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383-0101-G-SS-1062-00
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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO SRI LANKA.
P O Box 106, Colombo, Sri Lanka.
Telephone: 574333, Fax No 574264

Section

May 31, 1991

Mrs. E. P. Paul Perera
Chairperson
Colombo Friend-in-Need Society
171, Sir James Peiris Mawatha
Colombo 2

Subject: PVO Co-Financing Project 383-0101
Grant 32 - Jaipur Foot Project of Sri Lanka

Dear Mrs. Perera:

Pursuant to the terms of the PVO Co-Financing Project (383-0101) Agreement between the Government of the Democratic Socialist Republic of Sri Lanka ("GSL") and the Agency for International Development, ("A.I.D."), A.I.D. hereby grants to the Colombo Friend-in-Need Society (the "Grantee") a sum of \$420,000 or Rs. 17,220,000, whichever is less, to increase the production of artificial limbs over a 3-year period at the four workshops in Colombo, Galle, Jaffna and Kandy.

This grant is effective as of May 31, 1991 and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending on May 31, 1994.

The grant is made available to the Grantee 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 "Standard Provisions," which have been agreed to by your organization.

H. Standard Provisions:

In addition to the Mandatory Provisions the following Optional Standard Provisions are included in the grant.

1. Payment- Periodic Advance
3. Air Travel and Transportation
4. Ocean Shipment of Goods
5. Procurement of Goods and Services
6. AID Eligibility Rules for Goods and Services
7. Subagreements
8. Local Cost Financing
9. Patents Rights
10. Publications
11. Nondiscrimination
12. Regulations Governing Employees
13. Participant Training
15. Protection of the Individual as a Research Subject
17. Government Furnished Excess Personal Property
18. Title To and Use of Property (Grantee Title)
21. Cost Sharing (Matching)

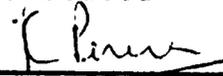
Please sign and return the original of this Agreement to acknowledge your acceptance of the conditions under which the funds are being provided.

Sincerely yours,



Richard M. Brown
Director

Attachment: as stated

Accepted by: 

Date: 31/5/91

c.c. Mr. C. Maliyadda
Director
Regional Development
Ministry of Policy Planning & Implementation

Ms. S. L. Kuruppu
Director
Department of External Resources
Ministry of Finance

SCHEDULEA. Purpose of Grant

The purpose of this Grant is to increase production of artificial limbs at the four workshops in Colombo, Galle, Jaffna and Kandy in order to cope with the consequences of the unexpected escalation of violence in the country that has resulted in immense civilian hardships and loss of limbs to men, women and children. This will be done by improving, replacing or replenishing the equipment, machinery, tools and material in each workshop.

B. Period of Grant

The effective date of this Grant is May 31, 1991. The expiration date of this Grant is May 31, 1994.

C. Amount of Grant and Payment

1. AID hereby commits the amount of \$420,000 or Rs.17,220,000, whichever is less, for purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Standard Provisions entitled "Payment - Periodic Advance." (Page No.4D-9).
3. All payments in-country shall be made in rupees.

D. Financial Plan

The Financial Plan for the Grant, including local cost financial items, can be found at Attachment 1A. Revisions to this plan shall be made in accordance with the Standard Provisions of this Grant, entitled "Revisions of Grant Budget."

E. Reporting and Evaluation1. Annual Work Plan:

Work plan for the first year shall be prepared and forwarded to USAID within four weeks of the signing of the Agreement. Plans for years 2 and 3 shall be submitted one month before the end of the preceding year.

2. Progress Reports:

Brief progress reports shall be submitted quarterly during the implementation period, with the first such report due in September 1991. The reports shall be submitted to USAID, the Ministry of Finance (Department of External Resources), and the Ministry of Policy Planning & Implementation. The reports shall include:

- i. A comparison of actual accomplishments within the schedule of goals established for the period;

- ii. If the schedule or goals were not met, a statement of the reasons; and
- iii. Other pertinent information including, when appropriate, an explanation of cost overruns or high unit costs of artificial limbs.

3. End of Project Report:

Within three months after completion of the program the Grantee will submit to the USAID Director, the Ministry of Finance and the Ministry of Policy Planning and Implementation a report that briefly describes the entire history of the program.

4. Financial Documentation:

Every three months (or more frequently, if required by the Grantee), the Grantee shall submit the following documents to the USAID Controller:

- i) a completed Standard Form 1034 in original and 3 copies.
- ii) a signed certified financial report with budget line item details in the following format:

<u>Budget</u> <u>Line Item</u>	<u>Budget Amount</u>	<u>This Period</u>	<u>Expenditure</u>	
			<u>To date</u>	<u>Balance</u>

The final report should be supported by a list of each expenditure according to the budget line items and include the following certification signed by the Grantee's authorized representative:

"The undersigned hereby certifies: (A) the payment of the sum claimed under the cited grant is proper and due and that appropriate refund to AID will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of agreement, (B) that information in the financial report is correct and such detailed supporting information as AID may reasonably require will be furnished promptly to AID on request and (C) that all requirements called for by the grant to date of this certificate have been met:

By: _____
 Title: _____
 Date: _____

The origi: 1 receipts for all expenditures should be serially numbered and filed separately according to budget line items and retained in your office to enable the USAID

PVO Project Manager and Officers from the USAID Controller's Office to verify them periodically by visiting the Grantee's office.

iii. Quarterly Submission: A listing by budget line item of expected expenditures in the next three months period will be submitted quarterly.

iv. Request for periodic advances should be accompanied by an original and three copies of Report Control No. W-245 as per Standard Provisions in Page No. 4D-9.

5. Audit Report:

The Grantee shall have its books and records of the program audited annually by an independent public accounting firm. Copies of the Audit Report, which is due two months following the close of the fiscal year of the Grantee for each year during the implementation of the program, shall be given to USAID, the Ministry of Finance and the Ministry of Policy Planning and Implementation.

6. Evaluation

A The Grantee will conduct an annual evaluation of the program within thirty days after its annual financial audit and submit to the USAID a completed Project Evaluation Summary (PES), with the confirmed copy of the audit as a mandatory attachment. The Ministry of Policy Planning and Implementation and USAID will participate in the evaluation, whenever feasible, and should be notified thirty days prior to the initiation of the evaluation.

B Mr. Fredrick Downs will conduct a technical evaluation, 6 months, one year and two years after the commencement of the program, as provided for on page 14 of Attachment 2.

F. Special Provisions

1. Transfer of funds between line items of the Financial Plan up to a maximum of 15% is permitted.

2. A joint USAID-Grantee team will join Mr. Downs in his technical evaluation at the end of the first six months and review project progress; and disbursements thereafter will be contingent upon the outcome of that review.

3. Local cost financing is authorized under the Grant.

4. Title to property financed by the Grant will be vested in the Grantee.

FINANCIAL PLAN

1991 to 1994

	TOTAL	GRANTEE CONTRIBUTION	USAID CONTRIBUTION
	US \$	US\$	US\$
1. Production of lower limbs, 4000 X \$37.5	150,000	60,000	90,000
2. Production of upper limbs 600 X \$125	75,000	30,000	45,000
3. Production of orthotic braces 2000 X \$28	56,000	22,400	33,600
4. Provision of orthopaedic appliances			
-Wheel chairs 450 X \$162.5	73,125	29,250	43,875
-Tricycles 300 X \$100	30,000	12,000	18,000
-Crutches 2,500 X \$25	62,500	25,000	37,500
5. Training	43,800	15,000	28,800
6. Evaluation	21,550	1,550	20,000
7. Research	25,000	10,000	15,000
8. Material imports	25,000	-	25,000
9. Machinery	35,825	16,000	19,825
10. Hostel facilities	30,000	12,000	18,000
11. Salaries	32,200	6,800	25,400
TOTAL	660,000	240,000	420,000
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USAID Grant =\$420,000 or Rs.17,220,000, whichever is less.
(\$1=Rs.41.00)