

Agency for International Development
Washington, D.C. 20523

AUG 21 1991

Ms. Terri L. Taylor, Acting Director
Office of Sponsored Research
The George Washington University
2121 I St., N.W.
Suite 601
Washington, DC. 20052

SUBJECT: Grant No. PDC-0091-G-SS-1056-00

Dear Ms. Taylor:

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." or "Grantor") hereby grants to The George Washington University (hereinafter referred to as "GWU" or "Grantee" the sum of \$49,004 to provide support for the U.S. - Japan Workshop on Energy and Environment as more fully described in Enclosure 2, entitled "Program Description."

This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives from August 1, 1991 through July 31, 1992.

This grant is made to the grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Enclosure 1 entitled "Schedule," Enclosure 2 entitled "Program Description," and Enclosure 3 entitled "Standard Provisions," which have been agreed to by your organization.

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

Sincerely,

Edward H. Thomas

Edward H. Thomas
Grant Officer
Central Operations Branch
Office of Procurement

Enclosures:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED: THE GEORGE WASHINGTON UNIVERSITY

BY: *Terra L. Taylor*
TYPED NAME: Terra L. Taylor
TITLE: Acting Director, Office of Sponsored Research
DATE: 8/29/91

FISCAL DATA

PIO/T No.: 930-0091-1303413
Appropriation No.: 72-1111021.3
Budget Plan Code: FDNA-91-13010-KG-11
Allotment No.: 143-30-099-00-20-01
This Obligation: \$15,000

PIO/T No.: 930-0092-1306412
Appropriation No.: 72-1111021.6
Budget Plan Code: FDSA-91-13010-KG-11
Allotment No.: 146-30-099-00-20-01
This Obligation: \$4,679
Funding Source: PPC/PDPR/RP

PIO/T No.: 930-0089-1305406
Appropriation No.: 72-1111021.5
Budget Plan Code: FDEA-91-13010-KG-11
Allotment No.: 145-30-099-00-20-01
This Obligation: \$4,823
Funding Source: PPC/PDPR/RP

FISCAL DATA

PIO/T No.:	936-5738-1361475
Appropriation No.:	72-1111021.3
Budget Plan Code:	DDNA-91-13600-IG-11
Allotment No.:	143-36-099-01-20-11
This Obligation:	\$24,502
Funding Source:	S&T/EY
Total Obligated Amount:	\$49,004
Total Estimated Amount:	\$49,004
Technical Office:	PPC/PDPR/RP
DUNS No.:	04-399-0498
E.I. No.:	530196584
DOC #8973d-LK	

SCHEDULE

A. Purpose of Cooperative Agreement

The purpose of this agreement is to provide support for the first phase of the U.S. - Japan Study Group on Energy and Environment.

The above is more specifically described in Enclosure 2 to this agreement entitled "Program Description" and in GWU's proposal dated May 1991, which is incorporated herein in this Agreement. In the event of an inconsistency between the Grantee's proposal, the program description, and this schedule; the schedule and then the program description shall take precedence.

B. Period of Agreement

1. This Grant is effective on the date of signature of the A.I.D. Grant Officer. However, funds committed under the program description and within the terms of this agreement are authorized for the period beginning August 1, 1991. The estimated completion date is July 31, 1992.

2. Funds obligated hereunder are available for program expenditures for the period August 1, 1991 through July 31, 1992 as shown in the budget below. In the event there are funds remaining after this date, the Grantee is authorized to utilize them for the purposes of the Agreement as long as they are used within the period shown in B.1 above.

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C. Amount of Agreement and Payment

1. The total estimated amount of this agreement for the period shown in B.1. above is \$49,004.

2. A.I.D. hereby obligates the amount of \$49,004 for program expenditures during the period set forth in B.2. above and as shown in the Budget below.

3. Payment shall be made to the Grantee in accordance with procedures set forth in Enclosure 3 - Optional Standard Provision, entitled "Payment - Periodic Advance".

D. Budget

The Budget is listed below. The Grantee may not exceed the total estimated amount or the obligated amount, whichever is less (see Paragraph C above).

LINE ITEMS:	TOTAL	GRANTEE'S	TOTAL
	AMOUNT	SHARE	
	FR: 8/1/91	8/1/91	
	TO: <u>7/31/92</u>	<u>7/31/92</u>	
1. Salaries & Fringe Benefits	\$ 8,905	\$ 253	\$ 9,158
2. Preparation of Papers	8,200	- 0 -	8,200
3. Seattle Conference	15,207	- 0 -	15,207
4. Travel & Per Diem	7,250	- 0 -	7,250
5. Materials & Supplies	3,050	- 0 -	3,050
6. Indirect Costs	<u>6,392</u>	<u>16,151</u>	<u>22,543</u>
TOTAL BUDGET	\$49,004	\$16,404	\$65,408

Notes to the Budget:

1. Grantee is allowed 5% flexibility among all line items in the Budget.
2. PPC will fund 50% and S&T will buy-in for the remaining 50% of the project.

E. Reporting

1. Financial Reporting:

a. Financial reporting requirements shall be in accordance with the Optional Standard Provision of this agreement entitled "Payment - Periodic Advance", as shown in Enclosure 3.

1. The original and one copy of all financial reports shall be submitted to A.I.D., Office of Financial Management, Cash Management Division (FM/CMP), Room 700, SA-2, Washington, D.C. 20523. In addition, one copy of all financial reports shall be submitted to the Technical Office specified in the Cover Letter of this agreement.

2. Required Reports

This project will cover a 12 month period. During this time U.S./JEA will provide USAID (PPC/PDPR) with periodic oral reports, as appropriate, and will submit one report from the workshop in November 1991 (or whatever month the actual workshop will be held) and two further one-page reports in February and June 1992 (or within similar time frames after the actual workshop). These reports will provide an update on project activities funded by other non-A.I.D. sources. The reports will:

- outline the six papers to be produced by each side (12 total). These should include subject matter, authors, and a general gist of the content and expected impacts.
- describe the U.S./JEA activities during this period with a general description on how the USAID and GISPRI compare and contrast on their approaches to developing countries.
- describe Japanese activities on the energy and environmental sectors at the OECD.
- define the policy implications of the project.
- outline areas of potential U.S./Japanese cooperation on the "global commons: including global climate change; ozone depletion; tropical forest depletion; air pollutant emissions; transboundary shipments of hazardous wastes; decertification; ocean dumping; biodiversity; and energy efficiency in developing countries.
- provide complete results of the Fall 1991 Joint U.S./Japan Workshop, including a finalized report of proceedings for wide distribution, citing USAID's role in funding this project.

- describe the potential obstacles to U.S. and Japanese cooperation and how they can be overcome.
- describe potential future activities and how USAID will be involved, including the second phase which is to be fully funded by the Japanese and other non-A.I.D. sources.

F. Indirect Cost Rates

Pursuant to the Optional Standard Provision of this Grant entitled "Negotiated Indirect Cost Rates - Provisional", a rate or rates shall be established for each of the Grantee's accounting periods which apply to this agreement. Pending establishment of revised provisional or final indirect cost rates for each of the grantee's accounting periods which apply to this agreement, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates(s) applied to the base(s) which are set forth below.

Type of Rate	RATE	Period
Fringe Benefits (Provisional)	24.6%*	July 1, 1991 until amended
Indirect Cost Rates (Predetermined)	52%**	July 1, 1991 until amended

*Base: Salaries and Wages.

**Base: Total direct costs less individual items of equipment in excess of \$500, the portion of each individual subcontract and sub-grant in excess of \$25,000, alterations and renovations in excess of \$25,000, patient care costs, stipends, tuition payments, and space rental charges should be excluded.

G. Optional Standard Provisions for U.S., NonGovernmental Grantees. The following Optional Standard provisions have been agreed to and are incorporated by reference into this Grant:

- Payment - Periodic Advance
- Air Travel and Transportation
- Procurement of Goods and Services
- AID Eligibility Rules for Goods and Services
- Sub-agreements
- Publications
- Negotiated Indirect Cost Rates - Predetermined
- Regulations Governing Employees
- Title and Use of Property (Grantee Title)
- Cost Sharing (Matching)
- Restrictions on Lobbying

ENCLOSURE 2

PROGRAM DESCRIPTION

I. Purpose

The U.S./Japan Economic Agenda (U.S./JEA) at the Elliott School of International Affairs (George Washington University) has submitted an unsolicited proposal to A.I.D. The proposal is a joint research one with the Global Industrial, and Social Progress Research Institute (GISPRI) of the Ministry of International Trade and Industry of Japan (MITI). This project, of which USAID will fund the first phase, would support a program designed to achieve a better understanding of the environmental and energy policy priorities and decision making processes of the Japanese Government. Specifically, this initial phase will focus on funding a workshop in Seattle, Washington for Japanese and American Development practitioners, and outline six papers by each side (Japanese and American) which explore how the U.S. and Japanese Governments and their respective private sectors render decisions on environmental and energy matters. Ultimately, this project will go a long way towards assisting U.S. - Japanese relationships, creating new U.S. Japanese linkages, and developing a long-range understanding of potential areas of cooperation between the U.S. and Japanese aid agencies.

II. The U.S./JEA and The Project Activities

The U.S. Japan Economic Agenda (U.S./JEA) is a joint non-advocacy research and public policy arm of the George Washington University Elliott School of International Affairs, and works cooperatively with similar projects at the Carnegie Council for Ethics and International Affairs (in New York). This group has engaged in a number of activities of a supporting nature with the Japanese Government on East-West relations; Agriculture, Fisheries, and Forestry; Economics; and financial market issues. These previous activities provide the groundwork upon which to forge ahead in the environmental and energy-related fields. This U.S./JEA/MITI alliance has potential to:

- Stimulate professional policy oriented discussions and prepare publications on U.S./Japanese Development issues;

- Provide a mechanism to establish continuing cooperation with Japanese Research Institutes (such as MITI or JICA) who traditionally have only worked with their own industry groups or government agencies; and

- Provide a focal point for enhanced A.I.D. understanding and offer better ties between U.S. private institutions and individuals, and their Japanese counterparts.

Institutions such as GISPRI, are vital in Japan to understand the linkages between their development programs and the country's leading industries, including energy, electronics, machinery, automobiles, engineering, construction, steel and chemical as well as the principal financial institutions and trading houses. No counterpart to GISPRI presently exists in this country, and a better understanding is needed. Such institutions are integrated into Japanese development programs in order to incorporate the private sector and stimulate potential trading partners on a global scale, including in the developing world.

PPC support will:

- provide USAID with a better understanding of the priorities that each country (U.S. and Japan) place upon energy and environmental issues.

- facilitate an informal non-official environment under which policymakers from both countries can operate.

- facilitate greater contacts in the private sector on both countries.

- educate the officials of each country through conferences, book publication, and media participation.

III. Desired Results

The following results, or outputs are anticipated from phase I of the program:

- USAID gains a greater understanding of the role played by MITI and GISPRI in Japan, and how they reach their development priorities and link them to the private sector;
- A successful workshop of 20 high level business executive academic leaders of both countries focussing on areas of better U.S./Japan Cooperation and a clearer conceptualizations of the development prioritization process;
- A greater understanding by PPC of the possible methodologies employed by the Japanese ODA-JICA-MITI to link development projects and their private sector, along with enhanced cooperation.

IV. Expected Impact

This project is expected to mutually benefit USAID and counterpart Japanese agencies. This project will help USAID better understand how GISPRI formulates developing country priorities on energy and environmental issues (including, but not limited to CO2 mitigation, and energy efficiency).

This project will also help identify, cultivate, and maintain contacts between U.S. private sector and Japanese development agencies. It will help facilitate informal, non-official opportunities for communications among the policymakers of these two countries. The project will also provide USAID with a better understanding of ways in which Japan and the United States can combine their respective assets in dealing with the developing countries' energy and environmental problems.

This project should provide a clearinghouse or focal point for involving industrial leaders and specialists in both countries to address cooperative possibilities in meeting private sector, energy/environmental areas.

This project will provide a better understanding of Japan's "The New Earth 21" initiative, which could enable USAID to initiate a similar long-range plan aimed at developing and adapting new technologies in developing countries to reduce CO2 emissions; increase energy efficiency and conservation; develop and adapt new renewables technology (i.e. photovoltaics); enhance carbon dioxide sinks (such as reforestation); and develop future third generation energy-related non fossil fuel technologies (i.e photosynthesis and biotechnology usages)