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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

Mr. William R. Millager, Director
United Nations Industrial Development
Organization (UNIDO)
821 UN Plaza, Suite TM 600
New York, New York 10017

Subject: Grant No. OTR-0190-G-IN-4208-00 - A.I.D. Accounting and
Appropriation Data; Appropriation No. 72-1141021.6 -
Allotment No. FDAA-84-13019-DG-11, 446-30-099-00-20-41-
PIO/T No. 930-0190-3044999

Dear Mr. Millager:

1. I have the honor to refer to your proposal request relating to the Investment Promotion Service - North America of the UNIDO.
2. I am pleased to inform you that, pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Government of the United States of America, acting through the Agency for International Development (hereinafter referred to as A.I.D.) hereby grants to the United Nations Industrial Development Organization (hereinafter referred to as the Grantee) the sum of one hundred thousand United States Dollars (\$100,000), to provide supplemental funding for the Investment Promotion Service - North America, as more fully described in Attachment A.
3. This Grant is effective as of the date of this letter and is applicable to commitments made by the Grantee in support of the program during the period October 1, 1983 through September 30, 1984. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.
4. It is understood that financial records, including documentation to support entries on accounting records and to substantiate changes within this Grant shall be maintained in accordance with the Grantee's usual accounting procedures, which shall follow generally accepted accounting practices. All such financial records shall be maintained for at least 3 years after final disbursement of funds under this Grant.
5. The Grantee confirms that this program will be subject to an independent audit by the Grantee's outside certified or chartered public accountant and agrees to furnish copies of these audit reports to A.I.D. along with such other related information as may be requested by A.I.D. with respect to questions arising from the audit report.
6. It is understood that the funds granted hereunder shall be disbursed as set forth in Attachment B hereto entitled Payment Provisions.

7. The parties agree that this grant and the activities financed therewith, shall be managed by the Grantee in accordance with its established policies and procedures. The proposed budget for this Grant is provided in Attachment C.
8. If the use of the Grant funds results in the accrual of interest to the Grantee or to any other person to whom the Grantee makes such funds available in carrying out the purposes of this Grant, the Grantee shall refund to A.I.D. any amount of interest earned.
9. The Grantee shall prepare and submit to A.I.D. the required reports in accordance with the schedule set forth in Attachment D.
10. This agreement, in whole or in part, may be terminated by either party at any time upon 30 days written notice. This agreement may be revised only by the written mutual consent of the parties hereto.
11. Please indicate your acceptance of this Grant by signing the original and eight (8) copies of this letter in the space provided below and return the original and seven (7) copies to the Grant Officer. Two copies may be retained for your files.
12. The A.I.D. Technical Officer responsible for monitoring this Grant is Mr. N. Caticchio, PPC/DC/UNR, Room 3731 NS, Washington, D.C. 20523.

THE UNITED STATES OF AMERICA

BY: Edward H Thomas

TITLE: Grant Officer

DATE: MAY - 8 1984

Attachments:

- A. Purpose and Implementation Plan
- B. Payment Provisions
- C. Budget
- D. Reporting Requirements

ACCEPTED:

UNITED NATIONS INDUSTRIAL DEVELOPMENT
ORGANIZATION

BY: Aditya Abolad Meyn

TITLE: Director

DATE: May 21. 84

PURPOSE AND IMPLEMENTATION PLAN

A. PURPOSE

The purpose of this grant is to finance in part the operation of the United Nations Industrial Development Organization's Investment Promotion Service Office which is geared towards providing training in the U.S. of LDC nationals in techniques of promoting U.S. direct private investment in their countries.

B. SPECIFIC OBJECTIVES AND PROGRAM DESCRIPTION

As a part of the United Nations Industrial Development Organization's (UNIDO's) mandate to promote and accelerate the industrialization of developing countries, Investment Promotion Service - North America (IPS-NA) carries out programs of orientation and on-the-job training in the field of investment promotion. The programs are provided to officials of developing countries with the aim of strengthening developing countries' capabilities in investment promotion, furthering an understanding in these countries of the needs, interests and concerns of U.S. investors and promoting U.S. private direct investment in developing countries.

The Grantee provides the following services:

1. On-the-job training for government officials in the techniques of, and approaches to, investment promotion. Such orientation enables developing countries to conduct their own investment promotion activities and to strengthen the expertise of their individual development agencies.
2. An institutional infrastructure for implementing the foreign investment objectives of those developing countries that do not operate their own investment promotion offices in North America.

MENT PROVISIONS

(a) AID shall open a Federal Reserve Letter of Credit (hereinafter referred to as an "FRLC") in the amount of funding obligated by this grant, against which the Grantee may draw cash only for immediate disbursing needs. The term "immediate disbursing needs" when applied to FRLC's is defined as the cash requirements for a three-day period. Any subgrantee funded by the Grantee from funds provided by this grant, shall obtain such funds from the Grantee only as needed for disbursement. The financial management system of the Grantee shall provide for effective control over and accountability for Federal funds in accordance with its usual procedures and generally accepted accounting practices.

(b) FRLC Operational Requirements

(1) The Grantee will select a commercial bank that agrees to receive payment vouchers, TFS Form 5401, "Payment Voucher on Letter of Credit," drawn on the U.S. Treasury and to forward such payment vouchers to the applicable Federal Reserve Bank or branch. The Grantee shall select a commercial bank that will credit the account of the Grantee at the time of presentation of the completed payment voucher. Immediate credit by the commercial bank will enable the Grantee to meet its responsibilities to draw cash only when actually needed for disbursements.

(2) After arranging with a commercial bank for operations under FRLC and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Grantee shall deliver to the AID Controller, three originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit," signed by those officials authorized to sign payment vouchers against the FRLC and by the designated official of the Grantee who has authority to specify individuals to sign payment vouchers. Only those officials whose signatures appear on the SF-1194 can sign the TFS Form 5401. New signature cards must be submitted whenever there is a change in the persons authorized to sign payment vouchers.

(3) The Grantee shall subsequently receive one certified copy of the Federal Reserve Letter of Credit, SF-1193. No payment vouchers shall be presented to the commercial bank before the FRLC is opened. The SF-1193 indicates the effective date the FRLC is opened.

(4) As funds are required for immediate disbursement needs, the Grantee will submit a properly completed payment voucher (Form TFS 5401) to the commercial bank for transmission to the Federal Reserve Bank or branch. The commercial bank may at this time credit the account of the Grantee with the amount of funds being drawn down. Payment vouchers shall not ordinarily be submitted more frequently than daily and shall not be less than \$5,000 or more than \$5,000,000. In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.

(5) In preparing the payment voucher, the Grantee shall assign a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.

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(6) After the first payment voucher (Form TFS 5401) has been processed, succeeding payment vouchers shall not be presented until the existing balance of previous drawdowns has been expended or is insufficient to meet current needs.

(c) FRLC Reporting

Fifteen days following the end of each calendar quarter, the Grantee shall submit, to the office designated in the grant letter, a report showing for that quarter the cash on hand at the beginning of the quarter plus cash drawn under the FRLC during the quarter, the amount of project disbursements, and cash remaining on hand at the end of the quarter. The Grantee will indicate the number of days cash requirements represented by the amount shown as cash remaining on hand.

(d) Suspension of FRLC

(1) If at any time, the AID Controller determines that the Grantee has failed to comply with the terms and conditions of the FRLC, the AID Controller shall advise the Grant Officer who may cause the FRLC to be suspended or revoked.

(2) The Controller may recommend suspension or revocation to the Grant Officer on the grounds of an unwillingness or inability of the Grantee to: (A) establish procedures that will minimize the time elapsing between cash drawdowns and the disbursement thereof, (B) timely report cash disbursements and balances as required by the terms of the grant and (C) impose the same standards of timing of advances and reporting on any subrecipient or any of the Grantee's overseas field organizations.

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ATTACHMENT C

A. AID CONTRIBUTION

The funds provided herein shall be used to finance the following items:

<u>CATEGORY</u>	<u>FROM: 10-1-83</u>	<u>TO: 9-30-84</u>
Travel	\$	5,000
Equipment		6,000
Equipment Maintenance		5,000
Office Rent		67,500
Telephone		<u>5,000</u>
TOTAL	\$	88,500
UNIDO PROJECT SERVICE COST (13%)		<u>11,500</u>
GRAND TOTAL	\$	100,000

Adjustments among the line items are unrestricted except that the Grantee may not exceed the total funds obligated by A.I.D. herewith in the amount of \$100,000.

B. OTHER CONTRIBUTIONS

Funding for 1983/1984 IPS-NA activities is derived from United Nations Development Program, UNIDO, A.I.D. Ecuador and the World Bank. The 1983/1984 budget totals \$ 453,387.

ATTACHMENT D

REPORTING REQUIREMENTS

- A. The Grantee shall submit to the Technical Officer within 30 days following the completion of the Grant a progress report which shall describe accomplishments to date as well as any other data related to the programs.
- B. The Grantee shall also submit within 30 days following the completion of the Grant a financial report detailing costs incurred. A copy of such report shall be submitted to the Technical Officer as well as to the Grant Officer, Office of Contract Management, A.I.D., Washington, D.C. 20523.

UNITED NATIONS  NATIONS UNIES
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

*Andrea
Raid
6-14-84*

INVESTMENT PROMOTION SERVICE
821 UNITED NATIONS PLAZA, NEW YORK, N.Y. 10017
TELEPHONE: (212) 754 5966 . CABLE ADDRESS: UNATIONS, NEW YORK TELEX: 62450

REFERENCE:

4 June 1984

Dept of State Money

Dear Mr. Thomas,

re: Grant No. OTR-0190-G-IN-4208-00
Appropriation No. 72-1141021.6
Allotment No. FDAA-84-13019-DG-11, 446-30-099-00-20-41
PIO/T No. 930-0190-3044999

On behalf of the United Nations Industrial Development Organization (UNIDO), I am pleased to accept the grant offered by the Agency for International Development (AID) in the amount of \$100,000 United States Dollars to be used for support of the Investment Promotion Service - North America.

..... Please find enclosed the signed original and seven signed copies of the letter of acceptance.

As the period covered by the grant was to begin 1 October 1983 and notification of the contribution not transmitted until 8 May 1984, we are requesting that the expiration date of 30 September 1984 be extended to 31 December 1984.

I would like to take this opportunity to thank AID for its approval of our proposal request. We look forward to the successful implementation of this project for the benefit of the participating developing countries.

Yours sincerely,

William R. Millager
Director Designate

*235-115
Room 761*

Mr. Edward H. Thomas
Grant officer
OTR Branch (Room 758: SA-14)
Central Operations Division
Office of Contract Management
U.S. Agency for International Development
State Department
Washington, D.C. 20523

cc. Ms. J. Burroughs
Ms. A. Mohn ✓
Mr. J. Wischeidt, Jr.
Mr. A. Ingram

cc. Mr. N. Caticchio