

PDCAW. 351



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

Mr. Gordon E. Swaney
Director of Operation
International Executive Service Corps
Bumi Daya Plaza, 24th Floor
Jl. Imam Bonjol 61
Jakarta 10001

Subject: Grant No. AID 497-0336-G-SS-7123-00

Dear Mr. Swaney:

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 International Executive Service Corps (hereinafter referred to as "IESC" or "Grantee") the sum of \$55,000 to provide partial support of a program entitled "Small Business Management Development", 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 eighteen months period beginning from the date the Grant Agreement is signed.

This Grant is made to IESC 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 June 3, 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

Marcus L. Stevenson
Grant Officer
USAID/Jakarta

Attachments:

1. Schedule
2. Program Descripti
3. Special Provision

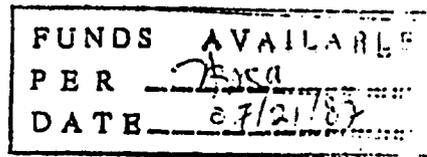
ACKNOWLEDGED:

INTERNATIONAL EXECUTIVE SERVICE CORPS

BY : *Gordon E. Swancy*
Title: *Director of Operations*
Date : *July 23, 1987*

FISCAL DATA

Appropriation : 72-1171021
Budget Plan Code : QDEA-87-27497-KG13
Project No. : 497-0336
Total Estimated Amount: \$ 55,000
Total Obligated Amount: \$ 55,000
RESCTLNO : P700709
IRS No. :
Grant No. : AID 497-0336-G-SS-7123-00



SCHEDULE

A. PURPOSE OF GRANT

The purpose of this Grant is to provide partial support for a program entitled "Small Business Management Development", 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 eighteen months 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 \$55,000.
2. USAID hereby obligates the amount of \$55,000 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".

BUDGET SUMMARY

<u>ELEMENT</u>	<u>IESC/OTHER</u>	<u>USAID</u>	<u>TOTAL</u>
1. 3 Small Business and Agribusiness Projects			
-Recruiting expenses	\$ 4,800	-0-	\$ 4,800
-Travel and per diem (expat.staff)	- 0 -	\$36,000	36,000
-Supplemental per diem cost	3,000	- 0 -	3,000
-Overhead	33,300	- 0 -	33,300
2. Management Development Project			
-Business school contribution	1,500	- 0 -	1,500
-Recruiting expense	1,600	- 0 -	1,600
-Travel and per diem (expat.staff)	- 0 -	14,000	14,000
-Supplemental per diem cost	1,500	- 0 -	1,500
-Overhead	11,100	- 0 -	11,100
-Statistical analysis system	- 0 -	5,000	5,000
TOTAL	<u>\$56,800</u> (51%)	<u>\$55,000</u> (49%)	<u>\$111,800</u> (100%)

USAID Contribution - \$55,000 = Rp.90,750,000
 IESC/OTHER Contribution - \$56,800 = Rp.93,720,000
 (Rate of exchange as of July 17, 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. SPECIAL PROVISIONS

1. The total amount of this Grant is \$55,000. 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) sources. 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.

3. 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. Non-Governmental Grantees, except that the following provisions are deleted:
 1. Payment - Letter of Credit
 3. Payment - Cost Reimbursement
 5. Ocean Shipment of Goods
 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
 21. Title to and Care of Property (U.S. Government Title)
 22. Title to and Care of Property (Cooperating Country Title)
 24. Use of Pouch Facilities
 25. Conversion of United States Dollars to Local Currency.

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 increase IESC's capacity to assist graduate business schools and small but innovative private enterprises who are not in a position to provide a significant part of the required stipend for IESC consultants. IESC will assist the schools in doing research on the management problems of small enterprises and developing case studies. The enterprises will be provided technical assistance related to identified management requirements as well as information on appropriate technology in the areas of marketing, production control and product development. This type of assistance will be designed to demonstrate that the private sector can be a vital mechanism for creating jobs and enhancing social and economic development. They also will serve as unique demonstration cases to encourage other small firms to expand and grow.

B. SPECIFIC OBJECTIVES:

The Grantee will complete the following objectives and related activities, as described in its proposal in more detail (herewith incorporated by reference).

1. Small Business Development. IESC will focus on development problems of three relatively small businesses, particularly those involved in agribusiness and handicraft manufacturing facing policy production or marketing constraints. IESC will review these constraints; particularly those stemming from government policies or regulations. These studies will be used to assist the concerned firms in addressing their managerial problems. Copies also will be provided to USAID for use in private enterprise policy and strategy discussions and for possible use by management institutions looking for case study material.
2. Management Development. IESC will also assist three private non-profit graduate business schools in collaborative efforts to develop case studies and research materials to be used in business education. Specific activities would include arranging meetings with each of the institutions, development of an agenda for assistance from IESC, teaching or supervision of research and completing of a number of actual case studies through workshops and other means. Special emphasis will be placed on case studies with particular development relevancy, such as cases on the establishment of a small business, an agribusiness and an agricultural processing plant. The studies would take into consideration the effect of public policy and government regulations on small private enterprise development. In addition, IESC will purchase two computer software programs required for data processing and provide them to the Institut Manajemen Prasetiya Mulya. The data and information obtained from their use will be shared with other schools and institutions who have similar needs for it.

C. IMPLEMENTATION

1. IESC will conduct a survey of small private enterprises which would qualify for the assistance described above (B.1). As they are identified, IESC will submit related proposals to USAID for clearance before activities are initiated. Three volunteer/consultants will be recruited to spend three months each to complete this component of the grant.
2. IESC will recruit one volunteer/consultant to provide the services, as described above (B.2.), for a three-month period, to the three business schools, namely Institut Manajemen Prasetiya Mulya (IMPM--Prasetiya Mulya Management Institute), the Indonesian Professional Management Institute (IPMI) and Lembaga Pendidikan dan Penbinaan Manajemen (LPPM).
3. IESC will purchase two computer software packages required for data processing and provide them to IMPM.
4. The total program will be completed in an eighteen-month period from the date of signature on the grant agreement.