLIC OF SENEGAL ("Government") 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 23 March 1974 shall be amended to read as follows:

"A.I.D. hereby agrees to grant to the Government, subject to the conditions hereinafter set forth, an amount not to exceed two million forty thousand seven hundred dollars (\$2,040,700) ("Grant") to assist the Government in carrying out the Program referred to in section 1.2 ("Program") for drought recovery and rehabilitation in Senegal."

II. Paragraph 2 of Annex A (Program Description) to the Grant Agreement dated 23 March 1974 is amended by deleting sub-paragraphs 1 through 4 and substituting:

1. Range management, livestock and water	\$1,330,000
2. Agricultural production	\$480,000
3. Storage and transportation	—
4. Health	\$230,700

Except as specifically modified and amended hereby, the Grant Agreement dated 23 March 1974 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.

¹ Came into force on 7 August 1975 by signature.
² See p. 232 of the present volume.

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 Senegal:
Pour le Ministre d'Etat
chargé des finances
et des affaires économiques
et par Délégation,¹

United States of America:

[Signed]

MOMAR TALLA CISSE
Title: Minister of State for Finance and
Economic Affairs

Date: 7 août 1975²

NORMAN SCHOONOVER
Title: Regional Development Officer

Date: August 5, 1975

¹ For the Minister of State for Finance and Economic Affairs and by Delegation.

² 7 August 1975.