

PDCAW 352



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

July 28, 1987

Ir. Soetrisno Kusumohadi
Deputy Director
Yayasan Indonesia Sejahtera
Jl. Kramat 6 #1
Jakarta-Pusat

Subject: Grant No. AID 497-0336-G-SS-7129-00

Dear Ir. Kusumohadi:

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 Yayasan Indonesia Sejahtera (hereinafter referred to as "YIS" or "Grantee") the sum of \$47,000 to provide partial support in the implementation of a Biogas Utiliation Program, as more fully described in the attachment 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 period beginning July 28, 1987 through July 27, 1988.

This Grant is made to Yayasan Indonesia Sejahtera 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 project proposal dated November 5, 1986 (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

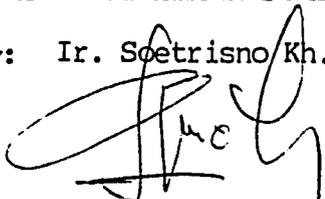
Attachments:

- 1. Schedule
- 2. Program Description
- 3. Special Provisions

ACKNOWLEDGED:

YAYASAN INDONESIA SEJAHTERA

By: Ir. Soetrisno Kh.



August 12, 1987

Date: _____

FISCAL DATA

Appropriation	:	72-1171021
Budget Plan Code	:	QDNA-87-27497-KG13
Project No.	:	497-0336
Total Estimated Amount:		\$ 47,000
Total Obligated Amount:		\$ 47,000
RESCTLNO	:	P700710
Grant#	:	AID 497-0336-G-SS-7129

FUNDS AVAILABLE
PER <u>\$49</u>
DATE <u>7/27/87</u>

S C H E D U L E

A. PURPOSE OF GRANT

The purpose of this grant is to provide partial financial assistance to Yayasan Indonesia Sejahtera (YIS) for the implementation of a biogas utilization systems project to provide a reliable and environmentally attractive source of energy in selected villages in North Tapanuli, North Sumatra, as more specifically described in Attachment 2 to this Grant entitled, "Program Description".

B. PERIOD OF GRANT

The effective date of this grant is July 28, 1987 and the estimated expiration date is July 27, 1988.

C. AMOUNT OF GRANT AND PAYMENT

1. The total estimated amount of this grant for the period shown in B. above is \$47,000.
2. USAID hereby obligates the amount of \$47,000 for program expenditures during the period July 28, 1987 through July 27, 1988, and as shown in the Budget below.
3. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provisions (Attachment 3) entitled, "Payment - Periodic Advance".
4. Request for advances and financial reports for reimbursement or liquidation of advances will be in Rupiah.
5. Documentation required by the payment provision above shall be submitted to:

Office of Finance
USAID/Jakarta

D. BUDGET

The funds provided under this Grant Agreement will be used to finance the USAID portion of the budget set forth below. Revisions to this Budget shall be made in accordance with the Standard Provision entitled, "Revision of Grant Budget".

Illustrative Budget
July 28, 1987 - July 27, 1988
E/R: \$1 = Rp 1,640

	<u>YIS/LSPW</u>	<u>USAID</u>	<u>Total</u>
Salaries/Allowances	\$ 9,758	\$ 9,457	\$ 19,215
Travel, Transportation and Per Diem	1,997	1,201	3,198
Construction of 23 units biogas	-	1,050	1,050
Land for 23 biogas units	841	-	841
Office Space	2,074	610	2,684
Equipment/Material/Supplies	4,878	30,132	35,010
Other Direct Costs	872	240	1,112
YIS Travel, Transportation and Per Diem	<u>-</u>	<u>1,810</u>	<u>1,810</u>
	\$ 20,420	\$ 44,500	\$ 64,920
Overhead	<u>-</u>	<u>2,500</u>	<u>2,500</u>
TOTAL ESTIMATED COSTS	<u>\$ 20,420</u>	<u>\$ 47,000</u>	<u>\$ 67,420</u>
	(30%)	(70%)	(100%)

USAID Contribution	-	Rp 77,080,000	=	\$ 47,000
YIS/LSPW Contribution	-	Rp 33,488,800	=	\$ 20,420

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.

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 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 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 \$47,000. 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-U.S.G. 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-U.S.G. 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-U.S.G. 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 U.S.G. 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 U.S.G. 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. With respect to Mandatory Standard Provision 3, Refunds, the Grantee is authorized to use program income for program purposes rather than refunding to USAID provided the income is used to continue and/or expand the activities originally planned. Program income earned through USAID-funded activities may revert to a "revolving fund" and may be used by the Grantee in the abovementioned ways, without accountability to USAID after termination of the project period, provided that prior to the expenditure of such reflows, the Grantee will inform USAID of the plan of operations and will keep USAID informed of actual activities during the life of this project. Please note that grant funds including cash advances cannot accrue interest prior to initial disbursement by the Grantee; interest on cash advances cannot be considered program income and must be refunded to USAID pursuant to Standard Provision 3.

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

- a. Mandatory Standard Provisions for Non-U.S., NonGovernmental Grantees, Clause 1-11; and
- b. Optional Standard Provisions for Non-U.S., NonGovernmental Grantees, except that the following provisions are deleted:
 2. Payment - Cost Reimbursement
 13. Participant Training
 16. Negotiated Overhead Rates - Provisional
 17. Government Furnished Excess Personal Property
 19. Title To and Care of Property (U.S. Government Title)
 20. Title To and Care of Property (Cooperating Country Title)

- G. The authorized geographic code for procurement of goods and services under this grant shall be in accordance with Optional Standard Provision No. 6 entitled, "AID Eligibility Rules for Goods and Services"

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PROGRAM DESCRIPTION

A. PURPOSE

The primary purpose of this Grant is to provide support to Yayasan Indonesia Sejahtera (YIS) to implement its program entitled, "Utilization of Livestock and Human Waste as Efforts to Increase and Improve the Welfare of Rural Society in the Highland of North Sumatra".

B. SPECIFIC OBJECTIVES

1. At the end of the one year funding of this grant, 23 biogas units will be installed in the following 13 villages of North Sumatra: Parhorboan - 2; Sirumahombar - 1; Sitabotabo Toruan - 2; Sipultak - 4; Sipitu Huta - 2; Aek Lung - 1; Pangambatan - 3; Lbn. Siantar - 1; Sipahutar I - 1; Pangururan - 1; Aeknauli - 2; Sipahutar II - 1; Tangga Batu - 2.

2. The installation of the above system will result in the following benefits:

- a. Time spent by women and others gathering firewood can be used for more productive purposes;
- b. Negative environmental effects from the cutting of scarce timber will be alleviated; and
- c. The utilization of animal and human waste will assist in improving sanitation in the concerned communities.

3. Since biogas technology will be new to North Tapanuli, it is expected that this project will serve as a model for other communities to replicate.

C. PROJECT IMPLEMENTATION

The Grantee, Yayasan Indonesia Sejahtera, will have overall responsibility and financial accountability to USAID while Lembaga Studi Pengembangan Wilayah (LSPW), the sub-grantee will be responsible for the implementation of the program. The project will be carried out essentially as outlined in this Grant and the project proposal.

The project is composed of eight phases of work:

- Field observations
- Data collections
- Preparation of feasibility studies
- Approach to beneficiaries
- Construction of biogas processing units
- Supervision and evaluation of construction works
- Reporting
- Operation guidance and supervision

The first four phases have been carried out during the period March through September of 1986. Field observation and data collections were conducted in 16 districts (Kecamatan) within Toba Lake catchment area and based on findings, the feasibility study was prepared. In August and September of 1986, several projected beneficiaries were approached and thereafter a list of villages where the biogas units are to be installed were arrived at.

Actual sites for the biogas systems have been selected in accordance with the following criteria: (a) their relationship to the overall development program for North Sumatra; (b) efforts being made in forest conservation and maintenance of a clean environment; (c) the degree of scarcity of firewood for cooking; and (d) the income level of the population, the poorer segments receiving priority.

Project costs are to be shared by USAID, LSPW and the beneficiaries as indicated in the budget. (Attachment 1, paragraph D) of this agreement). The type and number of components required for a biogas processing unit are:

- Well, 2.5 m. deep and lined with a 1.7 m. concrete culvert;
- Tank and gas exhauster made of 2 mm. thick steel plate, 1.5 m. in diameter, 2.4 m. high and 2 steel plates as guides;
- 30 m. long plaster tubing and valves;
- Gas oven and gas lamp;
- At least 5 weaned pigs or one cow or buffalo to provide the waste material;
- Equipment for livestock pen and food for livestock; and
- Materials like cement, gravel and sand, etc.

After the construction is completed, the sub-grantee will give guidance in operating the units, and for some time the operations will be closely monitored to make sure the beneficiaries operate them properly and efficiently.

D. EVALUATIONS

1. A mid-term assessment will be completed by LSPW, in coordination with USAID, to determine the status of the project and any redesign requirements that may be required.
2. A final evaluation will be completed by LSPW, in coordination with USAID, to assess the results of the total project in terms of specific activities completed and their impact on the beneficiaries.