

PDCAW 249



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
AMERICAN EMBASSY
JAKARTA, INDONESIA

July 24, 1987

Ms. Cinnamon Dornsife
Acting Representative
The Asia Foundation
Jl. Darmawangsa Raya No. 50
Kebayoran Baru
Jakarta

Subject: Grant No. AID 497-0336-G-SS-7118-00

Dear Ms. Dornsife:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the United States Agency for International Development Mission in Jakarta (hereinafter referred to as "USAID" or "Grantor") hereby grants to The Asia Foundation (hereinafter referred to as the "TAF" or "Grantee") the sum of \$39,660 to provide partial support of a program entitled "Organized Workers' Cooperatives Development Project, as more fully described in the attachment No. 2 to this grant entitled, "Program Description".

This 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 program objectives during the one year period beginning from the date the Grant Agreement is signed.

This Grant is made to TAF on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled, "The Schedule"; Attachment 2 entitled, "Program Description"; and Attachment 3 entitled, "Special Provisions"; and Grantee's proposal dated May 20, 1987 (incorporated herein by reference) which have been agreed to by your organization.

Please sign the original and three (3) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted and return the original and two (2) copies to the Office of Contract Management.

Sincerely yours,



Marcus L. Stevenson
Grant Officer
USAID/Jakarta

Attachments:

1. Schedule
2. Program Description
3. Special Provisions

ACKNOWLEDGED:

THE ASIA FOUNDATION

BY : W. Cinnamon Dornseife
Title: Acting Representative
Date : 24 July 1987

FISCAL DATA

Appropriation : 72-1171021
Budget Plan Code : QDEA-87-27497-KG13
Project No. : 497-0336
Total Estimated Amount: \$ 39,660
Total Obligated Amount: \$ 39,660
RESCTLNO : P700699
Grant No. : AID 497-0336-G-SS-7118-00
IRS No. : 94-1191246

SCHEDULE

A. PURPOSE OF GRANT

The purpose of this Grant is to provide partial support for a program entitled "Organized Workers' Cooperatives Development Project" as more specifically described in attachment 2 to this grant entitled "Program Description".

B. PERIOD OF GRANT

The effective date of this grant is the date the Grant Agreement is signed. The expiration date of this grant is one year after the signing of the Grant Agreement.

C. AMOUNT OF GRANT AND PAYMENT

1. The total estimated amount of this Grant for the period shown in B. above is \$39,660.
2. USAID hereby obligates the amount of \$39,660 for program expenditures during the period set forth in B. above as shown in the Financial Plan below.
3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Standard Provision, entitled "Payment - Periodic Advance".
4. Documentation required by the payment provision above shall be submitted to:

Office of Finance
USAID Jakarta

D. FINANCIAL PLAN

The funds provided under this Grant Agreement will be used to finance the USAID portion of the budget set forth in the financial plan shown below. Revisions to this Plan shall be made in accordance with the Standard Provisions entitled "Revision of Financial Plans".

<u>ELEMENT</u>	<u>TAF/ INKOPKAR</u>	<u>USAID</u>	<u>TOTAL</u>
1. Revolving Fund	\$ 6,000	\$ 15,300	\$ 21,300
2. Entrepreneurship training (10 days for 30 participants)	1,680	1,500	3,180
3. Technical business training (8 days for 33 participants)	1,050	1,500	2,550
4. Leadership training (7 days for 30 participants)	750	1,500	2,250
5. Wages (1 Proj.Officer, 1 Deputy Proj.Off. & 2 field Officer)	4,120	7,400	11,520
6. Evaluation	- 0 -	300	300
7. Overhead INKOPKAR/Office supply	- 0 -	2,500	2,500
8. Program services, monitoring, travel (TAF)	- 0 -	2,380	2,380
9. Indirect Costs 22.5% (TAF)	- 0 -	7,280	7,280
TOTAL	<u>\$ 13,600</u> (25.5%)	<u>\$ 39,660</u> (74.5%)	<u>\$ 53,260</u> (100%)

USAID Contribution - \$39,660 = Rp.65,439,000

TAF/INKOPKAR Contribution - \$13,600 = Rp.22,440,000

(Rate of exchange as of May 18, 1987 - US\$1 = Rp.1,650)

If the exchange rate varies so that the amount of dollars necessary to purchase the rupiahs specified in the final rupiah budget is greater than the amount stated herein, then the U.S. dollar limitation stated herein will be the controlling limit to USAID's commitment. On the other hand, if the amount of dollars necessary to purchase the rupiahs specified in the final rupiah budget is less than the amount stated herein, the remaining dollars may be used to purchase rupiahs for justified rupiah cost increases over and above rupiah costs listed in the original rupiah budget, if approved in writing by USAID, and provided that Grantee counterpart contributions are adjusted accordingly.

The Grantee may not expend USAID funds in excess of the amount obligated under this Grant.

The Grantee agrees, as a condition to this Grant being made by USAID, that it will assure that the USAID contribution to the Total Program Budget does not exceed 75% of the Total Program Budget with all other funding coming from non-USAID sources. Failure of the Grantee to assure such non-USAID funding from other donors or its own resources may necessitate the termination of this Grant and possible refund action.

E. REPORTING AND EVALUATION

1. The Grantee will prepare and submit to USAID/VHP a semi-annual narrative report on the progress of the project. This report is to be in sufficient detail for USAID to judge the effectiveness and efficiency with which the project was implemented.
2. The Grantee will also prepare and submit to USAID/VHP, on a quarterly basis, financial reports pursuant to the "Payment - Periodic Advance" clause of the Standard Provisions. A final financial report will be submitted within 90 days of project completion.
3. In addition, an evaluation will be conducted by the Grantee in consultation with USAID/VHP at the conclusion of the project.
4. Prior to the required final performance reporting date, events may occur that have significant impact upon the project. In such instances, the Grantee shall inform the USAID/VHP as soon as the following types of conditions become known:
 - Problems, delays or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work activities by the established time period. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
 - Favorable developments or events that enable time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.

F. OVERHEAD RATE

Pursuant to the Standard Provision of this grant entitled "Negotiated Overhead Rates - Nonprofit Organizations Other Than Educational Institutions" the following indirect cost rate is established:

<u>Rate</u>	<u>Base</u>	<u>Period</u>
22.5%	Total Direct Cost	From: Date of Grant To : Until amended

G. SPECIAL PROVISIONS

1. The total amount of this Grant is \$39,660. It is estimated that this amount will be sufficient to fund the Grant for one year. Subsequent year funding may be agreed to dependent on the availability of funds and the progress of the project; however, this does not constitute a commitment of any additional funding by USAID.
2. Provision for Partially Funded USAID Grants
 - a. The funds provided by this grant represent partial support of the program/project as described in the Schedule of this grant, and may be used to support the costs of the program/project as specified in the Financial Plan included in the Schedule.
 - b. The restrictions on the use of USAID grant funds hereunder set forth in the Standard Provisions of this grant are applicable to expenditures incurred with USAID funds provided under this grant. The Standard Provisions are not applicable to expenditures incurred with funds provided from non-United States Government (USG). The Grantee will account for the USAID funds in accordance with the Standard Provisions of this grant entitled, "Accounting, Audit and Records".
 - c. Notwithstanding paragraph (b) of the Standard Provision of this grant entitled, "Refunds", the parties agree that in the event of any disallowance of expenditures from USAID grant funds provided hereunder, the Grantee may substitute for such disallowance expenditures made with funds provided from non-USG sources provided they are otherwise incurred for the purpose of this grant. At the expiration or termination of this grant, amounts of disallowance of expenditures from USAID grant funds for which a substitution with expenditures from non-USG funds cannot be made will be refunded to USAID.

2. Closeout Procedures

This section prescribes uniform closeout procedures for this grant.

a. The following definitions shall apply for the purpose of this section:

i. Closeout. The closeout of a grant or agreement is the process by which USAID determines that all applicable administrative actions and all required work of the grant or agreement have been completed by the recipient and USAID.

ii. Date of Completion. The date of completion is the date on which all work under grants is completed or the date on the award document, or any supplement or amendment thereto, on which USAID sponsorship ends.

iii. Disallowed Costs. Disallowed costs are those charges to a grant that USAID or its representative determines to be unallowable, in accordance with the applicable USG cost principles or other conditions contained in the grant agreement.

b. USAID closeout procedures include the following requirements:

i. Upon request, USAID shall make prompt payments to a recipient for allowable reimbursable costs under the grant agreement being closed out.

ii. The recipient shall immediately refund any balance of unobligated (unencumbered) cash that USAID has advanced or paid and that is not authorized to be retained by the recipient for use in other grant agreements.

iii. USAID shall obtain from the recipient within 90 calendar days after the date of completion of the grant agreement all financial, performance, and other reports required as the condition of the grant agreement. USAID may grant extensions when requested by the recipient.

iv. When authorized by the grant agreement, USAID shall make a settlement for any upward or downward adjustments to USAID's share of costs after these reports are received.

v. The recipient shall account for any property acquired with USAID funds, or received from the USG in accordance with Attachment N of OMB Circular A-110 entitled, "Property Management Standards".

vi. In the event a final audit has not been performed prior to the closeout of the grant agreement, USAID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

4. The following Standard Provisions (OMB Control No. 0412-0510) are applicable to this Grant:

a. Mandatory Standard Provisions for U.S. NonGovernmental Grantees, Clauses 1-13; and

b. Optional Standard Provisions for U.S. NonGovernmental Grantees, except that the following provisions are deleted:

1. Payment - Letter of Credit
2. Payment - Cost Reimbursement
12. Negotiated Indirect Cost Rates - Predetermined
13. Negotiated Indirect Cost Rates - Provisional
15. Participant Training
18. Care of Laboratory Animals
19. Government Furnished Excess Personal Property
22. Title to and Use of Property (U.S. Government Title)
23. Title to and Use of Property (Cooperating Country Title)

H. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this grant shall be in accordance with Optional Standard Provision No. 7 entitled, "AID Eligibility Rules for Goods and Services".

PROGRAM DESCRIPTION

A. PURPOSE

The purpose of this Grant is to provide partial support to The Asia Foundation for an INKOPKAR project to increase the capacity of workers' cooperatives to meet their members needs for accessible credit and to implement activities which would enhance their incomes.

B. SPECIFIC OBJECTIVES

1. Provide revolving loan funds to ten primary cooperatives in the Jakarta area.
2. Conduct a 10-day workshop in entrepreneurship and basic business skills for 30 participants who plan to borrow funds for investment in small businesses.
3. Conduct an 8-day workshop in advanced technical business training for 33 leaders of workers' cooperatives.
4. Conduct a 7-day workshop in leadership training for 30 leaders of workers' cooperatives.

C. IMPLEMENTATION

The project has two components, a revolving credit fund to be made available to about ten primary cooperatives in the Jakarta area and a series of training programs for worker's cooperative members and leaders. It is the first year of a three-year program of institutional development. Proceeds of successful utilization of the revolving fund will enable expansion of the program in subsequent years. Training in entrepreneurship, technical business skills and leadership will be offered.

The Asia Foundation will assist in the expansion and improvement of INKOPKAR's revolving loan fund. Initially, 10 member cooperatives will be eligible for use of the funds for small enterprise and consumer activities. The program gradually will be expanded to other cooperatives as the capacity and resources of INKOPKAR permit. TAF will monitor the administration and implementation of this activity.

TAF will be responsible for completing required reporting to USAID and for completing an evaluation of the activity at the end of the one-year period.

Project activities will commence with the signing of a grant agreement and end one year later.