

No. 30572

**UNITED STATES OF AMERICA
and
EGYPT**

Program Grant Agreement for decentralization sector support (with annex). Signed at Cairo on 29 August 1982

Authentic text: English.

Registered by the United States of America on 2 December 1993.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

Accord de don pour un programme de soutien de la décentralisation sectorielle (avec annexe). Signé au Caire le 29 août 1982

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 2 décembre 1993.

PROGRAM GRANT AGREEMENT¹ BETWEEN THE ARAB REPUBLIC OF EGYPT AND THE UNITED STATES OF AMERICA FOR DECENTRALIZATION SECTOR SUPPORT

Dated: August 29, 1982

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¹ Came into force on 29 August 1982 by signature.

² Not printed herein. For text, see United Nations, *Treaty Series*, vol. 1116, p. 119.

A.I.D. Program No. 263-K-605

Program Grant Agreement

Dated August 29, 1982

Between

The Arab Republic of Egypt ("Grantee")

And

The United States of America, acting through the
Agency for International Development ("A.I.D.").

Preamble

In order to achieve greater flexibility in the funding of decentralized development activities, the funds made available under this Agreement shall be available for the financing by the Parties of certain agreed-upon activities in the decentralization sector. Five previously existing projects are subsumed as activities under this Program. Additional activities may be added from time to time, as mutually agreed upon in Activity Protocols and as may be deemed necessary by the Grantee.

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 Program described below and with respect to the financing of the Program by the Parties.

Article 2: The Program

SECTION 2.1. Definition of Program. The Program consists of several activities to assist the Grantee to establish the institutional capacity to plan and implement the plans for local development at the national, governorate, district and village levels, and a national budget process allocating adequate funds to decentralization. The Program will emphasize the discretionary use of such funds for locally designed and approved development initiatives which will promote sustained economic growth and improvement in living standards. The Program will implement decentralized development activities as defined in "Activity Protocols" to be entered into by the Parties. The initial five Activity Protocols under the Program shall be entered into on the date of this Agreement. The following five Project Grant Agreements are hereby deleted in their entirety:

- A. Project Grant Agreement for Development Decentralization I dated May 29, 1978,¹ as amended on May 31, 1979, March 31, 1980, and August 19, 1981 - AID Project No. 263-0021;
- B. Project Grant Agreement for Basic Village Services dated August 31, 1980 - AID Project No. 263-0103;
- C. Project Grant Agreement for Provincial Cities Development dated September 22, 1981 - AID Project No. 263-0127;
- D. Project Grant Agreement for Decentralization Support Fund dated September 28, 1980 - AID Project No. 263-0143; and
- E. Project Grant Agreement for Neighborhood Urban Services dated August 19, 1981 - AID Project No. 263-0153.

The Parties may, from time to time, and as may be initiated by the Grantee, execute other Activity Protocols.

¹United Nations, *Treaty Series*, vol. 1178, p. 97.

The Program is further described in the individual Activity Protocols which contain amplified descriptions of the above definition of the Program. Within the limits of the above definition of the Program, elements of the amplified descriptions contained in the Activity Protocols may be changed by written agreement of the authorized representatives of the Parties named in those Protocols, without formal amendment of this Agreement, provided that such changes are consistent with the provisions set forth herein.

SECTION 2.2. Incremental Nature of Program.

(a) A.I.D.'s contribution to the Program will be provided in increments. The initial increments have been previously made available in accordance with the Project Agreements listed in Section 2.1. The initial increment under the Program established by this Agreement is 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 Program Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Program 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 Program, 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 Hundred Sixty-One Million Two Hundred Thousand ("U.S.") Dollars (\$261,200,000) and One Hundred Twenty Five Thousand Egyptian Pounds (LE 125,000).