

A.I.D. Program No. 879-0032  
Grant No. 879-0032-G-55-3078

**GRANT AGREEMENT  
BETWEEN  
THE UNITED STATES OF AMERICA  
AND THE  
SOUTH PACIFIC FORUM FISHERIES AGENCY**

WHEREAS the South Pacific Forum Fisheries Agency ("FFA" or "Grantee") and the United States of America, acting through the Agency for International Development ("A.I.D."), together referred to as the "parties," entered into the Agreement signed at Suva on the 26th day of May, 1992 and at Auckland on the 13th day of May, 1992 (hereinafter the "Agreement") to establish an Economic Development Fund (the "Fund") which promotes economic development in the South Pacific region;

WHEREAS the FFA, pursuant to Article 2 of the Agreement, agreed to establish the Fund from which to administer certain payments made by the United States of America under the Agreement to the Pacific Island States party to the Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States of America signed at Port Moresby, Papua New Guinea, on April 2, 1987; and

WHEREAS the Fund has been established and a financial management system relating thereto has been mutually agreed by the Parties;

NOW THEREFORE, the Parties hereby agree as follows:

**ARTICLE I**

**THE GRANT**

A.I.D., pursuant to the Agreement and to Section 531 of the Foreign Assistance Act of 1961, as amended, hereby grants to the FFA under the terms of this agreement an amount not to exceed Fourteen Million United States Dollars (U.S.\$14,000,000) (the "Grant").

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ARTICLE II

DISBURSEMENTS

At the written request of the Grantee, A.I.D. will deposit the Grant in a U.S. dollar account at a bank designated by the Grantee in writing.

Section 2.2 Date of Disbursement

Disbursement by A.I.D. will be deemed to occur on the date the Grant is deposited by A.I.D. in the bank or banks designated in writing by the FFA.

Section 2.3 Terminal Date for Requesting Disbursement

Except as A.I.D. may otherwise agree in writing, the terminal date for requesting disbursement of the Grant shall be six months from the date of this agreement.

ARTICLE III

USE OF FUND

Section 3.1 Economic Development Purposes

The Grantee agrees that the Fund will be used solely to support economic development purposes in accordance with Section 531 (a) of the Foreign Assistance Act of 1961, as amended.

Section 3.2 Records and Audits

Pursuant to Article 3.3. of the Agreement the FFA shall establish and maintain, in accordance with generally accepted accounting principles, an internal system of record keeping with respect to the Fund, including an annual audit report which shall, upon request, be made available to the Government of the United States. The Comptroller General of the United States, or his duly authorized representative, shall be permitted to conduct such audits of the Fund as necessary to ensure that the FFA is administering the Fund in accordance with this agreement.

Section 3.3 Annual Assurances

The FFA shall, in accordance with Section 3.1 above, obtain annual assurances from the Pacific Island States party to the Treaty on Fisheries referred to above that any payments made under this agreement were used solely to support economic development

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purposes, and not for military or paramilitary uses. Nothing in this Section shall be construed to confer audit rights under this agreement other than as provided in Section 3.2 above.

#### ARTICLE IV

#### MISCELLANEOUS

##### Section 4.1 Communication

Any notice, request, document, or other communication submitted by either Party to the other under this agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to the other party at the following address:

To the Grantee:

Director  
South Pacific Forum Fisheries Agency  
Post Office Box 629  
Honiara, Solomon Islands

Telex: HQ66336  
Cable: FORFISH  
Fax : (677) 23 - 956

To A.I.D.:

Regional Director  
Regional Development Office/South Pacific  
American Embassy  
P.O. Box 218  
Suva, Fiji

Telex: N/A  
Cable: N/A  
Fax : (679) 300-078

##### Section 4.2 Language of Communications/Substitution of Addresses

All communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon written notice.

**Section 4.3 Representatives**

For all purposes relevant to this agreement, the Grantee will be represented by the individual holding or acting in the office of the Director, South Pacific Forum Fisheries Agency, and A.T.D. will be represented by the Regional Director, Regional Development Office, South Pacific, each of whom by written notice may designate additional representatives. The names of the representatives of each Party with specimen signatures will be provided to the other Party. Each Party may accept, as duly authorized, an instrument signed by such representatives in implementation of this agreement, until receipt of written notice of revocation of their authority.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, has caused this agreement to be signed in their names and delivered as of the date and year below.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

FOR THE SOUTH PACIFIC FORUM FISHERIES AGENCY

*L. T. Armstrong* for:

Larry T. Armstrong  
Regional Director  
USAID/South Pacific

*P. Kenilorea*

Sir Peter Kenilorea  
Director

June 11, 1993.

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**AGREEMENT BETWEEN THE  
GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND THE  
SOUTH PACIFIC FORUM FISHERIES AGENCY**

The Government of the United States of America and the South Pacific Forum Fisheries Agency:

**DESIRING** to continue and strengthen the ties of friendship, understanding and co-operation which have historically linked the United States and the peoples of the member States of the South Pacific Forum Fisheries Agency;

**CONSCIOUS** of the commitment of the member Governments of the South Pacific Forum Fisheries Agency to develop fully their economic resources and provide employment opportunities to meet the aspirations of their peoples;

**BELIEVING** that economic co-operation will benefit the peoples of the United States and the South Pacific region; and

**CONVINCED** of the desirability of encouraging and facilitating economic development in the South Pacific region;

**HAVE AGREED AS FOLLOWS:**

**ARTICLE 1**

The Government of the United States of America (hereinafter "the United States") and the South Pacific Forum Fisheries Agency (hereinafter "the FFA") agree to promote economic development in the South Pacific region.

**ARTICLE 2**

The FFA agrees to maintain the economic development fund (hereinafter "the fund") from which it shall administer payments made pursuant to this Agreement to the Pacific Island States party to the Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States of America done at Port Moresby on 2nd April 1987.

**ARTICLE 3**

3.1 The fund shall be controlled and administered by the FFA which shall take appropriate measures as set forth in Article 4.2 below, to ensure that the fund is used solely to support economic development purposes in accordance with section 531(e) of the United States Foreign Assistance Act of 1961, as amended. A financial management system shall be mutually developed and agreed upon by the parties.

3.2 The FFA shall minimize operating and administration costs of the fund.

3.3 The FFA shall be responsible for establishing and maintaining, in accordance with generally accepted accounting principles, an internal system of record keeping with respect to the fund, including an annual audit report which shall, upon request, be made available to the Government of the United States. The Comptroller General of the United States, or his duly authorized representative, shall be permitted to conduct such audits of the fund as necessary to ensure that the FFA is administering the fund in accordance with this Agreement.

3.4 The parties shall consult from time to time on the operation of the fund, and its effectiveness in accomplishing the purposes of this Agreement.

#### ARTICLE 4

4.1 During the time this Agreement is in force, the Government of the United States shall make annual cash payments to the FFA for the fund - from the Agency for International Development - in an average amount of fourteen million U.S. dollars (US\$14,000,000), subject to the availability of funds for this purpose. The Government of the United States shall provide such funds in accordance with either of the following:

- (a) fourteen million U.S. dollars (US\$14,000,000) annually; or
- (b) ten million U.S. dollars (US\$10,000,000) for 1993, and fourteen million U.S. dollars (US\$14,000,000) annually thereafter. An additional four million U.S. dollars (US\$4,000,000), otherwise payable in respect of 1993, is payable in accordance with a schedule to be notified by the Government of the United States following the entry into force of this Agreement.

4.2 The FFA shall, in accordance with Article 3.1 above, obtain annual assurances from the Pacific Island States party to the Treaty on Fisheries referred to in Article 2 above that any payments made under this Agreement were used solely to support economic development purposes, and not for military or paramilitary uses. Nothing in this paragraph shall be construed to confer audit rights under this Agreement other than as provided in Article 3.3 above.

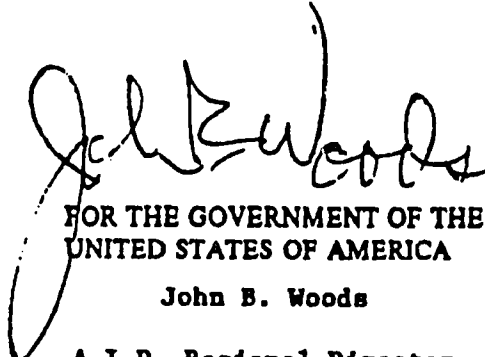
#### ARTICLE 5

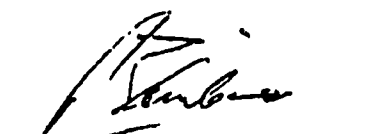
5.1 This Agreement shall enter into force on June 15, 1993 and shall remain in force for a period of ten years. It may be terminated by written agreement, or by either party giving the other party one year written notice in advance.

5.2 This agreement may be amended or extended by written agreement of the parties.

5.3 Understandings designating representatives of the parties for the purpose of carrying out this Agreement and providing for its implementation will be set out in the annual grant documents and ancillary communications.

Done at Suva on the 26th day of May, 1992, and at Auckland on the 13th day of May 1992.

  
FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA  
John B. Woods  
A.I.D. Regional Director  
South Pacific Program

  
FOR THE SOUTH PACIFIC  
FORUM FISHERIES AGENCY  
Sir Peter Kenilorea  
Director  
South Pacific Forum  
Fisheries Agency