

PD KAD 986

12 JUN 1985

UNITED STATES AID MISSION TO ECUADOR  
INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
QUITO, ECUADOR

Grant No. 518-0050-G-00-5043-00

Mr. Rodger Markl  
Director, Contract Services  
Stanford Research Institute International  
1611 N. Kent Street  
Arlington, VA 22209  
U.S.A.

Dear Mr. Markl:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (herein after referred to as "A.I.D." or "Grantor") hereby grants to Stanford Research Institute International (hereby referred to as "SRI" or "Grantee"), the sum of \$15,049 for financing an initial pre-feasibility study of restructuring the outstanding public debt of the Republic of Ecuador in the form of long term bonds, as described in Annex A to this Letter Grant Agreement entitled "Project Description".

This Grant is effective and obligation is made as of the date this letter is countersigned by SRI and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending May 15, 1985.

This grant is made to SRI on condition that the funds will be administered in accordance with the terms and conditions as set forth in Annex A entitled "Project Description", Annex B entitled "Budget", and Annex C entitled "Standard Provisions", which have been agreed to by SRI and are hereby made a part of this Grant.

A.I.D. and SRI agree that, with regard to any follow-on work on the refinancing of Ecuadorean debt which A.I.D. may decide to finance, this grant to SRI will neither preclude SRI from eligibility nor give SRI unique or proprietary right to such work.

INTERNATIONAL DEVELOPMENT  
U.S. AID MISSION TO ECUADOR  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
QUITO, ECUADOR

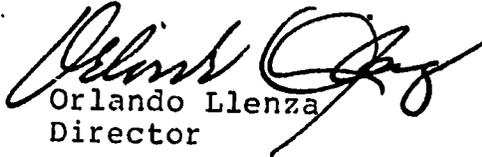
12 JUN 1985  
Stanford Research Institute International  
1611 N. Kent Street  
Arlington, VA 22209

MAILING ADDRESS USAID QUITO  
P.O. Box 521100

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Please sign the original and seven (7) copies of this letter to acknowledge receipt of the grant, and return the original and six (6) copies to A.I.D.

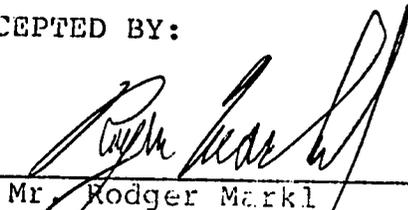
Sincerely yours,

  
Orlando Llenza  
Director

Attachments:

- A. Project Description
- B. Budget
- C. Standard Provisions

ACCEPTED BY:



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Mr. Rodger Markl  
Director, Contract Services  
SRI International

Date: APR 5 1985

FISCAL DATA:

Appropriation: 72-1141021.6  
BPC: LDAA-84-25518-DG13  
Project No. 518-0050  
PIO/T 518-0050-3-40079  
Total Estimated Amount: \$15,049  
Amount Obligated this Action: \$15,049

## PROJECT DESCRIPTION

### Background and purpose

The Agency for International Development is collaborating with the Government of Ecuador in the implementation of a project entitled "Macroeconomic Policy Analysis Program", the objective of which is to strengthen the Government of Ecuador's capability to design and implement sound economic policies which support Ecuador's process of structural adjustment and encourage increased investment, employment and productivity in the private sector.

The purpose of this Grant with SRI International is to finance a pre-feasibility study of restructuring the outstanding public debt of the Republic of Ecuador in the form of long term bonds.

### Detailed Description of Project

The objective of this pre-feasibility study will consist of two parts. First, Ecuador's prospective credit standing must be analyzed by comparing data on its outstanding public debt and necessary debt service with that of other issuers of long term bonds. Second, the information and reporting requirements for a bond issue by a nation of Ecuador's credit standing must be specified and the availability of such information and reporting must be analyzed. This study is not meant to determine whether long term Ecuadorean bonds will be sold.

The available data on Ecuador's outstanding and projected public debt will be analyzed, comparing debt service requirements with economic potential. This information will then be compared with similar information for other debt issuers in order to rank Ecuador's credit standing. The information usually necessary for the prospectus of a bond issue by a country of that credit standing will then be specified. Since such information requirements are expected to be in excess of that information currently available on the Republic of Ecuador in the United States, Grantee personnel will visit Ecuador in order to survey the government and private agencies capable of supplying the information. An estimate will then be prepared on the time and effort required to compile and analyze the data and information necessary for a prospectus for a bond sale by the Republic of Ecuador.

Staffing: The staffing necessary for the pre-feasibility study will include one senior economist, one junior economist, one consultant in Ecuadorean public affairs, and one consultant in accounting. Dr. John Newton will serve as the project leader and senior economist for this effort. The two SRI economists and the consultant will take part in the surveys conducted in Ecuador, and the two economists will prepare the final report of the study. The accounting consultant will analyze the financial statements of the Republic of Ecuador in order to determine the level of development and audit necessary for a bond sale, the conclusions of which will also be included in the final report.

Time of Performance: Approximately 28 workdays.

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BUDGET

The estimated cost for the performance of this Grant is \$15,049, according to the following summary:

<u>Personnel</u>		<u>US\$</u>
Sr. Professional	80 hours at \$21.15	1,692.00
Professional	64 hours at \$16.46	1,053.00
Clerical	40 hours at \$ 7.21	<u>288.00</u>
Total Contractor Labor		3,033.00
Staff Benefits at 37%		<u>1,122.00</u>
Total Labor and Staff Benefits		4,155.00
Research Overhead at 95.60 of Labor and Benefits		3,972.00
G&A at 25.90% of Labor and Benefits		1,076.00
<u>Support Cost</u>		
Travel and Subsistence		3,828.00
Communications		500.00
Consultant, 5 days at \$250		<u>1,250.00</u>
Total Support Cost		5,578.00
Support Cost Burden at 4.8% of Support Cost		<u>268.00</u>
TOTAL ESTIMATED COST		15,049.00

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