



Policy, Advocacy, and Civil Society Development in Georgia (G-PAC)

საჯარო პოლიტიკის, ადვოკატირებისა და სამოქალაქო საზოგადოების
განვითარება საქართველოში

G-PAC Grants Modification Approval # 2

I. Grant Information

Grantee Organization:	Institute for Development of Freedom of Information
Project Title:	"State-owned Enterprises (SOE) and their Efficiency in Georgia. Focus: Agriculture Sector"
Grant Number:	G 1051 13 210 3016 20
Project duration:	December 1, 2013 - July 31, 2014
Date:	July 31, 2014

2. Grants Manager Recommendation

G-PAC Grants Manager recommends that the above-referenced grant agreement be modified and hereby confirms that:

- The attached modification(s) to the program description/scope of work reflects the modification(s) requested by the Grantee and remain consistent with EWMI and USAID program objectives.
- The modified end date reflects the modification requested by the grantee. The new end date is September 15, 2014.
- The total grant amount is less than \$25,000.
- The total grant amount is \$25,000 or greater.

Tamara Germanashvili
(print name)

Tamara Germanashvili
(signature)

July 29/14
(date)

3. Approvals (check all that apply)

Chief of Party - required for all grant modifications

Marc Lassman
(print name)

Marc Lassman
(signature)

7/29/2014
(date)

EWMI President - required for all grant modifications above \$15,000

Adrian Hewryk
(print name)

Adrian Hewryk
(signature)

8/1/2014
(date)

Donor (USAID) Approval – attach copy of donor approval, if required (when a substantial budgetary or programmatic change is made).

The EWMI Grants Manager hereby certifies that the required approvals have been obtained as represented by the signatures above and documents hereto attached.

Tamara Germanashvili
(print name)

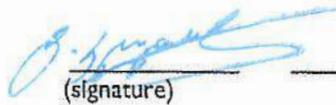

(signature)

Aug 4/14
(date)

4. Acknowledgement from Grantee

The grantee hereby certifies that the grant modification(s) stated above are accurate.

George Kidiashvili
(print name)


(signature)

08/05/2014
(date)

Donor (USAID) Approval – attach copy of donor approval, if required (when a substantial budgetary or programmatic change is made).

The EWMI Grants Manager hereby certifies that the required approvals have been obtained as represented by the signatures above and documents hereto attached.

Tamara Germanashvili _____
(print name) (signature) (date)

4. Acknowledgement from Grantee

The grantee hereby certifies that the grant modification(s) stated above are accurate.

George Kldiashvili _____
(print name) (signature) (date)



Policy, Advocacy, and Civil Society Development in Georgia (G-PAC)

საჯარო პოლიტიკის, ადვოკატირებისა და სამოქალაქო საზოგადოების განვითარების
პროგრამა საქართველოში

George Kldiashvili

Executive Director

Institute for Development of Freedom of Information

4, Niagvari Street,

Tbilisi, Georgia

Phone: (995 32) 299 63 64

Email: g.kldiashvili@idfi.ge

DUNS: 683527652

RE: Grant No. G 1051 13 210 3016 20

Dear Mr. Kldiashvili,

We are pleased to inform you that the East-West Management Institute, Inc. (EWMI), under its Policy, Advocacy, and Civil Society Development in Georgia ("EWMI-G-PAC"), CA # 114-A-10-00005, with the United States Agency for International Development (USAID) CFDA #98.001 USAID Foreign Assistance for Programs Overseas awarded in 2010, has approved a grant in the amount of USD 43,052.10 (the "Grant") to Institute for Development of Freedom of Information ("Grantee") a Non-entrepreneurial Non-commercial Legal Entity registered under the laws of Georgia, to cover costs associated with your proposal entitled, "State-owned Enterprises (SOE) and their Efficiency in Georgia. Focus: Agriculture Sector", as described in your application dated July 12, 2013 and attached hereto as Annex A (the "Project"). Notwithstanding any other provision of this Grant or the statement(s) or any person(s), the Grant amount specified in the previous sentence shall constitute the maximum aggregate liability to the Grantee and all persons claiming through or as a result of the Grantee for all claims arising under, relating to, or resulting from the Project and the Grant, its making and performance, and the surrounding facts and circumstances regardless of the nature of the claim(s).

This agreement is effective from December 1, 2013 through June 30, 2014 (the "Grant Period").

Background

According to the State Audit Office of Georgia, in 2009 there were 1,426 enterprises partially or completely funded by the Government's Enterprises Management Agency (totaling GEL 2.5 billion). Out of these 1,426 SOEs, 317 were profitable, 595 were unprofitable, and the State Audit Office of Georgia did not hold income statements for the rest of the 506 SOEs. Since only a fraction of SOEs are financially sustainable, most of the SOEs are liabilities for the state budget. The total net profit of the 317 profitable SOEs was GEL 116.75 million, 98.3% of which comes from 15 SOEs. The total net profit ratio of the rest of the profitable SOEs was only 1.7% (GEL 1.98 million). The efficiency of SOEs in the agriculture sector of Georgia is particularly relevant, since SOEs account for a large market share of the sector. These SOEs represent a financial and functional burden for the Government, since many of them are unprofitable.

Purpose

The overall purpose of the project is to initiate a public discussion about SOEs as a means to achieve policy changes that increase the transparency and efficiency of SOE funding and operations. To meet this objective, project activities will include:

- Study the current and past financial conditions of SOEs (focusing on the agriculture sector) to assess the efficiency of Government spending on them.
- Prepare an analysis of the existing market competition for the goods and services provided by SOEs in the agriculture sector to identify how well SOEs meet demand.
- Prepare policy recommendations for the Government related to SOEs management.
- Conduct a campaign among relevant stakeholders to advocate the Government to adopt the recommendations.

The scope of work of the Project is more fully described in Annex A of this Agreement. The Grantee agrees to inform EWMI-G-PAC immediately in writing if there are any difficulties or substantial changes to the implementation of the Project.

Cost-Sharing

The Grantee shall secure and expend for the Project total contributions of not less than USD 2,300.00 during the Grant Period in accordance with the Budget Summary in Annex B.

Contributions must qualify as Grantee Cost-Share, as described in Annex D - Grant Financial Reporting Guidelines. The Grantee shall record and report the cost-share contributions as required by Annex D and the sample financial reports.

The Grantee must inform EWMI-G-PAC promptly if it fails, or expects to fail, to fulfill its required Cost-Share. This applies for the grant period as a whole or for specific funding periods. Any adjustment to Grantee's required Cost-Share is subject to EWMI-G-PAC's sole discretion. If Grantee fails to fulfill its required Cost-Share, EWMI-G-PAC reserves the right to reduce the Grant, or require Grantee to refund a corresponding amount of the Grant.

Use of Funds

Disbursement of the Grant funds will be effected in accordance with the Anticipated Disbursement Schedule (see Annex C), once the countersigned original of this Grant agreement has been received. The Grantee must provide to EWMI-G-PAC the bank information set forth in Annex C.

The Grant funds may only be used to cover costs actually incurred and expended during the Grant Period that are verifiable from the Grantee's records and that are allowable, allocable, reasonable, and necessary for the performance of the Project. The detailed budget for the Project, which outlines both EWMI-G-PAC and the Grantee's contributions, is attached as Annex B. Any increase or decrease in a budget line item exceeding 10% of the total budget requires prior written approval from EWMI-G-PAC.

Under United States tax laws and by the terms of this Grant, all funds paid to the Grantee pursuant to this agreement and any income earned thereon (together, the "Grant Funds") must be expended solely for charitable, scientific, literary, or educational purposes as described in Section 170(c)(2)(B) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). This Grant is made solely for the purposes stated in this agreement, and the Grant Funds may not be expended directly or indirectly for any other purpose without the prior written approval of EWMI-G-PAC. Any Grant Funds that are not expended or committed for the purposes of the Grant must be returned to EWMI-G-PAC within three working days after receiving Grant completion letter from EWMI G-PAC.

Limitations

The following uses of Grant Funds provided hereunder are prohibited:

- to re-grant the funds to another person or entity; or
- to attempt to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive.

The following uses of Grant Funds provided hereunder are prohibited unless the Grantee receives prior written approval from EWMI-G-PAC:

- to attempt to influence legislation;

- for international travel;
- to procure equipment (including vehicles and furniture) not identified in the attached approved Budget (Annex B).

All property or equipment furnished by EWMI-G-PAC pursuant to this Grant or purchased with Grant Funds must be used to support the activities specified in the Grant. Title to such property or equipment vests with the Grantee on the condition that the Grantee does not encumber such property or use it for any other purpose without the express written consent of EWMI-G-PAC. The Grantee is required to maintain property records and to provide EWMI-G-PAC with an inventory of property (Annex D5) or equipment purchased with Grant Funds hereunder until final property title is transferred to Grantee.

The Grantee will, during the period in which any Grant Funds remain unexpended, continuously keep the Grant Funds in a separate bank account exclusively for the purposes of this Grant, or maintain a fund accounting system sufficient to ensure financial integrity of the Grant. The Grantee will charge expenditures made in furtherance of the Grant purposes against the Grant, maintain all receipts and records of expenditures attributable to this Grant, and keep records adequate to enable the use of Grant Funds to be checked readily (Annex D3). Interest earned on Grant Funds will be refunded to EWMI-G-PAC. The Grantee agrees to keep these records along with copies of reports submitted to EWMI-G-PAC for at least six (6) years from the date of submission of the final expenditure report, and make these records available to EWMI-G-PAC or its designees at reasonable times.

Noncompliance: If the Grantee fails to use the Funds for the stated purpose or if the Grantee violates or is reasonably likely to violate the conditions of this agreement, EWMI-G-PAC reserves the right to take any remedial action(s) provided for in the Grant or otherwise permitted in accordance with applicable law. All rights reserved by the preceding sentence are cumulative, and may be exercised singly or in any combination as deemed appropriate by EWMI-G-PAC.

In the event of noncompliance, EWMI-G-PAC may terminate the Grant without further liability by sending to the Grantee an official letter and to require that the Grantee return Grant Funds disbursed for the execution of the Project, unless and only to the extent determined to be appropriate by EWMI-G-PAC in its sole discretion. The termination shall be effective on the date stated in the notice or the date the notice is received by the Grantee, whichever is later.

The Grantee may at its option by written notice terminate the Grant at any time during the Grant Term, provided, however, that such termination shall be prospective only, and shall not affect the requirement to fulfill all then-existing obligations under the Grant.

Program Deliverables and Grant Disbursement

On a case-by-case basis, EWMI-G-PAC, at its sole discretion, may link funds disbursement to a set of deliverables by the Grantee. If applicable, these deliverables are listed at the end of Annex A. These may be modified from time-to-time in consultation with the Grantee.

Reporting

Narrative and Financial Reporting: The Grantee will submit an electronic and a hard copy of the interim and final narrative and financial reports to: Tamuna Koberidze, Program Manager, at ktamar@ewmi-gpac.org, and Tamara Germanashvili, Grants Manager, at gtamara@ewmi-gpac.org.

Interim Narrative and Financial Reports are due within 15 days after the end of each quarter from project start date or as noted in the approved Work Plan (Annex A). Final Performance and Financial Reports are due within 30 days of the end of the Grant Period, as defined above. Format for the narrative and financial reports can be found in Annex D of this Agreement.

As with all grant records, the Grantee shall keep copies of all reports for a period of six years from the date of the final expenses report.

VAT and Customs Taxes and Reporting: The Grantee agrees to take all reasonable steps to secure all available direct or indirect exemptions, reductions, remissions, and/or rebates regarding any VAT or customs duties to which it might be subject under the Grant. In addition, to the extent feasible, before paying and charging to the Grant any VAT or customs duties, the Grantee shall notify EWMI-G-PAC in writing, and shall engage in such consultations with EWMI-G-PAC as EWMI-G-PAC may request. The Grantee must submit a report on the amount of foreign taxes assessed by the Government of Georgia on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this Agreement during the prior U.S. fiscal year. This report should include date of invoice, amount of invoice, amount of VAT or customs duty paid, claims submitted, and any reimbursements received. The report should include any reimbursements received by the Grantee during the period regardless of when the foreign tax was assessed. For the purposes of this Section, "Commodity" means any material, article, supply, goods, or equipment, and "foreign taxes" means value-added taxes (VAT) and custom duties assessed by a foreign government on a commodity financed with U.S. assistance. It does not include foreign sales taxes. A sample VAT tracking form may be obtained by the Grantee from EWMI-G-PAC. The VAT report for funds expended during the U.S. government's fiscal year October 1, 2012- September 30, 2013 must be submitted by April 4, 2014, and reflect any tax reimbursements received through March 31, 2014. The VAT report for funds expended during the U.S. government's fiscal year October 1, 2013 - September 30, 2014 must be submitted by April 4, 2015, and reflect any tax reimbursements received through March 31, 2015.

Other Reporting: Upon request, the Grantee agrees to provide any other reports or information, which EWMI-G-PAC believes necessary to keep it fully apprised of the status or use of the Grant Funds. The Grantee shall also allow EWMI-G-PAC or USAID staff and representatives to conduct evaluations, audits or other assessments of the Project, which may involve visits to observe, review and discuss the Grantee's operations, financial records, and other materials connected to the Project. The Grantee shall cooperate fully with all efforts and provide assistance and input as may be reasonably requested by the evaluator(s).

Anti-Terrorism

The Grantee acknowledges that Executive Orders and U.S. laws prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the Grantee's legal responsibility to ensure compliance with these Executive Orders and laws. In addition, in order to comply with these restrictions, the Grantee shall not employ or hire any agent who is on either of the following lists:

- Specially Designated Nationals List of the Office of Foreign Assets Control of the U.S. Treasury Department. See website: <http://www.treasury.gov/ofac/downloads/tl1sdn.pdf>,
- List of Individuals and Entities Belonging to or Associated with the Taliban, Usama Bin Laden and Al-Qaida Organisation of the United Nations. See website: www.un.org/Docs/sc/committees/1267/1267ListEng.htm

Anti-Corruption

The Grantee represents and warrants that it, its affiliates, directors and employees: a) have not and will not engage in the bribery of local or foreign officials in connection with any matter; and b) maintain and enforce a policy that prohibits bribery of local or foreign officials.

Grantee shall ensure that its personnel avoid any corrupt practice including the offering, giving, receiving or soliciting of anything of value to influence the act of any public official or any officer or employee of EWMI-G-PAC. Grantee shall also ensure that its personnel avoid fraudulent practice including but not limited to misrepresentation of facts or misleading statements in order to influence a financial or procurement action, Grant execution or administration, or any accounting reports or financial statements, to the actual or potential detriment of EWMI-G-PAC or USAID.

If an issue should arise concerning compliance with this Article, Grantee shall immediately notify EWMI-G-PAC in writing with a description of the issue, the pertinent facts as known on the date of the notice, conclusions reached by Grantee as of that date, and the corrective actions proposed.



Failure to respond aggressively and appropriately to such issues may be treated by EWMI-G-PAC as a material breach of the Grant.

Anti-Trafficking

EWMI-G-PAC may terminate this Grant immediately if the Grantee, or any employee or agent of the Grantee (i) engages in severe forms of trafficking in persons; (ii) procures a commercial sex act; (iii) uses forced labor in the performance of the Project, (iv) or promotes, supports, or advocates the legalization or practice of prostitution. Nothing in the preceding sentence shall be construed to preclude assistance designed to ameliorate the suffering of, or health risks to, victims while they are being trafficked or after they are out of the situation that resulted from such victims being trafficked.

Anti-Discrimination

The Grantee agrees to promote principles of non-discrimination on the basis of race, nationality, ethnicity, color, religion, creed, citizenship, gender, disability, age, marital status, or sexual orientation in the implementation of its programs other than those targeted to disadvantaged or underrepresented groups. These principles must also apply to the recruitment, hiring, promotion and evaluation of its employees.

USAID-Related Provisions

Donor Identification: The Grantee is obligated to include the logos and/or name of EWMI-G-PAC and the U.S. Agency for International Development (similarly located and of similar size and appearance as all others) in all Project-related printed materials, including brochures, leaflets, posters, appearing either at the top or at the bottom of the front cover, or if more suitable, on the first inside title page for printed products, and in equivalent appropriate location in videos or other information/media products. The Grantee should submit draft publications for EWMI-G-PAC's review to ensure that the material is properly branded. Please send publication material to Tamar Bortsvadze, Public Outreach Coordinator, at btamar@ewmi-gpac.org.

Donor Required Language: In addition, the following acknowledgment shall be included: "This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of Institute for Development of Freedom of Information and do not necessarily reflect the views of USAID or the United States Government."

Publication Copies: The Grantee shall provide EWMI-G-PAC with three hard copies and one electronic copy of all published works developed under the Grant and two hard copies and one electronic copy of other written work produced under the Grant.

In summary, each publication should include the following information: 1) descriptive title; 2) author(s) name; 3) date of publication; 4) USAID and EWMI logos; 5) software name and version if electronic document is sent; and 6) the disclaimer as per Donor Required Language paragraph above.

Copyright Use: The Grantee is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this Grant, but both EWMI-G-PAC and USAID reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use the work for their own purposes.

Participant Training: Grant-funded training must comply with ADS 253 and other applicable USAID policies and procedures. With respect to each training activity, Grantee shall consult with EWMI-G-PAC as soon as possible after the Effective Date, and in any event before the training is conducted, to establish any procedures that may be required in order to implement USAID requirements in this regard.

For in-country training that is two consecutive days or more in duration, or 16 contact hours or more scheduled intermittently, the Grantee shall notify EWMI-G-PAC and submit specific reporting requirements.



People with Disabilities: In implementing the Project, the Grantee shall demonstrate a comprehensive, consistent approach to including men, women and children with disabilities, and shall not discriminate against such individuals.

Gender: USAID policy requires that gender issues must be addressed as appropriate. Activity planning shall include consideration of gender, and the Grantee shall look for gender implications or opportunities in implementing the Project, seeking to address embedded gender issues and promote gender equity as appropriate. Gender indicators should be defined and tracked; gender sensitive criteria should be developed for training; and the need for increased gender balance in areas such as advocacy and training should be consciously addressed. Including gender means assessing how the problems of men and women may be different; how the impact of activities may differently affect men and women; and how men and women may contribute to results in different ways. To the greatest extent possible, the Grantee shall seek to include both men and women in all aspects of the Grant, including participation and leadership [e.g., meetings and training.]. Under-represented women should be included in both training and technical assistance activities, ensuring gender-equitable participation.

Applicable Rules and Regulations: The Grantee acknowledges and agrees that this Grant is subject to all applicable U.S. government rules and regulations, including without limitation: (1) OMB Circular A-122, Cost Principles for Non-Profit Organizations; (2) USAID Regulation 28 (22 CFR Part 228), Rules on Source, Origin and Nationality for Commodities and Services Financed by USAID; (3) the USAID Inspector General's Guidelines for Financial Audits Contracted by Foreign Grantees and pertinent provisions of Automated Directives System ("ADS") Chapter 591, Financial Audits of USAID Contractors, Grantees and Host Government Grantees, (4) Standard Provisions for Non-U.S., Non-governmental Grantees listed in Annex E, and (5) all other USAID rules referred to in any of the foregoing (including, without limitation, all provisions of the ADS and associated References and Interim Updates); provided, however, that, except to the extent that the context clearly requires otherwise, all references to USAID shall be deemed to be replaced with EWMI-G-PAC. Copies of the above may be obtained through the Internet, at OMB and USAID Web sites, as part of the ADS-CD series, or upon request from EWMI-G-PAC. Upon request, EWMI-G-PAC will assist the Grantee in obtaining copies of these documents.

Annual Audit: If the Grantee expends \$300,000 or more in USAID awards in any of its fiscal year during the Grant Term, it must have an annual audit conducted for that year in accordance with "Guidelines for Financial Audits Contracted by Foreign Grantees." If this is not the case in any particular year, the Grantee shall notify EWMI-G-PAC promptly in writing, and EWMI-G-PAC may require a limited-scope audit at any time at its sole discretion. In either case, the Grantee shall forward a copy of the audit report to EWMI-G-PAC within one month of completion. "USAID awards" means, in addition to the Grant, other USAID grants, cooperative agreements, and subawards and cost-reimbursable procurement contracts under USAID grants and cooperative agreements.

Lobbying Certification: By signing this Grant, the Grantee hereby certifies that, to the best of its knowledge and belief, that no U.S. federal appropriated funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any U.S. agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any U.S. Federal contract, the making of any U.S. Federal grant, the making of any U.S. Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement; and

Flow-Down Provisions: The Grantee agrees and acknowledges that, to the extent that it uses consultants or contractors to work on the Project using Grant Funds (each, an "Agent") the Grantee shall enter into an agreement with such Agent that includes the provisions contained herein under "Use of Funds", "Anti-Corruption", Anti-Terrorism, and "Anti-Trafficking", and "VAT and

Customs Taxes and Reporting". For further information on any of the above flow-down provisions, please reference USAID's website: <http://www.usaid.gov/policy/ads/300/303mab.pdf>

Miscellaneous

Other certifications: By executing the Grant, the Grantee certifies that neither it nor its principals is presently excluded or disqualified from participation in this transaction by any US federal department or agency.

Governing Language: The Agreement is executed in the English language.

Right to Cancel: EWMI-G-PAC reserves the right to cancel or alter without further charge to the Grant and to require that the Grantee return Grant Funds disbursed to the Grantee if it determines in its sole discretion that the Grantee has failed to use the Grant Funds for the stated purpose of the Grant or if the Grantee violates or is reasonably likely to violate the conditions of this agreement. In addition, EWMI-G-PAC reserves the right to cancel or alter without further charge to the Grant and to require that the Grantee return Grant Funds disbursed to the Grantee if USAID cancels or alters its grant to EWMI-G-PAC.

Release: The Grantee acknowledges that neither USAID nor EWMI-G-PAC assumes any liability for third party claims for damages or otherwise arising out of or relating to the Grant or Grantee's performance of Project. The Grantee releases EWMI-G-PAC and USAID from and against any claim or liability at law or in equity arising out of or relating to the Grant and implementation of the Project. EWMI-G-PAC is not responsible for any employment or contractual relationship with Grantee staff whether employees or independent contractors, nor assumes any tax or contractual responsibilities for activities that are developed or implemented by the Grantee.

Disagreements: Any dispute arising out of, relating to, or resulting from the Grant or the Project that cannot be resolved by amicable consultation between the Parties shall be finally resolved by the issuance of a written decision by EWMI-G-PAC. By its signature below, Grantee irrevocably and completely disclaims and waives any legal recourse in the courts of the Georgia or elsewhere.

The Grantee's acceptance of and agreement to all provisions of the Grant is indicated through the signature of the individual below. By his or her signature, this individual certifies that he or she has the legal authority to enter into binding agreements on the Grantee's behalf and that the Grantee has completed all formalities and other actions required by the Grantee's By-Laws and Articles of Incorporation or comparable charter documents, and by all applicable laws, to authorize execution and performance of the Grant.

Applicable Law: This Grant is subject to and shall in all respects be construed in accordance with the laws in effect in the State of New York in the United States of America, without giving effect to its conflict of law principles. The governing language of this Grant, the Project, and any communication with regard to either of the foregoing, shall be the English language. Any dispute arising out of, relating to, or resulting from this Grant and the Project that cannot be resolved by amicable consultation between the parties shall be finally resolved by binding arbitration, at the New York City offices of the American Arbitration Association ("AAA") pursuant to the AAA's Rules of Commercial Arbitration or such other place as the Parties may subsequently agree upon in writing. A single arbitrator will be mutually selected by EWMI-G-PAC and the Grantee, and the parties will share equally in all arbitration costs, except that each party will be responsible for its own attorney's fees. The arbitrator will have no power to add to, subtract from or otherwise modify this agreement, and may not award attorney's fees as an element of damages.

Questions: If you have any questions about the effect of this agreement, we shall be happy to discuss them with you. If during the course of the Grant, you would like information on the application of any of the clauses of this agreement to a particular problem or situation, we shall be happy to consult with you. Please, contact Tamara Germanashvili, Grants Manager, at gtamara@ewmi-gpac.org for questions or assistance. Failure to meet the Grantee's obligations specified in the



clauses of this agreement will result in legal action to correct any abrogation of the terms contained herein.

This Grant may be executed in several counterparts, each of which shall be deemed an original, all of which together will constitute one and the same instrument.

Entirety of Agreement: It is expressly understood that by making this Grant, EWMI-G-PAC has no obligation to provide additional funding to the Grantee. This agreement, including the Annexes, constitutes the entire agreement between the Grantee and EWMI-G-PAC concerning this Grant, and may be modified or waived only by a written agreement between the Grantee and EWMI-G-PAC. The Grantee acknowledges that it is not relying on any representation of EWMI-G-PAC, except as set forth in this agreement, and that no other representations EWMI-G-PAC may have made whether orally or in writing in the past apply.

Your acceptance of and agreement to all provisions herein pertaining to the Grant, including without limitation those clauses concerning distribution of the Grant, shall be indicated below by the signature of the officer or officers authorized under the constitutive documents and governing laws to execute contracts on behalf of the Grantee. The authorized signer must also initial each page of the agreement and all of the annexes and attachments thereto. Please return the executed original of this letter to us and retain a copy for your files.

Please accept our best wishes for a successful and rewarding project.

Sincerely,

By: _____
Name: Irina Lashkhi
Title: Deputy Chief of Party,
EWMI, G-PAC

Dated: Nov. 29, 2013

By: _____
Name: Adrian Hewryk
Title: President EWMI

Dated: _____

ACCEPTED AND AGREED TO AS OF THE DATE FIRST HEREIN ABOVE WRITTEN

By: _____
Name: George Kldiashvili
Title: Executive Director, IDFI

Dated: Dec. 02, 2013



ANNEX A – Part I: Scope of Work

To achieve project goals the grantee will conduct following activities broken down by milestones:

MILESTONE 1 – Desk Research

- Collect information on SOEs from the registry database of the Enterprises Management Agency and the Ministry of Agriculture of Georgia.
- Analyze the information and group SOEs according to various categories (field of operation, size, capitalization, number of employees, etc.) to study the financial conditions and operational details of SOEs.
- Submit project interim financial and narrative reports to EWMI G-PAC.

Implementation Dates: December 1 – December 31, 2013

Amount: **USD 6,354.00**

MILESTONE 2 – Field Interviews and Desk Research

- Request balance sheets, income statements, and audit studies of each SOE selected for research.
- Conduct at least 20 interviews with the following stakeholders: Government officials (from the Ministry of Economy and Sustainable Development, the Ministry of Agriculture, the Georgian Agriculture Development Fund, and the State Audit Agency), Directors of selected SOEs, Directors of SOE competitors, farmers and other private actors with business connections to SOEs, and agricultural experts.
- Submit a list and transcripts of the interviews to EWMI G-PAC.
- Study the experience of one post-Soviet country that has successfully addressed similar problems in its agriculture sector and consider these findings in the recommendations.
- Summarize data gathered through research, and select 3 SOEs from each sub-group for detailed case studies.
- Submit project interim financial and narrative reports to EWMI G-PAC.

Implementation Dates: January 1 – March 31, 2014

Amount: **USD 12,725.00**

MILESTONE 3 - Advocacy Campaign

- Analyze all research findings.
- Develop specific recommendations for selected SOEs that might be generalized to other SOEs.
- Hold 5 individual meetings with Government officials and 2 meetings with Members of Parliament to present the project results and seek their feedback.
- Submit a list and summaries of the meetings with Government and Parliament representatives to EWMI G-PAC.
- Organize two round table discussions (one with experts and private sector representatives, one with decision makers) to obtain feedback on the draft policy paper.
- Submit participant list, photos, and minutes of the roundtable discussion to EWMI G-PAC.
- Finalize and publish 300 copies of the study report, which will include recommendations for the Government on SOE management. Recommendations will be developed for four types of SOEs: a) SOEs whose Government ownership is justifiable, but whose results are unsatisfactory; b) SOEs whose Government ownership is not justifiable and require

liquidation; c) SOEs whose Government ownership is not justifiable and are recommended for privatization. For the purpose of enhancing public sector transparency, separate recommendations on freedom of information about SOEs will be prepared based on EU regulations and offered to the Government and Parliament of Georgia.

- Publish at least 3 analytical articles about the project online.
- Submit copies of the articles to EWMI G-PAC.
- Submit participant list, photos, and presentation materials from the presentation to EWMI G-PAC.
- Disseminate project findings through social networks.
- Submit links to the information posted on the internet to EWMI G-PAC.
- Hold a final presentation of the project results.
- Submit presentation materials, photos, participant list, and media coverage links to EWMI G-PAC.
- Submit project interim financial and narrative reports to EWMI G-PAC.

Implementation Dates: April 1 – June 30, 2014

Amount: **USD 19,551.10**

MILESTONE 4 – Final financial and narrative reporting

- Submit project final financial and narrative reports to EWMI G-PAC.

Implementation Dates: July 1 – 31, 2014

Amount: **USD 4,422.00**

Part 2: Project Monitoring Plan

Project narrative reports (interim and final) should contain following data supported by relevant materials:

- a) Number and nature of advocacy campaigns supported by G-PAC within the project;
- b) Number and nature of positive changes as a result of G-PAC supported advocacy campaigns;
- c) Number of citizens that participate in advocacy campaigns, disaggregated by gender, ethnicity, age and location;
- d) List of information meeting participants (signed by participants);
- e) Meeting agendas and notes;
- f) Number of media reports covering advocacy campaigns supported by G-PAC, disaggregated by media (electronic/print);
- g) Copies of newspaper articles, other media coverage.



ANNEX B – Project Budget

Annex B I: Summary Project Budget

Budget Category	Amount Requested from G-PAC	Cost Share	Project Budget
Salaries	USD 31,356.00		USD 31,356.00
Fringe Benefit	USD 0.00		USD 0.00
Rent & Utilities	USD 2,300.00	USD 2,300.00	USD 4,600.00
Office Supplies	USD 700.00		USD 700.00
Equipment	USD 200.00		USD 200.00
Communication & Postage	USD 1,000.00		USD 1,000.00
Travel & Per Diem	USD 900.00		USD 900.00
Contractual Service	USD 1,250.00		USD 1,250.00
Other Direct Cost	USD 5,346.10		USD 5,346.10
Total	USD 43,052.10	USD 2,300.00	USD 45,352.10

Annex B2: Detailed Project Budget by Milestones

Line Item	Cost per Unit	Unit	Unit Number	Total
MILESTONE 1				
Salaries				
Project Director (Giorgi Kldiashvili)	\$141.00	day	8	\$1,128.00
Senior Researcher (Gigla Mikautadze)	\$100.00	day	15	\$1,500.00
Senior Researcher (Giogi Revazashvili)	\$110.00	day	20	\$2,200.00
Researcher (Salome Chukhua)	\$25.00	day	10	\$250.00
Analyst/Researcher (Marine Kechakmadze)	\$25.00	day	10	\$250.00
Financial Manager (David Dolidze)	\$52.00	day	8	\$416.00
Supplies				
General Office Supplies	\$100.00	month	1	\$100.00
Equipment				
Voice recorder (for interviews)	\$200.00	unit	1	\$200.00
Other Direct Costs				
Expenses related to request of public information	\$300.00	project	1	\$300.00
Bank Charges	\$10.00	month	1	\$10.00
Subtotal for Milestone 1				\$6,354.00
MILESTONE 2				
Salaries				
Project Director (Giorgi Kldiashvili)	\$141.00	day	15	\$2,115.00
Senior Researcher (Gigla Mikautadze)	\$100.00	day	25	\$2,500.00
Senior Researcher (Giogi Revazashvili)	\$110.00	day	20	\$2,200.00
Researcher (Salome Chukhua)	\$25.00	day	60	\$1,500.00
Analyst/Researcher (Marine Kechakmadze)	\$25.00	day	60	\$1,500.00
Financial Manager (David Dolidze)	\$52.00	day	15	\$780.00
Rent and Utilities				
Office rent (50% from 720 for 5 month to EWMI)	\$360.00	month	2	\$720.00
Utilities (50% from 200 for 5 months charged to EWMI)	\$100.00	month	2	\$200.00
Supplies				
General Office Supplies	\$100.00	month	3	\$300.00
Communication and Postage				

Internet Fee	\$90.00	month	2	\$180.00
Landline phone	\$50.00	month	2	\$100.00
Cell phone expenses	\$60.00	month	2	\$120.00
Travel and Per Diem				
Trips to SOEs in Tbilisi	\$50.00	per trip	4	\$200.00
Trips SOEs in regions	\$70.00	per trip	4	\$280.00
Other Direct Costs				
Bank Charges	\$10.00	month	3	\$30.00
Subtotal for Milestone 2				\$12,725.00
MILESTONE 3				
Salaries				
Project Director (Giorgi Kldiashvili)	\$141.00	day	15	\$2,115.00
Senior Researcher (Gigla Mikautadze)	\$100.00	day	25	\$2,500.00
Senior Researcher (Giorgi Revazashvili)	\$110.00	day	20	\$2,200.00
Researcher (Salome Chukhua)	\$25.00	day	60	\$1,500.00
Analyst/Researcher (Marine Kechakmadze)	\$25.00	day	60	\$1,500.00
Financial Manager (David Dolidze)	\$52.00	day	15	\$780.00
Rent and Utilities				
Office rent (50% from 720 for 5 month to EWMI)	\$360.00	month	3	\$1,080.00
Utilities (50% from 200 for 5 months charged to EWMI)	\$100.00	month	3	\$300.00
Supplies				
General Office Supplies	\$100.00	month	3	\$300.00
Communication and Postage				
Internet Fee	\$90.00	month	3	\$270.00
Landline phone	\$50.00	month	3	\$150.00
Cell phone expenses	\$60.00	month	3	\$180.00
Travel and Per Diem				
Car rent cost for trips to Kutaisi (3 persons)	\$120.00	per trip	2	\$240.00
Per diem (3 persons)	\$30.00	person/day	6	\$180.00
Contractual Services				
Honorarium for the legal expert	\$1,250.00	month	1	\$1,250.00

Other Direct Costs

Presentation conference hall rental	\$9.00	per person	35	\$315.00
Presentation lunch	\$12.00	per person	35	\$420.00
Additional equipment (microphone)	\$17.00	per person	10	\$170.00
Discussion (room rental, 15 participants; 2 roundtable discussions)	\$135.00	unit/per person	2	\$270.00
Discussion (Coffee break 15 participants; 2 roundtable discussions)	\$150.00	unit/per person	2	\$300.00
Printing organization letterheads	\$113.00	unit	1	\$113.00
Printing business cards of the project group (200 business card per employee)	\$18.00	unit	6	\$108.00
Printing Banner	\$180.00	unit	1	\$180.00
Printing invitations for final presentation	\$2.86	unit	35	\$100.10
Printing of publication	\$10.00	number	300	\$3,000.00
Bank Charges	\$10.00	unit	3	\$30.00

Subtotal for Milestone 3 **\$19,551.10**

MILESTONE 4**Salaries**

Project Director (Giorgi Kldiashvili)	\$141.00	day	4	\$564.00
Senior Researcher (Gigla Mikautadze)	\$100.00	day	15	\$1,500.00
Senior Researcher (Giogi Revazashvili)	\$110.00	day	15	\$1,650.00
Researcher (Salome Chukhua)	\$25.00	day	10	\$250.00
Analyst/Researcher (Marine Kechakmadze)	\$25.00	day	10	\$250.00
Financial Manager (David Dolidze)	\$52.00	day	4	\$208.00

Subtotal for Milestone 4 **\$4,422.00**

TOTAL BUDGET**\$43,052.10**


ANNEX B3 – Cost Share Budget

Line Item	Cost per Unit	Unit	Unit Number	Total
Rent and Utilities				
Office rent	\$1,800.00	project	1	\$1,800.00
Utilities	\$500.00	project	1	\$500.00
TOTAL COST SHARE				\$2,300.00



ANNEX C – Grant Disbursement Schedule per milestones

Period Covered	Description	Estimated Amount
December 1 - December 31, 2103	Upon signing of the agreement.	USD 6,354.00
January 1 –March 31, 2014	Upon submission and acceptance of financial and narrative reports for Milestone 1.	USD 12,725.00
April 1 – June 30, 2014	Upon submission and acceptance of financial and narrative reports for Milestone 2.	USD 19,551.10
July 1 – 31, 2014	Upon submission and acceptance of final financial and narrative reports.	USD 4,422.00
	Total:	USD 43,052.10



ANNEX D: Grant Technical and Financial Reporting Guidelines

I. Technical Reporting Guidelines

The **interim narrative performance reports (Annex D1)** will explain the progress made during the period toward accomplishing the goals of the Grant, including both quantitative and qualitative information. Interim Reports are due upon completion of each milestone. The reporting packet will include:

INTRODUCTION

- Grantees name, grant number, project title, grant start and end date, reporting period, and date when report was submitted.

SECTION I - ACOMPLISHMENTS

- Major activities carried out within the reporting period, specifying location, groups/institutions that were targeted and/or benefited from the activities;
- Significant results and accomplishments during the reporting period;
- 1-2 success stories

SECTION II - CHALLENGES

- Obstacles and challenges that the Grantee has encountered during the reporting period and how they addressed them.

SECTION III – MONITORING AND EVALUATION

The grantees should report on the following indicators:

- The number of citizens that support Grantees advocacy efforts, disaggregated by gender (women/men); age set (up to 26 years old, older than 26 years old); and ethnic back ground, if relevant. These are citizens that attend a meeting, sign a petition, attend a meeting of the local council, and participate in other activities, organized by the Grantee. The Grantee should have in file documentation that proves the citizens' participation in project's activities.
- The number of media reports on Project's activities or impact, disaggregated by print and electronic media reports. The Grantee should provide copies of print media reports and a list of the electronic media reports specifying the media outlet, the name of the TV/radio program, location, and date.

SECTION 4 – UPCOMING ACTIVITIES

- Plans for the next reporting period
- Major activities to be carried out (if applicable: date, place, etc.)

SECTION 5 - ATTACHMENTS

- List of attachments
- Copies of publications, print media articles, digital pictures, list of participants, etc. (to be submitted in either hard or electronic versions)

The Grantee will submit the **final narrative report (Annex D2)** within 30 days of the expiration of the Grant Period. The report will summarize the overall achievements of the Project and identify any specific program objectives that were not attained. This report should include:

INTRODUCTION

- Grantees name, grant number, project title, grant start and end date, date when report was submitted.



SECTION I - ACOMPLISHMENTS

- Major activities carried out during project's implementation, specifying location, groups/institutions that were targeted and/or benefited from the activities;
- Significant results and accomplishments because of project's implementation;
- Success stories that illustrate project's impact.

SECTION II - REFLECTIONS

- Comments and suggestions on activities not fully completed;
- Obstacles encountered by the Grantee in the process of the project implementation and measures taken to address them;
- Reflections and lessons learned;

SECTION III – MONITORING AND EVALUATION

The grantees should report on the following indicators:

- The number of citizens that support Grantees advocacy efforts, disaggregated by gender (women/men); age set (up to 26 years old, older than 26 years old); and ethnic back ground, if relevant. These are citizens that attend a meeting, sign a petition, attend a meeting of the local council, and participate in other activities, organized by the Grantee. The Grantee should have in file documentation that proves the citizens' participation in project's activities.
- The number of media reports on Project's activities or impact, disaggregated by print and electronic media reports. The Grantee should provide copies of print media reports and a list of the electronic media reports specifying the media outlet, the name of the TV/radio program, location, and date.

SECTION 5 - ATTACHMENTS

- List of attachments
- Copies of print media report, digital pictures, list of participants, etc. (to be submitted in either hard or electronic versions)



ANNEX D1: Project Interim Narrative Report

Not to exceed 8 pages in total.

If you have any questions regarding the completion and submission of this report, please feel free to contact Manana Tatishvili – Grants Officer at: tmanana@ewmi-gpac.org, (995) 32 2 202 444 ext.109

(Quarters should be based on the grant calendar.)

General Information:	
Organization:	
Project Title:	
Grant Number:	
Report Submission Date:	
Reporting Period (Note month, date and year):	
Project start and end dates:	
Contact Person for the Project (Name, Tel, e-mail):	
Total Project Budget:	
Expenditure to date:	
Remaining Balance:	

Progress of Project Activities			
<i>Please include in the table below all objectives as noted in your project proposal and describe the activity, outputs (progress/results achieved) during this quarter. Add as many rows as needed to this table. Provide concrete (training materials, newspaper articles, etc.) means of verification for each result/achievement.</i>			
Milestone:	Activity:	Output/Deliverables	Attachment
1. Empowering local communities in protecting their rights	<ul style="list-style-type: none"> • Building capacity of communities in xxxx • Increasing community awareness on xxx issues 	<ul style="list-style-type: none"> • One 2-day workshop in advocacy provided for 15 village representatives • Three information-sharing meetings held in the following locations with participation of X people. 	<ul style="list-style-type: none"> • Training materials, photos, feedback forms, participant lists • Meeting summaries, photos, attendance sheets
2.			
3.			

4.			
5.			

The most notable success of the project during this quarter.

--

Engaging the Beneficiaries

Please describe how beneficiaries' (institutions, individual citizens, groups) participation was ensured and reflected in the project.

How do you involve project beneficiaries in the project implementation process?	
How were they impacted as a result of your activities?	
How has beneficiary satisfaction been assessed?	

Problems/Obstacles encountered:

Please detail all internal and external problems encountered during the reporting period. Where you able to address these problems? If yes, how? If no, why?

--

Changes to the project (if any)

Please describe any changes you made in the project during this reporting period. Indicate changes in the project's scope, schedule and budget. If relevant, please attach the revised scope of work, schedule and budget.

1.	
2.	
3.	

Activities Planned for the Next Quarter

Please list the activities planned for the next reporting period. Add as many rows as needed.

Activity:
1.

2.
3.
4.
5.
6.

Total Number of People who Participated in the Project Activities during the given reporting period.	
<i>Please segregate the number of people by gender, age (under and over 26 years old) ethnicity and region. These are the people who attended information meetings, trainings, conferences, etc. Data should be derived from the attendance sheets.</i>	
Total Number of People:	
Gender:	Male: Female:
Age:	Below 26: 26 and above:
Ethnicity:	
Region(s):	

Additional Information
<i>Please provide any additional information relevant to the project:</i>

Attachments:	
<i>Please attach supporting documentation including photos, audio-video materials, newspaper articles, reports, attendance sheets, training materials, etc. List attachments below. Please name and number the attachments as indicated in the list below. Add as many rows as needed.</i>	
Attachment 1:	
Attachment 2:	
Attachment 3:	
Attachment 4:	
Attachment 5:	

Attachment 6:	
Attachment 7:	



ANNEX D2: Project Final Narrative Report

Not to exceed 10 pages in total.

If you have any questions regarding the completion and submission of this report, please feel free to contact Manana Tatishvili – Grants Officer at: tmanana@ewmi-gpac.org, (995) 32 2 202 444 ext.109

General Information:	
Organization:	
Grant number:	
Project title:	
Report submission date:	
Project start and end date:	
Contact person for the project (name, phone, e-mail):	
Total project budget:	
Expenditure:	
Remaining balance:	

Assessment of the Project Results		
<i>Have you achieved the objectives set in the start of the project? Please indicate all objectives as noted in the proposal and describe the progress/results achieved. Provide concrete (documents) means of verification for each result/achievement.</i>		
Milestone	Achievements/results	Means of Verification
1.		
2.		
3.		
4.		
5.		
6.		

Engaging the beneficiaries	
<i>Please describe how beneficiaries' (institutions, and/or individual citizens and groups of citizens) participation was ensured and reflected in the project.</i>	
How did you involve project's beneficiaries in project's implementation?	
How did your activities affect the beneficiaries?	
How did you assess beneficiaries' satisfaction?	

Please describe project's most notable success

Problems/obstacles encountered:
<i>Please provide information regarding main internal and external obstacles encountered during the project. Were you able to address these problems? If yes, how? If no, why?</i>

Additional information
<i>Please provide any additional information relevant to the project's implementation, results and challenges not addressed in the other questions.</i>

Changes to the project (if any)
<i>Please describe any major changes made to the project. This can include changes made to the project's scope of work, schedule, and budget.</i>

Total number of people who participated in project activities during the life of the project (from the beginning to the end)	
<i>Summary information from interim reports.</i>	
Total Number of people:	
Gender:	Men: Women:

Age:	Under 26: 26 and above:
Ethnicity:	
Region(s):	

Project sustainability
<i>Please explain how the project activities/achievements will continue in the future.</i>
Lessons learned
<i>Looking back on the design and implementation of your project, what would you do differently? What aspects of the project should be approached differently in a similar situation in the future?</i>

Your suggestions for improving EWMI G-PAC's grant-making process (i.e., grant competition announcement, grant selection, grant administration, monitoring, etc.)

Attachments:
<i>Please attach supporting documentation including photos, audio-video materials, newspaper articles, reports, attendance sheets, training materials, etc. Please name and number the attachments as indicated in the list below. Add as many rows and attachments as needed.</i>
Attachment 1:
Attachment 2:
Attachment 3:
Attachment 4:
Attachment 5:
Attachment 6:
Attachment 7:



2. Financial Reporting Guidelines

The **interim financial reports** must include financial statement of expenses made from the Grant Funds, including travel, salaries, and supplies, as well as all cost-sharing by the Grantee, and program income received, if any, based upon the attached sample register report (Annex D3) and financial report (Annex D4). A register report should list all expenses incurred during the reporting period with the supporting documentation, (Annex D5). A proper financial report should include the following sections:

- Approved Budget
- Expenditures in prior period
- Expenditures this period
- Expenditures to date
- Budget Balance

All grant payments will be made in Lari and financial reports should be prepared in Lari and USD.

The **final financial report** will be submitted within **30 days** of the expiration of the Grant Period. The Grantee agrees to provide a full and complete final financial report to EWMI-G-PAC accounting for the expenditure of all Grant Funds using the format in Annex D4, program income received, if any, and to promptly return any unexpended funds. The final financial report will also include the final property inventory list (Annex D6) of equipment and furniture purchased using the Grant funds or received from USAID EWMI-G-PAC.

3. Detailed Financial Reporting Guidelines

I. General Information

The main purpose of these guidelines is to describe in detail the procedures for preparing financial reports, recording and reporting expenses, preparing supporting documents, and procuring and recording assets and services acquired by the Grantee using project funds.

In accordance with the USAID Mandatory Standard Provision - **Allowable costs (October 1998)** (see <http://www.usaid.gov/policy/ads/300/303mab.pdf>):

(a) The Grant Funds shall be used for costs incurred in carrying out the purposes of this award that are determined by EWMI-G-PAC to be reasonable, allocable, and allowable in accordance with the terms of this award and the applicable cost principles in effect on the date of the award. It is the Grantee's responsibility to ensure that costs incurred are in accordance with the applicable set of Cost Principles.

- **Reasonable Costs** means costs that are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.
- **Allocable Costs** means costs that are incurred specifically for the award.
- **Allowable Costs** means costs that conform to any limitations in the award.

(b) Prior to incurring a questionable or unusual cost, the Grantee is advised to obtain from EWMI-G-PAC a written determination on whether the cost will be allowable.

NOTE: EWMI will not approve any line item labeled as "miscellaneous" or "contingency".

II. Expense Categories

General expense categories are as follows:



1. Salaries; 2. Fringe Benefits; 3. Rent and utilities; 4. Supplies; 5. Equipment; 6. Communications and postage; 7. Travel and per diem; 8. Contractual services; 9. Other direct costs.

1. *Salaries.* This category shall include direct costs for the services provided by full time employees working on the project. Calculation of these expenditures shall be based on employment contracts concluded by the organization's director with the organization's employees. The Grantee files should maintain in its files supporting documentation for salaries expenses includes original monthly timesheets showing the actual number of hours spent on the project, copies of employment contracts, and calculations of taxes and prorated salary amounts when an employee has worked less than 40 hours per week. Salaries may be paid only to those employees identified in the approved project budget.

This line item shall not include consultants' fees, honoraria, temporary personnel services and all other payments for services provided. Services provided on a contract basis and consultants' fees shall be reflected as a separate line item entitled: "Contractual Services", as described below in point 8.

2. *Fringe Benefits.* This line item shall reflect income tax contributions required by local law, and other employee benefits such as 13th month salary, health insurance, medical plan and retirement benefits. Fringe benefits may be expressed as percentage of the employee's fixed salary as indicated by the approved budget, or may be based on actual costs. Copies of payment receipts should be maintained as supporting documents for fringe benefits.

3. *Rent and utilities.* This category shall include rental of office space for the project and associated utilities payments. Documentation for these expenditures should be maintained by the Grantee. Utilities include electricity, heat and water. This line item shall not include expenses for rented space (room) for holding a conference or a training seminar, but rather shall be reflected in "Other direct costs", as described below in point 9.

4. *Supplies.* This category shall include purchases of office supplies, such as paper, pens, folders, printer and photocopier cartridges, computer diskettes, pantry supplies and other office consumables.

5. *Equipment:* This category shall include purchases of equipment for project implementation. Equipment is defined as any tangible personal property having a useful life of more than one year and an acquisition cost of 900 GEL or more per unit, or as defined by Grantee's policies if less than 900 GEL.

6. *Communications and postage:* Communications includes telephone, fax, e-mail, and Internet expenses and stamps, express mail services, and courier services.

7. *Travel and per diem:* This category includes transportation costs for local travel, and per diem to cover accommodations, meals and incidental expenses incurred while on official business travel. Grantees shall adopt reasonable travel and per diem policies, as agreed with EWMI-G-PAC. Fuel costs for a project vehicle are allowable costs, provided that project-related trips are recorded in a vehicle log and that the fuel consumption charged to the project corresponds to the kilometer readings indicated on the vehicle log. The vehicle log must include the following information: date, vehicle license number, vehicle make and model driver's name, passenger's name, point of departure, destination, odometer reading on departure and arrival, departure time and arrival time, purpose of the trip and signature of the passenger.

8. *Contractual services:* This line item includes services provided on a contract basis, including: consultant fees, honoraria, temporary personnel services, translation services, rented or leased equipment, audit fees, legal fees, accounting services (if performed by an outside auditor, on a



contract basis, and not by in-house auditors). Travel expenses for consultants should not be included under this item. (Travel expenses should be included in Travel and Per Diem).

9. *Other Direct Costs:* This line item shall include any direct costs other than the ones mentioned under the above cost items. Examples of costs, which may be included under this line item, are:

- Printing costs;
- Meeting and seminar expenses (office/conference room rental, coffee breaks and meals for participants, audiovisual services, interpretation, etc.);
- Reference materials;
- Bank fees.

Supporting documents, such as invoices, "paid" receipts, and bank statements, must be presented for each expense recorded under this category.

III. Procurement

The authorized geographic code for procurement of goods and services under this Agreement is 935, which includes any area or country including Georgia, but excluding the foreign policy restricted countries of Libya, Cuba, Laos, Iraq, Iran, North Korea, and Syria. This provision is applicable only in cases when costs of goods and services are covered by EWMI-G-PAC funds.

1. *Bid Analysis:* Before procuring equipment, supplies or services in an amount exceeding 900 GEL per unit, the Grantee shall obtain at least three competitive bids in writing. The Grantee shall maintain as part of its procurement records an analysis of the bids obtained and the basis for vendor selection. The following supporting documents related to each procurement action must be submitted along with the financial report:

- Request for bids/proposals;
- At least three (3) offers on vendors' official stationary or stamp; or, if three offers cannot be obtained, an explanation of the reason(s) why three offers cannot be obtained, for example, specialized services that are offered by only one vendor
- Basis for vendor selection; for example, vendor selection may be based on price competitiveness, quality of equipment, supplies or services provided, availability of equipment, supplies or services, a combination of these elements, or other considerations relevant to the purpose and use of the equipment, supplies or services; and
- Unit cost or individual item cost

2. *Invoices for Goods:* The vendor's invoice must indicate:

- Description of goods
- Quantity
- Unit price
- Total amount of goods purchased
- Date of purchase and purchaser's name.
- Proof that the vendor has received payment for the goods.

3. *Invoices for Services:* For services, the supplier shall draw up and sign a statement of work completed. The project director shall review the statement of work completed, and if the work has been satisfactorily completed, will countersign the statement to indicate acceptance and to authorize payment for services.

NOTE: Any procurement of goods or services in excess of 900 GEL per unit or that are not otherwise specified in the approved budget contained in Annex B requires a written approval in advance by the EWMI-G-PAC Grants Administration Unit.



IV. Grantee Cost Share

Grant agreements that require a Grantee cost share shall be subject to the guidelines provided in this section. The Grantee shall provide tangible or monetary assets in an amount specified by the approved project budget. This amount may be a fixed sum or a percentage of the total budget as indicated in the grant agreement. Cost share contributions are subject to the USAID Standard Provision **Cost Sharing (Matching) (July 2002)**.

The restrictions on the source, nationality and origin of the goods mentioned in the Standard Provision **"USAID Eligibility Rules for Goods and Services" (September 1998)** are not applied to the procurement of goods and services out of the Grantee's cost share contribution.

Cost share contributions, both cash and in-kind, shall be accepted as part of the costs expended by the Grantee when such contributions meet all of the following criteria:

1. Are verifiable from the Grantee's records;
2. Are not included as contributions for other USA government assistance program;
3. Are necessary and reasonable for proper and efficient accomplishment of project objectives;
4. Are types of expenses that would be allowable and applicable in such cases;
5. Are not covered out of the U.S. Government or EWMI-G-PAC funds under other awards or agreements; and
6. Are provided for in the approved budget.

V. Administration

1. Accounting

The Grantee shall maintain records of the EWMI-G-PAC funds, in compliance with the USAID Mandatory Standard Provision - **Accounting, Audit and Records (October 1998)**, as well as International Accounting Standards.

The Grantee shall maintain the necessary sub-accounts and registers to record inflows and outflows of funds provided by EWMI-G-PAC as well as cost-share funds provided by the Grantee.

Financial records related to the use of the grant funds and Grantee's own share, as well as other sources shall include requests for proposals, agreements with suppliers, labor agreements, invoices, payment receipts, bank statements and other documents confirming the inflow and outflow of funds during the period covered by the grant agreement.

During the implementation period, the Project will be monitored and evaluated by the EWMI-G-PAC Grants Administration Unit (GAU) staff. Monitoring and evaluation by the GAU may include on-site visits.

2. Property Management

All property procured with grant funds shall be used exclusively for the performance of the activities described in the Grantee's project proposal and shall be subject to a control system, which must include:

- Identification of each property item acquired or furnished under the award by a serial identification number and by the property item description. Each item shall be clearly marked with the following "EWMI-G-PAC property".
- The acquisition cost of each property item purchased or furnished under the award.
- The location of each property item purchased or furnished under the award.
- A record of any usable components removed from the list of EWMIG-PAC property items as a result of the latest upgrade or otherwise.



- The official property control records shall be kept in such condition that the status of property acquired or furnished under this award may be readily ascertained at any point during project implementation.
- The Grantee will also, for the duration of the project, maintain and administer a program for maintenance, repair, and safeguarding of property purchased with EWMI-G-PAC funds.

VI. Closeout procedures

Closeout of the grant agreement is the process whereby EWMI-G-PAC determines whether the Grantee has fulfilled all administrative requirements provided for in the Grant Letter. The grant closeout date will be the last day of the Grant Period. If grant activity is not completed and funds remain, the Grantee may request in writing to the Grant Manager an extension to the grant period. The extension must be submitted no later than two weeks prior to the expiration of the original grant period.

The grant closeout procedure includes the following:

1. The Grantee shall refund any balances of unobligated cash that EWMI-G-PAC has advanced or paid to it.
2. The Grantee shall submit all financial and performance reports as required by the terms and conditions of the award.
3. Upon EWMI-G-PAC authorization, the Grantee shall make adjustments to the G-PAC share of costs after the reports are received and analyzed.
4. The Grantee shall report on any equipment and furniture acquired with G-PAC funds or otherwise received from EWMI-G-PAC, and follow EWMI-G-PAC's instructions as to the final disposition of the equipment and furniture.

In the event a final audit has not been performed prior to the termination of the grant agreement, EWMI-G-PAC reserves the right to recover an appropriate amount after fully considering the auditors' assessment of disallowable or doubtful costs detected during the final audit.



ANNEX D3: Register Report

Register Report / ხარჯების უწყისი

Grantee / გრანტის მიმღები ორგანიზაცია					
Grant Number / გრანტის ნომერი					
Grant Period / საგრანტო პერიოდი					
Reporting Period / ანგარიშების პერიოდი					
Opening Balance / საწყისი ნაშთი	GEL amount თანხა (ლარი)	Ex. Rate გაცვლითი	USD amount თანხა		
	GEL 0.00		USD 0.00		
Amount received during reporting period / პერიოდის განმავლობაში ჩარიცხული თანხა	GEL 0.00		USD 0.00		
Total: სულ:			GEL 0.00		USD 0.00

Line #	Ref. # ემ. #	Budget Code / ბიუჯეტის	Budget item ბიუჯეტის გრაფა	Date თარიღი	Expenditure ხარჯი	GEL amount თანხა (ლარი)	Ex. Rate გაცვლითი	USD amount თანხა
						GEL 0.00		USD 0.00
						GEL 0.00		USD 0.00
						GEL 0.00		USD 0.00
						GEL 0.00		USD 0.00
						GEL 0.00		USD 0.00

Total: სულ:	GEL amount თანხა (ლარი)	Ex. Rate გაცვლითი	USD amount თანხა
ნაშთი:	GEL 0.00		USD 0.00
Cash in bank: ბანკის	GEL 0.00		USD 0.00
Cash on hand: თანხა	-		

ANNEX D5: Financial Report Checklist

Budget Category	Required Documents
<p>Salary</p> <p><i>Please note that payroll should be processed through the bank.</i></p>	<p>Employment agreement</p> <p>Timesheet</p> <p>Salary calculation sheet (gross, tax, net)</p> <p>Wire order</p>
<p>Office Rent and Utilities</p> <p><i>Please note that the amount charged to the project should be based on the VAT invoice provided by the vendor and should be VAT free.</i></p>	<p>Rent agreement</p> <p>VAT invoices from vendors (Telasi, etc.)</p> <p>Wire order</p>
<p>Equipment</p>	<p>Bidding analysis</p> <p>Selection memo</p> <p>Wire order</p> <p>Inventory form</p>
<p>Communication</p> <p><i>Please note that the amount charged to the project should be based on the VAT invoice provided by the vendor and should be VAT free, assuming that the telephone number is registered at the name of the organization. Should the telephone number be registered at the name of a physical person, the actual expenditure should be grossed up, since it is subject to income tax withholding.</i></p>	<p>VAT invoice</p> <p>Wire order</p>
<p>Travel Expense</p>	<p>Travel approval form for business trips</p> <p>Travel reimbursement calculation</p> <p>Wire order</p> <p>Mileage form</p> <p>Hotel receipt (VAT invoice)</p>
<p><i>Please note that EWMI G-PAC recommends the grantee to minimize cash payments.</i></p>	



ANNEX D6: Inventory Form

Inventory Form

Name of the organization _____ Grant number: _____

As of Date: _____

	Item	Model	Serial number	Date of purchase	Amount paid GEL	Receipt (yes/no)	Vendor	Location
1								
2								
3								
4								
5								
6								
7								
8								
9								

Signatures: Project Director _____ Accountant _____



ANNEX E - USAID STANDARD PROVISIONS

Certain Standard Provisions for Non-U.S., Nongovernmental Grantees must be applied by EWMI-G-PAC and flow down to all Grants. These clauses, copies of which are available at:

1. EWMI-G-PAC's website (<http://www.ewmi-g-pac.org/>), or
2. USAID's Web site (<http://www.usaid.gov/policy/ads/300/303mab.pdf>) and its ADS-CD series, or which will be provided by EWMI-G-PAC in hard copy upon request, are hereby incorporated in the Grant. ("MSP" = Mandatory Standard Provision; "RAA" = Required as Applicable Standard Provision):

Type	No.	Title (Version Date)	Adaptation/Implementation
MSP	1	Allowable Costs (October 1998)	No change ¹
MSP	2	Accounting, Audit, & Records (October 1998)	No change ²
MSP	3	Payment Advances and Refunds (October 1998)	No change
MSP	4	Revision of Award Budget (October 1998)	Supplemented by Grant Letter
MSP	5	Termination and Suspension (October 1998)	Supplemented by Grant Letter
MSP	6	Disputes (October 1998)	No change
MSP	7	Ineligible Countries (May 1986)	No change
MSP	8	Debarment, Suspension, and Other Responsibility Matters (January 2004)	See Note Below ³
MSP	9	Drug-Free Workplace (January 2004)	No change
MSP	10	Nonliability (November 1985)	"USAID": means both USAID and EWMI-G-PAC
MSP	11	Amendment (October 1998)	No change
MSP	12	Notices (October 1998)	No change
MSP	13	Metric System of Measurement (August 1992)	No change

¹ With respect to all Standard Provisions, except where the context clearly requires a different result, words (and those of similar import as well as related words) should be adjusted as follows: "recipient" means Grantee; "award" means "the Grant"; and "USAID," "Government," and "Grant Officer" mean EWMI. In addition, references to approvals, decisions, instructions, determinations, and notices by any person other than the "grantee"/"recipient" shall be deemed to mean EWMI, and all references to USAID, U.S. Government and appropriated funds shall be deemed for purposes of the Standard Provisions to mean the funds obligated in the Grant.

² Notwithstanding note 1 above, "USAID awards," "USAID funds," and words of similar import in clauses (b) – (e) of this Provision shall be deemed to refer to USAID itself, and to awards by EWMI-G-PAC with USAID funds, but not to EWMI-G-PAC awards funded from any other non-USAID source.

³ MSP 8 incorporates into this Grant the certification clause of the provision, "Debarment, Suspension, Ineligibility and Voluntary Exclusion (December 2003)". Note that the Grantee must comply with the certification requirements of this clause and may not enter into subagreements or contracts with parties listed on the latest list of excluded parties available on the Internet at <http://epls.arnet.gov>.

MSP	14	Equal Protection of the Laws for Faith-Based and Community Organizations (December 2009)	No change
MSP	15	Implementation of E.O. 13224 – Executive Order on Terrorist Financing (March 2002)	Supplemented by Grant Letter
MSP	16	Marking Under USAID-Funded Assistance Instruments (December 2005)	No change
MSP	17	Voluntary Population Planning Activities – Mandatory Requirements (May 2006)	No change
RAA	1, 2	Payment - Advance (October 1998) and Payment - Reimbursement (May 1986)	Supplemented by Disbursement Schedule in Annex C
RAA	3	International Air Travel and Transportation (June 1999)	No change; all approvals to be secured from EWMI-G-PAC
RAA	5	Procurement of Goods and Services (October 1998)	Replaced by Procurement Section in Annex D
RAA	6	USAID Eligibility Rules for Goods and Services (September 1998)	No change
RAA	8	Local Procurement (October 1998)	No change
RAA	10	Publications and Media Releases (March 2006)	Supplemented by Grant Letter ⁴
RAA	11	Non-discrimination in Federally Assisted Programs (May 1986)	No change
RAA	12	Regulations Governing Employees (June 1993)	No change
RAA	13	Participant Training (October 1998)	No change
RAA	14	Voluntary Population Planning Activities – Supplemental Requirements (January 2009)	No change
RAA	21	Cost-Sharing (Matching) (July 2002)	No change
RAA	23	Program Income (October 1998)	No change
RAA	25	Prohibition of Assistance to Drug Traffickers (June 1999)	No change
RAA	27	Reporting of Foreign Taxes (March 2006)	Supplemented by Grant Letter
RAA	30	Prohibition on the Use of Federal Funds to Promote, Support, or Advocate for the Legalization or Practice of Prostitution – Assistance (July 2004)	No change
RAA	33	Prohibition on the Promotion or Advocacy of the Legalization or Practice of Prostitution or Sex Trafficking (June 2005)	Applies only if this agreement is financing HIV/AIDS activities.

⁴ Consultation with EWMI-G-PAC required in each case prior to publication.

RAA	34	USAID Disability Policy – Assistance (December 2004)	No change
-----	----	--	-----------

