

22-117-277

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
Manila, Philippines

Ramon Magsaysay Center
1680 Roxas Boulevard

Telephone: 521-71-16

31 AUG 1988

Mr. Stanley Dunn
Director
CARE/Philippines
14th Floor, Victoria Bldg.
429 U.N. Avenue
Ermita, Manila

Dear Mr. Dunn:

Subject: Grant No. 492-0367-G-SS-8176-00

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby grants to CARE/Philippines (hereinafter referred to as "CARE" or "Grantee") the sum of ₱2,050,000 (or \$100,000) to finance technical assistance for CARE's "Rural Capital Formation Project", as more fully described in the attachment to this Grant entitled "Schedule and Project Description".

The Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of project objectives during the period beginning with the effective date and ending three years after the date of this letter.

This Grant is made to CARE on condition that funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "Schedule and Project Description", Attachment 2, entitled "Standard Provisions", and CARE's project proposal (incorporated herein for reference) which have been agreed to by your organization.

Please sign and date the original and seven (7) copies of this Grant to acknowledge your acceptance of the conditions under which these funds have been granted and return the original and six (6) copies to the undersigned.

Sincerely,

Malcolm Butler

Malcolm Butler
Mission Director

Loan and Grant Agreements

FM/LMD (if Loan)
FM/PAFD
FM/CAD
GC/ANE
ANE/Desk
ANE/TR Officer
ANE/PD Officer & File
PPC/CDIE/DI

Clearances: O/FFPVC: BGeorge _____
PRO: BBayer _____
CSD: MBuchan _____
RLA: BMiller _____
CO: JDial _____
OD: JSBlackton _____

Attachments:

1. Attachment 1, Schedule and Project Description
Annex A, PVO Forms 1-4
Annex B, Detailed Budget
2. Attachment 2, Standard Provisions

Acknowledged:

CARE/Philippines

By: _____
Stanley Dunn

Title: Director

Date: _____

F I S C A L D A T A

Appropriation No. : 72-1181021
Budget Allowance No. : QDNA8827492KG13
PIO/T No. : 492-0367-3-88126
Project No. : 492-0367
Total Grant Amount : \$100,000
RESCTLNO. : P882767
Earmark No. : P882767
Commitment Document No.: AID 492-0367-G-SS-8176

FUNDS AVAILABLE
ACCOUNTING OFFICE
AMOUNT = \$100,000.00
AUG 31, 1983
Posted By _____

ATTACHMENT 1

TECHNICAL ASSISTANCE FOR CARE'S
"RURAL CAPITAL FORMATION PROGRAM"

CARE/PHILIPPINES

SCHEDULE AND PROJECT DESCRIPTION

I. PROJECT BACKGROUND

Section 1.1. Problem. Formal financial institutions traditionally shun the small producer as a high risk, low collateral borrower. Further, little technical support has been offered to small-scale rural entrepreneurs to help them accumulate savings. Thus, constructive forms of credit and savings are unavailable to the rural poor.

As a result, these individuals turn to informal credit extended at exorbitant rates or to government loans widely accepted as "free-money" opportunities. Both overcharged and under-enforced loans erode the general acceptance of savings as an essential tool for income growth. Without immediate and sustained efforts to remedy these unending cycles, rural families will never achieve their desired income levels.

In addition, implementation of the pending land reform program will create an acute need for training, technical assistance and credit facilities if small farmers are to survive.

Section 1.2. Baseline Data. Of the over 5.3 million families engaged in farming, fishing, and other subsistence activities in the Philippines, roughly 80% (2.3 million families) belong to the lower 30% income category, and 60% are below the poverty line, according to 1985 figures of NEDA. The majority of these rural producers do not own land, but are tenants (2 million) or untitled users of public lands (1.5 million). Through its credit programs, CARE is reaching approximately 5,000 of these families through approximately 40 local NGOs. These beneficiaries are primarily located in low-income areas of northern Mindanao and the central and western Visayas.

Section 1.3. Work To Date/Administrative Capacity.

(a) CARE/Philippines currently has one active project funded under USAID's PVO Co-Financing project--the Upland Farmers Productivity Program for \$201,977--whose administration CARE took over from Partnership for Productivity in the first year of the grant, and one completed project--the Negros Occidental Development Assistance Program for \$500,000. CARE also receives PL 480 Title II food assistance for distribution through its School Nutrition Program and its Targetted Food Assistance Program. Approximately

\$3.4 million and \$2.6 million worth of food, respectively, will be distributed within these two programs in fiscal year 1989. Under CARE's two-year Emergency Feeding Program in Negros Occidental, CARE will receive about \$2.8 million worth of Section 416 local currency generations between 1987 and 1989 to conduct wet feeding and income generation activities. CARE also received \$270,515 in disaster relief funds to implement a housing rehabilitation program for 2,727 victims of Typhoon Sisang during 1987-88.

(b) Of more relevance to this project, however, is CARE's ongoing Rural Capital Formation Project (RCFP) in which CARE is assisting 40 participating NGOs to mobilize savings and effect sustainable increases in the productivity and income of the rural poor. Grant assistance is provided to assist with "start-up costs" and normally is not extended beyond the first 12-24 months of project activity. After that time, participating NGOs are expected to be able to generate their own operating resources. CARE also provides limited direct grant assistance to participating NGOs to finance training activities for NGO staff and/or project beneficiaries, short-term financial support for salaries of staff directly engaged in project activities and equipment that enhances the organizations' ability to manage the project. However, CARE provides the major portion of its direct financial assistance to participating NGOs in the form of loan capital. Such funds are normally lent to these NGOs for a period of from two to five years at 9% per annum interest. These funds are then re-lent by participating NGOs to qualified low-income clients at 15-24% per annum for the working capital requirements of their income-generating activities. The difference between interest charged by CARE, and that charged to the beneficiaries by the participating NGO, is used to cover a community capital build-up scheme, a personal savings plan, and operating costs of the NGO. Repayment of principal to CARE normally begins after a grace period of from one to two years. These repayments are then recycled to support income generating projects of the same or other participating NGOs. USAID has reviewed the materials on RCFP and has found them to be in general compliance with the Mission's Intermediate Credit Policy.

II. PURPOSE AND PLANNED OUTPUTS

Section 2.1. Purpose. The purpose of this project is to assist CARE in strengthening the institutional capability of NGOs participating in CARE's RCFP to better manage their credit delivery programs. The grant will also enhance CARE's capability to provide training and technical support to NGOs in connection with any monetization proceeds generated under Title II of the Agricultural Act of 1954, as amended. CARE's RCFP discussed in Article I, Section 1.3 is being supplemented with about \$350,000 worth of local proceeds generated through the sale of 10,000 metric tons of wheat under CARE's FY 1988 Title II Monetization Program. The proceeds of this sale by CARE shall be channeled to participating regional and local NGOs over a three-year period as loan capital under CARE's RCFP. CARE's awareness of the importance and need for training at all levels has increased recently. To expand CARE's training capacity under RCFP, a decentralized training unit shall be established to coordinate and help implement training activities for NGOs participating in the credit program.

CARE shall also develop linkages between RCFP and the Title II program in order to reduce the dependence of supplementary feeding programs on imported foods by devising and implementing strategies that encourage participating NGOs, to the extent possible, to include Title II beneficiaries as RCFP borrowers.

Section 2.2. Planned Outputs.

CARE shall have achieved the following objectives by the end of this three-year project:

(a) established a training coordination unit, composed of four field-based staff, to assist area officers in planning and implementing training programs relevant to the administration of credit programs;

(b) provided refresher training for training unit staff at a regional training and credit management seminar in Bangkok;

(c) conducted training needs assessments of participating NGOs;

(d) conducted at least 15 week-long training programs per year, of not less than 20 participants each, in credit project design and implementation, financial management, marketing, rural production and community organization for the staff of participating NGOs;

(e) assisted each NGO participating in the initial training programs to conduct at least one community-level training activity per year among its beneficiaries on credit management and/or skills training;

(f) evaluated both the technical assistance project and that part of the RCFP that uses Title II monetization proceeds as loan capital to determine the efficacy of credit when combined with training and to assess how the project might be improved in order to increase income, mobilize savings, and increase local food production.

III. IMPLEMENTATION PLAN

Section 3.1. Method of Management. All CARE programs have been reorganized recently so as to be managed through area structures headed by an area manager. There are three area offices which serve the Western Visayas, Luzon, and the Central Visayas/Northern Mindanao respectively. Each office is responsible for planning and conducting projects in its area of jurisdiction. This reorganization and reorientation enables CARE to focus attention on its participating NGOs rather than being directly involved in projects itself. The technical assistance project shall be managed in the same manner.

Section 3.2. Method of Training. CARE shall help participating NGOs to develop their capacity to implement successful development programs among

depressed communities and to become self-sustaining institutions in their own right. Through a training coordination unit, CARE shall provide technical assistance to these participating NGOs in the form of direct staff training and shall assist these NGOs' staff in training their own direct beneficiaries.

Section 3.3. Type of Training. Two types of training shall be provided by CARE: a) organizational training with modules on self-awareness, basic leadership skills, business management, and training of trainers, and b) specific skills training (e.g. bookkeeping for farmers' groups, para-veterinary techniques, watershed management, and sustainable agricultural methods). Such training will be specifically designed to complement the financial assistance, financial intermediation, and institution-building components of CARE's on-going credit program. The specific content of the training courses shall be determined through discussion and problem analysis with each participating NGO and shall be set forth in a training plan tailored to the needs of both the organization itself and the project activities which it implements.

IV. REPORTING REQUIREMENTS

Section 4.1. Initial Reporting Requirements.

(a) Implementation Plan. The Grantee shall prepare a life of project Implementation Plan in form and substance satisfactory to USAID listing scheduled activities by quarter. This plan shall be submitted to USAID with the first Request for Cash Advance. The Implementation Plan shall specify project activities, such as the gathering of baseline data, and shall list the individuals responsible, timeframe, related budget line items from both USAID and counterpart funds and other resources needed to support the activity. The Grantee shall update the Implementation Plan using PVO Form No. 1 in the form set forth in Annex A as part of the Semestral Progress Report.

(b) Evaluation Plan. Within six months following the effective date of the Grant, the Grantee shall submit to USAID one copy of its Evaluation Plan in form and substance satisfactory to USAID describing the evaluation events, when they are to be scheduled, what aspects of the project will be evaluated, who will participate in the evaluation, and an evaluation design indicating the purpose of the evaluation and the methods that will be used to carry it out. The Grantee may decide to undertake a series of evaluations to meet program requirements.

(c) Baseline Report. Within six months following the effective date of the Grant, the Grantee shall submit to USAID one copy of its Baseline Report in form and substance satisfactory to USAID providing a socio-economic profile of the beneficiaries in relation to the broader population. The Baseline Report should focus on the key indicators necessary for evaluating and monitoring the progress, results and impact of the project.

(d) Financial Review Plan. Within six months following the effective date of the Grant, the Grantee shall submit to USAID one copy of its Financial Review Plan in form and substance satisfactory to USAID describing the plan for periodic review of financial management of project resources, compliance with reporting requirements under the Grant Agreement and maintenance of adequate internal controls.

Section 4.2. Semestral and Quarterly Reporting Requirements.

(a) Semestral Progress Reports. The Grantee shall submit to USAID Semestral Progress Reports using PVO Form No. 2 in the form set forth in Annex A. These reports shall include a discussion of the status of project implementation and fully describe project activities, making a comparison between planned activities and actual activities.

(b) Quarterly Financial Reports.

(i) Request for Cash Advance. The Grantee shall request advances of funds as provided in Section 6.1 using PVO Form No. 3 in the form set forth in Annex A.

(ii) Expenditure/Liquidation Report. The Grantee shall prepare Expenditure/Liquidation Reports as provided in Section 6.2 using PVO Form No. 4 in the form set forth in Annex A, indicating in detail the expenditures of both USAID Grant funds and counterpart funds.

Section 4.3. Final Reporting Requirements.

Within ninety (90) days after the Grant Completion Date, the Grantee shall submit to USAID a Project Assistance Completion Report. The report shall cover:

- A final financial report including a summary of contributions made by USAID, the Grantee, the beneficiaries and other donors (i.e., planned versus actual inputs) and disposition of assets obtained under the Grant;
- Status of various project elements (e.g., procurement, construction, training);
- A brief description of project accomplishments including an assessment of the impact the project has had and may have on project beneficiaries in light of baseline indicators at the commencement of the Grant, the original project design and modifications of project design during implementation (including a comparison of revised outputs and actual outputs);

Description of continuing Grantee responsibilities for activities begun under the Grant including the identification of and discussion of the sustainability of benefits and project activities that need to be carried forward;

A summary of lessons learned from the project that might be relevant to replication, in whole or in part, of project activities.

V. BUDGET AND FINANCING

Section 5.1. USAID Financing. Funds provided by USAID under this Grant Agreement shall be used to finance the Philippine peso costs of the items specified in the budget set forth in Section 5.6 below. The total amount of funds to be provided by USAID shall not exceed ₱2,050,000, for which U.S.\$100,000 shall be made available by USAID under this Grant based on an estimated exchange rate of ₱20.50 to \$1.00.

Section 5.2. Limit of USAID's Commitment. If the exchange rate varies so that the amount of dollars required to purchase the peso amount specified in Section 5.1 is greater than the amount of dollars therein specified, the specified dollar amount shall be the controlling limit to USAID's commitment. If the exchange rate varies so that the amount of dollars required to purchase the peso amount specified in Section 5.1 is less than the amount of dollars therein specified, the remaining dollars may be used to purchase pesos for justified peso cost increases over the peso costs provided in the budget set forth in Section 5.6, if approved in writing by USAID, provided that the counterpart contribution of the Grantee is adjusted in accordance with Section 5.3.

Section 5.3. Counterpart Financing. The Grantee shall assure that counterpart contributions having a value of not less than twenty-six percent (26%) of the total project cost will be provided in cash or in kind at the time such counterpart contributions are required for performance of this Grant. Based on the total budgeted project cost specified in Section 5.6, counterpart contributions having a value of not less than ₱727,267 shall be provided. In the event that the amount of pesos provided by USAID exceeds the amount specified in Section 5.6, the amount of counterpart contributions shall be increased by an amount not less than thirty-six percent of the additional amount provided by USAID. Counterpart contributions shall be valued in accordance with Article IX of this Grant Agreement.

Section 5.4. Adjustment of Budget. Without prior written approval of USAID, the Grantee may increase or decrease by up to 15 percent the amount budgeted for each major line item in the budget set forth in Section 5.6, except for the line items for "Personnel", provided that the total amount budgeted for the project specified in Section 5.6 is not changed. The Grantee shall promptly submit to USAID revised budgets incorporating any adjustments that are permitted by the foregoing sentence.

Section 5.5. Program Income.

(a) Program income, as defined in subparagraph (b) below, shall be paid to USAID, unless such income is (i) added to funds committed to the project by USAID or the Grantee and used to further eligible project objectives or (ii) used to finance counterpart contributions to the project if approved in writing by USAID. Program income may be used by the Grantee in the foregoing ways without accountability to USAID after termination of the Grant, provided that the Grantee informs USAID of the plan of operations for use of such income prior to expenditure, and provided further, that the Grantee reports to USAID on activities financed with program income during the period of the Grant.

(b) Program income is gross income earned by the Grantee from activities supported by USAID under this Grant. Program income includes, but is not limited to, income from service fees or charges and interest earned with respect to funds loaned under a capital assistance or credit component of the project. Program income does not include any interest earned on advances of Grant funds.

Section 5.6. Budget.

<u>Schedules</u>	<u>USAID</u>	<u>PVO</u>	<u>Total</u>
Schedule 1: Personnel	₱ 793,074	₱ 269,567	₱1,062,641
Schedule 2: Training	953,382	457,700	1,411,082
Schedule 3: Monitoring & Evaluation	131,005	0	131,005
Schedule 4: Overhead	172,539	0	172,539
Total	<u>₱2,050,000</u>	<u>₱ 727,267</u>	<u>₱2,777,267</u>
	=====	=====	=====
Total USAID:	₱2,050,000	= \$100,000	= 74%
Total Counterpart:	727,267	= 35,476	= 26%
Total Project Cost:	2,777,267	= 135,476	= 100%

A detailed budget schedule is set forth in Annex B hereto. Personnel budgeted under this Grant shall work full-time on Grant activities unless otherwise indicated in the detailed budget schedule.

VI. PAYMENT PROCEDURES

Section 6.1. Advances. The Grantee may request an initial advance of funds equivalent to the amount required for the first ninety (90) days of Grant activities. Advances of funds required for Grant activities in subsequent ninety-day periods may be requested subject to satisfaction of the liquidation requirements in Section 6.2. Each quarterly request for an advance of funds should show a monthly breakdown of expected utilization of funds during the period covered. Upon approval of a quarterly request for an advance of funds, USAID will provide the amount of the advance in three monthly installments based on the monthly breakdown of expected utilization. The Grantee shall submit quarterly requests for advances of funds at least one month prior to the date funds are required. If disbursements by the Grantee are faster than projected, the Grantee may request an interim advance prior to the regularly scheduled monthly installment to ensure that funds will be available.

Section 6.2. Liquidation of Advances. Within forty-five (45) days following the end of each ninety-day period for which funds were advanced, the Grantee shall submit a certified Expenditure/Liquidation Report (Form No. 4) specifying all costs in accordance with the budget line items set forth in Section 5.6. USAID may require the Grantee to provide copies of pertinent supporting documents, including, without limitation, receipts, invoices, travel authorizations, purchase orders, payroll data and used tickets. Liquidation of advances for each quarter may be reported independently of the submission of quarterly requests for advances. The Grantee may request and USAID may approve advances for the second quarter after the first quarterly advance prior to the submission of the Expenditure/Liquidation Report for the first quarter. However, no subsequent advances will be approved by USAID unless Expenditure/Liquidation Reports for all prior advances, other than the advance for the then current period, have been received by USAID.

Section 6.3. Refund of Unliquidated Advances. The Grantee shall refund the amount of any advance not liquidated by the final Expenditure/Liquidation Report under the Grant within ninety (90) days after the Grant Completion Date in the form of a check payable to the "Treasurer of the United States." The foregoing right of refund shall be in addition to any other refund rights provided to USAID under this Grant Agreement.

VII. GRANT COMPLETION DATE

The Grant Completion Date shall be three years from the effective date of the Grant set forth in the covering Grant letter, or such other date as USAID and the Grantee may agree to in a written amendment to this Grant Agreement. The Grant Completion Date is the date by which all services financed under the Grant shall have been performed and all goods financed under the Grant will have been furnished for the project as contemplated by this Grant Agreement. Except as USAID may otherwise agree in writing, USAID

will not issue or approve documentation authorizing disbursement of funds provided under the Grant or approving the liquidation of advances on the basis of disbursement by the Grantee of funds for services performed or for goods delivered subsequent to the Grant Completion Date.

VIII. CLOSE-OUT PROCEDURES

Section 8.1. Definitions. The following definitions shall apply for purposes of this Article VIII:

(a) Close-out. The term "close-out" refers to the process whereby USAID (i) determines whether the provisions of this Grant Agreement have been met and the activities contemplated by the Grant Agreement have been completed satisfactorily and (ii) determines the amount, if any, of unreimbursed costs for which reimbursement is owed by USAID to the Grantee and the amount, if any, of disallowed costs for which refund is owed by the Grantee to USAID.

(b) Disallowed Costs. The term "disallowed costs" refers to costs claimed by the Grantee, whether in an Expenditure/Liquidation Report or otherwise, for financing by USAID under this Grant that USAID or its authorized representatives determine not to be allowable under the terms of this Grant Agreement or applicable U.S. Government cost principles.

Section 8.2. Close-out Procedures.

(a) Unreimbursed Costs. Upon the written request of the Grantee, USAID shall pay the Grantee the amount, if any, of any allowable, allocable and reasonable costs for which reimbursement has not previously been provided.

(b) Refund by Grantee. Except as USAID may otherwise agree in writing, immediately following the Grant Completion Date, the Grantee shall refund to USAID the amount, if any, of funds advanced or paid to the Grantee by USAID that are not irrevocably committed to third parties for allowable, allocable and reasonable costs under the Grant. Immediately following receipt of notification from USAID, the Grantee shall refund to USAID the amount, if any, of any disallowed costs with respect to which payment or reimbursement under the Grant was made by USAID. The foregoing refund rights shall be in addition to any other refund rights provided to USAID under this Grant Agreement.

(c) Reports. Within ninety (90) days after the Grant Completion Date, the Grantee shall submit to USAID all financial, evaluation and other reports required by this Grant Agreement.

(d) Grant-Financed Property. The Grantee shall account for any property received by the Grantee from the U.S. Government or acquired with funds provided by USAID in form and substance satisfactory to USAID.

IX. COUNTERPART CONTRIBUTIONS

The following criteria and procedures shall apply for the purposes of determining the allowability of cash and in-kind contributions made by the Grantee, subgrantees or third parties ("counterpart contributions") in satisfying the counterpart contribution requirement set forth in Section 5.3 of this Grant Agreement:

Section 9.1. General. Cash and in-kind contributions shall be accepted toward satisfaction of the counterpart contribution requirement only if such contributions:

- (a) are verifiable from the Grantee's records;
- (b) are not included as contributions for the purpose of any other project or program assisted by the U.S. Government;
- (c) are necessary and reasonable for proper and efficient accomplishment of project objectives;
- (d) are types of charges that would be allowable under applicable U.S. Government cost principles;
- (e) are not financed by the U.S. Government under any other grant or agreement, unless otherwise approved by USAID; and
- (f) are provided for in the budget approved by USAID.

Section 9.2. Cash Contributions. Cash contributions are cash outlays by the Grantee and any subgrantees, including the outlay of cash contributed to the Grantee or a subgrantee by third parties other than the U.S. Government. Cash outlays meeting the conditions specified in Section 9.1 shall be allocated as counterpart contributions under this Grant in accordance with the following criteria:

(a) Salaries. The cash counterpart contribution in respect of salaries paid to individuals in connection with services performed for the project shall be determined by multiplying the salary, including all benefits, of the individual by the percentage of time the individual actually provides services for project activities.

(b) Expendable Personal Property. The cash counterpart contribution in respect of expendable personal property, including office and workshop supplies and per diem, shall equal the cash outlay made to acquire the property.

(c) Nonexpendable Personal and Real Property. The cash counterpart contribution in respect of nonexpendable personal property (such as equipment) and real property (buildings and land) shall be determined as follows:

(i) If the purpose of the Grant is to assist the Grantee or a subgrantee in the acquisition of the property, the cash counterpart contribution shall equal the total cash outlay made to acquire the property.

(ii) If the purpose of the Grant is to support activities that require the use of the property, the cash counterpart contribution shall equal the depreciation or use charges properly chargeable to the property during the period of the Grant using the straight-line method of depreciation, based on the cash outlay made to acquire the property and the useful life of the property.

(d) Rent and Utilities. The cash counterpart contribution in respect of rent and utilities (such as water and electric charges) shall be determined by multiplying the cash outlay made for such purposes for the facility or facilities housing project activities by the percentage of space in such facilities actually provided for project activities.

Section 9.3. In-Kind Contributions. In-kind contributions represent the value of non-cash contributions of property or services by the Grantee, a subgrantee or third party other than the U.S. Government. In-kind contributions meeting the criteria specified in Section 9.1 shall be allocated as counterpart contributions under this Grant in accordance with the following criteria:

(a) Volunteer Services. The in-kind contributions of volunteer services shall be valued on the basis of the rate of compensation paid for similar work in the Grantee's or subgrantee's organization, or on the basis of the rate of compensation paid for such work in the local labor market in which the volunteer services are performed. The value of volunteer services shall be determined by multiplying the applicable rate of compensation by the percentage of time actually devoted to providing services for project activities.

(b) Donated Expendable Personal Property. The in-kind contribution value of expendable personal property shall equal the fair market value of the donated property at the time it is made available for project purposes.

(c) Donated Nonexpendable Personal and Real Property. The in-kind contribution value of nonexpendable personal and real property shall be determined as follows:

(i) If the purpose of the Grant is to assist the Grantee or a subgrantee in the acquisition of the property, the in-kind contribution shall equal the fair market value of like property of the same age and condition at the time of donation.

(ii) If the purpose of the Grant is to support activities that require the use of the property, the in-kind contribution

value shall equal either (i) the depreciation or use charges properly chargeable to the property during the period of the Grant using the straight-line method of depreciation, based on the original acquisition cost of the property and the useful life of the property or (ii) the local cost of renting similar property of the same age and condition at the time of donation during the period the property is used for Grant activities. In the case of space provided for meetings, workshops and similar short-term needs, the in-kind contribution value shall equal the amount chargeable locally if the space were provided for such purposes for a fee. In the case of land provided for agricultural products, the in-kind contribution value shall equal the amount chargeable locally if the land were rented for such purposes.

X. MISCELLANEOUS

Section 10.1. Title to Property. Title to all property financed under the Grant shall vest in the Grantee as provided in the Standard Provision relating thereto set forth in Attachment 2 to this Grant Agreement.

Section 10.2. Authorized Geographic Code. If the total procurement element during the life of the Grant is valued at \$250,000 or less, all goods and services financed under the Grant with U.S. dollars shall be procured in and shipped from countries included in AID Geographic Code 935 in accordance with the order of preference specified in the Standard Provision relating thereto set forth in Attachment 2 to this Grant Agreement. If the total procurement element exceeds \$250,000, all goods and services financed under the Grant with U.S. dollars shall be procured in and shipped from the U.S.

Section 10.3. Overhead Rate. The applicable overhead rate(s), the base(s) on which they apply, and the Grantee's accounting period(s) they cover, are as follows: 9.19% of total project costs over a three year period

XI. STANDARD PROVISIONS

Section 11.1. Standard Provisions. The Standard Provisions set forth in Attachment 2 consist of the following:

- (a) Mandatory Standard Provisions
(Standard Provisions 1 through 11, inclusive, under the heading "Mandatory Standard Provisions for U.S., Nongovernmental Grantees" are applicable); and
- (b) Other Standard Provisions
(Such of Standard Provisions 1 through 21, inclusive, under the heading "Required as Applicable Standard Provisions for U.S., Nongovernmental Grantees" as are therein checked are applicable.)

Section 11.2. Inconsistencies. In the event of an inconsistency among the elements of this Grant Agreement, the following order of precedence shall apply:

- (i) The covering Grant Letter;
- (ii) Attachment 1 (Schedule and Project Description);
and
- (iii) Attachment 2 (Standard Provisions).

ANNEX "A"

PVO Form No. 1

QUARTERLY IMPLEMENTATION PLAN

Name of Grantee: _____
Project Title : _____
Grant Number : _____
Period Covered : _____ through _____ 1987

ACTIVITIES/ACTIONS	PEOPLE		TIMEFRAME	USAID	COUNTERPART	COMMENTS
	RESPONSIBLE	AFFECTED				

(One copy of the updated Implementation Plan, along with the Request for Cash Advance should be submitted to the USAID Project Officer within the first month following the end of the reporting quarter.)

PVO Form No. 2

QUARTERLY PROGRESS REPORT

Period Covered: _____ through _____, 19__

- A. Name of PVO _____
- B. Project Title & Grant Number _____
- C. PACD _____
- D. Date of Last Report: _____ E. Date of Last Evaluation _____
- F. Project Funding LOP: Grant _____ G. Counterpart: _____
- H. Expenditure to date: Grant _____ I. Counterpart: _____
- J. Project Purpose: (Use Additional pages if necessary) _____

K. Activities for the Period _____

L. Outputs (Cumulative, if possible):

M. Issues/Problems this Quarter and Planned Actions to Resolve Issues/Problems

N. Contractors/Consultants

Prepared by: _____

Date Prepared: _____

PROGRESS REPORT INSTRUCTIONS

(One copy of this report should be submitted to the USAID Project Officer within the first month following the end of the reporting quarter)

Use Additional Pages If Necessary

Item A (Name of PVO - Provide Name of PVO)

Item B (Project Title & Grant Number) - Provide Project Title & Grant Number

Item C (PACD) - Provide Project Assistance Completion Date

Item D (Date of Last Report) - Provide Date of Last Quarterly Report

Item E (Date of Last Evaluation) - Provide Date of Last Evaluation

Item F (Project Funding LOP: Grant) - Provide Project Funding Life of Project Grant

Item G (Project Funding LOP: Counterpart) - Provide Counterpart Funding Life of Project

Item H (Expenditure to Date) - Provide Total Expenditures To Date (Grant Funds)

Item I (Expenditure To Date: Counterpart) - Provide Total Counterpart Expenditures to Date

Item J (Project Purposes) - Should not exceed 4 lines

Item K (Activities for the Period) - Compare actual accomplishments with planned activities for the quarter. If planned activities were not met, include reasons why they were not met. Information on time schedule, outputs accomplished, other performance goals achieved, and explanation of cost overruns, if any, should be included.

Item L (Outputs) - If possible, list outputs cumulative not only for quarter.

Item M (Issues/Problems) - Indicate major issues/problems and planned actions to resolve issues.

Item N. (Contractors/Consultants) - List major consultants or contractors. If none, state none.

N.B.

In addition to preparing this form every quarter, please submit special reports (a) when events occur that have significant impact upon the project or (b) when problems, delays or adverse conditions will affect the ability to attain objectives. This should be accompanied by a statement of the action taken or planned or further USAID assistance needed.

QUARTERLY REQUEST FOR CASH ADVANCE

Name of Grantee: _____
Project Title : _____
Grant Number : _____
Period Covered : _____ through _____ 19 _____

- 1. Amount Authorized (Life of Project) P _____
- 2. Total Cash Advances Received to date _____
- 3. Total Disbursements to date _____
- 4. Estimated Disbursement up to the end of the Quarter _____
- 5. Unexpended Cash Advances /2-(3+4)/ _____
- 6. Cash Requirement for this Period _____
- 7. Cash Advance Requested (6-5) P _____

Projected Expenditures by Line Item
for this Period:*

Monthly Breakdown

A. Personnel Costs	P	_____	_____	_____
B. Equipt. & Commodities		_____	_____	_____
C. Monitoring & Evaluation		_____	_____	_____
D. Training		_____	_____	_____
E. Administrative & Travel		_____	_____	_____
F. Loan Fund		_____	_____	_____
Monthly Totals		_____	_____	_____
Total Amount Required for the period	P	_____	_____	_____

The undersigned hereby certifies: 1) that the above represents the best estimates of funds needed for expenditures to be incurred over the period described; 2) that expenses under any previous advances are progressing in accordance with projections; 3) that appropriate refund or credit to the grant will be made in the event funds are not expended; 4) that appropriate refund will be made in the event of disallowance in accordance with the terms of this grant; 5) that any interest accrued on the funds made available herein will be refunded to the U.S. Agency for International Development (USAID).

Date Signed

Project Director/Authorized PVO
Representative

*Line Items may be added based on the approved grant budget.

(One copy of the Request for Cash Advance along with the updated Implementation Plan, should be submitted to the USAID Project Manager within the first month following the end of the reporting quarter.)

QUARTERLY EXPENDITURE/LIQUIDATION REPORT

Name of Grantee : _____
 Project Title : _____
 Grant Number : _____
 Period Covered: _____ through _____, 19__

Budget Items	G R A N T F U N D S				C O U N T E R P A R T F U N D S			
	Approved Budget LOP	Advances Cumulative	Disbursements this Period	Total Disbursement	Unexpended Balance	Approved Budget LOP	Disbursement this Period	Total Disbursement
1. Personnel Costs								
Sub-total								

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Quarterly Expenditure/Liquidation Report

Expenditure/Liquidation reports are to specifically include the following detailed information:

- a. Salaries and wages are to be set forth as separate line items for each position, the incumbent's name, indicating whether full-time or part-time (i.e. one-fourth time, one-half time, etc.), rate of pay and total cost for period claimed.
- b. The term Consultant's fee is to be used in appropriate cases. Each consultant's fee must be set forth as a separate line item which clearly indicates the type of consultant service, the consultant's name, period of time employed, rate of pay (i.e. hourly, daily, weekly, monthly), and total cost for period claimed.
- c. Purchases of major commodities (e.g. typewriters, calculators, computers, machinery, etc.) shall be listed as distinct line items including the item, brand name, vendors name/address/telephone and amount.

NOTE: Payments of honoraria, however designated, are not permitted.

BUDGET SUMMARY

<u>Schedules</u>	Year 1		Year 2		Year 3		T O T A L	
	USAID	PVO	USAID	PVO	USAID	PVO	USAID	PVO
1 Personnel	₱179,055	₱269,567	₱286,175	₱ 0	₱ 327,844	₱ 0	₱ 793,074	₱269,567
2 Training	41,000	457,700	426,805	0	485,577	0	953,382	457,700
3 Monitoring & Evaluation	0	0	131,005	0	0	0	131,005	0
4 Overhead	20,223	0	77,934	0	74,382	0	172,539	0
TOTAL	₱240,278	₱727,267	₱921,919	₱ 0	₱ 887,803	₱ 0	₱2,050,000	₱727,267

TOTAL USAID = ₱2,050,000 (\$ 100,000) = 74%
 TOTAL COUNTERPART = ₱727,267 (\$ 35,476) = 26%
 TOTAL PROJECT COST = ₱2,777,267 (\$ 135,476)

Exchange Rate = ₱20.50 to \$1

H.C.

Schedule 1: Personnel

Position	% Time	Base Rate	Number	YEAR 1		YEAR 2		YEAR 3		TOTAL	
				USAID	PVO	USAID	PVO	USAID	PVO	USAID	PVO
Training Coordinator	100%	₱ 4,800	1	₱ 0	₱ 62,400	₱ 71,760	₱ 0	₱ 82,524	₱ 0	₱ 154,284	₱ 62,400
Training Officers	100%	4,000	3	₱ 156,000	0	₱ 179,400	0	₱ 206,310	0	₱ 541,710	0
Subtotal				₱ 156,000	₱ 62,400	₱ 251,160	₱ 0	₱ 288,834	₱ 0	₱ 695,994	₱ 62,400
<u>Fringe Benefits</u>											
Severance/Retirement	(1 mo gross/yr of service)			₱ 12,000	₱ 4,900	₱ 19,320	₱ 0	₱ 22,218	₱ 0	₱ 53,538	₱ 4,800
Insurance	(₱1,591/person yr + 15%/yr)			4,773	0	7,319	0	8,416	0	20,508	0
SSS/MCP/EC	(₱172.50/person month)			6,282	0	8,376	0	8,376	0	23,034	0
Subtotal				₱ 23,055	₱ 4,800	₱ 35,015	₱ 0	₱ 39,010	₱ 0	₱ 97,080	₱ 4,800
<u>International Staff Salaries/Benefits:</u>											
10% of Costs of Country Dir. & Asst Dir. (9/88-6/89)				₱ 0	₱ 202,367	₱ 0	₱ 0	₱ 0	₱ 0	₱ 0	₱ 202,367
TOTAL				₱ 179,055	₱ 269,567	₱ 286,175	₱ 0	₱ 327,844	₱ 0	₱ 793,074	₱ 269,567

Note/:

- Salaries are computed on 13 month basis
- Average rate of annual increase is 15%

25.

Schedule 2: Training

	YEAR 1		YEAR 2		YEAR 3		TOTAL	
	USAID	PVO	USAID	PVO	USAID	PVO	USAID	PVO
1. CARE partner staff training (15 wkshps/yr x 15 partic.)								
- Resource speaker fees (P700/da x 2 x 25 da/yr)	P 0	P 35,000	P 35,000	P 0	P 35,000	P 0	P 70,000	P 35,000
- Participants' travel (P20,000) & lodging (225 Part x 5 da x P200/da)	0	245,000	281,750	0	324,013	0	605,763	245,000
- Travel for CARE Staff (P3,500/wkshp)	0	52,200	60,030	0	69,035	0	129,065	52,200
2. CARE training unit staff (4 partic for 10 days)								
- Air travel (Manila-Bangkok RT)	41,000	0	0	0	0	0	41,000	0
- Perdiem & Training fees (\$100/pers/da)	0	82,000	0	0	0	0	0	82,000
Supplies & Materials	0	43,500	50,025	0	57,529	0	107,554	43,500
TOTALS	P41,000	P457,700	P 426,805	P 0	P485,577	P 0	P953,382	P457,700

* Note/: Increases for selected items in Yrs 2 and 3 are 15%

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Schedule 3: Monitoring and Evaluation

Midterm Evaluation:

Regional technical advisors (2)
(International travel & fees
figured on basis of \$235/da for 10 da)
(Local travel and lodging)

TOTAL

Year 1		Year 2		Year 3		TOTAL	
USAID	PVO	USAID	PVO	USAID	PVO	USAID	PVO
0	0	96,350	0	0	0	96,350	0
0	0	34,655	0	0	0	34,655	0
0	0	131,005	0	0	0	131,005	0

Schedule 4: Overhead Costs

Care Headquarters Administrative Recovery
(9.19% of direct expenses, excluding counterpart)

Year 1		Year 2		Year 3		TOTAL	
USAID	PVO	USAID	PVO	USAID	PVO	USAID	PVO
20,223	0	77,934	0	74,382	0	172,539	0

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