

04-288

USAID GRANT AGREEMENT NO. 497-0011.01

USAID GRANT AGREEMENT NO. 498-0001

STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND THE

REPUBLIC OF INDONESIA

FOR

ECONOMIC GROWTH

Certified to be a true copy of
the original signed by

DATE: August 31, 2000


James Hope, Deputy Program Director
October 11, 2002

Dated: August 31, 2000

This STRATEGIC OBJECTIVE GRANT AGREEMENT, is entered into between the REPUBLIC OF INDONESIA ("Grantee") and the UNITED STATES OF AMERICA, acting through the U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT ("USAID").

WHEREAS, the Grantee and USAID ("Parties") hereby express their commitment to the goal of setting foundations for rapid, sustainable and equitable economic growth as described herein,

WHEREAS, the Parties hereby affirm their financial, in-kind and other commitments and understandings made pursuant to setting foundations for rapid, sustainable and equitable economic growth,

NOW, THEREFORE, the Parties hereby agree as follows:

Article 1: Purpose

Section 1.1. The purpose of this Strategic Objective Grant Agreement (hereinafter referred to as "Agreement"), is to set out the commitments and understandings of the Parties about the Strategic Objective described below.

Section 1.2. The title of this Agreement will be "Economic Growth"

Article 2: Strategic Objective and Results

Section 2.1. Strategic Objective. The Strategic Objective (the "Objective") is "Foundations Set for Rapid, Sustainable, and Equitable Economic Growth"

Sec 2.2. Results. In order to achieve the Objective, the Parties agree to work together to achieve the following results ("Results"):

1. Sound Economic Policy and Institutions;
2. A Conducive Legal and Regulatory Framework;
3. Open Access to Economic Opportunity;
4. Knowledgeable Public Participation in Economic Decision Making.

Section 2.3. Annex 1, Amplified Description. Annex 1, attached, amplifies the above Objectives and Results. Within the limits of the above definition of the Objective in Section

2.1, Annex I may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Article 3: Contributions of the Parties

Section 3.1. USAID Contribution.

(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of the Agreement funding not to exceed Twenty Three Million Three Hundred and Fifty Thousand United States Dollars (\$23,350,000).

b) Total Estimated USAID Contribution. USAID's total estimated contribution to the achievement of the Objective will be One Hundred Fifteen Million and Four Hundred Ninety Eight United States Dollars (\$115,498,000) which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed.

c) Fiscal Year Reductions. If at any time USAID determines that its contribution under Section 3.1(a) exceeds the amount which reasonably can be committed for achieving the Objective or Results or activities during the current or next U.S. fiscal year, USAID may, upon written notice to the Grantee, withdraw the excess amount, thereby reducing the amount of the Grant as set forth in Section 3.1(a). Actions taken pursuant to this subsection will not revise USAID's total estimated contribution set forth in 3.1(b).

Section 3.2. Grantee Contribution

Due to the economic crisis, a twenty-five percent (25%) host country contribution will not be required by the Government of Indonesia under this Agreement. The Government of Indonesia agrees, however, to supply contributions on an in-kind basis which are judged vital to the achievement of the Objective and Results under this Agreement. Such in-kind contributions may include office space, utilities, salaries of official Government of Indonesia counterparts, and other program related commodities. The Government of Indonesia agrees to report in-kind contributions to USAID on a quarterly basis.

Article 4: Completion Date

(a) The Completion Date, which is September 30, 2005, or such date as the parties may agree to in writing, without formal amendment of the Agreement, is the date by which the Parties estimate that all the activities necessary to achieve the Objective and Results will be completed.

(b) Except as USAID may otherwise agree to in writing, USAID will not issue or approve documentation which would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, are to be received by USAID no later than nine (9) months following the completion date or such other date as USAID agrees to in writing before or after such period. After such period USAID, at any time or times, may give notice in writing to the Grantee and reduce the amount of the grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, were not received before the expiration of such period.

Article 5: Conditions Precedent to Disbursement

Section 5.1. First Disbursement

Prior to the first disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID, a statement in the name of the person holding or acting in the office of the Grantee specified in Section 7.5, Representatives, together with a specimen signature of each person identified in such statement.

Section 5.2. Notification

USAID will promptly notify the Grantee when USAID has determined that a condition precedent has been met.

Section 5.3. Terminal Date for Conditions Precedent

The terminal date for meeting the condition specified in Section 5.1 is 45 days from the date of this Agreement or such later days as USAID may agree to in writing before or after the terminal date above. If the condition precedent in Section 5.1 has not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

Article 6: Special Covenants

Section 6.1. Job Loss, Export Processing Zones and Worker's Rights

After a thorough review, the Parties have determined that the activities proposed for funding under this Agreement do not in any way relate to the term of the Standard Provision F.1. of Annex 2. Should potential issues arise in the future under this Agreement, the Parties agree to work together to resolve any concerns related to Standard Provision F.1. of Annex 2.

Section 6.2. Salaries of Government Officials

The Grantee agrees that no individuals paid salaries from funds provided under this Agreement will, at the same time, draw a Government of Indonesia salary except with prior written approval by USAID.

Section 6.3. Tax and Duty Free Commodities

The Grantee, in conjunction with the appropriate Government of Indonesia ministries and offices, will ensure exemptions on the import, export, purchase, use or disposition of any equipment or property financed or imported by USAID under this Agreement from taxes, including Value Added Tax, duties, and fees, of whatever nature charged in Indonesia. In the event of ambiguity Section B4 of the Standard Provisions, Annex 2, governs.

Section 6.4. Tax Free Salaries

The Grantee in conjunction with the appropriate Government of Indonesia ministries and offices, will ensure exemptions from income taxes and other such national fees or contributions levied pursuant to the laws of Indonesia for all individuals, except citizens and permanent residents of Indonesia, who are employed (whether direct hire, contract, grant or other arrangement) by USAID or by any organization financed by USAID to perform work in connection with this Agreement. In the event of ambiguity Section B4 of the Standard Provisions, Annex 2, governs.

Section 6.5. Visas and Assignment Approvals

The Grantee, in conjunction with the appropriate Government of Indonesia ministries and offices, will ensure the prompt and timely approval and issuance of visas and assignment approvals for individuals working for partner organizations receiving USAID financing in furtherance of the Objective and Results.

Article 7: Miscellaneous

Section 7.1. Implementation Letters

Implementation letters will be issued under this Agreement from the date of this Agreement. The Parties may use these Implementation Letters to confirm and record additional understandings and commitments related to this Agreement. Implementation Letters may not be used to amend the text of this Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the Amplified Descriptions set forth in Annex 1. Implementation letters shall be binding on the Parties unless revoked, modified, or superseded by subsequent Implementation Letters or amendments to this Agreement.

Section 7.2. Communications

Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram, telefax or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To USAID:

Mailing Address:

Office of Economic Growth

USAID

Jl. Medan Merdeka Selatan No. 3-5

Jakarta 10110, Indonesia

Fax:

Office of Economic Growth

021-3806694

To the Grantee: Bappenas

Mailing Address:

Jl. Taman Suropati 2

Jakarta Pusat

Fax: 021-314377

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

Section 7.3. Representatives

For all purposes relative to this agreement, the grantee will be represented by the individual holding or acting in the office of Deputy for Macroeconomics, Bappenas and USAID will be represented by the individual holding or acting in the office of the Mission Director, USAID/Indonesia. Each of whom, by written notice, may designate additional representatives for all purposes other than signing formal amendments to the Agreement. The names of the representatives of the Grantees, with specimen signatures, will be provided to USAID, which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 7.4. Standard Provisions Annex

A Standard Provisions Annex (Annex 2) is attached to and forms part of this Agreement.

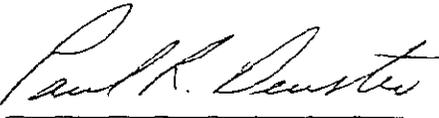
IN WITNESS WHEREOF, the Republic of Indonesia and the United States of America, each acting through its duly authorized representative, have caused this amendment/Strategic Objective Grant Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF INDONESIA



Dr. Djunaedi Hadisumarto
Chairman
BAPPENAS

UNITED STATES OF AMERICA



Paul R. Deuster
Office of Economic Growth
USAID/Indonesia

TABLE 1
BUDGET SUMMARY

Strategic Objective Grant Agreement
Economic Growth
in (000) US\$

COMPONENT	AERA This Agreement (a)	ECG This Agreement (b)	TOTAL This Agreement (c) = (a) + (b)	Future Obligation		A.I.D. Funding (f) = (c) + (d) + (e)	G.O.I.* Funding	Total Program
				FY 2000 (d)	FY 01 - 04 (e)			
GRANTS	0	4,530	4,530	0	15,000	19,530	0	19,530
TECHNICAL ASSISTANCE	7,000	11,233	18,233	2,798	71,629	92,660	0	92,660
ADMINISTRATION & EQUIPMENT	0	387	387	0	2,321	2,708	0	2,708
AUDIT/EVAL	0	200	200	0	400	600	0	600
TOTAL	7,000	16,350	23,350	2,798	89,350	115,498	0	115,498

* Due to Economic Crisis, the 25% GOI contribution is not required

Annex 1

Amplified Description

Economic Growth

USAID/Indonesia

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AMPLIFIED DESCRIPTION

I. Purpose

This annex provides an amplified description of the new USAID/Indonesia Strategic Objective: "Foundations Set for Rapid, Sustainable, and Equitable Economic Growth," the type and scope of activities to be undertaken for this program, and the results to be achieved with the funds obligated under the Strategic Objective Agreement (referred to as the "Agreement"). Nothing in this Annex shall be construed as amending any of the definitions or terms of the Agreement.

II. Background

The United States Agency for International Development (USAID) Indonesia is redefining its overall country program strategy in Indonesia for the years 2000-2004 to support the transition to **A Prospering and Democratic Indonesia**. One of USAID's new strategic objectives is "To set Foundations for Rapid, Sustainable, and Equitable Economic Growth." All activities supported by USAID contribute to specified objectives. Results necessary for achieving objectives are identified, and activities necessary for results are grouped into Intermediate Results. This document comprehensively articulates the synergistic relationships among activities supported under USAID's new strategic objective of Foundations Set for Rapid, Sustainable, and Equitable Economic Growth.

A. **Problem: Helping Indonesia Recover from its Economic Crisis**

Indonesia is facing the dual challenge of recovering from its worse economic crisis in 35 years and achieving a development path that promotes wide prosperity and democracy. After decades of averaging 6.9 percent per annum in economic growth and substantially reducing poverty, Indonesia experienced an acute economic crisis starting in 1997. After a 14 percent decline, Indonesia's economy has stabilized and is beginning to recover.

A historical political transition has taken place in Indonesia. It started with the resignation of the Suharto Government in May 1998, proceeded through fair and free parliamentary elections in June 1999, and culminated in the election of Abdurrahman Wahid as President in October 1999 by the People's Consultative Assembly (MPR). The MPR has issued State Policy Guidelines. Based on these guidelines, the Government of the Republic of Indonesia (GOI) has adopted a comprehensive economic reform program that identifies operational strategies for maintaining macroeconomic stability, restructuring key economic sectors, rebuilding economic institutions and improving natural resource management in the broad context of decentralization. Elements of this economic reform program were incorporated in the Letter of Intent which the GOI signed

with the IMF in January 2000. Friends of Indonesia at the Consultative Group Indonesia Meeting held in Jakarta in February 2000 committed to provide up to \$ 4.7 billion to support this reform and restructuring program. The U.S. Government has expressed its strong support for the new government and its reform agenda.

B. Current Projects and Activities

In 1997 USAID transformed ARSSP (Agriculture Rural Sector Support Program) into a Strategic Objective Agreement for Economic Growth as a vehicle to support a wide area of policy-based economic reforms. Work currently underway under the ARSSP SOAg (497-0357), including the AERA (Accelerating Economic Recovery in Asia) component, will be carried over to the new strategy and funded under this Agreement. This includes, for example, Partnership for Economic Growth (PEG) Technical Assistance and Grants, a series of micro and small business research and development activities, and technical assistance activities for the Government encompassing overall macroeconomy management and regulatory reform.

III. Program Description

A. New Strategic Objective: Definition and Expected Achievements

Having identified a credible, comprehensive economic reform program, the challenge facing the GOI now is to implement this complex program amidst weak economic institutions. Under the "foundations set for rapid, sustainable, and equitable economic growth" SO, USAID will work closely with other donors to assist GOI to implement its economic reform program. Activities undertaken will achieve this SO through the following intermediate results:

- Sound Economic Policy and Institutions;
 - A Conducive Legal and Regulatory Framework;
 - Open Access to Economic Opportunity;
 - Knowledgeable Public Participation in Economic Decision Making.
1. A sound foundation to ensure rapid and sustainable economic growth that will generate jobs and widely shared benefits in Indonesia is defined as having the following characteristics:
- a) sound economic policy administered by strong institutions of the GOI Executive Branch;
 - b) investment-friendly legal and regulatory framework - including sound corporate governance and impartial and expeditious resolution of property rights and contract disputes - enforced by Independent Regulatory Commissions (whose members are selected by Parliament);
 - c) open access to the opportunities created by a growing economy to all Indonesians, especially the poor, women, and those in isolated areas, to foster an equitable distribution of the benefits; and
 - d) knowledgeable participation by the intended beneficiaries, legislators and government officials to provide legitimacy and support to restructuring and growth-enhancing policies.

If successfully implemented, the implied sweeping restructuring of Indonesia's economy will establish the foundation for and stimulate economic growth. Improving the rules of the game

and market institutions under which economic activity takes place will help the economy avoid a repeat of the current crisis and generate more equitable and sustainable benefits.

B. Program and Illustrative Activities

Working within the framework of the GOI economic reform program and in collaboration with other donors, USAID will assist the GOI to establish the sound foundation defined above through the provision of critical technical assistance on a timely basis to a number of key institutions of the GOI Executive and Legislative Branches - such as the Ministry of Finance, the Ministry of Industry and Trade (MOIT), the Ministry of Law and Legislation, Bank Indonesia, the State Ministry for Cooperatives and Small Business, Bank Rakyat Indonesia (BRI), National Development Planning Agency (BAPPENAS), the national and local parliaments, the National Council of Economic Advisors (DEN), IBRA (Indonesian Bank Restructuring Agency), and JITF (Jakarta Initiative Task Force) – Independent Regulatory Commissions and civil societies. Under this SO, the four Intermediate Results (IRs) are:

1. **Sound Economic Policy and Institutions** – Sound policy stimulates private investment, efficiency, and growth. Its timely and continued implementation requires transparent, accountable and efficient institutions of the GOI Executive Branch. The appropriateness and stability of the policy environment lowers the cost of adjustment and inspires investors' confidence.

Illustrative Activities

USAID TA will focus on assisting and strengthening institutions of the GOI Executive Branch to analyze, draft, propose, and implement the following policies:

- **Macro Policies to Promote Recovery, Quality Growth and Poverty Alleviation:** Recovery from the worse crisis in 35 years depends critically on bank and corporate restructuring, achieving fiscal sustainability and maintaining appropriate monetary and exchange rate policies. Moreover Indonesia wants to achieve quality growth, i.e. high growth rates that maximize employment, incomes, and poverty alleviation. In addition to the economic recovery work with IBRA and JITF, USAID TA will also promote the "quality of growth" approach in work with Bank Indonesia, Ministry of Finance, and BAPPENAS. Efforts with the Central Body for Statistics will continue, to improve needed economic data
- **Sector Policies to Liberalize Domestic Economy:** The GOI strategy explicitly states a preference for growth based on advantages in natural and human resources, and commitment to an open trade regime. However, many constraints remain in the structure of Indonesia's economy. The restructuring and liberalization of the domestic economy are expected to yield short-term increases in efficiency and welfare – politically valuable outcomes to support the current economic reform program. Within the context of the upcoming decentralization, USAID proposes to

focus on the provision of advice to enhance domestic competition and competitiveness.

- *Policy Environment for Micro, Small and Medium Enterprise (MSME) Development.* The current policy environment is not as conducive to the development of MSMEs as it could be. TA will focus on sound economic policies and promoting open access to economic opportunities for all groups, including a more MSME-friendly policy environment.
- *Food Policy:* Creating food security at both the micro and macro levels is a complicated task. Food policy analysis links the macro economy with the rural economy and then traces the impact of changes in both sectors on the poor, mediated through changes in food production and consumption. The three topics of rapid growth in the macro economy, poverty alleviation, and the stability of the food system must be coordinated, integrated, and dealt with within the broad context of decentralization. USAID proposes to provide analytical expertise to assist the newly created Bureau of Food, Agriculture and Irrigation of BAPPENAS in building a new unit to analyze, plan, evaluate, coordinate, and monitor the vast array of policies that have an impact on food security and poverty alleviation.

2. **A Conducive Legal and Regulatory Framework** – A clearly-defined sound legal and regulatory environment enforced by independent regulatory commissions reduces business uncertainty, lowers the hidden cost of doing business, and promotes investment and growth.

Illustrative Activities:

USAID TA will be focussed on assisting the Ministry of Law and Legislation, law schools, professional associations, related NGOs, parliaments, and independent regulatory commissions in the drafting, promoting, passing, understanding and implementing of laws, decrees, and administrative orders and decisions to:

- liberalize the domestic economy;
 - reform administrative procedures of GOI agencies;
 - improve corporate governance;
 - strengthen the enforceability of contracts and lower transaction cost;
 - facilitate the impartial and expeditious resolution of property rights and contract disputes; and
 - implement the anti-monopoly, anti-corruption, and consumer protection laws.
3. **Open Access to Economic Opportunity** —In the past, economic growth and poverty reduction were not sustainable because they occurred in an environment in which the rules and institutions were rigged in favor of a selected group of individuals. To avoid a repeat of the past, the playing field should be leveled for all economic agents, regardless

of size of operations, gender or geographic location. Incentive regimes and public expenditures must be improved to:

- provide access for all Indonesians to worker education, training and health services;
- create business friendly environments;
- provide commercial credit for investment; and
- extend commercial support services for the creation, sustained operation, and expansion of business activities and to appropriately priced public transport, services, and utilities.

Illustrative Activities:

USAID will work more with civil societies by expanding its current program to:

- advocate for governments to be more MSME friendly. Specifics include streamlining and simplifying licensing procedures; simplifying the administration of taxes; making more open and transparent GOI procurement; improving access to publicly-owned natural resources; reducing the hidden costs of doing business; and facilitating access to market information and technology.
 - improve MSME access to commercial credit for investment;
 - improve commercial business services to help MSMEs sustain and expand operations;
 - within the contexts of decentralization, help, encourage MSMEs and avoid practices that are "unfair" to MSMEs such as excessive restrictions and taxes;
 - examine and encourage improvements in the social safety net, including, social security insurance, and unemployment insurance;
 - promote understanding of and involvement in issues of gender, poverty and regional access;
 - research and promote discussion on issues related to budget expenditures for social services to encourage adequate funds being directed to health, education, public transport, and utilities.
4. **Knowledgeable Public Participation in Economic Decision Making** – The sustainability of economic decisions is strengthened when legislators, government officials and intended beneficiaries have ownership - i.e., good comprehension of, acceptance of, active advocacy for and role in shaping - economic policies.

Illustrative Activities:

USAID is working with government bodies to issue and implement sound policies, legal and regulatory frameworks and access-enhancing programs. USAID proposes to assist legislators and civil society organizations to gain a better understanding of and advocacy for the economic laws and policies. Means of assistance include promoting analyses and public hearings on economic policy and legislation questions and private sector membership in economic decision making bodies (e.g., National Task Force for the Development of Small and Medium Enterprises and Cooperatives), and strengthened media analyses and reporting

The above four IRs represent a complementary and holistic approach toward achieving results under this SO. The first IR deals with the supply side of sound policy and institutions of the GOI Executive Branch, while the second one addresses supply issues of sound legal and regulatory frameworks enforced by Independent Regulatory Commissions. The third and fourth IRs deal with equitable distribution of economic benefits among Indonesians of different socioeconomic strata, regions, ethnic groups and gender and also the ownership, or demand side, of economic decisions. Together, activities under the third and fourth IRs will increase the likelihood that appropriate activities will be carried out under the first and second IRs and that they will be sustainable.

C. Factors Influencing the Selection of Activities

Emphasis over the next three years must be on the policies and institutions which are essential for recovering from the current crisis and restoring sustainable growth in Indonesia. This clearly includes assistance to IBRA, JITF, Bank Indonesia, Ministry of Finance and BAPPENAS on bank and corporate restructuring, monetary and fiscal policy, and tax administration, and to Ministry of Law and Legislation and regulatory commissions on a supportive legal and regulatory framework. In the following 2 years, increased emphasis will be placed on the institutional development side of policy making.

D. Monitoring Progress and Evaluating Results

The monitoring and evaluation plan for this program will be developed more fully for the program period by the Technical Committee as described in Section 5, Roles and Responsibilities of the Parties. The plan will include annual targets.

The SO Indicators and Anticipated Level of Change are listed below:

1. Indonesia Non-Oil Trade (US\$ billions) - This is the total value of Indonesia's on-oil and gas exports and imports for the calendar year:

1999 (base)	\$72.4
2000	\$77.0
2002	\$85.0
2004	\$100.0

2. Value of Real Credit (Trillions of Rupiah) - level of real outstanding credit at the end of the

calendar year:	
1999 (base)	251.3 (June 1999)
2000	258.8
2002	285
2004	342

IV. Funding and Financial Plan

The financial plan for the program "Economic Growth" is set forth in Table 1, Strategic Objective Agreement Budget Summary. From the date of the Strategic Objective Agreement onwards, obligations will be made in accordance with this Budget. Future USAID obligations under the Agreement are subject to the availability of funds and mutual agreement of the Parties to proceed.

The total USAID contribution to be obligated under this Agreement, over the Life of the Program (LOP), is estimated to be U.S. \$115.498 million, including funds provided under AERA (498-0001) subject to the availability of funds.

V. Roles and Responsibilities of the Parties

A. Grantees and USAID Responsibilities

This program will continue to be managed by the Steering Committee and the Technical Committee which have been established for the ARSSP SOAg.

The Technical Committee is a small group representing USAID and BAPPENAS, with other GOI organizations as necessary. This group will meet quarterly, or as often as necessary to review and approve proposals and monitor progress. The Technical Committee may invite representatives of other Indonesian Government agencies and various economic sectors to join on an ad hoc basis to review proposals and comment on their merit. In addition there will be a Steering Committee that will meet periodically. The Steering Committee will be comprised of representatives of the Technical Committee but will include other Government of Indonesia representatives from entities such as the Ministry of Finance, the Ministry of Industry and Trade, and the Coordinating Ministry of Economics and Finance. The Steering Committee will be responsible for oversight of the Technical Committee. Details of the organization and working arrangements for both the Technical and Steering Committees will be the subject of separate implementation letters.

VI. Implementation Arrangements

A. Grants, Cooperative Agreements, and Contracts Awarded by USAID

USAID will solicit, manage, finance and take overall responsibility for procuring the goods and technical services that contribute to the Objective of this Agreement, "foundations set for rapid, sustainable, and equitable economic growth." USAID may use various different procurement mechanisms, such as grants, cooperative agreements, institutional contracts, indefinite quantity contracts, Participating Agency Service Agreements with other U.S. Government Agencies (PASAs), and Personal Service Contracts (PSCs). This assistance will be used to provide technical assistance and other program support for program implementation.

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