

No. 18046

**UNITED STATES OF AMERICA
and
MALAWI**

**Project Agreement relating to the Bunda College of
Agriculture (with annexes). Signed at Lilongwe on
29 April 1976**

Authentic text: English.

Registered by the United States of America on 14 November 1979.

**ÉTATS-UNIS D'AMÉRIQUE
et
MALAWI**

**Accord de projet relatif au Collège d'agriculture de Bunda
(avec annexes). Signé à Lilongwe le 29 avril 1976**

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 14 novembre 1979.

PROJECT AGREEMENT¹ BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND MINISTRY OF FINANCE, AN AGENCY OF THE GOVERNMENT OF MALAWI

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 type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX | <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:

- | | |
|--|-------|
| <input type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | DATE: |
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | DATE: |
| <input type="checkbox"/> (OTHER) | DATE: |

1. Project/Activity No.: 690-0054

2. Agreement No.: 76-M-10	3. Original or Revision No.: —
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4. Project/Activity Title: Bunda College of Agriculture

5. Project Description and Explanation: (See annex A attached)

6. A.I.D. Appropriation Symbol: 72-11X1023	7. A.I.D. Allotment Symbol: 402-52-690-00-69-61
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8. A.I.D. Financing:	Previous total (A)	Increase (B)	Decrease (C)	Total to date (D)
<input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY		\$1,445,000		\$1,445,000
(a) Total				
(b) Contract services				
(c) Commodities				
(d) Other costs				

(See page 5 for component breakdown)

9. Cooperating Agency Financing—Dollar Equivalent:		
\$1.00=		
(a) Total	\$838,300	\$838,300
(b) Technical and other services	56,300	56,300
(c) Commodities		
(d) Other costs	782,000	782,000

¹ Came into force on 29 April 1976 by signature.

10. Special provisions (use additional continuation sheets, if necessary):

11. Date of Original Agreement: April 29, 1976	12. Date of this Revision:	13. Estimated Final Contribution Date: March 31, 1979
14. For the Cooperating Government or Agency: <i>Signature:</i> D. T. MATENJE <i>Date:</i> 4-29-76 <i>Title:</i> Minister of Finance	15. For the Agency for International Development: <i>Signature:</i> ROBERT A. STEVENSON <i>Date:</i> 4-29-76 <i>Title:</i> Ambassador of the United States	

A.I.D. FINANCING. DETAILS OF U.S. CONTRIBUTION BY COST COMPONENT AND METHOD OF IMPLEMENTATION

<i>Cost component method of implementation</i>	<i>Previous total</i>	<i>Increase</i>	<i>Decrease</i>	<i>Total to date</i>
Total		1,445,000		1,445,000
Personal services		405,000		405,000
P.A.S.A.				
Contract				
Participants		30,000		30,000
Direct A.I.D.				
P.A.S.A.				
Contract				
Commodities				
Direct A.I.D.				
P.A.S.A.				
Contract				
Other costs		1,010,000		1,010,000
Direct A.I.D.				
P.A.S.A.				
Contract				

I. SUMMARY

This project is designed to provide assistance to meet a priority development need identified by the Government of Malawi and the University of Malawi. The need specifically is to improve the quality and expand the numbers of middle and high level agriculture technicians by extending the capacity of the existing agriculture training institution: Bunda College of Agriculture, University of Malawi.

This project described herein is scheduled to continue for six years and during that time A.I.D. plans to provide technical services, finance the training of Malawian nationals, purchase pertinent equipment and materials, provide local cost funding for the establishment of Rural Development Special Studies and Seminars and fund construction on the Bunda campus in direct support to the objectives of this activity. Financing for these project components after FY 1976

will depend on the availability of A.I.D. funds and mutually agreed upon satisfactory progress.

The rationale for this project is set forth in the Project Paper (P.P.) prepared by A.I.D. in collaboration with the Government of Malawi. It is mutually accepted by the parties to this Agreement that the Project Paper will serve as the basis for their planned inputs to the project and will be the working document for implementation of project activities. The specific inputs agreed to by both parties during the first eighteen months of the project are included in this Agreement.

II. PROJECT DESCRIPTION

A. *Problem.* Malawi's economy is and, for the foreseeable future, will be primarily agricultural. Thus it is essential that Bunda College of Agriculture, which is the sole institution producing middle and high level agriculture technicians, become a modern, efficient, localized agricultural training institution. The scarcity of trained personnel has been identified (see P.P.) as one of the most serious constraints to the achievement of Malawi's goal of general improvement in rural development. This constraint is most critical, given the magnitude and complexity of personnel requirements for agriculture development activities.

B. *Purpose and outputs.* The purpose of the project is to extend the capacity of the existing agriculture training institution, Bunda College of Agriculture, to provide competent and skilled personnel cognizant of the technical, social and managerial conditions affecting development. Specifically, this project will assist the University of Malawi and support its efforts to enable Bunda College of Agriculture to:

1. Increase its annual output of diplomates to 65;
2. Increase its annual output of graduates to 23;
3. Adopt a new diplomate/graduate curriculum;
4. Localize senior staff positions to 37;
5. Increase effectiveness of practicals in diplomate courses;
6. Expand campus facilities to allow total enrollment of 365 by 1981.

C. *Course of action.* This project will provide for up to 27 man-years of technical assistance to senior staff positions at Bunda plus short term consultancies at various times throughout the life of the project. This technical assistance will be primarily in the fields of rural development and crop production.

The U.S.-provided staff will fully participate in the academic affairs of Bunda. They will teach regular and unscheduled courses, participate in curriculum development and conduct approved research.

Overseas training for Malawians to replace the A.I.D.-provided technicians will amount to approximately 40 man-years of participant training. Equipment will be provided to support the A.I.D.-financed technical assistance and funding for annual Rural Development Conferences will be made available. Additional facilities to be constructed include student housing, a soils/crops laboratory, an animal science laboratory, renovation to the auditorium; staff housing for 21 senior, 34 junior and 30 support staff; student union renovation, maintenance shop and agricultural engineering shop.

III. UNITED STATES CONTRIBUTION

A. *U.S. Fiscal Year 1976 commitments.* This Agreement provides funding in the amount of \$1,445,000 broken down as follows:

1. *Technical services (\$405,000).* This funding is for six technicians for eighteen months each, or nine man-years of service, plus short-term consultancies.

2. *Participant training (\$30,000).* This funding is for three man-years of degree training.

3. *Commodities.* None to be financed by this Agreement. (NOTE. Materials and supplies for construction will be financed under item 4. *b*, *Other costs*.)

4. *Other costs.*

a. Costs incidental to interviews of technical assistance personnel (\$5,000);

b. *Construction costs (\$1,005,000):* this funding will be for the foreign exchange and local costs for construction materials and services.

B. *Projected life-of-project costs.* Subject to the availability of funds, mutually satisfactory progress and subsequent A.I.D. approvals, the following financial estimate is projected for the anticipated life of this project (in thousands of U.S. dollars):

	<i>Foreign exchange</i>	<i>Local cost</i>	<i>Total cost</i>
1. Technical assistance cost:			
AID	\$1,925	\$75	\$2,000
GOM	—	—	—
2. Recurrent cost:			
AID	—	—	—
GOM	—	819	819
3. Capital cost:			
AID	1,019	981	2,000
GOM	—	1,164	1,164
Sub-total	1,019	2,145	3,164
4. Total cost:			
AID	2,944	1,056	4,000
GOM	—	1,983	1,983
	\$2,944	\$3,039	\$5,983

IV. GOVERNMENT OF MALAWI CONTRIBUTION

A. *General.* The Government of Malawi, through the University of Malawi, agrees to provide on a timely basis the necessary funds, facilities, personnel, services and other resources required for the effective support of A.I.D. inputs to this project and the achievement of stated project objectives. Details of the G.O.M. inputs are specified in the Project Paper.

B. *Specific G.O.M. inputs under this Agreement.* For support to this Agreement, the G.O.M. agrees to provide:

1. *Qualified and experienced project management* (see section VII).

2. *Salaries for U.S. staff.* The G.O.M. will pay the base salaries (less agreed-to deductions) into a trust fund. This contribution will be used to meet a

portion of the local costs of the project in accordance with the Trust Account Agreement set forth as annex B, hereto.

3. *Working space.* The G.O.M. will provide adequate working space for the U.S.-provided staff.

4. *Equipment and supplies.* The G.O.M. will supply any needed equipment and supplies not provided by A.I.D. to support the U.S. staff.

5. *Local travel and maintenance.* The G.O.M. will provide all local travel costs for U.S. staff.

6. *Support of participants.* Suitable candidates will be made available on a timely basis for participating in the special courses or degree programs in the U.S. provided for under this Agreement. Local costs incidental to their training programs while in Malawi and their salaries or a family maintenance allowance during the period of training, whether in or outside Malawi, will be paid for by the G.O.M.

7. *Temporary accommodation for U.S.-provided staff.* In the event that permanent housing is not available for occupancy by the U.S.-provided staff and family upon arrival in Malawi, the G.O.M. will provide suitable, furnished, temporary accommodation at no cost to the staff member until permanent housing is available. If such temporary accommodation is not located on the Bunda Campus, the G.O.M. will either provide transportation, or reimburse the staff member for use of personal transportation, between his residence and the campus.

8. *Permanent housing for U.S.-provided staff.* Permanent housing will be provided without cost to the U.S.-provided staff and will be equipped with basic hard furnishings of a type assigned to other University of Malawi employees of comparable rank. The individual occupant will be responsible for utility bills.

9. *Architectural and engineering services.* The G.O.M. will provide all required architectural and engineering design and supervision services.

10. *Recurrent costs.* The G.O.M. will finance, in addition to the aforementioned salaries, all of the recurrent costs, as defined in the Project Paper.

V. SPECIAL CONDITIONS

The Government of Malawi (G.O.M.) will furnish to A.I.D. prior to the issuance of the first disbursement authorization for capital expenditure, in form and substance satisfactory to A.I.D., evidence that an adequate water supply will be developed to support the proposed expansion of facilities at Bunda. Such evidence may include, without limitation, (1) executed agreements with other donor agencies to finance the expansion of water supply facilities and (2) Government appropriations which have been obligated in amounts sufficient to indicate the timely completion of water supply facilities. A.I.D. will notify the G.O.M. in writing upon satisfactory compliance with this condition.

In the event such evidence has not been furnished to A.I.D. within 90 days of the execution of this Agreement, or by such later date as A.I.D. may otherwise agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the G.O.M.

Notwithstanding A.I.D.'s prior acceptance of evidence regarding development of an adequate water supply, should it become apparent to A.I.D. at any time during the life of the Project that an adequate water supply will not, in fact, be available to support the expansion of facilities contemplated by this Project, then A.I.D. may, after consultation with the G.O.M., terminate this Project in whole or in part as deemed appropriate.

VI. CONDITIONS AND COVENANTS

A. *General.* The G.O.M. shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, construction, financial and administrative practices. In this connection, the G.O.M. shall at all times employ suitably qualified and competent construction contractors to carry out the Project.

B. *Non-A.I.D.-financed goods and services.* Goods and services procured for the project, but not financed by A.I.D., shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book.

C. *Reasonable price.* No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, except for professional services, on a competitive basis.

D. *Reports, records, inspections and audit.* The G.O.M. will:

- (1) Furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;
- (2) Maintain or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation:
 - (a) The receipt and use of goods and services acquired under the Grant;
 - (b) The nature and extent of solicitation of prospective suppliers of goods and services acquired;
 - (c) The basis of award of contracts and orders; and
 - (d) The progress of the Project;such books and records will be regularly audited, in accordance with sound accounting standards, and maintained for three years after the date of last disbursement by A.I.D.; and
- (3) Afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect the Project, the utilization of goods and services under the Grant, and books, records and other documents relating to the Project and the Grant.

E. *Assignment of cause.* The Ministry of Finance agrees to execute an assignment to A.I.D., upon request, of any cause of action which may accrue to the Government of Malawi in connection with or arising out of a contractor's performance or breach of performance of any contract financed in whole or in part by funds provided by the United States Government under this Agreement.

F. *Information and marking.* The G.O.M. shall give publicity to this Agreement and the Project as a program of United States assistance, identify the Project site and mark goods financed by A.I.D., as prescribed in subsequent Implementation Letters.

G. *Additional conditions and covenants.* (1) Any resources financed by A.I.D. pursuant to this Agreement will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(2) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

(3) The G.O.M. covenants:

- (a) That the facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement; and
- (b) That it will inform A.I.D. in a timely fashion of any subsequent facts and circumstances that might materially affect or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

(4) The A.I.D.-financed technical assistance personnel under this Project will not be subject to transfer or reassignment outside this Project, without the prior written consent of A.I.D.

(5) The G.O.M. will assign individuals who have undergone long-term training financed by A.I.D. under this Project to positions occupied by U.S.-provided technicians or in closely related activities or as otherwise mutually agreed.

VII. IMPLEMENTATION ARRANGEMENTS

A. *Designation of responsible U.S.A.I.D. officials.* 1. For A.I.D., overall responsibility for implementation and management for U.S.-financed inputs will lie with the U.S.A.I.D. Regional Office for Southern Africa (U.S.A.I.D./Southern Africa). The Regional Development Officer (R.D.O.) in charge of that office shall designate appropriate technical staff for this purpose.

2. The initial point of contact with A.I.D. on all matters will be through the officer in the United States Embassy in Malawi who has been designated responsibility for A.I.D. affairs in Malawi.

3. Under the general direction of the U.S.A.I.D./Southern Africa, the A.I.D. Regional Economic Development Services Office (R.E.D.S.O.) located in Nairobi, which provides legal, engineering and contracting services for A.I.D. field offices in east and southern Africa, will be responsible on behalf of A.I.D. for approvals and monitoring related to the construction element of the project. With the prior concurrence of U.S.A.I.D./Southern Africa, the R.E.D.S.O./Nairobi will issue Implementation Letters providing detailed guidance and instructions relative to implementation of the construction activities of the project.

4. U.S.A.I.D./Southern Africa shall be directly responsible for issuing implementation documents relative to initiating and carrying out the technical

assistance, training and commodity procurement elements of the project. The A.I.D. Controller in U.S.A.I.D./Southern Africa shall be responsible for review and approval of all A.I.D. payments and claims for reimbursement for all elements of the Project.

B. *Designation of responsible G.O.M. officials.* 1. For purposes relative to this Agreement, the Government of Malawi will be represented by the individual holding or acting in the office of Minister of Finance. This individual shall have the authority to designate additional representatives by written notice, including specimen signatures of all such designees. Until receipt by A.I.D. of written notice of revocation of the authority of any duly authorized representatives of the Government of Malawi designated pursuant to this section, it may accept the signatures of any such representative(s) on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

2. For normal operations, the G.O.M. management of this project will be provided through the regular channels of the University of Malawi (U.M.). The Vice-Chancellor of that institution shall be responsible for the overall management of the project. The U.M. Registrar shall be responsible for implementation of the construction component and will coordinate the activities of the U.M. architect, Norman and Dawbarn. After construction contracts are awarded, he will be responsible for forwarding all relevant documentation to U.S.A.I.D./Southern Africa and R.E.D.S.O./Nairobi through the G.O.M. Ministry of Finance. The Principal of Bunda will be responsible for all details related to the technical assistance, training and commodity procurement components of the project. He will be the chief supervisor of the A.I.D.-financed staff, who will work within their assigned departments.

C. *Disbursement of A.I.D. contributions.* (1) Disbursements for technical assistance, participant training and commodities will be made directly by A.I.D. following established Agency procedures.

(2) *Other costs.* Disbursement procedures for construction costs and other costs will vary depending upon whether disbursement is for foreign exchange or local currency costs. Local currency costs will be handled on a reimbursable basis. Documentation and procedures required for the Government of Malawi to obtain reimbursement from A.I.D. will be defined in a separate Implementation Letter. The various alternatives for handling disbursement of foreign exchange costs of construction will be discussed by A.I.D. and the G.O.M. and the most satisfactory method will be mutually agreed upon.

D. *Procurement.* (1) The authorized source of procurement for construction materials and related supplies under this Agreement shall be those countries in A.I.D. Geographic Code 935, as in effect on the date of procurement. All other procurement of goods and services, exclusive of construction materials and related supplies, shall be of U.S. and local source.

(2) Contracting for construction services and construction related commodities financed by A.I.D. will be conducted in accordance with standard G.O.M. contracting rules, procedures and forms.

(3) Off-shelf procurement of commodities and materials shall be in accordance with A.I.D. rules and regulations as set forth in A.I.D. Handbooks and Manual Orders, to be more fully described in Implementation Letters.

E. *Plans, specifications and contracts for construction.* In order for there to be mutual agreement on the following matters, and except as the parties may otherwise agree in writing:

(1) The G.O.M. will furnish to A.I.D., upon preparation:

- (a) Any plans, specifications, construction schedules, bid documents, and contracts relating to the Project (and any modifications therein) which are to be financed under the Grant; together with
- (b) Such documentation for any goods or services which, though not financed under the Grant, are of critical importance to the Project; aspects of the Project involving matters under this subsection (1) (b) will be identified in Implementation Letters issued by R.E.D.S.O./Nairobi.

(2) Prior to their issuance, bid documents and documents related to the solicitation of proposals for goods and services financed under the Grant will be approved by A.I.D. in a manner to be defined by Implementation Letters.

(3) Contracts and contractors financed by A.I.D., or identified in accordance with section (1) (b) above, for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Implementation Letters, 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.

(4) The employment of personnel to perform services under construction contracts financed by A.I.D. is subject to certain requirements, which will be described in Implementation Letters, as necessary, with respect to nationals of countries other than Malawi and the United States.

F. *Issuance of implementing documents.* Pursuant to A.I.D. Handbook 19, Ch. 1, Sec. 1.D.3, issuance of the necessary implementing documents for the non-construction components of the Project is waived for the periods shown below:

- PIO/Ts: not more than six months;
- PIO/Ps: not more than twelve months;
- PIO/Cs: not more than six months.

VIII. REVIEW AND EVALUATION

The G.O.M. and U.S.A.I.D./Southern Africa mutually agree that regular periodic reviews of project progress and careful formal evaluations using predetermined terms of reference are essential to project success. Toward that end, the parties agree to carry out the review and evaluation processes described below.

A. *On-going evaluation.* The on-going evaluation will consist of periodic reporting by the contractor and continuous monitoring by the A.I.D. Project Manager.

B. *Annual evaluations.* The annual evaluations will be designed to accomplish minor corrections and revision in project design and implementation as needed. These annual evaluations will be based on the results of new data obtained regarding the outcome of project activities. These evaluations will be participated in by members of the Bunda staff as well as G.O.M. officials.

C. *End-of-project evaluation.* There will be a comprehensive end-of-project evaluation carried out by a team of specialists financed under the project, and participated in by G.O.M., University of Malawi and Bunda College officials.

IX. EXEMPTION FROM DUTIES AND TAXES

Pursuant to the terms of the attached Standard Provisions Annex, which is part of this Agreement, the Government of Malawi agrees to arrange for the exemption from or for reimbursement of:

1. All duties and taxes imposed on and relating to the import of household and personal effects (including one motor vehicle) which are the property of each U.S.-supplied technician or his family intended for their own personal and/or domestic use and are imported by him within a period of six months of his arrival at his post of assignment; if any of the above effects are sold prior to re-export, the U.S.-financed specialists will be liable to pay duty or taxes on them at appropriate rates;
2. All export duties and taxes on the above items;
3. All social security taxes, personal taxes and all direct taxes on all income of the U.S.-supplied staff received from the U.S. Government, either directly or indirectly;
4. The Agreement will be free from any taxation or fees imposed under laws in effect in Malawi; to the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transaction relating to such contracts and (b) any commodity procurement transaction financed hereunder are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in Malawi, the G.O.M. will, as and to the extent provided in Implementation Letters, pay or reimburse the same.

X. STANDARD PROVISIONS ANNEX

The following standard provisions annex is incorporated into this Agreement and made a part thereof as annex A. Should any clause of annex A be at variance with any other provision of this Agreement then the latter shall be controlling.

ANNEX A

A.I.D. 1330-1B (8-63) Proag Standard Provisions Annex	PROJECT AGREEMENT BETWEEN AID AND MINISTRY OF FINANCE, AN AGENCY OF THE GOVERNMENT OF MALAWI	1. Project/Activity No.: 690-0054 2. Agreement No.: 76-M-1 3. <input checked="" type="checkbox"/> Original or Revision No.:
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A. As used herein, the term "A.I.D." refers to the Agency for International Development, any component agency, or any successor agency. References to "this Project Agreement" shall mean the original Project Agreement as modified by any revisions which have entered into effect.

B. (1) A.I.D. will make available the amounts specified in block 8 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may be

further described in annex A, as required by block 5 hereof. In addition, as may be further specified in annex A, A.I.D. will, subject to the availability of funds and (where required by A.I.D. procedures) as provided for in Project Implementation Orders (PIOs) issued by A.I.D. in accordance with its procedures, make available funds (a) to pay costs of furnishing technical services to be performed by United States Government employees in connection with the project, (b) to pay a share of the costs of providing training outside the cooperating country in connection with the project for qualified persons from the cooperating country, and (c) to pay such additional costs as may be specified.

(2) The Cooperating Government Agency will make available the amounts specified in block 9 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may further be described in annex A. The Cooperating Government Agency will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the project as may be specified in annex A, or as may subsequently be agreed upon by the two parties.

C. A.I.D. and the Cooperating Agency may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Project Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Project Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Project Agreement.

D. A.I.D. shall not be required to make any contribution after the expiration of six months following the estimated final contribution date (block 13 of the Project Agreement form A.I.D. 1330-1) or any amended final contribution date specified herein. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before said estimated termination date, or amended date. A contribution of goods or services shall be considered to have been made when the goods or services, provided or financed by the contributing party, are delivered in accordance with commercial practice.

E. The procurement of commodities and contract services to be financed in whole or in part by A.I.D. may (where so required by A.I.D. procedures) be undertaken only pursuant to PIOs issued by A.I.D. in accordance with its procedures.

F. Unless otherwise specified in the applicable PIO, the procurement of commodities financed with the A.I.D. contribution referred to in block 8 of this Project Agreement shall be subject to the provisions of A.I.D. Regulation 1.

G. Unless otherwise specified in the applicable PIO, title to all property procured through financing by A.I.D. pursuant to block 8(c) of this Project Agreement shall be in the Cooperating Agency, or such public or private agency as it may authorize. This provision is inapplicable to any property which may be used in connection with the project but is not financed pursuant to said block 8(c).

H. Any property furnished to either party through financing by the other party pursuant to this Project Agreement shall, unless otherwise agreed by the party which financed the procurement, be devoted to the project until completion of the project, and thereafter shall be used so as to further the objectives sought in carrying out 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 this Project Agreement which is not used in accordance with the preceding sentence.

I. (1) If A.I.D. and any public or private organization furnishing commodities through A.I.D. financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Project Agreement, the Cooperating Agency will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private

organizations under contract with, or individuals under contract with A.I.D., the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which A.I.D. has agreed to furnish or finance under this Project Agreement, are, under the laws, regulations or administrative procedures of the cooperating country, liable for income and 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 of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country), the Cooperating Agency will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. Any personnel (other than citizens and residents of the cooperating country), whether United States Government employees or employees of public or private organizations under contract with, or individuals under contract with, A.I.D., the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which A.I.D. has agreed to furnish or finance under this Project Agreement shall be subject to the approval of the Cooperating Agency and A.I.D., and shall be under the general direction of the Director of the Mission to the cooperating country.

K. If any commodity is furnished to the Cooperating Agency, or any public or private agency authorized by the Cooperating Agency, on a grant basis through financing by A.I.D. pursuant to this Project Agreement under arrangements which will result in the accrual of proceeds to the Cooperating Agency or any authorized agency and if the applicable agreement between the two governments referred to on the first page of this Project Agreement does not provide for the establishment of a Special Account and the deposit therein of currency of the cooperating country, the Cooperating Agency will make such arrangements as may be necessary to establish a Special Account and to deposit therein currency of the cooperating country in amounts equal to such proceeds, in accordance with such terms and conditions as may be agreed upon. Funds in the Special Account may be used only as agreed upon by A.I.D. and the Cooperating Agency, provided, that such portion of the funds in the Special Account as may be designated by A.I.D. shall be made available to A.I.D. to meet the requirements of the United States.

L. The Cooperating Agency will make such arrangements as may be necessary so that funds introduced into the cooperating country by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

M. A.I.D. shall expend funds and carry on operations pursuant to this Project Agreement only in accordance with the applicable laws and regulations of the United States Government.

N. The two parties shall have the right at any time to observe operations carried out under this Project Agreement. Either party during the term of the Project and three years after the completion of the project, shall further have the right (1) to examine any property procured through financing by that party under this Project 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 Project Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Project Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of A.I.D. and the Cooperating Agency, and submitted to A.I.D. and the Cooperating Agency. The Completion Report shall include a summary of

the actual contributions by both A.I.D. and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. A.I.D. and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

P. The present Agreement shall enter into force when signed. Either party may terminate this Project Agreement by giving the other party 30 days' written notice of intention to terminate it. Termination of this Project Agreement shall terminate any obligations of the two parties to make contributions pursuant to blocks 8 and 9 of this Project Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Project Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property shall remain in force after such termination.

ANNEX B

PROJECT AGREEMENT BETWEEN AID AND MINISTRY OF FINANCE, AN AGEN- CY OF THE GOVERNMENT OF MALAWI	1. Project/Activity No.: 690-0054	
	2. Agreement No.: 76-M-1	3. <input checked="" type="checkbox"/> Original or Revi- sion No.:
	4. Project/Activity Title: Bunda College of Agriculture	

TRUST ACCOUNT AGREEMENT BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE GOVERNMENT OF MALAWI

In accordance with the legislative requirements specified in the U.S. Foreign Assistance Act, the Government of Malawi is to bear a fair share of the costs of assistance programs in Malawi. In order to provide one means for carrying out the above undertaking, the United States Agency for International Development (referred to below as "A.I.D.") and the Government of Malawi (referred to below as G.O.M.) hereby agree upon the following arrangements:

1. The G.O.M. will make contributions of local currency to a trust account in the name of the U.S. Disbursing Officer upon request of A.I.D. subject to approval by the G.O.M. Such contributions shall be made in amounts and on the schedules established by relevant Project Agreements. Disbursements from the trust account may be made on behalf of the G.O.M. by the Government of the United States, following mutual agreement on an annual budget, to cover the following costs of United States assistance programs in Malawi.

Trust account funds will be used in support of the joint G.O.M./A.I.D. Bunda College Project No. 690-0054. To the extent that costs are incurred in and payable in local currency, funds will be used for the following types of support:

1. Travel and transport;
2. Local procurement of supplies, equipment and services;
3. Repair and maintenance of teaching and laboratory equipment;
4. Fees or honorariums for guest lecturers or consultants;
5. Other uses mutually agreed to in annual budgets.

It is understood that paragraph B(1) of the standard provisions annex of project agreements now in force or to be entered into shall be construed to permit payment from the trust account of the above types of costs incurred pursuant to project agreements.

2. Funds advanced under this Agreement shall be held in trust for the G.O.M. and all interest earnings on funds so held shall be added to the fund. An accounting shall be rendered annually to the G.O.M. of the uses made of all funds deposited under this Agreement. Any

balance remaining in the trust account upon termination of this Agreement or of United States assistance programs in Malawi, whichever is earlier, shall be returned to the G.O.M.

3. The A.I.D. will maintain records of all property purchased from the funds supplied by the G.O.M. These records may be inspected by representatives of the G.O.M. All property so purchased shall be identified as belonging to the G.O.M., and shall be transferred to the G.O.M. when no longer required for the support of United States assistance programs in Malawi. Proceeds of sale of such property during the life of the Trust Agreement shall be deposited in the trust account.

4. Either party may terminate this Agreement by giving the other party thirty days' written notice to terminate it.

By: D. T. MATENJE
Government of Malawi
Date: April 29, 1976

By: ROBERT A. STEVENSON
U. S. Government
Date: April 29, 1976
