

PROJECT GRANT AGREEMENT

Between

The Republic of the Philippines ("Grantee"), on behalf of the Association of Southeast Asian Nations ("ASEAN"), and The United States of America, acting through the Agency for International Development ("A.I.D.").

The above-named parties hereby mutually agree to carry out the Project described in this Agreement in accordance (1) with the terms of this Agreement including any annexes attached hereto, and (2) with any general agreement between the Grantee on behalf of ASEAN and the United States of America regarding economic or technical cooperation.

1. Name of Project: ASEAN Energy Conservation and Management

2. A.I.D. Project Number: 493-0285

3. Amount of A.I.D. Grant: US\$5,000,000.00 (comprised of US\$1,975,000 granted hereunder and US\$3,025,000 to be provided in subsequent increments subject to the availability of funds to A.I.D. for this purpose.)

4. Project Assistance Completion Date: July 31, 1990 This Agreement consists of this page, a Project Description containing special provisions (Annex A) and a Standard Provisions Annex (Annex B).

**REPUBLIC OF THE
PHILIPPINES**

(on behalf of ASEAN)

(Sgd.) **PACIFICO A. CASTRO**
Acting Minister for Foreign
Affairs

**UNITED STATES OF
AMERICA**

(Sgd.) **STEPHEN W.
BOSWORTH**

Ambassador

A.I.D. Project No. 493-0285

ANNEX A

PROJECT DESCRIPTION

1. Purpose of Project

The purpose of this third project in the ASEAN-US Energy Cooperation Program is to foster policies which encourage both public and private sector adoption of energy efficient building design and maintenance; and to enhance human and institutional resource development in energy management. The project aims to increase the efficiency of energy use and to improve the management of energy resources and technologies in the ASEAN region.

2. Description of Project

The project comprises two components that are of common interest to ASEAN member countries. These are: (1) energy conservation in buildings and (2) training in energy management.

2.1. Component 1 - Energy Conservation in Buildings.

The scope of the first component includes:

- (a) Regional training in building energy conservation techniques and economics;
- (b) Research on daylighting approach, design of buildings with natural ventilation, comfort analysis and building materials thermal characteristics;
- (c) Assessment and analysis of building energy use and technical/policy options and implementation and management of appropriate policies/standards.
- (d) Activities to disseminate information to both public and private sector organizations, i.e. seminars and workshops, preparation of technical manuals, publication of reports and newsletters, computer data base development, periodic technical ASEAN meetings, etc.

It is planned that grant resources under Component 1 will be provided directly by A.I.D. under a technical assistance agreement with the United States Department of Energy/Lawrence Berkeley Laboratory ("LBL"). This agreement will be prepared in consultation with the ASEAN Working Group on Non-Conventional Energy Research ("AWGNCR"). This extends and expands the successful LBL demonstration effort and investment with the Government of Singapore ("GOS") under the ASEAN Energy Cooperation in Development Project ("ASEAN Energy II").

LBL will assist the AWGNCR to develop annual workplans for Component 1. The GOS designee will coordinate the implementation of the workplans of this Component on behalf of ASEAN. The workplans will be the basis for the allocation, use and accounting of project resources, and will take into due consideration the document prepared by the AWGNCR at the Workplan Formulation Meeting held in Singapore on 25-26 March, 1985.

2.2. Component 2 - Training in Energy Management

The second component supports several activities to improve energy management. These include:

- (a) Training at the Asian Institute of Technology ("AIT") in energy planning and technology; provision of a long term energy management as well as to help coordinate/facilitate project training; and extension of support to AIT's Renewable Energy Resource Information Center ("RERIC");
- (b) Intensive regional training in energy planning and management is planned with a major course in Malaysia and

follow-on specialized training for selected ASEAN participants. A subsequent regional workshop is planned to assess impact of these activities. AIT will coordinate and channel grant funds for these training activities in the region as guided by the AWGN CER.

(c) Extension of the coal technology and management training provided under ASEAN Energy II. Special training activities will be developed in the U.S., including both formal and on-the-job training in the areas of coal use in electric power and industrial plants as well as coke production. A seminar is planned in the region subsequently to assess the impacts of training on the transfer of technology and the capability of the participating countries to manage the development of coal resources. Training activities in energy planning and management will also be developed and implemented in the U.S.

It is planned that grant resources in the approximate amount of US\$770,000 will be provided to AIT for the provision/coordination of training and related activities summarized in paragraphs (a) and (b) above. This extends and expands the successful AIT effort initiated under the ASEAN Energy Activities Project ("ASEAN Energy I"). It is planned that coal technology training and U.S. energy management training in the approximate amount of US\$630,000 will be provided under technical agreement with the Institute for International Education ("IIE"). This extends the model mechanism used to provide U.S. coal training under the ASEAN Energy II.

3. Project Financial Plan.

A.I.D. funds are expected to be allocated to the project approximately as follows:

Uses of Funds	A.I.D. Funds (All Years) (US\$000s)
Component 1 - Energy Conservation in Buildings	
Training	750
Research	1000
Assessment, Analysis, Policy	725
Information Dissemination	<u>525</u>
Sub-Total	3000
Component 2 - Training in Energy Management	
AIT Training, Coordination and Information	770

Dissemination	
IIE Coal Technology and Energy Management	630
Training	
Sub-Total	1400
Contingency/Evaluation	<u>600</u>
	US\$5000
TOTAL	=====

The first year obligation of US\$1.975 million for the project will be allocated in three parts: (1) US\$1.0 million is allocated to LBL for energy conservation activities under Component I; (2) US\$770,000 is allocated to AIT for training, coordination and information dissemination under Component II; (3) US\$205,000 is allocated to IIE for coal technology training under Component II. Funds under this Grant will be made available directly by A.I.D. to these institutions to carry out these activities. The ASEAN contribution shall be in-kind and consist of existing property, services and other facilities needed for successfully carrying the project.

4. Project Administration.

The Government of the Philippines will sign the Project Agreement as current ASEAN Coordinator of the ASEAN-US Dialogue. Overall project administration will be provided by AWGNCER. As noted, Component 1 will be coordinated by the Government of Singapore designee. Project training, coordination and information dissemination activities under Component 2 will be coordinated by the Government of Thailand designee. Coal technology and energy management training provided through IIE will be coordinated by the Government of Indonesia designee. The AID/ASEAN Liaison Office will provide AID administration for the project in coordination with the A.I.D. Asia/Near East Bureau Energy Advisor.

5. Conditions Precedent to Disbursement.

5.1. Prior to the first disbursement of funds under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursements will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., a statement of the name of the person authorized to act for the Grantee on behalf of ASEAN with respect to the Project and this Agreement and of any additional representatives, together with a specimen signature of each person specified in such statement. A.I.D. may accept as duly authorized any instrument signed by any such representative in implementation of this Agreement, until receipt of written notice of revocation of their authority.

5.2. Except as A.I.D. may otherwise agree in writing, prior to disbursement of funds under the Grant for activities in ASEAN member country other than the Philippines, the Grantee will obtain, or assist A.I.D. in obtaining, (a) evidence satisfactory to A.I.D. from such other ASEAN member country, that the