



January 9, 1995

Dr. Kerri-Ann Jones
ASIA/DR/TR
Agency for International Development
New State Bldg. Room 3319
Washington, DC 20523

Dear Kerri-Ann:

I am writing to provide you with the final report of our grant, both narrative and financial, as required in the agreement for grant **AEP-0000-G-00-2037-00**.

While our records show that financial reports have been filed on time, the narrative reports that are in our files do not show stamps of having been duplicated and mailed. If this is the case, we regret the error. Particularly as the APEC ministerial loomed shortly after the grant period ended, we found ourselves scrambling to keep up with much of the total paper output of the organization.

In addition, I am pleased to provide you with several the 1995 Pacific Economic Development Report which summarizes much of the activity that has received support from USAID.

Thank you again for your support and cooperation over the years. If there is any further information you may require, please do not hesitate to contact me.

Yours sincerely,

Mark Borthwick
Executive Director

enc.

United States National Committee For Pacific Economic Cooperation

EAST COAST:
1755 Massachusetts Ave., N.W., Washington, D.C. 20036
Phone: (202) 745-7444 Facsimile: (202) 797-1355

WEST COAST:
The Asia Foundation, P.O. Box 3223, San Francisco, CA 94119
Phone (415) 982-4640 Facsimile: (415) 392-8863

4990013

FINAL REPORT
Grant No. AEP-0000-G-00-2037-00

OBJECTIVES OF THE GRANT WERE TO:

* lead and host PECC meetings for planning and administration of the organization, including meetings of the international Standing Committee and Coordinating Group.

* develop new information on how recent developments initiated by businesses (e.g., new technologies and technological capacities, industry consolidation, cross-border investments, strategic alliances, market shifts, etc.) are driving further Pacific economic integration and can usefully be addressed by government policy makers.

* conduct a transition process with the successor PECC chair Committee, Malaysia, through 1993 to permit a smooth and effective transfer of responsibilities involving staff training and a partial, transitional support for projects led by the United States in the previous year.

* support the U.S. activities in APEC. APEC senior officials and working group shepherds in the United States and the U.S. Committee of PECC worked together in a variety of contexts to develop coordinated approaches to APEC issues.

OUTCOMES OF THE GRANT.

As indicated in previous reports, quarterly and semiannual, throughout the grant period, the grant program considerably enhanced and strengthened the work of both APEC and PECC.

Institution Building

The activities supported under the grant served to strengthen cooperative relationships among institutions and fora around the Pacific Rim. The decentralized nature of the PECC has made it a cost-effective means of generating data and analysis from many countries, utilizing a variety of private and public think tanks and organizations as well as industry expertise. As PECC continued to grow it provided additional support for the regional ministerial forum of APEC, enhancing its effectiveness and its capacity to become a major economic institution. By demonstrating the utility and viability of regional economic cooperation based on market orientations and private sector involvement, the PECC projects have had a significant, permanent impact on the course of Pacific regional institution-building.

Participation of the Private Sector

The PECC has grown both nationally and internationally since the beginning of the grant period. The U.S. Committee decided to limit formal membership to a maximum of 100 individuals, but in consideration of its APEC advisory function, it has begun to add special subgroups comprising U.S. businesses that are involved in

special sectors of interest to APEC. This has meant that from the time of the initial application 1988, the number of participating companies has mushroomed. In the area of telecommunications alone, more than 70 company contacts are regularly involved. Total annual contributions by the private sector have tripled.

Individual companies agreed to chair or otherwise help lead the activities in sectors that are relevant to them: For example, the Hewlett-Packard Company lead the Science and Technology Task Force; Caltex Petroleum lead the U.S. group in the Minerals and Energy Forum; the Vice Chairman of Chevron Corporation became Chairman of US-PECC and the Executive Vice Chairman of MCI Communications Corporation served as Chair of the US-PECC/APEC advisory group on telecommunications; the head of the commodities consulting group World Perspectives, Inc. lead the Committee efforts in the Agriculture Task Force. If the in-kind contributions of time and travel of company executives were counted, the totals for this category of support would climb by at least another 60%. In addition, Hewlett-Packard has provided the PECC Secretariat with a generous contribution of its office computers, printers, plotters, and software.

Sustainability of PECC Beyond the Grant Period

A major objective since the beginning of the grant period has been to increase the flow of non-government funding to the U.S. Committee. This objective has been substantially achieved. Funding

rose from a little over \$200,000 in 1989 to well over \$1 million in 1992.

This dramatic growth in private sector support is aimed at making PECC reliant primarily on private funding and its confirms the extent to which a base of non-U.S. government revenues is being developed for the continued growth and development of the PECC. At the same time, there remains a need to maintain government support for PECC in order to maintain U.S. leadership and influence in the organization and to strengthen the institutional and private sector linkages between PECC and APEC.

International Growth

As the above summary indicates, the PECC has dramatically increased the breadth of its policy analysis and has disseminated its information much more widely to opinion-leaders and officials around the Pacific region. In addition, participation in PECC has increased during the grant period from 15 economies in 1988 to 22 economies in 1994. A working relationship with APEC continues to grow; to the benefit of both bodies. Private sector contributions and involvement have increased as well, with PECC having agreed to develop a closer working relationship with the Pacific Basin Economic Council (PBEC), including mutual involvements in APEC-related task forces.