

## Acuerdos Bilaterales

Clasificación: 86-2004

Fecha de Ingreso: 30 de setiembre de 2004

Nombre de Acuerdo: Amendment No. 3 to OAS Grant for Environmentally Sustainable Trade No: LAC-G-00-01-00008

Materia: Medio ambiente

Partes: SG/OEA y United States Agency for International Development

Referencia: USAID

Fecha de Firma: 13 de septiembre de 2004

Fecha de Inicio:

Fecha de Terminación:

Lugar de Firma:

Unidad Encargada:

Persona Encargada:

Original:

Claves:

Cierre del proceso:



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

SEP 10 2004

Dr. César Gaviria  
Secretary General  
Organization of American States (OAS)  
17th Street and Constitution Avenue, NW  
Washington, D.C. 20006

SUBJECT: Amendment No. 3 to OAS Grant for Environmentally Sustainable Trade  
No: LAC-G-00-01-00008

Dear Dr. Gaviria:

Please find attached for your signature two originals of the Modification of Assistance form for Amendment No. 3 to Grant Agreement LAC-G-00-01-00008-00 (the "Grant") between the United States Agency for International Development (hereinafter "USAID"), and the General Secretariat of the Organization of American States (hereinafter "GS/OAS", "OAS", or "Grantee"). Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, USAID will provide an additional sum of One Hundred Thousand United States Dollars (U.S. \$100,000) to help support the activities described in the Program Description (Attachment 1 to the Grant Modification Assistance form). In addition, this amendment will extend the end date of the Grant from March 30, 2005 to March 30, 2006.

This Amendment No. 3 is effective and obligation of additional funds is made as of the date set forth in Box 15 of the attached Modification of Assistance form (Attachment 1) and shall apply to expenditures made by the Grantee in furtherance of program objectives during the period from such date and ending March 30, 2006. The additional funds are made available to the Grantee under this Amendment No.3 on condition that such funds will be administered in accordance with the terms and conditions set forth in the original Grant, as amended, and the attached Program Description, all of which have been agreed to by your organization, as acknowledged by your signature on the attached Modification of Assistance forms.

Upon signing both originals of the Modification of Assistance form, please retain one copy for your files and return the other to me along with a counter-signed copy of this letter acknowledging your receipt of the grant modification and Program Description. I would like to

take this opportunity to thank you for the important contributions the OAS is making in the important thematic area of environment and trade. We appreciate your efforts and the spirit of collaboration that your staff has displayed.

Sincerely,



Adolfo A. Franco  
Assistant Administrator  
Bureau for Latin America  
and the Caribbean

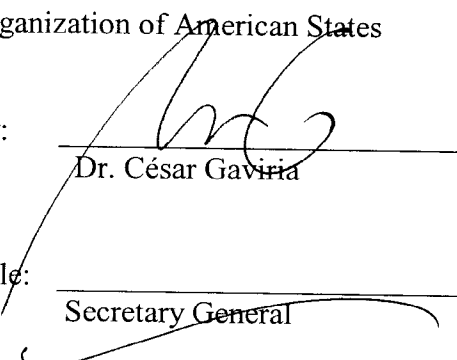
Attachments:

- A. Two (2) signed copies of the Modification of Assistance with the following three attachments:
  - 1. Phase Three Program Description
  - 2. Amended and Restated Schedule
  - 3. Amended and Restated Standard Provisions
- B. Copy of the cover letter

Acknowledged:

Organization of American States

By:



Dr. César Gaviria

Title:

Secretary General

Date:

9/13/04

# MODIFICATION OF ASSISTANCE

Page 1 of 2

1. MODIFICATION NUMBER  
03

2. EFFECTIVE DATE OF MODIFICATION  
see box 15 below

3. AWARD NUMBER:  
LAC-G-00-01-00008-03

4. EFFECTIVE DATE OF AWARD:  
09-25-2001

5. GRANTEE:  
ORGANIZATION OF AMERICAN STATES (OAS)  
17TH ST. & CONSTITUTION AVE., N.W.  
Washington, D.C., 20006

6. ADMINISTERED BY:  
US Agency for International Development  
1300 Pennsylvania Avenue, NW  
Washington, D.C. 20523

DUNS NO.:  
TIN NO.: 0 LOC NO.: HHS-44B6

7. FISCAL DATA:      Amount Obligated: \$100,000.00  
  
Budget Fiscal Year: 2004  
Operating Unit: LAC/RSD  
Strategic Objective: 598-018\*  
Team/Division: ENV  
Benefiting Geo Area: LAC  
Object Class: 410000

8. TECHNICAL OFFICE:  
LAC/RSD-ENVIRONMENT

9. PAYMENT OFFICE:  
M/FM/CMP

10. FUNDING SUMMARY:

	Obligated Amount	Total Est. Amt.
Amount Prior to this Modification:	\$665,000.00	\$665,000.00
Change Made by this Modification:	\$100,000.00	\$100,000.00
New/Current Total:	\$765,000.00	\$765,000.00

11. DESCRIPTION OF MODIFICATION:

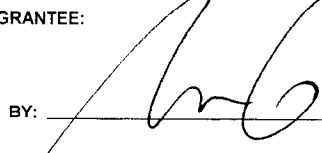
The purpose of this modification is to amend the PIO Grant to OAS for a regional trade and initiative such that:

1. The obligation is increased by \$100,000 for FY 2004, and the program description set forth in Attachment No. 1 to this Amendment No. 3 (Modification of Assistance form) is incorporated into the Grant; and,
2. The Grant Schedule and the Standard Provisions are amended and replaced in their entirety by the the Schedule and Standard Provisions set forth in Attachements No. 2 and No. 3, respectively, to this Amendment No. 3 (Modification of Assistance form). Each of the attached Schedule and Standard Provisions are hereby incorporated into the Grant by reference.

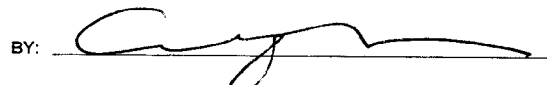
12. THIS MODIFICATION IS ENTERED INTO PURSUANT TO THE AUTHORITY OF the Foreign Assistance Act of 1961 AS AMENDED. EXCEPT AS SPECIFICALLY HEREIN AMENDED, ALL TERMS AND CONDITIONS OF THE GRANT REFERENCED IN BLOCK #3 ABOVE, AS IT MAY HAVE HERETOFORE BEEN AMENDED, REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

13. GRANTEE:  IS  IS NOT REQUIRED TO SIGN THIS DOCUMENT TO RECONFIRM ITS AGREEMENT WITH THE CHANGES EFFECTED HEREIN

14. GRANTEE:

BY:   
Mr. Cesar Gaviria  
(Name Typed or Printed)  
TITLE: Secretary General  
DATE: 9/13/04

15. THE UNITED STATES OF AMERICA  
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

BY:   
Adolfo A. Franco  
(Name Typed or Printed)  
TITLE: Assistant Administrator, LAC  
DATE: September 10, 2004

**Attachment 1 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008**

**PHASE THREE PROGRAM DESCRIPTION**

**Environmentally Sustainable Trade:  
National Environmental Assessments of Free Trade**

*Panama, Central America and Andean Proposal*

**Background and Overview**

Since September 2001, the Organization of American States Inter-American Forum on Environmental Law (OAS) has been working in partnership with government officials and expert organizations from the Americas to produce *National Environmental Assessments* (EAs) to help identify the potential impact of proposed trade agreements in the Americas. This work recognizes that free trade creates opportunities and challenges to good environmental governance. Accordingly, the goal of these assessments is to identify these challenges and opportunities arising from trade liberalization with specific emphasis on identifying realistic policy options for capacity building, and supporting a public process that engages civil society in an informed and constructive dialogue on these issues.

At the heart of this project is technical support for member States that wish to pursue trade liberalization consistent with their national sustainable development and environmental protection objectives. As part of the OAS Environmentally Sustainable Trade project, governments are engaged as active partners in each step of the assessment process, and are supported by experts of the OAS General Secretariat in adapting the project methodology to their own unique circumstances. The overall goal is to help governments better prepare for the implementation phase of trade agreements.

As part of its ongoing work in the area of trade and environment, the OAS proposes to undertake an environmental assessment of free trade in Panama and to hold a regional trade and environment workshop in Central America. The main purpose of the workshop is to present the results and lessons from ongoing trade and environment work in the region. This work includes an environmental assessment for Costa Rica and Guatemala and a scoping exercise of environmental capacity building needs related to trade liberalization in El Salvador, Honduras and Nicaragua.<sup>1</sup> The OAS also proposes to hold national workshops in Colombia and Peru to review and disseminate findings of environmental assessments to be conducted in each of these two countries with funding from the U.S. Environmental Protection Agency (USEPA).<sup>2</sup>

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<sup>1</sup> The activities included in this proposal would contribute to address needs presented by OAS Member States through the Central America Free Trade Area (CAFTA) capacity building group and the Hemispheric Cooperation Program (HCP) of the Free Trade Area of the Americas (FTAA).

<sup>2</sup> Work in the Andean region will be supported by the US Environmental Protection Agency (USEPA).

**Attachment 1 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008**

**Progress to Date**

USAID provided seed money to begin Phase One of the project in September 2001, and OAS and its partners in the region concentrated on identifying experts capable of examining the trade and environment nexus empirically and across disciplines, developing a methodology for impact analysis, and testing that methodology in MERCOSUR. Phase One produced country studies for Argentina and Brazil prepared by national teams of economic, environmental and legal experts. The country reports for Argentina and Brazil were published and disseminated in November 2003. The governments of Argentina and Brazil received the results with interest. Currently, efforts are ongoing to support these two countries as they seek to replicate, deepen and expand the initial country studies.

Phase Two of the project commenced in September 2002, with the OAS continuing its work in MERCOSUR - vetting the studies in Argentina and Brazil and developing and implementing new studies for Paraguay and Uruguay. Country studies for Paraguay, Uruguay, Costa Rica and Guatemala are in preliminary drafts and have been circulated for review. National workshops for Paraguay and Uruguay took place in April 2004 and two national workshops in Central America will take place next July. These workshops contribute to outreach and substantial discussions before publication.

With USAID's support the OAS is about to begin work in the Caribbean and will continue to work in Central America by engaging in a scoping exercise of environmental capacity building needs related to trade liberalization in El Salvador, Honduras and Nicaragua with funding from USEPA. With USEPA support, the OAS will also conduct assessments in Peru, Colombia and Ecuador.

**Environmental Assessment Methodology**

The model developed by OAS and its partners examines to what extent domestic markets in the specific countries are likely to change as trade barriers fall, and what environmental consequences can be anticipated from these economically driven effects. The research is stimulated through small grants extended through the OAS to non-governmental organizations within the country working as part of interdisciplinary teams of economists, engineers, legal and other experts in cooperation with government officials.

The assessment examines how legal and institutional frameworks (domestic and regional) can address these changes. The analysis is intended to better place national governments and other actors in a position of making policy decisions that could make trade expansion more sustainable. The environmental assessment process has four essential components:

**Attachment 1 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008**

**1. Economic Analysis**

This component entails conducting an **economic analysis** to identify key sectors and industries that are likely to grow or change significantly under a free trade regime. The economic analysis benefits significantly from the involvement of government officials, and draws upon economic analyses and quantitative models (ie. Partial Equilibrium, CGE, Comparative Advantage, etc.) applied both by OAS and other entities involved in trade assessments. The main objective of this component is to quantify economic impacts of the identified sectors in the economy and attempt to project what their behavior would be upon trade liberalization.

**2. Environmental Impact Assessment**

This component includes a basic **environmental impact assessment** of identified high-growth and/or change sectors and industries (from the economic analysis, explained above) to determine which are likely to have significant environmental impacts and to gauge the nature and level of those impacts. This component includes a basic review using key environmental indicators (including air quality and water intensity and availability, land use change, impact on biological diversity, sustainable logging practices, hazardous waste generation and management). Some social impacts derived from environmental impacts, such as changes in poverty or employment levels, may be identified in this component if relevant.

**3. Legal and Institutional**

This component analyzes how effectively **national legal frameworks and institutions** are able to address or minimize environmental impacts – both under existing economic conditions and under anticipated conditions of free trade. This component at a minimum includes a “legal baseline” covering a description of jurisdiction, competence and existing capacity of relevant institutions. It examines potential legal – institutional as well as enforcement and compliance issues of relevance that should be addressed from the standpoint of sustainable trade. Some effort is made towards analyzing the challenges and opportunities for legal and institutional strengthening to minimize or avoid negative environmental consequences and to maximize potential environmental benefits of trade liberalization. The effectiveness of the current legal institutional frameworks (related to environmental and social impacts when applicable) should be comprehensively analyzed in this component in order to issue recommendations as appropriate.

**4. Recommendations**

Priorities and needs identified in light of findings from the 3 components above, will be highlighted in this component. Specific recommendations will be issued to address these needs and priorities and especially with regards to the effectiveness of legal regimes and institutions. This component focuses on concrete policy options.

## **Attachment 1 to Amendment No. 3 (Modification of Assistance) to the OAS Grant No. LAC-G-00-01-00008**

The final product is a national **country report** for each studied country, which will present economic and technical findings from components 1 and 2 above and analyze policy and institutional challenges as well as opportunities raised by trade expansion. The country reports provide insights about the legal and institutional framework, and the necessary steps that need to be considered in order to contribute to an environmentally sound free trade. The OAS invites peer review from non-governmental and governmental actors. Through these peer reviews, a series of policy recommendations closely linked with capacity needs – for example regulatory or institutional – are presented for discussion with stakeholders.

**Disseminating the final country reports** helps the integration of results into national policy development and planning process and **increases** understanding of its findings through in-country workshops and regional dialogue. The OAS will emphasize making the final report and related information available to environmental regulators and legislators and to economic and trade policy makers. Steps will also be taken to share broader literature and information about the positive connections between trade and environment so that key decision-makers are more open to substantive dialogue.

To support each of the components above, the OAS provides access to technical information, quantitative tools, expertise and networks, and offers peer review and editing of results to local partners. The OAS also works to facilitate the ensuing dialogue among government decision-makers and non-governmental experts to deepen the understanding of the potential environmental impacts of expanded trade and promote the design and implementation of appropriate policy responses.

### **Objectives of the Panama, Central America and Andean Proposal**

The OAS will expand its Environmentally Sustainable Trade project during Phase Three to include: (1) an environmental assessment in Panama; (2) a regional workshop in Central America to discuss findings and lessons learned from ongoing trade and environment work in the region; and (3) national trade and environment workshops in Peru and Colombia to obtain stakeholder input to national environmental assessments to be carried out with USEPA's support and discuss environmental and capacity building needs.

***Panama Assessment.*** OAS will work with expert organizations in the United States and local and regional project partners, existing national counterparts, and OAS/FIDA National Focal Points, in conducting the National Environmental Assessment in Panama. This assessment will also take into account the ongoing effects, of Panama's participation in the Caribbean Basin Initiative (CBI) as well as in different free and preferential trade agreements with other Central American countries.

The methodology for this assessment will follow components 1 through 4 explained in the Environmental Assessment Process above as well as outlines from earlier country



**Attachment 1 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008**

studies with modifications, as appropriate, to address unique local conditions such as the as the Panamanian strongly service driven economy.

At the beginning of the work, OAS will provide USAID with a work schedule and proposed methodological adjustments for conducting the study, and that schedule and methodological options will be provided to USAID for review and comment. As an outline and a first draft becomes available, it will be reviewed by OAS, USAID and partner organizations that will provide input and advice that will be incorporated into the project.

***Panama Workshop.*** A small national workshop will be held in Panama to consult with stakeholders from different sectors on the first draft of the report and to stimulate dialogue and outreach on the issue of trade and environment.

***Panama Report Dissemination.*** Once the draft report has been reviewed and revised, it will be finalized for publication and dissemination. The final report will be formally presented to the Permanent Missions of the 34 OAS member States including the Permanent Mission of Panama. The main goal is to discuss the findings at the national level with different stakeholders including from private sector and government. The OAS national office in Panama will be an important vehicle for dissemination at the national level. The final report will also be posted in the OAS website. Dissemination of the final report encourages internal discussions that could support government in policy decision making for sustainable development.

***Central America Regional Trade & Environment Workshop.*** Funds from the grant will be used by OAS to co-host with its project partners a Central America regional workshop to assure a smooth linkage to the work in all the countries of this region by engaging partners in cross-regional training on methodology and dialogue. This workshop will provide a space for discussion on developing national assessments and their benefits. The workshop will also be a good opportunity to exchange experiences with regards to common challenges faced by the region and possible solutions.

***Colombia and Peru Workshops.*** The workshops that the OAS will hold at the national level in Colombia and Peru will be key outreach activities that will allow for consultation of the work with different stakeholders. The workshops will address national environmental priorities and capacity building needs identified for each of the countries through the assessment process. These will also help contribute to a positive dialogue on important environment and sustainable development issues in the context of trade liberalization. These two workshops will contribute to respond to specific capacity building needs identified by Colombia and Peru in their national strategies for the FTAA Hemispheric Cooperation Program.

OAS will provide USAID with a draft agenda and invite list for all the trade and environment workshops for its comment and review. A copy of the Panama report, outcomes and recommendations from the workshops will be posted on the OAS web site.

**Attachment 1 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008**

**Timeline**

Work would begin immediately, and continue for 18 months under the funding contemplated in this proposal. The workshops will be held during this time-frame and the respective dates will be decided jointly with USAID.

**Budget**

Based on experience to date, the country study can be conducted for approximately \$50,000 (including a small national workshop) and an additional \$30,000 is needed to assure sub-regional coordination, to engage relevant regional political and technical organs by means of the Central America regional workshop. An additional \$20,000.00 will be used for the national workshops in Colombia and Peru.

A preliminary breakdown follows for these activities:

	<b>Panama Assessment</b>	<b>Regional Workshop</b>	<b>National Workshops</b>	<b>TOTALS</b>
<b>Personnel</b>	\$35,00.00	\$12,000.00	\$10,000.00	\$57,000.00
<b>Travel</b>	\$5,000.00	\$10,000.00	\$3,000.00	\$18,000.00
<b>ODC</b>	\$10,000.00	\$8,000.00	7,000.00	\$25,000.00
<b>TOTALS</b>	<b>\$50,000.00</b>	<b>\$30,000.00</b>	<b>\$20,000.00</b>	<b>\$100,000.00</b>

In addition, the OAS will provide the following in-kind contribution:

<b>OAS In-Kind Contribution</b>	<b>Total</b>
Office space, administrative costs, supplies, telephone, fax, computer and support staff.	\$20,000.00

**Further Information**

For further information, contact Claudia de Windt, Legal Specialist Unit for Sustainable Development and Environment (USDE), 202-458-6914, [cdewindt@oas.org](mailto:cdewindt@oas.org) and Scott Vaughan, Director USDE, 202-458-3567, [svaughan@oas.org](mailto:svaughan@oas.org).

**Attachment 2 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

The OAS Grant Schedule is hereby amended and restated in its entirety as follows:

**SCHEDULE**

**A.1 PURPOSE OF GRANT**

This grant will provide financial support to the Organization of American States regional activity: the Environmental Assessment and Capacity Building for the Free Trade Area of the Americas (FTAA) Agreement. Phase 3 of the work plan for this activity is more specifically described in Attachment 1 to Amendment No. 3 to this grant (Phase Three Program Description). Phase 2 of this grant is described in the Program Description found in Attachment 2 to Amendment No. 2 to this grant. All other activities originally funded under this grant in FY 2001 and subsequently under Amendment No. 1 to this grant, have been completed.

**A.2 PERIOD OF GRANT**

1. The effective date of the original grant is September 25, 2001. Amendments No. 1 and No. 2 to the grant became effective on September 27, 2002 and September 29, 2003, respectively, and Amendment No. 3 to the grant is effective as of the date set forth in Box 15 of Attachment No. 1 (Modification of Assistance No. 03) there to.

2. Funds obligated hereunder are available for program expenditures for the period from the effective date of Amendment No. 3 to **March 30, 2006**.

**A.3 AMOUNT OF AWARD AND PAYMENT**

1. USAID has already obligated the amount of \$665,000 for program expenditures.

2. USAID hereby obligates an additional amount of \$100,000.00 (One Hundred Thousand United States Dollars) for program expenditures during the period set forth in Section A.2.2. above. USAID is not obligated to reimburse the Grantee for the expenditure of amounts in excess of the total obligated amount.

3. Payment shall be made to the Grantee by Letter of Credit in accordance with procedures set forth in Attachment 3 to Amendment No. 3 to this grant (Amended and Restated Standard Provisions).

4. Funds obligated by USAID but not disbursed by the Grantee at the expiration of the grant period shall be refunded to USAID.

**A.4 GRANT BUDGET**

The Grant Budget for all Phase 3 program expenditures for the period from the effective date of Amendment No. 3 to March 30, 2006 is shown in Attachment 1 to Amendment No. 3 (Phase Three Program Description) to the grant, and is incorporated into this Section by reference. The Grant Budget for Phase 2, which is still ongoing, is set forth in the Appendix to Attachment 2 to Amendment No. 2 to the grant and is also incorporated into this Section by reference. Revisions to this budget shall be made in accordance with the Standard Provision of this grant entitled "Revision of Grant Budget".

**Attachment 2 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

**A.5 REPORTING AND EVALUATION**

**a. Financial Reporting**

Standard Form (SF) 269 and SF 272 are required on a quarterly basis. The Grantee shall submit these forms in the following manner:

1. The SF 272 and 272a (if necessary) must be submitted via electronic format to the U.S. Department of Health and Human Services (HHS) (<http://www.dpm.psc.gov>) within 45 calendar days following the end of each quarter. A copy of this form shall also be submitted at the same time to the USAID Technical Office responsible for monitoring this grant specified in A.6.3 below.

2. The SF 269 or 269a (as appropriate) must be submitted to the USAID Technical Office responsible for monitoring this grant specified in A.6.3 below.

3. The original and two copies of all final financial reports shall be submitted to LOC Unit of the USAID Bureau for Management, Office of Financial Management, Cash Management and Payment Division (M/FM/CMP) within 90 calendar days following the date of completion of the grant. The electronic version of the final SF 272 or 272a may be submitted to HHS in accordance with paragraph (1) above.

4. Grantees shall list each country included in the program and the total amount expended for each country under the grant for the reporting period in the "Remarks" block on SF-269 or 269a.

**b. Reporting of Foreign Taxes**

1. Final and Interim Reports. The OAS must annually submit two reports:

- (i) an interim report by November 17; and
- (ii) a final report by April 16 of the next year.

2. Contents of Report. The reports must contain:

- (i) OAS's full name.
- (ii) Contact name with phone, fax and email.
- (iii) Agreement number(s).
- (iv) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year.
- (v) Only foreign taxes assessed by the foreign government in the country receiving U.S. assistance is to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance program for Lesotho involves the purchase of commodities in South

**Attachment 2 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa).

- (vi) Any reimbursements received by the USAID during the period in (iv) regardless of when the foreign tax was assessed plus, for the interim report, any reimbursements on the taxes reported in (iv) received by the recipient through October 31 and for the final report, any reimbursements on the taxes reported in (iv) received through March 31.
- (vii) The final report is an updated cumulative report of the interim report.
- (viii) Reports are required even if the OAS did not pay any taxes during the report period.
- (ix) Cumulative reports may be provided if the OAS is implementing more than one program in a foreign country.

3. Definitions. For purposes of this clause:

- (i) "Agreement" includes USAID direct and country contracts, grants, cooperative agreements and interagency agreements.
- (ii) "Commodity" means any material, article, supply, goods, or equipment.
- (iii) "Foreign government" includes any foreign governmental entity.
- (iv) "Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.

4. Where. Submit the reports to:

**Alfred Sandy**  
U.S. Agency for International Development  
M/FM/CMP, RRB 7.07-099,  
1300 Pennsylvania Ave., N.W.,  
Washington, D.C. 20523,  
Tel: (202) 712-5208;  
Fax: (202) 216-3543;  
Email: [ASandy@usaid.gov](mailto:ASandy@usaid.gov)

with a copy to the USAID Technical Office responsible for monitoring this grant specified in A.6.2 below.

5. Subagreements. The OAS must include this reporting requirement in all applicable subcontracts, subgrants and other subagreements.

**c. Activity Reporting**

1. The Grantee will provide quarterly written reports to LAC/RSD/ENV on the progress of the activities under this grant and the results of any trips that took place during the period.

**Attachment 2 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

2. The Grantee will provide two presentations to USAID/LAC and USAID/EGAT senior management on the progress and outcome of the OAS activities which will be conducted mid-way and at the end of the grant period.

3. The Grantee will provide USAID with a list of all individuals and entities that were invited to and who attended the outreach events contemplated under this grant with their respective contact information in a format mutually agreed to by the Grantee and USAID/LAC/E.

4. The Grantee shall submit an original and two copies of materials produced by Grantee as part of the program and an electronic copy of the same to the USAID Technical Office specified in A.6.3 below. The Grantee shall also prepare and submit two copies of each report required by this grant to the Bureau for Program and Policy Coordination, Center for Development Information and Evaluation, Development Information Division (PPC/CDIE/DI). All documents should be mailed to:

PPC/CDIE/DI  
ACQUISITION  
Room 209 SA-18  
U.S. Agency for International Development  
1300 Pennsylvania Ave., N.W.  
Washington, DC 20523

The title page of all reports forwarded shall include a descriptive title, the author's name(s), grant number, the project number and title, Grantee's name, name of the USAID program office, and the publication or issuance date of the report.

**A.6 SPECIAL PROVISIONS**

1. The Grantee will develop a work plan to be achieved by the grant within the first 60 days of Amendment No. 3. Once approved by USAID/LAC/E, the plan will be incorporated by reference into the grant.

2. Present statutory and other authorities prohibit the use of USAID funding for programs in Cuba and Argentina under this grant. USAID will inform the Grantee in writing of other countries which may, because of statutory or other prohibitions, become ineligible to receive USAID funding during the life of this grant.

3. The USAID Technical Office responsible for monitoring this grant is the Bureau for Latin America and the Caribbean, Regional Sustainable Development Office, Environment (LAC/RSD/ENV). Copies of all reports, documents and contact lists produced under the grant shall be submitted to:

**John L. Garrison, Esq.**  
Program Analyst  
USAID LAD/RSD/E, Rm. 5.9-57 RRB  
1300 Pennsylvania Ave., N.W.,  
Washington, D.C. 20523  
Tel: (202) 712-4907

**Attachment 2 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

Fax: (202) 216-3262

Email: [jogarrison@usaid.gov](mailto:jogarrison@usaid.gov)

4. The procurement policies and procedures of the Grantee shall apply to procurements made with funds provided under this grant.

5. If requested by USAID, the Grantee shall acknowledge USAID's contribution to the program per the Standard Provision on "Publications and Media Releases."

6. International Air Travel and Transportation: The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this grant must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator of General Services Administration (GSA) has issued regulations for purposes of implementation. Those regulations may be found at 41 CFR part 301, and are hereby incorporated by reference into this grant.

**A.7 EXECUTIVE ORDER ON TERRORISM FINANCING**

The Grantee is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Grantee to ensure compliance with these Executive Orders and laws. This provision must be included in all sub-grants issued under this grant.

**A.8 FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES**

Funds in this grant may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization, except as provided in ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences" (<http://www.info.usaid.gov/pubs/ads/300/refindx3.htm>) or as approved by the grant Officer.

**Attachment 3 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

The Standard Provisions to the OAS Grant are hereby amended and restated in their entirety as follows:

**STANDARD PROVISIONS**

1. Allowable Costs
2. Amendment
3. Nonliability
4. Notices
5. Refunds
6. Revision of Grant Budget
7. Termination Procedures
8. Audit and Records (Standard)
9. Investment Promotion
10. Payment (Letter of Credit)
11. Publications and Media Releases

**1. ALLOWABLE COSTS (DEC 2003)**

a. The grantee will be reimbursed for costs incurred in carrying out the purposes of this grant, which are reasonable, allocable, and allowable.

- (1) "Reasonable" means those costs that do not exceed those that would ordinarily be incurred by a prudent person in the conduct of normal business.
- (2) "Allocable" means those costs that are necessary to this grant.
- (3) "Allowable" means those costs that are reasonable and allocable, and that conform to any limitations set forth in this grant.

b. The grantee is encouraged to obtain the Agreement Officer's written determination as to whether the cost will be allowable before incurring a questionable or unique cost.

**2. AMENDMENT (JULY 1988)**

The grant may be amended upon mutual consent of the parties by formal modifications to the basic grant document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the grantee.

**3. NONLIABILITY (JULY 1988)**

USAID does not assume liability for any third party claims for damages arising out of this grant.



**Attachment 3 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

**4. NOTICES (DEC 2003)**

Any notice given by USAID or the grantee will be sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax, as follows:

- To the USAID Agreement Officer, at the address specified in the grant.
- To grantee, at the grantee's address shown in the grant or such other address designated within the grant.

Notices will be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

**5. REFUNDS (DEC 2003)**

a. If the grantee earns interest on Federal advances before expending the funds for program purposes, the grantee must remit the interest annually to USAID. Interest amounts up to \$250 per year may be retained by the grantee for administrative expenses.

b. Funds obligated by USAID but not disbursed to the grantee before the grant expires or is terminated will revert to USAID, except for funds committed by the grantee to a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee before the time of expiration or termination of the grant must be refunded to USAID, except for funds committed by the grantee to a legally binding transaction applicable to this grant.

c. If, at any time during the life of the grant, or as a result of final audit, it is determined that USAID funds provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee must refund such amount to USAID.

**6. REVISION OF GRANT BUDGET (DEC 2003)**

a. The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

b. The grantee must immediately request approval from the Agreement Officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

- \* (1) To change the scope or the objectives of the program or to add any new activity.
- (2) To revise the funding allocated among program objectives by more than 10 percent of the total budget amount unless the schedule states otherwise.
- (3) Additional funding is needed.

**Attachment 3 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

- (4) The grantee expects the amount of USAID authorized funds to exceed its needs by more than \$5,000 or five percent of the USAID award, whichever is greater.

c. Except as required by other provisions of this grant specifically stated to be an exception from this provision, the government will not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee will not be obligated to continue performance under the grant (including actions under the "Termination Procedures" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the Agreement Officer notifies the grantee in writing that such obligated amount has been increased and specifies the new grant total amount.

**7. TERMINATION PROCEDURES (DEC 2003)**

This agreement may be terminated by either party, in whole or in part, at any time with 30 days written notice of termination. Upon receiving a termination notice from the Agreement Officer, the grantee must take immediate action to cease all expenditures financed by this grant and to cancel all unliquidated obligations if possible. The grantee may not enter into any additional obligations under this grant after receiving the notice of termination, other than those reasonably necessary to effect the close out of this grant. Except as provided below, no further reimbursement will be made after the effective date of termination. Within 30 days of the effective date of termination, the grantee must repay to the government all unexpended USAID funds that are not otherwise obligated by a legally binding transaction applicable to this grant. If the funds paid by the government to the grantee before the effective date of termination are not sufficient to cover the grantee's obligations under a legally binding transaction, the grantee may submit a written claim for such amount to the government within 90 days after the effective date of termination. The Agreement Officer will determine the amount(s) to be paid by the government to the grantee under such claim in accordance with the "Allowable Costs" provision of this grant.

**8. AUDIT AND RECORDS (STANDARD) (DEC 2003)**

(This provision is applicable when USAID is not the sole contributor to the grant program.)

The grantee is required to maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The grantee confirms that this program will be subject to an independent audit in accordance with the Grantee's usual auditing procedures, and agrees to furnish copies of these audit reports to USAID along with such other related information as may be reasonably requested by USAID with respect to questions arising from the audit report.

**Attachment 3 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

**9. INVESTMENT PROMOTION (DEC 2003)**

\* (This provision is required when the grant funds “gray-area activities” as defined in ADS 225.3.16 or investment-related activities where specific activities are not identified at the time of obligation but could be for investment-related activities.)

- a. Except as specifically set forth in the grant or otherwise authorized by USAID in writing, no funds or other support provided by this grant may be used for any activity that involves investment promotion in a foreign country.
- b. In the event the grantee is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether the activity would be consistent with the limitation set forth above, the grantee must notify the Agreement Officer and provide a detailed description of the proposed activity. The grantee must not proceed with the activity until advised by USAID that it may do so.
- c. The grantee must ensure that its employees and any sub-recipients or contractors providing investment promotion services under this grant are made aware of the restrictions set forth in this clause and must include this clause in all contracts and other sub-agreements.

**10. PAYMENT (LETTER OF CREDIT) (DEC 2003)**

(This provision is applicable when a Letter of Credit is requested by the grantee and approved by USAID's Office of Financial Management.)

- a. Payment under this grant will be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by the USAID Bureau for Management, Office of Financial Management, Cash Management and Payment Division (M/FM/CMP).
- b. As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/CMP constitute the payment conditions of this grant superseding and taking precedence over any other clause of this grant concerning payment.
- c. The grantee should have written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient. The grantee must exercise prudent management of Federal funds by drawing only those funds that are required for current use. The timing and the amount of the drawdown must be as close as is administratively feasible to the actual disbursements by the grantee for direct program or activity costs and the proportionate share of any allowable indirect costs.

**Attachment 3 to Amendment No. 3 (Modification of Assistance) to the  
OAS Grant No. LAC-G-00-01-00008  
Continuation**

- d. If the LOC is revoked, payment may be made on a cost-reimbursement basis, in accordance with paragraph (f) of this clause.
- e. Revocation of the LOC is at the discretion of M/FM/CMP after consultation with the Agreement Officer. Notification to the recipient of revocation must be in writing and must specify the reasons for such action.
- f. If the LOC is revoked, the grantee must submit to the USAID Controller an original and three copies of SF-1034, Public Voucher for Purchases and Services Other Than Personal, and SF-1034A, Continuation of SF-1034, normally once a month, but in any event no less than quarterly. Each voucher must be identified by the grant number and must state the total costs for which reimbursement is being requested.

**11. PUBLICATIONS AND MEDIA RELEASES (DEC 2003)**

(This provision is applicable when publications are financed under the grant.)

- a. If the grantee intends to identify USAID's contribution to any publication, video or other information/media product resulting from this grant, the product must state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements must identify the sponsoring USAID Office and Bureau or Mission and the U.S. Agency for International Development substantially as follows.

“This [publication, video, or other information/media product (specify)] was made possible through support provided by the Office of Regional Sustainable Development, Bureau for Latin America and the Caribbean, U.S. Agency for International Development, under the terms of Grant No. LAC-G-00-01-00008-03. The opinions expressed in this [publication, video, or other information/media product] are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development.”

- b. The grantee must provide the relevant strategic objective or results package team with one copy of all published works developed under this grant and with lists of other written work produced under the grant.
- c. Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for U.S. Government purposes.