

CLOSE OUT REPORT

Per Grant Number 118-G-00-09-00060

Date: 25 November, 2009

Derek Norberg, Executive Director, Russian American Pacific Partnership, at the
Foundation for Russian American Economic Cooperation (FRAEC)

Program Description:

The Russian American Pacific Partnership (RAPP) is a participatory bilateral forum between the United States and the Russian Federation with well over 4,000 participants over its 15 year history. RAPP is among the longest continually running federal-level bilateral forums and is unique in its regional focus on Eastern Russia and the Western United States. RAPP benefits the respective governments, the Pacific regions, and the private-sector and public interests of both countries. RAPP engages the respective governments at the federal and local levels, their agencies, NGO, private-sector and private citizen players in a transparent open discussion of common interest issues to formulate recommendations to the respective federal governments to expand and enhance bilateral cooperation. Through its annual forums held on both sides of the Pacific, RAPP is a broad-based participatory bilateral process that reinforces the accountability of the governments to the private-sector and public interest.

Objective of the Grant:

The grant provided \$35,000.00 as partial funding to the Foundation for Russian American Economic Cooperation to support the Russian American Pacific Partnership program activity to prepare for and execute its 14th annual meeting in 2009 on September 29 to 30, 2009 in Yuzhno-Sakhalinsk, Russia.

The Grant funding was expended over the five months of June 2009 through immediate post-meeting Summary Report preparation October, 2009.

Description of the 2009 14th Annual Meeting of RAPP:

Number of participants:

The RAPP 14th annual meetings attracted 125 participants, which was well inline with our projections. A factor that might have limited additional attendance was the Sakhalin Oil and Gas Conference held the same week as RAPP. Some private-sector representatives were not able to take the full week off from work in order to attend both events and opted for the larger oil and gas event.

VIP Attendees:

RAPP was particularly successful this year with attracting high-level policy-level representatives from both federal governments. In fact, the federal government attendance at RAPP's 14th annual meeting was the strongest we have seen to date. Deputy Minister of Foreign Affairs Sergey Ryabkov flew from New York just to attend the first day of the 14th RAPP meeting. Ryabkov was the first and only Deputy Minister to attend a RAPP meeting. RAPP succeeded in securing the attendance of the Deputy Plenipotentiary Representative of the President of Russia in the Russian Far East Federal District, Mr. Alexander Levintal. This was the first RAPP meeting attended by a

representative of the Pol-Pred office for the Far East. While the US Ambassador John Beyrle was unable to attend the meeting, he sent a very effective video address of the meeting. In addition, Kyle Scott, Director of Russian Affairs with the U.S. State Department, and Matthias Mitman, Economic Minister Counselor, U.S. Embassy Moscow, attended.

Dmitry Sazhin, Deputy Director, Department of Foreign Economic Relations, Ministry of Economic Development RF co-chaired the meeting for Russian side and Jack Brougher, Director of Russia, Ukraine and Eurasia for the Department of Commerce co-chaired for the U.S.-side.

Meeting Themes:

The broad theme of the meeting was “shared interests”. The meeting also served as an opportunity to clarify the workings of the new US-Russia Bilateral Presidential Commission and to highlight public-private cooperative projects addressing corporate social responsibility objectives. Themes for presentations and targeted discussions were formulated and refined right up to the meeting. A strong line-up of presentations covering a wide range of sectors and topics was held on the afternoon of 29 September. Presentations were selected and ordered by themes and delivered to the full attendance audience. This provided all meeting attendees a common basis of experience and message prior to their attending the breakout sessions the next day. Recognizing a wide range of interests at RAPP, by design, we included presentations on transportation, applied technologies, including energy efficiencies and alternative energy, community development and public-private cooperation.

Annual Meeting Program:

The 2009 annual meeting followed a brisk two-day meeting format that proved successful last year at the Tacoma, Washington annual meeting (2008). The meeting format included:

Day 1, Sept. 29: the morning was the Opening Plenary (Main Hall) with the afternoon: session dedicated to presentations (Main Hall) with an opening reception at the end of the day.

Day 2, Sept. 30: the morning: 3-4 Breakout Sessions (In three conference rooms of the Pacific Plaza Sakhalin Hotel) followed by the afternoon: Closing Plenary (summary of reports of the breakout sessions, closing remarks). A closing reception was held at the end of the day.

The full program, including the schedule of presentations for afternoon of Sept. 29th, is included as Attachment. USAID participated with a presentation on community development and corporate social responsibility at the meeting.

Targeted Outcomes and Deliverables:

As a participatory forum, the forum organizer does not prescribe the policy recommendations formulated at the meeting sessions by participants. The meeting is designed for attendees to develop their own suggestions to address their needs – very

much a “bottom-up” approach; however, the following were the targeted deliverables for the meeting:

1. To have RAPP participants create reports with policy recommendations at the 3 to 4 RAPP breakout sessions and deliver reports at the meeting to the Co-chairs and then subsequently to the appropriate government agencies of both countries. The reports will also be studied by RAPP for follow-on initiatives or actions by RAPP in the balance of 2009 and first half of 2010.
2. To encourage volunteer groups of interested professionals to obligate to work and advance target initiatives or projects following the meeting. RAPP can serve as coordinator between parties.
3. To create new impetus for, and consensus around, U.S.-Russian cooperation across the Pacific and specifically in the Russian East.

Empirical measures:

1. Attendance: Greater than 100 attendees at the RAPP 2009 annual meeting,
2. Composition of attendance:
 - Greater than 50% private-sector (commercial and non commercial),
 - At least one U.S. State official and greater than four official Russian regional delegations,
3. Sponsorship: \$55,000 in combined private-sector sponsorship funding and retained attendance fees collected (Match funding).

Actual Performance on Targeted Outcomes and Deliverables:

RAPP is pleased to advise that the performance on the stated objectives for the 14th annual meeting were nearly achieved in all categories. Specifically:

1. The three RAPP breakout sessions were all well moderated and attended and the recommendations advanced were well considered and structured. The recommendations from the RAPP meeting were accepted by the U.S. Department of Commerce and the Ministry of Economic Development of the Russian Federation to their October 15th Presidential Bilateral Commission Economic Sub-Group meeting, in which “RAPP recommendations” was an agenda item.
2. It is too early to report on RAPP success in leveraging volunteers for follow-on actions to targeted initiatives at the RAPP meeting.
3. The annual meeting did exceed even our high expectations in reviving interest both in U.S.-Russian cooperation in the Russian Far East and for the RAPP forum itself evidenced by bilateral expressions of support for the continuation of the forum as a particularly effective and relevant bilateral activity.

Empirical measures:

1. Attendance: RAPP exceeded the 100 person target for attendance with 125 officially registered attendees.
2. Composition of attendance:
 - a. RAPP did not achieve the 50% or more private-sector attendance, but this did not prove detrimental to the meeting’s effectiveness. The competition with the

Sakhalin Oil and Gas Conference was a negative factor in attracting more private-sector attendees.

- b. Despite no U.S. West Coast State official attending the meeting, as the State of Alaska at the very last minute was unable to send their delegate, RAPP was successful in delivering four official Russian regional delegations (Khabarovsk, Sakhalin, Kamchatka, and Magadan). In total, the 14th RAPP meeting attendees represented five U.S. states and the District of Columbia, and five Russian Far East regions in addition to Saint Petersburg and Moscow.
3. Sponsorship and Retained Registration Fees: The total actual performance in sponsorship and retained attendance fees for the 14th meeting was \$35,000 in sponsorships and \$8,426.45 in retained registration fees for a total of \$43,426.45, or 79% of the target. This was 21% below the target of \$55,000 in combined private-sector sponsorship funding and retained attendance fees collected (Match funding) for several reasons. Primarily, the 2009 economy proved more challenging than expected for securing sponsorship support. The largest factor was the decrease in Russian entity sponsors. RAPP secured a total of \$35,000 in sponsorships, which was \$10,000 less than budgeted. Further, RAPP expected to collect greater registration fees through its registration website. Regrettably, RAPP's good partners at the Sakhalin Regional Administration were not as strict in requiring private sector registrants to register via the RAPP website, and instead took registrations and payments locally on Sakhalin. This potentially represented a loss in retained registrations fees to RAPP of \$3,000.

Leveraged funding:

In addition to the Match funding achieved through RAPP 2009 sponsorships and retained attendance fees, RAPP "leveraged" in excess of \$90,000.00 in Sakhalin Administration budget funding expended on the of hosting the RAPP annual meeting (including the lunches, receptions, meeting venue rentals, program preparation and printing, local site transportation costs, local organizing committee staff time). This leveraged funding support of the RAPP annual meeting is critical to the program activity and significantly reduced FRAEC/RAPP direct expenditures to deliver the high value of event on a reduced budget.

RAPP's Future for 2010 and beyond:

There seems to be a general consensus of the importance of supporting the RAPP forum's continuation. No other bilateral forum mechanism exists that is broad-based and open-registration focusing on the great potential of trans-Pacific cooperation between Eastern Russia and the Western United States. Only RAPP plays this role. But RAPP's funding remains tenuous and 2010 is expected to again be a challenging year for the forum. FRAEC is intent to continue RAPP in 2010 and to see RAPP hold its 15th annual meeting in the United States but will again need additional financial support beyond the RAPP sponsorships and retained registration fees. The 2010 program budget is currently being developed. FRAEC would welcome the opportunity to work with USAID on the possibility for its renewed limited grant support in 2010 for this vital activity.

ATTACHMENT

DETAILED PROGRAM
RAPP 14th Annual Meeting
Yuzhno-Sakhalinsk, Russia, September 29-30, 2009

Tuesday 29 September

OPENING PLENARY RAPP 2009 ANNUAL MEETING, (Sakhincenter Main Hall, 2nd floor)

9:00-9:07 **Alexander Khoroshavin**, Governor of the Sakhalin Region

9:07-9:20 **Sergey Ryabkov**, Deputy Minister Foreign Affairs of the Russian Federation

9:20-9:24 Announce and play video remarks to RAPP by **U.S. Ambassador John Beyrle**

9:24-9:32 **Thomas Armbruster**, U.S. Consul General, Vladivostok, Russia

9:32-9:40 **Kyle Scott**, Director, Office of Russian Affairs, U.S. Department of State

9:40-9:50 **Alexander Levintal**, Deputy Ex-Plenipotentiary Representative of the President of the Russian Federation in the Far East Federal District

9:50-9:55 **Matthias Mitman**, Minister Counselor for Economic Affairs, US Embassy to the Russian Federation

Addresses of the 14th Annual Meeting Co-Chairs:

9:55-10:08 **Dmitry Sazhin**, RAPP Meeting Co-Chair and Deputy Director, Department of Foreign Economic Relations, Ministry of Economic Development and Trade of the Russian Federation.

10:08-10:15 **Jack Brougher**, RAPP Meeting Co-Chair and Director, Office of Russia, Ukraine and Eurasia, U.S. Department of Commerce

10:15-11:00 **DISCUSSION ON THE U.S.-RUSSIA BILATERAL PRESIDENTIAL COMMISSION:**

The panel will discuss issues, agenda and structure of the U.S.-Russia Bilateral Presidential Commission, with opportunity for questions and suggestions from attendees.

Panelists include key federal officials working on the Presidential Commission - **Sergey Ryabkov**, **Kyle Scott**, **Alexander Levintal**, **Dmitry Sazhin** and **Jack Brougher**

- Questions and discussion with attendees from floor.

11:00-11:15 Coffee Break

11:15-11:45 **REGIONAL PERSPECTIVES with addresses by Heads of regional delegations:**

11:15-11:25 **Oksana Gerasimova**, Minister of Investment and Entrepreneurship Development, Kamchatka Territory

11:25-11:35 **Leonid Ivanyuta**, Magadan Region, Head of Representation of the Magadan Region to the Far Eastern Federal District

11:35-11:45 **Sergey Zrazhevskiy**, Deputy Minister of Industry, Transportation and Communications, Khabarovsk Territory

11:45 Closing of Plenary Session

12:00 – 1:30 **LUNCH**, (Pacific Café, 1st floor Sakhincenter)

1:30-4:35 **THEMATIC PRESENTATIONS** (Sakhincenter Hall, 2nd floor)
Opening of presentations session by RAPP Secretariats

1:30-2:00 Oil and Gas Presentations:

1:30-1:40 **James Taylor**, President, Exxon-Neftegaz Limited, On the Sakhalin-1 Project

1:40-1:50 **Vladimir Kozlov**, Gazprom Representative Office on Sakhalin

1:50-2:00 **Carol Kessler**, Director, Pacific Northwest Center for Global Security, "Energy Security for Producers and Consumers"

2:00-2:40 Technologies Presentations:

2:00-2:10 **John Aronson**, AATA International, Inc. Advanced energy developments, including energy conservation, geothermal, wind, tidal, hydrokinetic, pump-storage, ocean-thermal

2:10-2:20 **Sergey Kanyov**, General Director, O.O.O. Khabarovsk Center of Energy Conservation, On the Implementation of Energy Conservation Technologies in the Khabarovsk Territory

2:20-2:30 **Natalia Kosmodemianskaya**, Deputy Head of CRDF Representative Office in Russia, U.S. Civilian Research and Development Foundation: U.S.-Russian Cooperation in Innovation

2:30-2:40 **Vladimir Kovalskiy**, General Director, Technovation, LLC: On New Directions for US-Russian Cooperation in Innovation

2:45-3:10 Highlighting Russian Priority Development Projects:

2:45-2:55 **Sergey Karpenko**, Chairman of the Economics Committee, Sakhalin Regional Administration, On Sakhalin Region projects within the federal priority program "Far East and Zabaikalye"

2:55-3:05 **Nikolai Brusnikin**, Deputy General Director for Investment and Development, JSC «RAO Energy System of East»: Priority Investment Projects and Opportunities for U.S. Investor Participation

3:05-3:10 **Nikolai Baramygin**, Head of Foreign Currency and Precious Metals Department, Commercial Bank "AlmazErgienbank", On the priority Economic Development Projects of the Republic of Sakha (Yakutia)

3:10-3:45 Community Development Presentations:

3:10-3:20 **James Carlson**, Director of Regional Development, USAID, Strategy and priorities of USAID in Eastern Russia.

3:20-3:30 **Margarita Tsoy**, Government and Public Affairs Manager, Exxon-Neftegaz Limited, On ENL projects benefiting communities on Sakhalin and in the Khabarovsk Territory.

3:30-3:37 **Anna Lygina**, Head of Social Development, Sakhalin Energy Investment Company (SEIC), On the social development projects of SEIC.

3:37-3:45 **Marina Kirsanova**, Chief of Party, U.S.-RFE Municipal Partnership Program, FRAEC, On the Municipal Partnership Program, between municipalities of Alaska and Washington state and the Russian Far East.

3:45-4:00 **AFTERNOON BREAK**

4:00-4:40 Transportation Presentations:

4:00-4:10 **Sergey Zrazhevskiy**, Deputy Minister of Industry, Transportation and Communications, Khabarovsk Territory, On the Potential of the Free Economic Zone Port of Sovetskaya Gavan

4:10-4:20 **Roman Grigoriev**, Senior Manager, Vladivostok Avia Airline Update on direct passenger service between Eastern Russia and the U.S.

4:20-4:30 **Vladimir Kashtanov**, RFE Branch Manager, APL (CIS) Russia, On maritime transportation developments.

4:30-4:40 **Konstantin Beznosyuk**, Deputy General Director, Business Marketing Group, On expanding wood products exports from the Far East through investment in the wood products industry

4:40 Close of session

4:40 Buses Sakhincenter to all hotels

5:45 Buses from all hotels to reception

6:00-8:00 Evening reception, (Mega Palace Hotel, 10th floor, Detskaya Ulitsa 4)

8:00 pm Buses depart reception at intervals for return to hotels

Wednesday 30 September

BREAKOUT SESSIONS

9:00-12:00 (Coffee break at 10:30 outside each meeting room)

RAPP attendees, coordinated by Moderators, formulate recommendations to the meeting report in the following breakout sessions:

1. **Expanding Trans-Pacific Bilateral Trade**, (Kriljon Room, 2nd floor Pacific Plaza Sakhalin Hotel)

Moderators: Tatyana Konko and Joe Caldwell

2. **Opportunity through Applied Technologies**, (Aniva Room 1, 2nd floor Pacific Plaza Sakhalin Hotel)

Moderators: Vladimir Kovalskiy and Carol Kessler

3. **Community Development and Public-Private Cooperation**, (Aniva Room 2, 2nd floor Pacific Plaza Sakhalin Hotel)

Moderators: Elena Stepanskaya and Carol Vipperman

12:30 – 2:00 **LUNCH**, (Pacific Plaza Sakhalin Hotel)

2:30-3:45 **RAPP 2009 CLOSING PLENARY SESSION**, (Aniva Room, 2nd floor Pacific Plaza Sakhalin Hotel)

2:30-2:35 Opening of session by Anatoly Buryy and Derek Norberg.

2:35-2:45 Remarks by RAPP 2009 Meeting Co-Chairs Dmitry Sazhin and Jack Brougher

Summary report from each breakout session delivered (one Moderator from each session presents):

2:45-2:53 Expanding Trans-Pacific Bilateral Trade

2:53-3:05 Opportunity in Technologies

3:05-3:12 Community Development and Public-Private Cooperation

3:12-3:25 Commentary by the RAPP 2009 Meeting Co-Chairs and signing of the Joint Report of the 2009 Annual Meeting

Closing remarks by senior federal representatives:

3:25-3:35 **Kyle Scott**, Director, Office of Russian Affairs, U.S. Department of State

Alexander Levintal, Deputy Ex-Plenipotentiary Representative of the President of the Russian Federation in the Far East Federal District

Matthias Mitman, Minister Counselor for Economic Affairs, US Embassy to the Russian Federation

3:40-3:45 Derek Norberg, RAPP Secretariat U.S.

3:45 Closing of the RAPP 2009 Annual Meeting

ADMINISTRATIVE APPROVAL FORM AND CHECKLIST

Attention

To: I. Lindberg

Date: 11/27/2009

PLIT Record ID. #: 7133

From: USAID/RUSSIA/OFM

PHOENIX Voucher No. #: _____

Subject: Administrative Approval of _____

Approving Office: _____ Com. Doc. No.: _____

The attached Voucher is forwarded to the Cognizant Technical Officer (CTO) or other approving officer for **Administrative Approval**. The approving officer must complete both the **Checklist** showing the basis of his/her approval and sign the **Administrative Approval** below. Administrative Approval provides written evidence that work is proceeding satisfactorily under an assistance agreement or that, for a contract, the goods and/or services specified on the invoice were received and conform to the requirements of the agreement between the vendor and USAID. Validation of pricing, extension of computations, etc., are not responsibilities of the approving officer but of the payment office. If appropriate, approval for an amount less than the full invoiced amount may be made but the vendor must be notified promptly regarding the reason(s) for the suspension.

The Prompt Payment Act requires agencies to pay commercial obligations within certain time periods and to pay interest penalties when payments are late. To process the invoice within the time constraints of the Prompt Payment Act and/or Agency policy, the **Voucher and this completed Memorandum showing Administrative Approval/Disapproval must be returned to the *Office of Financial Management*, within 5 workdays from the above date.** Failing to meet the time constraints of the Prompt Payment Act results in a legal requirement to automatically pay the vendor interest and penalty fees from Agency funds. This unnecessary use of Agency funds degrades operations and program activities and creates cash flow problems for the vendor. Interest payments to vendors for late payment charges may result in notification to appropriate Bureau/Mission Managers for actions or direct charges to the responsible activity's funds.

Any questions about **administrative approval** may be directed to _____

Approval:

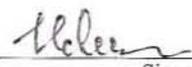
I have reviewed the attached Voucher, the related invoice, and supporting documentation. Based on this documentation and my personal knowledge of the activity, I see no reason to withhold payment. Therefore, the Voucher is administratively approved for payment subject to the necessary financial reviews and certification by the Certifying Officer.

Invoiced Amount: \$ 4,907.94

Amount Suspended from Payment: \$ _____

Amount Approved for Payment: \$ 4,907.94

The Vendor has been notified of any deficiencies in this invoice in writing and a copy of the notification is being forwarded with this approval.

CTO: 
Signature

Typed Name Irina Lindberg Date 30-Nov-2009

CTO's Checklist for Administrative Approval:

I have made one field visits to the project site(s) in the last three months and observed project implementation.

_____ I have visited the main office of the implementing agency(ies) _____ time(s) in the last 3 months and discussed project implementation.

I have met with my counterpart(s) one time(s) in the last three months and discussed contractor level of performance and/ or commodities delivered.

_____ I have visited the project site(s) as part of my responsibilities and have sufficient information to allow me to provide administrative approval.

Goods and/or services have been received.

_____ None of the above. My Administrative Approval is based on the following: (be concise)

OKS 7133

Standard Form 1014 Revised January 1980 Department of the Treasury 1 TFRM 4-2000 1014-118		PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL			VOUCHER NO. 2-1.	
U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION USAID/Russia/ORD				DATE VOUCHER PREPARED 11/24/2009	SCHEDULE NO.	
				CONTRACT NUMBER AND DATE 118-G-00-09-00060-00	PAID BY	
				REQUISITION NUMBER AND DATE		
PAYEE'S NAME AND ADDRESS Foundation for Russian American Economic Cooperation 2601 Fourth Avenue, Suite 600, Seattle, WA 98122				DATE INVOICE RECEIVED		
				DISCOUNT TERMS		
				PAYEE'S ACCOUNT NO.		
SHIPPED FROM TO WEIGHT				GOVERNMENT B/L NO.		
NUMBER AND DATE OF ORDER	DATE OF DELIVERY OR SERVICE	ARTICLES OR SERVICES (Enter description, item number of contract of Federal supply schedule, and other information deemed necessary)	QUANTITY	UNIT PRICE		AMOUNT \$
				COST	PER	
11/24/2009	09/01/2009 - 10/31/2009	Liquidation for September 1 through October 31, 2009	1	4,908.		4,907.94
(Use continuation sheet(s) if necessary) (Payee must NOT use the space below) TOTAL						4,907.94
PAYMENT:		APPROVED FOR = \$ 4,907.94	EXCHANGE	DIFFERENCES		
		BY: <i>Irina Lindberg</i>				
		<i>ESC, Program Rep. in the RFE</i>		Amount Verified; correct for		
		TITLE		(Signature or initials)		
Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment.						
(Date)		(Authorized Certifying Officer) ²		(Title)		
ACCOUNTING CLASSIFICATION						
PAID BY	CHECK NUMBER	ON ACCOUNT OF U.S. TREASURY		CHECK NUMBER		
	CASH	DATE		PAYEE ³		
¹ When started in foreign currency, insert name of currency. ² If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the space provided, over his official title. ³ When a voucher is receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe company, per John Smith, Secretary", or "Treasurer", as the case may be.				PER <i>Carol Viperman</i> Carol Viperman TITLE President		

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27 NOV 2009
U.S. DEPARTMENT OF THE TREASURY

Previous edition usable U.S. GOVERNMENT PRINTING OFFICE : 1984 O - 431-104 NSN 7540-00-900-2234

PRIVACY ACT STATEMENT The information requested on this form is required under the provisions of 31 U.S.C. 82b and 82c, for the purpose of disbursing Federal money. The information requested is to identify the particular creditor and the amounts to be paid. Failure to furnish this information will hinder discharge of the payment obligation.