



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

SEP 28 1992

Russell A. Mittermeier
President
Conservation International
1015 18th Street, N.W., Suite 1000
Washington, D. C. 20036

Subject: Cooperative Agreement No. FAO-0158-A-00-2056-00

Dear Mr. Mittermeier:

Pursuant to the authority contained in the Foreign Assistance Act of 1961 and the Federal Grant and Cooperative Agreement Act of 1982, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby provides to Conservation International (hereinafter referred to as "CI" or "Recipient") the sum set forth in Section 1C.2. of Attachment 1 of this Cooperative Agreement to provide financial support for the program described in Attachment 2 of this Cooperative Agreement entitled "Program Description."

This Cooperative Agreement is effective as of the date of this letter and funds obligated hereunder shall be used to reimburse the Recipient for allowable program expenditures for the period set forth in Section 1B. of Attachment 1 of this Cooperative Agreement.

This Cooperative Agreement is made to the Recipient on the condition that the funds will be administered in accordance with the terms and conditions as set forth in the attachments listed under my signature below, which together constitute the entire Cooperative Agreement document and have been agreed to by your organization.

Please acknowledge receipt and acceptance of this Cooperative Agreement by signing all copies of this Cover Letter, retaining one copy for your files, and returning the remaining copies to the undersigned.

Sincerely yours,

James A. Jeckell
James A. Jeckell
Agreement Officer
Chief, FAO Branch
Office of Procurement

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
4. Special Provision entitled "Restrictions on Lobbying"

ACKNOWLEDGED:

CONSERVATION INTERNATIONAL

BY: _____

TYPED NAME: Tod Heisler

TITLE: Director for Finance and Administration

DATE: October 16, 1992

FISCAL DATA

A. GENERAL

- A.1. Total Estimated A.I.D. Amount: \$98,800
- A.2. Total Obligated A.I.D. Amount: \$98,800
- A.3. Cost-Sharing Amount (Non-Federal): \$150,087
- A.4. Other Contributions (Federal): \$-0-
- A.5. Project No.: 938-0158
- A.6. A.I.D. Project Office: FHA/PVC, Marguerite Potee
- A.7. Funding Source: A.I.D./W
- A.8. Tax I.D. No.: 52-1497470
- A.9. CEC No.: 17-610-102A
- A.10. LOC No.: 72-00-1642

B. SPECIFIC

- B.1.(a) PIO/T No.: 938-0158-2686007
- B.1.(b) Appropriation: 72-112/31021.6
- B.1.(c) Allotment: 266-38-099-00-76-21
- B.1.(d) BPC: EDS2-92-16850-KG11
- B.1.(e) Amount: \$98,800

ATTACHMENT 1

SCHEDULE

1A. PURPOSE OF COOPERATIVE AGREEMENT

The purpose of this Cooperative Agreement is to provide financial support for the program described in Attachment 2 of this Cooperative Agreement entitled "Program Description."

1B. PERIOD OF COOPERATIVE AGREEMENT

1B.1. The effective date of this Cooperative Agreement is the date of the Cover Letter and the estimated completion date is 29 September 1994. Funds obligated hereunder (see Section 1C.2. below) shall be used to reimburse the Recipient for allowable program expenditures incurred by the Recipient in pursuit of program objectives at any time during such period. Funds obligated hereunder are anticipated for completion by the Recipient of the program described in Attachment 2 of this Cooperative Agreement by the estimated completion date.

1C. AMOUNT OF COOPERATIVE AGREEMENT AND PAYMENT

1C.1. The total estimated amount of this Cooperative Agreement for its full period, as set forth in Section 1B.1. above, is \$98,800.

1C.2. A.I.D. hereby obligates the amount of \$98,800 for the purposes of this Cooperative Agreement during the indicated period set forth in Section 1B. above, thereby fulfilling A.I.D.'s funding requirements. A.I.D. shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount, except as specified in paragraph (f) of the Standard Provision of this Cooperative Agreement entitled "Revision of Grant Budget".

1C.3. Payment shall be made to the Recipient in accordance with procedures set forth in the Standard Provision of this Cooperative Agreement entitled "Payment - Letter of Credit," as shown in Attachment 3.

1C.4. The total estimated amount of the program described in Attachment 2 of this Cooperative Agreement is \$248,887, of which A.I.D. may provide the amount specified in Section 1C.1. above, and the Recipient will provide \$150,087 in accordance with Section 1M. below.

1D. COOPERATIVE AGREEMENT BUDGET

1D.1. The following is the Budget for the total estimated amount of this Cooperative Agreement (see Section 1C.1. above) for its full period (see Section 1B. above). The Recipient may not exceed the total estimated amount or the obligated amount of this Cooperative Agreement, whichever is less (see Sections 1C.1. and 1C.2., respectively, above). Except as specified in the Standard Provision of this Cooperative Agreement entitled "Revision of Grant Budget," as shown in Attachment 3, the Recipient may adjust line item amounts as may be reasonably necessary for the attainment of program objectives. The Recipient is allowed complete flexibility among the line items provided as its match on an annual basis.

Revisions to the budget shall be in accordance with Section 1C. above and the Standard Provisions entitled "Revision of Grant Budget" and "Cost Sharing (Matching)."

1D.2. Budget

COST ELEMENT	YEAR 1		YEAR 2		Total		Combined Total
	A.I.D.	Recipient/ Others	A.I.D.	Recipient/ Others	A.I.D.	Recipient/ Others	
Program Costs	\$42,759	\$54,044	\$26,041	\$47,805	\$68,800	\$101,849	\$170,649
Indirect Costs	-0-	13,564	-0-	13,794	-0-	27,358	27,358
Procurement Costs	5,500	7,440	4,500	13,440	10,000	20,880	30,880
Evaluation Costs	<u>12,400</u>	<u>-0-</u>	<u>7,600</u>	<u>-0-</u>	<u>20,000</u>	<u>-0-</u>	<u>20,000</u>
Total	\$60,659	\$75,048	\$38,141	\$75,039	\$98,800	\$150,087	\$248,887

1D.3. Inclusion of any cost in the budget of this Cooperative Agreement does not obviate the requirement for prior approval by the Agreement Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision of this Cooperative Agreement set forth in Attachment 3 entitled "Allowable Costs") and other terms and conditions of this Cooperative Agreement, unless specifically stated in Section 1I. below.

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1E. REPORTING

1E.1. Financial Reporting

1E.1.(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Cooperative Agreement entitled "Payment - Letter of Credit," as shown in Attachment 3.

1E.1.(b) All financial reports shall be submitted to A.I.D., Office of Financial Management, FA/FM/CMPD/DCB, Room 700 SA-2, Washington, D.C. 20523-0209. In addition, three copies of all financial reports shall be submitted to the A.I.D. Project Office specified in the Cover Letter of this Cooperative Agreement, concurrently with submission of the Quarterly Technical Reports (See Section 1E.2. below).

1E.1.(c) The frequency of financial reporting and the due dates of reports shall be as specified in the Standard Provision of this Cooperative Agreement referred to in Section 1E.1.(a) above.

1E.1.(d) The Recipient's financial reports shall include expenditures of A.I.D. Cooperative Agreement funds provided hereunder, as well as non-federal matching funds and any other contributions in accordance with Section 1M. below.

1E.2. Program Performance Planning and Reporting

1E.2.(a) Annual Report

1E.2.(a)(1) Five copies of the Annual Report plus one copy for the A.I.D. Mission in each target country in the program will be submitted to the A.I.D./FHA/PVC Project Officer 30 days prior to the anniversary date of the Agreement. Annual reports will describe project activities and the Recipient's financial contribution to the project. "PVO Annual Reporting Guidelines" will be provided by the Project Officer for illustrative purposes.

1E.2.(a)(2) The Annual Report will also include a country data sheet for each subproject activity and will be furnished in the standard format prescribed by FHA/PVC for its management information system (see AID Form 1550-11). Other current A.I.D. grants, cooperative agreements and contracts to the Recipient, such as OPGs, will be noted in the report with an explanation of any relationship of such agreements to this cooperative agreement supported program.

1E.2.(b) Interim Reports

Prior to the required final performance reporting date, events may occur that have significant impact upon the project. In such instances, the Recipient shall inform the Grant and Project Officers as soon as the following types of conditions become known:

1E.2.(b)(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work activities by the established time period. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

1E.2.(b)(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.

1E.2.(c) Self Evaluation

Self-evaluation will be conducted by the Recipient in accordance with its normal evaluation program as described in its proposal. In addition, from time-to-time A.I.D. Officers will, with prior notification to the PVO's headquarters, visit selected project sites. An independent mid-term and/or final evaluation in collaboration with the Recipient will be carried out at either the mid point of the program or no later than June of the last year of the Agreement. Special requirements for this project evaluation are delineated under 1F.2. below.

1E.2.(d) Final Report

Within 90 days following the estimated completion date of this Cooperative Agreement (see Section 1B. above), the Recipient shall submit five (5) copies of a final report to the A.I.D. Project Office specified in the cover letter of this Cooperative Agreement. In addition, two copies shall be submitted to A.I.D., POL/CDIE/DI, Washington, DC 20523-1802. It will cover the entire period of the Cooperative Agreement and include all information shown in Sections 1E.2.(a) through 1E.2.(c) above.

The last Annual Report is the Final Report. PVO Annual Reporting Guidelines will be provided by the Project Officer as a format for this report for illustrative purposes. All work to be charged to this Agreement, including the preparation of the Final Report, must be completed prior to the expiration date of this Agreement.

1F. SUBSTANTIAL INVOLVEMENT UNDERSTANDINGS

It is understood and agreed that A.I.D. will be substantially involved during performance of this Cooperative Agreement as follows:

1F.1. Countries - The following countries are approved for direct in-country program support under the Cooperative Agreement: Indonesia, Philippines and Solomon Islands. Other countries may be approved during the period of the Agreement. Such approval must be communicated by A.I.D. in writing after consultation with the relevant A.I.D. Mission.

1F.2. Evaluation - The scope of work for the independent final evaluation must be developed with, and the evaluator(s) chosen to carry out this activity must be approved in advance by, the A.I.D./FHA/PVC Project Officer. This approval must be communicated in writing. The Recipient is encouraged to provide at least one evaluator from its permanent staff for this evaluation(s). At least one evaluator will be an individual not currently employed by the Recipient. The A.I.D./FHA/PVC Project Officer is to participate in the pre- and post-evaluation briefings and to receive six (6) copies of the completed evaluation report for FHA/PVC and one copy of each country evaluated.

1F.3. A Detailed Implementation Plan (DIP) - A Detailed Implementation Plan (DIP) will be required within six months of the signing of the Cooperative Agreement. Specific instructions for the DIP will be communicated to the Recipient by the Project Officer.

1F.4. Subcontracts and Subagreements - The A.I.D. Project Officer must approve, in advance, the terms of reference or scope of work of all subcontracts and subagreements awarded by the Recipient. If required by Paragraphs (b)(5) or (b)(6) of the Standard Provision entitled "Revision of Grant Budget," or the Standard Provision entitled "A.I.D. Eligibility Rules for Goods and Services," the Agreement Officer must approve subcontracts (see the Standard Provision entitled "Procurement of Goods and Services") and subagreements (see the Standard Provision entitled "Subagreements").

1G. PROCUREMENT AND (SUB)CONTRACTING

1G.1. Applicability

This Section 1G. applies to the procurement of goods and services by the Recipient (i.e., contracts, purchase orders, etc.) from a supplier of goods and services (see the Standard Provisions of this Cooperative Agreement entitled "Procurement of Goods and Services" and "AID Eligibility Rules for Goods and Services"), and not to assistance provided by the Recipient (i.e., a [sub]grant or subagreement) to a subrecipient (see the Standard Provision of this Cooperative Agreement entitled "Subagreements").

1G.2. Requirements

In addition to other applicable provisions of this Cooperative Agreement, the Recipient shall comply with paragraph (b)(1) of the Standard Provision of this Cooperative Agreement entitled "AID Eligibility Rules for Goods and Services," concerning total procurement value of less than \$250,000 under this Cooperative Agreement. If, under the order of preference set forth in paragraph (b)(1)(i) of said Standard Provision, the Recipient procures goods and services from cooperating country sources, the Standard Provision of this Cooperative Agreement entitled "Local Cost Financing" shall also apply. However,

paragraph (b)(1) of the Standard Provision entitled "AID Eligibility Rules for Goods and Services" does not apply to: the restricted goods listed in paragraph (a)(3) of said Standard Provision and paragraph (e) of the Standard Provision entitled "Local Cost Financing," which must be specifically approved by the Agreement Officer in all cases, except to the extent that such approval may be provided in Section II. below; or to paragraph (d) of said Standard Provision pertaining to air and ocean transportation, to which the Standard Provisions entitled "Air Travel and Transportation" and "Ocean Shipment of Goods" apply, respectively. Paragraph (b)(2) of the Standard Provision entitled "AID Eligibility Rules for Goods and Services" does not apply.

1G.3. Approvals

Inclusion of costs in the budget of this Cooperative Agreement for the purchase of nonexpendable equipment obviates neither the requirement of Section J.13. of OMB Circular A-21 (for education institutions) or Section 13 of Attachment B of OMB Circular A-122 (for nonprofit organizations other than educational institutions) for prior approval of such purchases by the Agreement Officer, nor any other terms and conditions of this Cooperative Agreement, unless specifically stated in Section II. below.

1G.4. Title to Property

Title to property acquired hereunder shall vest in the Recipient, subject to the requirements of the Standard Provision of this Cooperative Agreement entitled "Title To and Use of Property (Grantee Title)" regarding use, accountability, and disposition of such property, except to the extent that disposition of property may be specified in Section II. below.

1H. INDIRECT COST RATES

1H.1. No indirect costs will be charged to this Cooperative Agreement. The Recipient understands and agrees that indirect costs attributable to this Cooperative Agreement will be absorbed by the Recipient and considered cost sharing.

II. SPECIAL PROVISIONS

II.1. Limitations on Reimbursement of Costs of Compensation for Personal Services and Professional Service Costs

II.1.(a) Employee Salaries

Except as the Agreement Officer may otherwise agree in writing, A.I.D. shall not be liable for reimbursing the Recipient for any costs allocable to the salary portion of direct compensation paid by the Recipient to its employees for personal services which exceed the highest salary level for a Foreign Service Officer, Class 1 (FS-1), as periodically amended.

II.1.(b) Consultant Fees

Compensation for consultants retained by the Recipient hereunder shall not exceed, without specific approval of the rate by the Agreement Officer: either the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years; or the maximum rate of a Foreign Service Officer, Class 1 (FS-1) (as periodically amended), whichever is less. A daily rate is derived by dividing the annual compensation by 2,087 and multiplying the result by 8.

II.2. Publications

II.2(a) The Recipient agrees to provide one copy of the manuscript of any proposed publication to the A.I.D. Project Officer not later than submission to the publisher, and to give serious consideration to any comments received from the A.I.D. Project Officer.

II.2(b) In the case of publication of any of the reports described in Section 1E.2. of this Cooperative Agreement, A.I.D. reserves the right to disclaim endorsement of the opinions expressed. For other publications, A.I.D. reserves the right to dissociate itself from sponsorship or publication. In both cases, the Recipient will consult with the A.I.D. Project Officer as to the nature and extent of any A.I.D. disclaimer of endorsement or dissociation from sponsorship or publication.

11.2(c) If A.I.D. does not choose to disclaim endorsement or dissociate itself from sponsorship or publication, the Recipient shall, in accordance with the Standard Provision of this Cooperative Agreement entitled "Publications," acknowledge A.I.D. support as follows:

"This publication was made possible through support provided by the Office of Private and Voluntary Cooperation, Bureau for Food and Humanitarian Assistance, U.S. Agency for International Development, under Cooperative Agreement No. FAO-0158-A-00-2056-00."

11.2(d) In addition to providing one copy of all published works and lists of other written work produced under this Cooperative Agreement to the A.I.D. Project Officer, as required by paragraph (b) of the Standard Provision of this Cooperative Agreement entitled "Publications," the Recipient shall also provide two copies of such publications and lists to A.I.D., POL/CDIE/DI, Washington, D.C. 20523-1802.

11.3. Equipment Purchases

11.3.(a) Requirement for Prior Approval

Pursuant to Sections 1D.3. and 1G.3. above and the Standard Provisions of this Cooperative Agreement entitled "Allowable Costs" and "Revision of Grant Budget," and by extension, Section 13 of Attachment B of OMB Circular A-122, the Recipient must obtain A.I.D. Agreement Officer approval for purchases of the following:

11.3.(a)(1) General Purpose Equipment, which is defined as an article of nonexpendable tangible personal property which is usable for other than research, medical, scientific or technical activities, whether or not special modifications are needed to make them suitable for a particular purpose (e.g., office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment), having a useful life of more than two years and an acquisition cost of \$500 or more per unit); and

11.3.(a)(2) Special Purpose Equipment, which is defined as an article of nonexpendable tangible personal property, which is used only for research, medical, scientific, or technical activities (e.g., microscopes, x-ray machines, surgical instruments, and spectrometers), and which has a useful life of more than two years and an acquisition cost of \$1,000 or more per unit).

11.3.(b) Approvals

In furtherance of the foregoing, the Agreement Officer does hereby provide approval for the following purchases, which shall not be construed as authorization to exceed the total estimated amount or the obligated amount of this Cooperative Agreement, whichever is less (see Section 1C. above):

N/A

11.3.(c) Exception for Automation Equipment

Any approval for the purchase of automation equipment which may be provided in Section 11.4.(b) above or subsequently provided by the Agreement Officer is not valid if the total cost of purchases of automation equipment (e.g., computers, word processors, etc.), software, or related services made hereunder will exceed \$100,000. The Recipient must, under such circumstances, obtain the approval of the Agreement Officer for the total planned system of any automation equipment, software, or related services.

11.3.(d) Compliance with A.I.D. Eligibility Rules

Any approvals provided in Section 11.4.(b) above or subsequently provided by the Agreement Officer shall not serve to waive the A.I.D. eligibility rules described in Section 1G. of this Cooperative Agreement, unless specifically stated.

11.4. Restricted Goods

Pursuant to Section 1G. above, paragraph (a)(3) of the Standard Provisions of this Cooperative Agreement entitled "AID Eligibility Rules for Goods and Services," and, if applicable (see Section 1K. below for applicability), paragraph (e) of the Standard Provision of this Cooperative Agreement entitled "Local Cost Financing," the Agreement Officer's approval is required for purchase of the restricted goods described therein. In furtherance thereof, the Agreement Officer does hereby provide such approval to the extent set forth below. The Agreement Officer's approval is required for purchases of such restricted goods if all of the conditions set forth below are not met by the Recipient. Any approval provided below or subsequently provided by the Agreement Officer shall not serve to waive any terms and conditions of this Cooperative Agreement unless specifically stated.

11.4.(a) Agricultural Commodities

Agricultural commodities may be purchased provided that they are of U.S. source (generally, the country from which the commodities are shipped) and origin (generally, the country in which the commodities are mined, grown, or produced) and purchased from a U.S. supplier,

except that wheat, rice, corn, soybeans, sorghums, flour, meal, beans, peas, tobacco, hides and skins, cotton, vegetable oils, and animal fats and oils cannot be purchased under any circumstances without the prior written approval of the Agreement Officer.

11.4.(b) Motor Vehicles

Motor vehicles, if approved for purchase under Section 11.3.(b) above or subsequently approved by the Agreement Officer, must be of U.S. manufacture and must be of at least 51% U.S. componentry. The source of the motor vehicles, and the nationality of the supplier of the vehicles, must be in accordance with Section 1G.2. above. Motor vehicles are defined as self-propelled vehicles with passenger carriage capacity, such as highway trucks, passenger cars and busses, motorcycles, scooters, motorized bicycles, and utility vehicles. Excluded from this definition are industrial vehicles for materials handling and earthmoving, such as lift trucks, tractors, graders, scrapers, and off-the-highway trucks.

11.4.(c) Pharmaceuticals

Pharmaceuticals may be purchased provided that all of the following conditions are met: (1) the pharmaceuticals must be safe and efficacious; (2) the pharmaceuticals must be of U.S. source and origin (see Section 1G. above); (3) the pharmaceuticals must be of at least 51% U.S. componentry (see Section 1G. above); (4) the pharmaceuticals must be purchased from a supplier whose nationality is in the U.S. (see Section 1G. above); (5) the pharmaceuticals must be in compliance with U.S. Food and Drug Administration (FDA) (or other controlling U.S. authority) regulations governing United States interstate shipment of pharmaceuticals; (6) the manufacturer of the pharmaceuticals must not infringe on U.S. patents; and (7) the pharmaceuticals must be competitively procured in accordance with the procurement policies and procedures of the Recipient and the Standard Provision of this Cooperative Agreement entitled "Procurement of Goods and Services."

11.4.(d) Pesticides

Pesticides may only be purchased if the purchase and/or use of such pesticides is for research or limited field evaluation by or under the supervision of project personnel. Pesticides are defined as substances or mixtures of substances: intended for preventing destroying, repelling, or mitigating any unwanted insects, rodents, nematodes, fungi, weeds, and other forms of plant or animal life or viruses, bacteria, or other micro-organisms (except viruses, bacteria, or other micro-organisms on or living in man or other living animals); or intended for use as a plant regulator, defoliant, or dessicant.

11.4.(e) Rubber Compounding Chemicals and Plasticizers

Rubber compounding chemicals and plasticizers may only be purchased with the prior written approval of the Agreement Officer.

11.4.(f) Used Equipment

Used equipment may only be purchased with the prior written approval of the Agreement Officer.

11.4.(g) Fertilizer

Fertilizer may be purchased if it is either purchased in the U.S. and used in the U.S., or if it is purchased in the cooperating country with local currency for use in the cooperating country. Any fertilizer purchases which do not comply with these limitations must be approved in advance by the Agreement Officer.

11.5. Limitation on Use of Funds

11.5.(a) The Recipient shall not utilize funds provided by A.I.D. for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference or training in connection with the growth or production in countries other than the United States of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States.

11.5.(b) The reports described in Section 1E.2. shall contain a statement indicating the projects or activities to which United States funds have been attributed, together with a brief description of the activities adequate to show that United States funds have not been used for the purpose in Section 11.6.(a) above.

11.5.(c) The Recipient agrees to refund to A.I.D. upon request an amount equal to any United States funds used for the purposes prohibited by Section 11.6.(a) above.

11.5.(d) No funds provided by A.I.D. under this Cooperative Agreement shall be used to provide assistance, either directly or indirectly, to any country ineligible to receive assistance pursuant to the Foreign Assistance Act as amended, related appropriations acts, or other statutes and Executive Orders of the United States (also see the Standard Provision of this Cooperative Agreement entitled "Ineligible Countries").

1J. Closeout Procedures

1J.1.

This paragraph prescribes uniform closeout procedures for A.I.D. grants and cooperative agreements with recipients.

1.J.2.

The following definitions shall apply for the purpose of this paragraph.

1.J.2.(a) Closeout The closeout of a grant or cooperative agreement is the process by which A.I.D determines that all applicable administrative actions and all required work of the grant or cooperative agreement have been completed by the recipient and A.I.D.

1.J.2.(b) Date of completion The date of completion is the date on which all work under grants and cooperative agreements is completed or the date on the award document, or any supplement or amendment thereto, on which A.I.D. sponsorship ends.

1.J.2.(c) Disallowed Costs Disallowed costs are those charges to a grant or cooperative agreement that A.I.D. or its representatives determines to be unallowable, in accordance with the applicable Federal cost principles or other conditions contained in the grant or cooperative agreement.

1.J.3. A.I.D. closeout procedures include the following requirements:

1.J.3.(a) Upon request, A.I.D. shall make prompt payments to a recipient for allowable reimburseable costs under the grant or cooperative agreement.

1.J.3.(b) The recipient shall immediately refund any balance of unobligated (unencumbered) cash that A.I.D. advanced or paid and that is not authorized to be retained by the recipient for use in other grants or cooperative agreements.

1.J.3.(c) A.I.D. shall obtain from the recipient within 90 calendar days after the date of completion of the grant or cooperative agreement all financial, performance, and other reports required as the condition of the grant or cooperative agreement. A.I.D. may grant extensions when requested by the recipient.

1.J.3.(d) When authorized by the grant or cooperative agreement, A.I.D. shall make a settlement for any upward or downward adjustments to A.I.D.'s share of costs after these reports are received.

1.J.3.(e) The recipient shall account for any property acquired with A.I.D. funds, or received from the Government in accordance with the provisions of paragraph 1T of A.I.D. Handbook 13.

1.J.3.(f) In the event a final audit has not been performed prior to the closeout of the grant or cooperative agreement, A.I.D. shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

1K. RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Cooperative Agreement shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Attachment 3 - Standard Provisions
- Attachment 4 - Special Provision entitled "Restrictions on Lobbying"
- Attachment 2 - Program Description

1L. STANDARD PROVISIONS

The Standard Provisions set forth as Attachment 3 of this Cooperative Agreement consist of the following Standard Provisions denoted by an "X" which are attached hereto and made a part of this Cooperative Agreement:

1L.1. Mandatory Standard Provisions For U.S., Nongovernmental Grantees

- (X) Allowable Costs (November 1985)
- (X) Accounting, Audit, and Records (September 1990)
- (X) Refunds (September 1990)
- (X) Revision of Grant Budget (November 1985)
- (X) Termination and Suspension (May 1986)
- (X) Disputes (November 1989)
- (X) Ineligible Countries (May 1986)
- (X) Debarment, Suspension, and Other Responsibility Matters (March 1989)
- (X) Nondiscrimination (May 1986)
- (X) U.S. Officials Not to Benefit (November 1985)
- (X) Nonliability (November 1985)
- (X) Amendment (November 1985)
- (X) Notices (November 1985)

1L.2. Additional Standard Provisions For U.S., Nongovernmental Grantees

- (X) Payment - Letter of Credit (November 1985)
- () Payment - Periodic Advance (January 1988)
- () Payment - Cost Reimbursement (November 1985)
- (X) Air Travel and Transportation (November 1985)
- () Ocean Shipment of Goods (May 1986)
- (X) Procurement of Goods and Services (November 1985)
- (X) AID Eligibility Rules for Goods and Services (November 1985)
- () Subagreements (November 1985)
- (X) Local Cost Financing (November 1988)
- () Patent Rights (November 1985)
- () Publications (November 1985)

- () Negotiated Indirect Cost Rates - Predetermined (May 1986)
- () Negotiated Indirect Cost Rates - Provisional (May 1986)
- (X) Regulations Governing Employees (November 1985)
- (X) Participant Training (May 1986)
- () Voluntary Population Planning (August 1986)
- () Protection of the Individual as a Research Subject (November 1985)
- () Care of Laboratory Animals (November 1985)
- () Government Furnished Excess Personal Property (November 1985)
- (X) Title To and Use of Property (Grantee Title) (November 1985)
- () Title To and Care of Property (U.S. Government Title) (November 1985)
- () Title To and Care of Property (Cooperating Country Title) (November 1985)
- (X) Cost Sharing (Matching) (November 1985)
- (X) Use of Pouch Facilities (November 1985)
- (X) Conversion of United States Dollars to Local Currency (November 1985)

1M. COST SHARING AND OTHER CONTRIBUTIONS

1M.1. The Recipient agrees to expend an amount not less than (a) the amount shown in the budget of this Cooperative Agreement for financing by the Recipient and/or others from non-federal funds (see Sections 1D. and/or 1H.), and (b) the amount shown in the budget of this Cooperative Agreement for financing by the Recipient and/or others from other federal funds.

1M.2. The Standard Provision of this Cooperative Agreement entitled "Cost Sharing (Matching)" makes reference to project costs. "Project Costs" are defined in Attachment E of OMB Circular A-110 as all allowable costs (as set forth in the applicable cost principles [see the Standard Provision of this Cooperative Agreement entitled "Allowable Costs"]) incurred by a Recipient and the value of in-kind contributions made by the Recipient or third parties in accomplishing the objectives of this Cooperative Agreement during the program period.

1M.3. The restrictions on the use of A.I.D. funds provided hereunder, as set forth in this Cooperative Agreement, do not apply to cost-sharing (matching) or other contributions unless such restrictions are stated in the applicable federal cost principles and/or imposed by the source of such cost-sharing (matching) funds or other contributions.

PROGRAM DESCRIPTION

The Recipient's proposal entitled "Economic Approaches to Marine Resource Conservation" is incorporated by reference as the Program Description and is made a part of this Cooperative Agreement. A summary of the Program Description is set forth below:

2A. Program Goal

The goal of this program is to stimulate economic approaches to marine resource conservation in the Asia and Pacific Region.

2B. Program Purpose

2B.1. To strengthen the capability of CI and local NGOs to work with communities and businesses as partners to establish sustained-yield marine resource management and conservation programs.

2B.2. To promote economic activities in selected marine sites that increase revenues which can be reinvested into the local economies and for conservation management.

2C. Program Activities

The CI program will focus on the "coral triangle", a globally important center of marine endemism. The coral triangle is roughly bounded by Indonesia, Melanesia and the Philippines. CI programs in each of these areas are applying state-of-the-art, integrated management approaches on marine issues. Drawing on its experience in the Sea of Cortez (Mexico) and in Prince William Sound (Alaska), CI is moving to introduce a new brand of marine management in the region.

CI is working with local NGOs in Indonesia, the Philippines and the Solomon Islands to institute this program. The sites are Biak, Irian Jaya in Indonesia, Tubbataha Atolls in the Philippines, and Rennell Island in the Solomon Islands.

There are four major features that make the CI program unique:

2C.1. First, CI and its partner NGOs will work with whole ecosystems. From the Tubbataha Atolls in the Philippines, to integrated upland-coastal sites in Indonesia and PNG, the CI program will address management on an ecosystem basis. Working with whole ecosystems forces a management approach based on ecological reality -- administrative and political divisions serve the people and resources of the region, rather than the ecosystem being fragmented under artificial boundaries.

2C.2. Second, a sound policy will be a prerequisite to all other work. A specific policy framework will be established at each site, addressing issues of local tenure, resource access, revenue capture and other key management elements. Land-use zoning and other management tools will be based on a policy setting specifically created for each area.

2C.3. Third, management will build on indigenous systems. Traditional sustainable management of resources will be emphasized. Local management and local return of benefits will be highlighted. We will emphasize traditional management systems, local control and local capture of benefits. Because healthy marine systems are so productive, they provide dramatic returns to successful local management.

2C.4. Fourth, regional interchange will be developed to build on successes. Successful policy and management initiatives will be transferred from model sites to other sites, nations and the region.

Site development will be based on models from the Philippines, where local fishing communities have organized community marine sanctuaries. These sanctuaries emphasize local management of the marine resource, exclusion of destructive fishing techniques (such as dynamite fishing) and the promotion of marine ecotourism. Each of these aspects contributes to maximization of the sustainable output of the marine system. Local incomes are enhanced by improved fisheries production and ecotourism revenues. Destructive overfishing is limited by community enforcement. Community sanctuaries have been successfully replicated using site visits. Community leaders from interested communities easily perceive the increase in local catch and ecotourism revenues generated by community sanctuaries, which they then transfer to their own community.

Through local NGOs the Tubbataha Foundation (Philippines), Maruia Society (Solomon Islands), and Yayasan Pembangunan Masyarakat Desa (Indonesia), community management systems will be developed at each of the three target sites. Beneficiaries will be marine resource users and their families with incomes under US \$300 a year. Target communities include 1,200 people on Rennell, 4,800 at Tubbataha and 1,000 people and several businesses at Biak. The most viable management and policy elements emerging from each site will be applied at other sites and elsewhere in the region. Site visits, information exchange, and sub-regional workshops will be used to spread promising techniques between sites and throughout the region.

This proposal requests assistance in strengthening the monitoring, evaluation, management and technical assistance aspects of this program. Assistance will permit CI to strengthen its technical support to partner NGOs, such as economic analysis of fisheries production; it will permit stronger monitoring and evaluation through additional consultancies and CI and partner NGO staff training; and it will permit enhanced management for orderly growth of the program.

Building of institutional capacity and improvement of local living conditions through local management of marine systems are the two major goals of the program. Each requires a long-term commitment. Ecosystem management which responds to local conditions and builds on local systems is a long-term process. Information gathering and community dialogue are necessary investments in lasting development. Conservation International is therefore making long-term commitments to each of its target sites. A ten-year program is currently envisioned. This request focuses on the first two years of this program, with emphasis on the institutional strengthening required to support the program in the long term.

2D. Program Inputs

- 2D.1. Technical assistance and training to CI and partner NGOs to improve monitoring and evaluation of community development activities.
- 2D.2. Technical assistance and institutional strengthening provided by CI to local NGOs for three pilot field sites.
- 2D.3. Regional study tours and workshops for NGOs from the Philippines, Indonesia and the Solomon Islands.
- 2D.4. Project management, planning and financial accounting services.

2E. Program Outputs

- 2E.1. Strengthened institutional capacity by CI to formulate, implement and evaluate community development activities in the Asia and Pacific Region.
- 2E.2. Improved performance by counterpart NGOs in three field sites.
- 2E.3. Increased private sector participation in sustainable management of marine resources.