

No. 18869

**UNITED STATES OF AMERICA
and
MOROCCO**

**Project Grant Agreement for dryland agriculture applied
research (with annex). Signed at Rabat on 31 August
1978**

Authentic texts: English and French.

Registered by the United States of America on 30 May 1980.

**ÉTATS-UNIS D'AMÉRIQUE
et
MAROC**

**Accord de don pour un projet en faveur d'un programme de
recherche appliquée en aridoculture (avec annexe).
Signé à Rabat le 31 août 1978**

Textes authentiques : anglais et français.

Enregistré par les États-Unis d'Amérique le 30 mai 1980.

**PROJECT GRANT AGREEMENT¹ BETWEEN THE KINGDOM OF
MOROCCO AND THE UNITED STATES OF AMERICA FOR
DRYLAND AGRICULTURE APPLIED RESEARCH**

A.I.D. Project No. 608-0136
Project Agreement No. 608-78-006

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A.I.D. Project No. 608-0136

PROJECT GRANT AGREEMENT dated August 31, 1978, between the KINGDOM OF MOROCCO, acting through the MINISTRY OF AGRICULTURE AND AGRARIAN REFORM ("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 below, and with respect to the financing of the Project by the Parties.

* Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference. (Information supplied by the Government of the United States of America.)

¹ Came into force on 31 August 1978 by signature.

Article 2. THE PROJECT

Section 2.1. DEFINITION OF PROJECT. The Project, which is further described in annex 1, will consist of establishing applied research program aimed at improving the productivity of farmers in the rainfed areas, particularly in those where average rainfall is between 325 mm and 400 mm.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in annex 1 may be changed by written agreement of the authorized representatives of the Parties named in section 8.2., without formal amendment of this Agreement.

Section 2.2. MEANS OF GRANT DISBURSEMENT. (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 period preceding the 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 two million and ninety-six thousand United States (U.S.) dollars (\$2,096,000) ("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. Unless otherwise agreed to in writing, these goods and services will be procured through a contract signed by the Government of Morocco or A.I.D.

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 on a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$3,400,000, 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, 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 persons 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) A schedule for the assignment to the project of a minimum of 23 engineers, beginning with the signing of this Agreement;
- (c) A plan for the training of these engineers to medium (Master of Science) or advanced (Ph.D.) levels;
- (d) A plan for financing construction and development of the main research center;
- (e) A plan for financing the local operating costs of the project which will be the Grantee's responsibility;
- (f) A plan for the phased development of the program of socio-economic research to be executed by the Social Science Department of the Hassan II Agricultural and Veterinary Institute, including a detailed budget for the first year of activities as well as the procedure for disbursement directly by USAID to the Hassan II Agricultural and Veterinary Institute of the authorized costs associated with agreed activities.

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

Section 4.3. TERMINAL DATES FOR CONDITIONS PRECEDENT. (a) If all of the conditions specified in section 4.1 have not been met within 180 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;
- (e) The Ministry of Agriculture and Agrarian Reform, in collaboration with USAID and the American contractor, will proceed with an evaluation consisting essentially in measuring whether the planning of the entire project and the organizational structures are appropriate to the project's development. This evaluation will furnish the results on which will be based subsequent financing of the project and extension of the contract by cumulative tranches.

Subsequently, an annual evaluation will be undertaken jointly by the three interested Parties. An independent team will carry out two special evaluations, one in the course of the third year of the Project, the second at the end of the Project. The following factors will be the object of a more rigorous study than the annual evaluations:

- Timely nomination of the contract team;
- Timely arrival of required equipment and material financed by the United States Government;
- Appropriate training program;
- Timely nomination of project staff by the Ministry of Agriculture and Agrarian Reform;
- Allocation and disbursement at the required time of appropriate financial resources.

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.

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 Morocco.

Article 7. DISBURSEMENTS

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

¹ See asterisk, p. 260 of this volume.

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.

It is expected that local currency required for the program of socio-economic research described in annex I, section B, will be disbursed directly by USAID to the Hassan II Agricultural and Veterinary Institute following procedures jointly agreed as stated in project implementation letters.

(b) The local currency needed for such disbursements may be obtained by A.I.D. The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by A.I.D. to obtain the local currency.

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. 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:

Projet Aridoculture—D.R.A.
Ministère de l'agriculture et de la réforme agraire
Quartier administratif
Rabat, Morocco

Alternate address for cables:

31005M

To A.I.D.:

Mail Address:

United States A.I.D. Mission to Morocco
137, avenue Allal Ben Abdallah
Rabat, Morocco

Alternate address for cables:

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./Washington.

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 Agrarian Reform, 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 Standard Provisions Annex" (annex 2)¹ is attached to and forms part of this Agreement.

Section 8.4. LANGUAGE OF AGREEMENT. This Agreement is prepared in both English and French. In the event of ambiguity between the two versions, the English version will control.

¹ See asterisk, p. 260 of this volume.

IN WITNESS WHEREOF, the Kingdom of Morocco 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.

United States of America:

By: J. P. MOFFAT
Title: Chargé d'affaires a.i.

EN FOI DE QUOI, le Bénéficiaire et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de son représentant dûment agréé, ont fait signer le présent Accord en leur nom et l'ont fait remettre à la date de l'année susmentionnée.

Royaume du Maroc :

Par : ABELLATIF GHISSASSI
Titre : Ministre des finances

ANNEX I

AMPLIFIED PROJECT DESCRIPTION

Article A. Project Description	Article C. United States Government Assistance
Article B. Project Implementation	Section C.1. Role of the United States Contract Staff
Section B.1. Agro-Economic Research Activities	Article D. Contribution of the Government of Morocco
Section B.2. Socio-Economic Research Activities	Article E. Project Financial Plan
Section B.3. Extension Activities	
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ANNEX I

AMPLIFIED PROJECT DESCRIPTION

Article A. PROJECT DESCRIPTION

The purpose of this Project is to develop an applied research program in order to increase cereal, legume and forage crop production in the rainfed areas and to contribute with the Division of Agricultural Development (DMV) to the extension of techniques developed.

Its purpose is also to train Moroccan personnel who will continue and develop the program, thus creating a permanent capacity for agro-economic and socio-economic research with a view to increasing agricultural production in the zones in question.

Project activities will be concentrated in those areas where the annual rainfall averages 325 mm to 450 mm.

The Project will consist of two phases of five years each. The first phase will end in 1983.

The Project consists of:

1. A program of agro-economic research to determine the production methods best adapted to Moroccan agriculture in the regions in question. This program will be directed by the Division of Agricultural Research (DRA) (Dryland Research Center).
2. A program of socio-economic research which will permit a better understanding of the attitudes of farmers regarding the high risk conditions in which they work. This program will be directed by the Hassan II Agricultural and Veterinary Institute (Department of Social Sciences).
3. A contribution to agricultural extension in the concerned zone. Extension will be directed by the Division of Agricultural Development (DMV) (Dryland Agriculture Bureau).

A committee for orientation and coordination, composed of the central directors and presided over by the Secretary-General of the Ministry of Agriculture and Agrarian Reform, will be instituted.

Periodically, meetings will be organized of all the persons concerned with the project to discuss progress achieved, work programs underway and problems which develop.

*Article B. PROJECT IMPLEMENTATION**1. Agro-Economic Research Activities*

The agro-economic research program will address all aspects of the production systems used by the dryland farmers. However, priority will be given in the beginning

to those factors which are most critical to increasing yields, namely: tillage practices, including seed bed preparation, method, rate and time of planting; weed control; and soil fertility. Next will come crop varieties, sequences and rotations, disease and insect control, harvesting, handling and storage. A special study will be undertaken to determine the means whereby suitable farming equipment can be made accessible to farmers.

Project activities will be centered at the Dryland Agricultural Research Center located at the Sidi El Aidi Experiment Station which will be developed and equipped and where initial work will begin.

This work will be supported by that of the following central stations of the DRA where specialists of the Center will be detached:

- The central plant pathology station (Rabat);
- The pest control laboratory (Marrakech);
- The service of studies and information (Rabat);
- The central stations for plant improvement (Rabat);
- The laboratory of soil sciences (Rabat).

As soon as the means (human and material) permit, research activities will be extended to a network of experimental stations. Some experiments will be conducted at the National School of Agriculture (ENA) in the province of Meknes.

The facilities at the Sidi El Aidi Station will include:

1. A seed house for drying, processing, handling and storage of seeds and experimental plant materials;
2. A laboratory for soil and forage analysis;
3. A shop for maintenance and repair of machinery and equipment;
4. A shed for storage of machinery and equipment;
5. Facilities for storage of fertilizers and agricultural chemicals; and
6. Offices for the Project staff.

The permanent staff of the agronomic research program will [comprise] specialists in the following fields:

- Cereal crops;
- Legumes;
- Forage crops;
- Soil science;
- Weed science;
- Plant pathology;
- Entomology;
- Economics.

These specialists will be assisted by appropriate administrative and technical staff. Certain of the specialists will be at the Dryland Research Center at Sidi El Aidi, and others in the stations and laboratories of DRA mentioned above.

2. *Socio-Economic Research Activities*

The socio-economic research program will identify and analyze the patterns of technical and economic decisions that dryland farmers make under high risk situations. These decisions are influenced by a number of factors which will be examined, including the following:

- (a) Present and former production systems;
- (b) Cultural practices and mechanization in relation to productivity;

- (c) Value or priority systems held by farmers and their families, based upon their consumption patterns;
- (d) Availability and use of production inputs;
- (e) Local market structure and farmer participation in it; and
- (f) Patterns of social organization in relation to farmer productivity.

The study of these factors should lead to an understanding of the types of farming units and enable one to identify the potential alternatives among which each type of farmer can select. This in turn will provide the basis on which effective programs can be planned whereby farmers can benefit from the results of the agronomic research.

3. *Extension Activities*

Project specialists will participate in the elaboration, inspection and interpretation of the results of the demonstration experiments carried out by the DMV (Dryland Agriculture Bureau) in the Project area. They will include the extension agents of this zone, who will be brought to Sidi El Aidi for training courses.

The Dryland Agriculture Bureau of DMV may be based at Sidi El Aidi. The personnel of this office will follow the demonstration experiments and will take charge of organizing extension training.

Extension personnel will include an agronomy specialist of high level and five agronomy specialists of medium level.

4. *Training*

A minimum of thirteen (13) members of the permanent staff of the research program will receive high level post-university (Ph.d. level) training in the United States. Four (4) of these will be in vegetable production: two in cereals, one in legumes and one in forage crops; two (2) in soil science; two (2) in weed science; one (1) in plant pathology; one (1) in pest control; one (1) in entomology, and two (2) in economics.

A minimum of ten (10) other members will receive medium level post-university (M.S. level) training in the same discipline.

All of them will be expected to do their thesis research in Morocco. It is anticipated that each trainee will spend 2 to 2 1/2 years in the United States.

In addition to the above 23 ingénieurs, up to ten may be selected for specialized or for short-term training in agricultural extension, plant breeding, sociology, economics, and other dryland related fields.

5. *Phases of Execution*

During the first year of the Project, the implementing agencies together with the American contractor, will:

- (a) Formulate a detailed set of measureable, end-of-project institutional objectives with respect to structure, location, staffing, research capabilities and coordinating mechanism for the socio-economic and agronomic research and for extension;
- (b) Lay out a five-year research program with respect to the various research topics, the objectives of each activity, methodologies, timetables and budget estimates. Such a plan should indicate the degree of progress to be achieved toward reaching farmers with new technologies.

Article C. UNITED STATES ASSISTANCE

Subject to availability of funds, and the mutual agreement of the two parties, the Government of the United States through the Agency for International Development (USAID) expects to provide a total of \$4.5 million which will finance the following:

1. The services of an expert to assist the Ministry of Agriculture and Agrarian Reform in the planning and design of the Sidi El Aidi research facilities;
2. A mechanization and equipment study;
3. A resident research team comprising two agronomists specialized in cereal and forage crops respectively, and one soil scientist;
4. Short-term research staff in various fields of specialization;
5. Some agricultural machinery and equipment, a modest amount of fertilizers and agricultural chemicals, some laboratory equipment, and some vehicles; and
6. The training of Moroccan staff.

The role of the United States contract staff will be that of temporary associates in the establishment and operation of the research programs. They will actively participate in all phases of the activities, as needed, but under no circumstances will they be allowed to function merely as substitutes for Moroccan staff.

Article D. CONTRIBUTION OF THE GOVERNMENT OF MOROCCO

The Government of Morocco will:

1. Finance the cost of developing and constructing the facilities needed at the Sidi El Aidi Experiment Station;
2. Provide adequate funds for purchasing needed equipment that is not granted by the United States Government;
3. Provide annually and make readily available adequate funds to cover the operating costs of the research programs;
4. Assign a minimum of twenty-three (23) ingénieurs to the Project at such a rate as to permit their training during phase I of the Project.

Project No. 608-0136

E. PROJECT FINANCIAL PLAN

*(Source and Application of Funding—\$ millions)**

	<i>Amount for an incrementally funded Project</i>					
	<i>Cumulative Obligations/Commitments as of August 1978</i>		<i>Future Years Anticipated</i>		<i>Total</i>	
	<i>A.I.D.</i>	<i>G.O.M.</i>	<i>A.I.D.</i>	<i>G.O.M.</i>	<i>A.I.D.</i>	<i>G.O.M.</i>
U.S. Contract Advisors	900		1,600		2,500	
Participant Training	400		500		900	
Agricultural Equipment and Demonstration Materials	396		104		500	
Local Support Costs	400		200		600	
Research Station Development		1,000		400		1,400
Operating Expenses		400		1,600		2,000
TOTALS	2,096	1,400	2,404	2,000	4,500	3,400

* \$U.S. = DH 5

NOTE: The sum of \$2,096,000 obligated by this Agreement will be used to finance the first two years of the project's operations. Subsequent increments of financing up to an estimated total of \$4,500,000 will be provided as stated in section 2.2 of this Agreement.