

CONFORMED COPY

Letter No: JA-204/JSDF/IV/2010

April 29, 2010

Mr. Tri Nugroho  
TIFA Foundation  
Jl. Jaya Mandala II No. 14E,  
Menteng Dalam,  
Jakarta Selatan 12870,  
Indonesia

Dear Mr. Nugroho:

***Re: Japan Support Development Fund (JSDF), Empowering Women Overseas Migrant Workers Project, Grant No. TF 091169***

In response to the request for financial assistance made on behalf of TIFA Foundation (the "Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association (collectively, the "World Bank"), acting as administrator of grant funds provided by Japan under the Japan Social Development Fund, proposes to extend to the Recipient for the benefit of Republic of Indonesia (the "Member Country"), a grant in an amount not to exceed one million five hundred sixty three thousand seven hundred seventy United States Dollars (U.S.\$1,563,770) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project"). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become

effective as of the date of the countersignature; provide, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement by July 31<sup>st</sup>, 2010, unless the World Bank shall have established a later date for such purpose.

Very truly yours,  
**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

/s/ Chris Hoban  
Acting Country Director, Indonesia

AGREED:  
**TIFA Foundation**

By: /s/ Tri Nugroho

Name: Tri Nugroho

Title: Executive Director

Date: April 30, 2010

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008
- (2) Disbursement Letter dated April 29, 2010, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

**TF091169**  
**ANNEX**

## Article I

### Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 1, 2008 (“Standard Conditions”), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement. For purposes of this Agreement the following terms, whenever used in this Agreement shall have the following meanings:

(a) “BNP2TKI” means the National Agency for Placement and Protection of Overseas Migrant Workers of the Member Country;

(b) “CBO” means a community-based organization authorized to operate in the Member Country;

(c) “Governing Committee” means a committee acceptable to the Recipient and the World Bank, to guide Project policy and evaluate the Project’s activities, which shall represents relevant parties, local and national partners and experts;

(d) “Kabupaten” means a district, an administrative division of the Member Country’s Province;

(e) “Project Management Manual” means a manual acceptable to the Recipient and the World Bank, aimed at assisting the Recipient in the management of the Project, and to be developed by the Recipient pursuant to paragraph 2.03(a)(iv) of this Annex, as such manual may be revised from time to time with the approval of the World Bank;

(f) “Sub-district” means an administrative division of a Kabupaten;

(g) “Sub-Grant” means the proceeds of the Grant to be made available to an eligible Project Sub-Grantee in accordance with this Agreement for the purposes of carrying out the activities set out in Section 2.01 of this Annex;

(h) “Sub-Grant Agreement” means each agreement to be entered into by a Project Sub-Grantee and the Recipient, setting out the terms and conditions, acceptable to the Recipient and the World Bank, on which the Recipient may make a portion of the proceeds of the Grant available to a Project Sub-Grantee for the purposes of carrying out the activities set out in Section 2.01 of this Annex;

(i) “Sub-Grantee” means a CBO or a non-government organization eligible to participate in the Project in accordance with the Project Management Manual which has entered into a Sub-Grant Agreement with the Recipient;

(j) “Sub-Grants Manual” means a manual acceptable to the Recipient and the World Bank, aimed at assisting the Recipient in managing and making sub-grants, and to be developed by the Recipient pursuant to paragraph 2.03(a)(iii) of this Annex, as such manual may be revised from time to time with the approval of the World Bank; and

(k) “TOT” means a training of trainers related to the Project activities.

## **Article II** **Project Execution**

2.01. ***Project Objectives and Description.*** The objective of the Project is to improve infrastructure for protection, access to information, finance, and capacity building, including financial management and institutional strengthening, for women migrant workers and their families in Java region.

The Project consists of the following parts:

Part 1. Institutional strengthening for community-based organizations (CBOs)

- (a) Establishment of CBOs;
- (b) Training of trainers (TOT); and
- (c) Training for migrant workers and families on migrant issues and information technology.

Part 2. Opening access to financial services for women migrant workers and families

- (a) Training on financial management and planning; and
- (b) Facilitating women migrant workers in accessing financial institutions.

Part 3. Development of resource centers for migrant workers

Part 4. Development of dialogues and public campaigns on safe migration and migrant workers' reintegration among stakeholders, including CBOs, placement agencies, and local governments

Part 5. Monitoring and evaluation

- (a) Conducting a baseline survey of beneficiaries; and
- (b) Monitoring the implementation of the Project and measuring achievements based on the initial data collected.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud

and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. *Institutional and Other Arrangements.*

(a) *Institutional Arrangements*

(i) The Recipient shall be responsible for implementation of the Project and shall establish and thereafter maintain until completion of the Project the project implementing unit, with staffing and terms of reference acceptable to the World Bank.

(ii) The Recipient shall establish and thereafter maintain until the completion of the Project a Governing Committee representing relevant parties, local and national partners and experts, which shall be chaired by BNP2TKI.

(iii) The Recipient shall prepare and adopt, prior to making any Sub-Grants, and thereafter implement a Sub-Grants Manual, in a manner and substance satisfactory to the World Bank.

(iv) The Recipient shall prepare and adopt, by a date which is no later than one month after the date of this Agreement, and thereafter implement a Project Management Manual, in a manner and substance satisfactory to the World Bank.

(b) *Procedures, Terms and Conditions for Project Sub-grants*

(i) The Recipient shall make available the proceeds of the Grant allocated to Category (5) of the table in paragraph 3.01 of this Annex to one or more Project Sub-Grantee(s), in each case under a Project Sub-Grant Agreement to be entered into between the Project Sub-Grantee and the Recipient, on terms and conditions acceptable to the Recipient and the World Bank for the purposes of carrying out activities in accordance with the Project Management Manual, which shall include the provisions set out below.

(ii) To be eligible for a Project Sub-Grant, a Project Sub-Grantee must furnish a proposal to the Recipient that fully satisfies the criteria specified in the Project Management Manual.

(iii) No Project Sub-Grant may be made available to a Project Sub-Grantee unless the Recipient and the Project Sub-Grantee have entered into a Project Sub-Grant Agreement that fully satisfies the criteria specified in the Project Management Manual and in sub-paragraph (iv) below.

(iv) Each Project Sub-Grantee shall use the proceeds of its respective Sub-Grant exclusively for the purposes of the Project.

(v) Each Project Sub-Grant Agreement shall provide for rights adequate to protect the interests of the World Bank and the Recipient, including to the extent that it shall be appropriate to:

- (A) require the Project Sub-Grantee to carry out activities specified in the relevant Grant Agreement with due diligence and efficiency and in accordance with sound administrative, financial, technical and managerial standards satisfactory to the Recipient and the World Bank, including, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds;
- (B) require that all goods and services required for the Project Sub-Grant shall be procured in accordance with the provisions of paragraph 2.06 of this Annex;
- (C) require that all goods and services shall be used exclusively in the carrying out of the Project Sub-Grant activities;
- (D) permit the Recipient to inspect, by itself or jointly with representatives of the World Bank if the World Bank shall so request, any goods and services included in the Project Sub-Grant, the operation thereof, and any relevant records and documents; and
- (E) suspend or terminate the right of the project Sub-Grantee to the use of the proceeds of the Project Sub-Grant upon the failure by the Project Sub-Grantee to perform any of its obligations under the Project Sub-Grant Agreement.

**2.04. *Project Monitoring, Reporting and Evaluation.***

(a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

- (i) At least 60 CBOs established and functioning at village level to assist an effective support and service system;
- (ii) The provision of special financial services and products for migrant workers and their families by bank or non-bank financial institution;
- (iii) At least 600 migrant workers and their families are literate on financial management including financial planning;
- (iv) The availability of a functioning resource center that includes references, training and expertise, at the community level in three sub-districts in West Java, Central Java and East Java;

(v) At least 600 members of CBOs are able to use the information and communication technology to communicate, search information and document cases; and

(vi) The establishment of three networks of heads of villages and community's leaders equipped by a village-level management of information system and migration data.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

#### 2.05. *Financial Management.*

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one month after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

#### 2.06. *Procurement*

(a) General. All goods and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the World Bank in May 2004 and revised in October 2006 ("Procurement Guidelines"), in the case of goods and services other than consultants' services; and

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the World Bank in May 2004 and revised in October 2006 ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or] the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Services Other than Consultants' Services

(i) Goods and services other than consultants' services shall be procured under contracts awarded on the basis of (A) Shopping; and (B) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants' Qualifications; (B) Single-source Selection; (C) Selection of Individual Consultants; and (D) Sole Source Procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank: (a) each contract for goods or services other than consultants' services procured on the basis of Direct Contracting; (b) the first contract for consultants' services provided by a firm; (c) each contract for consultants' services provided by a firm estimated to cost the equivalent of US\$100,000 or more; (c) each contract for consultants' services provided by a firm procured through Single Source Selection; and (d) each contract for consultants' services by an individual procured through Sole Source Selection. All other contracts shall be subject to Post Review by the World Bank.

### **Article III Withdrawal of Grant Proceeds**

3.01. ***Eligible Expenditures.*** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:



<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods	85,308	100%
(2) Consultant Services	437,080	100%
(3) Training and Workshops	544,822	100%
(4) Operational Costs	93,507	100%
(5) Sub-grants	340,279	100%
(6) Management Fee	62,774	100%
<b>TOTAL AMOUNT</b>	<b>1,563,770</b>	

For the purposes of this paragraph:

(a) the term “training and workshops” means training and workshops conducted in the territory of the Member Country, including purchase and publication of materials, rental of facilities, and travel and training-related expenditures for trainers and resource people;

(b) the term “operational costs” means operating costs required for the Project including consumable materials and supplies, communications, operation and maintenance, insurance, and the portion of salaries for staff of the Recipient that have been demonstrated as being directly attributable to the Project, but excluding salaries of staff of the Member Country’s civil service; and

(c) the term “management fee” means a fixed amount of fee charged by the Recipient to compensate for other indirect costs that are attributable to the Project.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

(a) for payments made prior to the date of countersignature of this Agreement by the Recipient.

(b) for expenditures under Category (5) of the Table in Section 3.01 until the Recipient have adopted the Sub-Grants Manual acceptable to the Recipient and the World Bank.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is April 30, 2012.

**Article IV**  
**Recipient's Representative; Addresses**

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is Mr. Tri Nugroho.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

TIFA Foundation  
Jl. Jaya Mandala II No. 14E,  
Menteng Dalam,  
Jakarta Selatan 12870,  
Indonesia

Telephone : (62) 21 829 2776  
Facsimile : (62) 21 837 83648

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development/International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD		
INDEVAS	248423 (MCI) or	1-202-477-6391
Washington, D.C.	64145 (MCI)	