

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

AMERICAN EMBASSY
Jakarta, Indonesia

Loan and Grant File
200-100-100-100-100

Mr. Kartjono
Director
Bina Desa
Jl. Gunung Sahari III/7
Jakarta Pusat

SUBJECT: GRANT NO.: 86-6

DATE: July 18, 1986

Dear Mr. Kartjono:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby grants to BINA DESA (hereinafter referred to as "BINA DESA" or "Grantee") the sum of \$70,000 to provide partial support for the project entitled, "Rasau Jaya and Sanggau Ledo Integrated Social and Economic Development Projects" to be implemented by Yayasan Pembinaan Subur Sejahtera Masyarakat (Bina Sutera), as more fully described in the attachment to this Grant entitled "Program Description," under AID project No. 497-0336; and Bina Desa's proposal, Revision II, dated May, 1986 incorporated herein by reference.

This Grant, effective September 1, 1986, shall apply to commitments made by the Grantee in furtherance of project objectives during the 1-year period through August 31, 1987. In the event of inconsistency between the Program Description and Bina Desa's grant proposal, the provisions of the Program Description shall control.

This Grant is made to BINA DESA 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 "Standard Provisions", which have been agreed to by your organization.

Please sign two (2) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

BEST AVAILABLE COPY

Please return one copy of this Grant to the Office of Voluntary and Humanitarian Programs (VHP), USAID/Indonesia.

Sincerely yours,

William P. Fuller
William P. Fuller
Director, USAID/Indonesia
Grant Officer

Attachments:

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

ACCEPTED:

BINA DESA

By : *Kartjono*
 Kartjono
 Title: Director
 Date : 23-2-1986

OBLIGATION ESTIMATE COMMITMENT		
Obligation	Estimate	Commitment
EPC	6200 - 86 - 27407 - 1513	
APROP	72 - 116102	
PROJ/DRA	497 - 0536	
OBLDOCNO	PA - 497 - 0536 - 86 - 06	
RESCTLNO	1600585	
BARCTLNO		
AMOUNT	\$70,000.00	

Clearances:
 VHP:RCCoggins *RCC*
 PRO:TMahoney *TM*
 LA:GBisson *GB* 7/11
 FIN/A:EMcClure *EM*
 FIN/B:MLew *ML*
 A/DD:JSperling *JS*

Attachment 1

Schedule

A. Purpose of Grant

The purpose of this grant is to provide partial support to the grantee's program as described in Attachment 2 to this grant, entitled "Program Description".

B. Period of Grant

The effective date of this grant is September 1, 1986. The estimated expiration date of this grant is August 31, 1987.

C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in B., above, is \$ 70,000.
2. For the first year AID hereby obligates the amount of \$70,000 for program expenditures during the period set forth in B., above, and as shown in the Financial Plan below.
3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Optional Standard Provision No. 2 entitled "Payment-Periodic Advance".
4. Documentation required by the payment provision noted above shall be submitted to:

Office of Finance
USAID/Jakarta.

D. Financial Plan

The following is the financial plan for this grant, including local cost financing items, if authorized. Revisions to this Plan shall be made in accordance with the Standard Provision of this grant entitled "Revision of Financial Plans".

FIRST YEAR
(September 1, 1986 - August 31, 1987)
 In U.S. \$

<u>ELEMENT</u>	<u>BD/OTHERS</u>	<u>USAID</u>	<u>TOTAL</u>
Program (water purification, etc)	5,000	11,000	16,000
Training:			
- trainers	2,000	7,000	9,000
- farmers	11,000	10,000	21,000
Workshops/Working Meetings	1,000	3,000	4,000
Vehicles:			
- motorcycles (6)	4,000	8,000	12,000
- bicycles (4)	800	-	800
- maintenance	500	1,500	2,000
Sub-total	24,300	40,500	64,800
Overhead for Bina Sutera 10%	-	4,050	4,050
Transportation	4,000	5,050	9,050
Personnel	4,800	14,400	19,200
Evaluation	-	1,000	1,000
Bina Desa Adm. Support	-	5,000	5,000
Total	33,100	70,000	103,100
	(32%)	(68%)	

BINA DESA 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 Budget with all other funding coming from non-USAID sources. Failure of BINA DESA to assure such non-USAID funding from other donors or its own resources may necessitate the termination of this Grant and possible refund action. The funds provided herein by USAID will be used to finance the "USAID" portion of the budget description. The grantee may not exceed the total amount of the USAID contributed portion of the budget.

E. REPORTING AND EVALUATION

BINA DESA 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 AID to judge the effectiveness and efficiency with which the project was implemented.

Financial reports will be submitted quarterly in accordance with Standard Provision "Payment Periodic Advance" of Attachment 3. A final financial report will be submitted within 90 days of project completion.

An annual review meeting concerning progress and problems of the project will be conducted. In addition at the end of the two year, initial phase of the project, a comprehensive evaluation will be conducted by the Grantee and its counterparts in consultation with USAID.

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 Grant Officer as soon as the following types of conditions become known:

1. 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.
2. 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 \$70,000. The amount of the first year available and committed to this Grant is \$70,000. It is estimated that this amount shall be sufficient to fund the Grant during the period of September 1, 1986 thru August 31, 1987. Additional funds dependent on the availability of funds and the results of an evaluation of activities funded under this proposal.
2. Disbursement will be made by USAID only when requisite government clearances have been obtained by the grantee.
3. Accounting for grant funds should be kept separate from all other project accounting.

4. Provision for Partially Funded AID Grants

- a. The funds provided by this grant represent partial support of the 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 AID grant funds hereunder set forth in the Standard Provisions of this grant are applicable to expenditures incurred with AID funds provided under this grant. The Standard Provisions are not applicable to expenditures incurred with funds provided from non-Federal sources. The grantee will account for the AID 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 AID grant funds provided hereunder, the Grantee may substitute for such disallowance expenditures made with funds provided from non-Federal 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 AID grant funds for which a substitution with expenditures from non-Federal funds cannot be made will be refunded to AID.

5. A full description of the project is contained in the project proposal dated May 1986. It is hereby incorporated by reference into this Grant Agreement. Should there be any conflict between the project description of the original proposal and the description in Attachment 2, the description in Attachment 2 will take precedence.

G. Title to Property

Title to property procured under this grant will vest in the Grantee in accordance with Optional Standard Provision No. 20 of this grant.

H. Authorized Geographic Code

The authorized geographic code for procurement of goods and services under this grant is as set forth in Optional Standard Provision 7 paragraph (b).

I. Closeout Procedures

This section prescribes uniform closeout procedures for this grant.

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

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

b. Date of Completion. The date of completion is the date on which and work under grants and agreements is completed or the date on the award document, or any supplement or amendment thereto, on which AID sponsorship ends.

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

2. AID closeout procedures include the following requirements:

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

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

c. 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. AID may grant extensions when requested by the recipient.

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

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

PROGRAM DESCRIPTION

A. PURPOSE

The purpose of this grant is to provide support for training of project personnel, training for farmers, the introduction of appropriate agricultural practices and home industry activities, a water purification pilot project, and exploration of peat resources and agricultural applications for peat soils. The project is expected to benefit 2,500 families in West Kalimantan.

B. SPECIFIC OBJECTIVES

1. Increase the income of former transmigrants and native inhabitants from \$240 to \$400 per year.
2. Generation of 100 farmer groups to support cooperative marketing and capital resources.
3. Establishment of a pilot water purification project in Rasau Jaya by construction of 5 deep wells and 200 miniwater purification tanks.
4. Increase income earning opportunities by promotion of secondary crops such as soybeans; promotion of animal husbandry; and promotion of home industries such as processing of tahu nd tempe, cassava flour, kerupuk and timur.
5. Exploration of peat as a source of fuel and the appropriate agricultural applications for peat soils, particularly in Rasau Ledo.
6. Promote the institutional development of Bina Sutera by supporting the acquisition and training of qualified personnel.

C. IMPLEMENTATION

To achieve the above objectives, the grantee will work closely with Bina Sutera who will be implementing the project program. The project activities will commence on September 1, 1986. The target completion date is August 31, 1987.