

No. 19887

**UNITED STATES OF AMERICA
and
EGYPT**

**Project Grant Agreement for technical and feasibility
studies IV. Signed at Cairo on 29 March 1978**

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

**Accord de don relatif à un projet d'études techniques et de
faisabilité (IV). Signé au Caire le 29 mars 1978**

Texte authentique : anglais.

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

PROJECT GRANT AGREEMENT¹ BETWEEN THE ARAB REPUBLIC OF EGYPT AND THE UNITED STATES OF AMERICA FOR TECHNICAL AND FEASIBILITY STUDIES IV

Dated: March 29, 1978

A.I.D. Project No. 263-0042

TABLE OF CONTENTS

PROJECT GRANT AGREEMENT

Article 1. The Agreement	Section 4.4. Terminal Date for Conditions Precedent
Article 2. The Project	Article 5. Special Covenants
Section 2.1. Definition of Project	Section 5.1. Procurement Source [Project Evaluation]
Section 2.2. Incremental Nature of Project	Article 6. Procurement Source
Article 3. Financing	Section 6.1. Foreign Exchange Costs
Section 3.1. The Grant	Article 7. Disbursements
Section 3.2. Grantee Resources for the Project	Section 7.1. Disbursement for Foreign Exchange Costs
Section 3.3. Project Assistance Completion Date	Section 7.2. Other Forms of Disbursement
Article 4. Conditions Precedent to Disbursement	Article 8. Miscellaneous
Section 4.1. First Disbursement	Section 8.1. Communications
Section 4.2. Additional Disbursement	Section 8.2. Representatives
Section 4.3. Notification	Section 8.3. Standard Provisions Annex ²

A.I.D. Project No. 263-0042

PROJECT GRANT AGREEMENT dated March 29, 1978, between the ARAB REPUBLIC OF EGYPT, acting through the MINISTRY OF ECONOMY AND ECONOMIC COOPERATION ("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.

Article 2. THE PROJECT

Section 2.1. DEFINITION OF PROJECT. The Project will help the Grantee prepare development projects for financing by funding the U.S. dollar costs of

¹ Came into force on 29 March 1978 by signature.

² Not published herein; for the text of the annex, see "Project Grant Agreement between the United States of America and Haiti relating to health services. Signed at Port-au-Prince on 30 August 1977" in the United Nations, *Treaty Series*, vol. 1229, p. 287.

project feasibility and technical studies and to identify and prepare development projects which could be considered for A.I.D. financing. In addition, a portion of the resources made available for the Project will fund the U.S. dollar costs of evaluating projects, as appropriate, and of supporting the accelerated implementation of the A.I.D. program in Egypt by (a) preparing projects and programs for implementation, (b) carrying out pre-implementation and implementation actions or (c) strengthening the operations of Grantee organizations concerned with implementation of A.I.D. programs. In general, the Grant will finance the U.S. dollar costs of technical services and of such commodities as are necessary and directly related either to these services or to strengthening the operations of relevant Grantee organizations.

Some prospective uses of the Grant have been identified, although some may not require funding from the Grant or at the estimated levels. Such prospective uses are:

1. Damietta Port Study	\$100,000
2. Cairo Groundwater Supply	3,000,000
3. Suez Area Water Supply	150,000
4. Edfu Pulp and Paper Mill	600,000
5. Suez Power Plant	750,000
6. Canal Cities Oceanographic Studies	400,000
7. Provincial Water and Sewer Systems	1,500,000
8. Provincial Electrification	2,000,000
9. Secondary Irrigation Pumping	350,000
10. National Urban Growth Policy—Phase I	1,000,000
11. Industrial Joint Venture Prefeasibility Studies	1,500,000
12. Other	650,000
	TOTAL \$12,000,000

It is expected that the large majority of Grant resources will be used for technical services, although commodity purchases and other costs are also expected to be significant.

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.

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 twelve million United States ("U.S.") Dollars (\$12,000,000) ("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. 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. Without affecting the generality of the foregoing, the Grantee covenants that it will provide on a timely basis all necessary local logistic support as may be required to ensure effective utilization of services and goods financed under the Grant, not otherwise financed by A.I.D. under its Local Cost Project Support Grant.

Section 3.3. PROJECT ASSISTANCE COMPLETION DATE. (a) The "Project Assistance Completion Date" (PACD), which is 36 months from date of execution, 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 names of the persons holding or acting in the offices 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; and
- (b) Such other information and documents as A.I.D. may reasonably request.

Section 4.2. ADDITIONAL DISBURSEMENT. Prior to any disbursement, or the issuance of any commitment documents under the Project to finance a particular activity proposed under the Grant, Grantee shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D., an identification of the activity, its purposes, the organization in charge of its implementation, and its estimated cost, including both the amounts proposed for A.I.D. financing and for financing from other sources.

Section 4.3. 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. Written agreement by A.I.D. to fund any particular activity under

the Project shall constitute notification that the condition precedent specified in Section 4.2 has been met with respect to disbursement for such activity.

Section 4.4. TERMINAL DATE FOR CONDITIONS PRECEDENT. If all of the conditions specified in Section 4.1 have not been met within ninety (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 [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.

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.

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 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) U.S. Dollar 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.

(c) After satisfaction of conditions precedent, in the case of an emergency requirement for services or commodities in which there is not sufficient time for completion of the procedures described in Section 7.1(a), A.I.D. from time to time may disburse funds available from this Grant to pay directly the costs of furnishing such services and commodities in connection with the program. Upon taking any action pursuant to this Section 7.1(c), A.I.D. shall promptly notify the Government of such action, the circumstances requiring such action and the amount of funds involved.

Section 7.2. OTHER FORMS OF DISBURSEMENT. Disbursements of 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:

Ministry of Economy and Economic Cooperation
8 Adly Street
Cairo, Arab Republic of Egypt

Alternate address for cables:

8 Adly Street
Cairo

To A.I.D.:

Mail address:

USAID/Egypt
c/o Embassy of the United States of America
5 Latin America Street
Cairo, Arab Republic of Egypt

Alternate address for cables:

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

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.

Section 8.2. REPRESENTATIVES. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation and the First Undersecretary of State for Economic Cooperation, and A.I.D. will be represented by the individual holding or acting in the office of the Director, USAID/Egypt, Cairo, Egypt, each of whom, by written notice may designate additional representatives. 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 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.

The Arab Republic of Egypt:

By: [Signed]

Name: HAMED EL-SAYEH

Title: Minister of Economy and Economic Cooperation

United States of America:

By: [Signed]

Name: HERMANN FR. EILTS

Title: American Ambassador