

No. 19869

**UNITED STATES OF AMERICA
and
AFGHANISTAN**

Project Agreement relating to rural development (with annexes). Signed at Kabul on 18 September 1977

Authentic text: English.

Registered by the United States of America on 10 June 1981.

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

Accord de projet relatif au développement rural (avec annexes). Signé à Kaboul le 18 septembre 1977

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 10 juin 1981.

PROJECT AGREEMENT¹ BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND THE RURAL DEVELOPMENT DEPARTMENT, AN AGENCY OF THE GOVERNMENT OF AFGHANISTAN

<p>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:</p> <p><input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A</p> <p><input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX</p> <p><input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX²</p> <p><input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX</p> <p>This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:</p> <p><input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE 2-7-1951³</p> <p><input checked="" type="checkbox"/> ECONOMIC COOPERATION AGREEMENT DATE 6-23-1956⁴</p> <p><input checked="" type="checkbox"/> OTHER TC Program Agreement as amended DATE 6-30-1953⁵</p>	1. Project/Activity No. 306-0131	
	2. Agreement No. RD # 4	3. <input checked="" type="checkbox"/> Original or revision No.
	4. Project/Activity title Rural Development	
	5. Project description and explanation <i>(See Annex A attached)</i>	
	6. AID Appropriation Symbol 72-11-X1023	7. AID allotment Symbol 402-50-306-00-69-71

¹ Came into force on 18 September 1977 by signature.

² Not published herein. For the text of this annex, see "Project Agreement between the Department of State, Agency for International Development (AID), an agency of the Government of the United States of America, and Kabul University, signed at Kabul on 6 December 1975" in United Nations, *Treaty Series*, vol. 1084, p. 111.

³ United Nations, *Treaty Series*, vol. 132, p. 265.

⁴ *Ibid.*, vol. 271, p. 295.

⁵ *Ibid.*, vol. 215, p. 3.

8. AID Financing

 DOLLARS LOCAL CURRENCY

	<i>Previous total</i> (A)	<i>Increase</i> (B)	<i>Decrease</i> (C)	<i>Total to date</i> (D)
(a) Total		1,166,000		1,166,000
(b) Contract Services				
Participants		117,000		117,000
(c) Commodities		120,000		120,000
Gulzar		50,000		50,000
(d) Other Costs FAR		879,000		879,000

9. Cooperating Agency

Financing-dollar

Equivalent

\$1.00 =

(a) Total

(b) Technical and other
Services

(c) Commodities

(d) Other Costs

10. Special Provisions (*Use Additional Continuation Sheets, if Necessary*).11. Date of original
agreement

September 18, 1977

12. Date of this revision:

13. Estimated final con-
tribution date

September 18, 1980

14. For the Cooperating Government or
Agency:

[Signed]

Signature: ALI AHMAD KHURRAM

Date: 9/18/77

Title: Minister of Planning

15. For the Agency for International De-
velopment

[Signed]

Signature: J. B. AMSTUTZ

for Charles R. Grader

Date: 9/18/77

Title: Director, USAID/A, Kabul

ANNEX A

RURAL DEVELOPMENT PROJECT

I. *Project Purpose*

A. The Rural Development Department (RDD) of the Government of Afghanistan and the USAID agree that the purpose of this project is to increase the technical capability of RDD to plan, design and implement rural works infrastructure projects. To accomplish this purpose, it is agreed that:

1. RDD will construct up to 55 rural works structures by September 30, 1978 (8th Mizan, 1357) and, upon successful completion of each structure, USAID will reimburse RDD 75% of agreed estimated construction costs.
2. RDD will construct improvements of two community irrigation systems (CIS) by September 30, 1978 (8th Mizan, 1357) and, upon successful completion of each system, USAID will reimburse RDD 75% of agreed estimated construction costs.
3. USAID will assist RDD to develop an integrated rural development plan for Baraki Barak District in Logar Province.

II. *Progress to Date*

A. Under Project Agreement No. 306-11-995-131, RW #1, signed June 29, 1974 (1st Saratan, 1353) USAID provided a grant of \$50,000 to test the feasibility of the Fixed Amount Reimbursement (FAR) method of assistance to RDD. Four vehicular bridges and one land improvement structure were successfully constructed and reimbursed.

B. Under Project Agreement No. 306-51-995-131, RW #2, signed May 31, 1975 (10th Jouza, 1354) and Project Agreement No. 306-11-995-131, RW #3, signed September 29, 1976 (7th Mizan, 1355), USAID provided grants of \$550,000 and \$562,300, respectively for technical services, commodities, training and FAR Payments for the construction of 46 rural works structures, the improvement of one CIS and the survey and design of three experimental integrated rural development projects. As of August 1, 1977 (10th Asad, 1356):

1. Twenty-four rural works structures have been completed for a total expenditure of \$249,804 and funds have been obligated for an additional 37 structures totaling \$470,924;
2. A feasibility study, detailed designs and estimates for one CIS (Daug Jui) have been completed; all detailed designs and 75% of a feasibility study have been completed for a second CIS (Arci Jui); and a feasibility study of a third CIS (Shah Jui) has been initiated;
3. A study of a possible approach to an integrated rural development project was completed for one District in Logar Province. In addition, planning is well underway for the development of a model irrigation farm and soil and concrete laboratories at the RDD Gulzar Training Center.

III. *Commitments by the Government of Afghanistan*

A. *Personnel.* The Government of the Republic of Afghanistan agrees that at least 24 construction teams will be operated by RDD. It also agrees that RDD will provide from six to eight persons to conduct socio-economic surveys and post-construction evaluations of structures constructed under this agreement. It further agrees that RDD will assign nine persons to conduct CIS feasibility studies and cost/benefit analyses based on a mutually agreed approach and to assist in designing and constructing CIS improvements.

B. *Labor Payment Policy.* The Government of the Republic of Afghanistan agrees that payment of unskilled labor on RDD constructions is appropriate. Payment policy will be covered in a Memorandum of Understanding between the President of RDD and the Director of USAID.

C. *Training.* The Government of the Republic of Afghanistan agrees to maintain appropriate staff in the RDD Office of Training and to utilize the RDD Training Center at Gulzar to improve the skills of RDD's staff.

D. *Budget.* The Government of the Republic of Afghanistan agrees to provide RDD with the necessary funds to finance all planning, design and construction costs of structures and activities considered under this agreement.

E. *Equipment and Materials.* The RDD agrees to take the necessary steps to permit procurement of needed equipment and materials within existing government regulations on an orderly and timely basis.

IV. *Commitments by the USAID/Afghanistan (USAID/A)*

A. *Commodities.* USAID agrees to procure agreed types and quantities of equipment and materials needed to carry out the programs considered under this agreement while RDD effects improvements in its procurement program to permit procurement in an efficient and timely manner. Necessary PIO/C's for the procurement of commodities under

this agreement will be issued within six months of the signing of this ProAg in order to permit the GOA and USAID to agree on items required.

B. *Project Reimbursements.* USAID agrees to reimburse RDD 75% of the agreed estimated costs of 1) up to 55 rural works structures and 2) two CIS projects after each has been successfully completed under the terms of this agreement.

C. *Participant Training.* USAID agrees to fund a total of 78 man months of training for 20 RDD personnel as follows:

2 persons for 6 months each	_____	U.S.
2 persons for 2 months each	_____	U.S.
2 persons for 12 months each	_____	U.S.
4 persons for 6 months each	_____	Iran
8 persons for 1 month each	_____	Third Country
2 persons for 3 months each	_____	Iran

PIO/P's for training under this agreement will be issued within three months in order to permit the selection and nomination of qualified candidates.

V. *Amounts of U.S. Contribution for U.S. Fiscal Year 1977*

Commodities	\$ 120,000
Gulzar Training Center support	50,000
Participant training	117,000
Fixed amount reimbursement	879,000
	<u> </u>
TOTAL	\$1,166,000

VI. *Fixed Amount Reimbursement Procedures*

Fixed amount reimbursement procedures will be covered in a Memorandum of Understanding between the President of RDD and the Director of USAID.

VII. *Annual Project Evaluation*

RDD and USAID agree to undertake a joint evaluation of the work accomplished under this agreement no later than September 30, 1978 (8th Mizan, 1357). The purpose of the evaluation will be to measure progress against the implementation plan (VIII below) and to recommend any necessary remedial actions to correct identified deficiencies.

VIII. *Project Agreement Implementation*

A Memorandum of Understanding between the President of RDD and the Director of USAID will implement this project agreement and describe the detailed procedures and operations required. This Memorandum of Understanding will be signed within 60 days after the signing of this agreement.