

No. 17269

**UNITED STATES OF AMERICA
and
CHAD**

**Sahel Accelerated Impact Program Grant Agreement
to assist the rural population (with annex). Signed at
N'Djamena on 30 August 1976**

Authentic texts: English and French.

Registered by the United States of America on 24 November 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
TCHAD**

**Accord général de subvention sous la forme d'un programme
de développement accéléré en faveur de la population
rurale du Sahel (avec annexe). Signé à N'Djamena le
30 août 1976**

Textes authentiques : anglais et français.

Enregistré par les États-Unis d'Amérique le 24 novembre 1978.

SAHEL ACCELERATED IMPACT PROGRAM GRANT AGREEMENT¹ No. 677-76-3

AGREEMENT, dated August 30, 1976, between the GOVERNMENT OF CHAD (“Government”) and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (“A.I.D.”).

WHEREAS, the Government has undertaken a program of Accelerated Impact to address priority short-term needs relevant to its rural population; and

WHEREAS, it is apparent that the magnitude of the Government’s short-term development needs are beyond the final resources of the Government; and

WHEREAS, the United States of America in a spirit of friendship and cooperation with the people of Chad desires to assist the Government’s efforts in the task of responding to the requirements of rural development;

NOW THEREFORE, the parties hereto agree as follows:

Article I. THE GRANT

Section 1.1. PURPOSE OF THE GRANT. (a) A.I.D. hereby agrees, subject to the availability of funds, to assist the Government in carrying out activities selected in accordance with the criteria set forth in Section 1.2 and approved by A.I.D.

(b) This assistance shall be in the form of a grant, made by execution of an Activity Implementation Letter by A.I.D. and the Government with respect to each activity, in an amount to be determined for each activity selected by the Government, and approved by A.I.D. in accordance with the criteria set forth in Section 1.2 of this Agreement. The grant shall be used to finance the cost of goods and services required for the activity.

Section 1.2. THE ACCELERATED IMPACT PROGRAM. (a) The Accelerated Impact Program (the Program) shall consist of specified short-term activities, selected by the Government and approved by A.I.D., in rural areas particularly with respect to food-crop and livestock production, health and nutrition and non-formal education of rural populations. Activities shall be selected for financing under the Program to achieve the following objectives:

- (1) Increase or protect food production in a specified area and to develop low-cost, low-risk technology (capable of extensive adoption). Such activities will be undertaken most often for the demonstration or multiplier effect they may have on practices in surrounding areas.
- (2) Improve livestock (including poultry and fish) management and production, emphasizing whenever possible range management and environmental practices, in order to improve the diets and expand the income of small primary producers;
- (3) Promote the capability of rural populations to safeguard their physical well-being by the suppression or elimination of factors threatening public health through precautionary health measures which, after introduction, are likely to be sustained by local, cost effective efforts; or
- (4) Enhance the capability of rural populations, through non-formal education, to manage and control the economic processes that affect their welfare and to prepare local people to carry out productive activities in their own interest, particularly emphasizing training activities relating to food crops, livestock and health.

¹ Came into force on 30 August 1976 by signature, in accordance with article VI, section 6.6.

(b) Individual activities also should be:

- (1) Within areas of interest in the A.I.D. long-term development program;
- (2) Be normally within the range of \$200,000–300,000 (with some activity up to \$500,000 on an exceptional basis) and 12–24 months in duration;
- (3) Conducive to more rapid implementation than the A.I.D. long-term development program;
- (4) Conducive to implementation by the human resources available to the Government or with the assistance of a voluntary agency or international organization accredited by the Government; and
- (5) Distinct activities permitting rapid implementation and having clearly identifiable inputs, outputs and an attainable purpose within the specified time-frame.

Article II. GENERAL COVENANTS AND WARRANTIES

Section 2.1. COVENANTS. The Government, in consideration of any Grants made pursuant to this Agreement, hereby covenants and agrees that:

(a) The Government explicitly recognizes that A.I.D. is providing supplemental financing for Government identified activities relevant to 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 pursuant to this Agreement 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 purposes of the Agreement and Activity Implementation Letters 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 pursuant to this Agreement.

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

(e) Concerning A.I.D. personnel (other than citizens and permanent residents of Chad), whether United States Government employees, or employees of public or private organizations under contract with A.I.D., within the scope of its program, the Government or any agency authorized by the Government, who are present in Chad to provide services which A.I.D. has agreed to finance pursuant to this Agreement, the following will apply. If members of said personnel are under the laws, regulations or administrative procedures of Chad (1) 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 another government, or (2) liable for property taxes on personal or household goods brought into Chad for their personal use, the Government shall pay, with funds other than those provided pursuant to this Agreement, such taxes, tariffs or duties, unless exemption is otherwise provided. Moreover AID personnel will be exempted from the payment of fees relative to Chadian visas and residence permits.

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

Article III. RECORDS, REPORTS AND INSPECTIONS

Section 3.1. 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 activities financed pursuant to this Agreement. Such books and records shall be adequate to show:

- (a) The receipt and disbursement of funds provided pursuant to this Agreement;
- (b) The receipt and disposition of goods and services acquired through the disbursement of those funds;
- (c) The current physical 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 3.2. REPORTS. The Government shall furnish, or cause to be furnished, to A.I.D. such information and reports relating to the various grants as A.I.D. may request.

Section 3.3. 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 activities and such books, records and other documents relating to the Program and the activities as may be maintained by the Government, the Government's designated disbursing agent and the agencies responsible for activity implementation. 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 Chad for any purpose relating to the Program, with the approval of the interested Chadian technical services.

Article IV. PROCUREMENT

Section 4.1. SOURCE AND ORIGIN. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Section 5.3 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 Chad, 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. A procurement list will be issued with each activity approved pursuant to this Agreement which will assure full participation by United States suppliers by identifying those commodities considered appropriate for procurement from the United States.

Section 4.2. ELIGIBILITY DATE. Except as A.I.D. may otherwise agree in writing, goods and services which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of the appropriate Activity Implementation Letter may not be financed under the terms of this Agreement.

Section 4.3. PRICE. The Government shall assure that prices paid for any goods and services financed, in whole or in part, pursuant to this Agreement, are not higher than reasonable prices current at the time of purchasing.

Section 4.4. 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 pursuant to this Agreement as A.I.D. may issue from time to time.

Section 4.5. INSURANCE. Except as A.I.D. may otherwise agree in writing, the Government shall insure, or cause to be insured, with funds provided hereunder by A.I.D., all goods financed pursuant to this Agreement 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 4.6. UTILIZATION OF GOODS AND SERVICES. (a) Goods and services financed pursuant to this Agreement 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 provided for individual activities shall extend to one year beyond A.I.D.'s acceptance of a completion report for each individual activity or to such other time as A.I.D. may specify in Activity Implementation Letters.

(b) Goods and services financed pursuant to this Agreement may be used in concert with Program related projects and activities of any other donor to assist in meeting with purposes of the Program.

Article V. DISBURSEMENTS

Section 5.1. 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 5.2, the Government shall furnish to A.I.D.:

- (a) The name of the person or persons designated as the representative or representatives of the Government pursuant to Section 6.3 and a specimen signature of each such person;
- (b) The name of the Government's disbursing agent, authorized disbursement officer(s) and specimen signature of said officer(s);
- (c) Such other documents as A.I.D. may reasonably request.

Section 5.2. 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 individual activities. 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 the individual Activity Implementation Letters and furnish A.I.D. with such information, reports and other disbursement documentation, relating to individual activities financed pursuant to 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 Annex A, attached hereto.

Section 5.3. 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 5.4. TERMINAL DATE FOR DISBURSEMENT. Except as A.I.D. may otherwise agree in writing, no disbursement shall be made against documentation received by the Government's designated disbursing agent later than that specified for each activity within the appropriate Activity Implementation Letter.

Section 5.5. REFUNDS. If A.I.D. determines that any disbursement

- (a) Is not supported by valid documentation in accordance with this Agreement and the individual Activity Implementation Letters, 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 this Agreement, require the Government to refund such amount to A.I.D. by U.S. dollar check within a mutually acceptable period 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 terminal date for disbursement specified under the individual Activity Implementation Letters. 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 to the individual activity or activities funded pursuant to this Agreement. Notwithstanding the fact that A.I.D. may have invoked its right to terminate this Agreement or any activities funded pursuant to this Agreement, the rights of A.I.D. set forth in this Section remain in force after such termination.

Article VI. MISCELLANEOUS

Section 6.1. WAIVER OF DEFAULT. No delay in exercising, or omission to exercise, any right accruing to A.I.D. pursuant to this Agreement shall be construed as a waiver of any of its rights, or remedies hereunder.

Section 6.2. COMMUNICATIONS. Any notice, request or communications 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, except as the Government may indicate a different address in Activity Implementation Letters.

To the Government:

Mail Address: Ministry of Foreign Affairs and Cooperation
N'Djamena, Chad

Cable Address: MINAFFET/COOP., N'Djamena

To A.I.D.:

Mail Address: Embassy of the United States of America
B.P. 413, N'Djamena, Chad

Cable Address: AMEMBASSY N'Djamena

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 either English or French.

Section 6.3. REPRESENTATIVES. For all purposes relative to this Agreement, the Government will be represented by the Ministry of Foreign Affairs and Cooperation, and A.I.D. will be represented by the individual holding or acting in the office of Country Development Officer for Chad. Such individuals shall have the authority to designate by written notice additional representatives following the procedures provided under Section 5.1.a. of this Agreement.

Section 6.4. CONTROLLING LANGUAGE. In cases of ambiguity or conflict between the English and French versions of this Agreement, the English version shall control.

Section 6.5. AMENDMENTS. The Government's representative and the A.I.D. representative pursuant to Section 6.3 of this Agreement shall be empowered to negotiate and issue procedural amendments to Annex A to this Agreement. Such amendments, as may subsequently be issued, shall carry the full force of this Agreement.

Section 6.6. TERMINATION. The present Agreement shall enter into force when signed. Either party may terminate this Agreement in its entirety or individually any of

the activities funded pursuant to this Agreement by giving the other party thirty (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 Sections 5.2 or 5.3, except for disbursements which A.I.D. or the Government is committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of this Agreement. Termination of individual activities shall terminate any obligation of A.I.D. to make disbursements against the terminated activity pursuant to Sections 5.2 or 5.3 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 individual activity or activities. It is expressly understood that the obligation under Sections 4.6(a) and 5.5 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, including Annexes and attachments, to be signed in their names and delivered as of this date and year first written above.

United States of America:

By: [Signed]
Name: LAMAR M. PROSSER

Title: CDO *ad interim*

Government of Chad:

By: [Signed]
Name: N. GALMAI YOUSSOUBOMI
KIRMISS

Title: Secrétaire d'Etat aux Affaires
Etrangères et à la Coopération¹

For the Embassy
of the United States of America:

[Signed]
RICHARD A. DWYER
Chargé d'Affaires *ad interim*

ANNEX A TO THE GRANT AGREEMENT, DATED AUGUST 30, 1976, BETWEEN THE GOVERNMENT OF CHAD AND THE UNITED STATES OF AMERICA ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.")

IMPLEMENTATION PROCEDURES

INTRODUCTION

This Annex sets forth the procedures for utilizing such Grant Funds as may be subsequently provided pursuant to the Agreement and provides information and guidance to assist in satisfying conditions precedent to disbursement and the implementation of activities in conformity with the Agreement. Nothing in this Annex alters the scope of the Agreement or the terms of the specific sections that are referred to or explained in this Annex. Instructions in this Annex may be supplemented and/or modified by subsequent amendment. It will be the responsibility of the Government with whatever assistance may be requested of A.I.D. to assure that information related to the implementation of the Program and the individual activities is promptly made available to all interested and affected parties, particularly those upon whom obligations of the Government may devolve, including financial institutions, implementing or executing agencies, contractors and suppliers.

It is envisaged that for purposes of carrying out the Program and the individual activities which may be financed pursuant to the terms and conditions of the Agreement there will be essentially

¹ Secretary of State for Foreign Affairs and Cooperation.

three roles to be performed by the Government's designated representatives, agents and implementing agencies.

First, pursuant to Section 6.3 of the Agreement is the person or persons who will be designated by the Government to represent the Government in all matters relating to the Agreement. These include, for example, official correspondence with A.I.D. concerning interpretation of the Agreement and subsequent approval and signing of individual Activity Implementation Letters, satisfaction of conditions to disbursement, compliance with covenants and warranties, submission of reports, and signing of all documentation requiring a Government certification. The Government Representative, or his designee, will serve as the Program Coordinator for the Government and function as a counterpart to the A.I.D. representative responsible for Program monitoring.*

Second, is the institution to be designated by the Government to serve as the Government's disbursing agent in accordance with Section 5.1(b) of the Agreement. An individual or individuals within this institution should be named (and specimen signature provided) to furnish the certifications required in accordance with established disbursement procedures.

Third, is the designated implementing or executing agency for each individual activity. This agency, to be identified as to the name of the organization and its representative in the individual Activity Implementation Letters, may, for example, be a ministry of the Government, an international organization, a voluntary agency, etc., depending upon the design and nature of the particular activity. Note that in certain cases the Government representative and the representative of the implementing agency may be one and the same if the parties involved so agree.

I. THE GRANT (Article I)

A. Article I describes the program and specifies the types of individual activities to be assisted by A.I.D. The specified funds to be provided for the execution of approved activities shall be granted at such time as the Government, in consultation with A.I.D., has prepared in form and substance satisfactory to A.I.D. an activity work plan which has been completed in conformance with the Activity Implementation Letter format provided in Attachment A to this Annex.

B. The Activity Implementation Letters shall contain a complete description of the activity, including: (1) goals and purpose of the activity; (2) a complete scope of work and work plan to include time schedule of implementation; (3) a detailed budget showing a complete breakdown by line-item requirements, and the amount, and source, of funds contributed by the Government; (4) an identification of the Government agency responsible for the activity implementation; and (5) a designation of the specific responsibilities and requirements of all parties to the activity, including those necessary for the effective implementation of the activity and those follow-up responsibilities of the Government required for accomplishing the objectives of the program.

C. The final selection and design of individual activities and selection of their respective executing agencies, will be made in close cooperation and consultation between the Government and A.I.D.

D. The Grant shall be constituted at such time as the individual Activity Implementation Letters are formally agreed to and signed by the appropriate representatives of the Government and A.I.D.

II. GENERAL COVENANTS AND WARRANTIES (Article II)

Article II of the Agreement contains a series of covenants applicable to the manner in which the Government conducts the Program and uses the funds provided pursuant to the Agreement.

* This final sentence is optional dependent upon the circumstances prevailing in each country and the ability of the GR to in fact perform such a role.

These covenants are largely self-explanatory; however, particular attention is directed to the following specific requirements:

A. *Continuing Consultation* (Section 2.1(c))

The Agreement provides that consultation shall take place from time to time at the request of either party. A.I.D. agrees to assure the Government that the A.I.D. representative will always be available for informal discussion concerning the progress of the Program and its individual activities, compliance with the terms and conditions of the Agreement, and any other matters of mutual concern.

B. *Taxes* (Sections 2.1(d) and 2.1(e))

The following additional information is provided to assist the Government in carrying out the provisions of these Sections:

1. The provisions of Section 2.1(d) will not apply to the procurement of those items which are normally imported and kept in stock in the form in which imported for sale to meet a general demand in Chad. However, in those cases where the Government has, within its own regulations and operational procedures, provisions for the tax-free purchase by Government agencies of local-market items, the Government will assure that those regulations and procedures will apply to the procurement of local-market items procured for activities financed pursuant to the Agreement.

2. For purposes of Section 2.1(e), a "permanent resident" is defined as a person who is not a citizen, yet has been physically residing substantially uninterrupted for more than three (3) years in Chad.

III. RECORDS, REPORTS AND INSPECTIONS (Article III)

A. *Maintenance and Audit of Records* (Section 3.1)

1. It should be noted that in addition to such books and records as the Government itself may establish and maintain, it will also be incumbent upon the Government to assure that its designated disbursing agent similarly maintains adequate records of all financial transactions undertaken with respect to the Agreement, including copies of all pertinent documentation required for disbursement of funds.

2. It is expected that books and records maintained by government institutions and by the Government's designated disbursing agent for activities funded pursuant to the Agreement will be audited on an annual basis by a qualified independent accountant, either Government or private.

B. *Reports* (Section 3.2)

1. *Activity Reports*

(a) The implementing agencies responsible for the individual activities shall submit to A.I.D., the Government Representative and the Government's designated disbursing agent, on a monthly basis, a financial status report on the activity budget including payments processed, procurement documents issued, and anticipated expenditures over the following 90-day period. This report, in conjunction with the disbursing agent's monthly financial report, will serve as a mechanism for a reconciliation of accounts between the disbursing agent's records and those of the implementing agent. It will also serve to advise the disbursing agent of the account balance required to meet future disbursements. A suggested format for this report is provided in Attachment B to this Letter.

(b) A final report on each completed activity shall be presented to A.I.D. no later than ninety (90) days from the date of the final disbursement for that activity.

2. *Financial Status Reports*

(a) The Government shall ensure that the Government's designated disbursing agent submits a monthly report showing for each activity the approved line-item budget, expenditures against the line-item for the period, total cumulative expenditures against the line-item to date, and the balance

remaining for each line item. The report is to be shown in U.S. dollars. The individual activity financial reports will be accompanied by a summary sheet which may serve as a monthly reimbursement request to the A.I.D. Regional Controller. Copies of the individual activity financial sheets will be sent to the appropriate agency responsible for activity implementation as an aid in account reconciliation and as an advice of funds availability. A format for this report is provided in Attachment C to this Letter.

3. *Audit Reports*

Copies of reports of the audit required under Section 3.1 of the Agreement shall be made available to A.I.D. upon request.

IV. PROCUREMENT (Article IV)

A. *Source and Origin* (Section 4.1)

1. Goods and services financed under this Agreement may have their source and origin in countries listed in A.I.D. Geographic Code 935 as shown in Attachment F to this Annex.

(a) Source is defined as the country from which items are shipped to Chad, or to a Free Port or Bonded Warehouse when these items are transhipped from there to Chad in the same form as received.

(b) Origin is the country in which goods have been mined, grown or produced through manufacturing, processing or assembly. In the case of manufacturing, processing or assembly, the finished product must be a recognized new commodity, substantially different in characteristics, purpose or utility from any of its components. In addition, no produced commodity may be financed by A.I.D. if it contains any component from any country not included in Code 935, the A.I.D. Geographic Code Book.

2. Prior to issuance of an Activity Implementation Letter, representatives of the Government and A.I.D. will review the list of commodity requirements to determine which of those commodities can be purchased in the United States. Upon mutual agreement between the Government and A.I.D., the Activity Implementation Letter, when signed, will include a procurement plan listing the anticipated source and time schedule for all procurement to be accomplished under that Activity. A list of all commodities scheduled for U.S. procurement will be provided to the Afro-American Purchasing Center, One, World Trade Center, New York, New York, for procurement.

B. *Reasonable Price* (Section 4.3)

In order to assure maximum utilization of the funds provided pursuant to the Agreement, A.I.D. expects that the Government will take whatever steps it considers necessary and appropriate to assure that procedures used for procurement of goods and services are designed to produce the lowest price available provided, however, that timely execution of the program will not be unduly hampered. Compliance with this Section can generally be achieved by assuring that goods and services are procured by means of normal commercial practice and/or government procurement in Chad.

C. *Information and Marking* (Section 4.4)

The Agreement provides that the Government will cooperate with A.I.D. in its efforts to disseminate information concerning the Program. To the extent appropriate, therefore, all publicity concerning activities financed pursuant to the Agreement should mention the role of A.I.D.

D. *Utilization of Goods and Services* (Section 4.6)

A.I.D. expects that goods and services financed pursuant to the Agreement will be used to support accomplishment of the purposes for which they were provided, and not used in other non-Program activities to the detriment of the Program. The period during which A.I.D. will expect the Government to be accountable for the goods and services financed pursuant to the Agreement will be specified in individual Activity Implementation Letters.

V. DISBURSEMENTS (Article V)

A. *Conditions Precedent to the Use of Grant Funds* (Section 5.1)

1. The names of the person or persons who will act as the representative of the Government shall be provided to the A.I.D. representative in a letter signed by the person holding the office named in Section 6.3 of the Agreement. Specimen signatures (three originals) of the persons so named should accompany the letter.

2. The Government shall enter into formal agreement with an agency or institution which will act as the representative of the Government in the receiving and disbursing of funds provided pursuant to this Agreement. This Agreement shall prescribe the system and procedures which the financial agent will observe in performing this function.

3. At such time as the conditions of this section have been satisfied, A.I.D. will be prepared to make an advance of funds to the disbursing agent designated pursuant to Section 5.1(b) of the Agreement.

B. *Establishment of Special Account*

1. The Government shall establish a special account with its designated disbursing agent exclusively for receipt, management and disbursement of funds which shall be provided to the Government under Activity Implementation Letters pursuant to the terms and conditions of this Agreement.

2. For purposes of ensuring uniformity of records, minimal compliance with A.I.D. statutory requirements, and ease of inspection and reporting, A.I.D. will provide the Government's disbursing agent with a basic ledger system which the disbursing agent shall utilize in the maintenance of records for the Special Account.

3. Any interest which may accrue to balances subsequently maintained in the Special Account shall be for the account of the United States Government and shall be forwarded quarterly to A.I.D. by dollar check.

C. *Advances to the Disbursing Agent*

Following execution of the first Activity Implementation Letter and satisfaction of conditions precedent to disbursement specified in Section 5.1 of the Agreement, A.I.D. will be prepared to provide the Government's Special Account with sufficient advance to cover estimated funding requirements for ninety (90) days of operations. The request for this advance, and subsequent advances and/or reimbursements, should be initiated by the Government's disbursing agent and forwarded, through the Government Representative, to A.I.D.'s Regional Controller. After processing this request, A.I.D. will provide the amount of the advance requested for deposit in the Special Account. A format for this request is provided in Attachment D to this Annex.

D. *Disbursement for Program Activities*

1. Upon receipt of an officially executed Activity Implementation Letter which will include an identification of and line-item budget for those goods and services which are eligible for financing with A.I.D. Grant Funds, the Government's disbursing agent will be prepared to disburse funds against that activity. Disbursements will be made upon presentation by the implementing agent of the following documentation certified by the Government's Representative:

- (a) For Compensation
A statement showing days and time worked and rate of pay.
- (b) For Reimbursement Procurement
Copies of original receipt, bills of lading and invoices.
- (c) For Contracts
Copy of the billing statement from the contractor. A format for the Government Representative's certification is provided in Attachment F to this Annex.

E. *Replenishment of the Special Account*

From time to time the Government's designated disbursing agent may request A.I.D. to replenish the Special Account by requesting reimbursement against expenditures from A.I.D.'s Regional Controller. Normally, the disbursing agent's monthly Financial Status Report (Attachment D) required pursuant to Section III.B.2 of this Annex will serve as the reimbursement request. However, such a request for reimbursement may be made as often as necessary to ensure a sufficient operating balance in the Special Account. If, based on information received through the implementing agent's monthly projection of estimated future expenditures, the disbursing agent determines that simple reimbursement for prior disbursements will not be sufficient to provide anticipated disbursement requirements, the disbursing agent may initiate additional requests for advance pursuant to Section V.C of this Annex.

Attachment A

Activity Implementation Letter
No.
Title:

Pursuant to Article I of the Accelerated Impact Program Grant Agreement dated August 30, 1976 between the Government of Chad ("Government") and the United States of America, acting through the Agency for International Development ("A.I.D."), this Activity Implementation Letter provides a grant of U.S. dollars in the sum of \$ _____ for the purpose of financing the costs of goods and services required for the below described activity which conforms to the Program criteria established by Section 1.2 of the Agreement.

All terms, conditions and requirements established by the Agreement are applicable and will be observed in the implementation of this Activity.

1. *Activity Description*

(A description of the Activity, including goals and purpose, scope of work, and planned outputs).

2. *Implementing Agency*

(Identification of the Agency responsible for implementation and its representative(s); clear definition of the responsibilities of all parties concerned with carrying out the activity; the names of the person or persons whose signatures will be accepted for required certification in connection with disbursement requests, procurement, etc.).

3. *Implementation Schedule*

(General work plan for the total Activity and an implementation time schedule. To the extent possible, the schedule should project financial disbursement activity as well as physical progress).

4. *Objectives/Targets*

(A description of the outputs or results expected to be achieved by completion of the activity. The objectives and targets must be defined with sufficient specificity to permit an evaluation of the effectiveness of the Activity and the utilization of Grant Funds provided pursuant to the Agreement).

5. *Budget*

(Line-item budget in U.S. dollars identifying each component of the budget requirements to be financed under the Grant together with the specific budget allocation against each line-item. (NOTE: A local currency equivalency may be included as a justification for locally purchased goods

and services and as a general guideline for the implementing agent in managing the activity.) This budget is extremely important since it will provide the disbursing agent with an identification of the budget items eligible for financing, the amount of U.S. dollars authorized for disbursement against each item and the total amount authorized for the Activity.

This section must include a statement that the U.S. dollar figure budgeted represents the limit of A.I.D.'s contribution to this Activity and that the Government assumes responsibility for any cost overruns that may result from exchange rate fluctuations, price inflation and/or unanticipated requirements).

6. *Government Inputs*

(General description of inputs by the Government which are planned as essential to the execution of the Activity).

7. *Other Inputs*

(General description of non-A.I.D./non-Government inputs essential to the execution of the Activity).

8. *Reporting Requirements*

(Specification of all reports to be submitted in relation to this activity including the implementing agent's monthly Financial Status Report to the disbursing agent and Completion Report as well as the disbursing agent's monthly Financial Status Report to the Regional Controller. Relevant sections of the Agreement are to be cited and a format for each report is to be attached).

9. *Terminal Disbursement Date*

(In accordance with Article V., Section 5.4 of the Agreement, establishment of a date beyond which no disbursement will be made by A.I.D. against documentation received relevant to the Activity).

10. *End Use Accountability*

(In accordance with Article IV., Section 4.6(a) of the Agreement, establishment of a date beyond which the Government is no longer accountable for the goods and services provided in connection with this Activity).

11. *Modification of the Activity*

(Specification of the procedural requirements which must be observed in amending the provisions of the Activity Implementation Letter).

IN WITNESS WHEREOF, the Government and A.I.D., pursuant to the terms and conditions of the Grant Agreement mentioned above, each acting through its respective duly authorized representative, have caused this Activity Implementation Letter to be signed in their names and delivered as of this date and year.

By:
Name:
Title:
(Government Representative)

Date:
By:
Name:
Title:
(A.I.D. Representative)

By:
Name:
Title:
(Implementing Agent)

By:
Name:
Title:
(Other persons party to the Activity)

Attachment B

FINANCIAL STATUS REPORT

Activity (Title)
Number

For the period ending: (Date)

Budget Line Item Description	Budget Authorized	Procurement Documents Issued	Goods and Services Received	Total Payments Processed to Date	Balance	Estimated Expenditures Next 90 Days
1. (Category)						
a. (Item)						
b. (Item)						
2. (Category)						
a. (Item)						
b. (Item)						
3. (Category)						
a. (Item)						
b. (Item)						
TOTALS						

By:
Name:
Title: (Implementing Agent)

Attachment C

REQUEST FOR REIMBURSEMENT

To: Regional Controller Country
(Country) Allotment
Request Number
Date

Disbursements for the period: to

Project Number and Title	Budget Amount	Previous Disbursements	Disbursements for Period	Total to Date	Balance	Local Currency Equivalency	Projected Disbursements Next 90 Days
A. (Title)							
B. (Title)							
C. (Title)							
D. (Title)							
TOTAL							

Reimbursement is hereby requested in the amount of \$ for disbursement made this period in connection with above cited Activities.

The undersigned certifies that disbursements for which reimbursement is being requested have been made in accordance with the provisions of the Grant Agreement dated between the Government of and the United States of America, and pursuant [to] Activity Implementation Letters.

By:
Name:
Title: (Disbursing Agent)

- Attachments:
- (1) Summary of Account Number
 - (2) Summary of Line-item disbursements by Activity.

Attachment C.1

SUMMARY OF ACCOUNT NUMBER

<i>Advances Received</i>	<i>Reimbursements Received</i>
Date: (Amount)	Date: (Amount)
	Date: (Amount)
Date: (Amount)	Date: (Amount)
Total Advances: (Amount)	Total Reimbursements: (Amount)

TOTAL DEPOSITS

	<i>(Amount)</i>
Previous Disbursements:	<i>(Amount)</i>
Disbursements for Period (date) to (date):	
Account Balance as of (date):	<i>(Amount)</i>
Projected Disbursements	
Next 90 days:	<i>(Amount)</i>
Exchange Rate U.S. Dollar/Local Currency this period:	
Beginning: (rate)	
Ending: (rate)	

Attachment C.2

LINE ITEM DISBURSEMENT SUMMARY

Activity: *(Title)*

Number:

Disbursement for the period: to

<i>Budget Description</i>	<i>Budget Amount</i>	<i>Previous Disbursements</i>	<i>Disbursements for Period</i>	<i>Total to Date</i>	<i>Balance</i>	<i>Local Currency Equivalency</i>	<i>Projected Disbursement Next 90 Days</i>
1. (Category)							
2. (Category)							
3. (Category)							
4. (Category)							
TOTAL							

By:
Name:
Title: (Disbursing Agent)

Attachment D

REQUEST FOR ADVANCE

To: Regional Controller
Agency for International Development
(Country)

(1) Pursuant to Article V, Section 5.2 of the Grant Agreement dated between the Government of Chad and the United States of America, the Government of Chad hereby requests that the sum of \$ be advanced for deposit in Account No. at (Bank)

(2) The sum requested represents the funds necessary to provide sufficient balance in Account No. to permit timely processing of activity disbursement requirements over the next ninety (90) day period.

By:
Name:
Title: (Disbursing Agent)

Countersigned:

By:
Name:
Title: (Government Representative)

Attachment E

REQUEST FOR DISBURSEMENT

To: (*Disbursing Agent*)

Activity: (*Title*)
Number:
Request Number:
Date:

Pursuant to Section V.D.1. of Annex A to the Grant Agreement dated between the Government of Chad and the United States of America, the undersigned certifies that the items included in the attached documentation are authorized expenditures and that the costs thereof are properly reimbursable in accordance with the provisions of the Grant Agreement and Activity Implementation Letter mentioned above.

Disbursement is hereby requested in the amount of \$

By:
Name:
Title: (Government Representative)

[TRANSLATION¹ — TRADUCTION²]

Attachment F

AID GEOGRAPHIC CODE 935

The Free World: Any region or country of the Free World, including the cooperating country.

The following countries are not part of the Free World:

Cuba

China (mainland) and other regions controlled by the Chinese Communists, including:

Manchuria

The province of Sinkiang

Tibet

The former concession of Kwantung

¹ Translation supplied by the Government of the United States of America.

² Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.

The present area of the Port Arthur Naval Base
The province of Liaoning
Inner Mongolia
Sinkiang

Eastern Europe

Albania
Bulgaria
Czechoslovakia
East Germany (Zone of Germany under Soviet control and the Eastern Sector of Berlin)
Estonia
Hungary
Latvia
Lithuania
Romania

North Korea
Outer Mongolia
Poland
Union of Soviet Socialist Republics (USSR)
North Vietnam
