

**INTER-AGENCY AGREEMENT**

**BETWEEN**

**THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

**AND**

**THE UNITED STATES CUSTOMS SERVICE**

1. Project Title: <b>Hemispheric Free Trade Expansion Project</b>		2. Project Number: <b>598-0822 - G-00-6-02400</b>	
3. Appropriation Symbol: <b>725/61021.1</b>		4. Budget Plan Code: <b>LDV596-35598-KG1.2</b>	
5. Funds Control Number: <b>598-0822-3-6652024</b>		6. Initial Fiscal Year: <b>1996</b>	
7. Completion Date: <b>September 30, 1997</b>		8. Original <input checked="" type="checkbox"/> or Amendment No. _____	
9A. Prior Funding  <p align="center"><b>\$0</b></p>	9B. Funding Obligated this Document  <p align="center"><b>\$65,000</b></p>	9C. New Total Funding  <p align="center"><b>\$65,000</b></p>	
10. Authority <b>Section 632(b) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. Sec. 2392(b).</b>			
11. Brief Program Description: <b>The purpose of this Inter-Agency Agreement is to support the U.S. Customs Service to develop a standard and simplified customs system for the Western Hemisphere. The primary focus is through identification of country-level reforms required for a harmonized customs system that supports free trade. Initial activities are directed at Honduras.</b>			
12. Liaison Offices/Additional Representatives			
A. Recipient Agency  <b>United States Customs Service (International Division) Jerry Worley, Rm. 4331 1301 Constitution Avenue, N.W. Washington, DC 20229</b>		B. Agency for International Development  <b>John A. Becker, LAC/RSD/BBEG Room 2242 NS Washington, DC 20523</b>	
13A. Signature by Authorized Representative  <p align="center"><b>U. S. CUSTOMS SERVICE</b></p> <p align="center"><i>Carolyn J. Golden</i> <b>9/30/96</b> _____ <b>Carolyn J. Golden</b> Chief, Contract Administration Branch Procurement Division</p> <p>DATE _____</p> <p align="center"><b>Douglas M. Browning</b> Assistant Commissioner for International Affairs International Division</p> <p><i>[Signature]</i> DATE <b>9/27/96</b> <i>approved by Henry 9/6/96</i></p>		13B. Signature by Authorized Representative  <p align="center"><b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT</b></p> <p align="center"><i>[Signature]</i> _____ <b>Mark L. Schneider</b> Assistant Administrator Bureau for Latin America and the Caribbean</p> <p>DATE <b>9/20/96</b></p>	
14. Document Number: <b>598-0822- G-00-6-02400</b>			
15. This Interagency Agreement consists of this face sheet and the following items (if checked):			
<input checked="" type="checkbox"/> Schedule		<input checked="" type="checkbox"/> Annex A - Program Description	
<input checked="" type="checkbox"/> Annex B - Financial Plan and Budget		<input checked="" type="checkbox"/> Annex C - Standard Provisions	

A. Purpose of Agreement

This Agreement between the Recipient Agency, the United States Customs Service (USCS), and the United States Agency for International Development (USAID) is entered into under the authority of Section 632(b) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. Sec. 2392(b). The Agreement defines the procedures under which USAID will reimburse the Recipient Agency to implement the Program for the Latin America and the Caribbean region.

B. Purpose of Program

The Program, further described in Annex A, consists of technical assistance to countries and organizations in the Latin America and the Caribbean region to develop a standard and simplified customs system for the Western Hemisphere through identification of country-level reforms required to support progress of country-level customs systems toward a harmonized customs system that supports free trade. In signing this Agreement to assist USAID to carry out the purposes of the Foreign Assistance Act, the Recipient Agency represents and agrees that the activities and the program described in Annex A are in the furtherance of purposes which are different than and additional to the purposes of its domestic programs and activities, and are therefore not funded by the regular appropriations available to the Recipient Agency for its programs and activities.

C. Fiscal Terms

1. Execution of this Agreement by USAID constitutes an obligation of the funds specified in Block 9B of the face sheet of this Agreement.

2. USAID funding for the Program is limited to the amount obligated above. If the Recipient Agency chooses to continue Program activities after USAID funding has been exhausted, the Recipient Agency agrees to use its own funds for that purpose.

3. The financial plan in Annex B sets forth the budget for implementation of the Program. Within the total budget amount for the Program, the Recipient Agency may adjust individual line items, provided that (1) any adjusted line item does not change by more than 15 percent of the amount shown for that line item in the financial plan and (2) the Recipient Agency gives USAID written notice of the adjustments. Adjustments to the budget that exceed 15 percent for any one line item shall require prior written approval of USAID.

D. Billing, Financial and Other Reports

1. The Recipient Agency will bill USAID through Online Payment and Claims procedures or by submitting a Standard Form 1081 (SF-1081) to the address below.

U.S. Agency for International Development  
FM/CARD  
Inter-Agency Billing Unit  
SA-2, Room 603  
Washington, D.C. 20523-0208

The Financial contact person is Joseph Cicippio at (202) 663-2212 and the USAID Agency Location Code (ALC) for billings is 72-000001.

2. The original and two (2) copies of the quarterly financial report required under Section B.2 of the Standard Provisions (Annex C) of this Agreement shall be furnished to the above address.

3. Two (2) copies of all financial and other reports required under the terms of this Agreement, along with one diskette of each report (other than financial reports) formatted in Word Perfect 5.1, or such other data processing format as USAID may agree to in writing, shall be furnished

to the following address:

Agency for International Development  
Bureau for Latin America and the Caribbean  
Office of Regional Sustainable Development, Broad-Based Economic Growth  
Room 2242 NS  
Washington, D.C. 20523-0069

E. Special Provisions

1. The Recipient Agency shall comply with USAID environmental regulations (22 CFR Section 216, "Regulation 16") with respect to the activities to be undertaken under this Agreement. The Program qualifies for a categorical exclusion under the terms of Regulation 16, and a categorical exclusion has been executed by USAID. Unless activities other than those described in the categorical exclusion are undertaken by the Recipient Agency under this Agreement, no further action under Regulation 16 is required. However, if further action becomes necessary, USAID will provide further guidance to assist the Recipient Agency at the request of the Recipient Agency in complying with Regulation 16.

2. Cooperating Country Eligibility: All countries in the Latin America and the Caribbean region, with the exception of Cuba, will be eligible to receive assistance under this Agreement. However, the Recipient Agency will comply with USAID's policies on assistance in countries in which USAID has no assistance program or is closing out its assistance programs.

3. a. The Recipient Agency may authorize procurement from a country in A.I.D. Geographic Code 941 other than as specified in Standard Provisions, Clause D only if

(1) the procurement is of commodities or services of a type that are not produced in and available for purchase in any cooperating country specified in Standard Provisions, Clause D; or

(2) the authorized representative of the Recipient Agency determines in writing on a case-by-case basis that procurement from such other country is necessary (a) to meet unforeseen circumstances, such as emergency situations, or (b) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

b. The authorization for procurement in accordance with the preceding paragraph shall be in writing, and a copy of the authorization shall be furnished to USAID.

4. International Travel: International travel by U.S. National direct-hire employees of the Recipient Agency may be financed under this Agreement provided the travel complies with Clause J of the Standard Provisions (Annex C) of this Agreement. All international travel is to be undertaken to design, implement and monitor technical assistance programs financed under this Agreement. In addition, funds available under this Agreement may be used to finance the travel of officials and non-governmental representatives from the Latin America and Caribbean region (but not from Cuba) to the United States or to third countries other than Cuba for study tours, general consultations, workshops, and training, provided such travel is undertaken to further the objectives of this Agreement.

5. Recipient agency personnel will not work primarily in USAID offices or on USAID project sites.

F. Program Performance Planning and Reporting

1. Reporting

A. Periodic Progress Reports: The Recipient Agency shall provide to USAID, in form and substance satisfactory to USAID, quarterly reports on progress made in achieving Program objectives. These reports shall also include, but are not limited to, the following information: status

of achieving goals, objectives and benchmarks; progress or completion of components, elements or activities against planned

targets; description of overall program status, other accomplishments and major highlights of program implementation; identification and explanation of significant problems or delays related to achievement of objectives or activities; a brief summary of significant corrective actions and major activities planned for the subsequent reporting period. The Recipient Agency shall also submit to USAID on a quarterly basis a financial report that includes budget information on accrued expenditures, commitments, and disbursements of funds provided under this Agreement.

B. Final Report: The Recipient Agency shall provide USAID, in form and substance satisfactory to USAID, a final report, not later than sixty (60) days following the completion date of the Program financed under this Agreement. This final report shall provide a chronological summary of the information required generally for the periodic progress reports; and an assessment by the Recipient Agency of the program impacts, to the extent feasible.

## 2. Consultation

The Recipient Agency and USAID will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Recipient Agency and USAID, at the request of either, will exchange views on the progress of the Program, the performance of obligations under this Agreement, and the performance of any consultants, contractors, or suppliers engaged in the Program, and other matters relating to the Program.

## 3. Coordination

The Recipient Agency shall make best efforts to coordinate its activities with those of other U.S. Government financed programs and other donors providing assistance substantially similar to that of the Recipient Agency in the Cooperating Country(ies).

## 4. Compliance with USAID Policy Guidance; Country Clearance for Travel

a. The USAID LAC Bureau's Office of Regional Sustainable Development (LAC/RSD) shall be responsible for coordinating the implementation of USAID-funded activities of the Recipient Agency under this Agreement as part of the USAID Hemispheric Free Trade Expansion Project. From time to time, the Assistant Administrator for LAC, his Deputy, or the LAC/RSD Office Director, may provide additional policy or operational guidance in writing to the Recipient Agency or its representatives in carrying out foreign assistance programs and projects in the Latin America and the Caribbean Region, including this Project. The Recipient Agency agrees to comply with such guidance so long as it is consistent with this Agreement and with laws governing operation of the Recipient Agency.

b. In addition, the Recipient Agency shall keep USAID Country Mission Directors or Representatives, or appropriate U.S. Embassy officials in countries in which no USAID office exists, fully apprised of Recipient Agency field activities in each country funded under this Agreement, and shall implement field activities in keeping with the U.S. foreign policy objectives for the country. Before initiating travel to each country with funds provided by this Agreement, the Recipient Agency will request country clearance from the USAID Mission or U.S. Embassy in the country. The Recipient Agency shall ensure that its employees, contractors, and grantees comply with this provision.

## 5. Notification

The Recipient Agency shall notify USAID promptly in writing of any audits of activities financed by this Agreement initiated by or at the request of the Recipient Agency, its Inspector General, the Office of Management and Budget, or the General Accounting Office.

6. Information Requirements

a. Under Standard Provisions, Clause F, Implementation and Monitoring, quarterly reports will include a breakdown, by gender and ethnicity, of the number of individuals trained to date.

b. Recipient Agency will also provide USAID on a quarterly basis, the standardized Participant Data Form (PDF) to be supplied by USAID, which details biographical data, programmatic information as well as administrative/logistical arrangements for each participant funded under this IAA. This information will provide the basis for USAID reporting requirements to Congress.

G. Resolution of Internal Inconsistencies in the Agreement

Where there is a conflict between the Schedule and the Annexes of this Agreement, the Schedule shall govern, unless otherwise agreed to in writing by USAID. Where there is a conflict between the face sheet and the Schedule of this Agreement, the face sheet shall govern, unless otherwise agreed to in writing by USAID.

Clearances:

LAC/RSD-BBEG: JBecker J Date 9/17/96  
LAC/SPM-PS: SHill SH Date 9/18/96  
GC/LAC: SAllen SA Date 9/15/96  
LAC/RSD: TJohnson TJ Date 9/18  
LAC/DPB-B: <sup>Chalra</sup> RMeehan ME Date 9/19  
M/FM/A/PNP: LBarrett \_\_\_\_\_ Date \_\_\_\_\_  
(For reservation)  
DAA/LAC: EZallman \_\_\_\_\_ Date \_\_\_\_\_  
USAID/HON: WNilsestuen \_\_\_\_\_ Date \_\_\_\_\_

Drafted: LJOHNSON, LAC/RSD-BBEG  
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Fiscal Data

Project Number: 598-0822  
Appropriation Symbol: 725/61021.1  
Budget Plan Code: LDV596-35598-KG12  
Obligation Number: 598-0822-G-00-6-02400  
Fiscal Year: 1996  
Amount: \$65,000  
Funds Control Number: 598-0822-3-6652024

# HFTE Program Description

## ANNEX A: Program Description

### Technical Assistance to Support Customs Aspects of the Free Trade Area of the Americas Process

**Goal:** The U.S. Customs Service agrees to use the funds provided by the Agency for International Development to support the goals of the Customs Procedures and Rules of Origin Working Group established by the Denver Ministerial in 1995. These goals are to establish the necessary Customs infrastructure to support movement towards free trade in the Americas by the Year 2005.

**Approach:** To accomplish this goal, the U.S. Customs Service in cooperation with the other Customs administrations in the hemisphere will devise a plan to modernize and harmonize Customs procedures throughout the region in order to facilitate the movement of international trade and to promote growth and development. This will be accomplished through the gathering and analysis of data by Customs officers, organization of seminars or training sessions to agree upon measures to improve and harmonize Customs procedures based upon international instruments and models, and the possible development of a prototype in a selected country in the region to demonstrate the benefits to be derived from the implementation of modern, simplified Customs procedures to act as a catalyst for change in the region. Funds will be used for travel by U.S. Customs officers, short term advisory projects, seminars, and possible some types of equipment such as personal computers.

**Deliverables:** The funding made available under this IIA will facilitate U.S. Customs activities in support of providing the following deliverables:

#### **1. Feasibility Study for Prototype Modernized Customs System**

Conduct of diagnostic appraisal of Honduras as a potential prototype site for a Customs modernization project. The diagnostic study technique will be used to conduct a full appraisal of the Honduran Customs system as a potential prototype site for a Customs modernization project. (Note: To the extent feasible, Honduras will be the focal point for implementing broader LAC participation in deliverables 2 through 5).

#### **2. GATT/WTO Valuation Code Training**

Development and delivery (in selected Caribbean and Central American countries) of a course, including training manual, on GATT/WTO valuation code. This activity will entail development of training materials and provision of GATT/WTO valuation code implementation training in selected countries in the Caribbean and Central American subregions. Training experts will be sent to Canada or other agreed upon site for course development; teams of instructors/experts will be sent to two or three selected countries in the hemisphere during the first year to train and assist in implementation.

### **3. Customs Automation Training**

Development and delivery (in U.S. or LAC country training site) of a Customs automation course aimed at developing customs administrations in the LAC countries. A Customs automation course will be prepared to facilitate development of the customs administrations of the Western Hemisphere. The course will be developed at Customs Headquarters and the Federal Law Enforcement Center. The course will be conducted at Glynco or a training site in another country.

### **4. Commercial Fraud Training**

This activity will provide for the delivery in Central America of an existing commercial fraud training course (developed by the U.S. and Canada for the Caribbean region).

### **5. Customs Integrity Training**

This activity will provide for delivery in a Central or South American country of an existing Customs corruption training course.

Annex B: Financial Plan and Budget for Customs Activities  
for the Hemispheric Free Trade Expansion Project

**Deliverable 1: Diagnostic Study - Honduras**

3 experts; 2 weeks \$ 8,000

**Deliverable 2: Customs Valuation - Canada/Caribbean**

2 experts; 1 week; 2 trips to 2/3  
(selected countries in the hemisphere) \$ 7,000

1 expert; 2 weeks in each country \$ 9,700

**Deliverable 3: Customs Automation - Glynco, GA - 2 courses.**

3 experts; 1 week each course \$ 5,400

12 student fees on site \$ 7,500

Interpretation \$ 2,600

**Deliverable 4: Commercial Fraud - Central America**

2 instructors; 1 week \$ 3,000

**Deliverable 5: Customs Integrity - Central or South America**

2/3 instructors; 1 week; 2 locations \$ 6,800

Administrative Overhead \$15,000

**GRAND TOTAL \$65,000**