



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID THAILAND

PD-AX-870

509/59

CABLE: USAID THAILAND

Telex: 87058 RPS TH

Telephone: 252-8191

USAID/THAILAND

Box 47

APO San Francisco 96346-0001

International Address:

USAID/Thailand

37 Soi Petchburi 15 (Somprasong 3)
Bangkok 10400 Thailand.

June 17, 1988

Mr. Marshall French
Director
CARE International in Thailand (CARE)
18 A Sub Soi Aree 4 (North)
Paholyothin 7
Bangkok 10400

Dear Mr. French:

Subject: Grant No. 493-0342-G-SS-6102-00

Loan and Grant Agreements

FM/LMD (if Loan)

FM/TAED

FM/CAD

GC/ANE

ANE Desk

ANE/TR Officer

ANE/PD Officer & File

PPC/CDIE/DI ✓

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the United States Agency for International Development (hereinafter referred to as "USAID"), under the PVO Co-Financing II Project No. 493-0342, agrees to grant CARE International in Thailand (hereinafter referred to as "Grantee"), under the terms of this Agreement, the amount of Baht 3,742,313 (Baht three million, seven hundred forty-two thousand, three hundred thirteen), not to exceed the Baht equivalent of U.S. \$149,692.00 (exchange rate of U.S. \$1 = Baht 25.00), to provide partial support for a three-year project titled "Ubon Micro Enterprise Extension Project Phase Two: Program Implementation", as more fully described in Annex A, "Project Description", to this Grant and Annex D, the Grantee's proposal, dated May 1988. During the period involved, the Grantee will contribute from other sources an additional Baht 3,639,700 (Baht three million, six hundred thirty-nine thousand, seven hundred), either in cash or in kind.

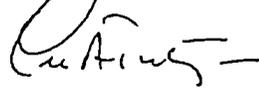
The USAID contribution to the Project will be provided in increments, the initial one being made available in accordance with paragraph 1 of this Letter Grant. It is anticipated that the USAID overall contribution to the project will be U.S. \$295,000; provided, however, that subsequent increments beyond the one provided by this Grant will be subject to the availability of funds to USAID for this purpose, and to the mutual agreement of the parties, at the time of a subsequent increment, to proceed.

The effective date of this Grant will be the date accepted by the Grantee as indicated below.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Annex A entitled "Project Description", Annex B entitled "Standard Provisions", and Annex E entitled "Project Implementation Guidelines". In the event there is a discrepancy or disagreement between the Standard Provisions and the Project Description or Letter Grant Agreement, the Project Description and/or Letter Grant Agreement shall prevail.

Please sign the Statement of Assurance of Compliance enclosed herein (Annex F) and the original and two (2) duplicate originals of this Letter Grant Agreement to acknowledge your acceptance of the conditions under which these funds have been granted, retain one (1) duplicate original for your files, and return the remaining two (2) copies to USAID.

Sincerely yours,



Lee Twentyman
Acting Director

Accepted:

By :

Title:

Date :

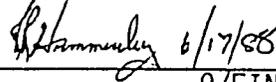

Director
June 20, 1988

- Annexes: 1. Project Description (Annex A)
2. Standard Provisions OMB Control No. 0412-0510 (Annex B)
3. Report Forms (Annex C)
4. Grant Proposal Dated May, 1988 (Annex D)
5. Project Implementation Guidelines (Annex E)
6. Statement of Compliance of Assurance (Annex F)

Fiscal Data

Control No. : P880091
Appropriation: 72-1181021
Allotment : QDNA-88-27493-KG13
Grant Amount : \$149,692.00

Funds Available


6/17/88
O/FIN

Obligation : \$149,692
Estimated Cost: \$295,000
Cost Sharing : \$145,888

Project Description

A. Purpose of Grant:

The purpose of this Grant is to enable the Grantee to undertake a three-year project to most effectively meet the goals stated below.

B. Project Goals:

Project Final Goal:

To improve the micro entrepreneurs' economic viability, productive capacity, and employment generation capability by means of a model of replicable extension services jointly supplied by public and private institutions.

Intermediate Goal:

To implement and test a sustainable, viable, and adaptive operational model to assist a range of micro producers, both individual and groups, where private sector institutions act as a catalyst of an accelerating development process by energizing, complementing and supplementing the activities of the public and quasi-public institutions.

Progress Indicators:

- a. The number of micro entrepreneurs receiving financial inputs from the formal market increases by a significant multiple over the pre-project baseline.
- b. The number of micro entrepreneurs receiving specifically tailored, hands on training and management services, is significantly increased and more effectively utilized.
- c. The number of products, the unit value and the scale of output is expected to significantly increase over the life of the project and their rate of growth to be maintained after the project's completion.
- d. In the aggregate, the increase in productive employment is estimated to exceed 50% over the life of the project with much higher rates achieved beyond project life.

Strategy:

Introduction and field testing of innovative methods and techniques with special reference to four problem areas, to wit:

- a) transfer of financial resources to micro entrepreneurs operating singly or in groups

13

- b) enhancement of the production functions of fabricators and processors.
- c) training and technical assistance
- d) marketing

C. Implementation:

The project financed by this Grant and its manner of implementation are described in the Grantee's proposal dated May 1988 (Annex D).

The Grantee will prepare and submit to USAID by August 20, 1988, First Year Implementation and Financial Plans. Implementation and financial plans for subsequent years will be due on August 20 of each year of the Grant. These should indicate (preferably in chart form) the planned activities by trimester and expenditures by month.

D. Reporting:

The Grantee will prepare and submit detailed progress reports from the date of the Grant and such reports will become due within 30 days following the 4th, 8th, 12th, 16th, 20th, 24th, 28th, 32nd and 36th months of the project. Reports will describe the progress and problems of project activities as set forth in the project proposal, following the recommended reporting format (Annex C). The reporting of gender-segregated data on participants and beneficiaries of project activities is also required.

E. Evaluation:

The evaluation plan should be jointly developed with USAID staff and submitted by August 20, 1988. The evaluation report will be due within 60 days following the 36 month (the terminal date of the project). The evaluation report will be in sufficient detail, including gender-segregated data, that USAID can judge the effectiveness of the project, the efficiency of implementation, and the impact of project activities.

F. Period of Grant:

1. The effective date of this Grant is June 20, 1988. The expiration date of this Grant is June 19, 1991.

2. Funds obligated hereunder reflect estimated program expenditures for the estimated period June 20, 1988 to December 19, 1989 as shown in the budget. These funds are available for program expenditures for the

grant period June 20, 1988 to June 19, 1991. These are total funds available at present and unless grant is later amended, no further funds can be spent.

G. Amount of Grant and Payment:

1. The total estimated amount of this Grant for the period shown in F.1 above is \$295,000. The Grantee will provide from other sources a minimum of 25% of the total project costs.

2. USAID hereby obligates the amount of \$149,692.00 for program expenditures during the period set forth in F.2 above and as shown in the Budget.

3. After the Agreement has become effective, and in accordance with Payment - Periodic Advance, Standard Provisions (Annex B), an initial release of funds for the project will be made upon submission by the Grantee to the Controller, USAID/Thailand, 37 Soi 15 (Somprasong 3), Petchburi Road, Bangkok 10400, of Voucher Standard Form 1034 (Form SF-1034) in an original and three (3) copies requesting disbursement of an amount equal to the USAID share of anticipated requirements for authorized expenditures by budget line items, for the ensuing three months. Please note that Form SF-1034 is required to be prepared/submitted by the Grantee with each subsequent advance request (SF 270) and quarterly expenditures report (Forms SF 272, SF 269 and Accrued Expenditure Report) and "Certified Fiscal Report and Statement of Cash Needs". To ensure having funds on hand to cover anticipated expenses at all times, the Grantee should submit subsequent requests for cash advance replenishments every two months after the initial 3-month advance has been paid. That is, the initial 3-month cash advance request would be submitted upon signing of the Grant Agreement; a second 3-month cash advance request covering the 3rd-5th months submitted by the 15th day of month 3; a third covering the 5th-7th months submitted by the 15th day of month 5; and so on.

4. Additional funds up to the total amount of the Grant shown in G. 1 above may be obligated by USAID subject to the availability of funds, and to the requirements of the Standard Provision of the Grant, entitled "Revision of Grant Budget".

H. Budget:

1. The project budget is summarized as follows and is provided as part of Annex D.

Local Currency:

<u>Cost Element</u>	<u>USAID</u>			<u>CARE</u>
	<u>Obligated Amount From 6/20/88 to 12/19/89 Baht</u>	<u>Estimated Additional From 12/20/89 to 6/19/91 Baht</u>	<u>Total Estimated From 6/20/88 to 6/19/91 Baht</u>	<u>Total Estimated From 6/20/88 to 6/19/91 Baht</u>
1. Project Costs	342,500	308,500	651,000	1,080,000
2. Assessments & Evaluation	37,500	47,500	85,000	-
3. Personnel & Consultants	2,322,550	2,186,450	4,509,000	-
4. Operation Expenses	724,817	784,518	1,509,335	2,465,200
5. Contingency	-	-	-	94,500
6. Indirect Costs (overhead @9.19%)	<u>314,946</u>	<u>305,719</u>	<u>620,665</u>	<u>-</u>
Total Baht	<u>3,742,313</u>	<u>3,632,687</u>	<u>7,375,000</u>	<u>3,639,700</u>
Total \$ (\$1 = ฿ 25.00)	<u>149,692.00</u>	<u>145,308.00</u>	<u>295,000</u>	<u>145,588</u>

2. It is understood that the Grantee may make adjustments among USAID line items up to 15% of the amount of any line items except indirect costs provided; however, the total amount of the Grant may not be exceeded.

3. To maintain the conditions of Certification of Eligibility, the Grantee is required to submit to USAID the following annual reports (within the noted number of days after the close of each Grantee's fiscal year):

- a. Annual audited financial statements (within 60 days).
- b. Current operational year budget, detailing sources of income, administrative expenses and program costs, including unaudited financial statements for the operational (fiscal) year just ended, and a budget vs. actual expenditures report for the preceding operational (fiscal) year just ended (within 30 days).

Following completion of the sixth month of the Grant period, and at six-month intervals, the Grantee will submit an accounting of expenditures for the non-USAID portion of the budget.

6

I. Audit:

In the event that the independent audit reports on the Grantee or any sub-grantee or contractor, as provided for, and/or program reports, do not satisfy USAID's requirements as determined by the AID Inspector General (Audit), and the AID Inspector General chooses to make an on-site fiscal or program audit, the Grantee agrees to USAID taking reasonable steps to coordinate the scheduling and conduct of such audit with the Grantee in advance, and to providing unrestricted access to its books and records, as further described, and in accordance with, Mandatory Standard Provision 2.

J. Overhead (Indirect Cost) Rate:

Pending establishment of final overhead rates for the period beginning 07/01/86, payment of indirect cost shall be on a provisional basis, applicable to the base, and for the period specified below:

<u>Rate</u>	<u>Base Applies to</u>	<u>Period</u>
9.19%	Total Direct Cost But Excluding Value of Agricultural Commodities, in kind contributions and Ocean Freight Costs	07/01/86 Until Amended

K. Special Provisions:

The Standard Provisions to this Grant contained in Annex B consist of Mandatory and Other Standard Provisions for U.S., Non-Governmental Grantees.