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LIMITED SCOPE GRANT PROJECT AGREEMENT

Between the United States of America, acting through
 the Agency for International Development (AID)

AND
 DIRECTORATE GENERAL OF COMMUNICABLE DISEASE CONTROL (CDC)
 (Direktorat Jenderal Pencegahan dan Pemberantasan Penyakit Menular, Departemen Kesehatan R.I.)
 REPUBLIC OF INDONESIA

(Grantee)

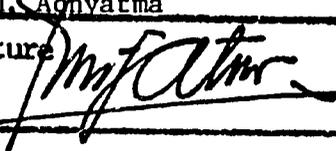
1. Project Title EVALUATION OF A PHOTOVOLTAIC-POWERED MEDICAL REFRIGERATOR	2. AID Project Number (FASA NUMBER) NASA/DSB-5710-2-79
3. Appropriation Number	4. Allotment Number

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

5. Amount of AID Grant Equipment and services (up to a value of approximately \$40,000)	6. Grantee Contribution to the Project Facilities and Services \$ _____	7. Project Assistance Completion Date: September 1983 (est.)
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8. This agreement consists of this title page and

- ANNEX A - Project Description
- ANNEX B - Implementation Plan
- and Proag Standard Provisions Annex

9. For the Grantee Typed Name Dr. M. Adhyatma	10. For the Agency for International Development Typed Name William P. Fuller
Signature 	Signature 
Title Directorate General of Communicable Disease Control (CDC)	Title Director, USAID/Indonesia
Date March 24, 1982	Date March 24, 1982

ANNEX A - PROJECT DESCRIPTION

Project Title: Evaluation of a Photovoltaic-Powered Medical Refrigerator

A.I.D. Project Number: PASA NASA/DSB-5710-2-79

Project Purpose:

The purpose of this project is to field-test and evaluate the use of two photovoltaic (PV)-powered medical refrigerators* as part of the vaccine cold chain at rural health centers in Indonesia.

Project Description

This project consists of: 1) the installation and field-testing of a PV-powered medical refrigerator at the Cianjur and Tambun health facilities in Indonesia; 2) the provision of training for appropriate host country personnel in the operation, maintenance and repair of the PV refrigerator; and 3) a technical and economic evaluation of the PV-refrigerator operation. The estimated period of performance of the project will be 20 months from the signing of this agreement.

The United States Agency for International Development (AID) shall provide the services of the National Aeronautics and Space Administration, Lewis Research Center (NASA/LeRC) who shall assume overall management responsibility for the project within the provisions of PASA NASA/DSB-5710-2-79. The implementing agency for the Government of Indonesia shall be Directorate General of Communicable Disease Control (CDC), Ministry of Health. The roles and responsibilities of the participating parties, the estimated resources and the implementation schedule are outlined in Annex B-Implementation Plan.

*The PV-powered medical refrigerator consists of a solar cell array, controls, battery, wiring, instrumentation and 100 liter (approx.) refrigerator/freezer designed to WHO and CDC specifications for use in the vaccine cold chain system.

ANNEX B

IMPLEMENTATION PLAN

Evaluation of a Photovoltaic-Powered Medical Refrigerator

Introduction.

This Implementation Plan outlines the respective roles and responsibilities, and financial and in-kind contributions of all the parties to the Agreement. This plan also sets out the general agreed upon timetable for implementation of the activity. The contents of this plan can be modified or expanded upon by Implementation Letters, or by other correspondence countersigned by all the parties.

Roles and Responsibilities of Participating Parties

The participating agency(s) for the Government of Indonesia (henceforth referred to as the Grantee) under the activity shall be Directorate General of Communicable Disease Control (CDC), Ministry of Health. U.S. AID will represent the government of the United States and provide the services of NASA LeRC who shall assume overall management responsibility for this project. The specific roles and responsibilities of the parties are outlined below.

(1) NASA LeRC Shall:

- (a) Assume overall management responsibility for the project.
- (b) Provide site selection criteria to assist the Grantee in identifying a site for the PV-powered medical refrigerator, hereafter referred to as a refrigerator system.
- (c) Procure the services of and technically direct the work of a U.S. based contractor who will provide the following:
 - (i) A refrigerator system including the PV array,* battery, control, wiring and instrumentation, and refrigerator/freezer unit of 100 liter (approx.) volume.
 - (ii) Shipping and installation of the refrigerator system at the rural health facilities selected by the Grantee.

*A PV array is an assembly of solar cell modules mechanically fastened to a supporting frame.

(Note: All costs associated with in-country personnel travel for contractor personnel and per diem, and equipment, transportation and storage shall be paid for by the NASA-Lewis contractor out of project funds.)

- (iii) System checkout and start up, and supervision of initial operation of the refrigerator system.
 - (iv) Technical manuals and training of user personnel in operation, maintenance, repair, and monitoring of the refrigerator system.
 - (d) Provide data collection forms and mailing envelopes to host country personnel to facilitate monitoring of refrigerator system operation.
 - (e) In collaboration with the Grantee and AID Mission, participate in project evaluation; and receive, analyze, and publish all performance data supplied by the Grantee. Information will be disseminated to the international health community through the World Health Organization.
 - (f) Provide, either through the contractor or directly, the spare parts and technical assistance necessary to insure continued operation of the refrigerator system for 12 months following installation and acceptance by NASA, and an additional one year warranty of the system exclusive of the refrigerator/freezer unit.
- (2) The Grantee shall:
- (a) Select the specific location of the activity, based on technical siting requirements from NASA-Le-RC. (Note: A clear unshaded area at the project site sufficient to accommodate a PV array of approximately 1.2 meters by 4.5 meters is required. Although the array will be mounted about 2 meters above ground, fencing of the array may be needed for physical security. The fence option will be the responsibility of the Grantee.) The Grantee shall also provide:
 - (1) Local labor to dig six holes approximately 1 m deep and 1/2 m in diameter, and sufficient amount of concrete (approximately 1 m³) to anchor the array structure.
 - (2) local labor to dig a trench (approximately 1/2 m deep) for the burial of the power cable between the PV array and the medical facility.

- (b) Provide an indoor medical facility to accommodate the refrigerator system.
- (c) Provide NASA-LeRC with the requisite site data including location, meteorological data such as solar radiation (if available), topography, site plan and other pertinent logistical information.
- (d) Assist the U.S. contractor with regard to receiving all materials, supplies and equipment required for installation of the refrigerator system including procurement of import licenses, custom clearance at the port of entry, transportation of the goods to a storage site, temporary storage of the goods (if required) and arrangement for transportation of personnel and all goods to the project site).
(Note: The costs associated with personnel travel, per diem and in-country equipment storage and transportation shall be borne by the U.S. contractor).
- (e) Provide suitable, qualified personnel to be trained as users and service personnel for the operation, monitoring and maintenance/repair of the refrigerator system.
- (f) During the duration of the project, provide for regular data collection and transmittal to NASA LeRC for analysis. Data collection will consist of daily recording of reading from six meters supplied with the refrigerator system.
- (g) Provide a written evaluation of the refrigerator system field experience including its operational effectiveness, problems encountered, and suggestions for future units.

ESTIMATED RESOURCES FOR EACH REFRIGERATOR SYSTEM

	Funding (In Kind) In Thousands of U.S. Dollars		
	US AID	Grantee	Total
1. <u>Direct Materials</u> : Refrigerator/Freezer, PV Array, Spare Parts, Ancillary Hardware, G&A	13	(Grantee's Input)	13
2. <u>Direct Labor</u> : Engineering, Management, Media/Translations, Overhead, G&A	6	"	6
3. <u>Travel</u> : Air Fare, Per Diem, Local Transportation, G&A	11	"	11
4. <u>Other Direct Costs</u> : Packaging, Shipping, G&A	6	"	6
5. Use of land	-	"	-
6. Wages for local labor	-	1	1
<u>Contingency</u>	4	-	-
Totals	40	1 plus in kind contributions and assistance to contractor.	41

ESTIMATED IMPLEMENTATION SCHEDULE

Activity	Responsibility	Estimated Date of Completion
1. Site selection and site-specific information collection	Grantee/AID/NASA	November 1981
2. Project definition finalized	Grantee/AID/NASA	December 1981
3. Selection of US-based contractor	NASA	January 1982
4. Project Agreement signed	AID/Grantee	March 1982
5. Materials, supplies and equipment procurement and fabrication/checkout	Contractor/NASA	March 1982
6. Site preparation complete	Grantee/Contractor	March 1982
7. Receipt of all goods in-country and installation of system(s)	Contractor/Grantee	April 1982
8. Training of intended users	Contractor/NASA/Grantee	June-July 1982
9. Interim project evaluation	NASA/AID/Grantee/Contractor	January 1983
10. Final project evaluation	NASA/AID/Grantee/Contractor	July 1983
11. Activity completed	NASA/AID/Grantee/Contractor	July 1983

PROJECT AGREEMENT

PROAG STANDARD PROVISIONS ANNEX

- A. Reference to 'this Agreement' means the original Project Agreement as modified by any revisions which have entered into effect. Reference to 'cooperating country' means the country or territory of the Grantee.
- B. (1) AID will make available the amount specified in Block 3 of this Agreement, as necessary for the Project, as may be further described in Annex A.
- (2) The Grantee will make available the amount specified in Block 4 of this Agreement, as necessary for the Project, as may further be described in Annex A. The Grantee will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A.
- C. AID and the Grantee may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.
- D. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but AID shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Block 5 of this Agreement) or any amended Project Assistance Completion Date specified.
- E. The procurement of commodities and services to be financed in whole or in part by AID may (where so required by AID procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by AID.
- F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the AID contribution referred to in Block 3 of this Agreement shall be subject to the provisions of AID Regulation 1.
- G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to Block 3 of this Agreement shall be in the Grantee, or such public or private agency as it may authorize.
- H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project, will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through

financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.

(2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this Agreement, shall be refunded to the party providing the funds.

(3) Any interest or other earnings on funds provided by AID to the Grantee under this Agreement will be returned to AID by the Grantee.

I. (1) If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs, duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with AID, the Grantee or any agency authorized by the Grantee, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or if any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by AID hereunder, the grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. If funds provided by AID are introduced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder, the Grantee will make such arrangements as may be necessary so that such funds shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

K. AID shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.

L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

M. AID and the Grantee shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 3 and 4 of this Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property or funds shall remain in force after such termination. In addition, upon such termination AID may, at AID's expense, direct that title to goods financed under the Grant be transferred to AID if the goods are from a source outside the Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of the Grantee's country.

O. To assist in the implementation of the Project, AID, from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

P. The Grantee agrees, upon request, to execute an assignment to AID of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with AID financed in whole or in part out of funds granted by AID under this Agreement.

Original

PROJECT GRANT AGREEMENT

Dated: MARCH 11, 1982

Between

The Republic of Indonesia ("Grantee"), on behalf of 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 two governments regarding economic or technical cooperation.

1. Name of Project: ASEAN Energy Cooperation in Development
2. A.I.D. Project Number: 498-0272
3. Amount of A.I.D. Grant: \$1,000,000.00
4. Project Assistance Completion Date: March 31, 1985

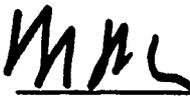
This Agreement consists of this page, a project description (Annex "A") with special provisions, and a standard provisions annex (Annex "B").

REPUBLIC OF INDONESIA

UNITED STATES OF AMERICA



D. ASHARI
Ambassador
REPUBLIC OF INDONESIA



M. PETER MCPHERSON
Administrator
AGENCY FOR INTERNATIONAL DEVELOPMENT

ANNEX A

PROJECT DESCRIPTION

Purpose of Project

The purpose of this second ASEAN-U.S. Energy Project is to support ASEAN programs to replace oil in the power sector by utilizing coal, increase the efficiency of energy use in buildings and develop and apply alternative energy systems for water pumping.

Project Description

The project consists of three basic components which were identified as ones of common interest among the five ASEAN countries.

The components include:

1. Training for coal utilization;
2. Energy conservation in buildings; and
3. Water pumping with solar and photovoltaic-powered systems.

The scope of coal training programs will cover: lectures (mostly on applied sciences and engineering), on-the-job training (such as laboratory work, pilot plant), visits (to industries and energy plants), and discussions. The water pumping component will include a demonstration of solar photovoltaic technologies and systems.

Energy conservation in buildings will require the testing of energy efficiencies with a pre-design function for the optimization of energy conservation both in new and rehabilitated buildings. The design function will be established using building parameters, coefficients of various materials, special setting of building, weather and alternative cooling sources. Tailored into a computer simulation model these techniques will assist architects and engineers to establish useful building codes enabling the ASEAN country building agencies to conserve fuel and develop cost-effective design alternatives for buildings.

Outputs

This project will result in a small increase in the capacity of ASEAN countries to:

1. Manage coal utilization programs
2. Formulate energy efficiency regulations; and
3. Manage alternative energy demonstration projects.

Oil savings from coal utilization and improved energy efficiency in buildings will benefit the overall economy of the ASEAN countries, while the development and eventual manufacture of solar, and photovoltaic pumping systems will not only reduce oil demand but also provide a sustainable energy source for rural farmers and villages.

Budget

A PASA Agreement will be signed with the Department of Energy

for One Million U.S. dollars (\$1,000,000) to be spent over three years. The budget would breakdown as follows:

	<u>Amount:</u>
Coal Training	336,200
Energy conservation in Bldgs.	158,500
Demonstration of Water Pumping Technologies	353,100
Contingency	152,200
	<hr/>
Grand Total	1,000,000

Special Provisions

I. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement 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 acting as the Project Coordinator and of any additional representatives, together with a specimen signature of each person specified in such statement.

II. Except as A.I.D. may agree otherwise in writing, prior to disbursement for activities in another ASEAN member country, the Grantee will obtain, or assist A.I.D. in obtaining evidence satisfactory to A.I.D. from such other member country that the appropriate authorities of that member country have accepted relevant obligations under this Agreement.

III. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) Evaluation of progress toward attainment of the objectives of the project;

(b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;

(c) Assessment of how such information may be used to help overcome such problems; and

(d) Evaluation, to the degree feasible, of the overall development impact of the Project.

STANDARD PROVISIONS ANNEX

- A. Reference to 'this Agreement' means the original Project Agreement as modified by any revisions which have entered into effect. Reference to 'cooperating country' means the country or territory of the Grantee.
- B. (1) A.I.D. will make available the amount specified in Block 3 of this Agreement, as necessary for the Project, as may be further described in Annex A.
- (2) The Grantee will make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A.
- C. A.I.D. and the grantee may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.
- D. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but A.I.D. shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Block 4 of this Agreement) or any amended Project Assistance Completion Date specified.
- E. The procurement of commodities and services to be financed in whole or in part by A.I.D. may (where so required by A.I.D. procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by A.I.D.
- F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the A.I.D. contribution referred to in Block 3 of this Agreement shall be subject to the provisions of A.I.D. Regulation 1.

- G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by A.I.D. pursuant to Block 3 of this Agreement shall be in the Grantee, or such public or private agency as it may authorize.
- H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the Procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project, will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.
- (2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this Agreement, shall be refunded to the party providing the funds.
- (3) Any interest or other earnings of funds provided by A.I.D. to the Grantee under this Agreement will be returned to A.I.D. by the Grantee.
- I. (1) If A.I.D. and any public or private organization furnishing commodities through A.I.D. financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs, duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.
- (2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with A.I.D., the Grantee or any agency authorized by the Grantee, who are present in the cooperating country to provide services which A.I.D. has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperative country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States

of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or if any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by A.I.D. hereunder, the Grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

- J. If funds provided by A.I.D. are introduced into the cooperating country by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds shall be convertible into currency of the cooperating country at the highest rate which, at the time conversion is made, is not unlawful in the cooperating country.
- K. A.I.D. shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.
- L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.
- M. A.I.D. and the Grantee shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

- N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to this Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property or funds shall remain in force after such termination. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside the Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of the Grantee's country.
- O. To assist in the implementation of the Project, A.I.D., from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.
- P. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.

PROJECT NO. 497-0253

AMENDMENT NO. 2 TO
GRANT AGREEMENT BETWEEN THE
REPUBLIC OF INDONESIA

AND THE

UNITED STATES OF AMERICA

FOR

EXPANDED PROGRAM IN IMMUNIZATION PROJECT

Dated: August 12, 1981

Dated: August 12, 1981

This AMENDMENT NO. 2, is entered into between the REPUBLIC OF INDONESIA ("Grantee") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

WITNESSETH THAT

WHEREAS, the Grantee and A.I.D. entered into a Grant Agreement, on August 15, 1979, ("Grant Agreement"), whereby A.I.D. agreed to grant to the Grantee up to two million United States dollars (\$ 2,000,000) to assist in financing Grantee's program to facilitate a nationwide health program of disease prevention through extensive immunization procedures; and

WHEREAS, the Grant Agreement was amended on December 11, 1980 by adding an additional \$ 800,000 increasing the Grant to \$2,800,000; and

WHEREAS, the Grantee and A.I.D. desire to again amend the Grant Agreement to add an additional \$ 400,000 thereby increasing the Grant to \$ 3,200,000;

NOW, THEREFORE, the Grantee and A.I.D. agree as follows:

1. The first paragraph of Section 3.1. is revised to read as follows:

"Section 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961 as amended, agrees to grant the Grantee under the terms of this

Agreement not to exceed three million two hundred thousand United States ("U.S.") Dollars (\$3,200,000) ("Grant")."

2. Except as hereinabove expressly amended, the Grant Agreement is ratified, confirmed and continued in full force and effect in accordance with all of its terms.

IN WITNESS WHEREOF, the Grantee and the United States of America each acting through its respective duly authorized representative, have caused this Amendment No.2 to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF INDONESIA

UNITED STATES OF AMERICA


dr. SOEJOTO.

Secretary General.MOH.


Robert C. Simpson

Acting Director

FILE

PROJECT NO. 497-0253

AMENDMENT NO. 1 TO

GRANT AGREEMENT

BETWEEN THE

REPUBLIC OF INDONESIA

and the

UNITED STATES OF AMERICA

for

EXPANDED PROGRAM IN IMMUNIZATION PROJECT

Dated: December 11, 1980

**Approp No 72-1111021
Allotment No, 148-50-497-00-69-11**

23

Dated: December 11, 1980

This AMENDMENT NO. 1, entered into between the REPUBLIC OF INDONESIA ("Grantee") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D."),

WITNESSETH THAT

WHEREAS, the Grantee and A.I.D. entered into a Grant Agreement, on August 15, 1979 ("Grant Agreement"), whereby A.I.D. agreed to grant to the Grantee up to two million United States Dollars (\$2,000,000) ("Grant") to assist in financing Grantee's program to facilitate a nationwide health program of disease prevention through extensive immunization procedures; and

WHEREAS, the Grantee and A.I.D. desire to amend the Grant to add an additional \$800,000 thereby increasing the Grant to \$2,800,000;

NOW, THEREFORE, the Grantee and A.I.D. hereby agree as follows:

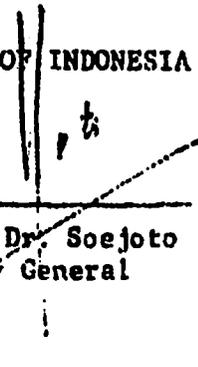
1. The first paragraph of Section 3. 1 is revised to read as follows:

"Section 3. 1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961 as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed two million eight hundred thousand United States ("U.S.") Dollars (\$2,800,000) ("Grant")."

2. Except as hereinabove expressly amended, the Grant Agreement is ratified, confirmed and continued in full force and effect in accordance with all of its terms.

IN WITNESS WHEREOF, the Grantee and the United States of America each acting through its respective duly authorized representative, have caused this Amendment No. 3 to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF INDONESIA



Brig. Gen. Dr. Soejoto
Secretary General

UNITED STATES OF AMERICA



Thomas G. Niblock
Director

A.I.D. Project No. 497-0253

PROJECT
GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF INDONESIA
AND
THE UNITED STATES OF AMERICA
FOR
AN EXPANDED PROGRAM IN IMMUNIZATION

Date: 15 August, 1979

**PROJECT GRANT AGREEMENT
AN EXPANDED PROGRAM IN IMMUNIZATION**

Table of Contents

	<u>Page</u>
Article 1. The Agreement	1
Article 2. The Project	1
SECTION 2.1 Definition of Project	1
SECTION 2.2 Incremental Nature of Project	2
Article 3. Financing	2
SECTION 3.1 The Grant	2
SECTION 3.2 Grantee Resources for the Project	2
SECTION 3.3 Project Assistance Completion Date	3
Article 4. Conditions Precedent to Disbursement	4
SECTION 4.1 First Disbursement	4
SECTION 4.2 Disbursement for Training	4
SECTION 4.3 Notification	5
SECTION 4.4 Terminal Dates for Conditions Precedent	5
Article 5. Special Covenants	5
SECTION 5.1 Project Evaluation	5
SECTION 5.2 Placement of Participants	5
Article 6. Procurement Source	6
SECTION 6.1 Foreign Exchange Costs	6
Article 7. Disbursement	6
SECTION 7.1 Disbursement for Foreign Exchange Costs	6
SECTION 7.2 Other Forms of Disbursement	7
SECTION 7.3 Rate of Exchange	7
Article 8. Miscellaneous	8
SECTION 8.1 Communications	8
SECTION 8.2 Representatives	8
SECTION 8.3 Standard Provisions Annex	9
Amplified Description of the Project	Annex 1
Project Grant Standard Provisions Annex	Annex 2

PROJECT GRANT AGREEMENT

Date: 15 August, 1979

Between THE REPUBLIC OF INDONESIA ("Grantee") and THE UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.").

Article 1. The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2. The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, is designed to facilitate a nationwide health program of disease prevention through extensive immunization procedures. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2 Incremental Nature of Project

(a) A.I.D.'s contribution to the 5-year Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increments, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3. Financing

SECTION 3.1 The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed two million United States ("U.S.") dollars (\$2 000,000) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all

other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the total Project (both Grant and Loan) will be not less than the equivalent of U.S.\$ 13,500,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is June 30, 1984, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees in writing. After such period, A.I.D. giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any

part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4. Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement 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 holding or acting in the office of the Grantee specified in Section 8.2 and of any additional representatives together with a specimen signature of each person specified in such statement.

SECTION 4.2. Disbursement for Training. Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for the purpose of financing the training of a particular trainee or group of trainees, the Borrower 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) A plan which sets forth the purpose, scope and curricula for the proposed training;

(b) A statement setting forth the criteria to be used in selecting candidates for the training; and

(c) A cost estimate for the training.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1 and 4.2 have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Dates for Conditions Precedent

If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement or such later date or dates as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5. Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as an integral part of the Project. Except as otherwise agreed in writing, this evaluation program will include, during the implementation of the Project and at one or more points thereafter (1) evaluation of progress toward attainment of the objectives of the Project; (2) identification and evaluation of problem areas or constraints which may inhibit such attainment; (3) assessment of how such information may be used to help overcome such problems, in this as well as other projects; and (4) evaluation to the degree feasible, of the overall Project.

SECTION 5.2. Placement of Participants. The Grantee covenants that each person trained under this Project will, upon satisfactory completion of training, be guaranteed an

appropriate position, commensurate with his/her prior experience and educational achievement, in the institution from which he/she was selected for training, except as A.I.D. may otherwise agree in writing.

Article 6. Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Indonesia.

Article 7. Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs

(a) After satisfaction of the condition precedent, the Grantee may obtain disbursement of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement,

by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D. with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure goods or services in Grantee's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

After satisfaction of conditions precedent, the Borrower may obtain disbursement of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project

Implementation Letters, requests to finance such costs.

These disbursements may be made by A.I.D.:

- (1) In U.S. dollars equivalent to the local currency cost, or
- (2) In local currency acquired by A.I.D. by purchase or from local currency already owned by the U.S. Government.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Indonesia by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Indonesia at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Indonesia.

Article 8. Miscellaneous

SECTION 8.1. Communications. Any notice, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following addresses:

To the Grantee: Secretary General
Department of Health
Jalan Prapatan No. 10
Jakarta, Indonesia.

To A.I.D.: Director
United States Agency for
International Development
American Embassy
Jakarta, Indonesia.

Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Secretary General, Department of Health and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID Mission to Indonesia, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the Amplified Description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF INDONESIA


By: Dr. Bahrawi

For: Soejoto
Secretary General

UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT


By: Walter G. Bollinger
Acting Director

AMPLIFIED DESCRIPTION OF THE PROJECT
(same for Loan and Grant)

I. Project Description

The Expanded Program in Immunization (EPI) of the Government of Indonesia (GOI) is a nationwide preventive health program to reduce the incidence of four diseases-- tuberculosis, diphtheria, pertussis and tetanus -- which contribute to the principal causes of infant mortality in the Republic of Indonesia, as well as childhood and maternal morbidity and mortality.

Through this project, the Ministry of Health's Directorate General for Communicable Disease Control, Jakarta will assist PN Biofarma in strengthening its vaccine production facilities. It will also contribute to further expand the capabilities of the existing network of health centers (Puskesmas) in order to provide, transport, store and administer vaccines to the widely scattered, predominantly poor, rural population of Indonesia. The EPI, which involves health staff from various sectors and from all levels of the health structure, will also contribute to developing the integration of health services through which Primary Health Care is delivered. The program will be directed towards three major sub-populations: infants, school children and pregnant women.

Under the program

a. The plant facilities of the State Enterprise, P.N. Biofarma, in Bandung, will be expanded and upgraded and the staff trained to enable them to increase their production capacity to the levels required by the GOI for its long-range program.

b. The "Cold-Chain" -- the series of transportation and storage links necessary for transporting vaccine from Biofarma to the remotest Puskesmas -- will be upgraded with additional equipment and vehicles.

c. Vaccinators and other health workers will be retrained to administer the new vaccines and provided transportation to reach the remoter areas of the country.

d. A program monitoring and evaluation system will be instituted to monitor critical disease incidence, vaccinator performance, and public awareness and acceptance of the program.

e. GOI personnel will be trained to administer the technical, logistical, maintenance and managerial aspects of an expanded program of immunization carried out as an element of integrated health services.

f. Studies and trials will be carried out to identify the best approaches to obtain active community support for and participation in EPI as one of the Primary Health Care elements.

The program is a continuation and expansion of a vaccination program already in existence in every province of Indonesia. It will progressively upgrade the quality and capability of selective kecamatans each year to handle and administer vaccinations within their areas, and increase the extent of their coverage estimated as follows:

Project Time Schedule	% of Kecamatan Active In Program	% of Children in Kecamatan/ Immunized Infants and School Children	% of Pregnant Women Kecamatan Immunized
1st yr	37	53	42
2nd yr	53	56	46
3rd yr	64	67	46
4th yr	72	71	69
5th yr	78	73	72

Thus, on a national basis, 57 percent of the children in the eligible population group (i.e. 73% x 78%) and 56 percent of the pregnant women (i.e. 72% x 78%) will have been reached by EPI which should have a significant impact on mortality and morbidity of the population.

Project Duration: until June 30, 1984.

Administrative Arrangements and Management

The GOI Department of Health Directorate General of Communicable Disease Control, Directorate of Epidemiology,

Sub-Directorate of Immunization will have overall responsibility, for managing all central-level aspects of the Project. This group has conceived and designed the program and will direct all technical assistance, participant training, and commodity input except those related to the Biofarma vaccine production facility.

P.N. (Perusahaan Nasional) Biofarma, a state-owned pharmaceutical firm, will supply the DPT, TFT and BCG and possibly smallpox vaccine the program requires.

A delineation of the functions and responsibilities of the Chief Regency Medical Officers (DOKABU), Provincial Officers of the Ministry of Health (KANWIL), and the Chief Provincial Medical Officers (IKES) under this project will be required as a part of the Plan to be provided under Section 5.2(b)(1) of the Loan Agreement.

Sub-District Health Center Doctors (dokter2 Puskesmas) will provide day-to-day supervision to vaccinators and midwives (who also will vaccinate), although technical direction will come from the regency-level.

WHO consultants will continue to assist in the development of the EPI. One long-term consultant will remain in Indonesia for at least the first two years of the program to assist in trouble-shooting, advise on necessary program revisions, training counterparts, and, in general, provide counsel regarding program implementation.

AID, through a PASA with CDC Atlanta, will provide three long term consultants who will be a part of the EPI managerial team and as such, will coordinate with the staff of the Ministry of Health and other consultants with whom they will exchange information and reports. These staff members will deal with matters related to the program through their government counterparts.

Implementation and Reimbursement

The technical assistance financed by AID shall be arranged with the Center for Disease Control, Atlanta, in accordance with customary AID procedures. Participant long-term training for 8 people from Biofarma and 20 people from the GOI as well as short-term training for 7 people from Biofarma and 7 people from the GOI shall take place in the U.S. and will be administered by the AID/Indonesia Office of Training. The procurement of vaccine production, cold chain and transportation equipment and other commodities will take

place in accordance with the provisions of AID Handbooks 11 and 15.

II. Financial Plan

A. AID Contribution

AID will provide both loan and grant funding in support of the GOI program. A total of \$12,000,000 shall be made available, of which \$10,000,000 shall be loan-funded and \$2,000,000 grant-funded. Subject to the availability of funds, and additional \$1,200,000 of grant-funds will be made available in US FY 81; by amendment to this Agreement. The following sections along with attached table illustrate in greater detail the AID, GOI and other donor contributions according to various EPI inputs. Changes up to 30% may be made to line item amounts shown in the budget without formal revision of this Agreement provided that AID approves any such changes in writing, and that the total AID contribution is not increased or the Borrower's contribution for this phase is not decreased below its agreed contribution.

1. Consultants

a. Three long-term consultants from the Center for Disease Control (CDC) Atlanta will work with the Staff of the GOI Ministry of Health Directorate General for Communicable Disease Control, Jakarta and other consultants from WHO, UNICEF and other agencies or institution. The teamwork generated will aim at further developing the technical and managerial capacity required to establish and operate a Cold Chain system, deal with other logistical problems, surveillance and monitoring and evaluation.

b. Short-term consultants and possibly one long-term consultant (up to 1 year) to assist Biofarma in procuring and installing its new equipment, to assist in increasing its vaccine production, to aid project evaluation and to solve specialized technical problems.

2. Participants

Long term participants in program logistics, program management, cold-chain management, and vaccine production and short term participants in more specialized fields. Precise numbers of person and fields of training will be included in a subsequent training plan.

3. Commodities

Imported commodities including equipment useful for vaccine production, administration, transportation and maintenance of a cold-chain, will be loan-funded.

4. Local Costs

- a. Monitoring surveillance, research and evaluation.
- b. Promotion and special projects.

B. GOI Contribution to the Project

The GOI contribution, as set forth in the attached Table 1, shall amount to no less than \$13,500,000. These funds shall be used to fund various aspects of production of vaccines, training, evaluation, research, monitoring and technical assistance.

EXPANDED PROGRAMME OF IMMUNIZATION
SUMMARY COST ESTIMATE & FINANCIAL PLAN
(US \$ 000)

26 July 1979

	AID				GOI	UNICEF	WHO	AUSTRALIA	TOTAL
	LOAN		GRANT						
	FX	LC	Obligated FX	Anticipated FX					
<u>I. TECHNICAL ASSISTANCE</u>			1400	700			425		2525.0
a. Long-term			(1200)	(300)					
b. Short-term			(200)	(400)					
<u>II. VACCINES</u>					6801.0				6801.0
<u>III. COMMODITIES</u>	6804				4391.1	2779.0		600	14574.1
a. Biofarma	(1653)							(600)	
b. Transport	(3176)				(2668.4)	(581.0)			
c. Cold Chain	(1100)				(773.1)	(1650.0)			
d. Administration	(875)				(684.0)				
e. Vaccination Equipment					(265.6)	(548.0)			
<u>IV. PROGRAMME MONITORING</u>	300	856	200	300	2519.9	392.6			4568.5
a. Evaluation		(330)	(200)	(300)	(2496.4)	(121.0)			
b. Health Education/ Special Projects		(526)			(23.5)	(125.0)			
c. Contingency	(300)					(146.6)			
<u>V. MANPOWER DEVELOPMENT</u>	600	1449	400	200	244	403.4	695		3982.4
a. Participants	(500)		(400)	(200)			(695)		
b. Incountry Training		(1000)							
c. Community Health Development	(100)	(440)							
T O T A L	7704	2296	2000	1200	13956.0	3575.0	1120	500	32451.0

Code: FX=Foreign Exchange
 LX=Local Currency

Inflation factor of 15% per annum is included in above figures.

42

Table of Contents
Project Grant Standard Provisions
Annex 2

	<u>Page</u>
Article A: Project Implementation Letters	1
Article B: General Covenants	1
SECTION B.1. Consultation	1
SECTION B.2. Execution of Project	2
SECTION B.3. Utilization of Goods and Services	2
SECTION B.4. Taxation	2
SECTION B.5. Reports, Records, Inspections, Audit	3
SECTION B.6. Completeness of Information	3
SECTION B.7. Other Payments	3
SECTION B.8. Information and Marking	4
Article C: Procurement Provisions	4
SECTION C.1. Special Rules	4
SECTION C.2. Eligibility Date	4
SECTION C.3. Plans, Specifications, and Contracts	4
SECTION C.4. Reasonable Price	5
SECTION C.5. Notification to Potential Suppliers	5
SECTION C.6. Shipping	6
SECTION C.7. Insurance	7
SECTION C.8. U.S. Government-Owned Excess Property	7
Article D: Termination; Remedies	7
SECTION D.1. Termination	7
SECTION D.2. Refunds	8
SECTION D.3. Nonwaiver of Remedies	8
SECTION D.4. Assignment	8

Project Grant Standard Provisions Annex

Definitions: As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters. To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B: General Covenants

SECTION B.1. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Grantee will:

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and

(b) provide qualified and experience management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

SECTION B.3. Utilization of Goods and Services

(a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

SECTION B.4. Taxation

(a) This Agreement and the Grant will be free from any taxation or fees imposed under laws in effect in the territory of the Grantee.

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territory of the Grantee, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

SECTION B.5. Reports, Records, Inspections, Audit.

The Grantee will:

(a) furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after

SECTION B.5. (b)

the date of last disbursement by A.I.D.; such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

(c) afford authorized representatives of a Party the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Party, and books, records, and other documents relating to the Project and the Grant.

SECTION B.6. Completeness of Information. The Grantee confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or cause A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement;

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

SECTION B.7. Other Payments. Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the country of the Grantee.

SECTION B.8. Information and Marking. The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C: Procurement Provisions

SECTION C.1. Special Rules.

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of the Grantee will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

(d) Transportation by air, financed under the Grant, of property or persons, will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

SECTION C.2. Eligibility Date. No goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

SECTION C.3. Plans, Specifications, and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to A.I.D. upon preparation,

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services, which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a) (2) will be identified in Project Implementation Letters;

SECTION C.3.

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

(d) Consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6. Shipping.

(a) Goods which are to be transported to the territory of the Grantee may not be financed under the Grant if transported either: (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

SECTION C.6.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried:

- (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval; or
- (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels, and (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by A.I.D. and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C.7. Insurance.

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Grantee may be financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the Grantee (or government of Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

SECTION C.7.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurances will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government-Owned Excess Property. The Grantee agrees that wherever practicable, United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

Article D: Termination; Remedies.

SECTION D.1. Termination. Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

SECTION D.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D.,

SECTION D.2.

notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefor,

(b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

SECTION D.3. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4. Assignment. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.