

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

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August 8, 1986

MEMORANDUM

TO: Distribution

FROM: ANE/PD/EA, Robert Shoemaker *RS*

SUBJECT: SOUTH PACIFIC - Fiji Commodity Assistance Activity  
(882-0001); PAIP  
Project Committee Meeting

A Project Committee meeting to review the subject document will be held on Tuesday, August 12, 1986, at 1p.m. in room 3320A Conference Room.

Your participation is invited.

Attachment: PAIP

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Program Assistance Initial Proposal (PAIP)  
Fiji Bilateral Program

Fiji Commodity Assistance Activity  
882-0001

1. Problems Addressed: Discussions with the Government of Fiji (GOF) on a bilateral assistance agreement will not be finalized in time to develop a FY 1986 economic development assistance project. The Mission, therefore, in the time remaining to obligate FY 86 funds earmarked in the OYB for the first Fiji activity, is requesting that the obligation for this year be made through a non-project grant agreement. The agreement is designed to meet urgent needs for critical resources in various GOF ministries.

2. Assistance Proposed: The non-project activity proposed would use up to a total of \$1,357,000 economic support funds (ESF) and development assistance (DA) funds programmed in AID's FY 86 budget (OYB) for Fiji for a two-year procurement activity. The GOF is proposing that the AID arrange to purchase commodities urgently required by several GOF departments (e.g. Fiji School of Medicine, Ministry of Health (MOH); Electronic Data Processing Branch, Ministry of Finance (MOF); and Fiji Meteorological Service, Ministry of Home Affairs (MOHA). AID's Regional Director for the South Pacific proposes to negotiate a non-project grant agreement with the GOF to cover U.S. dollar costs for eligible commodities and related services. Local currency or other costs incurred above the grant amount would be borne by the GOF as their contribution. The eligible commodities and related services were requested by the GOF and a final list will be sent to the GOF after the signing of the grant agreement (i.e. an implementation letter). The Mission and outside consultants visited and held discussions with the various department heads to determine the extent, need and maintenance capability for the commodities and related services.

This procurement activity is intended as a one time effort necessitated by the delay of negotiating the bilateral economic development assistance program between the U.S. and Fiji. However, the Mission does not see this as the beginning of a commodity import program.

--Annex 'A' contains a description of the proposed commodities and related services requested by the GCF.

--Annex 'B' lists the meetings held and the participants engaged in this activity.

--Annex 'C' is a draft of the new project Grant Agreement which the Mission proposes to negotiate with the GOF.

--A design and implementation schedule and the proposed budget is contained in the PAIP.

3. Dollar Amounts Required: This activity proposes to use a non-project grant agreement to obligate the total amount programmed in the OYB for Fiji (\$957,000 ESF and \$400,000 DA in the Health Account). The U.S. would limit these funds to contract with a U.S. procurement agent to purchase and ship commodities to where they would be off loaded at a Fijian port of entry.

4. Local Currency Required: The GOF would agree to cover local currency requirements and any foreign currency required above the Grant amount as the host country contribution. The GOF would assume responsibility for the commodities at the time shipment is off loaded at their port of entry.

5. Special U.S. Interests: The U.S. foreign policy objective is to maintain Fiji's role as a moderate and influential pro-U.S. force in the South Pacific. Fiji consistently has been the strongest and most influential South Pacific island state advocate of U.S. interests in the region. On issues ranging from the USSR destruction of the KAL passenger aircraft to the rescue operation in Grenada, Fiji has spoken out publicly in support of U.S. positions and urged its island neighbors to do likewise. The government of Prime Minister Mara opposed Soviet efforts to penetrate the region and refused a financially attractive Soviet fisheries agreement offer. Fiji welcomes U.S. warships to its ports and has questioned the wisdom of New Zealand's anti-nuclear policies in regional fora. The Mara Government provides combat battalions to UNIFIL (Lebanon) and the MFO (Sinai) in support of U.S. mid-east peace initiatives.

6. Requirements for Preparation of the Program Assistance Approval Document (PAAD): The Mission is asking AID/W to review this PAIP in time for the Mission to prepare and approve the PAAD for obligation this fiscal year. The documentation submitted with this PAIP should answer questions generated by AID/W review panels and should accelerate the PAAD and Grant Agreement approval process. The Mission does not foresee any requirement for additional Bureau PD&S funds this OYB to finalize the obligation documents. The available staff is prepared to negotiate and finalize the PAAD and non-project Grant Agreement (see Annex C for draft agreement) provided that authority is redelegated to the Regional Director to sign the PAAD and the Grant Agreement. Upon approval of the PAIP the Mission is asking AID/W to prepare the required congressional notification and notify the Mission when the waiting period has expired. The Mission welcomes AID/W comments on ways to improve the design and implementation of this activity, but stresses the urgency of completing the review and approval process.

7. Proposed Procurement Budget (By Priority):

From ESF Account (\$957,000)

<u>Item</u>	<u>Cost</u>
1. U.S. Procurement Service Agent	\$ 80,000
2. Weather Surveillance Radar (Meteorology)	472,500
3. Eight Generators (PWD) (\$40,000)	169,000
4. Computer Equipment (EDP & PSC)	97,000
5. Five Generators (Fiji Radio)	97,500
6. Windfinder Radar (Meteorology) (\$302,000)	
7. Weather Stations (Meteorology) (\$74,000)	
Contingency (Inflation, Insurance, Freight)4%	39,000
Total ESF	<u>\$957,000</u>

From DA Account (\$400,000)

<u>Item</u>	<u>Cost</u>
1. Supplies & Equipment	
- Fiji School of Medicine	\$130,000
- Training & Patient Care, CWM Hospital	\$130,000
2. Electrical Switchgear, CWM Hospital	<u>\$140,000</u>
Total DA (FY-86 Health Account)	\$400,000

Note: This is a preliminary budget and will be updated once quotations for commodities are received. The Mission believes the cost for the PWD generators will be closer to \$169,000 than the \$209,000 figure given by the MOF. Also, priority is subject to change based on quotations received and final discussions between the Mission and the GOF for the eligible items.

8. Relevant Experience With Commodity Procurement: Commodity procurement as proposed in this PAIP is not a new experience for the Mission. Many of the sub-grants obligated under the PVO Co-Financing Project 879-0001 have eligible commodities which required Mission and outside assistance. An excellent example is the irrigated equipment purchased in 1984 to rehabilitate the drought stricken sugar cane crop. The Mission often calls upon the Regional Commodity Management Officer (ACMO) in Bangkok to assist in procurement actions needing any outside assistance and is again asking the RCMO to assist in this activity.

9. Recommended Environmental Threshold Decision: The Mission staff has carefully gone over the list of proposed eligible commodities with the various GOF department heads. None of the commodities are on AID's ineligible list and none propose an environmental hazard if used as intended. If additional commodities are proposed in place of those given in this document, the Mission, before commodity lists are turned over to the proposed procurement agent, will again review for possible harmful effects to the environment in which they will be used. The Mission, therefore, is recommending a negative determination.

10. Consignee: All goods shipped should be marked for Controller of Government Supplies (COGS), Suva and include the name of the end user (e.g., the Department in the GOF) and Grant 882-0001. GOF will be responsible for all goods and transportation once shipment has been off-loaded at a Fiji port of entry.

11. Design and Implementation Schedule:

	<u>Date</u>	<u>Activity</u>
1.	07/30/86	PAIP Reviewed in AID/W.
2.	08/15/86	AID/W Approval sent to Mission to prepare/sign PAAD and negotiate and sign non-project grant agreement.
3.	09/15/86	Non-project grant agreement negotiated and signed.
4.	09/31/86	Implementation Letter giving eligible commodities sent to Ministry of Finance.
5.	10/15/86	Field negotiations for 8A procurement agent started.
6.	11/30/86	Conditions Precedent for Grant Agreement satisfied.
7.	11/30/86	Contract for procurement agent signed.
8.	11/30/86	Bangkok RCMO finalizes procurement and list of commodities sent to procurement agent.
9.	12/15/86	Procurement advertised.
10.	01/31/86	Final purchase prices approved by the GOF
11.	02/15/87	Purchase of commodities started.
12.	03/15/87	First commodities arrive in Fiji.
13.	03/31/88	Last commodities arrive in Fiji.
14.	05/31/88	USAID/SPRDO conducts final accountability check
15.	06/30/88	Procurement agent contract ends.
16.	09/31/86	End of procurement activity

12. Issues and Concerns for AID/W Review:

Issues:

-- Non-Project Assistance for Fiji: AID's development overview for Fiji (pages 126-128 of the Asia and Near East FY 87 CP --the first Congressional Presentation to contain information on bilateral economic development assistance to Fiji) does not mention non-project assistance as a development focus. However, this years' obligation proposes a non-project mode.

Concerns:

-- This is the first development assistance to Fiji outside of the South Pacific regional development program. The commodity input program like arrangement proposed in this PAIS is a precedent which might be detrimental to developing a project assistance mode for future AID programs with the GOF.

-- Purchasing numerous small commodities for the GOF School of Medicine can become staff intensive. The Mission believes that a detailed and well thought out list of commodities can be developed and turned over an experienced Procurement Services Agent (PSA) to prevent the procurement from becoming staff intensive.

-- Very little time remains in this fiscal year to negotiate and sign a grant agreement with the GOF. The Mission is confident the funds can be obligated under this PAIS provided AID/W review and approval is forthcoming.

-- Waiver Required: The Mission is asking that approval of the PAIS and authorization of the PAAD authorize a waiver to purchase Digital Micro VAX II computer equipment for the Electronic Data Processing Department (EDP), Ministry of Finance. The Mission believes this procurement can be justified because the EDP has standardized its computer equipment using Digital mainframe and needs equipment which can run Statistical Analysis System (SAS) software. Equipment from a firm such as IBM would be uneconomical and require new user and maintenance skills.

ANNEX "A"

I. Eligible Items (Commodities and Related Services by Priority)

A. Funded from ESF (\$957,000 maximum)

1. US Procurement Service Agent (8A Firm)
2. Weather Surveillance Radar (Consignee: Fiji Meteorological Services)
3. Emergency Generators (Consignee: Public Works Dept.)
4. Computer Hardware (Consignee: Electronic Data Processing Branch)
5. Emergency Generators (Consignee: Fiji Broadcasting System)
6. Windfinding Radar (Consignee: Fiji Meteorological Services)

B. Funded from DA Health Account (\$400,000 maximum)

1. Various Supplies and Equipment (Consignee: Fiji School of Medicine, and Teaching and Patient Care, CWM Hospital)

II. Detailed Discussion on Commodities Proposed

A. Commodities and Services Funded from ESF (\$957,000 maximum)

Priority No. 1: U.S. Procurement Service Agent (est. cost \$80,000)

The Mission and the GOF have held discussions on contracting with a U.S. Procurement Service Agent to finalize the procurement list, advertise for quotations, purchase the eligible commodities and arrange or transport the commodities to a Fijian port of entry. Transfer of title would be made to the GOF at their port of entry.

Mission has identified AAPC, Incorporated, a non-profit organization located in New York City, as a possible source. AAPC is a qualified 8A set-aside firm. During preparation of the PAAD, the Mission will discuss contracting for this firm with the Regional Commodities Management Officer in Bangkok.

Estimated U.S. Cost:

Procurement Agent Contract	\$80,000
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Priority No. 2: Weather Surveillance Radar (estimated cost \$472,500) (Consignee: Fiji Meteorological Services)

The surveillance radar locates cyclones, storms and areas of very heavy rainfall. Its main purpose is for use in monitoring and forecasting such severe weather events. The existing radar (installed in 1967) serves as both a windfinding and weather surveillance radar. Replacement of the present equipment is a priority item with the GOF.

Radar equipment designed today no longer combines windfinding and weather surveillance. Combined-use equipment is no longer practical. Given a choice, the Fiji Meteorological Services gives priority to replacing the weather surveillance capacity over the windfinding hardware. The existing radar, essential to the routine operation of Fiji weather forecasting services, is very old and is becoming increasingly difficult to maintain. Its complete failure is a definite possibility at any time. The maintenance of the equipment is carried out by the maintenance and repair personnel of the Fiji Civil Aviation Authority. This arrangement with the Weather Meteorological Office prevents duplicating services.

Many of the developed countries (e.g. U.S., UK, NZ) are installing or planning networks of powerful remote-sited radars with equally powerful computer processing of the data for weather and flood forecasting purposes. The proposed surveillance radar bridges the gap between the existing ailing radar and the time, perhaps in fifteen years, when Fiji might be able to afford a sophisticated centrally sited remote surveillance system. Replacement of both the surveillance radar and the windfinding radar was the recommendation of a feasibility study done for the Fiji Meteorological service in 1982. Since then replacement has been an item in the budget, but due to insufficient funds the equipment has not been purchased.

Siting: Ideally, the surveillance radar should be located to cover all of Fiji, i.e., should be moved to a site on an elevated centrally-located hill. Remote siting with micro-wave links, which would greatly improve the coverage of the radar field of view, would cost an additional F\$220,000, and a very desirable advanced data processing system, similar to that used with the satellite data receiver, would cost an additional F\$300,000. The proposed surveillance radar calls for a Nadi Airport site, justified on the grounds of the cost and the lack of funding for the proposal over the last three years. In order to make the equipment operational, a new tower (included in the cost estimate) would have to be installed. The GOF would provide the foundations for such a tower provided the supplier designed the tower and foundations to withstand cyclone force winds. The Mission will request the GOF to supply the soil and wind conditions necessary for tower design.

Estimated U.S. Costs:

<u>Item</u>	<u>Cost</u>
1. Basic radar system	\$303,560
2. Spares, Two year Minimum	28,285
3. Test Equipment	15,000
4. Tower	54,000
5. Training In U.S. (Two Staff)	18,000
6. Training on-site	20,000
7. Installation Materials	15,000
8. U.S. Supervision and Commissioning	18,600
Total U.S. Cost:	<u>\$472,445</u> (say \$472,500)

Local installation costs, site work, building alterations, electrical wiring, etc, are estimated at F\$25,000 which will be borne by the GOF.

The estimated U.S. dollar cost is largely based on Enterprise Electronics Corporation (EEC) sales sheets and quotations of January 1986 for the WSR series C-, S-, and X-band meteorological radars. The S-band radar is the best choice for the tropics and consequently, costs were estimated for only the WSR-81 S-Band model sited at the Meteorological Office at Nadi.

Priority No. 3: Emergency Generators (8) Consignee: Water and Sewerage Department (PWD): (Estimated Cost - \$209,000)

The most common emergencies in Fiji result from tropical cyclones but almost as frequently, Fiji has severe floods. In addition, emergencies have arisen from earthquakes, tsunamis and landslides. In such disasters not having a safe water supply or working sewerage system gives added distress and danger to the populations served by these systems. Although Fiji's water and sewage systems are being developed and improved, the power supply to run them is at risk.

USAID's discussions with the GOF on these problems have prompted the government to request eight generators to meet this emergency need. Based on priority, the location and discussion on the need follows.

Location 1: Nadi (estimated cost \$28,000)

The regional water system serving 60,000 people is supplied by gravity from Nagado Treatment Plant. It is a gravity system but certain functions such as backwashing and dosing need electrical power. Previous power failures have rendered the plant inoperative for days. A permanent standby generator is required.

## Estimated Cost:

Size: 100 KVA  
Voltage: 415 V, 3 phase, 50 hertz

1. Basic Generator Set	US\$25,000	
2. Control Panel	3,000	
3. Wiring		F\$1,000
4. Installation		1,000
5. Miscellaneous		1,500
Totals:	US\$28,000	F\$3,500

Location 2: Deuba (estimated cost \$28,000)

This water treatment plant serving 10,000 people is supplied with raw water by gravity to the clarifier. However, the clarifier effluent is pumped through pressure filters to the reservoir on a hill behind the plant. In the event of a power failure, this plant becomes inoperative. A permanent standby generator to power at least one of the pumps is required.

## Estimated Cost:

Size: 100 KVA  
Voltage: 415 V, 3 phase, 50 hertz

1. Basic Generator Set	US\$25,000	
2. Control Panel	3,000	
3. Wiring		F\$1,000
4. Installation		1,000
5. Miscellaneous		1,500
Totals:	US\$28,000	F\$3,500

Location 3: Suva (estimated cost \$\$33,000)

An area of concern for Suva is the Nagatugatu pumping station which serves 15,000 people in high areas of Suva including the Tamavua Hospital. A standby generator is proposed which would serve the pumping station, the water treatment plant, and the workshop. The generator for emergency use would have to be permanently installed. The need for this generator was identified in the 1982-83 Suva Master Plan.

## Estimated Cost:

Size: 120 KVA  
Voltage: 415 V, 3 phase, 50 hertz

1. Basic Generator Set	US\$30,000	
2. Control Panel	3,000	
3. Wiring		F\$1,000
4. Installation		1,000
5. Miscellaneous		1,500
Totals:	<u>US\$33,000</u>	<u>F\$3,500</u>

Location 4: Suva (estimated cost \$23,000 x 3 = \$69,000)

In Suva there are 50 sewerage pumping stations, some of which have special overflow arrangements but are problem areas in times of disasters. It is desired by the Public Works Dept. to have three generators, one in each of the three divisions, mounted on trailers ready to be towed to any problem areas during a disaster. The units would be versatile enough to cope with various situations and include welding units, pumps and lighting facilities. Because such a unit would have to be specially designed, the PWD on receiving the generators would provide the budget funds to purchase the trailers and additional equipment and fabricate the unit in their shops.

## Estimated Cost:

Size: 50 KVA  
Voltage: 415 V, 3 phase, 50 hertz

1. Basic Generator Set	US\$20,000	
2. Control Panel	3,000	
3. Wiring		F\$1,000
4. Installation		1,000
5. Miscellaneous		1,500
Totals:	<u>US\$23,000</u>	<u>F\$3,500</u>

Location 5: Ba (estimated cost \$33,000)

The existing water treatment plant at Ba serves 25,000 people and consists of pressure filters on a gravity line from the headworks to the reservoir. An existing small standby generator is provided to run the chemical dosing equipment. However, the gravity feed which is inadequate to meet demand is supplemented by pumping from an alternate source into the pressure filter inlet line. A permanent standby generator is required at the pumping station to power at least one of the pumps.

## Estimated Cost:

Size: 120 KVA  
Voltage: 415 V, 3 phase, 50 hertz

1. Basic Generator Set	US\$30,000	
2. Control Panel	3,000	
3. Wiring		F\$1,000
4. Installation		1,000
5. Miscellaneous		1,500
Totals:	<u>US\$33,000</u>	<u>F\$3,500</u>

Location 6: Savusavu (estimated cost \$18,000)

This water system consists of a gravity supply to most of the 3,000 people served. However, a booster pumping station is provided to pump into a second reservoir serving the remainder of the area. A permanent standby generator is required to power one of the pumps.

## Estimated Cost:

Size: 30 KVA  
Voltage: 415 V, 3 phase, 50 hertz

1. Basic Generator Set	US\$15,000	
2. Control Panel	3,000	
3. Wiring		F\$1,000
4. Installation		1,000
5. Miscellaneous		1,500
Totals	<u>US\$18,000</u>	<u>F\$3,500</u>

Priority No. 4: Computer Hardware: (estimated cost \$97,000, Waiver Required for EDP purchase)

A. Electronic Data Processing (EDP) Department

Current EDP policy is to centralise all computing at EDP, except word processing, which may be done locally. EDP has found that this arrangement is generally suitable for individual departments' computing needs to be satisfied at EDP with the present US manufactured Digital Vax 750 equipment, rather than through the purchase of small micro computers. EDP has standardized their computer needs using Digital equipment.

Consequently, data collection and processing at EDP has been to fulfill individual departmental needs in the GOF in a basic type environment. For example, current systems include P&T accounts, government accounts, wages and salaries, water accounts, etc.

Due to lack of equipment, little priority has been given to another set of users, those who use processing for analytical purposes, and who wish to manipulate existing and other data into a form suitable for policy or management type decisions. The GOF is proposing that a Micro VAX II and related equipment compatible to the two newly installed Digital Vax 11/750's be purchased with part of the AID grant to satisfy this type of demand and group of users. The need for the proposed equipment rises from within the Ministry of Finance, Central Planning Office, and the Reserve Bank as the main institutions concerned with economic management, and from other departments undertaking analytical type work, i.e. Meteorology, Mineral Resources, Bureau of Statistics, etc. The Bureau of Statistics is the main source of data whose purpose is to centralize and maintain information for its users. Linking the Bureau into a central computer system where data bases are accessible to all legitimate users, is also a desirable long-term objective.

The EDP has told USAID that SAS, the firm which installed the Digital Vax 750's equipment, presently has US export approval by the US Dept. of Interior for the proposed Micro VAX II equipment to be installed in Fiji. The Mission has requested that a copy of the approval be sent from the New Zealand SAS office.

Estimated US Costs:

A. EDP Computer Equipment	<u>Item</u>	<u>Cost</u>
1.	Microvax II 1mb Memory with floating Point	45,156
2.	Additional 4mb memory	32,694
3.	Disk Controller	3,693
4.	Two 71 mb Fixed Disk	18,466
5.	Tape Controller	2,742

6. 95 mb steaming Tape Unit	6,876
7. Power Cord	28
8. VMS 8 User Licence	11,024
9. Media + Documentation	2,756
10. Ethernet Interface	3,169
11. Transceiver Cable	272
12. Ethernet Transceivers	827
13. Country Kit	447
14. Color Graphics Monitor	6,198
15. Country Kit	447
Total Estimated Cost:	<u>NZ\$140,685</u>

Note: Estimated Cost includes transportation, insurance and installation from New Zealand. Estimate will have to be recalculated and based on US purchase. (Contact Digital Equipment Corp., 146 main Street, Maynard, MA, 01754)

- B. Public Service Commission (PSC), (equipment must be IBM compatible)

<u>Item</u>	<u>Cost</u>
2 only Olivetti M24 SP Model 640 Ram, 20mb Hard Disk, Monochrome Screen, Keyboard	\$9,900
2 only DY-450 13 inch 45 cps LQ Printer	\$2,880
1 only 1KVA Sola Power Conditioner	<u>\$1,200</u>
Total US Dollar Cost	\$13,980

The total US cost for both the EDP and PSC equipment shown above is estimated at \$97,000 which would include transportation from the U.S.

Priority No. 5: Emergency Generators (5), Fiji Radio (Cost \$99,500)

Fiji Radio, Ministry of Information. has five transmitter and studio locations in Fiji which are entirely dependent on commercial power. During an emergency, electrical power is often interrupted for extended periods. The GOF proposes that part of the grant

funds be used to provide emergency generators to these locations. Fiji Radio has asked the Ministry of Finance to include in their 1987 budget the local currency cost in instal and operate these generators. The Fiji Radio has informed the Mission that maintenance and repair for this equipment can easily be handled with the existing Fiji Radio staff.

Estimated U.S. Costs:

<u>Item</u>	<u>Cost</u>
80 kw/100 KVA Package Generator Set (Includes control panel, 24V starting and various other equipment)	\$19,900

Note: Cost is based on Fiji Caterpillar dealer quotation for model 3208 NA.

Priority No. 6: Windfinding Radar (Estimated Cost \$302,000)

The windfinding radar measures the winds up through the atmosphere by tracking a rising balloon. The data are vital to tropical cyclone forecasting, aviation forecasting and to the World Weather Watch.

As noted under the weather surveillance radar, the windfinding radar presently shares obsolete equipment with the surveillance radar which is no longer designed as a combined package. Purchase of only the weather surveillance radar would mean retaining the present radar for windfinding. However, in the event of the failure of the existing radar, the long lead-time for procurement and installation of its replacement would expose Fiji to inadequate forecasting services for up to a year or more.

<u>Estimated U.S. Costs</u>	
<u>Item</u>	<u>Cost</u>
1. Supplies & Equipment	
- Fiji School of Medicine	\$130,000
- Training & Patient Care, CWM Hospital	\$130,000
2. Electrical Switchgear, CWM Hospital	<u>\$140,000</u>
Total	<u>\$400,000</u>

Siting: The present site at the Nadi airport (on top of the meteorology building) is adequate for the proposed equipment.

Equipment Proposed: Information for the windfinding radar is largely based on Enterprise Electronics Corporation (EEC) sales sheets and quotation of January 1986 to the Meteorology Dept. for the WF 100 series X-band windfinding radar. However, there are other U.S. firms making this equipment and the procurement should be advertised.

The smaller EEC model WF 100-4/82 with four foot reflector and 60kw transmitter was chosen, as Nadi (the proposed site) generally experiences only small net displacements of the balloon-bore target.

Estimated U.S. dollar Budget:

<u>Item</u>	<u>Cost</u>
1. Basic Hardware	\$193,000
2. Spares, two year minimum	47,000
3. Test Equipment	20,000
4. Installation Materials	12,020
5. U.S. Technical Assistance (Supervision and Commissioning)	9,300
6. Training in U.S. (Two staff)	20,000
Total U.S. Cost:	<u>\$302,000</u>

Local installation costs, i.e. building alterations, electrical wiring, etc, were estimated at approximately F\$15,000 which will be borne by the GOF Public Works Department

In addition to the Micro VAX II equipment, the GOF would like to purchase two PC's, printers and power conditioners for the Research and Information Unit, Public Service Commission. This equipment is included in the estimated costs.

Priority No. 7: Automatic Weather Stations (estimated cost \$74,000)

The Fiji Meteorological Service operates twelve weather observing stations throughout the Fiji Islands manned by two or more staff for routine observations 24 hours a day. Data gathered are essential for weather forecasting and cyclone forecasting. As the Fiji Group of Islands continuously are devastated by tropical cyclones and hurricanes, there is a great demand for cost effective information for preparing of forecasts and warnings.

Costs are a major constraint both in setting-up new stations to improve network and in servicing existing manned stations. Staffing the many remote sites with suitably qualified staff is also a problem.

Automatic weather stations offer a partial solution. The technologies are well established and several commercial and technical options are available. Four stations costing a total of approximately \$100,000 are proposed.

The trend world-wide is towards use of automatic weather stations, mostly on the ground of costs effectiveness, but also to reduce the burden of remote location and round-the-clock operations on staff and to get more frequent data.

Several different models of automatic weather stations are manufactured in the U.S. (e.g., Sutron Company), including those by the National Weather Service.

Cost Estimate:

U.S. Grant:

Four automatic weather stations - \$74,000

Fiji Government:

Installation Costs - F\$15,000

B. Commodities and Services to be funded from the DA Account (\$400,000 maximum)

Several discussions have been held with the Ministry of Health on supplies and equipment for both the Fiji School of Medicine and the training and patient care units of the Colonial War Memorial (CWM) hospital, Suva's major hospital facility.

Mission personnel are very aware of the desperate needs for supplies and equipment for both of these facilities. A preliminary procurement list has been drafted but contained many items which would be cheaper to purchase in Suva. The MOH is revising the list to include urgently needed items from the U>S> which would be competitive or unavailable in Fiji. Because this list will take time to finalize, the costs shown in this document are the amount proposed for the grant funds. The Procurement Service Agent proposed under the ESF funds would be expected to procure any commodities funded from the DA account. Any remaining funds in the ESF account would be made available for purchases for the school or hospital.

## Annex "B"

Meetings and Participants On Procurement Activity

(Note: Jim Schill, USAID/SPRDO and David Tiedt, Development Consultant for SPRDO attended all meetings)

<u>Name</u>	<u>Office</u>
<u>Meeting Dates:</u> 7/22/86, 7/29/86, 7/30/86 (at Ministry of Finance (MOF), Suva)	
J.Y. Kubuabola	Permanent Secretary for Finance, MOF
M. Raman	Permanent Asst. Sec., MOF
A. Singh	Senior Admin. Officer (Aid), MOF
R. R. Sharma	Senior Asst. Sec., MOF
J. P. Thakur	Senior Economic Planning Office, MOF
John Shannon	Manager, EDP Services, MOF
R. Krishna	Director of Meteorology, M. of Home Affairs
Len Crick	Principal Engineer, Water, PWD
F.k. Wainiqolo MD	Asst. Dir. of Health, Min. of Health
Lai Naulumatua	Acting Head, Technical Services, Radio Fiji, Ministry of Info.
D Prasad	Deputy Gen. Manager, Radio Fiji, MOI
J. Y. Kubuabolaior	Administrative Officer

Meeting Date and Sites Visited: 7/23/86 (Offices and Workshops of Fiji Meteorology Service, Nandi)

Reid Basher	Principal Scientific Officer
M. R. Laidlaw	Principal Scientific Officer (Services Development)
Raymond Leong	Chief Telecommunications Services
R. P. Singh	Station Officer Telecom Services
R. Krishna	Director of Meteorology

Meeting Date and Sites Visited: 7/24/86 (Offices, Workshops, and Water and Sewage Plants, Public Works Dept.(PWD), Suva)

Jeff Green	Director, PWD
Len Crick	Principal Engineer, PWD
Brian Haymes	Principal Engineer for Sewage, PWD

Meeting Date and Site Visit: 7/25/86 (Office and Computer Room,  
Electronic Data Processing Services, MOF, Suva)

John Shannon  
J. P. Thakur

Manager, EDP Services  
Senior Economic Planning Officer, MOF

Meeting Date and Sites Visited: 7/25/86 (CWM Hospital, Fiji School  
of Nursing, Fiji School of Medicine, Ministry of Health, Suva)

Harry Lander, MD  
Bob Kumm  
F.K. Wainiqolo, MD  
P. Lowery, MD

Principal, Medical School  
Secretary, Fiji School of Medicine  
Asst. Director of Health, MOH  
Public Health, USAID/SPRDO

COMMODITY GRANT AGREEMENT

GRANT 882-0001

Dated \_\_\_\_\_, 19\_\_

Between

FIJI ("Grantee")

And

The United States of America,  
acting through the Agency for  
International Development ("A.I.D.")

Article 1: The Grant

To finance the foreign exchange costs of certain commodities and commodity-related services ("Eligible Items") necessary to promote Fiji's role as a moderate and influential pro-U.S. force in the South Pacific, the United States, pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Government of Fiji under the terms of this Agreement, not to exceed One Million Three Hundred and Fifty Seven Thousand United States dollars (\$1,357,000) ("Grant").

Article 2: Conditions Precedent to Disbursement

Section 2.1. Conditions Precedent. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

(b) A statement representing and warranting that the named person or persons have the authority to act as the representative or representatives of the Grantee pursuant to Section 7.2, together with a specimen signature of each person certified as its authenticity;

(c) A procurement plan including the procedures by which all procurement financed under this Grant will be carried out, the criteria and procedures for determining importer eligibility, and the mechanism for publicizing procurement and making awards.

Section 2.2 Notification. When A.I.D. has determined that the conditions precedent specified in Section 2.1 have been met, it will promptly notify the Grantee.

Section 2.3. Terminal Date for Conditions Precedent. If all the conditions specified in Section 2.1 have not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may specify in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 3: Procurement, Eligibility, and Utilization of Commodities

Section 3.1. Procurement. This Grant shall be used to procure the services of a U.S. Procurement Services Agent to procure and transport the commodities made eligible under its terms.

Section 3.2. Eligible Items. The commodities eligible for financing under this Grant shall be those mutually agreed upon by the Parties and specified in the Implementation Letters issued to the Grantee in accordance with Section 7.1 of this Agreement. Other commodities or services shall become eligible for financing only with the written agreement of A.I.D. A.I.D. may decline to finance any specific commodity or commodity-related service when in its judgment such financing would be inconsistent with the purposes of the Grant or of the Foreign Assistance Act of 1961, as amended.

Section 3.3. Procurement Source. All eligible items shall have their source and origin in the United States of America except as A.I.D. may specify in Implementation Letters or as it may otherwise agree in writing.

Section 3.4. Eligibility Date. No commodities or commodity-related services may be financed under this Grant if they were procured pursuant to orders or to contracts firmly placed or entered into prior to the date of this Agreement, except as A.I.D. may otherwise agree in writing.

Section 3.5. Procurement for Public Sector. With respect to procurement under this Grant by or for Grantee, its departments and instrumentalities, the provisions of of A.I.D. Handbook 15 regarding formal competitive bid procedures will apply unless A.I.D. otherwise agree in writing.

Section 3.6. Special Procurement Rules.

(a) None of the proceeds of this Grant may be used to finance the purchase, sale, long-term lease, exchange or guaranty of a sale of motor vehicles unless such motor vehicles are manufactured in the United States, except as A.I.D. may otherwise agree in writing.

(b) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(c) All international air shipments financed under this Grant will be on carriers holding U.S. certification to perform the services, unless shipment would, in the judgment of the Grantee, be delayed an unreasonable time awaiting a U.S.-flag carrier either at point of origin or transshipment. The Grantee must certify to the facts in the vouchers or other documents retained as part of the Grant records.

Section 3.7. Financing Physical Facilities. The proceeds of this Grant shall not be used for the purchase of commodities or commodity-related services for use in the construction, expansion, or alteration of any physical facility or related physical facilities without prior A.I.D. approval, except as A.I.D. may otherwise agree in writing. "Related physical facilities" shall mean those facilities which, taking into account such factors as functional independence, geographic proximity, and ownership, constitute a single enterprise in the judgment of A.I.D.

Section 3.8 Utilization of Commodities.

(a) Grantee will assure that commodities financed under this Grant will be effectively used for the purposes for which the assistance is made available. To this end, the Grantee will use its best efforts to assure that the following procedures are followed:

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(i) accurate arrival and clearance records are maintained by customs authorities; commodity imports are promptly processed through customs as ports of entry; such commodities are removed from customs and/or bonded warehouses within ninety (90) calendar days from the date the commodities are unloaded from the vessel at the port of entry, unless the importer is hindered by force majeure or A.I.D. otherwise agrees in writing; and

(ii) the commodities are consumed or used by the importer not later than one (1) year from the date the commodities are removed from customs, unless a longer period can be justified to the satisfaction of A.I.D. by reason of force majeure or special market conditions or other circumstances.

(b) Grantee will assure that commodities financed under this Grant will not be re-exported in the same or substantially the same form, unless specifically authorized by A.I.D.

#### Section 3.9. Shipping.

(a) Unless otherwise authorized by A.I.D. commodities, which are to be transported to the territory of the Grantee, may not be financed under this Grant if transported either: (1) on an ocean vessel or aircraft under flag registry of any country than the United States or Fiji, or (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible, or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Unless otherwise authorized, A.I.D. will finance only those transportation costs incurred on aircraft or ocean vessels under flag registry of the United States and the cooperating country. When there is a general unavailability of cooperating country flag registry or ocean vessels, A.I.D. will specifically authorize in Implementation Letters the financing of transportation costs incurred on aircraft or ocean vessels.

(c) Unless A.I.D. determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels, and (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by A.I.D. and transported to (name of country) on dry cargo liners

shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both cargo transported from U.S. ports and cargo transported from non-U.S. ports, computed separately.

#### Section 3.10. Insurance

(a) Marine insurance on commodities financed by A.I.D. under this Grant may be financed under this Grant provided that such insurance is placed in the United States in accordance with the applicable provisions of A.I.D.

#### Article 4: Disbursement

Section 4.1 Letters of Commitment to Banks. After satisfaction of the conditions precedent, the Grantee may obtain disbursements of funds under this Grant by submitting Financing Requests to A.I.D. for the issuance of letters of commitment for specified amounts to one or more banking institutions in the United States designated by Grantee and satisfactory to A.I.D. Such letters will commit A.I.D. to reimburse the bank or banks on behalf of the Grantee for payments made by the banks to suppliers or contractors, under letters of credit or otherwise, pursuant to such documentation requirements as A.I.D. may prescribe. Banking charges incurred in connection with letters of commitment and disbursements shall be for the account of Grantee and may be financed by this Grant.

Section 4.2. Other Forms of Disbursement Authorizations. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Section 4.3. Terminal Date for Requests for Disbursement Authorizations. No letter of commitment or other disbursement authorization will be issued in response to a request received after twelve (12) months from the date of signing of this Agreement, except as A.I.D. may otherwise agree in writing.

Section 4.4. Terminal Date for Requests for Disbursement. No disbursement of Grant funds shall be made against documentation submitted after eighteen (18) months from the date of signing of this Agreement, except as A.I.D. may otherwise agree in writing.

#### Article 5: General Covenants.

Section 5.1. Use of Local Currency. Grantee will furnish all local currency used to carry out the terms of this Grant.

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connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the country of the Grantee.

Section 5.6. Minimum Size of Transactions. No foreign exchange allocation or letter of credit issued pursuant to this Agreement shall be in an amount less than Five Thousand Dollars (\$5,000), except as A.I.D. may otherwise agree in writing.

Article 6: Termination; Remedies

Section 6.1. Termination. This Agreement may be terminated by mutual agreement of the Parties at any time. Either Party may terminate this Agreement by giving the other Party thirty (30) days written notice.

Section 6.2. Suspension. If at any time:

(a) Grantee shall fail to comply with any provision of this Agreement; or

(b) Any representation or warranty made by or on behalf of Grantee with respect to obtaining this Grant or made or required to be made under this Agreement is incorrect in any material respect; or

(c) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purposes of the Grant will be attained or that the Grantee will be able to perform its obligations under this Agreement; or

(d) Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.; or

(e) A default shall have occurred under any other agreement between the Grantee or any of its agencies and the Government of the United States or any of its agencies;

Then, A.I.D. may:

(1) suspend or cancel outstanding commitment documents to the extent that they have not been utilized through irrevocable commitments to third parties or otherwise, or to the extent that A.I.D. has not made direct reimbursement to the Grantee thereunder, giving prompt notice to Grantee thereafter;

(2) decline to issue additional commitment documents or to make disbursements other than under existing ones; and

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(3) at A.I.D.'s expense, direct that title to goods financed under the Grant be vested in A.I.D. if the goods are in a deliverable state and have not been offloaded in ports of entry of (name of country).

Section 6.3. Cancellation by A.I.D. If, within sixty (60) days from the date of any suspension of disbursements pursuant to Section 6.2, the cause or causes thereof have not been corrected, A.I.D. may cancel any part of the Grant that is not then disbursed or irrevocably committed to third parties.

Section 6.4. Refunds

(a) If A.I.D. determines that any disbursement is not supported by valid documentation in accordance with this Agreement, or is in violation of United States law, or is not made or used in accordance with the terms of this Agreement, A.I.D. may require the Grantee to refund the amount of such disbursement in U.S. dollars to A.I.D. within sixty (60) days after receipt of request therefore. Refunds paid by the Grantee to A.I.D. resulting from violations of the terms of this Agreement shall be considered as a reduction in the amount of A.I.D.'s obligation under the Agreement and shall be available for reuse under the Agreement if authorized by A.I.D. in writing.

(b) The right to require such a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three (3) years from the date of the last disbursement under this Agreement.

Section 6.5. Nonwaiver of Remedies. No delay in exercising or omitting to exercise, any right, power, or remedy accruing to A.I.D. under this Agreement will be construed as a waiver of such rights, powers, or remedies.

Article 7: Miscellaneous.

Section 7.1. Implementation Letters. From time to time, for the information and guidance of both parties, A.I.D. will issue Implementation Letters describing the procedures applicable to the implementation of the Agreement. Except as permitted by particular provisions of this Agreement, Implementation Letters will not be used to amend or modify the text of this Agreement.

Section 7.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of The Permanent Secretary for Finance and A.I.D. will  
be

represented by the individual holding or acting in the USAID South Pacific office of the Regional Director, each of whom, by written notice, may designate additional representatives. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 7.3. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Grantee:

Mail Address:

Alternate Address for Cables:

To USAID:                      Regional Director  
   PO Box 218, Suva  
   Fiji

Mail Address:

Alternate Address for Cables:

All such communications will be in English unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

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IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Fiji

BY: \_\_\_\_\_

Title: \_\_\_\_\_

UNITED STATES OF AMERICA

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_