

PT 4/29/87

Loan and Grant Agreements

FM/LMD (if Loan)

FM/PAFD

FM/CAD

GC/ANE

ANE/Desk

ANE/TR Officer

ANE/Foreign Affairs & File

REC/CAD/DI

JH  
AS  
SB

Grant Project Agreement

Between the United States of America, acting through the Agency for International Development

AND

The Government of Fiji  
Grantee

1. Project Title	2. AID Project Number
Ginger Export Development	879-0249-G-SS-7013-00

The above named parties hereby mutually agree to carry out the Project described in this Agreement in accordance with (1) the terms of the Agreement, including any annexes attached hereto, and (2) any general agreement between the two governments regarding economic or technical cooperation.

3. Amount of AID Grant:	4. Grantee Contribution To the Project:	5. Project Assistance Completion Date:
US\$11,781	\$ 3,000.00	May 30, 1987

6. This Agreement consists of this title page, Annex A project description, Annex A-1 Budget and Project Proposal and Annex B, standard provisions including attachment B-1.

7. For the Grantee	8. For the Agency for International Development.
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*R. M. Jones*  
Signature:

*William E. Paupe*  
Signature: William E. Paupe

Title: ~~Permanent Secretary For~~  
Primary Industries

Title: Regional Director  
South Pacific

Date: 14<sup>th</sup> April, 1987.

Date: April 1, 1987

Fiscal Data:

Appropriation: 72-1171021  
Budget Plan Code: QDNA8727879KG620  
Obligation Number: S870244

Annex A, Project Description

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1. Project Title: Ginger Export Development

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2. Project Number: 879-0249-G-SS-7013-00

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3. Project Description:

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The Government of Fiji (GOF) proposes to send a team of government and private sector experts involved in Fiji ginger production to Hawaii to observe the growing and grading techniques used by Hawaiian ginger growers. It is GOF intention to replicate the successful methods employed by Hawaiian growers in an effort to improve the quality of Fiji export ginger.

The project will spearhead the GOF's drive to improve the quality and production efficiency of Fiji export ginger. The foundation of the industry is export to the North American market during the Hawaiian off-season. The fact finding trip will be conducted during the Hawaiian growing season March/April.

Funds under this grant will be used to meet travel costs, accommodation and meals in Hawaii. Based on the attached budget the total cost to meet these expenses is \$11,781.

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4. Special Provisions:

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(a) Except as AID may otherwise agree in writing, goods and services financed under this Grant will have their source and origin in the United States.

(b) It is understood that financial records, including documentation to support entries on accounting records and to substantiate charges within this Grant shall be maintained in accordance with the Grantee's usual accounting procedures. All financial records shall be maintained by the GOF for at least 3 years after final disbursement of funds under this Grant.

(c) The Grantee confirms that this Grant program will be subject to independent audits by outside certified or chartered public accountant and agrees to furnish copies of these audit reports to AID along with such other related information as may be requested by AID with respect to questions arising from the audit reports.

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(d) Air travel and Transportation:

All air travel and shipments under this Grant are required to be made on United States flag air carriers to the extent service by such carriers is available. A US flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the US Civil Aeronautics Board authorizing operations between the United States and or its territories and one or more foreign countries.

Use of foreign air carrier service may be deemed necessary if a US flag air carrier otherwise available cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant.

Where US Government funds are used to reimburse the Grantee's use of other than US flag carriers for international transportation, the Grantee will include a certification on vouchers involving such transportation which is essentially as follows:

**CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG CARRIERS**

I hereby certify that the transportation service for personnel ( and their personal effects) or property by certified air carrier was unavailable for the following reason(s). Funds granted hereunder shall be disbursed as set forth in Attachment 1 hereto entitled Payment Provisions.

(e) Payment Provisions: To facilitate project implementation and to assure availability of AID funds to the Government of Fiji the advance payment method of financing will be used in the project. A full advance of US \$11,781 will be made by AID to the Grantee. Accounting for the use of these funds will be made quarterly in accordance with the Annex B-1 special provision entitled, "Payment - Periodic Advance (November 1984)."

(f) Grant budget: The budget for this Grant is contained in Annex A-1. The funds provided herein will be used to finance the travel/quartering and feeding of the authorized GOF participants up to a total of US\$11,781. It is agreed that any additional funds required for this project will be provided from other than AID sources.

(g) Unexpended funds: Within ninety (90) days after project completion date, unexpended funds remaining on the advance, if any, must be refunded in the name of "The Treasury of the United States of America", c/o USAID/Philippines.

(h) Program Reporting: Five (5) copies of a narrative report on the project shall be provided to USAID along with a line item budget reconciliation as outlined in Annex B-1.

ANNEX A-1

BUDGET

- |    |                                      |       |
|----|--------------------------------------|-------|
| 1. | 9 persons X \$98 per diem X 4 days = | 3,528 |
|    | 9 persons X \$59 per diem X 3 days = | 1,593 |
| 2. | 9 round trip airfares X \$740.00 =   | 6,660 |
|    | Nadi/Honolulu/Nadi                   |       |

Total 11,781

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TEL. NO. 312745

MINISTRY OF PRIMARY INDUSTRIES

P O BOX 358 SUVA

REF. NO.

6 March 1987

Mr W Paupe  
U S A I D  
American Embassy  
SUVA

TO	DATE
<del>FDO</del>	Y
<del>PSJ</del>	
① ADO	
<del>B&amp;A</del>	
② PRE	
<del>TNG</del>	
<del>HPH</del>	
FILE:	

Dear Sir

I am writing to follow up our discussion in your office the other day bearing in mind the comments the elements to be taken into account in our submission for funding by AID of a proposed visit to Hawaii to study the Ginger Industry there.

Attached is a short description of the problems faced, the need for such a visit, the proposed follow up action after the visit. One cannot adequately stress the need to have our people exposed to the sophisticated market requirement outside Fiji enable them catch the vision and motivate them to concentrate in facilitating field efforts from growing to export high quality products.

Anything you can do to help Fiji's Ginger Industry move forward would be highly appreciated.

Yours faithfully

  
(J. D. V. Cavalevu)

Permanent Secretary for Primary Industries.

## GINGER VISIT TO HAWAII

### INTRODUCTION

1.0 Within the space of two decades ginger has become Fiji's third biggest agricultural export earner. The gross value of exports are now in the vicinity of F\$3 million and it provides an estimated 170,000 mandays of employment (equivalent to about 570 full-time jobs). Development Plan 9 projects an estimated export value of F\$6 million by 1990. However, the Plan and the supporting Commodity Profiles, predicates the achievement of this target on the removal of a number of production and marketing constraints. The Plan places special emphasis on the lack of orderly marketing and the need to improve quality and increase efficiency. The foundation of the industry is the export of fresh ginger to the North American market, where Fiji supplies in the Hawaiian off-season. This market was developed in the late 1960's by the initiative of a few private exporters. As outlined in DP9, proposals are currently being formulated that provides for an institutional structure that will provide for the orderly future development of the industry. The emphasis will be on quality improvement. For the 1987 season it is proposed to introduce grading at the exporter level, based on modified Hawaiian standards. In the following year grading will be introduced at the farm level.

## JUSTIFICATION FOR THE PROPOSED VISIT

2.0 Hawaii is the world leader in terms of production efficiency, quality standards and industry organisation. It also sells in the same market as Fiji - although because of seasonal differences not a direct competitor. Hence, in advance of finalising proposals for the future institutional structure for the Fiji industry it would be prudent for a team a short fact-finding visit to Hawaii. The team would include representatives of growers, exporters, and officials involved with the formulation of the proposals and there subsequent implementation. The team will look at the following aspects of the Hawaiian industry:

### 1. FARM LEVEL

- seed selection
- seed treatment
- land preparation
- agronomic practices
- farm inputs and output
- grading at the farm level
- cost of production
- perimeter for working out farm price
- the mechanism for maintaing relatively stable farm prices

## 2. EXPORT LEVEL

- grading standards and their enforcement
- mechanism for maintaining premium grades including quarantine inspection
- marketing information set-up
- regulation of supply to meet demand and maintain relatively stable prices
- marketing costs

It is proposed that whilst in Hawaii the team should also look at the fresh tropical fruit industry. Both the ginger and pawpaw industries are in close proximity to each other on the island of Hilo. From a commodity planning point of view, it is an opportunity for the planners in the team to observe the pawpaw industry, since Hawaii, as in the case with ginger, is the market leader. Horticultural crops like pawpaws and mangoes are given priority in DP9 due to Fiji's unique advantages of off-season location and disease free status. However, successful industry development will depend on achieving the quality standard reached by Hawaii. As with ginger, Fiji and Hawaii, are not direct competitors in fresh fruit exports. The exports performance is seen as complementary to each other.

## 3.0 THE PROPOSED PLAN OF ACTION TO UTILIZE THE FINDINGS OF THE VISIT

1. Immediately on return from Hawaii a grading and quality system will be finalized. The expectation is that this will be based on a modified Hawaiian system. The intention is to

introduce grading at the exporter level for the 1987 season with this to be extended to the farm level the following season.

2. A report will be prepared, with specific proposal based on the Hawaiian experience, for improving post-harvest handling of Fiji ginger. This will be prepared jointly by exporters and MPI officials.
3. A revised package of agronomic practices, to improve on farm productivity and quality will be finalized. This will incorporate, where ever appropriate, the experience of the Hawaiian industry. In this respect the visit will be used to assess the best use of possible US technical assistance to the agricultural sector of the Fiji industry.
4. An assessment will be made of how Hawaiian methods can be incorporated into the Fiji extension staff training programme. A report will be prepared outlining future collaboration with Hawaiian Industry with respect to training of extension and private exporter staff, and farmers. It should be noted that none of the Ginger Extension Team has had specialized training in the crop. Consequently a systematic on-the-job staff training programme, being designed. Exposure of key extension staff to overseas industries is also seen as necessary.
5. By mid-April proposals will be finalized for an institutional and legal framework to guide the orderly and efficient development of the Fiji industry. This work is now

well advanced. However, before the proposals are finalized it is deemed highly desirable to observe first hand the experience of Hawaii, the world leader in terms of organisation efficiency and quality.

6.-- The team will report of the scope, and where appropriate make specific proposals, for collaboration between Fiji and Hawaii in the marketing and promotion of ginger. Of particular interest to Fiji industry s securing a regular flow of good quality market information.

7. Proposals will be made on any other areas of mutual collaboration between our two industries.

#### ITENAIARY

4.0 The proposed itenarary for the visit has been prepared by Mr. J. Chung, who has just returned from a secondment with PIDP in Hawaii :

DAY 1 : Depart for Hawaii.

DAY 2 : Meet Country Extension Agents at Hilo (Big Island). Discuss technical aspects of production, marketing, quarantine, etc. Fiji team to prepare a paper on the ginger & tropical fruit in Fiji focussing on above topics. Also discuss future plans of the industry.

DAY 3 : Morning - Visit ginger farms  
Afternoon - Discussion with ginger importers/exporters

DAY 4 : Morning - Visit AMFAC pawpaw farmers, 2 factory & cocoa pilot project. Look at pawpaw puree production and packing sheds - hot water treatment and quality control.

Afternoon - Return to Oahu

DAY 5 : Meet Drs Clira and Henry Nakasome at University of Hawaii. Discuss purpose of visit and exchange ideas.

Field trip to see pawpaw, ginger and visit Waimanalo Research Centre.

DAY 6 : Morning - Visit Oahu ginger importers. Discuss quality and marketing.

Afternoon - Free

DAY 7 : Depart for Fiji.

### 5.0 TEAM

The proposed team is as follows:

Director of Extension	-	Mr. J. Teaiwa
Principal Agricultural Officer	-	Mr. L. Ratuvaiki
Agricultural Officer (Ginger)	-	Mr. A. Singh
Actg Principal Economic Planning Officer (Marketing)	-	Mr. K. Chang
Two growers representatives		
Two exporters representatives		
Commodity Analyst	-	Dr. A. McGregor

### 6.0 ESTIMATED COST OF VISIT

The estimated cost of the visit is as follows:

Return air fares for 9 (i.e. Suva-Nadi-Honolulu-Hilo)	
@ US\$740 .....	US\$ 6,660
Per Diem for 9 persons for 7 days	
@ US\$100 .....	6,300
TOTAL	<u>US\$12,960</u>

*Per diem*  
*Hilo \$59/day |||*

*Oahu \$98/day ||||*

*3@59 = 177.-*

*4@98 = 392.-*

*570.94*

## 7.0 TIMING OF THE VISIT

it would be desirable if the visit is undertaken in the second week of March (i.e. week beginning on the 15th of March), at the latest, as ginger harvesting may be over in another month or two.

## PROJECT AGREEMENT

## PROAG STANDARD PROVISIONS ANNEX

- A. Reference to 'this Agreement' means the original Project Agreement as modified by any revisions which have entered into effect. Reference to 'cooperating country' means the country or territory of the Grantee.
- B. (1) AID will make available the amount specified in Block 3 of this Agreement, as necessary for the Project, as may be further described in Annex A.
- (2) The Grantee will make available the amount specified in Block 4 of this Agreement, as necessary for the Project, as may further be described in Annex A. The Grantee will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A.
- C. AID and the Grantee may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.
- D. Except as otherwise specifically agreed or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but AID shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Block 5 of this Agreement) or any amended Project Assistance Completion Date specified.
- E. The procurement of commodities and services to be financed in whole or in part by AID may (where so required by AID procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by AID.
- F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the AID contributions referred to in Block 3 of this Agreement shall be subject to the provisions of AID Regulation 1.
- G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to Block 3 of this Agreement shall be in the Grantee, or such public or private agency as it may authorize.
- H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project, will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through

financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.

(2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this Agreement, shall be refunded to the party providing the funds.

(3) Any interest or other earnings on funds provided by AID to the Grantee under this Agreement will be returned to AID by the Grantee.

I. (1) If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs, duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with AID, the Grantee or any agency authorized by the Grantee, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or if any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by AID hereunder, the grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. If funds provided by AID are introduced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder, the Grantee will make such arrangements as may be necessary so that such funds shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

K. AID shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.

L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

M. AID and the Grantee shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effective-

N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 3 and 4 of this Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination.

It is expressly understood that the obligations under paragraph H relating to the use of property or funds shall remain in force after such termination. In addition, upon such termination AID may, at AID's expense, direct that title to goods financed under the Grant be transferred to AID if the goods are from a source outside the Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of the Grantee's country.

O. To assist in the implementation of the Project, AID from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

P. The Grantee agrees, upon request, to execute an assignment to AID of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with AID financed in whole or in part out of funds granted by AID under this Agreement.

**PAYMENT—PERIODIC ADVANCE (NOVEMBER 1984)**

(This provision is applicable when (1) the grantee has an acceptable accounting system (2) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, and (3) the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this agreement entitled "Accounting, Audit and Records".)

(a) AID funds shall not be commingled with other grantee owned or controlled funds. The grantee shall deposit all AID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

(b) ~~Each quarter, after the initial cash advance, the grantee shall submit to the AID Controller, identified in the schedule, voucher SF-1034 (original) and SF-1034-A (three copies), entitled "Public Voucher for Purchases and Services Other Than Personal", copies of which are attached.~~

(c) Each Voucher shall be identified by the appropriate grant number and shall be accompanied by an original and three copies of a report in the following format:

**FEDERAL CASH ADVANCE STATUS REPORT**  
(Report Control No. W-245)

A. Period covered by this report:  
FROM (Month, day, year) \_\_\_\_\_  
TO (Month, day, year) \_\_\_\_\_  
Period covered by the next report  
FROM (Month, day, year) \_\_\_\_\_  
TO (Month, day, year) \_\_\_\_\_

**B. Cash Advance Use and Needs:**

1. Cash advance on hand at the beginning of this reporting period ..... \$ \_\_\_\_\_
2. U.S. Treasury check advance(s) received during this reporting period .. \$ \_\_\_\_\_
3. Interest earned on cash advance during this reporting period ..... \$ \_\_\_\_\_
4. GROSS cash advance available during this reporting period (Lines 1, 2, & 3) ..... \$ \_\_\_\_\_
5. LESS, interest remitted to AID during this reporting period ..... \$ \_\_\_\_\_

6. NET cash advance available during this reporting period (Line 4 minus Line 5) ..... \$ \_\_\_\_\_
7. Total disbursements during this reporting period, including subadvances (see footnote 1) ..... \$ \_\_\_\_\_
8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7) ..... \$ \_\_\_\_\_
9. Projected disbursements, including subadvances, for the next reporting period (see footnote 2) ..... \$ \_\_\_\_\_
10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8) ..... \$ \_\_\_\_\_
11. Total interest earned on cash advance from the start of the grant to the end of this reporting period, but not remitted to AID ..... \$ \_\_\_\_\_
12. Total cash advances to subgrantees, if any, as of the end of this reporting period ..... \$ \_\_\_\_\_

**FOOTNOTES:**

1. The grantee shall submit a cumulative detailed report of disbursements by BUDGET Line item quarterly.
2. The grantee shall attach a Summary, by BUDGET line item, of its projected disbursements for the next reporting period.

**C. Certification:**

The undersigned hereby certifies: (1) that the amount in paragraph B.9 above represents the best estimate of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the grant will be made in the event of disallowance in accordance with the terms of the grant, (3) that appropriate refund or credit to the grant will be made in the event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to AID.

DATE \_\_\_\_\_ BY \_\_\_\_\_  
TITLE \_\_\_\_\_

Item (b) deleted

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