

UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT

AMERICAN EMBASSY  
Jakarta, Indonesia

Letter of Grant  
1986

Mr. Aswab Mahasin  
Director  
LP3ES  
Jl. Let. Jen. S. Parman 81  
Slipi, Jakarta Barat

SUBJECT: GRANT NO.: 86-3

DATE: June 30, 1986

Dear Mr. Mahasin:

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 the Institute for Social and Economic Research, Education and Information (hereinafter referred to as "LP3ES" or "Grantee") the sum of \$292,635 to provide support for the project entitled, "PVO Institutional Self-Reliance Models", as more fully described in the attachment to this Grant entitled "Program Description," under AID project No. 497-0336.

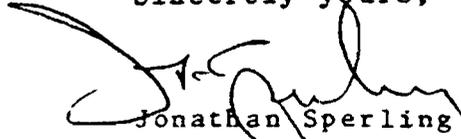
This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of project objectives during the 12-month period beginning July 1, 1986.

This Grant is made to LP3ES 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.

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

Sincerely yours,



Jonathan Sperling  
Acting Director, USAID/Indonesia  
Acting Grant Officer

Attachments:

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

ACCEPTED:

LP3ES



By : Aswab Mahasin

Title: Director

Date : July 2, 1986.

STATUS OF OBLIGATION BY PRIOR VALIDATION		
Obligation	Remark	Commitment
BPC	CIDAA-86-27497-DG-13	
APPROP	72-1161021	
PROJ #/DRA #	497-0336	
OBLDOONO	PA-497-0336-86-03	
RESCTLNO	PE00576	
EARCTLNO	-	
AMOUNT	\$ 292,635.00	

Clearances:

VHP:RCCoggins R/C

PRO:TMahoney T/M

LA:GBisson G/B

FIN/A:EMcClure R/M

FIN/B:MLew M/L

25 June 1986

SCHEDULE

A. Purpose of Grant

The purpose of this grant is to provide 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 July 1, 1986. The estimated expiration date of this grant is June 30, 1987.

C. Amount of Grant and Payment

1. The total estimated amount of this grant for the period shown in B., above, is \$446,915.
2. For the one year AID hereby obligates the amount of \$292,635 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 - Standard Provision 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 entitled "Revision of Financial Plans". Full details of the Financial Plan are contained in the budget revision dated May 21, 1986.

FIRST YEAR

July 1, 1986 - June 30, 1987  
In U.S. \$

<u>ELEMENT</u>	<u>COUNTERPART</u>	<u>USAID</u>	<u>TOTAL</u>
<u>A. Model 1 - Publishing</u>			
1. Book Publication (13 titles)			
a. Authors	-	9,080	9,080
b. Translation	3,150	-	3,150
c. Printing	11,010	39,860	50,870
2. Mailing	2,900	- -	2,900
3. Personnel	<u>6,950</u>	<u>9,450</u>	<u>16,400</u>
Sub-Total	24,010	58,390	82,400
<u>B. Model 2 - Workshop</u>			
1. Preparation	650	1,940	2,590
2. Machinery/Tools	-	91,420	91,420
3. Office Equipment/Supplies	1,830	13,080	14,910
4. Building and maintenance	15,335	87,390	102,725
5. Land (1410m <sup>2</sup> )	75,400	-	75,400
6. Electricity/Telephone	-	2,425	2,425
7. Production Trials	1,435	12,915	14,350
8. Vehicles/Transport	5,190	5,510	10,700
9. Personnel	1,565	9,965	11,430
10. Documentation	-	300	300
11. Training	-	4,300	4,300
12. Monitoring/Evaluation	890	-	890
13. LP3ES Administration	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Sub-Total:	102,295	234,245	336,540
Total:	<u>126,305</u>	<u>292,635</u>	<u>418,940</u>
	(30%)	(70%)	

LP3ES 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 LP3ES 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

LP3ES 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 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 first year 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 \$446,915. The amount of the first year available and committed to this Grant is \$292,635. It is estimated that this amount shall be sufficient to fund the Grant during the period of July 1, 1986 thru June 30, 1987. Additional funds in the amount of \$154,280 may be provided to 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 November 1985. 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 partial support for two development models which will enable two indigenous NGOs to further increase and strengthen their own institutional development and financial self-reliance.

B. SPECIFIC OBJECTIVES

Model 1: LP3ES (Book publishing and institutional strengthening model).

1. Publication of 20 Indonesian language books dealing with development themes, economic theory, land tenure and legal issues, democracy and politics.
2. Establishment of a mechanism that will enable LP3ES to increase its institutional self-reliance specifically through the sale of the above-mentioned books.

- Model 2: LPTP (Metal workshop skills training center and institutional strengthening model).

1. Provide workshop skills training to 100-120 high school dropouts/unemployed youths each year to enable them to find productive employment or establish their own small enterprises.
2. Develop institutional capacity for innovation and adaptation of appropriate technologies for village use, particularly in the areas of pre- and post-harvest food technology, environmental health and water supply, alternative energy sources, and home industries.
3. Development of a functional, internal mechanism for capitalization of LPTP's community development programs through generation of profits from the workshop's productive and service activities.
4. Establishment of a revolving credit fund to support technology dissemination in the form of credit for off-Java NGOs, loans to workshop "graduates" to start a small enterprise, scholarships for prospective trainees and for LPTP's own program development.

C. IMPLEMENTATION

To achieve the above objectives, the grantee (LP3ES) will work closely with the sub-grantee (LPTP) on its self-reliance model, as well as focusing on LP3ES's own program for institutional strengthening. Project activities will commence on July 1, 1986. The targeted completion date is June 30, 1987.