



BoP-GBS Assistance Agreement Template

An Additional Help for ADS Chapter 220

New Edition Date: 07/28/2014
Responsible Office: M/CFO
File Name: 220saj_072814

USAID Assistance Agreement No. xxx-x-xxx

Program Assistance Agreement

For

General Budget Support Program in [Country]

Dated:

Between

The United States of America, acting through the U.S. Agency for International Development (“USAID”)

And

The [Country], acting through the Ministry of Finance and Economic Planning (“Grantee”)

ARTICLE I. Purpose

SECTION 1.1. Program Purpose. The purpose of this Program Agreement (the “Agreement”) is to promote rapid economic recovery to stabilize the economy of [Country] in the aftermath of natural disaster (the “Purpose”).

SECTION 1.2. Amplified Program Description. Annex 1, attached, amplifies the above Purpose. Within the limits of the above Purpose, Annex 1 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

ARTICLE II. Contribution of the Parties

SECTION 2.1. USAID Contribution.

- (a) The Grant. To help achieve the Purpose set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of this Agreement not to exceed One Hundred Million United States (“U.S.”) Dollars (U.S. \$100,000,000) (the “Grant”).
- (b) Total Estimated USAID Contribution. USAID’s total estimated contribution to achievement of the Purpose shall not exceed Five Hundred Million United States

Dollars (U.S. \$500,000,000), which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed.

- (c) Excess Amounts. If at any time USAID determines that its contribution under Section 2.1(a) exceeds the total amount that reasonably can be disbursed for the Program Purpose up to and including the current or next U.S. fiscal year, USAID may, upon written notice to the Grantee, withdraw the excess amount, thereby reducing the amount of the Grant as set forth in Section 2.1(a). Actions taken pursuant to this subsection will not revise USAID's total estimated contribution set forth in subsection 2.1(b).

SECTION 2.2. Grantee Contribution. The Grantee agrees to provide or cause to be provided all funds, in addition to those provided by USAID and any other donor(s) identified in Annex 1, and all other resources required to complete, on or before the Completion Date, all activities necessary to achieve the Purpose.

ARTICLE III. Conditions Precedent to Disbursement

SECTION 3.1. Conditions Precedent to First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which such disbursement may be made, the Grantee shall, except as USAID may otherwise agree in writing, furnish to USAID, in form and substance satisfactory to USAID:

- (a) An opinion of counsel acceptable to USAID that this Agreement has been duly authorized or ratified by, and executed on behalf of the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;
- (b) A statement of the names of the persons holding the offices specified in Section X.X, and of any additional representatives, together with a specimen signature of each person so designated;
- (c) Evidence that a Separate Dollar Account has been established in accordance with Section X.XX; and
- (d) Evidence that a Special Local Currency Account has been established in accordance with Section X.XX.

SECTION 3.2. Conditions Precedent to Performance Disbursements. Prior to each disbursement under the Grant, or to the issuance by USAID of documentation pursuant to

which disbursement may be made, the Grantee shall, except as USAID may otherwise agree in writing, furnish to USAID, in form and substance satisfactory to USAID:

- (a) Evidence, in form and substance satisfactory to USAID, that the Grantee has increased tax revenues by 15% between fiscal year 2013 and 2014;
- (b) Evidence, in form and substance satisfactory to USAID, that the Grantee has initiated a census of government workers (by skill area and Ministry) to establish a base line for the consideration of future civil service personnel requirements; and,
- (c) Evidence, in form and substance satisfactory to USAID, that the Grantee has proposed legislation to revise income tax rates in such a way as to achieve an overall increase in income tax revenues.

SECTION 3.3. Notification. When the Conditions Precedent specified in Sections 3.1 and 3.2 have been met, USAID will promptly notify the Grantee.

SECTION 3.4. Terminal Dates for Conditions Precedent.

- (a) If the Conditions Precedent specified in Section 3.1 have not been met within ninety (90) days from the date of this Agreement, or such later date as the Parties may agree in writing, USAID may terminate this Agreement by written notice to the Grantee.
- (b) If the Conditions Precedent specified in Section 3.2 have not been met within (180) days of obligation under this Agreement of funds designated for that year [alternatively: as may be established by USAID in an Implementation Letter], or such later date as the Parties may agree in writing, USAID may terminate this Agreement by written notice to the Grantee.

ARTICLE IV. Disbursement.

SECTION 4.1. Disbursement. Upon satisfaction of the Conditions Precedent contained in sections 3.1 and 3.2 for the initial disbursement of funds, USAID will disburse into the Separate Dollar Account the amount specified in Section 2.1(a) of this Agreement. [alternate: "as specified in Annex 1 of this Agreement," or "as specified by USAID in Implementation Letter No.1," as appropriate]. (Such disbursements in U.S. dollars are sometimes referred to as "Grant Proceeds.")

SECTION 4.2. Date of Disbursement. Each disbursement will be deemed to occur on the date USAID makes such deposit, in accordance with section 4.1.

SECTION 4.3. Terminal Date for Disbursements. No disbursement of Grant proceeds by USAID shall be made after [September 30, 2015], except as the Parties may otherwise agree in writing. [Note – this date will need to be amended with each subsequent amendment adding funds.]

ARTICLE V. Separate Dollar Account¹

SECTION 5.1. Establishment of the Separate Dollar Account. Except as USAID may otherwise agree in writing, the Grantee shall establish a separate, non-commingled, non-interest bearing account in the name of the Government of [Country] in the Federal Reserve Bank of New York (FRB-NY) for deposit of the Grant, (the “Separate Dollar Account”), and shall not commingle the Grant with funds from any other source.

[SECTION 5.1 alternate if FRB does not allow non-interest bearing account; this should be known before obligation.]

SECTION 5.2. Dollar Uses.

(a) Agreed Uses. The Grantee will promptly utilize the Grant Proceeds to make debt service payments on its outstanding obligations to the International Bank for Reconstruction and Development, in such a manner as to avoid any penalties or fees on debt payments due, except as USAID may otherwise agree in writing.

(b) Redeposit. The Grantee agrees to redeposit to the Separate Dollar Account U.S. Dollars equal to the amount of any Grant Proceeds that are not used in accordance with this Agreement. Until such redeposit to the Separate Dollar Account is made, the Grantee may make no further withdrawal from that account.

ARTICLE VI. Special Local Currency Account

SECTION 6.1. Establishment of the Special Local Currency Account. The Grantee will establish a separate, non-comingled (non)interest-bearing account at the National Bank of [Country] (the “Special Local Currency Account”.) Immediately upon disbursement by USAID of dollars into the Separate Dollar Account, the Grantee shall deposit, from its own resources, an equivalent amount of local currency into the Special Local Currency Account. The amount of the local currency deposit shall be calculated at the highest rate of exchange that is not unlawful in [Country] as calculated by the inter-bank, foreign exchange rate in use by the National Bank of [Country] on the date of the corresponding Dollar Disbursement by USAID.

SECTION 6.2. Local Currency Uses. Funds in the Special Local Currency Account shall be jointly programmed by the Parties for budget support to the national budget of [Country], except as the Parties may otherwise agree in writing.

SECTION 6.3. Redeposit. Local currency funds, if any, not used in accordance with Section 6.2 will be replenished by the Grantee from its own resources within sixty (60) days of notification from USAID.

ARTICLE VII. Books, Records, Audit

SECTION 7.1. General. The Grantee will maintain, or cause to be maintained, in accordance with generally accepted accounting principles, documents in support of deposits to and expenditures from, the Separate Dollar Account and the Special Local Currency Account. Such documents will be available for review and audit by USAID, or its designees, for the period of the Grant and up to three years following the date of the last disbursement from the applicable account. Local currency generated from the Grant may be programmed and used to finance audits of the local currency account.

SECTION 7.2. Reporting. Except as the Parties may otherwise agree in writing, the Grantee will furnish USAID with a [semi-annual/quarterly/annual] report on uses of Grant proceeds and the status of the Separate Dollar Account and Special Local currency Account. Additional reporting requirements and formats may be established in Implementation Letters.

ARTICLE VIII. Covenants

SECTION 8.1. Environment. The Grantee agrees to ensure that all activities under the Program are carried out in accordance with the environmental laws and regulations in effect in [Country].

SECTION 8.2. Evaluation. USAID and the Grantee agree to establish a mutually-acceptable evaluation plan for the Program, as discussed in Annex 1.

ARTICLE IX. MISCELLANEOUS

SECTION 9.1. Taxation. This Agreement, the Grant, and Associated Technical Assistance, including individuals (and their families) and entities implementing it, separately financed by USAID, shall be free from any taxation or fees imposed under laws in effect in the territory of the Grantee. [Reference to Associated TA is needed only if it is not under a SOAG.]

SECTION. 9.2. Associated Technical Assistance. The Grantee agrees to issue, renew, and extend, expeditiously and free of charge, all visas, permits, and other documentation, necessary for Associated Technical Assistance (individuals and their families, and entities) to work and reside in Rwanda.

SECTION 9.3. Program Implementation Letters. USAID may from time to time issue Program Implementation Letters elaborating on terms of this Agreement, further describing applicable procedures, or recording agreement of the Parties on details of implementation. Program Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions and exceptions that are permitted by the Agreement.

SECTION 9.4. Non-Waiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with this Agreement will be construed as a waiver of such right or remedy.

SECTION 9.5. Consultation. The Parties will cooperate to ensure that the purposes of this Agreement are accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Agreement, and other matters related to the Agreement.

SECTION 9.6. Representatives. For all purposes relevant to implementation of this Agreement, the Grantee will be represented by the individual holding or acting in the office of the Minister of Finance, and USAID will be represented by the individual holding or acting in the office of the USAID Mission Director for [Country], each of whom, by written notice, may designate additional representatives for all purposes other than signing formal amendments to this Agreement. Either Party may accept as authorized any instrument signed by such representatives of the other Party in implementation of the Agreement, until receipt of written notice of revocation of their authority.

It is the policy of USAID and the Grantee to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy,

SECTION 9.7. Anti-Terrorism. Both the Grantee and USAID are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of USAID and the Grantee to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, the Grantee undertakes to use reasonable efforts to ensure that none of the Grant Proceeds are used to provide support to individuals or entities associated with terrorism.

SECTION 9.8. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be transmitted by certified mail, or by fax followed by certified mail in case of urgency, and will be deemed duly given or sent when delivered to such Party at the following addresses, as applicable:

To the Grantee:

Minister of Finance
Attention: Permanent Secretary and Secretary to the Treasury
[address]

To USAID:
Mission Director
U.S. Agency for International Development
[address]

All such communications will be prepared in English and Spanish. In the event of a discrepancy between the English and Spanish versions, the English language version will control. [*note: USAID may allow for English-only communications in countries where English is an official language*] Other addresses may be substituted for the above upon the giving of written notice.

SECTION 9.9. Amendment. This Agreement may be amended by execution of written amendments by the Authorized Representatives of both Parties designated in Section X.X. above.

SECTION 9.10. Effective Date. This Agreement shall enter into force on the date first written above.

IN WITNESS WHEREOF, the [Country] 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 written above.

[Country]

The United States of America

By: _____
Name:
Title: Minister of Finance

By: _____
Name:
Title: USAID Mission Director

220saj_072814