

# **GRANT AGREEMENT**

(Micro-Capital Grant Agreement)

For Non-Credit Related  
Activities

## A. MICRO-CAPITAL GRANT AGREEMENT

### MICRO-CAPITAL GRANT AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) AND CIPD FOR THE PROVISION OF GRANT FUNDS

Micro-Capital Agreement (hereinafter referred to as the "Agreement") made between the Implementing Partner [United Nations Development Programme (UNDP)] and the Recipient Institution [CIPD].

WHEREAS UNDP (hereinafter referred to as "the Implementing Partner") has been requested by the United Nations Development Programme ("UNDP") to manage the project defined in project document [Project Title- **Strengthening Inclusive Development in Chittagong Hill Tracts**] (hereinafter referred to as "the Project"), implemented at the request of the Government of Bangladesh.

WHEREAS UNDP desire to provide funding to the CIPD in the context of a Project and on the terms and conditions hereinafter set forth, and

WHEREAS the CIPD is ready and willing to accept such funds from UNDP and UNDP through the administration of UNDP for the above mentioned activities on the said terms and conditions.

NOW, therefore, the parties hereto agree as follows:

#### I. Responsibilities of the CIPD

1.1 The CIPD agrees to: 1) Undertake the activities described in its **Workplan and Budget** (attached), and updates related to the subsequent release of funds in **tranches**; 2) Provide quarterly reports to the Steering Committee; and 3) Provide Annual Audited Statements [Income Statement and Balance Sheets]. In projects where a technical contractor is providing assistance to the RECIPIENT INSTITUTION, the contractor shall be responsible for verifying the accuracy of these reports/statements. Funds provided pursuant to this Agreement shall be used for purposes related to producing results specified in its annual performance targets [Section C].

1.2 The CIPD agrees to reach the performance targets contained in Section C. If the CIPD fails to meet its responsibilities outlined in article 1.1, or [Optional] to attain at least 70% of any one performance target for any given year, then this will be considered grounds for the Steering Committee to suspend any further micro-capital grant support. The suspension shall remain in effect until the CIPD has achieved the target. In projects with a technical assistance contractor, the contractor may, at its discretion, continue to provide technical assistance to the CIPD during this suspension period.

1.3 The CIPD agrees to inform the Steering Committee about any problems it may face in attaining the objectives agreed upon.

#### II. Duration

2.1 The project period is up to **16 August 2017**, this agreement will be valid up to valid project duration, otherwise this agreement automatically will be unacceptable as per rules.

#### III. Payments

3.1 The Implementing Partner [In cases of UNDP Support to NIM/Direct Payments: UNDP] shall provide funds to the CIPD in an amount up to **BDT 112,80,000.00 (BDT One Crore Twelve Lakh Eighty Thousand Only)** according to the schedule of the project budget set out below. Payments are subject to the CIPD meeting the outputs as specified in the Performance Targets [Section C].

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The payment will be paid as per below schedule:

Installment	Milestone with Deliverables	Amount in BDT	Target Date
1 <sup>st</sup>	Upon signing the Contract Agreement	1,612,900	By October 2016
2 <sup>nd</sup>	Upon Achieving 30% of total deliverables	8,745,950	By January 2017
3 <sup>rd</sup>	Upon Achieving 90% cumulative of total deliverables	921,150	By August 2017

3.2 All payments shall be deposited into the CIPD's bank account of which the details are as follows:

NAME OF THE BANK: AGRANI BANK LTD  
BENEFICIARY ACCOUNT NAME: Centre for Integrated Programme and Development (CIPD)  
BENEFICIARY ACCOUNT NUMBER: 0200005172176  
ADDRESS OF THE BANK: Banarupa Branch, Rangamati

3.3 The amount of payment of such funds is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the CIPD in the performance of the activities under this Agreement.

#### IV. Records, Information and Reports

- 4.1 The CIPD shall maintain clear, accurate and complete records in respect of the funds received under this Agreement.
- 4.2 The CIPD shall furnish, compile and make available at all times to the Implementing Partner, UNDP any records or information, oral or written, which UNDP may reasonably request in respect of the funds received by the CIPD.
- 4.3 Within sixty days after completion of project activities, the CIPD shall provide the Implementing Partner and UNDP with a final report with respect to all expenditures made from such funds (including salaries, travel and supplies) and indicating the progress made toward the goals of the activities undertaken, utilizing the reporting format contained in Annex I.
- 4.4 [Optional: For projects with Technical Assistance] The CIPD agrees to submit required Performance Reports to the CONTRACTOR within 21 days of the close of each quarter using the attached reporting format (Annex 1) reporting on project progress. At the beginning of the project, the CIPD can request CONTRACTOR assistance for the preparation of the forms. The CIPD, however, should develop its own capacity to generate these reports, as they are critical to manage its activities.
- 4.5 All further correspondence regarding the implementation of this Agreement should be addressed to:

For the Implementing Partner

For UNDP:

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**Country Director**  
**UNDP, Bangladesh**

For CONTRACTOR: [Optional]  
**[INSERT NAME OF AUTHORIZED OFFICIAL AND ADDRESS]**

For the CIPD:

**Janalal Chakma**  
**Chief Executive Officer**  
**CIPD**  
**Rangamati, Bangladesh**

**V. General Provisions**

5.1 This Agreement and the Annexes attached hereto shall form the entire Agreement between CIPD and the Implementing Partner, superseding the contents of any other negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Agreement.

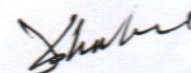
5.2 The CIPD shall carry out all activities described in its Workplan with due diligence and efficiency. Subject to the express terms of this Agreement, it is understood that the CIPD shall have exclusive control over the administration and implementation of the activities referred to above in paragraph 1.1 and that the Implementing Partner and UNDP shall not interfere in the exercise of such control. However, both the qualities of work and the progress being made toward successfully achieving the goals of such activities shall be subject to review by the Steering Committee. If at any time the Steering Committee is not satisfied with the quality of work or the progress being made toward achieving such goals, the Steering Committee may advise the Implementing Partner to: (i) withhold payment of funds until in its opinion the situation has been corrected; or (ii) declare this Agreement terminated by written notice to the CIPD as described in paragraph 5.7 below; and/or seek any other remedy as may be necessary. The Steering Committee's determination as to the quality of work being performed and the progress being made toward such goals shall be final and shall be binding and conclusive upon the CIPD insofar as further payments are concerned.

5.3 The Implementing Partner and UNDP undertakes no responsibilities in respect of life, health, accident, travel or any other insurance coverage for any person which may be necessary or desirable for the purpose of this Agreement or for any personnel undertaking activities under this Agreement. Such responsibilities shall be borne by the CIPD.

5.4 The rights and obligations of the CIPD are limited to the terms and conditions of this Agreement. Accordingly, the CIPD and personnel performing services on its behalf shall not be entitled to any benefit, payment, compensation or entitlement except as expressly provided in this Agreement.

5.5 The CIPD shall be solely liable for claims by third parties arising from the CIPD's acts or omissions in the course of performing this Agreement and under no circumstances shall The Implementing Partner and UNDP be held liable for such claims by third parties.

5.6 Assets (Equipment) supplied by UNDP funds to the CIPD shall be the property of UNDP until the end of the project, at which time UNDP shall determine the best use of these assets. In cases where the CIPD has met its responsibilities under this agreement, and handover of the asset would contribute to the sustainability of activities, UNDP would normally handover these assets to the CIPD.

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The assets shall be used for the purpose indicated in the Workplan throughout the period of this Agreement.

5.7 This Agreement may be terminated by either party before completion of the Agreement by giving thirty (30) days written notice to the other party, and the CIPD shall promptly return any unutilized funds to UNDP as per paragraph 5.6 above.

5.8 The CIPD acknowledges that the Implementing Partner and UNDP and its representatives have made no actual or implied promise of funding except for the amounts specified by this particular tranches Agreement. Although project related documents may indicate a total amount of funds that could be available for this CIPD, actual disbursements will be based upon the CIPD meeting performance targets. If any of the funds are returned to the Implementing Partner and UNDP or if this Agreement is rescinded, the CIPD acknowledges that the Implementing Partner and UNDP will have no further obligation to the CIPD as a result of such return or rescission.

5.9 No modification of or change to this Agreement, waiver of any of its provisions or additional contractual provisions shall be valid or enforceable unless previously approved in writing by the parties to this Agreement or their duly authorized representatives in the form of an amendment to this Agreement duly signed by the parties hereto.

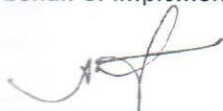
5.10 Any controversy or claim arising out of, or in accordance with this Agreement or any breach thereof, shall unless it is settled by direct negotiation, be settled in accordance with the UNCITRAL Arbitration Rules as at present in force. Where, in the course of such direct negotiation referred to above, the parties wish to seek an amicable settlement of such dispute, controversy or claim by conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules as at present in force.

The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy or claim.

5.11 Nothing in or relating to this Agreement shall be deemed a waiver of any privileges and immunities of the United Nations, or UNDP.

IN WITNESS WHEREOF, the undersigned, duly appointed representatives of the Implementing Partner, and the CIPD, respectively, have on behalf of the Implementing Partner and the CIPD signed the present Memorandum of Agreement on the dates indicated below their respective signatures.

On behalf of Implementing Partner:



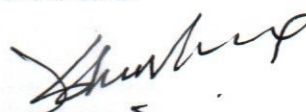
Name: Sudipto Mukerjee

Title: Country Director

Date: 31/10/16

Sudipto Mukerjee  
Country Director  
UNDP-Bangladesh

On behalf of the CIPD:



Name: Janalal Chakma

Title: Chief Executive Officer

(Jana Lal Chakma)

Chief Executive Officer

Date:

Center for Integrated Programme  
and Development (CIPD)  
Rangasati.

B. BUDGET

TO BE PREPARED BY THE RECIPIENT INSTITUTION. THIS BUDGET WILL BE SUBMITTED TO THE STEERING COMMITTEE FOR APPROVAL

PROJECT BUDGET OF CIPD

Project Number: 00088463

Date: Oct 2016

Project Title: "Alternative Livelihood Options with Knowledge, Input and Training in Alekhhong (ALOKITA)"

Name of the RECIPIENT INSTITUTION: CIPD

Total Amount of Funds under the Agreement: BDT 11,280,000

Date of the Agreement: 15 October 2016

PROJECT BUDGET (in Local Currency)

PERIOD COVERING FROM 15 October 2016 to 16 August 2017

General Category of Expenditures	Tranche 1	Tranche 2	Tranche 3	TOTAL in BDT
Meetings	100,700	20,000	13,200	133,900
Trainings	27,250	391,350	-	418,600
Grants	-	7,322,000	-	7,322,000
Input materials	615,000	-	-	615,000
Travel/DSA	67,500	108,000	94,500	270,000
Personal	525,000	840,000	735,000	2,100,000
Others (Office rent/office supplies/electricity utility/bank charge/fuel cost/Audit cost/equipment)	277,450	64,600	78,450	420,500
<b>TOTAL</b>	<b>1,612,900</b>	<b>8,745,950</b>	<b>921,150</b>	<b>11,280,000</b>

\* Please note that all budget Lines are for costs related only to project activities.

All efforts will be made to continue the grants agreement until the completion of all the activities planned for one year implementation period, provided the next phase of the CHTDF Project or new CHTDF project beyond current execution/implementation timeframe (31 December 2016) be approved by the Government of Bangladesh and UNDP. If the CHTDF project, against all exceptions, do not continue beyond this implementation timeframe, or do not continue in a form enabling it to manage the Project, the UNDP may request CIPD to suspend the implementation of the grants activities.

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**C. RECIPIENT INSTITUTION Performance Targets**  
 NAME OF RECIPIENT INSTITUTION: CIPD

PERFORMANCE TARGETS	BAS ELIN E	YEAR 1		YEAR 2		YEAR 3	
		Proposed	Actual	Propose d	Actual	Propos ed	Actual
60% of targeted households have increased income	0	60% households					
50% households diversified with income options	0	50% households					
80% of households implemented small scale projects	0	80% households					
95% of households with access to water sources	0	95% households					
13 PLDC formed	0	13 PLDC					
523 households received grants in kind for different options	0	523 households					
523 beneficiaries trained on different skills	0	523 beneficiaries					
15 tube well renovated /installed	0	15 tube well					
20 people trained up on tube well repairing	0	20 people					
13Kits boxes provided/or distributed	0	13Kits boxes					

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## Annual Reporting Format

Year 2016-2017

Recipient Institution: CIPD

OVERALL TARGETS FOR ENTIRE GRANT	BASELINE	PROPOSED ANNUAL TARGETS	ANNUAL BUDGET	ACTUAL ANNUAL RESULTS	ACTUAL ANNUAL EXPENDITURES	PROGRESS TOWARDS TARGETS
60% of targeted households have increased income	0	60% households				
50% households diversified with income options	0	50% households				
80% of households implemented small scale projects	0	80% households				
95% of households with access to water sources	0	95% households				
13 PLDC formed	0	13 PLDC				
523 households received grants in kind for different options	0	523 households				
523 beneficiaries trained on different skills	0	523 beneficiaries				
15 tube well renovated /installed	0	15 tube well				
20 people trained up on tube well repairing	0	20 people				
13Kits boxes provided/or distributed	0	13Kits boxes				

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**Financial Monitoring Framework:**

Step No	Description	Quality Assurance Mechanism from UNDP
1	NGO sends the fund request	1) The CHTDF cluster leader checks and certifies the fund request. 2) Then documents are sent to the OM/CHTDF for certification, 3) OM/CHTDF will check transparency of grants beneficiary selection and control mechanism of grants disbursement process followed by NGO 4) Once the OM certifies the fund request, the documents are handed over to the finance unit to process the payment. 5) Finance unit checks whether the documentation is in line with the Plan and process the payment. 6) NGO will share Annual audit report for this specific fund with UNDP by six months of end of a calendar year or closure of the agreement period which is earlier.

\* NGO will share supporting document of grants disbursed to beneficiary containing signature of beneficiary.

**Form 6: Monthly Report on Grants payment**

Name of Upazila:

Reporting month

SL	Name of Beneficiary	District/Upazila	Amount (TK)	Date	Cumulative Amount (YTD)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
			Signed by Executive Head/Chairperson of VCF Management Committee		

\* NGO will share supporting document of grants disbursed to beneficiary containing signature of beneficiary

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*Signature* ST

Proposed Budget for the implementation of 'ALTERNATIVE LIVELIHOOD OPTIONS with  
Project Duration: 10 Months (from 15 Oct '2016 to 16 August 2017)

Name of Organization: Centre for Integrated Programme and Development (CIPD), Rangamati  
Upazila : Belaichari

S.N	Head of Budgeted Expenditure	Proposed budget (BDT)			
		Unit Description	Unit cost	# Units	Total
1	<b>PROGRAMME SUPORT COST:</b>				
1.1	1 Day long Project staffs foundation training on project implementation strategy	Per batch	12,250	1	12,250
1.2	1 Day long orientation program on overall project goal, objective and implementation strategy for LSPs.	Per batch	15,000	1	15,000
1.3	Conduct a HHs survey in the project area; (questionnaire, stationary, printing, compilation, etc.)	Survey	25,000	1	25,000
1.4	Project launching workshop at the Upz. level to be participated by stakeholders at the Upz.t level;	Workshop	30,000	1	30,000
1.5	Orientation & formation of PLDCs	Per PLDC	2,500	13	32,500
1.6	Monthly Staff Coordination Meeting	Meeting	3,200	10	32,000
1.7	Conduct quarterly coordination meeting with PLDC	Meeting	3,600	4	14,400
1.8	To provide 15 skill training on crops to the targeted HHs	Training	12,250	15	183,750
1.9	To provide 15 skill training on Livestock.	Training	12,250	15	183,750
1.10	Provide grant equivalent 14000 BDT for package of livelihood, livestock & mixed package to 523 hhs.	Package Grant	14,000	523	7,322,000
1.11	Training on repair and maintenance of power pump (10) persons in each training)	Training	10,000	1	10,000
1.12	Training on repair and maintenance of tube well (20) persons in each training)	Training	13,850	1	13,850
1.13	Provide 7 water pump machines with a capacity of 4 HP to PLDC (App. 25000 BDT for each machine)	Pump Machine	25,000	7	175,000
1.14	Provide 15 nos. tub well renovation/ Installation (App). 25000 BDT per tube well	Tub well	25,000	15	375,000
1.15	Provide 13 nos. Tool Kits Box for 13 paras for maintenance of Tube well and water pump, BDT 2500 each tool kits box.	Kit Box	5,000	13	65,000
	<b>Sub-Total 01: Programme support cost</b>				<b>8,489,500</b>
2	<b>Human Resources, Operations and Management Cost</b>				
2.1	<b>Human Resources</b>				
2.1.1	Salaries & Benefits.				
2.1.2	Chief Executive Officer -Partial.	Person	10,000	10	100,000
2.1.3	Project Coordinator.	Person	25,000	10	250,000

S.N	Head of Budgeted Expenditure	Proposed budget (BDT)			
		Unit Description	Unit cost	# Units	Total
2.1.4	Technical Officer (Agriculture).	Person	20,000	10	200,000
2.1.5	Technical Officer (Livestok).	Person	20,000	10	200,000
2.1.6	Finance & Admin Officer.	Person	15,000	10	150,000
2.1.7	Community Facilitators (06)	Person	12,000	60	720,000
2.1.8	Local Service Providers (LSP)-Partial (15)	Person	2,500	160	400,000
2.1.9	Support Staff.	Person	8,000	10	80,000
2.2	<b>Travel and DSA</b>				
2.2.1	Chief Executive Officer	Person	3,000	10	30,000
2.2.2	Project Coordinator	Person	3,000	10	30,000
2.2.3	Technical Officer (Agriculture)	Person	2,000	10	20,000
2.2.4	Technical Officer (Livestock)	Person	2,000	10	20,000
2.2.5	Community Facilitators	Person	1,500	60	90,000
2.2.6	Local Service Providers (LSP)	Person	500	160	80,000
2.3	<b>Local Office Operations/ Action Cost.</b>				
2.3.1	Office Rent ( Upz. Office 1 )	Office Rent	5,000	10	50,000
2.3.2	Mobile allowance for staffs, (CO- 300TK, PC-300TK, TO-200*2=400, CF-200*6=1200TK, LSP15=100*16=1600)	Communication	3,800	10	38,000
2.3.3	Internet Cost	Lump sum per month	1,000	10	10,000
2.3.4	Utilities (Electricity, Gas, Water, Cleanine)	Lump sum per month	3,000	10	30,000
2.3.5	Stationary, Photocopy and Printing	Lump sum per month	3,000	10	30,000
2.3.6	Bank Charge	Bank Charge	350	10	3,500
2.3.7	Computer & Accessories	Equipment	45,000	1	45,000
2.3.8	UPS	Equipment	7,000	1	7,000
2.3.9	Digital Camera	Equipment	18,000	1	18,000
2.3.10	Scanner	Equipment	45,000	1	45,000
2.3.11	Printer	Equipment	12,500	1	12,500
2.3.12	Fan	Equipment	2,500	3	7,500
2.3.13	Crockeries	Utensil	6,000	1	6,000
2.3.14	Executive Chair	Furniture	4,500	4	18,000
2.3.15	Table	Furniture	4,500	4	18,000
2.3.16	Plastic Chair	Furniture	1,000	10	10,000
2.3.17	Chair (Ordinary)	Furniture	2,000	6	12,000
2.3.18	File Cabinet	Furniture	15,000	2	30,000
2.3.19	Audit fee	Lump sum	30,000	1	30,000
	<b>Sub-Total 02: Human Resources, Operations and Management Cost</b>				2,790,500
	<b>Total (01 and 02)</b>				11,280,000