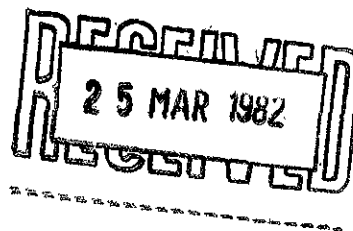


NO. *2465*/ASEAN/III/82/08.



The ASEAN National Secretariat, Department of Foreign Affairs of the Republic of Indonesia presents its compliments to the ASEAN Secretariat and has the honour to forward herewith a copy of the Project Grant Agreement on ASEAN Energy Cooperation in Development between ASEAN and the United States of America.

The Agreement was signed in Washington D.C. on March 11, 1982 by H.E.D.Ashari the Ambassador of the Republic of Indonesia, on behalf of ASEAN, and Mr. Peter Mc Pherson, Administrator, US Agency for International Development, on behalf of the United States of America.

The ASEAN National Secretariat, Department of Foreign Affairs of the Republic of Indonesia avails itself of this opportunity to renew to the ASEAN Secretariat the assurances of its highest consideration.

End.

The ASEAN Secretariat  
J a k a r t a.



Jakarta, 20 March 1982.

*Handwritten signature*

ASA/sr.

*ADO for action.*  
*25/3*

PROJECT GRANT AGREEMENT

Dated:

Between

The Republic of Indonesia ("Grantee"), on behalf of ASEAN,

And

The United States of America, acting through the  
Agency for International Development ("A.I.D.").

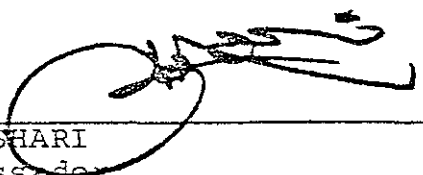
The above-named parties hereby mutually agree to carry out the Project described in this Agreement in accordance (1) with the terms of this Agreement including any annexes attached hereto, and (2) with any general "agreement between the two governments regarding economic or technical cooperation.


1. Name of Project: ASEAN Energy Cooperation in Development
2. A.I.D. Project Number: 498-0272
3. Amount of A.I.D. Grant: \$1,000,000.00
4. Project Assistance Completion Date: March 31, 1985

This Agreement consists of this page, a project description (Annex "A") with special provisions, and a standard provisions annex (Annex "B").

REPUBLIC OF INDONESIA

UNITED STATES OF AMERICA

  
\_\_\_\_\_  
D. ASHARI  
Ambassador  
REPUBLIC OF INDONESIA

  
\_\_\_\_\_  
M. PETER MCPHERSON  
Administrator  
AGENCY FOR INTERNATIONAL DEVELOPMENT

ANNEX A

PROJECT DESCRIPTION

Purpose of Project

The purpose of this second ASEAN-U.S. Energy Project Is to support ASEAN programs to replace oil in the power sector by utilizing coal, increase the efficiency of energy use in buildings and develop and apply alternative energy systems for water pumping,

Project Description

The project consists of three basic components which were identified as ones of common interest among the five ASEAN countries.

The components include:

1. Training for coal utilization;
2. Energy conservation in buildings; and
3. Water pumping with solar and photovoltaic-powered systems.

The scope of coal training programs will- cover; lectures (mostly on applied sciences and engineering), on-the-job training (such as laboratory work, pilot plant), visits (to industries and energy plants), and discussions. The water pumping component will include a demonstration of solar photovoltaic technologies and systems..

Energy conservation in buildings will require the testing of energy efficiencies with a pre-design function for the optimization of energy conservation both in new and rehabilitated buildings. The design function will be established using building parameters, coefficients of various materials, special setting of building, weather and alternative" cooling sources. Tailored into a computer simulation model these techniques will assist architects and engineers to establish useful building codes enabling the ASEAN country building agencies to conserve fuel and develop cost-effective design alternatives for buildings.

#### Outputs

This project will result in a small increase in the capacity of ASEAN countries to:

1. Manage coal utilization programs
2. Formulate energy efficiency regulations; and
3. Manage alternative energy demonstration projects.

Oil savings from coal utilization and improved energy efficiency in buildings will benefit the overall economy of the ASEAN countries, while the development and eventual manufacture of solar, and photovoltaic pumping systems will not only reduce oil demand but also provide a sustainable energy source for rural farmers and villages.

#### Budget

A PASA Agreement will be signed with the Department of Energy

for One Million U.S. dollars (\$1,000,000) to be spent over three years. The budget would breakdown as follows:

	<u>Amount:</u>
Coal Training	336,200
Energy conservation in Bldgs.	158,500
Demonstration of Water Pumping Technologies	353,100
Contingency	152,200
	<hr/>
Grand Total	1,000,000

Special Provisions

I. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. a statement of the name of the person acting as the Project Coordinator and of any additional representatives, together with a specimen signature of each person specified in such statement.

II. Except as A.I.D. may agree otherwise in writing, prior to disbursement for activities in another ASEAN member country, the Grantee will obtain, or assist A.I.D. in obtaining evidence satisfactory to A.I.D. from such other member country that the appropriate authorities of that member country have accepted relevant obligations under this Agreement.

III. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- (a) Evaluation of progress toward attainment of the objectives of the project;
- (b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) Assessment of how such information may be used to help overcome such problems; and
- (d) Evaluation, to the degree feasible, of the overall development impact of the Project.

STANDARD PROVISIONS ANNEX

- A. Reference to 'this Agreement' means the original Project Agreement as modified by any revisions which have entered into effect. Reference to 'cooperating country' means the country or territory of the Grantee.
3. (1) A.I.D. will make available the amount specified in Block 3 of this Agreement, as necessary for the Project, as may be further described in Annex A,
- (2) The Grantee will make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A,
- C. A.I.D. and the grantee may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.
- D. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but A.I.D. shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Block 4 of this Agreement) or any amended Project Assistance Completion Date specified.
3. The procurement of commodities and services to be financed in whole or in part by A.I.D. may (where so required by A.I.D. procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by A.I.D.
- F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the A.I.D. contribution referred to in Block 3 of this Agreement shall be subject to the provisions of A.I.D. Regulation 1.

G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by A.I.D. pursuant to Block 3 of this Agreement shall be in the Grantee, or such public or private agency as it may authorize.

H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the Procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project, will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.

(2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this Agreement, shall be refunded to the party providing the funds.

(3) Any interest or other earnings of funds provided by A.I.D. to the Grantee under this Agreement will be returned to A.I.D. by the Grantee.

I. (1) If A.I.D. and any public or private organization furnishing commodities through A.I.D. financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs, duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with A.I.D., the Grantee or any agency authorized by the Grantee, who are present in the cooperating country to provide services which A.I.D. has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperative country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States



of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or if any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by A.I.D. hereunder, the Grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

- J. If funds provided by A.I.D. are introduced into the cooperating country by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds shall be convertible into currency of the cooperating country at the highest rate which, at the time conversion is made, is not unlawful in the cooperating country.
- K. A.I.D. shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.
- L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.
- M. A.I.D. and the Grantee shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

- N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to this Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property or funds shall remain in force after such termination. In addition, upon such termination, A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside the Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of the Grantee's country.
- O. To assist in the implementation of the Project, A.I.D., from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.
- P. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar- contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.