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U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT  
GUATEMALA

NOV 22 1993  
Section

August 5, 1993

PLAZA UNO  
1A. CALLE 7-66,  
01009 ZONA 9,  
GUATEMALA

USAID  
UNIT 3323  
APO AA 34024  
U.S.A.  
FEDERACION DE ENTIDADES PRIVADAS  
DE CENTROAMERICA Y PANAMA (FEDEPRICAP)  
San Pedro de Montes de Oca  
San José, Costa Rica, C.A.

Subject: Cooperative Agreement No. 596-0147-A-00-3248-00

Gentlemen,

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development, (hereinafter known as AID), hereby grants to the Federation of Private Sector Enterprises of Central America and Panama (FEDEPRICAP) (hereinafter known as Recipient of FEDEPRICAP) the sum of One Hundred and Ninety Thousand U.S. Dollars (US\$190,000) to provide support for FEDEPRICAP as more specifically described in Attachment 2 to this Cooperative Agreement entitled "Project Description".

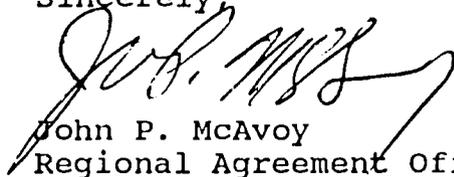
This Cooperative Agreement is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning July 1, 1993, and ending July 1, 1994. This Cooperative Agreement is made to the FEDEPRICAP on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment No.1 entitled the Schedule, and Attachment No. 3 entitled Illustrative Budget.

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FEDEPRICAP  
Cooperative Agreement No. 596-0147-A-00-3248-00

Please sign the original and five (5) copies of the letter to acknowledge receipt of this Cooperative Agreement and return the original and four (4) copies to USAID/Guatemala, Attention: Regional Contracting Office.

Sincerely,

  
John P. McAvoy  
Regional Agreement Officer

ACKNOWLEDGED:

By:  \_\_\_\_\_

Title: 14851021 \_\_\_\_\_

Date: July 12/93 \_\_\_\_\_



ATTACHMENTS:

1. Schedule
2. Project Description
3. Illustrative Budget
4. ~~Standard Provisions, Non-US, Nongovernmental Grantees~~

FISCAL DATA

Appropriation No.:	72-1131021
Budget Plan Code:	LDVA-93-25596-KG13
PIO/T No.:	596-0147.5-3-30075
Total Estimated Amount:	\$190,000.00
Total Obligated Amount:	\$190,000.00

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SCHEDULE

A. Purpose of Cooperative Agreement

The purpose of this Cooperative Agreement is to provide support for the Federation of Private Sector Enterprises of Central America and Panama (FEDEPRICAP) as more specifically described in Attachment 2 to this Cooperative Agreement entitled "Project Description".

B. Period of Cooperative Agreement

1. The effective date of this Cooperative Agreement is July 1, 1993.
2. The expiration date of this Cooperative Agreement is July 1, 1994.

C. Amount of Cooperative Agreement and Payment

1. AID hereby obligates the amount of US\$190,000 for purposes of this Cooperative Agreement.
2. Payment shall be made to the Recipient in accordance with procedures set forth in the Attachment 4 - Standard Provisions Section, entitled "Periodic Advances".

D. Responsibility of the Parties

1. A.I.D.

A.I.D., under this Cooperative Agreement, will make available \$190,00 to support FEDEPRICAP in carrying out the activities outlined in Attachment 2.

2. FEDEPRICAP

FEDEPRICAP, in collaboration with A.I.D., will manage the resources assigned for this project. FEDEPRICAP will provide all additional professional, administrative, and associated services and resources that may be required above the amounts specified in the project budget attachment.

E. Restrictions

A.I.D. and FEDEPRICAP agree that A.I.D. funds provided pursuant to this Cooperative Agreement shall not be committed, disbursed or otherwise utilized in areas where the provision of such funds would contravene any provisions of the Foreign Assistance Act of 1961, as amended. A.I.D. shall advise FEDEPRICAP in writing from time to time of such areas.

F. Financial Plan

The Financial Plan for this Cooperative Agreement is shown as Attachment No. 3. Revisions to the plan shall be made in accordance with Standard Provision of this Cooperative Agreement entitled Revision of Grant Budget. The Financial Plan is illustrative in nature and the Recipient may adjust individual cost lines by a factor not to exceed 15%. Any adjustment exceeding 15%, or any increase in the total amount requires the prior written approval of the Agreement Officer.

G. Counterpart Contribution

The Recipient will be held accountable for providing the counterpart funds agreed to in this Cooperative Agreement. This counterpart represents a 25% match by the Recipient of the Total contribution to this Cooperative Agreement. If the Recipient does not match total funds at the rate of 25%, A.I.D. will disallow costs proportionately. The counterpart contributions to this Cooperative Agreement will be documented by quarterly reports and verified by independent audits of the Recipient's programs. The quarterly counterpart contribution report (see form attached) should be received by the Mission no later than 30 days after the end of each calendar quarter.

As in earlier Cooperative Agreements with FEDEPRICAP, the entity will assign counterpart funds. FEDEPRICAP agrees to apportion the equivalent of 25% of the total project costs, or US\$63,333, from membership fees and/or member contributions in kind during the life of the project.

H. Standard Provisions

The Standard Provisions relevant to this Cooperative Agreement are attached as Attachment 4 and made a part of this Cooperative Agreement.

I. Special Provisions

1. The Agreement Officer's Technical Representative (AOTR) for the performance of this Cooperative Agreement is the Chief of the Office of Economic Analysis and Policy Reform Implementation or his designee. The AOTR shall be named in writing and the Recipient will be notified in writing should the AOTR be changed. The AOTR shall have the following duties:
  - a. Certification of work performed on all vouchers submitted;
  - b. Necessary clarifications of, or minor, non-cost-related technical submissions required under the Program Description;
  - c. Approval of all reports, plans, timetables or other such technical submissions required under the Program Description;
  - d. Approval of all short and long term personnel charged to this Cooperative Agreement provided that their salary does not exceed their current salary or the salary of an A.I.D. employee at the FS-1 grade, whichever is less; and
  - e. Approval of travel and procurement commodities.
2. Salaries or compensation of short and long-term Specialists require prior written approval by the Regional Agreement Officer.

J. Understanding of Substantial Involvement

A.I.D. and the Recipient anticipate that A.I.D. will have substantial involvement in assisting FEDEPRICAP to carry out its responsibilities hereunder.

K. Administrative and Fiscal Provisions

FEDEPRICAP will contract an annual audit of the funds under this Cooperative Agreement as well as the financial statements of the organization as a whole. FEDEPRICAP will select an independent auditor from the A.I.D.-approved list of audit firms. The audit

will be a financial audit performed in accordance with the "Guidelines for the Financial Audits Contracted by Foreign Recipients" issued by the A.I.D. Inspector General and the Government Auditing Standards (1988 revision). The approximate annual cost of doing these audits for the USAID projects being implemented by FEDEPRICAP is \$5,000 which is budgeted under this Cooperative Agreement.

L. Authorized Geographic Code

The authorized Geographic Code for procurement of goods and services shall be in accordance with Provision No. 6 of the Optional Standard Provisions.

Local costs are authorized pursuant to Standard Provision No. 8 "Local Cost Financing".

Informe Trimestral de la Contribución de Contrapartida  
(Quetzales)

Proyecto No.: \_\_\_\_\_ Unidad Ejecutora: \_\_\_\_\_

Título del Proyecto: \_\_\_\_\_ Período del Informe: \_\_\_\_\_

Partida Presupuestaria	Presupuesto de Contrapar- tida Durante la Vigencia del Proyecto	Contribuciones de Contrapartida		
		Total Acumu- lado Hasta el Período Anterior	Este Período	Total Acumu- lado Que In- cluye Este Período

Contribución en Efectivo

Contribución en Especie

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Total

El suscrito por este medio certifica que la información proporcionada anteriormente es correcta y que, a solicitud de la Misión AID, proporcionará la información detallada o la respectiva documentación justificativa.

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Firma Autorizada -

\_\_\_\_\_   
Título

\_\_\_\_\_   
Fecha

### PROJECT DESCRIPTION

The Federation of Central American and Panamanian Private Sector Entities, FEDEPRICAP, is a regional organization which has demonstrated its ability to join together key business, private sector, and government entities in common efforts to further regional integration. As an A.I.D.-registered PVO, FEDEPRICAP has approved statutes, an elected Board of Directors, and an operational budget financed in part with monthly quotas from each member of the region. FEDEPRICAP has received funding from ROCAP since February, 1989, under the Private Sector Initiatives Project which ends June 30, 1993, in support of its activities in promoting and strengthening regional efforts in trade and investment development, reduction of trade barriers, and increasing trade in services, including infrastructure services.

The purpose of this grant is to provide funding to FEDEPRICAP in order that it may continue its efforts to further the region's global competitiveness, by undertaking analysis and consensus-building on productive networks in terms of effects on industrial competitiveness, and by promoting greater private sector participation in the development of infrastructure in the region.

### SCOPE OF WORK

As part of its overall Action Plan, in 1993 FEDEPRICAP will continue to work in two specific activities keyed to enhance the ability of regional businesses to compete effectively in overseas markets: (1) the promotion of competitive industry within the region and the creation of an attractive environment for the application of new technologies, and (2) strengthening the role of the private sector in promoting efficient transport, telecommunication, and energy systems.

A general description of these activities follow:

A. Competitiveness and Technology

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In mid-1992 FEDEPRICAP, with Interamerican Development Bank (IDB) support, took the first steps to assess systematically the factors influencing the competitiveness of the region's economy. It began a combined program of analysis, workshops and conferences with the objective of promoting "more efficient, regionally integrated, and internationally competitive" regional productive structures--principally in the private sector. With IDB support, FEDEPRICAP has installed and is analyzing a UN comparative world trade database, designed questionnaires and is conducting interviews with businessmen throughout the region. These interviews

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are being conducted in a number of sectors, including plastic and metal manufactures, non-electrical machinery, food preservatives, and clothing. This work was designed to establish the basis for designing policy and other responses to promote a more competitive performance of the regional economy. This is the goal of the follow-up activities to be implemented under this Cooperative Agreement.

Among the activities which FEDEPRICAP will undertake are the following:

1. During the period July, 1993-February, 1994, in collaboration with the IDB, analyze the results of the interview/surveys completed thus far to uncover restraints to productivity and competitiveness, integrating the data with and analyzing it in the context of the UN database;
2. During that period, conduct an analytical workshop with the private sector to discuss and refine in draft the analytical results of (1);
3. Undertake a special analysis of the metal processing sector;
4. Prepare publications, monographs, and other studies to articulate the results clearly for the private sector, and to prepare the way for consensus-building activities;
5. From January-June, 1994, undertake an intensive series of three national consensus-building seminars and one regional conference to develop the necessary climate to harmonize legislation and promote micro-economic (firm-level) changes within the region that will enhance productivity, promote new technology, and competitiveness.

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B. Expanding the Private Sector Role in Regional Infrastructure Development

Since 1989 FEDEPRICAP has taken a leading role, under the Private Sector Initiatives project, among the region's private sector organizations in studying ways to overcome transportation bottlenecks to trade and in developing consensus by which the

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**ILLUSTRATIVE BUDGET**

1. Technical Services	\$ 74,120
2. Labor benefit 16.67%	12,360
3. Travel and Per Diem	30,000
4. Seminars, Workshops, Meetings	18,000
5. Publications	6,000
6. Audit/Evaluation	5,000
7. Other Direct Costs	6,000
	<hr/>
	\$151,480
8. Overhead	38,520
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<b>T O T A L</b>	<b>\$190,000</b>
	<b>=====</b>

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