

No. 17329

**UNITED STATES OF AMERICA
and
LIBERIA**

**Project Grant Agreement for agricultural sector analysis
and planning (with annexes). Signed at Monrovia on
12 August 1977**

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
LIBÉRIA**

**Accord de don relatif à un projet concernant la planification
et l'analyse du secteur agricole (avec annexes). Signé à
Monrovia le 12 août 1977**

Texte authentique : anglais.

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

PROJECT GRANT AGREEMENT¹ BETWEEN THE REPUBLIC OF LIBERIA
AND THE UNITED STATES OF AMERICA FOR AGRICULTURAL
SECTOR ANALYSIS AND PLANNING

Dated: August 12, 1977

A.I.D. Project No. 669-0137

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Dated August 12, 1977

A.I.D. Project No. 669-0137

PROJECT GRANT AGREEMENT between the REPUBLIC OF LIBERIA ("Grantee") and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

Article 1. THE AGREEMENT

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the project described herein and with respect to the financing of the project by the parties.

¹ Came into force on 12 August 1977 by signature.

² Not printed herein; for the text, see "Project Grant Agreement between the Arab Republic of Egypt and the United States of America for applied science and technology research, signed at Cairo on 29 March 1977" in United Nations, *Treaty Series*, vol. 1116, p. 97.

Article 2. THE PROJECT

Section 2.1. DEFINITION OF PROJECT. The project, which is further described in Annex 1, will strengthen the foundations for informed decision-making concerning programs, projects and policies for development of the agricultural sector by:

- (a) Facilitating and encouraging an orientation toward a sectoral system framework in the preparation, appraisal and implementation of development policies and projects;
- (b) Establishing an improved procedure and factual base for continuing examination of sectoral problems through disciplined inquiry leading to more relevant and effective development programs and policies; and
- (c) Using the preparation of a comprehensive sector analysis as an on-the-job training exercise which, with associated supporting measures, will consolidate and enhance the MOA Planning Division's capability for economic planning.

Annex 1, attached, amplifies the definition of the project contained in this Section 2.1. Within the limits of the definition of the project in this Section 2.1, elements of the amplified description stated in Annex 1 may be changed by written agreement by the authorized representatives of the parties named in Section 8.2, without formal amendment to this Agreement.

Article 3. FINANCING

Section 3.1. THE GRANT. To assist the Grantee to meet the costs of carrying out the project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement a total of one million five hundred thousand United States ("US") dollars (\$1,500,000).

Grant funds will be used to provide the following:

- (a) Approximately 108 person/months of technician services comprised of 36 months in agricultural economics, 36 months in farm management and 36 months in survey statistics and supporting costs;
- (b) Approximately 23 person/months of short-term consultants in specialized fields as required for developing and carrying out an agricultural sector analysis and in support of in-country training and seminars;
- (c) Participant training for up to eight students for U.S. Master's Degrees;
- (d) Participant training for up to six students for U.S. and Third-Country non-academic work; and
- (e) Approximately \$101,500 in commodity support for vehicles, office and field equipment.

Section 3.2. GRANTEE RESOURCES FOR THE PROJECT. (a) The Grantee agrees to provide or cause to be provided for the project all funds, in addition to the Grant, and all other resources required to carry out the project activity effectively and in a timely manner.

(b) The resources provided by Grantee for the project will be not less than the equivalent of six hundred and seven thousand five hundred U.S. dollars (\$607,500), including costs borne on an "in-kind" basis.

The GOL contribution will consist of approximately \$294,200 for support of on-the-job training activities, \$200,500 for the production of the sector analysis and \$112,800 for participant training. This support will be in the form of personnel salaries, including

eight new MOA/PD staff, operation and maintenance of equipment including project vehicles, contribution of the buildings for office space and travel costs and per diem when necessary. The GOL will provide transportation fare and expenses for international travel for all participants.

Section 3.3. PROJECT ASSISTANCE COMPLETION DATE. (a) The "Project Assistance Completion Date" (PACD), which is March 30, 1981, or such other date as the parties may agree to in writing, is the date by which the parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4. CONDITIONS PRECEDENT TO DISBURSEMENT

Section 4.1. [CONDITIONS PRECEDENT TO INITIAL DISBURSEMENT]. There are no conditions precedent to initial disbursement.

Section 4.2. CONDITIONS PRECEDENT TO ADDITIONAL DISBURSEMENT. Disbursements for year three will be made pursuant to satisfactory performance of the project as determined by the special review to be done about 18 months after project initiation as described in Section 5.1.

Section 4.3. TERMINAL DATES FOR CONDITIONS PRECEDENT TO ADDITIONAL DISBURSEMENTS. If all of the conditions specified in Section 4.2 have not been met by 24 months after the arrival of the Project Team in Monrovia, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Grantee.

Article 5. SPECIAL COVENANTS

Section 5.1. PROJECT EVALUATION. The parties agree to establish an evaluation program as part of the project. Except as the parties otherwise agree in writing, the program will include, during the implementation of the project and at one or more points thereafter:

- (a) Evaluation of progress toward attainment of the objective of the project;
- (b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) Assessment of how such information may be used to help overcome such problems, in this or other projects; and
- (d) Evaluation, to the degree feasible, of the overall development impact of the project.

Assuming the project team arrives by March 1978, a special review will be scheduled about November 1979, or 18 months after project initiation, shortly after a draft sector

analysis report has been prepared and reviewed by both the GOL and USAID. Then the evaluation conclusions can help to shape the final draft of the sector analysis report. At that time also participant training and on-the-job training should be showing results.

The special evaluation team which will include one member drawn from outside, the GOL and USAID, will examine quantitative progress toward realization of input and output targets as set forth in the logical framework. The team should examine closely the relevance, significance and potential usefulness of new information and conclusions emerging from the sector analysis. Qualitative aspects of on-the-job training and overseas training being undertaken and general prospects that the project will eventually produce worthwhile impact on the planning process in agriculture will be reviewed. The MOA/PD's responsibilities, capabilities, performance and response to planning requirements will also be assessed. The report of the evaluation team will be submitted no later than 22 months after the arrival of the Project Team in Monrovia.

Section 5.2. TRUST FUND. The Grantee agrees, in accordance with Section 3.2 of this Agreement, to deposit into a USAID-administered Trust Fund twenty-five thousand U.S. dollars (\$25,000) per year for the maintenance, repair and operating costs of vehicles financed and provided by the USAID for U.S. technicians' use for in-country training costs and for project costs associated with this project not otherwise anticipated by the USAID or the GOL. The first deposit of such fund will be made not later than 90 days following the signing of the Agreement. The two subsequent deposits will be made 12 and 24 months after the initial deposit. A detailed Trust Fund budget will be jointly prepared by USAID and the Ministry of Agriculture representatives subsequent to the arrival of the Chief of Party of the USAID-financed contract team.

Section 5.3. PARTICIPANTS' SALARIES. The Grantee agrees to provide salaries for the trainees recruited for this project and funds, including per diem, when necessary for labor and enumerators on the various survey teams.

Section 5.4. VEHICLES. Title for vehicles provided by A.I.D. under Section 3.1(e) shall rest with the GOL/MOA. Third-party liability insurance for three vehicles assigned to U.S. technicians will be secured for these vehicles from a commercial carrier. Premiums for the above-mentioned vehicles will be paid from the GOL/MOA Trust Fund, in accordance with Section 5.2 of this Agreement. Vehicles assigned for U.S. technicians' use will be under the control of the U.S. project technicians.

Section 5.5. FAILURE TO COMPLY WITH SPECIAL COVENANTS. Failure to comply with the provisions of Article 5 may result in the termination of the Project. USAID will monitor the provisions of Article 5 and will notify the Grantee in writing should Grantee-initiated action be required. Failure of the Grantee to respond in writing and failure to rectify the itemized problem is cause for A.I.D. to cancel the then undisbursed balance of the Grant and/or terminate this Agreement by written notice to the Grantee.

Article 6. PROCUREMENT SOURCE

Section 6.1. PROJECT COSTS. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services) or Liberia, except as stated in Section 5.5 or as A.I.D. may otherwise agree in writing and except as provided in the Project Standard Provisions Annex, Section C.1 (b), with respect to marine insurance.

Section 6.2. IMPORTED SHELF ITEMS. Shelf items are eligible for local cost financing in unlimited quantities if they have their source and origin in the United States. Shelf items having their source and origin in countries included in geographic code 941

are eligible for financing if the price of one unit does not exceed \$2,500. The total amount of imported shelf-item purchases, from Free World sources (code 935) other than from the United States may not exceed 10 percent of total local costs financed by A.I.D. for the project, or \$10,000, whichever is higher.

Article 7. DISBURSEMENT

Section 7.1. DISBURSEMENT FOR PROJECT COSTS. The Grantee may obtain disbursements of funds under the Grant for goods or services required for the project, in accordance with the terms of this Agreement, by requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project.

Section 7.2. OTHER FORMS OF DISBURSEMENT. Disbursements of the Grant may also be made through such other means as the parties may agree in writing.

Article 8. MISCELLANEOUS

Section 8.1. COMMUNICATIONS. Any notice, request, document or other communication submitted by either party to the other under this Agreement will be in writing, or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Mail address:

Ministry of Agriculture
Monrovia, Republic of Liberia

Alternate address for cables:

Ministry of Agriculture
Monrovia, Republic of Liberia

To A.I.D.:

Mail address:

Director of USAID
P.O. Box 1445
Monrovia, Liberia

To A.I.D.:

Cables:

USAID
c/o American Embassy
Monrovia, Liberia

Other addresses may be substituted for the above upon the giving of notice.

Section 8.2. REPRESENTATIVES. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding, or acting in, the Office of Minister of Agriculture and A.I.D. will be represented by the individual holding, or acting in, the Office of Mission Director, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 8.3. STANDARD PROVISIONS ANNEX. A "Project Grant Agreement [Standard] Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

For the Republic of Liberia:

By: FLORENCE A. CHENOWETH
 Title: Minister of Agriculture

By: DAVID F. NEAL
 Title: Minister of Planning and Economic
 Affairs

By: JAMES T. PHILLIPS
 Title: Minister of Finance

United States of America:

By: S. J. SIEGEL
 Title: Director, U.S. AID
 Date: August 12, 1977

ANNEX 1

A.I.D. Project No. 669-0137

[AMPLIFIED] DESCRIPTION OF THE PROJECT

I. Introduction

This Project Agreement between the Ministry of Agriculture (MOA), an agency of the Republic of Liberia, and the USAID, an agency of the United States Government, is a continuing activity to consolidate and enhance the economic planning capacity of the MOA's Planning Division (PD) over a three-year period by providing advisory assistance and training for the production of a comprehensive agricultural sectoral analysis. U.S. assistance provided to the MOA/PD under this project includes approximately 108 months of technical services by three senior U.S. specialists, approximately 23 months of short-term assistance by consultants, participant training and commodities. U.S. project financing will total no more than \$1,500,000 over the life of the project. The MOA Planning Division will employ approximately one-third of its total resources in this activity, thus providing a GOL input of at least \$607,500 over the life of the project.

A. Goal and purpose

With the goal of increasing agricultural productivity and economic benefits to rural households in small-scale agricultural production, project activities will (a) facilitate and encourage an orientation toward a sectoral system framework in the preparation, appraisal, and implementation of development policies and projects; (b) establish an improved procedure and factual base for continuing examination of sectoral problems through disciplined inquiry leading to more relevant and effective development programs and policies; (c) use the preparation of a comprehensive sector analysis as an on-the-job training exercise which, with associated supporting measures, will consolidate and enhance the MOA Planning Division's capability for economic planning.

B. Outputs

By the end of the project, the Planning Division will have an adequately sized staff of qualified professionals. Up to six additional Master's Degree personnel will have joined the MOA/PD staff and four to six additional staff will have received practical non-degree training. On-the-job training will have been provided for MOA/PD staff in broad sector analysis, including intensified training in micro-economic analysis and in the collection and utilization of field survey data. A broad sector analysis will have been produced, including an intensive treatment of the subsector of rural households engaged in small-scale agricultural production.

In addition the MOA/PD will be able to conduct comprehensive sector analyses and to update them as needed. By the project completion date, statistical reports will improve in breadth and

detail, the capability for producing crop statistics and for preparation and appraisal of development projects will be consolidated, and improvement will occur in the use of sound evidence as a base for project preparation. The MOA/PD will be increasingly able to formulate effective projects and appraise projects discriminatingly, coordinate the planning activities of various other agencies and evaluate the progress of programs in the agricultural sector.

II. *Description and course of events*

The three basic components of this project are on-the-job training, participant training, and the production of the sector analysis report. The on-the-job training component will be integrated into the sector analysis production by using it also as a training exercise with the guidance and supervision of the U.S. technicians.

A. *Production of an agricultural sector analysis and on-the-job training*

USAID will provide the services of a Senior Survey Statistical Advisor, a Farm Management Advisor, and a Senior Agricultural Economics Advisor who are due to arrive by March 1978. The technical advisors' responsibilities will include assisting the MOA's Planning Division to (1) provide in-service training for MOA/PD personnel in the collection and utilization of field data, and in broad sector analysis; (2) direct the production of a comprehensive agricultural sector analysis giving special attention to the subsector of rural households engaged in small-scale agricultural production.

In addition the technicians will advise the MOA/PD on the performance of operational tasks.

The Ministry of Agriculture will be responsible for assuring that counterpart section chiefs will be appointed and work with the technical advisors in their respective sections. Great emphasis will be placed on close collaboration between USAID, the contracting team and the MOA's Planning Division.

A work plan for the sector analysis will include the preliminary organizational activities, examination of the resource base, examination of the economic and institutional environment, review of active and pending projects, and then a program-oriented synthesis, preparation of the final report and interpretive follow-up assistance for project development. During the first month of the project, the work plan will be reviewed and revised by the Planning Division and the advisory staff.

B. *Personnel*

In addition to assisting with the Agricultural Sector Analysis Report, the advisors will submit reports on their activities and on the progress of the analysis. The short-term consultants will prepare reports on the progress of the sector analysis as well as seminar or short course papers reflecting their in-service training contribution.

C. *Training and commodities*

Concurrently, with the provision of the U.S. advisors and short-term consultants, the MOA will hire eight additional staff who will qualify for U.S. Master's Degree training in Agricultural Statistics and Agricultural Economics. Six participants for the non-degree training program are to be selected from existing staff of the Planning Division. Most of this training will be in statistics. The MOA will select the participants and training programs with the technical advisors.

In-service training will include in-country seminars as well as on-the-job training in statistics, project preparation and appraisal and sector analysis including intensified training in micro-economic analysis. This training will provide preparation for the personnel engaged in the sector analysis and will consolidate the skills of those returning from academic training overseas.

D. *Evaluation and the third project year*

Primary emphasis in evaluation will be placed on a special review to be conducted about 18 months after the project begins. This will be shortly after a draft sector analysis report has been

prepared and reviewed by both the GOL and USAID, and will be early enough so that evaluation conclusions can help to shape the final sector analysis report. At this time also the results of participant training and on-the-job training will begin to be evident.

The evaluation team will examine participant records, review the sector analysis report and examine the published monthly and annual reports. This report will be submitted no later than 21 months after project initiation. The evaluation team will include representatives from the MOA and USAID as well as one outside member over two months' contract. The team will assess the general effect of the project on future planning in agriculture.

Emphasis during the third project year will be on interpretation and use of results of the sector analysis and on further training to enhance the Division's planning abilities.

III. *Specific commitments*

The United States Government through the USAID agrees to provide over a three-year period:

1. Approximately \$1,089,500 to finance up to 108 person/months of three senior technical advisors and about 21 person/months of consultant services and up to 36 months of the services of a local hire secretary;
2. Approximately \$228,000 for participant training;
3. Approximately \$101,500 for vehicles, office and field equipment in support of the sector analysis; and
4. Up to \$81,000 in other costs in support of the technical services and project activities.

The Government of Liberia, through the Ministry of Agriculture, agrees to provide approximately \$607,500 in funds and in-kind services for the following:

1. Counterpart Liberian personnel to work with the U.S.-funded technical advisors;
2. Salaries for the trainees recruited for this project and funds, including per diem, for laborers and enumerators on the various survey teams;
3. Employment for the returning participants with the MOA/PD in positions relevant to the skills and education received and financed under this project;
4. Payment of the travel costs of the participants covered under this Agreement;
5. Staff members, qualified for U.S. Master's Degree training;
6. Maintenance and operation of USAID-financed project vehicles; and
7. In-country training costs.

This project, by strengthening the foundations for informed decision-making concerning programs, projects and policies for the development of the agricultural sector, will contribute to increased per capita agricultural output of rural households engaged in small-scale farming, increased rural household output entering the commercial sector and increased socio-economic services to rural households.

ATTACHMENT 1 TO ANNEX I. PROJECT FINANCIAL PLAN
(source and application of funding—\$ thousands)

Agricultural Sector Analysis and Planning
Project No. 669-0137
June 14, 1977

	<i>Total</i>
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USAID inputs	
Technical assistance	(1,089.5)
Long-term	725.4
Short-term	343.7
Local hire secretary	20.4
Participants	(228.0)
U.S. academic	163.2
U.S. and third-country non-academic	64.8
Commodities	(101.5)
Vehicles	90.0
Office equipment	1.5
Other field equipment	10.0
Other costs	81.0
Total USAID costs	<u>1,500.0</u>
GOL inputs	
Personnel salaries	304.4
Operations/maintenance/equipment	59.2
Physical plant	81.0
Travel and subsistence	87.9
Trust fund	75.0
Total GOL costs	<u>607.5</u>
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