

No. 16595

**UNITED STATES OF AMERICA
and
ORGANIZATION FOR THE DEVELOPMENT
OF THE SENEGAL RIVER**

**Grant Agreement for the environmental assessment of the
Senegal River Basin (with annex and side letter). Signed
at Dakar on 25 February 1976**

Authentic texts: English and French.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
ORGANISATION POUR LA MISE EN VALEUR
DU FLEUVE SÉNÉGAL**

**Accord de subvention pour l'étude sur l'environnement du
bassin du fleuve Sénégal (avec annexe et lettre connexe).
Signé à Dakar le 25 février 1976**

Textes authentiques : anglais et français.

Enregistré par les États-Unis d'Amérique le 27 avril 1978.

GRANT AGREEMENT¹ FOR THE ENVIRONMENTAL ASSESSMENT OF THE SENEGAL RIVER BASIN BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE ORGANISATION POUR LA MISE EN VALEUR DU FLEUVE SENEGAL* (O.M.V.S.)

Project Number: 625-11-995-617
Appropriation: 72-11×1031
Allotment: 431-60-685-00-67-61
Fiscal Year: 1976

This GRANT AGREEMENT made and entered into as of the 25th day of February 1976 by and between the GOVERNMENT OF THE UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (hereinafter called "A.I.D.") and the ORGANIZATION POUR LA MISE EN VALEUR DU FLEUVE SÉNÉGAL (hereinafter called "O.M.V.S.").

Article I. THE GRANT

Section 1.01. PURPOSE OF THE GRANT. The purpose of the Grant is to assist O.M.V.S. in undertaking a detailed analysis of the environmental implications and problems of proposed Senegal River development projects (hereinafter referred to as the "Environmental Assessment"). Such assessment is to assure that the development of this river as an excess food producing region within the drought-stricken Sahel will be accomplished with minimal and controllable adverse ecological effects, and optimal beneficial results. This Environmental Assessment will be carried out by a team of experts under an O.M.V.S. contract. The findings of this Environmental Assessment will be incorporated into the planning and designing of the O.M.V.S. integrated development scheme. This undertaking is based on the assumption that modification at any point of the existing water system initiates a whole series of adjustments throughout the entire system until a new equilibrium is reached. These adjustments have physical and social consequences, some of which are positive and some negative, but all of which need to be anticipated and assessed in the early planning stages.

The Environmental Assessment financed under this Grant is to develop for incorporation into the planning and design stage of the O.M.V.S. integrated development scheme, major environmental criteria which would be applicable and required for all proposed development projects in the basin. These criteria and standards will serve to optimize the long-term benefits for development projects by insuring that the environmental and social factors are identified and included in the cost-benefit analysis of individual projects to be undertaken. Incorporation of these considerations into the O.M.V.S. Secretariat's decision-making structure should

* In translation reads: "Organization for the Development of the Senegal River".

¹ Came into force on 25 February 1976 by signature, in accordance with section 6.07.

permit early planning of programs and projects to mitigate or prevent undesirable environmental effects resulting from the proposed projects. The Environmental Assessment financed under this grant is sometimes hereinafter referred to as the "Project". The Project is further described in Annex A, attached hereto, which Annex may be modified by written agreement between O.M.V.S. and A.I.D.

Section 1.02. THE GRANT. To assist O.M.V.S. in meeting the costs of the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to O.M.V.S., in accordance with the terms of this Agreement, an amount not to exceed two million five hundred thousand United States dollars (\$2,500,000). This Grant may be used to finance United States dollar costs ("Dollar Costs") and local currency costs ("Local Currency Costs") of goods and services required for the Project.

Article II. CONDITIONS PRECEDENT TO DISBURSEMENT

Section 2.01. CONDITIONS PRECEDENT TO INITIAL DISBURSEMENT. Prior to the first disbursement or to the issuance of the first Letter of Commitment under this Grant, O.M.V.S. will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An executed contract for environmental assessment services for the Project acceptable to A.I.D. with a firm or institution acceptable to A.I.D.; and
- (b) Evidence of the establishment of a Division of Environmental Affairs within O.M.V.S. which will coordinate the efforts of the contract team financed under this Grant with project planning within O.M.V.S. and Mali, Mauritania and Senegal (hereinafter referred to as the "Member States") to assure that environmental effects are taken into consideration in planning projects for the development of the Senegal River Basin.

Section 2.02. NOTIFICATION OF SATISFACTION OF CONDITIONS PRECEDENT. A.I.D. will promptly notify O.M.V.S. when A.I.D. determines that the conditions precedent specified in Section 2.01 have been satisfied.

Section 2.03. TERMINAL DATE FOR SATISFACTION OF CONDITIONS PRECEDENT. If all of the conditions specified in Section 2.01 have not been met within four months from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to O.M.V.S.

Article III. GENERAL COVENANTS

Section 3.01. SPONSORSHIP OF THE PROJECT. The O.M.V.S. assumes sponsorship of the Project and agrees to fulfill the purpose of the Grant as set forth in Article I.

Section 3.02. TAXES. a. If A.I.D. or any public or private organization furnishing commodities through A.I.D. financing for operations hereunder in any of the Member States is under the laws, regulations or administrative procedures of such State, liable for customs duties or import taxes on commodities imported into that State for the purpose of carrying out this Agreement, such State will pay such duties and taxes unless exemption is otherwise provided by international agreement.

b. If any personnel (other than citizens and permanent residents of the Member State) whether United States Government employees, or employees of public or

private organizations under contract with A.I.D., O.M.V.S., a Member State or any other agency authorized by a Member State, who are present in such Member State to provide services which A.I.D. has agreed to furnish or finance under this Agreement, are, under the laws, regulations or administrative procedures of such State (i) liable for 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, (ii) liable for property taxes on personal property intended for their own use, or (iii) liable for the payment of any tariff or duty upon personal or household goods brought into the Member State for their own personal use, such State will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

Section 3.03. TRAVEL WITHIN MEMBER STATES. O.M.V.S. will take such steps as may be necessary to facilitate entry and travel within the Member States for purposes of allowing persons to perform duties, functions and services under this Grant Agreement by securing one year multiple-entry visas, and securing subsequent visas as required.

Section 3.04. CONSULTATION. O.M.V.S. and A.I.D. shall consult as frequently as necessary concerning the execution of this Grant Agreement and the implementation of the activities contemplated by the Agreement.

Section 3.05. REPORTS. O.M.V.S. shall keep A.I.D. currently informed as to the status, including the planning and implementation of the Project, and will submit to A.I.D. such reports relating thereto as A.I.D. may reasonably request.

Section 3.06. CONVERTIBILITY OF FUNDS. O.M.V.S. will make such arrangements as may be necessary so that funds introduced into the Member States by A.I.D. or any public or private agency for the purpose of carrying out obligations of A.I.D. hereunder shall be convertible into currency of that State at the highest rate which, at the time conversion is made, is not unlawful in the Member State.

Section 3.07. REFUND. If A.I.D. determines that any disbursement or expenditure charged to this Grant was not made, used or applied in accordance with the terms of this Agreement, O.M.V.S. agrees to refund to A.I.D. within 30 days after receipt of a request therefor, the amount thereof, provided that A.I.D.'s request is made not later than five (5) years after final disbursement under this Grant.

Section 3.08. INSPECTION AND AUDIT. The parties shall have the right at any time to observe operations carried out under this Grant Agreement. It is agreed that a financial audit of the Project will be made by the two parties within six months after final disbursement under this Agreement and a report on the findings made. Any party, including representatives of A.I.D. or the Comptroller General of the United States, during the term of the Grant and three years after final disbursement under this Agreement shall further have the right:

- (1) To examine any property procured through financing by that party under this Grant 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 Grant Agreement, wherever such records may be located and maintained. Financial records, including documentation to support entries on accounting records and to substantiate charges to the Grant, shall be kept in

accordance with generally accepted accounting practices. Such records shall be maintained and neither destroyed nor otherwise disposed of until three (3) years after final disbursement under this Grant Agreement, or, if questions about expenditures are raised on audit or otherwise within such time, until all such questions have been resolved. Each party, in arranging for any disposition of any property procured through financing by the other party under this Grant Agreement shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which financed the procurement of the property.

Section 3.09. USE OF PROPERTY. Any property furnished pursuant to this Agreement shall, unless otherwise agreed by the party which financed the procurement, be devoted to the Project and thereafter shall be used so as to further the objectives of the Project. Either party shall offer to return to the other or to reimburse the other for any property which it obtains through financing by the other party pursuant to the Agreement which is not used in accordance with the preceding sentence.

Section 3.10. RESULTS AND FINDINGS. O.M.V.S. will assure that all other donors participating in the realization of the Senegal Basin Indicative Plan will be informed of the results and findings of the Environmental Assessment financed under this Grant, and O.M.V.S. will use its best efforts to assure that all donors take such findings and results into consideration as they become known.

Section 3.11. COOPERATION OF MEMBER STATES. O.M.V.S. will assure that each of the Member States cooperates with contractors selected to perform services financed under this Grant.

Section 3.12. EVALUATION OF PROJECT. O.M.V.S. agrees that the preliminary conclusions of the study financed under this Grant will be reviewed by O.M.V.S. and A.I.D., not later than one year after commencement of the study. Based upon this review, approximate modifications will be made in the scope of work of the study, and in the O.M.V.S. personnel assigned to coordinate the study with the organization and operating divisions of O.M.V.S., and an appropriate staffing and training program for O.M.V.S. will be developed.

Section 3.13. TRAINING. O.M.V.S. agrees to encourage the Member States to implement training programs for appropriate personnel of the Member States in order to participate in a coordinated environmental program within the Senegal River Basin addressing those aspects of the program which require continuing monitoring or remedial action.

Section 3.14. INTEREST EARNED ON GRANT FUNDS. O.M.V.S. agrees that if the use of funds provided under this Grant results in the accrual of interest income to O.M.V.S., or any other person or organization to whom such funds are made available in carrying out the purposes of the Grant, O.M.V.S. shall pay to A.I.D. an amount equal to the amount of interest accrued.

Article IV. PROCUREMENT

Section 4.01. SOURCE OF DOLLAR COSTS. Except as A.I.D. may otherwise agree in writing, disbursements pursuant to Section 5.01 will be used exclusively to finance the Dollar Costs of goods and services having their source and origin in the

United States. It is agreed that the Environmental Assessment financed under this Grant will be conducted pursuant to a contract between O.M.V.S. and a United States firm or institution.

Section 4.02. SOURCE, LOCAL CURRENCY COSTS. Disbursement pursuant to Section 5.02 will be used exclusively to finance the Local Currency Costs of goods and services having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Member States or in the United States.

Section 4.03. 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.

Section 4.04. PLANS, SPECIFICATIONS, CONTRACTS. Except as A.I.D. and O.M.V.S. may otherwise agree in writing:

(a) O.M.V.S. will furnish to A.I.D. upon preparation:

- (1) Any plans, specifications or procurement schedules, or other documentation relating to goods or services to be financed by A.I.D., and any modifications therein, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. In the case of contracts, such documentation will include draft contracts, including the scope of work to be included in such contracts; and
- (2) Documentation relating to any goods or services which, though not financed by A.I.D., are deemed by A.I.D. to be of major importance to the Project. Elements of the Project to which this subsection (a)(2) is applicable will be identified in Implementation Letters.

(b) Bid documents, documents related to the prequalification of contractors and documents related to the solicitation of proposals for goods and services financed under the Grant will be approved by A.I.D. in writing prior to their issuance.

(c) Contracts and contractors financed by A.I.D. for engineering and other professional services, and for such other services, equipment or materials as may be specified in Implementation Letters, together with any contracts or contractors identified under subsection (a)(2) above, 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.

Section 4.05. PREPARATION OF THE ENVIRONMENTAL ASSESSMENT. The Environmental Assessment financed under this Grant shall be conducted and prepared in accordance with A.I.D. Publication, *Environmental Assessment Guideline Manual*, September 1974.

Article V. DISBURSEMENTS

Section 5.01. DISBURSEMENTS FOR DOLLAR COSTS. Upon satisfaction of applicable conditions precedent, O.M.V.S. may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States bank or banks for payments made to contractors or suppliers, through letters of credit or otherwise, for Dollar Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be subject to presentation of such supporting documentation as A.I.D. may prescribe in Implementation Letters. Banking charges incurred in

connection with Letters of Commitment and letters of credit shall be for the account of O.M.V.S. and may be financed under the Grant.

Section 5.02. DISBURSEMENT FOR LOCAL CURRENCY COSTS. Upon satisfaction of applicable conditions precedent, O.M.V.S. may, from time to time, request disbursement by A.I.D. of local currency from Local Currency Costs of goods and services, procured for the Project in accordance with the terms and conditions of this Agreement, by submitting to A.I.D. such supporting documentation as A.I.D. may prescribe in Implementation Letters.

Section 5.03. OTHER FORMS OF DISBURSEMENT. Disbursements of the Grant may also be made through such other means as O.M.V.S. and A.I.D. may agree to in writing.

Section 5.04. TERMINAL DATES FOR COMMITMENT AND DISBURSEMENT. Except as otherwise agreed by A.I.D. in writing, no Letter of Commitment, other commitment document, or amendment thereto, shall be issued by A.I.D. in response to requests received by A.I.D. after thirty (30) months, and no disbursement shall be made against documentation received by A.I.D. or any bank described in Section 5.01 after 36 months, from the date the O.M.V.S. satisfies the Conditions Precedent to disbursements under this Agreement.

Article VI. MISCELLANEOUS PROVISIONS

Section 6.01. TITLE TO PROPERTY. Unless otherwise specified by A.I.D. in writing, title to all property financed by A.I.D. pursuant to the Grant Agreement shall be in O.M.V.S.

Section 6.02. REPRESENTATIVES. For all purposes relevant to this Agreement A.I.D. will be represented by the individual holding or acting in the office of AID/OMVS Coordinator. Within 30 days of the signing of this Grant Agreement, O.M.V.S. shall designate in writing to A.I.D. the name(s) of the person(s) who shall serve as its representative(s) with responsibility for implementation of the Project. Each of these representatives, by written notice, may designate additional representatives.

Section 6.03. LANGUAGE OF AGREEMENT. This Agreement is prepared both in English and French. The English language version shall be considered controlling for purposes of interpretation.

Section 6.04. APPLICABLE UNITED STATES LAWS AND REGULATIONS. It is expressly understood that notwithstanding anything in this Grant Agreement to the contrary, A.I.D. shall expend funds and carry on operations pursuant to this Grant Agreement only in accordance with the applicable laws and regulations of the United States Government.

Section 6.05. TERMINATION. Any party may terminate this Grant Agreement by giving the other party thirty (30) days' written notice of intention to terminate it. Termination of this Grant Agreement shall terminate any obligations of the parties to provide financial or other resources to the Project, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of the Grant Agreement. It is expressly understood that all other obligations under this Grant Agreement shall remain in force after such termination.

Section 6.06. SUCCESSOR AND ASSIGNMENTS. This Grant Agreement shall be binding upon and inure to the benefit of any successor of A.I.D. This Agreement may not be assigned nor may any obligations hereunder be delegated by O.M.V.S. without the written consent of A.I.D.

Section 6.07. ENTRY INTO FORCE. This Grant Agreement has been prepared in multiple identical copies which have been distributed by A.I.D. to O.M.V.S. This Grant Agreement shall be in full force and effect upon the signing of a single or separate identical copies by all of the parties hereto. Should any party so request, each of the parties hereto agrees to re-execute this Agreement so as to provide each party with a fully executed form of agreement.

Section 6.08. COMPLETION REPORT. Upon completion of the Project a completion report shall be drawn up, signed by appropriate representatives of A.I.D. and O.M.V.S., and submitted to A.I.D. and O.M.V.S. The completion report shall include a summary of the actual contributions to the Project by each party to this Grant Agreement, and shall provide a record of the activities carried out, the objectives achieved and related basic data. A.I.D. and O.M.V.S. shall furnish the other with such information as may be needed to determine the nature and scope of operations under this Grant Agreement to evaluate the effectiveness of such operations. O.M.V.S. agrees to transmit written appraisals of any contractor's performance to A.I.D. on completion of such performance.

Section 6.09. ASSIGNMENT OF CAUSE OF ACTION. O.M.V.S. agrees to execute an assignment to A.I.D., upon request of any cause of action which may accrue to it in connection with or arising out of a contractor's performance or breach of performance of any contract financed in whole or in part out of funds provided by A.I.D. under this Grant Agreement.

Section 6.10. IMPLEMENTATION LETTERS. A.I.D. may from time to time issue Implementation Letters that will prescribe the procedures applicable in connection with the implementation of this Agreement. The provisions of Article II, Section 2.01, and of Article III, Sections 3.02 and 3.07, are interpreted according to clarifications set forth in the Side Letter accompanying this Grant Agreement.

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

Agency for International
Development:

[Signed]

By: O. RUDOLPH AGGREY
Title: United States Ambassador
to Senegal

Date: February 25, 1976

Organisation pour la Mise en
Valeur du Fleuve Sénégal:

[Signed]

By: MAMADOU AW
Title: High Commissioner,
Organisation pour la Mise en
Valeur du Fleuve Sénégal

Date: February 25, 1976

ANNEX A

DESCRIPTION OF THE PROJECT

The O.M.V.S. Environmental Study will undertake a detailed analysis of the environmental implications and problems of proposed Senegal River development projects. The study will be carried out by a team of experts under an O.M.V.S. contract with one or more U.S. consulting firms. Where possible, these firms will seek to engage appropriate riparian country nationals to assist in the work program. As this study progresses and those aspects which will require monitoring on a continuing basis come into focus, then a subsequent training program for O.M.V.S. personnel can be designed.

The study will cover a two-year period and require over 500 man-months of effort. The project team will consist of the following categories of specialists:

Project Director	Forester
Administrative Assistant	Public Health Advisor
Sanitary Engineer	Parasitologist/Bacteriologist
Water Resource Engineer	Anthropologist
Irrigation Engineer	Health Consultant
Transportation Economist	Water Quality Technicians
Meteorologist	Health Field/Lab Technicians
Hydropower Engineer	Biological Technician
Fishery Biologist	Engineering Technicians
Mammologist	Computer Technician
Ornithologist	Technical Editor
Veterinary Scientist	Technical Writers
Ecologist/Limnologist	Secretaries
Agricultural Scientist (Soil Conservation)	Field Support Staff

Specifically the contractor shall provide equipment and personnel necessary to perform the following services:

1. *Review Existing Data Base*

Within the ten major areas of environmental impact, data on the following parameters is judged to be sufficient for direct input to the assessment. The contractor shall review the available data references on these specific parameters to obtain sufficient baseline data as required for assessment purposes.

River Regime	Preliminary engineering of Manantali Dam and Diama Dam; Hydrologic basin model, climatology and basin hydrology.
Estuary Regime	Estuarine boundary; preliminary engineering on navigation.
Aquatic Biota	Insufficient.
Terrestrial Biota	Insufficient.
Agricultural Development	Master plan of the irrigated perimeter program.
Public Health	Insufficient.
Water Quality	Insufficient.
Groundwater	Quantity, aquifer characteristics.
Socio-cultural	Insufficient.
Municipal and Industrial Development	Insufficient.

2. *Collect Additional Data*

The contractor shall be required to collect additional field data and/or conduct a comprehensive literature review to supplement the existing data for assessment purposes. Within the ten major areas of environmental impact, the following parameters require field data and/or literature review:

River Regime	Flow/operational regime: releases; consumptive uses; natural losses; returns; sediment transport; bank erosion, and allocation of purpose.
Estuary Regime	Flow patterns; tidal exchange and sediment transport.
Aquatic Biota	Fisheries; biomass; vegetation and biological productivity, both freshwater and estuarine.
Terrestrial Biota	Import plants, trees, birds, insects, rodents, wildlife, and domestic animals.
Agricultural Development	Farming practices, water needs, and chemical uses.
Public Health	Incidence of endemic diseases and water related diseases, vector control, and animal diseases.
Water Quality	Physical, chemical, biological and relationships to water quantity.
Groundwater	Qualitative analyses for potable use.
*Socio-cultural	Settlement changes, relocations, standards of living, population density and cultural patterns.
Municipal and Industrial Development	Water allocation, water usage, water disposal and transportation modes.

3. *Mathematical Modeling*

Utilizing the existing hydrologic mathematical model as a base physical analogue of the river basin, the contractor shall expand the model to accommodate programs for water quality and flow/operational regime.

The expanded model shall permit analysis of future conditions of flow, storage, losses, areas of flood inundation, withdrawals, returns and water quality for the entire basin. The expanded program shall possess the flexibility to simulate any scheduled activities of development and simultaneously consider the interrelationships between water quantity and water quality for those schedules. Field data obtained on water quality and flow/operational regime shall be used to verify the model. The contractor shall utilize the verified model to predict critical water quality and flow conditions.

4. *Determine Interrelationships*

The contractor shall analyze the probable interrelationships between water quality/quantity and the (a) ecological effects, (b) socio-cultural effects, and (c) public health impacts utilizing the output from the expanded mathematical model. Those interrelationships shall be assessed to the full extent of the program flexibility specified.

5. *Assess Impacts*

Based upon the existing data collected by the supplemental field data/literature review, the output obtained from the expanded model, and the determination of interrelationships (1-4 above) the contractor shall make a comprehensive assessment of the impacts associated with

* (Predominantly literature review.)

the proposed basin development. Assessment of the impacts shall be categorized as specified in the *Guidelines* for both the primary aspects (Manantali Dam, Diama Dam, River Navigation and the Irrigated Perimeter Program) and the secondary aspects (hydro-electric power, mining and industry, etc.).

The effects to be studied and evaluated come under the following main headings:

- a. Physical changes in the river course due to changed stream flow.
- b. Positive and negative aspects of the removal from beneficial use of land flooded by the two dams.

6. *Prescribed Actions*

Based upon assessment, the contractor shall outline feasible actions to mitigate or minimize adverse impacts or to maximize beneficial impacts. The contractor shall further identify relative priorities of those actions and prepare an implementation schedule in accordance with the proposed sequential basin development.

As actions proposed by the contractor are endorsed as feasible by the O.M.V.S., the contractor should then be prepared to work directly with the ministerial personnel of the riparian states concerned in designing realistic action programs for their immediate implementation.

7. *Prepare Final Report*

The assessment shall be incorporated into report form in accordance with the specified *Guidelines*. One hundred copies in the French language shall be submitted to the O.M.V.S. Secretary General.

8. *Present Findings*

The contractor shall make presentations of his interim findings to the O.M.V.S. whenever requested by the O.M.V.S. Secretary General in addition to a final presentation subsequent to submission of the final comprehensive written report.

SIDE LETTER TO THE GRANT AGREEMENT FINANCING THE ENVIRONMENTAL ASSESSMENT OF THE SENEGAL RIVER BASIN

Based on discussions between the O.M.V.S. and A.I.D., the following clarifications have been made regarding certain points in the Grant Agreement for the Environmental Assessment of the Integrated Development of the Senegal River Basin.

Article II, Section 2.01; Conditions Precedent to Disbursement:

b) By "evidence of the establishment of a Division of Environmental Affairs within O.M.V.S." is meant the Establishment of a Consultative Environmental Committee to assist the O.M.V.S. Environmental Coordinator in his functions. In view of the multidisciplinary nature of the Project, the members of the Committee will be representatives of all Divisions concerned. These members will meet periodically to evaluate the findings of the study carried out by the firm executing the Project and, working with this group, design programs acceptable to and implementable by the O.M.V.S. member states.

Article III, Section 3.02, Taxes:

It is understood that the O.M.V.S. has no juridical basis allowing it to include exemption clauses, nor the resources necessary to pay the expenses involved.

However, in practice, all agreements signed to date by O.M.V.S. have been accorded tax and customs exemptions. The present agreement will not be an exception.

Section 3.07, Refund:

This legislative requirement of A.I.D. grew out of and is largely based upon forms of U.S. foreign assistance radically different from this undertaking, i.e., A.I.D.-financed commodity import programs and construction projects. This Grant Agreement is to finance a contract for services, the financing of which will be implemented by a U.S. Government Letter of Commitment to a U.S. commercial bank, with letters of credit issued thereunder by O.M.V.S.

Such an arrangement reduces to an absolute minimum the possibility of any disbursement being made which is not in accordance with the terms of this Grant Agreement. Furthermore, if for any reason the O.M.V.S. has any cause of action in connection with, or arising out of the contractor's performance or breach of performance, under Article VI, Section 6.09. A.I.D. can request that O.M.V.S. assign to it such cause of action.
