



United States Agency for International Development

CONTRACT INFORMATION MANAGEMENT SYSTEM (CIMS)



DIRECT ACTION DATA FORM FOR GRANTS & COOPERATIVE AGREEMENTS

1. Basic Contract Number 532 - 0135 - A - 00 - 2080 - 00

(See CIB 89-30)

2. Recipient Name

Private Sector Organization of Jamaica

3. Award Description (This description will be seen by high level Agency officials, as well members of Congress.)

The recipient shall use the sum provided to enhance the overall climate for domestic and foreign private investment.

4. Principal Place of Performance

JAMAICA

5. Benefiting Country

JAMAICA

6. Project Officer

Country Code/Office Symbol 532/OPE

Name (Last, First)

Craddock William

7. Grant Agreement Type

- A. Disaster Assistance
B. American Schools & Hospitals Abroad (ASHA)
D. Title XII Authority
[X] E. Other Than A, B, or D

8. Basic Purpose

- [X] A. Technical Services to Host Country
B. Commodities
C. Training Services to Host Country
D. Research
E. Architectural & Engineering Services
F. Construction

7a. Extent Competed

- [X] E. Competed by the Technical Office
F. Competed by the Contracting Office
G. Not competed (unsolicited prop)
H. Not competed (predom capab, etc)

9. Taxpayer Identification Number

10. Business Organization Type

- A. Corporation
B. Individual
C. University or College
D. Historically Black College or University
E. Educational Organization (other than University or College)
[X] F. Other
F. International Center
G. Research Organization (other than International Center)
H. Voluntary Organization
I. Foundation
J. Hospital
N. Hispanic American college or univ.

11. If U.S. University, Host Country Institution

N/A

12. If Obligated Amount is in Local Currency, provide U.S. Dollar Amount

N/A

13a. Negotiator (Last, First, MI)

JOHNSON LINNETTE

13b. Signature

[Handwritten signature]

14a. Contract Officer (Last, First, MI)

DUNBAR RAYMOND

14b. Signature

[Handwritten signature]

COPY OF AWARD DOCUMENT MUST BE ATTACHED TO THIS FORM



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
KINGSTON, JAMAICA

6B OXFORD ROAD
KINGSTON 5, JAMAICA
TEL: (809) 296-3645 thru 9
FAX: (809) 929-3750 or 2

KINGSTON (ID)
DEPARTMENT OF STATE
WASHINGTON, D.C. 20521-3210

Honourable Dennis Lalor
Chairman
Private Sector Organization of Jamaica
39 Hope Road
Kingston 5

Dear Mr. Lalor:

Subject: Cooperative Agreement No. 532-0135-A-00-2080-00

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D."), hereby enters into a Cooperative Agreement with the Private Sector Organization of Jamaica (hereinafter referred to as "PSOJ" or "Recipient") for the sum of \$240,000 to provide support to enhance the overall climate for domestic and foreign private investment, as fully described in Attachment 1 of this Agreement, entitled "Schedule," and Attachment 2, entitled "Program Description."

A.I.D.'s contribution to the program will be provided in increments, the initial one as stated above. Subsequent increments will be subject to the 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. The total estimated cost of the program is \$573,000.

This Cooperative Agreement is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning June 30, 1992 and ending March 15, 1994.

This Cooperative Agreement is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, Attachment 1 entitled, "Schedule", Attachment 2 entitled, "Program Description", and Attachment 3 entitled, "Standard Provisions and Mandatory Standard Provisions for Non-U.S., Non-governmental Grantees."

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2

Please sign the original and three (3) copies of this letter to acknowledge your acceptance of the Cooperative Agreement, and return the original and three (3) copies to the Executive Office/Contract Management Unit.

Sincerely,



Robert S. Queener
Mission Director

Attachments:

1. Schedule
2. Program Description
3. Mandatory Standard Provisions, and Standard Provisions for Non-U.S., Non-governmental Grantees

ACKNOWLEDGED:

PRIVATE SECTOR ORGANIZATION OF JAMAICA

BY:



Honourable Dennis Lalor

TITLE:

Chairman

DATE:

10/9/92

FISCAL DATA

PIO/T No. : 532-0135-3-20063
Appropriation : 72-1121021
Budget Plan Code : LDSA-92-25532-KG13
Amount : \$240,000

Total Obligated Amount : \$240,000
Total Estimated Amount : \$573,000
Paying Office : Controller, A.I.D./Jamaica

| | |
|-------------------------|---------|
| FUNDS AVAILABLE | |
| <i>Columbus Spencer</i> | 8/12/92 |
| Signature | Date |

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3

ATTACHMENT 1

SCHEDULE

I. AUTHORITY, PURPOSE AND PROGRAM DESCRIPTION

This Cooperative Agreement is entered into pursuant to the Foreign Assistance Act of 1961, as amended. The purpose of this Agreement is to provide support to enhance the overall climate for domestic and foreign private investment, as more specifically described in Attachment 2 of this Agreement (entitled, "Program Description") and more fully described in the Recipient's proposal, which is hereby incorporated by reference into and made a part of this Agreement.

II. FUNDS OBLIGATED, PAYMENT AND ESTIMATED COSTS

- A. The total estimated amount of this Agreement for the period shown in Article III. below is \$573,000, as shown in the Financial Plan found in Attachment 4 of the Agreement.
- B. A.I.D. hereby obligates the amount of \$240,000 for program expenditures during the period shown in Article III. below.
- C. Payment shall be made to the Recipient in accordance with procedures set forth in the Standard Provisions of this Agreement, entitled "Payment - Periodic Advance", as shown in Attachment 3, Page 4D-13.

Initial Advance of Funds

Notwithstanding the standard provision relating to "Payment - Periodic Advances", the advance payment procedures are modified to the extent stated in this section. Because of the reportable conditions contained in the pre-award survey performed by Coopers & Lybrand relating to the Recipient's ability to responsibly manage funds, A.I.D. will only advance funds for P.S.O.J. expense requirements to cover the period June 30, 1992 to September 30, 1992. Prior to additional funds being advanced A.I.D. must be assured that appropriate actions have been taken by P.S.O.J. to correct the deficiencies reported by Coopers & Lybrand. Coopers & Lybrand shall submit a follow-on report confirming that procedures agreed upon between P.S.O.J. and Coopers & Lybrand have been established and are in place.

Upon receipt of the confirmation report from Coopers & Lybrand, A.I.D. will review it and if the conditions previously reported have been satisfactorily addressed, the standard advance procedures will be resumed. If there are significant reportable conditions which have not been appropriately corrected, A.I.D. may have to, and reserves the right to refer to payments under the cost reimbursement procedures contained in the standard agreement provisions.

- D. Additional funds up to the total amount of the Agreement shown in II.A. above may be obligated by A.I.D. subject to the availability of funds, the mutual agreement of the parties to proceed and the requirements of the Mandatory Standard Provisions of the Cooperative Agreement, entitled "Revision of Agreement Budget."

4

III. PERIOD OF AGREEMENT

- A. The effective date of this Cooperative Agreement is June 30, 1992.
The estimated completion date is March 15, 1994.
- B. Funds obligated hereunder are available for estimated program expenditures for the estimated period beginning June 30, 1992 and ending as shown in the Agreement Budget below.

IV. FINANCIAL PLAN

The following is the Agreement budget, for US dollar and local cost financing. Revisions to this budget shall be made in accordance with Standard Provision of the Agreement entitled, "Revision of Agreement Budget."

AGREEMENT BUDGET

| | <u>THIS OBLIGATION</u> | | | <u>SUBSEQUENT OBLIGATIONS***</u> | | | <u>TOTAL</u> |
|---|------------------------|-------------|------------|----------------------------------|-------------|------------|--------------|
| | <u>6/30/92-1/30/93</u> | | | <u>5/1/93-3/15/94</u> | | | |
| | <u>A.I.D.</u> | <u>PSOJ</u> | <u>GOJ</u> | <u>A.I.D.</u> | <u>PSOJ</u> | <u>GOJ</u> | |
| 1. ADMINISTRATION AND PROGRAM DEVELOPMENT: | | | | | | | |
| -Rent | | 12,000 | | | 12,000 | | 24,000 |
| -Start-up Costs: (Computers, furniture, etc) | | 35,000 | | | | | 35,000 |
| (Repairs and partitioning of office space) | 25,000 | | | | | | 25,000 |
| -Miscellaneous Costs: (Office supplies, telephone installation and rental) | 8,000 | | | | 8,000 | | 16,000 |
| -Economist* | 120,000 | | | 100,000 | | | 220,000 |
| -Project Coordinator | | 100,000 | | | 100,000 | | 200,000 |
| -2 Secretaries | 20,000 | | | | 20,000 | | 40,000 |
| -Consultants | | | 125,000 | | | 125,000 | 250,000 |
| -Audit | | | | 10,000 | | | 10,000 |
| SUBTOTAL | US\$ 173,000 | 147,000 | 125,000 | 110,000 | 140,000 | 125,000 | 820,000 |
| 2. DEVELOPMENT & PRIORTI-ZATION OF ACTION ORIENTED OBJECTIVES:** | 67,000+ | | | 223,000 | | | 290,000 |
| TOTAL | US\$ 240,000 | 147,000 | 125,000 | 333,000 | 140,000 | 125,000 | 1,110,000 |

*US source, amount includes local support

**Studies and research papers

***Subject to the availability of funds by A.I.D. and by mutual agreement of the parties to proceed at the time of such availability.

+Funds for Item 2 will be supplemented in September 1992.

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5

Revision to the Budget shall be made in accordance with the Standard Provisions of the Agreement entitled, "Revisions of Agreement Budget."

Within the total obligated amount of this Agreement, the Recipient may adjust individual line items within fiscal years and between approved budget periods by up to 15%, (except for salary which should be in accordance with the Recipient's established policy), as is reasonably necessary for the performance of program objectives set forth herein.

V. REPORTS AND EVALUATION

- A. The Recipient shall open special accounts for the sole purpose of receiving and disbursing A.I.D. funds. The Recipient shall provide evidence of establishment of the account and the authorized signatories prior to A.I.D.'s release of funds.
- B. An annual summary report describing the year's performance and containing audited financial statements will be submitted no later than six months after the end of PSOJ's fiscal year. PSOJ will make arrangements with their auditors to audit A.I.D. funds (according to the standards specified by the Regional Inspector General for foreign non-profit organizations).
- C. The Recipient will report to A.I.D. on the use of this funds provided under this Agreement on submission of each voucher. A copy of the bank statement should be included with each voucher submitted.
- D. The Recipient shall provide A.I.D. with a copy of each financial audit conducted on the Recipient. The audit report shall include a section detailing A.I.D. program receipts and related expenditures by program component and sub-project. The audit of A.I.D. will be covered by A.I.D. from project funds.
- E. The Recipient will submit a progress report on a quarterly basis describing progress towards performance objectives to be developed jointly with A.I.D.
- F. From time to time, A.I.D. will require supplementary information regarding program performance and impact. To every extent possible, A.I.D. will provide adequate advance notice of these and strive to minimize their effects on the operation of the Secretariat.
- G. For all studies and analysis funded under this Agreement, A.I.D. should be given two copies for the record.

H. Authorized Geographic Code for Procurement

The Recipient shall procure goods and services financed by this Agreement in accordance with Attachment 3, Standard Provisions: "Procurement of Goods and Services" (May 1986) and "A.I.D. Eligibility Rules for Goods and Services" (May 1986).

VI. SUBSTANTIAL INVOLVEMENT UNDERSTANDING

USAID would like to maintain substantial involvement in the implementation of this project and has therefore selected to undertake this initiative using a Cooperative Agreement. The nature of this substantial involvement is provided below:

- A. USAID will concur with the Terms of Reference and the selection of the Economist, and will approve the final contract prepared by the Secretariat in respect of this position.
- B. In the budget, item 2., Development & Prioritization of Action Oriented Initiatives, is intended to finance a broad range of potential technical assistance, training and, or a commodity requirements. The Secretariat will submit to A.I.D. for approval, all such requests including items as scopes of work for proposed studies, and a significant subagreements for technical services. For example, the scope of work to be developed for an Inventory of Investments in Jamaica, should be developed in collaboration with A.I.D. and the final contract document will be approved by A.I.D.
- C. A.I.D. will participate in prioritizing studies and initiatives through its representative on the Steering Committee for the Secretariat.
- D. A.I.D. will approve biannual work plans of the Secretariat. The work plan will outline the activities for the period, with a schedule and budget for activities planned.
- E. The Secretariat will administer a competitive selection process for consultants to complete the studies according to A.I.D. procurement procedures, and will submit for approval significant subagreements for technical and other services.

VII. STANDARD PROVISIONS

The Mandatory Standard Provisions applicable to this Cooperative Agreement, and the Standard Provisions which may apply, subject to negotiations with the Recipient, are included in Attachment 3.

When the Standard Provisions are applicable for Cooperative Agreements, the following terms apply:

- "Grantee" means "Recipient"
- "Grant" means "Cooperative Agreement"
- "A.I.D. Grant Officer" means "A.I.D. Agreement Officer"
- "Subgrant" means "Subcooperative Agreement"
- "Subgrantee" means "SubRecipient"

8

ATTACHMENT II

PROGRAM DESCRIPTION

I. PROJECT BACKGROUND

Under the Export Development and Investment Promotion Project (EDIP) between USAID and the Government of Jamaica (GOJ), Jamaica Promotions Incorporated (JAMPRO) is the GOJ implementing agency. Over its four-year life, the project will increase exports and diversify investment, with the objective of expanding the sources of foreign exchange, diversifying ownership and products, and providing deeper linkages between exporters and local producers.

The goal of EDIP is to stimulate broad-based economic growth in Jamaica, resulting in increased levels of employment and higher real incomes. In support of this goal, a major sub-goal is to promote domestic and foreign investment. To complement this sub-goal, the GOJ and the organized private sector, under the leadership of the Private Sector Organization, have agreed to jointly establish and carry out a National Action Plan (NAP) to invigorate the economy. The principal emphasis of this NAP will be to improve the overall climate for domestic and foreign investment, particularly by identifying and systematically eliminating constraints to such investments.

In order to implement this NAP, the PSOJ, the GOJ, and USAID have agreed to establish a Secretariat, the Joint Public/Private Sector Working Group (JP/PSWG) at the PSOJ's office. The Secretariat will report and is accountable to the Steering Committee. The anticipated structure of the committee is as follows: Minister of Finance, President of JAMPRO, Director of the Secretariat, Minister without Portfolio in the Office of the Prime Minister, President of PSOJ, USAID representative and the Minister of Mining, Industry and Commerce or a representative from that Ministry. The overall structure of the Steering Committee will be finalized at a later date.

II. THE PRIVATE SECTOR ORGANIZATION OF JAMAICA (PSOJ)

The PSOJ is a voluntary organization of private sector associations, companies and individuals who are concerned with developing a strong and vibrant private sector. The membership as at June 1992 stands at 402; 76 individuals, 29 associations and 297 companies. The organization was formed in 1976.

The governing body of the PSOJ is a Council which is elected by the general membership every two years. The Council sets the organization's policies and each year elects an Executive Committee from among its members, consisting of: a President, three Vice Presidents, an Honorary Secretary and Treasurer, and seven members. The Executive Director, who is appointed by the Executive Committee, is also an ex-officio member of that committee. This Executive Committee meets on a monthly basis and sees to the overall running of the organization.

The Executive Director is responsible for the day-to-day operations of the organization with support from various departmental directors and managers.

To administer the Cooperative Agreement, PSOJ will undertake the specific actions listed below in addition to other requirements of the Agreement.

- o Arrange for a senior official from the Private Sector to be seconded to the Secretariat for coordinating the activities of the JP/PSWG;
- o Arrange for 2 senior officials from the GOJ to be seconded to the Secretariat;
- o Supply office space for housing the Secretariat.

During the 15 years of operation, the PSOJ has established a research oriented secretariat which has published a number of studies including Policy Framework Documents I and II, the Role of Government, Exchange Rate, Foreign Trade, the Jamaica Commodity Trading Company (JCTC) and others.

As the umbrella organization of the private sector, the PSOJ provides a forum where the various sectoral organizations can speak with one voice on issues of national concern. It played a major role in the peaceful conduct of the last general elections, and was also instrumental in the launching of the Crime Stop Fund. The PSOJ's persuasive advocacy was a key factor in movement to a free foreign exchange system.

III. PROJECT DESCRIPTION

The purpose of this Cooperative Agreement between the recipient, and USAID is to support the GOJ and the PSOJ with the objective of enhancing the overall climate for domestic and foreign private investment, particularly by identifying and systematically eliminating constraints to such investments.

Funds will be used to support the Secretariat for the following:

- A) Administration and Program Development;
- B) Development and Prioritization of Action Oriented Initiatives.

A. Administration and Program Development (USAID's contribution US\$283,000)

This component of the project will support the contract of an economist, secretarial services and overseas travel costs, start-up costs to provide funds to partition and establish the office space, the purchase or rental of office equipment, office supplies, telephone service and fax installation and operational costs.

B. Development and prioritization of Action Oriented Initiatives (USAID's contribution US\$290,000).

The funds provided under this element will be used to finance a broad range of potential technical assistance, training, and/or commodity requirements necessary to alleviate constraints to investment and to implement the NGP. For example, funds could be used to develop specific scopes of work (SOW) for each initiative/study/analysis to be completed, after determining potential for overlap and duplication by other projects. Activities financed will be prioritized according to their potential impact on investment constraints and the practicality of the intervention. Cost effectiveness and cost sharing are important elements in this regard. The secretariat will engage staff or consultants to complete SOWs identified and will supervise the implementation of action plans developed to eliminate or alleviate constraints to investments.

Examples of studies to be undertaken under this element include, but are not limited to the following:

Development of an Inventory of Investments and a System for Recording Investments

This will involve a stock-taking of investments over the last three years to establish baseline data on investments. A system of tracking annual investment data will be developed and a plan for maintenance of the system established.

A method of classifying investments may be developed with the possibility of introducing a standard system of business identification, which would be used universally in Jamaica for taxes and other business purposes. An example of such a system would be the Standard Industrial Commercial Code (SIC Code), which is operating in the U. S.

11

Defining GOJ Critical Success Factors

The NAP suggests that the GOJ should define a set of Critical Success Factors (CSFs) which if applied, would guide government to divest itself of those functions which could be handled more effectively by the private sector, thereby focusing its resources on those functions which must remain in the public sector. A first step will be to define what the CSFs are. A structured approach utilizing the skills of persons experienced in the development of strategy and CSFs will be needed and a number of workshops with senior civil servants and politicians would be held. Overlaps would be eliminated to the extent possible. Having developed the CSF's a critical review of the fiscal budget may be proposed to identify expenditures which do not support the CSFs. A detailed timetable for phasing out such expenditures would be prepared. All activities would be coordinated closely with the Fiscal Policy Unit to be established by the Ministry of Finance.

Reduction of red-tape in respect of:

Foreign investment
Local investment
Day-to-day business activities of importing, exporting and completing business transactions.

The systematic identification of obstacles which affect the velocity of transactions in business, ranging from transfers of titles, delays in settling stock exchange trades, getting goods on or off vessels, and many others may be performed. The rationale for the existence of these in terms of the CSFs identified earlier would be examined and a specific timetable for abolishing or modifying procedures or applying technology prepared and implemented. Local legal practitioners may be a prime resource for this assignment.

Abolition of commodity boards

A systematic examination of the rationale for the continued existence of commodity boards may be considered. If necessary, a plan for phasing them out should be prepared and implemented.

Other areas of concern

Other areas of concern for which analysis and studies could be completed include, but are not limited to: customs reform, improving justice and law enforcement, improving the foreign exchange market, and streamlining the bureaucracy.

IV. PROJECT IMPLEMENTATION

The Director of the Secretariat will be responsible for hiring the Economist based on the SOW developed in collaboration with USAID. USAID will be involved in the recruitment process and has final approval for the candidate selected.

With regards to USAID consultations and approvals, the Mission will be represented by the Director of the Office of Private Enterprise or his designate. He will seek additional Mission reviews as appropriate.

The day-to-day management of the Secretariat will be the responsibility of the Director of the Secretariat and the Director will receive his/her operational instructions from the Steering Committee.

The preparation of various SOWs for studies and the implementation of action plans developed will be the responsibility of the Secretariat. All SOWs must receive the approval of USAID prior to commitment of funds by the Secretariat.

Modest commodity support, such as micro-computers, fax, and other office equipment, could be eligible for financing provided that the purchases can be justified in light of this agreement, but this is subject to AID approval.