



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

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FILE

JUL 29 1992

Mr. Mark Borthwick
Executive Director
United States National Committee
for Pacific Economic Cooperation
1755 Massachusetts Ave., N.W.
Suite 420-21
Washington, DC 20036

Subject: Grant No.: AEP-0000-G-00-2037-00

Dear Mr. Borthwick:

Pursuant to the authority contained in the Foreign Assistance Act of 1961 and the Federal Grant and Cooperative Agreement Act of 1982, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby provides to United States National Committee for Pacific Economic Cooperation (hereinafter referred to as "USPEC" or "Grantee") the sum set forth in Section 1C.2. of Attachment 1 of this Grant to provide financial support for the program described in Attachment 2 of this Grant entitled "Program Description."

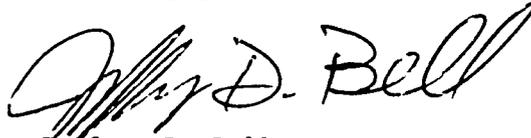
This Grant is effective as of the date of this letter and funds obligated hereunder shall be used to reimburse the Grantee for allowable program expenditures for the period set forth in Section 1B. of Attachment 1 of this Grant.

The total estimated amount of this Grant is the amount set forth in Section 1C.1. of Attachment 1, of which the amount set forth in Section 1C.2. is hereby obligated. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount. However, subject to Section 1C.4. of Attachment 1, additional funds may be obligated by A.I.D. until such time as the obligated amount may equal the total estimated amount of this Grant.

This Grant is made to the Grantee on the condition that the funds will be administered in accordance with the terms and conditions as set forth in the attachments listed under my signature below, which together constitute the entire Grant document and have been agreed to by your organization.

Please acknowledge receipt and acceptance of this Grant by signing all copies of this Cover Letter, retaining one copy for your files, and returning the remaining copies to the undersigned.

Sincerely yours,



Jeffery D. Bell
Grant Officer
A.I.D. Office of Procurement
Division B, AEP Branch

Attachments:

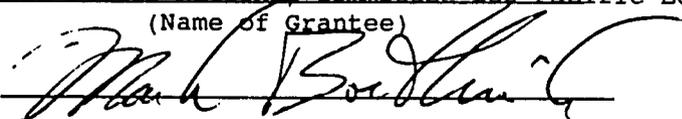
1. Schedule
2. Program Description
3. Standard Provisions and Additional Standard Provisions for U.S. Nongovernmental Grantees
4. Certifications, Assurances, and Other Statements of Applicant/Grantee (including Attachment A entitled "Disclosure of Lobbying Activities")
5. USPEC detailed Grant Budget, pages 1 - 23

JUL 29 1992

ACKNOWLEDGED:

United States National Committee for Pacific Economic Cooperation
(Name of Grantee)

BY:



TYPED NAME: Mark Borthwick

TITLE: Executive Director

DATE: July 29, 1992

FISCAL DATA

A. GENERAL

- A.1. Total Estimated A.I.D. Amount: \$800,000
- A.2. Total Obligated A.I.D. Amount: \$400,000
- A.3. Project No.: 499-0013
- A.4. A.I.D. Project Office: ASIA/DR/TR, Kerri-Ann Jones
- A.5. Funding Source: A.I.D./W
- A.6. Tax I.D. No.: 52-1365614
- A.7. DUNS No.: 361-751639
- A.8. LOC No.: 72-1590-PB-361751639D

Fiscal Data

PIO/T No.: 499-0013-3-2672507
Appropriation No.: 72-112/31021.5
Budget Plan Code: HDE2-92-37499-KG12
Total Estimated Grant Amount: \$800,000
Total Amount Obligated: \$400,000
Technical Office: ASIA/DR/TR, Kerri-Ann Jones

B. SPECIFIC

- B.1.(a) PIO/T No.: 499-0013-3-2672507
- B.1.(b) Appropriation: 72-112/31021.5
- B.1.(c) Allotment: 265-67-499-00-69-21
- B.1.(d) BPC: HDE2-92-37499-KG12
- B.1.(e) Amount: \$400,000

ATTACHMENT 1

SCHEDULE

1A. PURPOSE OF GRANT

The purpose of this Grant is to provide support for the U.S. Chairmanship of the overall Pacific Economic Cooperation Conference (USPEC) process; continue to develop new information under its five topic areas; strengthen the USPEC support for APEC by holding a joint meeting of APEC Senior Officials Meeting and USPEC Standing Committee Meeting; and assist in the transition of Chairmanship to the successor as more specifically described in Attachment 2 (the Program Description) of this Agreement.

1B. PERIOD OF GRANT

1B.1. The effective date of this Grant is May 1, 1992 and the estimated completion date is April 30, 1994. Funds obligated hereunder (see Section 1C.2. below) shall be used to reimburse the Grantee for allowable program expenditures incurred by the Grantee in pursuit of program objectives at any time during the period beginning on the effective date of this Grant and ending on the estimated completion date.

1B.2. However, because this Grant is incrementally funded (see Section 1C.4. below), funds obligated hereunder are only anticipated to be sufficient for program expenditures through April 30, 1993.

1C. AMOUNT OF GRANT AND PAYMENT

1C.1. The total estimated amount of this Grant for its full period, as set forth in Section 1B.1. above, is \$800,000.

1C.2. A.I.D. hereby obligates the amount of \$400,000 as partial funding of the total estimated amount set forth in Section 1C.1. above for program expenditures during the indicated period set forth in Section 1B. above. Notwithstanding said total estimated amount, A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount, except as specified in paragraph (f) of the Standard Provision of this Grant entitled "Revision of Grant Budget" (see also Section 1C.4. below).

1C.3. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provision of this Grant entitled "Payment - Letter of Credit," as shown in Attachment 3.

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1C.4. As indicated in Section 1C.2. above, this Grant is partially funded. Until such time as the obligated amount (see Section 1C.2. above) shall equal the total estimated amount (see Section 1C.1. above) of this Grant, additional increments of funds may be obligated by A.I.D. under this Grant (by a Grant modification), subject to availability of funds, possible evaluation of the program, program priorities at the time, and the requirements of the Standard Provisions of this Grant entitled "Revision of Grant Budget" and, if applicable (see Section 1K.2. for applicability) "Cost Sharing (Matching)," as set forth in Attachment 3. Note: It is the intent of the Government to contract for an independent audit of USPEC sometime during the first grant period. Incremental funding of the second grant period will be influenced, in part, by the results of this independent audit report.

1D. GRANT BUDGET

1D.1. The following is the Budget for the total estimated amount of this Grant (see Section 1C.1. above) for its full period (see Section 1B. above). The Grantee may not exceed the total estimated amount or the obligated amount of this Grant, whichever is less (see Sections 1C.1. and 1C.2., respectively, above). Except as specified in the Standard Provision of this Grant entitled "Revision of Grant Budget," as shown in Attachment 3, the Grantee may adjust line item amounts as may be reasonably necessary for the attainment of program objectives. Revisions to the budget shall be in accordance with Section 1C. above and the Standard Provisions entitled "Revision of Grant Budget" and "Cost Sharing". A detailed presentation of the grant budget is provided as Attachment 5.

1D.2. Budget

Grant Budget by Category/Item
January 1, 1992 - December 31, 1993
(Revised 07/21/92)

<u>CATEGORY</u>	<u>5/1/92 - 4/30/93</u>	<u>5/1/93 - 4/30/93</u>
1. (a) U.S. Contribution to the USPEC Fund	\$ 65,000	\$ 65,000
(b) Standing Committee Coord. Meetings	\$ 35,000	\$ 0
2. Symposia: Future of Pacific Agriculture Production/Markets	\$ 15,000	\$ 35,000
3. Science & Technology: Meetings, Training Seminars with OECD, surveys of tech. transfer	\$ 50,000	\$ 45,000

<u>CATEGORY</u>	<u>5/1/92 - 4/30/93</u>	<u>5/1/93 - 4/30/93</u>
4. Telecommunications in Development: Symposia	\$ 45,000	\$ 20,000
5. International Air Transport and Economic Development Roundtables	\$ 12,000	\$ 35,000
6. Direct Foreign Investment Working Group and Symposium	\$ 25,000	\$ 25,000
7. Pacific Economic Outlook	\$ 10,000	0
8. Travel, U.S.	\$ 26,500	\$ 15,000
Travel, International	\$ 31,500	\$ 85,000
Subtotal	\$315,000	\$325,000
9. Other temporary costs (see explanatory budget attached)	\$ <u>85,000</u>	\$ <u>75,000</u>
Total	\$400,000	\$400,000

1D.3. Inclusion of any cost in the budget of this Grant does not obviate the requirement for prior approval by the Grant Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision of this Grant set forth in Attachment 3 entitled "Allowable Costs") and other terms and conditions of this Grant, unless specifically stated in Section 1I. below.

1E. REPORTING

1E.1. Financial Reporting

1E.1.(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Grant entitled "Payment - Letter of Credit," as shown in Attachment 3.

1E.1.(b) All financial reports shall be submitted to A.I.D., Office of Financial Management, FA/FM/A/NPA&PA, Room 700 SA-2, Washington, D.C. 20523-0209. In addition, three copies of all financial reports shall be submitted to the A.I.D. Project Office specified in the Cover Letter of this Grant, concurrently with submission of the Quarterly Technical Reports (See Section 1E.2. below).

1E.1.(c) The frequency of financial reporting and the due dates of reports shall be as specified in the Standard Provision of this Grant referred to in Section 1E.1.(a) above.

1E.1.(d) The Grantee's financial reports shall include expenditures of A.I.D. Grant funds provided hereunder, as well as non-federal matching funds and any other contributions in accordance with Section 1L. below.

1E.2. Program Performance Planning and Reporting

1E.2.1. USPEC will prepare the following reports:

1E.2.1.(a) Quarterly Reports

The Grantee shall submit five (5) copies of brief quarterly program performance reports, which coincide with the financial reporting periods described in Section 1E.1. above, to the A.I.D. Project Office specified in the Cover Letter of this Grant. In addition, two copies shall be submitted to A.I.D., PPC/CDIE/DI, Washington, DC 20523-1802. These reports shall be submitted within 30 days following the end of the reporting period, and shall briefly present the following information:

A comparison of actual accomplishments with the goals established for the period, the findings of the investigator, or both. If the output of programs can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

Reasons why established goals were not met, if applicable.

Other pertinent information including the status of finances and expenditures and, when appropriate, analysis and explanation of cost overruns or high unit costs.

1E.2.1.(b) Semi-Annual Reports

Grantee will provide semi-annual status reports. The semi-annual reports shall provide substantially more detail than the quarterly reports. Using the budget line items 1 through 6, grantee should provide in each status report: (1) the name, country representing, and purpose of trip, (e.g. forum, workshop, seminar etc.) for any participant who travels as a result of the U.S. contribution to the USPEC Central Fund, (2) detailed information on the specific outcome of the Standing Committee Coordination Meeting, (3) detailed information such as outcome findings and accomplishments that come out of the five topic areas, (4) status of the Pacific Economic Outlook (PEO), (5) and (6) the name, area of expertise, honoraria paid, and background on the U.S. representatives who attend any of the five topic area meetings. Grantee's report should be as detailed as possible with this report and include any information that may be of interest to A.I.D. and identify opportunities for interaction, interest to A.I.D. and identify opportunities for interaction, exchanges and coordinated efforts between countries within the region. The reports should also identify accomplishments that may not have taken place without these grant funds.

1E.2.1.(c) Special Reports

Between the required program performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform the A.I.D. Project Officer as soon as the following types of conditions become known:

Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any A.I.D. assistance needed to resolve the situation.

Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Grant entitled "Revision of Grant Budget," the Grantee shall submit a request for budget revision to the Grant Officer and the A.I.D. Project Officer specified in the Cover Letter of this Grant.

1E.2.1.(d) Trip Reports

Within 30 days following the completion of each international trip, the Grantee shall submit 3 copies of a trip report summarizing the accomplishments of the trip to the A.I.D. Project Officer specified in the cover letter of this Grant. If several individuals are traveling together to one site, a single report representing the group will suffice. The report shall include the purpose of the trip, technical observations, suggestions and recommendations, overall impressions (if appropriate), and a list of persons visited with their title and organization affiliation.

1E.2.1.(e) Final Report

Within 90 days following the estimated completion date of this Grant (see Section 1B. above), the Grantee shall submit five (5) copies of a final report to the A.I.D. Project Office specified in the cover letter of this Grant. In addition, two copies shall be submitted to A.I.D., POL/CDIE/DI, Washington, DC 20523-1802. It will cover the entire period of the Grant and include all information shown in Sections 1E.2.1.(a) through 1E.2.1.(d) above.

1E.2.2. Distribution

Reports will be sent to:

Project Officer, ASIA/DR/TR
Agency for International Development
Room 3327A, New State Department Building
Washington, D.C. 20523

POL/CDIE/DI
ACQUISITION
Room 209, SA-18
Agency for International Development
Washington, DC 20523-1802

1F. TITLE TO PROPERTY

Title to property acquired hereunder shall vest in the Grantee, subject to the requirements of the Standard Provision of this Grant entitled "Title To and Use of Property (Grantee Title)" regarding use, accountability, and disposition of such property, except to the extent that disposition of property may be specified in Section 1I. below.

1G. PROCUREMENT AND (SUB)CONTRACTING

1G.1. Applicability

This Section 1G. applies to the procurement of goods and services by the Grantee (i.e., contracts, purchase orders, etc.) from a supplier of goods and services (see the Standard Provisions of this Grant entitled "Procurement of Goods and Services" and "AID Eligibility Rules for Goods and Services"), and not to assistance provided by the Grantee (i.e., a subgrant or [sub]agreement) to a subrecipient (see the Standard Provision of this Grant entitled "Subagreements").

1G.2. Requirements

In addition to other applicable provisions of this Grant, the Grantee shall comply with paragraph (b)(2) of the Standard Provision of this Grant entitled "AID Eligibility Rules for Goods and Services," concerning total procurement value of more than \$250,000 under this Grant. Further thereto, the following is (are) the Authorized Geographic Code(s):

1G.2.(a) Authorized Geographic Codes

1G.2.(a)(1) Source, Origin, and Componentry of Goods and Commodities

1G.2.(a)(1)(A) Source, Origin, and Componentry

Except as specified in Sections 1G.2.(a)(1)(B) and 1G.2.(a)(1)(D) below, all goods/commodities shall have their source and origin in (Not Applicable), and shall meet A.I.D.'s componentry requirements, except as the Grant Officer may otherwise agree in writing (see also Section 1G.2.(a)[4] below).

1G.2.(a)(1)(B) Exception for Purchase/Procurement Transactions not Exceeding \$5,000

If the proposed purchase/procurement transaction does not exceed \$5,000 excluding transportation costs, paragraph (b)(1) of the Standard Provision of this Grant entitled "AID Eligibility Rules for Goods and Services" shall apply in lieu of Section 1G.2.(a)(1)(A) above.

1G.2.(a)(1)(C) Local Cost Financing

If, pursuant to Sections 1G.2.(a)(1)(A) or 1G.2.(a)(1)(B) above, the cooperating country is authorized for source and origin purposes, the Standard Provision of this Grant entitled "Local Cost Financing" will apply. Pursuant to said Standard Provision, indigenous goods and imported shelf items provided by local suppliers are eligible for local cost financing in quantities up to the total estimated cost of this Grant, subject to the restrictions stated in said Standard Provision, and Chapter 18 of Supplement B to A.I.D. Handbook 1, which, as may from time to time be amended, is incorporated herein as a part of this Grant by reference.

1G.2.(a)(1)(D) Restricted Goods

Notwithstanding the foregoing, the restricted goods listed in paragraph (a)(3) of the Standard Provision of this Grant entitled "AID Eligibility Rules for Goods and Services," and, if applicable (see Section 1G.2.[a][1][C] above or Section 1K. below for applicability), paragraph (e) of the Standard Provision entitled "Local Cost Financing," must be specifically approved by the Grant Officer, except to the extent that such approval may be provided in Section 1I. below.

1G.2.(a)(2)(G) Incidental Services

Incidental services are defined as installation or erection of A.I.D.-financed equipment or the training of personnel in the maintenance, operation, and use of such equipment. No special eligibility requirements pertain to incidental services except that citizens or firms of any country not included in Geographic Code 935 (see Section 1G.2.[a][4][B] below) are ineligible as suppliers of incidental services, and non-U.S. citizens lawfully admitted for permanent residence in the U.S. are eligible regardless of their citizenship.

1G.2.(a)(2)(H) Local Cost Financing

If, pursuant to this Section 1G.2.(a)(2), the cooperating country is authorized for commodity-related services, the Standard Provision of this Grant entitled "Local Cost Financing" will apply. Pursuant to said Standard Provision, services provided by local suppliers are eligible for local cost financing in quantities up to the total estimated cost of this Grant, subject to the restrictions stated in said Standard Provision, and Chapter 18 of Supplement B to A.I.D. Handbook 1, which, as may from time to time be amended, is incorporated herein as a part of this Grant by reference.

1G.2.(a)(3) Nationality of Supplier

1G.2.(a)(3)(A) Suppliers of Goods and Commodities

Except as specified in section 1G.2.(a)(3)(C) below, the suppliers of goods and commodities shall have their nationality in Not Applicable, except as the Grant Officer may otherwise agree in writing.

1G.2.(a)(3)(B) Suppliers of Services (Other Than Commodity-Related Services)

Except as specified in Section 1G.2.(a)(3)(C) below, the suppliers of services (other than commodity-related services, as described in Section 1G.2.[a](2) above) shall have their nationality in Not Applicable, except as the Grant Officer may otherwise agree in writing.

1G.2.(a)(3)(C) Government Owned Organizations

Notwithstanding the foregoing, a Government Owned Organization, i.e., a firm operated as a commercial company or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof, are not eligible as suppliers of goods and commodities, commodity-related services, or services (other than commodity-related services), except as the Grant Officer may otherwise agree in writing.

1G.2.(a)(3)(D) Local Cost Financing

If, pursuant to this Section 1G.2.(a)(3), the cooperating country is authorized for supplier nationality purposes, the Standard Provision of this Grant entitled "Local Cost Financing" will apply. Pursuant to said Standard Provision, local suppliers are eligible for local cost financing of indigenous goods, imported shelf items, and services in quantities up to the total estimated cost of this Grant, subject to the restrictions stated in said Standard Provision, and Chapter 18 of Supplement B to A.I.D. Handbook 1, which, as may from time to time be amended, is incorporated herein as a part of this Grant by reference.

1G.2.(a)(4) Definitions

1G.2.(a)(4)(A) Source, Origin, Componentry, and Nationality of Supplier

Source, origin, componentry requirements, and supplier nationality are defined in Chapter 5 of A.I.D. Handbook 1, Supplement B, which, as may be amended from time to time, is incorporated herein as a part of this Grant by reference (see also Attachment 5 of this Grant which reflects the substance of Chapter 5 of A.I.D. Handbook 1, Supplement B as of the effective date of this Grant).

1G.2.(a)(4)(B) A.I.D. Geographic Codes

A.I.D. Geographic Codes are defined in Appendix D of A.I.D. Handbook 18, which, as may be amended from time to time, is incorporated herein as a part of this Grant by reference (see also Attachment 5 of this Grant which reflects the substance of Appendix D of A.I.D. Handbook 18 as of the effective date of this Grant).

1G.3. Approvals

Inclusion of costs in the budget of this Grant for the purchase of nonexpendable equipment obviates neither the requirement of Section J.13. of OMB Circular A-21 (for educational institutions) or Section 13 of Attachment B of OMB Circular A-122 (for nonprofit organizations other than educational institutions) for prior approval of such purchases by the Grant Officer, nor any other terms and conditions of this Grant, unless specifically stated in Section 1I. below.

1G.4. Title to Property

See Section 1F. above.

1H. INDIRECT COST RATES

1H.1. No indirect costs will be charged to this Grant. The Grantee understands and agrees that indirect costs attributable to this Grant will be absorbed by the Grantee and considered cost sharing.

1I. SPECIAL PROVISIONS

1I.1. Limitations on Reimbursement of Costs of Compensation for Personal Services and Professional Service Costs

1I.1.(a) Employee Salaries

Except as the Grant Officer may otherwise agree in writing, A.I.D. shall not be liable for reimbursing the Grantee for any costs allocable to the salary portion of direct compensation paid by the Grantee to its employees for personal services which exceed the highest salary level for a Foreign Service Officer, Class 1 (FS-1), as periodically amended.

1I.1.(b) Consultant Fees

Compensation for consultants retained by the Grantee hereunder shall not exceed, without specific approval of the rate by the Grant Officer: either the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years; or the maximum rate of a Foreign Service Officer, Class 1 (FS-1) (as periodically amended), whichever is less. A daily rate is derived by dividing the annual compensation by 2,087 and multiplying the result by 8.

1I.3. Publications

1I.3.(a) The Grantee agrees to provide one copy of the manuscript of any proposed publication to the A.I.D. Project Officer not later than submission to the publisher, and to give serious consideration to any comments received from the A.I.D. Project Officer.

1I.3.(b) In the case of publication of any of the reports described in Section 1E.2. of this Grant, A.I.D. reserves the right to disclaim endorsement of the opinions expressed. For other publications, A.I.D. reserves the right to dissociate itself from sponsorship or publication. In both cases, the Grantee will consult with the A.I.D. Project Officer as to the nature and extent of any A.I.D. disclaimer of endorsement or dissociation from sponsorship or publication.

1I.3.(c) If A.I.D. does not choose to disclaim endorsement or dissociate itself from sponsorship or publication, the Grantee shall, in accordance with the Standard Provision of this Grant entitled "Publications," acknowledge A.I.D. support as follows:

"This publication was made possible through support provided by the Bureau for Asia, U.S. Agency for International Development, under Grant No. AEP-0000-G-00-2037-00."

1I.3.(d) In addition to providing one copy of all published works and lists of other written work produced under this Grant to the A.I.D. Project Officer, as required by paragraph (b) of the Standard Provision of this Grant entitled "Publications," the Grantee shall also provide two copies of such publications and lists to A.I.D., PPC/CDIE/DI, Washington, D.C. 20523-1802.

1I.4. Equipment Purchases

1I.4.(a) Requirement for Prior Approval

Pursuant to Sections 1D.3. and 1G.3. above and the Standard Provisions of this Grant entitled "Allowable Costs" and "Revision of Grant Budget," and by extension, Section 13 of Attachment B of OMB Circular A-122, the Grantee must obtain A.I.D. Grant Officer approval for purchases of the following:

1I.4.(a)(1) General Purpose Equipment, which is defined as an article of nonexpendable tangible personal property which is usable for other than research, medical, scientific or technical activities, whether or not special modifications are needed to make them suitable for a particular purpose (e.g., office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment), having a useful life of more than two years and an acquisition cost of \$500 or more per unit); and

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1I.4.(b) Approvals

In furtherance of the foregoing, the Grant Officer does hereby provide approval for the following purchases, which shall not be construed as authorization to exceed the total estimated amount or the obligated amount of this Grant, whichever is less (see Section 1C. above):

Not Applicable

1I.4.(d) Compliance with A.I.D. Eligibility Rules

Any approvals provided in Section 1I.4.(b) above or subsequently provided by the Grant Officer shall not serve to waive the A.I.D. eligibility rules described in Section 1G. of this Grant, unless specifically stated.

1I.5. Restricted Goods

Pursuant to Section 1G. above, paragraph (a)(3) of the Standard Provisions of this Grant entitled "AID Eligibility Rules for Goods and Services," and, if applicable (see Section 1K. below for applicability), paragraph (e) of the Standard Provision of this Grant entitled "Local Cost Financing," the Grant Officer's approval is required for purchase of the restricted goods described therein. In furtherance thereof, the Grant Officer does hereby provide such approval to the extent set forth below. The Grant Officer's approval is required for purchases of such restricted goods if all of the conditions set forth below are not met by the Grantee. Any approval provided below or subsequently provided by the Grant Officer shall not serve to waive any terms and conditions of this Grant unless specifically stated.

1I.6. Limitation on Use of Funds

1I.6.(a) The reports described in Section 1E.2. shall contain a statement indicating the projects or activities to which United States funds have been attributed, together with a brief description of the activities adequate to show that United States funds have not been used for the purpose in Section 1I.6.(a) above.

1I.6.(b) The Grantee agrees to refund to A.I.D. upon request an amount equal to any United States funds used for the purposes prohibited by Section 1I.6.(a) above.

1I.6.(d) No funds provided by A.I.D. under this Grant shall be used to provide assistance, either directly or indirectly, to any country ineligible to receive assistance pursuant to the Foreign Assistance Act as amended, related appropriations acts, or other statutes and Executive Orders of the United States (also see the Standard Provision of this Grant entitled "Ineligible Countries").

11.7. Defense Base Act (DBA) and/or Medical Evacuation Insurance

Pursuant to Section J.16. of OMB Circular A-21 (for educational institutions) or Section 18 of Attachment B of OMB Circular A-122 (for nonprofit organizations other than educational institutions), the Grantee is authorized to purchase DBA and/or medical evacuation insurance under this Grant. If DBA insurance is purchased, it shall be purchased from the insurance company or agent with which A.I.D. has a contract to provide DBA insurance for A.I.D. contracts. The Grant Officer will provide the name, address, and telephone number of such insurance company or agent upon request.

1J. RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Grant shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Attachment 2 - Program Description
- Attachment 3 - Standard Provisions
- Attachment 4 - Special Provision entitled "Restrictions on Lobbying"
- Attachment 5 - A.I.D. Eligibility Rules

1K. STANDARD PROVISIONS

The Standard Provisions set forth as Attachment 3 of this Grant consist of the following Standard Provisions denoted by an "X" which are attached hereto and made a part of this Grant:

1K.1. Mandatory Standard Provisions For U.S., Nongovernmental Grantees

- (X) Allowable Costs (November 1985)
- (X) Accounting, Audit, and Records (September 1990)
- (X) Refunds (September 1990)
- (X) Revision of Grant Budget (November 1985)
- (X) Termination and Suspension (May 1986)
- (X) Disputes (November 1989)
- (X) Ineligible Countries (May 1986)
- (X) Debarment, Suspension, and Other Responsibility Matters (March 1989)
- (X) Nondiscrimination (May 1986)
- (X) U.S. Officials Not to Benefit (November 1985)
- (X) Nonliability (November 1985)
- (X) Amendment (November 1985)
- (X) Notices (November 1985)

1K.2. Additional Standard Provisions For U.S., Nongovernmental Grantees

- (X) Payment - Letter of Credit (November 1985)
- () Payment - Periodic Advance (January 1988)
- () Payment - Cost Reimbursement (November 1985)
- (X) Air Travel and Transportation (November 1985)
- (X) Ocean Shipment of Goods (May 1986)
- (X) Procurement of Goods and Services (November 1985)
- (X) AID Eligibility Rules for Goods and Services (November 1985)
- (X) Subagreements (November 1985)
- (X) Local Cost Financing (November 1988)
- (X) Patent Rights (November 1985)
- (X) Publications (November 1985)
- () Negotiated Indirect Cost Rates - Predetermined (May 1986)
- () Negotiated Indirect Cost Rates - Provisional (May 1986)
- (X) Regulations Governing Employees (November 1985)
- (X) Participant Training (May 1986)
- () Voluntary Population Planning (August 1986)
- () Protection of the Individual as a Research Subject (November 1985)
- () Care of Laboratory Animals (November 1985)
- () Government Furnished Excess Personal Property (November 1985)
- (X) Title To and Use of Property (Grantee Title) (November 1985)
- () Title To and Care of Property (U.S. Government Title) (November 1985)
- () Title To and Care of Property (Cooperating Country Title) (November 1985)
- (X) Cost Sharing (Matching) (November 1985)
- (X) Use of Pouch Facilities (November 1985)
- (X) Conversion of United States Dollars to Local Currency (November 1985)

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1L. COST SHARING AND OTHER CONTRIBUTIONS

1L.1. The Grantee agrees to expend an amount not less than (a) the amount shown in the budget of this Grant for financing by the Recipient and/or others from non-federal funds (see Sections 1D. and/or 1H.), and (b) the amount shown in the budget of this Grant for financing by the Recipient and/or others from other federal funds.

1L.2. The Standard Provision of this Grant entitled "Cost Sharing (Matching)" makes reference to project costs. "Project Costs" are defined in Attachment E of OMB Circular A-110 as all allowable costs (as set forth in the applicable cost principles [see the Standard Provision of this Grant entitled "Allowable Costs"]) incurred by a Grantee and the value of in-kind contributions made by the Grantee or third parties in accomplishing the objectives of this Grant during the program period.

1L.3. The restrictions on the use of A.I.D. funds provided hereunder, as set forth in this Grant, do not apply to cost-sharing (matching) or other contributions unless such restrictions are stated in the applicable federal cost principles and/or imposed by the source of such cost-sharing (matching) funds or other contributions.

ATTACHMENT 2

PROGRAM DESCRIPTION

SUMMARY

This proposal requests a grant from USAID to the United States National Committee for Pacific Economic Cooperation (US-USPEC). The grant will enable US-USPEC to assume larger, temporary responsibilities as Chair of the Pacific Economic Cooperation Conference (USPEC) and thereby to influence the shape and direction of the organization. It will also enable US-USPEC over the next two years to enlarge the resources and expertise from the private sector in its international membership and to make these resources available to the ministerial forum known as APEC.

RATIONALE

Addressing New Development Issues

The relative success in economic development enjoyed by Asia-Pacific countries during the postwar era often obscures the special problems and obstacles that arise from that success. Many of these problems are byproducts of "late development" and rapid economic change, but they are no less acute for the trends they now encounter in such areas as employment, income, migration, population, environment, and health as well as general infrastructure development.

Strategies for addressing this spectrum of issues must be linked to the international economic forces that have helped these countries grow in the first place. Without such an orientation, and a sufficient level of analysis and information to undergird it, individual country strategies may not be synchronized with global and regional economic forces. Attention especially needs to focus on international economic and trade policies among the key trading partners of the Asia-Pacific region, for it is within the regional trading matrix that opportunity arise to start "bow waves" of change to stimulate further growth.

The work of the Pacific Economic Cooperation Conference (USPEC) is based on the above assumptions. Interaction between local-level economic development problems (such as employment, income levels and environmental quality) and international trade and investment issues (such as performance requirements, investment incentives, and various impediments to trade) are central to the concerns of USPEC. The organization is especially concerned with infrastructural growth in the region and with the adjustments required of governments and businesses in adapting to economic changes.

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Private Sector Involvement

The participation of private businesses is critically important to USPEC activities, for it is through the private sector that most technologies are transferred, new training is provided, and job-creating investment is channeled. From the standpoint of American interests, the future national "presence" in Asia will increasingly be represented by U.S. companies. For this reason, the project helps establish a framework for continuing dialogues and partnerships with the private sector concerning American economic goals and interests in Pacific Asia.

Institution Building

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

Background: Achievements Under the Initial Grant

In 1989, the United States Committee of USPEC began a three-year grant from USAID to support its contributions to and participation in meetings of the Task Forces of the USPEC. During this period, the USPEC has grown in several respects: (1) its membership has increased, (2) its range of activities has expanded, (3) its financial contributions have grown, and (4) it has established an international Secretariat in Singapore. The Secretariat helps coordinate USPEC task forces, serves as a liaison with other international bodies and with governments, and facilitates communications among all national committees.

The U.S. Committee became the chair of USPEC in May 1991. In that leadership capacity, it has begun to move USPEC even more strongly toward reliance on business participation and support.

During the same grant period, governments have created the APEC forum (in 1989) and invited USPEC to play an increasing role in the APEC work programs. This USPEC has done on a selective basis, with an increasing number of its Task Forces now serving to draw a wider spectrum of private sector views into the APEC deliberations.

Participation of the Private Sector

The USPEC has grown both nationally and internationally since the beginning of the grant period. The U.S. Committee decided to limit formal membership to a maximum of 100 individuals, but in consideration of its APEC advisory function, it has begun to add special subgroups comprising U.S. businesses that are involved in special sectors of interest to APEC. This has meant that from the time of the initial application in 1988, the number of participating companies on the Committee has gone from 24 to 38. Total annual contributions by the private sector have more than tripled.

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

Sustainability of PECC Beyond the Grant Period

A major objective since the beginning of the original grant was to increase the flow of non-government funding to the U.S. Committee. This objective has been substantially achieved. Funding has increased from a little over \$200,000 in 1989 to \$468,000 in 1991.

In 1991, in consideration of the major leadership responsibility in USPEC that had been accepted by the U.S. Committee, a major private sector fundraising drive was launched which so far has garnered commitments from U.S. businesses for 1991-92 of \$875,000. This will represent a multiple increase in the level of pledged business contributions just since 1990.

This dramatic growth in private sector support is aimed at making USPEC reliant on private funding after the two-year period of the proposed grant extension. Even at the beginning of the grant period, the government support for the USPEC Fund is projected to be much lower due to an increase in the contributions by the international membership of USPEC. Thus, the size of the annual contributions required of the U.S. Committee to the USPEC Fund during the proposed grant (\$65,000) is lower by nearly 40% (adjusted for inflation) from the earlier grant period.

These trends confirm the extent to which a base of non-U.S. government revenues is being developed for the continued growth and development of the USPEC. At the same time, there is a short term need to build government support for USPEC over the next two years in order to establish U.S. leadership of the organization and to strengthen the institutional and private sector linkages between USPEC and APEC.

PURPOSES OF THE GRANT

The grant will enable the U.S. Committee to re-orient and expand activities in areas covered under the original grant as well as to assert a stronger American leadership role in the USPEC. More generally, the grant will permit the United States to:

- * lead and host USPEC meeting for planning and administration of the organization in 1992; including meetings of the international Standing Committee and Coordinating Group.
- * develop new information in the areas that were addressed under the original grant, but with a focus on how recent developments initiated by businesses (e.g., new technologies and technological capacities, industry consolidation, cross-border investments, strategic alliances, market shifts, etc.) are driving further Pacific economic integration and must be addressed by government policy makers. Task Force findings will be developed during 1992, becoming focal points for further discussion and follow up in the Ninth General Meeting (USPEC IX) in San Francisco, September 23-26, 1992.
- * conduct a transition process with the successor chair Committee, Malaysia, through 1993. This will permit a smooth and effective transfer of responsibilities involving staff training and a partial, transitional support for projects led by the United States in the previous year.

These responsibilities place unusual burdens on the U.S. Committee during the fiscal years 1992-3. During part of this period, the U.S. government will also assume the chair position in APEC. Preliminary agreement has been reached between the APEC senior officials in the United States and the U.S. Committee of USPEC to hold a joint meeting of the APEC Senior Officials Meeting (SOM) and the USPEC Standing Committee in San Francisco in September, 1992. US-USPEC will be the host for this joint meeting.

OBJECTIVES AND ACTIVITIES UNDER THE GRANT

1. Support of (a) the PECC Fund and (b) Standing Committee, and Coordinating Meetings

As noted above, the growth of USPEC membership has reduced the future annual financial contributions required by the U.S. Committee to the USPEC Fund (the Fund supports travel by developing country participants and special support functions and projects). On the other hand, its new status as the USPEC Chair Committee has imposed temporary additional burdens on the U.S. Committee, requiring it to organize and host international planning meetings for the USPEC. These offsetting costs apply to the 1992 fiscal year only; the amount drops significantly in 1993.

2. Symposium; Future of Asia-Pacific Agricultural Production, Food Storage and Processing

A central issue for the USPEC "beyond the Uruguay Round" is how to manage the growth of agricultural production and trade in the region. How are new developments in the agricultural sector contributing to (or inhibiting) national economic development plans? What are the prospects for new niche markets that can be exploited by developing economies and to what extent can international trade be an assured component of national food security? How do national food storage policies as well as new technologies for storage, shipping and sanitation affect policy planning for the future? As the agricultural sectors of most planning for the future? As the agricultural trends in the economies continue to go decline in relative and possibly absolute terms, how can adjustments be made smoothly? These are among the issues to be addressed by a U.S.-led effort to expand private sector inputs into discussions of agricultural trends in the Asia-Pacific region. The September 1992 symposium on these topics will be prepared through three commissioned research papers and analyses. Key agricultural policy planners and agribusiness representatives will participate from USPEC economies. The results will be published and distributed by the USPEC.

3. Science and Technology Cooperation

The Science and Technology Task Force will improve regional expertise in the collection and analysis of data on science and technology resources. It is expected that these data will include training resources provided by the private sector, although extensive information in this category will be slow to develop. Working with a small team from the OECD, USPEC will hold its first training program for this purpose in Jakarta in the summer of 1992. In addition, the Task Force program will examine the experience of USPEC member economies in utilizing private business investment to develop research and technology oriented industrial parks. Planning meetings of the International Advisory Group for the Task Force will be organized and co-hosted by the United States Committee with one or two other Committees in the group.

4. Telecommunications in Development: Roundtables on User Needs, Communications Bottlenecks, Solutions

Strong, sustainable economic growth in the Pacific region will depend on a modern, well-integrated telecommunication infrastructure. The competitive advantages of such an infrastructure are becoming evident Western Europe, but the Asia-Pacific area has yet to undertake a comprehensive review of its telecommunications development. Amidst a worldwide information revolution, telecommunications cooperation in the Pacific region has barely begun. US-USPEC will lead a Task Force effort to determine what specific strategies might usefully be pursued in this area.

Eugene Eidenberg, Executive Vice President of MCI Communications Corporation and a member of the Committee, has suggested that the central issue was how to properly manage the transition to advanced telecommunications for developing countries. The key, he argues, is to rationalize technology, public policy and customer demand; none can be viewed in isolation, and each necessarily affects the other. A special emphasis in this initiative will be to focus on the needs of a spectrum of developing country users, from small businesses to larger entities. A symposium will be held in April with developing country participants to examine the interlinkages of the three areas - technology, public policy, and consumer demand. Officials who are involved in the APEC Telecommunications Working Group will participate and the findings of the symposium will be communicated to APEC.

5. Trade and International Transport Bottlenecks in Developing Economies

A growing problem of adequate transportation infrastructure and service in the Asia-Pacific region threatens to choke economic development in several parts of the region. This issue will be addressed in a symposium to be organized by US-USPEC. Specifically, the need for new efforts to train and educate personnel in developing countries for growing demands of sophisticated technologies in the air transport sector will be examined. Additionally, economic and business trends in the region that may affect access to transportation services, particularly in developing nations, will be addressed.

This initiative began with a planning meeting in Indonesia in November, 1991 followed by a working group meeting in the spring of 1992 and a formal symposium will be held in San Francisco, September, 1992. Officials in the APEC Working Group on Transportation will be invited to participate, and the results will be communicated through them to the APEC ministers.

6. Direct Foreign Investment and Development Assistance

The paucity of investment treaties in the Asia-Pacific region, particularly with the United States, has tended to obscure and distort direct foreign investment. At the same time, Japanese development assistance continues to be a powerful lever for advancing Japanese contracts and investment in the region. The United States Committee will lead a dialogue in USPEC with the aim of proposing to governments a framework for a multilateral accord on direct foreign investment in the region. A working group for this purpose will be led by Stephen Guisinger, University of Texas, Dallas. Its research and deliberations will culminate in a formal symposium and an outline of options for governments in conjunction with USPEC IX in San Francisco. Participants will include officials involved in the APEC working group on investment and technology transfer.

7. Pacific Economic Outlook

The annual Pacific Economic Outlook (PEO), currently issued by a team of USPEC forecasters, will be expanded and improved in 1992. Additional member economies will be included in the Outlook and the effort to predict such factors as domestic demand will be explored further. Part one of the Outlook contains an analysis of major economic trends in each USPEC member economy, including a year-ahead forecast of future growth, and an overview of regional economic interactions. Part two will examine major issues of structural change in the region, such as the privatization of industries and trends in direct foreign investment.

Cost for much of the PEO activity are borne by a separate grant from a business sponsor, the InterPacific Group, so that AID support will comprise approximately ten percent of the total budget in this activity.

IMPLEMENTATION SCHEDULE

The Grant periods will be from May 1, 1992 through April 30, 1993, and May 1, 1993 through April 30 1994.

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