

No. 18602

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**UNITED STATES OF AMERICA  
and  
EGYPT**

**Project Grant Agreement for agricultural development  
systems (with annex). Signed at Cairo on 29 September  
1977**

**First Amendment to the above-mentioned Agreement.  
Signed at Cairo on 31 August 1978**

*Authentic texts: English.*

*Registered by the United States of America on 18 April 1980.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
ÉGYPTE**

**Accord de don pour un projet relatif à la planification du  
développement agricole. Signé au Caire le 29 septembre  
1977**

**Première Modification à l'Accord susmentionné. Signée  
au Caire le 31 août 1978**

*Textes authentiques : anglais.*

*Enregistrés par les États-Unis d'Amérique le 18 avril 1980.*

# PROJECT GRANT AGREEMENT<sup>1</sup> BETWEEN THE ARAB REPUBLIC OF EGYPT AND THE UNITED STATES OF AMERICA FOR AGRICULTURAL DEVELOPMENT SYSTEMS

Dated: 29 September 1977

A.I.D. Project No. 263-0041

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A.I.D. Project No. 263-0041

PROJECT GRANT AGREEMENT dated September 29, 1977, between the ARAB REPUBLIC OF EGYPT ("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.

<sup>1</sup> Came into force on 29 September 1977 by signature.

<sup>2</sup> Not published herein; for the text, 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.

## Article 2. THE PROJECT

*Section 2.1. DEFINITION OF PROJECT.* The Project, which is further described in annex 1, will consist of assisting the Grantee in improving its agricultural developmental planning capability. The Project will (1) establish a collaborative assistance relationship between a U.S. educational institution and the Cooperating Country in order to plan and develop activities in agricultural research, training and extension and (2) finance these activities.

*Section 2.2. INCREMENTAL NATURE OF PROJECT.* (a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

## 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 two hundred thousand United States ("U.S.") dollars (\$1,200,000) and three hundred fifty thousand Egyptian pounds (L.E. 350,000) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in section 6.1, and local currency costs, as defined in section 6.2, of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian pound portion of the Grant.

*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 not be less than one million three hundred twenty thousand Egyptian pounds (L.E. 1,320,000), including costs borne on an "in-kind" basis, of which five hundred thousand Egyptian pounds (L.E. 500,000) shall consist of a grant to a Special Fund for use in the Project.

*Section 3.3. PROJECT ASSISTANCE COMPLETION DATE.* (a) The "Project Assistance Completion Date" (PACD), which is September 1, 1983, 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. 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) 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;
- (b) Evidence that the Joint Policy and Planning Board has been established, its membership has been appointed, and that it has been given full administrative authority to coordinate and implement the Project, including a description of the Board's overall authorities, and the authorities which the Board will delegate to the Joint Directorate;
- (c) Evidence that there has been established (1) a process for screening for [the] selection [of] the Project activities (as defined in annex 1), and (2) a process for the selection of individuals or institutions to implement Project activities; and
- (d) Such other documentation as A.I.D. may require.

*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 for any specific activity as defined in annex 1, 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 description of the activity.

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

*Section 4.4. TERMINAL DATE FOR CONDITIONS PRECEDENT.* If all of the conditions specified in section 4.1 have not been met within 90 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 of 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.

#### 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, section C.1 (b) with respect to marine insurance.

*Section 6.2. LOCAL CURRENCY COSTS.* Disbursements pursuant to section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Egypt ("Local Currency Costs").

#### 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. DISBURSEMENT FOR LOCAL CURRENCY COSTS.* (a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in

accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained from local currency already owned by the U.S. Government.

*Section 7.3. 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 8.1. 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:

Ministry of Agriculture  
Dokki, Giza  
Cairo, Egypt

To A.I.D.:

A.I.D.  
U.S. Embassy  
Cairo, Egypt

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 Minister of Agriculture, and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., 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)<sup>1</sup> is attached to and forms part of this Agreement.

<sup>1</sup> See footnote 2, p. 166 of this volume.

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.

Arab Republic of Egypt:

By: [Signed]  
Name: Eng. IBRAHIM SHOUKRY  
Title: Minister of Agriculture

United States of America:

By: [Signed]  
Name: DONALD S. BROWN  
Title: Director, U.S.A.I.D.

## ANNEX 1

### PROJECT DESCRIPTION

This project provides for the establishment of an Assistance Relationship with the University of California which will assist the Egyptian Government and AID in creating an improved developmental planning capability within the Ministry of Agriculture and related agencies.

This project will, within its own parameters, create an institutional capability to plan and conduct a broad range of work in agricultural development. Under the general direction of a Joint Policy and Planning Board the needs of the agricultural sector will be identified. The project will then undertake implementation of various activities through regular agencies or institutions charged with a given set of responsibilities or through specially created task forces as may be necessary. The planning and implementation of problem-solving activities will benefit specific groups and also provide necessary experience and examples in joint participation in building the desired institutional capability. The resultant institutional framework and problem-solving experience should provide a significant base from which to carry out sustained programs in agricultural development. The agreement with the University of California will also facilitate travel of Egyptians to the U.S. to participate in developing the project activities.

This project vests considerable responsibility in the collaborating U.S. institution and the host government. They will share responsibility for determining the feasibility of project activities and assuring that the benefits of their actions will be transferred to the targeted people and institutions.

The coordination and evaluation of the project will be accomplished by a Joint Policy and Planning Board which will have Egyptian and U.S. university members. AID will review and approve financing for project activities under the Grant, or consider new funding for activities for which funding is not available under the Grant, or recommend alternate funding sources.

The Joint Policy and Planning Board will be made up of about ten persons representing the Egyptian Government and Egyptian institutions and the University of California. It will meet up to four times a year. The members of the Board should be chosen on the basis of their expertise, experience, broad vision, and their interest in agricultural science, development, and policy.

The continuing work of project development and administration will be delegated by the Board to a Joint Directorate headed by two Co-directors, one for the GOE and one for the UC. The Co-directors will be resident in Egypt.

Pursuant to the priorities and actions of the Board, *ad hoc* expert committees made up of Egyptian and US scientists will be formed to undertake sub-project development. The charge of such an expert committee would be to identify the problems in a subject or commodity area and to develop a proposal for research, training and/or extension work, including the necessary funding, for consideration by the Board and AID. Following sub-project approval, the committee may assist in the organization of the sub-project activities.

Similar *ad hoc* expert committees may be formed for review and evaluation of sub-projects and activities periodically.

As the activities increase in number and scope, it may be desirable to form an organization for each sub-project to facilitate the administration and scientific coordination of the work. This could include a sub-project supervisor and a continuing committee of Egyptian and UC scientists.

Activities within the project will include:

1. *Sub-projects*: Major efforts of technical or capital assistance requiring multi-year assistance, long-term advisors, capital inputs, or a combination of assistance designed to have a marked impact on a problem area. These will require specific design and long-term budget (sets of objectives, inputs, outputs, etc.) and must be recommended for approval by the project Policy and Planning Board.
2. *Joint Research Activities*: Research activities or series of such required to enhance the state of knowledge and to enable determination of what should be done with respect to an agricultural development problem. It is anticipated that both Egyptian and U.S. scientists, specialists or research assistants would work on the problem over a series of months, but the dollar financing of goods or services would not exceed a total of U.S. \$300,000 per activity, including indirect costs. Justified work could be either in Egypt or in the U.S.
3. *Technology Transfer*: Short-term or series of limited short-term consultancies of Egyptian and U.S. scientists for the purpose of addressing a specific agricultural problem. The expectation of the consultancies is that use of existing knowledge and its application would result in problem solutions or recommendations for sets of action required for solutions, i.e., research or lengthy investigations are not anticipated.
4. *Feasibility Studies and Sub-project Design Activities*: Activities that require joint team efforts of several specialists to determine the economic, technical and social soundness of making major investments to exploit production potentials, commodity utilization and marketing, or to improve institutional capability or address a set of closely related problems. While determination of the feasibility of doing something and the design of the sub-project on what is to be done are conceptually separate activities, a feasibility study in the context of this project can incorporate both feasibility analysis and sub-project design.
5. *General Training*: Long or short-term training of Egyptians which is not an integral part of sub-projects or joint research activities (includes study tours, third country or U.S. training, and attendance at scientific conferences).

With respect to the above problem-solving activities, the contractor will serve as a source of assistance and information in response to general or specific requests from the GOE. Such assistance will be provided through written communications, including transmission of publications, assignment of personnel to Egypt for specified tours of duty, or arranging short-time work or study tours for Egyptian officials or technologists in the U.S.



**AGRICULTURAL DEVELOPMENT SYSTEMS FINANCIAL PLAN  
COMPONENT REQUIREMENTS (000 \$)**

<i>Project Inputs</i>	<i>First Year</i>			<i>Future Year Estimates</i>			<i>Totals</i>		
	<i>USAID</i>		<i>GOE LE</i>	<i>USAID</i>		<i>GOE LE</i>	<i>USAID</i>		<i>GOE LE</i>
	<i>US \$</i>	<i>US LE (\$ eq.)</i>		<i>US \$</i>	<i>US LE (\$ eq.)</i>		<i>US \$</i>	<i>US LE (\$ eq.)</i>	
Collaborative Assistance Agreement with US Institution .....	800	180 (257)	50	1,400	400 (572)	200	2,200	580 (829)	250
Sub-Projects .....			1,050	6,055	1,100 (1,572)	1,800	6,055	1,100 (1,572)	2,850
Feasibility Studies .....	70	20 (29)	120	475	67 (96)		545	87 (124)	120
Technology Transfer ...	30	10 (14)		320	42 (60)		350	52 (74)	
Joint Research .....	250	125 (179)	100	1,400	530 (757)		1,650	655 (936)	100
General Training .....	50	15 (21)		150	35 (50)		200	50 (71)	
<b>TOTALS</b>	<b>1,200</b>	<b>350 (500)</b>	<b>1,320</b>	<b>9,800</b>	<b>2,174 (3,106)</b>	<b>2,000</b>	<b>11,000</b>	<b>2,524 (3,606)</b>	<b>3,320</b>

# FIRST AMENDMENT<sup>1</sup> TO GRANT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE ARAB REPUBLIC OF EGYPT FOR AGRICULTURAL DEVELOPMENT SYSTEMS<sup>2</sup>

Dated: August 31, 1978

A.I.D. Project Number 263-0041

FIRST AMENDMENT, dated August 31, 1978, to the Grant Agreement, dated September 29, 1977, between the ARAB REPUBLIC OF EGYPT ("Grantee") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D."), for Agricultural Development Systems<sup>2</sup> ("Grant Agreement").

*Section 1.* The Grant Agreement is amended as follows:

Section 3.1 is amended by deleting "one million two hundred thousand United States ("U.S.") dollars (\$1,200,000) and three hundred fifty thousand Egyptian pounds (L.E. 350,000)" and substituting therefor "five million United States ("U.S.") dollars (\$5,000,000) and eight hundred ninety thousand Egyptian pounds (L.E. 890,000)".

*Section 2.* This First Amendment shall enter into force when signed by both parties hereto.

*Section 3.* Except as specifically amended or modified herein, the Grant Agreement shall remain in full force and effect in accordance with all of its terms.

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

Arab Republic of Egypt:

By: [Signed]

Name: Dr. MAHMOUD M. DAWOOD

Title: Minister of Agriculture

United States of America:

By: [Signed]

Name: DONALD S. BROWN

Title: Director, USAID/Cairo

<sup>1</sup> Came into force on 31 August 1978 by signature, in accordance with section 2.

<sup>2</sup> See p. 166 of this volume.