

PDCAW 353



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

Mrs. Zaafril Ilyas
Director
Pusat Koperasi Karya Wanita Jawa Timur (PUSKOWANJATI)
Jalan Trunojoyo No. 72
Malang 65111
Jawa Timur

Subject: Grant No. 497-0336-G-SS-7141-00

Dear Mrs. Ilyas:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the United States Agency for International Development, Jakarta (hereinafter referred to as "USAID" or "Grantor") hereby grants to Pusat Koperasi Karya Wanita Jawa Timur hereinafter referred to as "PUSKOWANJATI" or "Grantee") the sum of \$50,000 to provide partial support for a program entitled, "Women's Cooperative Development", as more fully described in the schedule of this Grant and the Attachment 2, entitled "Program Description".

This Grant is effective and the obligation shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning August 1, 1987 through July 31, 1988.

This grant is made to PUSKOWANJATI on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled, "Schedule"; Attachment 2 entitled "Program Description", and Attachment 3 entitled "Mandatory Standard Provisions"; which have been agreed to by your organization.

Please sign the original and three (3) copies of this letter to acknowledge your receipt of the grant, and return the original and two (2) copies to the Office of Contract Management.

Sincerely yours,

Marcus L. Stevenson

Marcus L. Stevenson
Grant Officer
USATD/Jakarta

Attachments:

1. Schedule
2. Program Description
3. Special Provisions

ACKNOWLEDGED:

PUSAT KOPERASI KARYA WANITA JAWA TIMUR

By :

M. L. Irfani

Title:

Kedua I

Date :

3 September 1987

FISCAL DATA

Appropriation : 72-1171021
Budget Plan Code : QDEA-87-27497-KG13
Project No. : 497-0336
Total Estimated Amount: \$50,000
Total Obligated Amount: \$50,000
RESCTLNO : P700722
Grant No. : AID 497-0336-G-SS-7141-00

FUNDS AVAILABLE
PER *Area*
DATE *8/22/87*

SCHEDULE

A. PURPOSE OF GRANT

The purpose of this Grant is to provide partial support for a program entitled "Women's Cooperative 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 August 1, 1987. The estimated expiration date of this Grant is July 31, 1988.

C. AMOUNT OF GRANT AND PAYMENT

1. The total estimated amount of this Grant for the period shown in B. above is \$50,000.
2. USAID hereby obligates the amount of \$50,000 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".

<u>ELEMENT</u>	<u>PUSKOWANJATI</u>	<u>USAID</u>	<u>TOTAL</u>
1. Revolving Loan Fund	-0-	\$33,739	\$33,739
2. Salary			
- 1 credit coordinator	-0-	1,829	1,829
- 3 staff a \$1,280.33/yr	-0-	3,841	3,841
- 7 staff a \$1,463.42/yr	10,244	-0-	10,244
3. Travel and Per diem	-0-	341	341
4. Five Training Courses	9,146	-0-	9,146
5. Supervision and Monitoring	14,390	-0-	14,390
6. Commodities:			
- 30 typewriters	-0-	9,146	9,146
- 1 motorcycle	-0-	1,104	1,104
Total:	<u>\$33,780</u> (40%)	<u>\$50,000</u> (60%)	<u>\$83,780</u> (100%)

USAID Contribution - \$50,000 = Rp.82,250,000

PUSKOWANJATI - \$33,780 = Rp.55,568,100

(Rate of exchange as of August 18, 1987 - US\$1 = Rp.1,645.00)

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. In any event, USAID reserves the right to deobligate any excess funds resulting from a devaluation of the rupiah.

The Grantee may not exceed the total amount of the USAID contributed portion of the budget.

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 the 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 in accordance with the Standard Provision "Payment - Periodic Advance". A final financial report will be submitted within 90 days of project completion.
3. Prior to the conclusion of the project, an evaluation will be conducted by the Grantee in consultation with USAID/VHP. The evaluation will assess program development toward the achievement of stated goals, time frames, management and reporting, community contributions and participation, government linkages and contributions to the program, the effectiveness and impact of the program, on the community, and potential plans for replication of the program in other parts of Jakarta or Indonesia.
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:
 - a) 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.
 - b) 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 \$50,000. It is estimated that this amount will be sufficient to partially fund the Grant for one year. Subsequent year funding may be agreed to dependent on the availability of funds and the results of an evaluation of activities funded under this Grant; however, this does not constitute a commitment of any additional funding by USAID.

2. Provisions for Partially Funded AID 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-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.

3. Closeout Procedures

This section prescribes uniform closeout procedures for this Grant.

- a. The following definitions shall apply for the purpose of this section:
 1. 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 work under Grants and agreements 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 or agreement that USAID or its representatives determines to be unallowable in accordance with the applicable USG cost principles or other conditions contained in the Grant or agreement.

b. AID closeout procedures include the following requirements:

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

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

iii. AID shall obtain from the recipient within 90 calendar days after the agreement all financial, performance, and other reports required as a condition of the Grant or 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 and 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 Government 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 or 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 Mandatory Standard Provisions (OMB Control No. 0412-0510) are applicable to this Grant:

a. Mandatory Standard Provisions for Non-U.S., Nongovernmental Grantees, clauses 1-11; and

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

2. Payment - Cost Reimbursement
3. Air Travel and Transportation
4. Ocean Shipment of Goods
16. Negotiated Overhead Rates - Provisional
17. Government Furnished Excess Personal Property
19. Title to and Care of Property (U.S. Government Title)

G. TITLE TO PROPERTY

Title to property procured under this Grant will vest in the Grantee in accordance with Optional Standard Provision No. 18 of this Grant.

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. 6, entitled "AID Eligibility Rules for Goods and Services".

PROGRAM DESCRIPTION

A. PURPOSE

The purpose of this grant is to provide partial support to Pusat Koperasi Karya Wanita Jawa Timur (PUSKOWANJATI) to improve the managerial and administrative capacity of the total organization, including 30 member women's cooperatives, and to expand the revolving loan programs of those cooperatives in East Java.

B. SPECIFIC OBJECTIVES

1. To provide capital assistance to member cooperatives for the purpose of establishing or expanding revolving loan programs.

2. To develop and strengthen the organizational structure and management and financial capabilities of PUSKOWANJATI and selected cooperative groups.

3. To conduct training courses designed to motivate women to be involved in development efforts which would promote small business enterprises aimed at increasing employment and income.

4. To decrease the dependence of families on informal money lenders, who charge exorbitant interest rates, during emergency situations by encouraging women to establish or join cooperative organizations with credit programs.

5. To provide consultancies to women cooperatives to develop and/or improve credit programs.

C. IMPLEMENTATION

To achieve the above purpose and objectives, PUSKOWANJATI will work closely with its 30 member women's cooperatives, appropriate local government authorities and others as may be required. Technical expertise required for the implementation of the specific activities will be provided by PUSKOWANJATI. The project will be implemented in accordance with PUSKOWANJATI's project proposal, dated June 15, 1987, incorporated herein by reference. The specific activities to be implemented are as follows:

1. Increasing capital initially in the revolving loan funds of nine member cooperatives which have met criteria established by PUSKOWANJATI (outlined below). In turn, the cooperatives will use the funds to support their revolving loan programs. Other member groups will receive similar assistance as they qualify and as the funds circulate back to PUSKOWANJATI.

2. Expanding headquarters staff by four positions to a new total of 15. With the new staff, PUSKOWANJATI will be able to monitor the programs of member groups more effectively and conduct training and on-site technical assistance as may be required. The cooperatives scheduled to receive the USAID funds for this purpose, with their locations, the amount of funding and the estimated number of direct beneficiaries, are as follows (this is illustrative only as final determination will be made when applications are reviewed and approved):

<u>Cooperative</u>	<u>Amount</u>	<u>Est. No. of Beneficiaries</u>
Wanita Hemat, Probolinggo	\$2,561	165
Kartika Chandra, Pandaan	2,561	138
Rahayu, Lamongan	1,281	120
Setia Kawan, Probolinggo	1,281	95
Setia Bhakti Wanita, Surabaya	9,044	305
Waspada, Surabaya	2,561	152
Setia Kartini Wanita, Sidoarjo	1,280	99
Sekar Kedaton, Ledug	1,280	235
Arga Dewi	1,280	86
Setia Budi Wanita	10,610	384
Totals:	\$33,739	1,779*

* Includes only those receiving loans; other beneficiaries (family members and other employed, etc.) is estimated at over 8,000.

3. Conducting training courses in cooperative development and loan administration to strengthen the management and programming capabilities of members.

4. Purchasing 30 typewriters - one for each affiliated cooperative - to be used for processing loan applications.

5. Purchasing of one motorcycle to be used by field staff in monitoring loan programs and other activities of members.

In implementing the credit program, the following criteria established by PUSKOWANJATI will be utilized.

1. They must be members of PUSKOWANJATI and their financial records and procedures must have been audited and approved.
2. The funds must be used for a revolving loan program for their members.
3. They must agree to pay an interest rate of one to two percent per month (depending on the source of funds and life of loan) to cover the cost of administering the loan.

The women cooperatives, which receive capital assistance from PUSKOWANJATI, also must apply the following criteria in considering loan applications:

1. The applicants must be members of the women cooperatives.
2. The loan must be used for productive activities or emergency purposes.
3. The candidates must repay outstanding loans before they can be considered for new ones.
4. A system of collective responsibility ("tanggung renteng") is applied for group loans. This means that the whole group is responsible for the failure of individual members and must pay back his/her share. This requirement encourages group members to be more selective in allowing individuals to participate in the loan/activity.

PUSKOWANJATI will charge its members an administrative fee of generally from one to two percent depending on the original source of funds, the type and amount of loan and the repayment period. In turn, the cooperatives will charge their members an interest rate of about 3.5% per month.

Project activities will commence on/about August 1, 1987, and the target completion date is July 31, 1988. PUSKOWANJATI has assured USAID that the amount of this grant will be sufficient to meet the requirements of the activities described herein and will be able to sustain them when USAID assistance terminates.

D. REPORTING AND EVALUATION

PUSKOWANJATI will prepare and submit to USAID/VHP a semi-annual narrative report on the progress of the project. These reports are to be in sufficient detail for USAID to judge the effectiveness and efficiency with which the project is being (or has been) implemented.

Prior to the end of the project, PUSKOWANJATI, in consultation with USAID/VHP, will conduct an evaluation of the project. It will assess the achievement of stated goals and objectives and the effectiveness and impact of the activities on the beneficiaries and others involved.