

No. 18142

**UNITED STATES OF AMERICA
and
LEBANON**

**Project Grant Agreement relating to the re-equipment of the
Institut pédagogique national d'éducation technique
(with annex). Signed at Beirut on 21 March 1978**

Authentic text: English.

Registered by the United States of America on 5 December 1979.

**ÉTATS-UNIS D'AMÉRIQUE
et
LIBAN**

**Accord de subvention pour un projet relatif au rééquie-
ment de l'Institut pédagogique national d'éducation
technique (avec annexe). Signé à Beyrouth le 21 mars
1978**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 5 décembre 1979.

PROJECT GRANT AGREEMENT,¹ March 21, 1978, between the REPUBLIC OF LEBANON ("Grantee"), acting through the COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION ("C.D.R.") 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 below, and with respect to the financing of the Project by the Parties.

Article 2. THE PROJECT

Section 2.1. DEFINITION OF PROJECT. The Project, which is further described in annex 1, will finance commodities and related technical advisory services to the Cooperating Country required to re-equip the Institut Pédagogique National d'Education Technique (IPNET), to resume teacher training of technical courses in electricity, mechanics and electronics. The Project may finance commodities and related technical services to re-equip the Institut Hôtelier to resume teacher training, and to the extent agreed to by A.I.D., to assist the International Bank for Reconstruction and Development's vocational education rehabilitation project in Lebanon. The entire amount of the A.I.D. financing herein authorized for the Project will be obligated when the Project Agreement is executed.

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 not to exceed one million five hundred thousand United States ("U.S.") dollars (\$1,500,000) ("Grant").

The Grant may be used only to finance foreign exchange costs, as defined in section 6.1, of goods and services required for the Project.

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 effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$375,000,* including costs borne on an "in-kind" basis.

Section 3.3. PROJECT ASSISTANCE COMPLETION DATE. (a) The "Project Assistance Completion Date" (PACD), which is September 30, 1979, 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

* 25%.

¹ Came into force on 21 March 1978 by signature.

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. or any bank described in section 7.1 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. FIRST DISBURSEMENT. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.: a statement of the name of the person holding or acting in the office of the Grantee specified in section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

Section 4.2. ADDITIONAL DISBURSEMENT. Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, to finance commodities, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., a detailed listing of commodities to be purchased, together with adequate cost estimates for such purchases.

Section 4.3. NOTIFICATION. When A.I.D. has determined that the conditions precedent specified in section 4.1 and 4.2 have been met, it will promptly notify the Grantee.

Section 4.4. TERMINAL DATES FOR CONDITIONS PRECEDENT. If all of the conditions specified in section 4.1 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to 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 objectives 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; and
- (d) Evaluation, to the degree feasible, of the overall development impact of the Project.

Section 5.2. PROJECT SUPPORT. The Grantee agrees that it will provide sufficient funds for maintenance, including spare parts and materials, for all

commodities furnished under the Grant for a period of five years; to finance teachers' salaries at IPNET and the Institut Hôtelier to adequately conduct training with the commodities furnished; and to cover salaries of graduates from the teaching courses to allow them to remain in the vocational educational system.

Article 6. PROCUREMENT SOURCE

Section 6.1. FOREIGN EXCHANGE 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 or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex,¹ section C.1(b) with respect to marine insurance.

Article 7. DISBURSEMENT

Section 7.1. DISBURSEMENT FOR FOREIGN EXCHANGE COSTS. (a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

- (1) By submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or
- (2) By requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

Section 7.2. OTHER FORMS OF DISBURSEMENT. Disbursements of the Grant may also be made through such other means as the Parties may agree to 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:

¹ For the text of the annex, see "Project Grant Agreement between the United States of America and Egypt for applied science and technology research, signed at Cairo on 29 March 1977," in United Nations, *Treaty Series*, vol. 1116, p. 97.

To the Grantee:

Government of Lebanon
Council for Development and Reconstruction
Beirut, Lebanon

To A.I.D.:

Agency for International Development, SER/H
U.S. Department of State
Washington, D.C. 20523

or

Embassy of the United States of America
Beirut, Lebanon

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

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 President, Council for Development and Reconstruction, and A.I.D. will be represented by the individual holding or acting in the office of A.I.D. Representative to Lebanon, 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 Standard Provisions Annex" (annex 2)¹ 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.

Republic of Lebanon:

By: [*Signed — Signé*]²

Title: President, Council for Development and Reconstruction

United States of America

By: [*Signed — Signé*]³

Title: Ambassador of the United States

¹ See footnote 1 on p. 166 of this volume.

² Signed by Mohammed Atallah — Signé par Mohammed Atallah.

³ Signed by Richard B. Parker — Signé par Richard B. Parker.

ANNEX 1

DETAILED DESCRIPTION

The purpose of this Project is the rehabilitation of Grantee's capacity under the Ministry of Education to train technical and vocational workers in fields critical to the rebuilding of the physical and economic infrastructure of the country. The end-of-project status will be the resumption of teacher training at the teacher training institute (IPNET) at Dekwaneh, with technical courses in electronics, electricity, mechanics, and possibly [the] resumption of teacher training in hotel skills with a combined graduation of 100 teachers by the end of the second year. (Concurrently IBRD will be contributing to the rehabilitation of the principal vocational schools at Dekwaneh, Zahle, and Tripoli, and others as feasible). An A.I.D. Grant of \$1.5 million will provide three short-term advisors with the balance of the \$1.5 million going directly for equipment as described below.

Because of A.I.D.'s interest in, and the great need for physical reconstruction in Lebanon, the priority use of the money in this Grant should be to re-equip those courses which are most directly tied to reconstruction.

It is expected that, immediately after the Grant is signed, A.I.D. will procure the services of three technical advisors in the fields of mechanical, electrical, and electronic higher level technical education. These advisors will spend two weeks in Lebanon working with counterparts in Grantee's Directorate General of Technical Education and Vocational Training. Using curriculae and equipment lists provided by the Directorate General, the advisors will review the equipment requests for rationality in relation to course goals and will help revise or draw up equipment specifications suitable for American procurement and based on their knowledge of durability and usefulness of the equipment in an instructional situation. Finally, the advisors will provide estimated costs for the equipment, and, to the extent that the total estimate exceeds availabilities under this Grant, they will assist in setting priorities to reduce the total to the level of funding available. If the estimates are less than \$1.5 million, the Directorate General and IBRD/UNDP team will provide priority-ranked cost lists and specifications for equipment for the IBRD vocational education project to be met from the balance, subject to the approval of the A.I.D. Representative. Upon their return to Washington, the three advisors will submit their recommendations to A.I.D. in the form of PIO/C's (procurement orders) which can be executed by A.I.D.'s Office of Commodity Management (SER/COM), will spend up to four days with SER/COM, and will each turn in a brief report on their recommended lists and any potential issues.

Following procurement, the equipment will be consigned to the U.S. Embassy in Beirut which will, in turn, transfer title to the Grantee. This procedure is recommended by the A.I.D. Representative as the simplest means of keeping track of port arrivals and of having an exact list for end-use checking. End-use checks will occur periodically until all equipment is in place and at a final time six months after the last arrival and during classes, to insure that the equipment is functioning and being properly utilized.

In addition to the end-use checks by A.I.D./Beirut, the Grantee should report to A.I.D., six months and twelve months after final equipment arrival, the following:

1. Number of students and teachers affected by the Project against a project start baseline, reporting by specialty and degree level.
2. Equipment status: on order, installed functioning, installed non-functioning.