

No. 17256

**UNITED STATES OF AMERICA
and
HAITI**

**Project Agreement relating to integrated agricultural
development (with annex). Signed at Port-au-Prince
on 28 and 30 September 1976**

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
HAÏTI**

**Accord relatif à un projet de développement agricole inté-
gré (avec annexe). Signé à Port-au-Prince les 28 et
30 septembre 1976**

Texte authentique : anglais.

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

PROJECT AGREEMENT¹ BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND SEVERAL DEPARTMENTS

AN AGENCY OF THE GOVERNMENT OF THE REPUBLIC OF HAITI

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- | | |
|--|---|
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX ² | <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX |

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

☐ GENERAL AGREEMENT FOR TECHNICAL COOPERATION

Date

☐ ECONOMIC COOPERATION AGREEMENT

Date

☐ (other)

Date

1. Project/Activity No.
521-15-190-078

2. Agreement No.
TQ-9

3. ☒ ORIGINAL OR REVISION NO. ____

4. Project/Activity Title
INTEGRATED AGRICULTURAL DEVELOPMENT

5. Project Description and Explanation
(See Annex A attached)

6. AID Appropriation Symbol
72-11 x 1023

7. AID Allotment Symbol
402-50-521-00-69-51

8. AID Financing

☒ DOLLARS ☐ LOCAL CURRENCY

Previous total
(A)

Increase
(B)

Decrease
(C)

Total to Date
(D)

(a) Total

1,690,000

1,690,000

(b) Contract Services

1,625,000

1,625,000

(c) Commodities

(d) Other Costs

65,000

65,000

¹ Came into force on 30 September 1976 by signature.

² Not published herein. For the text of this annex, see "Project Agreement relating to assistance to Kabul University" in United Nations, *Treaty Series*, vol. 1084, No. I-16587.

9. Cooperating Agency Financing-
Dollar Equivalent
\$1.00 =

- (a) Total (See Para. V,B,1)
(b) Technical and other Services .
(c) Commodities
(d) Other Costs

10. Special Provisions (*Use Additional Continuation Sheets, if Necessary*)

This agreement provides initial U.S. grant assistance for the Integrated Agricultural Development Project (See Project Paper 521-T-008) whose purpose is to develop the institutional capacity of the Department of Agriculture and community organizations to deliver productive resources and services to small farmers. Additional AID grants to the project may be provided in subsequent years subject to the availability of funds.

11. Date of Original Agreement September 30, 1975	12. Date of this Revision September 30, 1976	13. Estimated Final Contribution Date September 30, 1979
14. For the Cooperating Government or Agency: <i>[Signed]</i> <i>Signature:</i> (Agr.) REMILLOT LEVEILLE <i>Date:</i> 28 September 1976 <i>Title:</i> Secretary of State for Agriculture, Natural Resources and Rural Development <i>[Signed]</i> <i>Signature:</i> EMMANUEL BROS <i>Date:</i> 28 September 1976 <i>Title:</i> Secretary of State for Finance and Economic Affairs		15. For the Agency for International Development: <i>[Signed]</i> <i>Signature:</i> SCOTT L. BEHOTEGUY <i>Date:</i> 9/30/79 ¹ <i>Title:</i> Director, USAID/Haiti

ANNEX A

I. BACKGROUND

Haiti's rural sector (home of 80-85% of the population) is the scene of a continuing deterioration of the resource base resulting from overutilization, low investment, and increasing demands for these same resources for food, fiber, fuel and building materials from a population estimated at five million. Irrigation systems have deteriorated since the beginning of this century because farmers were not trained to use and maintain them properly and national institutions were lacking the resources to perform the work. The resulting problems of soil erosion and water losses have been exacerbated by the primitive agricultural practices employed by Haitian farmers. With yields per hectare in Haiti among the lowest in the world, already poor lands have been called upon to produce more and more food to try to keep pace with steady population growth. The Department of Agriculture (DARNDR) has been deficient in the human, physical and monetary resources needed to address such problems.

¹ Should read: "9/30/76".

Pressed as it is to increase food production and reverse this environmental destruction, the Government of Haiti has requested the Government of the United States to assist in this Integrated Agricultural Development project to increase the production, productivity and incomes of the small farm sector. This combined grant-loan project will develop and test a prototype institutional system for developing more resources and better services to Haitian farmers. Our efforts will build upon the traditional Haitian practice in rural areas of organizing into various types of community groups for self-help activities. Project preparation and investigative work on rehabilitating irrigation systems, maize production research and rural communities has been conducted for the past two years under the Agricultural Development Support Project 521-069.

II. OBJECTIVES OF THE PROJECT

Our objective is to provide an integrated array of agricultural services and support for small farmers who share irrigation systems in four regions of Haiti. The project will be intensive and sufficient in size to have lasting benefit. We aim to design production systems which are easily adaptable by the farmer and based upon more intensive farming techniques which will increase the productivity of both land and labor and thus raise the incomes of participating farmers.

The project carries out the broad policy objectives of the Government of Haiti's new five-year plan (1977-1981) to improve the socio-economic position of the rural population and reduce urban migration. As advocated in the development plan, this Project is an investment in an activity which increases the efficiency of land and water use and reduces urban/rural income disparities.

The prototype delivery system will be developed and tried in four areas: the Les Cayes Plain, the area east of Jacmel, the Thomezeau area and the northwest. Implementation on pilot areas will have immediate impact on the farmers in these zones and serve as a learning experience to reinforce development and expansion of the delivery system to other areas. The augmented resources and improved services to be incorporated into the program include irrigation, soil conservation, agricultural research and development, extension, agricultural credit, and training. In the end, there will be created within DARNDR an institutional structure and process for identifying, evaluating, financing and implementing viable, small-scale irrigation and soil conservation sub-projects.

III. ACTIVITIES UNDER THIS PROJECT

The project involves initiation of a long-term institution building process within the Department of Agriculture (DARNDR) on the national and regional levels and in community organizations at local levels, while simultaneously beginning programs which increase production resources and services readily available to small farmers in the four pilot areas. Accent on community organizations will stimulate planning at the local level, helping the people to identify needs and to establish priorities among these needs which can then be more effectively communicated to government institutions. It is thus a people project, directed toward involvement and training of people at rural levels and in national institutions as well.

Development of an evaluation plan for the project has been provided for as a project activity and may be a requirement of the loan agreement. The technical assistance aspects will be reviewed annually as a part of the overall project evaluation plan. An annual financial audit will also be conducted.

A. *Project Management*

Assistance in managing the project for the Government of Haiti will be provided by a Management Implementation Team (MIT) to be financed by USAID and contracted for by the Government of Haiti for the first four years of the project. Under the administrative control of the DARNDR, these four long-term experts with periodic assistance from short-term consultants will work with counterparts in the Department of Agriculture and help

the GOH in its project management and administration. They will (a) assist DARNDR in development of management systems and training counterparts in areas such as accounting, personnel and information systems; (b) assist in carrying out other elements, i.e., procurement of technical services and commodities, arranging for training, managing contracts, project reporting and on-going evaluation.

B. *Reconstruction/Rehabilitation of Irrigation Systems*

Studies of the feasibility of reconstructing/rehabilitating approximately 15 irrigation systems serving 9,000 hectares will be performed with assistance from experts financed by the loan element of the project. Preparation of the reconstruction designs, rehabilitation work plans and training of Haitian supervisors to carry out the actual work by local labor will also be provided by these experts. Other illustrative services to be provided include training Haitian officials in the organization of community councils or irrigation districts where they don't exist, and instructing community members in water system operation, maintenance and repair, water and financial record keeping, as well as the hiring/supervision of staff and contract guidance.

C. *Extension/Information Services*

On-going DARNDR activities in these areas will be strengthened by training of personnel, provision of commodities, vehicles, materials and budget support, short in-service training programs in agricultural technology, extension methodology and project implementation as well as some long-term training. Funds will be provided by the Government of Haiti to contract for the long-term services of a communications/education advisor and an extension specialist. Provision is made for audio-visual equipment and materials and two years of technical assistance to improve the capabilities of the Service du Matériel Educatif to produce and distribute information materials including brochures, posters, videotapes, etc. Assistance will also be provided in developing seminars on agricultural practices and community development for farmers and trainers of farmers.

D. *Soil Conservation/Crop Production*

In non-irrigated areas adjoining the irrigation systems, pilot projects will be initiated by adding new and improved traditional crops to the production system, introducing modest inputs of seeds and trees, and improving cultivation practices, and land treatment to control soil erosion and water loss. Fruit tree intercropping on terraces will be promoted. DARNDR divisions will organize community councils and assist them to educate and motivate farmers.

E. *Research and Development*

Improved seeds and tree plant materials will be procured, field tested and propagated for distribution to village nurseries. Selected crops—corn, millet, sugar cane, cotton, peanuts and soybeans—will be selected for full-scale adaptive research trials. Short-term, in-service training and some long-term overseas graduate and specialized training is anticipated. One long-term and several short-term agronomists/horticulturists will provide technical assistance under contract to the Government of Haiti.

F. *Agricultural Production Credit*

A portion of loan funds provided to the project will be made available to the Office of Agricultural Credit for lending to an estimated 560 new agricultural credit societies which will make loans to 7,000 farm families in areas served by the irrigation systems rehabilitated under the project. The services of two U.S. experts will be provided under Government of Haiti contract for two years to help BCA with this expansion program, train new credit agents, and support and supervisory personnel.

G. *Agricultural Training*

To meet the long-run need for personnel trained in irrigation and soil conservation, assistance will be provided to establish a one year, post-graduate program in rural engineering at the Faculty of Agronomy. An 8,000 square foot classroom/lab/office facility

will be constructed and equipped. U.S. funds will be provided for contract services to staff the faculty initially, develop curriculum and management systems. Some overseas graduate training for prospective faculty is planned.

IV. WORK PLAN OF THIS GRANT

A. *Project Administration*

The United States Government will finance a contract for long-term and short-term services of a Management Implementation Team to work with DARNDR for a four-year period. These services are expected to commence prior to June 1977.

B. *Management Seminar*

The United States Government will contract for the short-term services of two management trainers to conduct in mid-1977 an 8-10 day seminar in modern management techniques. Illustrative topics to be covered include organizational management, delegating authority, communications and resource allocation. To assure that the seminar is tailored to the Department's needs a trainer will conduct pre-seminar interviews of participants and a post-seminar evaluation.

C. *Agricultural Training*

The United States Government will finance a contract for a four-man technical assistance team to initiate development of the rural engineering program at the Faculty of Agronomy. Its services will include development of a comprehensive, master plan, staffing of the faculty, and curriculum development.

V. CONTRIBUTIONS AND RESPONSIBILITIES

Estimated total project costs consist of:

U.S. Loan	\$8,000,000
U.S. Grants	\$4,100,000
GOH Contribution	\$10,200,000

A. *Government of the United States*

1. The Government of the United States agrees to provide herein \$1,000,000 to finance the initial 24 months' cost of a contract for management implementation services, as set forth in Section IV.A above.

2. The Government of the United States provides herein \$25,000 to finance the contract cost of two short-term management training experts to conduct a management seminar as set forth in Section IV.B above.

3. Initial funding of \$600,000 is granted herein by the United States Government for contract services to establish a one-year rural engineering program in the Faculty of Agronomy.

4. The United States agrees to furnish \$65,000 for the payment of other costs in support of paragraphs 1, 2, and 3 above.

5. A United States development loan for \$8 million has been authorized and will be negotiated and signed, if possible, within 60 days from the date of this Project Agreement.

6. United States grants to the estimated total of \$4.1 million indicated above will be made periodically by project agreements over the life of the project subject to the availability of funds by annual appropriation and a decision by AID at the time to proceed.

B. *The Government of the Republic of Haiti*

1. The Government of Haiti agrees to contribute an estimated \$10.2 million in local currency as its counterpart contribution over the life of the combined grant/loan project

for in-country contractor support, local expenses associated with the management seminar, local labor, supplies, equipment and materials. The estimate of the GOH contribution for the first year of the project, 1976/1977 budget year, is \$645,000 equivalent.

2. The Government of Haiti monetary contributions likewise will be made available over the life of the project as part of the GOH annual departmental budget exercise, subject to the availability of funds. It is agreed that a substantial portion of this contribution will come from counterpart funds generated by the sale of U.S. PL 480 Title I shipments.

3. The Government of Haiti will open a separate local currency account in the Banque Nationale de la République d'Haïti for the receipt and disbursement of counterpart funds to support the Integrated Agricultural Development Project. The Secretary of State, Department of Agriculture, Natural Resources and Rural Development, or his designee, shall administer this account. Beginning October 1976, and each six months thereafter during the term of this agreement, replenishments shall be made to this local currency account in amounts sufficient to meet the estimated local costs mutually agreed to.

4. Since local labor costs in the project are estimates, and many construction measures foreseen in the project, particularly those in soil and water conservation have yet to be adapted to Haitian conditions, we agree to undertake an appraisal 12 to 18 months after project operations have begun to determine more precisely the total GOH financial contribution for local salaries.

5. The Government of Haiti will provide office space, telephone services, electricity, and utilities, administrative personnel, supplies and equipment, necessary for contractors to fulfill their responsibilities in the implementation of the project.

6. The Government of Haiti agrees that the contractor and all his non-Haitian employees and their dependents shall be exempt from all taxes imposed under the law of Haiti and that all equipment, materials, supplies, as well as personal effects and household effects, inclusive of automobiles and other items financed by funds provided under this grant, shall be free of all customs, duties, and other taxes and consular fees.

7. The Government of Haiti agrees to recruit and employ or transfer and make available in a timely fashion sufficient numbers of qualified personnel to serve as counterparts to contract personnel funded by this grant.

8. The Government of Haiti agrees to take all necessary legal or administrative actions (a) to facilitate the expeditious and successful execution of contract work procured under this grant, and (b) to assure timely implementation of this project.

Waiver Control No. TQ-1

WAIVER OF PROJECT IMPLEMENTATION ORDERS

Project Title: Integrated Agricultural Development

Project No.: 521-15-190-078

In accordance with AID Handbook 19, Section 1D3 (pg. 1-24) the Project Implementation Orders for Technical Services under Pro Ag TQ-9 will be issued within 2 months from the signing of the agreement.

Date: September 30, 1976

S. BEHOTEGUY
Director
USAID/Haiti