

## **Call for Low-value Grant Proposals**

***“Provision of grants to Microcredit funds for loan interest rate subsidies for Green Energy loan products”***

***Ref.: 216–2023-GRANTS-UNDP-GE***

in the frames of the project *“Green Energy Small and Medium-sized Enterprises (SMEs) Development”* (hereinafter *“GE SMEs Project”*) funded by the *“Global Environment Facility (GEF)”* and implemented by the United Nations Development Programme (UNDP) in Tajikistan

**Table of content**

GLOSSARY ..... 3

PROJECT BACKGROUND ..... 4

SCOPE AND OBJECTIVES ..... 5

INSTRUCTIONS TO GRANT APPLICANTS ..... 6

OPENING AND EVALUATION OF GRANT PROPOSALS ..... 8

GRANT SELECTION CRITERIA ..... 9

AWARD OF GRANTS AND OTHER CONSIDERATIONS ..... 10

MONITORING AND REPORTING ..... 11

Annex I: Grant application form ..... 12

Annex II: Grant proposal..... 17

Annex III: Terms of reference ..... 23

Annex IV: LVG agreement template ..... 37

## GLOSSARY

The following terms are used across the document:

- **Low-value grants (LVG)** – cash awards to civil society and non-governmental partners to generate and solicit development solutions for which no repayment is typically required.
- **Grant recipients/grantee** – a collective that represents a specific group of individuals who directly benefit from the grant.
- **Grant selection committee** – a resolute committee for review and selection of grants.
- **Grant agreement** – legal document to which the grant proposal is attached.
- **Grant proposal** – the document prepared by an interested entity in response to a grant solicitation process.
- **Grant applicant** – an entity that submits grant proposal to UNDP.
- **Microcredit fund (MCF)** – According to the Law on Microfinance of the Republic of Tajikistan, the Microcredit fund (MCF) is a non-commercial microfinance organization operating with a license issued by the National Bank of Tajikistan and engaged in providing microloans and other services.
- **Green Loan Products** – developed for solar technology suppliers (vendors) – loans to the vendors are not considered in this Call.
- **Small and medium-sized enterprises (SMEs)** – encompass enterprises/businesses with a small number of employees and modest annual revenue, playing a crucial role in the economy.
- **Renewable Energy Sources (RES)** – are environmentally friendly energy options like wind, solar, and hydro power, contributing to sustainability and reducing carbon emissions.
- **Solar Photovoltaic system (PV)** – converts sunlight into electricity, utilizing solar cells to generate clean and sustainable energy for various applications.
- **Solar Water Heating system (SWH)** – uses energy from the sun to generate heat that can then be used to heat water for domestic hot water needs, space heating, industrial processes, or pool heating.
- **Renewable Energy (RE)** – Sustainable power from natural sources, such as sunlight and wind, promoting eco-friendly and efficient energy solutions.

## PROJECT BACKGROUND

The objective of this project is to scale up private investments in renewable energy resources (RES), with a focus on solar energy and thereby contribute to improving the level of energy security in the rural areas of the country. This objective is to be achieved through the implementation of four project components. Among them: Component 2: Providing Access to finance for Green Energy small and medium-sized enterprises (SMEs) Development Project and/or energy service users – to facilitate access to affordable finance for households, SMEs and other end-users wishing to invest in Renewable Energy (RE) products and/or services; Component 3, Sub-Component 3A: Promoting solar energy for remote and preferably off-grid communities; and Sub-Component 3B: Facilitating investment in solar water heating (SWH) by tourism facilities and other SMEs.

Under Components 2 and 3B, a Green loan product has been developed for SMEs and Households: loan size: USD 300-2,000 equivalent; Max. loan term – 36 months; grace period – up to 6 months; Annual interest rate – 7.5%. The difference between the market rates and this subsidized rate will be covered by the funds provided under this Call.

The GE SMEs project has also developed a Marketing Plan for the promotion of Solar technologies and related loan products. The GE SMEs project will also provide Technical Assistance to the Microcredit Funds (MCFs) selected under this Call in the form of training of loan officers in appraisal loan applications, especially technical aspects of GE projects.

## SCOPE AND OBJECTIVES

<b>1. Purpose and objectives of the grant(s):</b>	<p>The primary objective of the call is to provide grant(s) to eligible MCFs in order for them to issue green loans under the conditions specified below to SMEs and households (HHs) to purchase and install solar PV and solar water heating (SWH) technologies in rural areas of Tajikistan. It is envisaged that MCFs will provide loans for the GE loan product developed by the GE SMEs project, for which UNDP will subsidize the interest rate.</p>
<b>2. Scope of the grant (s):</b>	<p>To subsidize the interest rates for Green loan Product in Sughd, Khatlon and DRS.</p> <p>Note: The selected MCF must ensure both gender and participatory equality during implementation of all mentioned activities (expected ratio of participation: not less than 30 percent of total number of clients and beneficiaries are women).</p>
<b>3. Expected results:</b>	<ol style="list-style-type: none"> <li>i. Integrate proposed two financial products into the list of financial products of the organization as per regulations of the National Bank of Tajikistan.</li> <li>ii. Implement awareness raising campaigns among potential clients and entrepreneurs on available financial products through conducting public presentations with participation of SMEs, startups, entrepreneurs, youth and women leaders, dissemination of brochures and other information materials, as well as using the social media channels and other means of communication.</li> <li>iii. Conduct constant monitoring of the completed activities under the assignment.</li> <li>iv. Collect detailed data and develop at least 4 success stories/case studies/story of clients under UNDP's guidance and submit them to UNDP.</li> <li>v. Prepare detailed final narrative report indicating issues, lessons learned and recommendations for further development of proposed products.</li> </ol> <p>After receiving Grant Resources from UNDP, it is assumed that the selected MCFs will continue to provide Green loans.</p>
<b>4. Target locations:</b>	<p>Sughd, Khatlon and DRS</p>
<b>5. Eligibility criteria of grantee(s):</b>	<p>Microcredit funds (MCFs)</p>
<b>6. Timeframe for implementation of LVGs:</b>	<p>12 months</p>
<b>7. LVG beneficiaries:</b>	<p>SMEs and households</p>
<b>8. LVG amount:</b>	<p>Minimum USD 120,000.00 – Maximum USD 150,000.00</p>
<b>9. Expected co-financing from a grantee (if any)</b>	<p>N/A</p>

## INSTRUCTIONS TO GRANT APPLICANTS

### 1. General

The objective of this project is to scale up private investments in renewable energy resources (RES), with focus on solar energy and thereby contribute to the improving the level of energy security in the rural areas of the country. This objective is to be achieved through the implementation of four project components. Among them: Component 2: Providing Access to finance for GE SMEs and/or energy service users – to facilitate access to affordable finance for households, SMEs and other end-users wishing to invest in RE products and/or services; Component 3, Sub-Component 3A: Promoting solar energy for remote and preferably off-grid communities; and Sub-Component 3B: Facilitating investment in solar water heating (SWH) by tourism facilities and other SMEs.

### 2. Purpose

The primary objective of the call is to provide grant(s) to eligible MCFs in order for them to issue green loans under the conditions specified below to SMEs and households (HHs) to purchase and install solar Photovoltaic (PV) and Solar water heating (SWH) technologies in rural areas of Tajikistan. The grant envisages that MCFs will provide loans for GE loan product developed by the GE SMEs project, for which UNDP will subsidize the interest rate.

### 3. Loan type:

**Green Loan Product #1<sup>1</sup>:** For SMEs and HHs: Loan size - USD 60 - 2,000 equivalent; Max. loan term – 36 months; grace period – up to 6 months; Annual interest rate – 7.5%. The difference between the market rates and this subsidized rate will be covered by the grant provided under this Call.

Eligible solar energy technologies:

- Cheap solar technologies:
  - ✓ Free-flow non-pressure 150l SWH
  - ✓ Solar PV with Battery (SPVBS): PV capacity 100-600W; Battery capacity 600Wh
- Mid-price solar technologies:
  - ✓ Pressure vacuum thermosiphon 150l SWH
  - ✓ SPVBS 200-600W-600Wh
- Expensive solar technologies:
  - ✓ Split system 200l SWH
  - ✓ SPVBS 1800-3000W-9600Wh
  - ✓ 3.7 KW pump with 5KW Panels-124m<sup>3</sup>/day-50m depth

The GE SMEs project is looking for the services of qualified Microcredit Funds<sup>2</sup> (MCFs) to subsidize the interest rates for green loan in Sughd, Khatlon and DRS.

### 4. Financing scheme and ineligible costs

Any funds requested for the grant(s) under this Call for Proposals must fall between the following minimum and maximum amounts:

- minimum amount: USD 120,000

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<sup>1</sup> Green Loan Product #2 was developed for solar technology suppliers (vendors) – loans to the vendors are not considered in this Call

<sup>2</sup> According to the Law on Microfinance of the Republic of Tajikistan, the Microcredit foundation (MCF) is a non-commercial microfinance organization operating with a license issued by the National Bank of Tajikistan and engaged in providing microloans and other services.

- o maximum amount: USD 150,000

Note: At least 80% of the grant shall be used for interest rate subsidy; the rest may be used for implementation of marketing campaign, salary costs for personnel (loan officers).

Applicant organizations should submit proposals with justified and realistic budget.

Ineligible costs are:

1. Utilities and office rent
2. Purchase of motor vehicles
3. Daily allowances (per diem)
4. Currency exchange losses

Note: Other restrictions may apply, specified before selection of successful projects

**5. Grant proposal should contain:**

- a. Grant application form (Annex 1).
  - b. Grant proposal with proposed activities, work plan, performance targets, risk analysis and budget (Annex II).
  - c. Copy of the legal documents of grant applicant (MCF establishment documents).
  - d. Copy of NBT license.
  - e. Balance, Income and Loss Statements.
  - f. Copy of the last Auditor report; and
  - g. CV of Director, Senior Accountant, and other key employees of the fund.
- 6.** Grant proposal must be submitted **in full** by e-mail to [elbids.tj@undp.org](mailto:elbids.tj@undp.org) no later than *04 December 2023* until *12:00* local time. Hard copy submission by courier or hand delivery will not be accepted.
- 7.** UNDP may, at its own discretion extend this deadline, in which case all rights and obligations of UNDP and grant applicants previously subject to the deadline will thereafter be subject to the deadline as extended.
- 8.** The proposal must be marked with the reference number of the grant that is indicated on the cover page of the present document: *Ref.: 2023-GRANT-UNDP-GE-00101356*.
- 9.** Grant proposals must offer services as per requirements and in the standard templates (Annex I and II). Incomplete proposals will be rejected.
- 10.** All applications must be duly signed and stamped. Applications without a signature and seal, along with late applications, will be rejected.
- 11.** Grant proposals and all correspondence related to the proposal shall be written and submitted in English language.
- 12.** All figures included in the grant proposal shall be quoted in USD.
- 13.** A prospective grant applicant requiring any clarification on the grant solicitation documents or application process may notify UNDP in writing at the indicated organization's mailing address. UNDP will respond in writing to any request for clarification within three (3) working days provided that the request is submitted at least one week prior to the deadline for submission of grant proposals.

14. Grant applicant shall bear all costs associated with the preparation and submission of the grant proposal. UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

## OPENING AND EVALUATION OF GRANT PROPOSALS

1. Opening of grant applications will be held on 05 December 2023.
2. For opening and evaluation of grant proposal, UNDP will establish a dedicated grant selection committee comprising of qualified personnel and/or project stakeholders with technical expertise on the subject. The composition of the grant selection committee is approved by UNDP Resident Representative.
3. Each member of the grant selection committee will sign a disclaimer of conflict of interest. In case of conflict of interest, the member recues himself/herself from further participation in the discussion and voting.
4. Grant selection committee will do a pre-screening of grant proposals with regards to eligibility of the applicants in line with the eligibility criteria described in Section II of the present document using the following format:

**Table 1. Pre-screening matrix**

<b>Proposed initiative:</b>	Is in line with the grant purpose and objectives	Yes/No
<b>Grant applicant:</b>	Meets the eligibility criteria specified in Section II of the present document	Yes/No
<b>Grant proposal:</b>	All sections of grant proposal are duly filled in with the information requested	Yes/No
	Proposed grant amount does not exceed the grant threshold indicated in Section II of the present document	Yes/No
	Locations for grant activities are indicated in the grant proposal and are in line with Section II of the present document	Yes/No
	Timeframe in the grant proposal is within the announced timeframe	Yes/No

5. Following the pre-screening, the grant selection committee will review the proposals of eligible grant applicants and will assess them against grant selection criteria specified in Section V of the present document.
6. Grant selection committee will rank the proposals in line with the grant selection criteria and will award points to each grant proposal in the grant evaluation matrix.



7. Final consolidated grant evaluation matrix shall be signed off by all members of the grant selection committee and endorsed by UNDP Resident Representative.
8. The secretary of the grant selection committee will prepare a brief report on the grant selection process with an indication of results, i.e., which entity is receiving a grant and which proposals were rejected and why. The grant selection report shall be endorsed by UNDP Resident Representative.

#### GRANT SELECTION CRITERIA

1. Grant selection criteria are defined under programmatic considerations that are closely linked to the project document.
2. Grant selection criteria play a central role in a successful grant programme and may vary depending on the grant purpose, scope and objectives.
3. The total obtainable number of points is 100. Minimum passing score is 80. Grant proposals that received minimum 80 points will be awarded a grant.

Grant selection criteria	Maximum obtainable points
<b>Justification and consistency of an initiative and the linkages between its elements</b> <i>(importance and relevance of the initiative for the target location(s), potential of the initiative, consistency of the work plan with the set objectives and the main idea)</i>	5
<b>Expected positive social or economic impact of an initiative</b> <i>(intended positive social or economic changes in the target location(s) that will be achieved from implementation of the initiative)</i>	10
<b>Sustainability of an initiative</b> <i>(grant proposal includes action plan for continuation and scale up of the initiative after completion of grant activities)</i>	5
<b>Feasibility and timeliness of the proposed work plan and the budget</b> <i>(effectiveness and efficiency of the proposed activities, relevance of resources in the budget to the intended results and cost effectiveness of the project)</i>	10
<b>Innovativeness of an initiative</b> <i>(grant proposal describes unique or distinct perspective on a development challenge in the target location, provides innovative solutions/approaches for implementation of grant activities in the target location)</i>	5
<b>Adherence to the “Leave no one behind” principle</b> <i>(extent to which people with disabilities, vulnerable youth, women and other vulnerable/marginalized groups will be targeted in the implementation)</i>	5
<b>Reputation of/Operational standing of the Organization</b> for the project implementation which may influence on implementation of project management (Capacity/Solidity) including: <ul style="list-style-type: none"> <li>• Legal entity, microcredit fund, with a valid license from the National Bank of Tajikistan (NBT).</li> </ul>	20

<ul style="list-style-type: none"> <li>• Active/operating MCF or with representation in the relevant regions.</li> <li>• At least three (3) years of experience in the area of provision of financial services, microcredits, and other financial products.</li> <li>• At least three (3) years of work experience and practical skills in development of financial products for SMEs.</li> <li>• Availability of last audit report for the years 2021-2022.</li> <li>• Portfolio at risk for more than 30 days ≤ 5%.</li> </ul>	
<p><b>Similar experience in the same area</b></p> <ul style="list-style-type: none"> <li>• More than 30% of the portfolio is used for lending to unemployed, low-income families, local farmers, SMEs, and private entrepreneurs affected by.</li> <li>• A loan portfolio of at least 6,500,000 Tajik somoni (or equivalent to USD 578,000).</li> <li>• The percentage of women in the total number of clients is at least 30%.</li> <li>• Previous experience in providing soft loans to SMEs and/or households.</li> <li>• Possession: <ul style="list-style-type: none"> <li>○ Specialized knowledge and experience in provision of financial services / credits.</li> <li>○ Experience with similar programs / projects.</li> <li>○ Experience in UNDP projects, in multilateral or bilateral programs.</li> </ul> </li> </ul>	20
<p><b>Rational use of resources</b></p> <ul style="list-style-type: none"> <li>• The rationality and consistency of the SME lending action plan, its effectiveness.</li> <li>• Rationality of proposed budget and its consistency with action plan.</li> <li>• At least 80% of the grant shall be used for interest rate subsidy; the rest is used for administrative costs.</li> </ul>	20
<b>TOTAL:</b>	<b>100</b>

#### AWARD OF GRANTS AND OTHER CONSIDERATIONS

1. Winning grant applicant(s) will receive LVG agreement from UNDP within three (3) working days after completion of grant assessments and endorsement of the results of the grant selection process.
2. Within five (5) working days after receipt of the LVG agreement, the successful grant applicant shall sign and stamp the agreement and return it to UNDP.
3. UNDP shall affect payments to the Grant Recipient in national currency of the Republic of Tajikistan according to the official exchange rate of UNDP on the day of payment. Payment will be made to the bank account indicated in the LVG agreement signed with the Grant Recipient.
4. The disbursement of the grant amount takes place in line with the schedule of payments set out in the LVG agreement before the results or achievements are obtained. A final installment should be paid only after the completion of all activities, submission of final narrative and financial reports and the certification of those reports.
5. UNDP reserves the right to obtain all evidence, including site monitoring visits, to substantiate that performance conditions have been achieved before issuing subsequent phases of the grant. UNDP also

reserves the right to suspend disbursements in case a grant recipient is found to be in breach of its obligations.

6. Since the solution to a development challenge is generated by the grantee, and not UNDP, the intellectual property for solutions rests with the grant recipient, but through the grant application process, the grantee agrees to give UNDP an irrevocable, unlimited, cost-free license to use the solution in its programmes, and to replicate and disseminate it. The grant recipient retains the right to use the solution for its own commercial benefits.
7. The grantee use their own personnel, systems, designs, networks and procedures to implement the grant. If otherwise agreed between UNDP and the Government, assets and equipment purchased by the Recipient Institution using grant funds shall be the property of the Recipient Institution.

## **MONITORING AND REPORTING**

1. UNDP will monitor implementation of grant activities in line with its Monitoring policy to ensure that grants result in new solutions, direct engagement with certain stakeholders, and better uptake of development solutions as set out in the grant work plan.
2. Frequency and scope of monitoring visits will be defined by UNDP. Although in most cases, Grant Recipient will be notified in advance on the planned monitoring events, UNDP reserves the right to convey ad-hoc monitoring visits when and as needed.
3. The grantee is responsible for substantive and financial reporting on the utilization of the grant as defined in the LVG agreement. Appropriate evidence that the activities reported were completed should be attached to the report, such as photographs, boarding pass copies, meeting minutes, sign in sheets, etc.
4. The grantee must provide performance reporting to UNDP at least 30 days before the expected release of the next tranche. In cases where a grant spans more than one year, the grant recipient must provide annual reports until activities have been completed. At the end of the grant period, the grant recipient is required to submit a final substantive and financial report, which shall include certification by the Recipient Institution's representative with institutional responsibility for financial reporting, including the certification date.

**ANNEX I: GRANT APPLICATION FORM**

**Call for Low-value Grant Proposals**

***“Provision of grants to Microcredit funds for loan interest rate subsidies for Green Energy loan products”***

***Ref.: 216–2023-GRANTS-UNDP-GE***

To: **UN Development Program Office in Dushanbe**

Dear Sir/Madam,

Having examined the specifications and overall documents that concern this request, I, the undersigned herein, agree to deliver performance of work under sub-project **“Provision of grants to Microcredit funds for loan interest rate subsidies for Green Energy loan products”** to scale up private investments in renewable energy resources (RES), with focus on solar energy and thereby contribute to the improving the level of energy security in the rural areas of the country. This objective is to be achieved through the implementation of four project components according to the terms of the requested documents, specified in the Request for Grants Proposals.

We undertake, if our Proposal is accepted, to commence and complete delivery of all services specified in the contract within the period stipulated.

We agree to abide by this proposal for a specified period of request from the date fixed for opening of proposals, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

**1. General Information**

1.1. **Name of MCF (Microcredit fund):** \_\_\_\_\_

1.2. **Did you apply by this project proposal to other donor funding?**

Yes  No

**2. Information on offeror:**

2.1. **Name of offeror:**  
\_\_\_\_\_

2.2. **Board of Directors (Composition):**  
\_\_\_\_\_  
\_\_\_\_\_

2.3. **Legal Status:**  MCF  please, specify if any other

2.4. **Registration number:** \_\_\_\_\_

2.5. **Legal address:** \_\_\_\_\_

2.6. **Date of registration:** \_\_\_\_\_



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**2.13. Bank information:**

Bank account holder name: \_\_\_\_\_

Name of Bank: \_\_\_\_\_

Name of Branch: \_\_\_\_\_

No of account/BAN code: \_\_\_\_\_

Address of Bank: \_\_\_\_\_

Country: \_\_\_\_\_

SWIFT code: \_\_\_\_\_

**3. Financial performance:**

3.1. It is necessary to attach the Income/Loss Statement and Balance Sheet for the last two years (2021-2022) and last Auditing Report to the current application form.

**3.2. Loan portfolio performance as of November 1, 2023:**

No	Indicators	In Tajik Somoni (TJS)	Equivalent to USD
1.	Total sum of loan portfolio at the end of month		
2.	Number of active clients		
3.	Average loan size		
4.	Average annual % of loans		
5.	PAR > 30 days (%)		
6.	Loan written-off ratio		

**3.3. Loan portfolio breakdown per sectors of the following table:**

No	Sector	%
1	Agriculture	
2	Trade	
3	Service	
4	Production	
5	Consumer	

**3.4. Active clients' gender breakdown as of November 1, 2023:**

#	Indicator	
1.	Number of active clients	
	Women	
	Men	
2.	% of women clients	
3.	% of men clients	

**3.5. Operational-self-sufficiency performance:**

#	Indicator	Amount
1.	Financial revenue (Total)	
2.	Financial expenses (cost)	
3.	Reserve fund allocation for write-off of doubtful loans	
4.	Operational expenses	
5.	Operational efficiency: (Financial revenue/ (Financial expenses + Reserve fund allocation + Operational expenses) *100%)	%

**3.6. Capital adequacy calculation will be made according to the instruction # 135 of National Bank of Tajikistan.**

Balance account	Balance as of _____ 20__ year	All assets with an allowance for risk%	Weighted assets with an allowance for risk
(10101)		%	
(10501)		%	
(10913)		%	
(10301)		%	
(10309)		%	
(15935)		%	
(11113)		%	
(11123)		%	
(11189)		%	
(15935)		%	
(15939)		%	
(15957)		%	
(17515)		%	
(17523)		%	
(17525)		%	
(17531)		%	
<b>TOTAL:</b>		%	

**3.7. Please provide the following information in accordance with the selection criteria given in the Terms of Reference (Annex 2 to the Call for Grant):**

- a detailed description of the organization, including information on their experience of micro financing (number of clients, districts and villages served, microfinance products, size of issued loans to small and medium businesses, etc.)
- copies of Legal documents (licenses/certificates and the Charter of the Organization).
- list of key staff involved in the project with a description of their qualifications and experience.
- the financial status of the MCF.

**3.8. Please provide a proposal of organization on disbursement of funds through the provision of microcredit products to the target group with a rate of up to 10% per annum in local currency, without charging an administrative fee specified in the terms of reference (Annex 2 to the Call for Grant), which will describe:**

- the organization's approach.
- applied methodology of lending/crediting.
- criteria for evaluating the business plans of borrowers.
- experience in providing loans, taking into account estimates of factors of impact to the environment and to minimize their negative impact.
- risk assessment.
- work plan and etc. (Maximum 3-5 pages).

By the present application, the MCF « \_\_\_\_\_ » on behalf of the director \_\_\_\_\_ confirms that the information provided is accurate and participation in the call for grant.

**Name of Director of the Offeror's Organization:**

**Signature of Director of the Offeror's Organization:**

**Organization's Stamp:**

**Date:**



## ANNEX II: GRANT PROPOSAL

### 1. Low Value Grant Proposal

TO BE PREPARED BY THE RECIPIENT INSTITUTION. THIS PROPOSAL WILL BE SUBMITTED TO THE STEERING COMMITTEE/PROJECT BOARD FOR APPROVAL

Project Number: \_\_\_\_\_

Date: \_\_\_\_\_

Project Title: \_\_\_\_\_

Name of the RECIPIENT INSTITUTION: \_\_\_\_\_

Total Amount of the Grant (in USD): \_\_\_\_\_

#### 1- PURPOSE OF THE GRANT

- Indicate the purpose of the grant and describe the result(s) the grant is expected to achieve.
- Explain why the grantee is uniquely suited to deliver on the objectives

#### 2- PROPOSED ACTIVITIES AND WORK PLAN

- Describe the activities that will be completed to achieve the objectives
- Elaborate if there are any targeted group(s)/ geographical area who will benefit from the grant, other than the Recipient Institution. If so, who are the targeted groups/geographical area and how will any potential beneficiaries be selected?

#### WORK PLAN

PLANNED ACTIVITIES <sup>3</sup>	Timeline <sup>4</sup>		Planned Budget for the Activity (in grant currency) <sup>5</sup>
	T1	T2	
Activity 1 <ul style="list-style-type: none"> <li>• Two proposed Green loan products are introduced into the credit line of the selected organization.</li> <li>• Request for the submission of loan applications announced and applications considered.</li> <li>• Any other activities eligible as administrative enabling activities</li> </ul>	x		USD 30,000.00
Activity 2 <ul style="list-style-type: none"> <li>• Green loans disbursed to up to 1000 households and SMEs in remote rural areas of Tajikistan through the interest rate subsidy.</li> <li>• Conducted awareness raising campaigns and covered at least 10,000 interested SMEs, women and youth groups, and households.</li> </ul>		x	USD 120,000.00

<sup>3</sup> State what activities will be completed with the grant Funds. Use as many activity lines as necessary.

<sup>4</sup> Define the time periods relevant for the grant and indicate when specific activities are expected to be completed. Typically, time periods relate to when the tranches of Funds are released (i.e., quarterly, six monthly, annually) Use as many time periods as necessary.

<sup>5</sup> Indicate the budget amounts in the grant currency.

<ul style="list-style-type: none"> <li>• Provided mentoring and consulting services for the beneficiaries of financial products to ensure the funds are used in line with the objective.</li> <li>• As per the results of the testing of financial products on the ground, the organization lessons learnt will be documented.</li> <li>• Regular monitoring of the conducted activities with data, evidence and photos shared with UNDP.</li> <li>• The narrative progress and financial reports are prepared and submitted to UNDP.</li> </ul>			
			<b>Total: USD 150,000.00</b>

### 3- PERFORMANCE TARGETS

State the indicators for measuring results that will be achieved using the grant. At least one indicator is required. More can be used if useful to more fully measure the results that are expected to be achieved:

INDICATOR(S)	DATA SOURCE	BASELINE	MILESTONES		
			Period 1	Period 2	FINAL TARGET
1.1. Volume/size (USD) of green loans approved for SWH and other targeted EE/RE products (including those for women-led SMEs).	List of clients received Solar technologies	0	120	120	Up to 1000 clients received loans
1.2. Number of loan recipients: sex-disaggregated and age-disaggregated on the loan beneficiary.	List of clients received Solar technologies	0	120	120	Up to 1000 clients received loans

### 4- RISK ANALYSIS:

Indicate relevant risks to achieving the grant objectives and mitigation measures that will be taken. Risks include security, financial, operational, social and environmental or other risks.

Risk	Risk rating* (High/Medium/Low)	Mitigation measures
Operational (Timeframe to implement all activities)	Medium	Project will provide support to grantee by providing additional information and connecting the project contractors with the grantee to stick with identified deadlines
Social	Low	Clients will be cross checked to get addressed based on mission of project

\*The risk rating is based on a reflection of the likelihood of the risk materializing and the consequence it will have if it does occur.

### 5- GRANT BUDGET OF RECIPIENT INSTITUTION (state currency)

PERIOD COVERING FROM \_\_\_\_\_ TO \_\_\_\_\_

General Category of Expenditures	Tranche 1	Tranche 2	Total
Personnel/Admin costs	USD 15,000.00	USD 15,000.00	<b>USD 30,000.00</b>

General Category of Expenditures	Tranche 1	Tranche 2	Total
Equipment/Furniture (Specify)			
Other [loan subsidy]	USD 60,000.00	USD 60,000.00	<b>USD 120,000.00</b>
Miscellaneous			
<b>Total</b>	<b>USD 75,000.00</b>	<b>USD 75,000.00</b>	<b>USD 150,000.00</b>

- \* *Please note that all budget lines are for costs related only to grant Activities.*
- \*\* *These budget categories and number of tranches are suggested guidelines. The Recipient may choose alternates which more accurately reflect their expense items and needs.*
- \*\*\* *Add as many tranches columns as necessary*

## 2. Reporting Format

THE NARRATIVE AND THE FINANCIAL REPORT TO BE PREPARED BY THE RECIPIENT INSTITUTION.

Recipient Institution: \_\_\_\_\_

Year \_\_\_\_\_

### Period covering this report:

- This report must be completed by the Recipient Institution and accepted by UNDP
- The Recipient Institution must attach any relevant evidence to support the activities reported
- The information provided below must correspond to the information that appears in the financial report
- Attach the accepted grant proposal to this report

### Process for outreach, beneficiary identification and loan disbursement

**Geographic coverage (Mention the region and districts covered by the activities under this agreement including the total number of beneficiaries per district)**

**Type of green technologies that were procured with the loan provided.**

### Performance:

#### 1- Workplan Performance (cumulative, including the current period)

COMPLETED ACTIVITIES	Timeline				Planned Budget for the Activity (in grant currency) <sup>3</sup>	Funds Delivered for the Activity (in grant currency)
	T1	T2	T3	T4		
Activity 1						
Activity 2						
<b>Total</b>						

#### 2- Performance Targets

INDICATOR(S)	Data Source	Baseline	Reporting Period Milestone/Target	Reporting Period Actual Performance Against the Target
1.1.				
1.2.				

#### 3- Challenges and Lessons Learned:

**Financial Reporting:** \*Note: Financial reporting can be in local currency but cannot exceed the grant value in USD.

General Category of Expenditures	Budgeted Amount	Actual Expense
Personnel/Admin costs		
Equipment/Furniture (Specify)		
Other [loan subsidy]		
Miscellaneous		
<b>TOTAL</b>		

### 3. Project Document



United Nations Development Programme

Empowered lives.  
Resilient nations.

<b>Project title:</b> Green Energy Small and Medium Enterprises (SMEs) Development Project	
<b>Country:</b> Tajikistan	<b>Implementing Partner:</b> UNDP
<b>Management Arrangements:</b> Direct Implementation (DiM)	
<p><b>UNDAF/Country Programme (CP) Outcome:</b> <i>Resilience and Environmental Sustainability</i></p> <p><i>UNDAF/CP Outcome: People in Tajikistan are more resilient to natural and manmade disasters and benefit from improved policy and operational frameworks for environmental protection and sustainable management of natural resources.</i></p> <p><i>UNDAF/CP Outcome Indicator: Number of new green jobs created, environmentally sustainable livelihoods promoted through management of natural resources, ecosystems services, chemicals and waste, disaggregated by sex.</i></p>	
<p><b>UNDP Strategic Plan Output:</b></p> <p><i>Output 1.5: Inclusive and sustainable solutions adopted to achieve increased energy efficiency and universal modern energy access (especially off-grid sources of renewable energy)</i></p>	
<b>UNDP Social and Environmental Screening Category:</b> medium	<b>UNDP Gender Marker:</b> 2
<b>Atlas Project ID/Award ID number:</b> 00097769	<b>Atlas Output ID/Project ID number:</b> 00101356
<b>UNDP-GEF PIMS ID number:</b> 5476	<b>GEF ID number:</b> 9191
<b>Planned start date:</b> January 2018	<b>Planned end date:</b> December 2022
<b>LPAC date:</b> TBD	
<p><b>Brief project description:</b></p> <p>The project's strategic objective is to facilitate the transformation of Tajikistan's energy sector, in particular the emergence of independent energy entrepreneurs, which can offer affordable and sustainable energy products and services to the rural population. In line with UNDP's Derisking Renewable Energy Investment approach, the project consists of three inter-linked components dealing with policy derisking, financial derisking and incentives, and a fourth cross-cutting component that addresses knowledge-related gaps. The first component addresses policy barriers faced by Green Energy (GE) enterprises/SMEs by supporting the development and implementation of the enabling policy framework. Under the second component, in partnership with local and international financial institutions, the project facilitates access to GE finance at affordable terms. The third component focuses on the supply chain to develop and improve GE products and services and bring them to the market, including through the provision of targeted investment support to innovative and scalable business models for GE products/service delivery in off-grid rural areas. Under the fourth component, knowledge gaps are addressed on both the supply and demand side of the market.</p>	

FINANCING PLAN	
GEF Trust Fund	US\$ 2,519,963
UNDP TRAC resources	US\$ 300,000
<b>(1) Total Budget administered by UNDP</b>	<b>US\$ 2,819,963</b>
PARALLEL CO-FINANCING (all other co-financing that is not cash co-financing administered by UNDP)	
UNDP	US\$ 4,000,000
Ministry of Energy and Water Resources	US\$ 500,000
Ministry of Finance	US\$ 10,000,000
Pamir Energy Company	US\$ 5,000,000
Micro Finance Institution "Arvand"	US\$ 1,500,000
MFIs "Sarvati Vakhsh" and "Mehnatobod"	US\$ 350,000
SSGroup Company	US\$ 200,000
OJSC "Systemavtomatika"	US\$ 100,000
<b>(2) Total co-financing</b>	<b>US\$ 21,650,000</b>
<b>(3) Grand-Total Project Financing (1) + (2)</b>	<b>US\$ 24,469,963</b>
SIGNATURES	
 	Agreed by Government <i>Usmonali Usmonov</i> Date/Month/Year: 18/07/2018
 	Agreed by UNDP Date/Month/Year: 23/05/2018

### Call for Low-value Grant Proposals

#### *“Provision of grants to Microcredit funds for loan interest rate subsidies for Green Energy loan products”*

**Ref.: 216–2023-GRANTS-UNDP-GE**

#### **I. Background**

Since 2018 the UNDP in Tajikistan is implementing Green Energy Small Medium Enterprises (SMEs) Development Project (hereafter “GE SMEs project”), which is financed by the Global Environment Facility (GEF). The main partner of the GE SMEs project is the Ministry of Energy and Water Resources (MoEWR). The objective of the GE SMEs project is to facilitate the transformation of Tajikistan’s energy sector, in particular the emergence of independent energy entrepreneurs, which can offer affordable and sustainable energy products and services to the rural population. The project is aimed at scaling up private investments in green energy (renewable energy and energy efficiency) in rural areas focusing primarily on solar energy (solar PV and Solar water heaters (SWH)). This objective is to be achieved through the implementation of four project components.

#### **Component 1: Creation of Enabling policy and regulatory framework and capacity development for GE SMEs**

- to strengthen the policy and regulatory framework for the sustainable energy products and services market. For this purpose, in 2021-22, GE SMEs has provided technical assistance (TA) to MoEWR to support the operationalization of key provisions of the framework laws on Renewable Energy Sources and Energy Saving and Energy Efficiency.

**Component 2: Providing Access to finance for GE SMEs and/or energy service users** – to facilitate access to affordable finance for households, SMEs and other end-users wishing to invest in EE/RE products and/or services. TA will be provided to partner Micro-finance Institutions (MFIs) and other local finance organizations to develop and promote standard loan products. The GE SMEs project will also provide investment support in the form of an interest rate subsidy.

**Component 3: Development of business models for GE SMEs** consists of two sub-components:

**Component 3A:** Promoting solar energy for remote and preferably off-grid communities. **Sub-Component 3B:** Facilitating investment in solar water heating (SWH) by tourism facilities and other SMEs.

Component 3 also addresses knowledge and awareness barriers on both the supply and demand sides of the GE market.

**Component 4:** Knowledge Management and Monitoring and Evaluation (M&E) - includes collection, analysis and sharing information about GE costs and benefits, as well as by monitoring and evaluating project results (including GHG emission reductions), documenting, and disseminating best practices and lessons learnt.

The GE SMEs project considers the implementation of hundreds of investment projects, mainly through the installation of micro-scale solar energy technologies (solar PV systems, SWH) in different regions of Tajikistan. In particular, under Component 2, about 2,000 loans are planned for SWH and other green energy technologies. Within Component 3, relatively large projects will be implemented in 35 communities of GBAO in cooperation with the WB-funded Tajikistan Rural Electrification Project (TREP), while the smaller projects - under this Call. GE SMEs project will provide TA and investment support to the projects implemented under Component 2 and Component 3. Monitoring and Evaluation (M&E) of implemented projects is an essential part of the GE SMEs project. It should be ensured that the projects are properly designed and implemented and that they are operating adequately, which means that energy generation targets are achieved at planned operation and maintenance (O&M) costs.

This Terms of Reference relate to the implementation of Component 2 and Component 3. The GE SMEs project has allocated funds, which should be used by the MCFs to provide access to low interest loans to SMEs and Households to implement small-scale Green energy projects. As part of this submission of grant proposals, it is planned to issue grant funds to Microcredit Funds for subsidizing interest rates.

## Current state of implementation of Component 2

Under Component 2, the market on GE technologies, the development of a database on available GE technologies, and equipment and suppliers working on the national market have been assessed. In July 2021, the consulting company has been hired for development, promotion, and supervision of GE financial product. The Consultant conducted financial analysis for the following solar energy technologies:

- Cheap solar technologies:
  - o 1A. Free-flow non-pressure 150l SWH for 3.955 TJS and
  - o 1B. Solar PV with Battery (SPVBS): PV capacity 100-600W; Battery capacity 600Wh; price about 3.955 TJS.
- Mid-price solar technologies:
  - o 2A. Pressure vacuum thermosiphon 150l SWH for 5.089 TJS
  - o 2B. SPVBS 200-600W-600Wh for 7.245 TJS
- Expensive solar technologies:
  - o 3A. Split system 200l SWH for 20.340 TJS
  - o 3B. PV-BS 1800-3000W-9600Wh for 37.290 TJS
  - o 3C. 3.7 KW pump with 5KW Panels-124m<sup>3</sup>/day-50m depth for 67.800 TJS

The financial analysis showed that:

- **Application of Solar Energy Technologies in off-grid regions is financially attractive for all scenarios** (except for 1B under the pessimistic scenario)
- **SWHs for commercial use** is the second most attractive choice
- Most important variable affecting investment attractiveness of green products is **electricity tariff in combination with electricity output (or electricity usage)**
- **The cost of technology is another important factor**, changes in prices has close correlation with IRR and payback period
- The impact of interest rate is much greater for more expensive technologies
- Macro-economic variables such as inflation rate and discount rate are more relevant in the long-term perspective and thus have limited impact on attractiveness of green loan products, which are more of short-medium term nature.

The Consultant has developed Green loan products for above-mentioned solar energy technologies for (i) SMEs and individuals; and (ii) For technology suppliers.

**Table 1: Terms of "Green" loan product for SMEs and individuals**

<b>Target market</b>	<p><b>Representatives of SMEs</b></p> <ul style="list-style-type: none"> <li>- Representatives of tourist facilities and the service sector: hotels, guest houses, restaurants, cafes, canteens, gyms</li> <li>- Farmers</li> <li>- Entrepreneurs</li> </ul> <p><b>Individuals:</b></p> <ul style="list-style-type: none"> <li>- Individuals and households</li> </ul>
<b>Purpose</b>	Loans can be used to fulfil a variety of general consumption needs that will allow customers to improve their quality of life and reduce energy costs
<b>Minimum loan size</b>	USD 300 and its TJS equivalent
<b>Maximum loan size</b>	USD 20,000 and its TJS equivalent TJS 220,000 for rural areas. No USD lending in rural areas
<b>Currency</b>	TJS / USD
<b>Minimum loan term</b>	1 month
<b>Maximum loan term</b>	36 months – TJS loans and 36 months – USD loans
<b>Grace period</b>	Up to 6 months
<b>Minimum customer share</b>	Not required
<b>Processing fee</b>	According to the bank's tariffs



<b>Guarantor</b>	Up to USD 2,000 no guarantor is required Guarantor is required for loans above USD 2,000 (or TJS equivalent) and above USD 4,000 (or TJS equivalent) if the customer is in premier or advantage group. The full financial analysis of the guarantor is required
<b>Collateral</b>	Refer to Loan security requirements
<b>Interest rates</b>	7.5% annual interest rate for borrowers (including the subsidy from the market rate financed by UNDP)
<b>Interest accruals</b>	Daily, declining balance
<b>Loan repayment</b>	Monthly, equal installment –annuity or equal principal amount method
<b>Early closure or partial prepayments</b>	Allowed with the condition to formally report but no penalties as per the NBT requirements
<b>Credit Analysis</b>	Thorough credit analysis is required for all loans and segment of customers

The Consultant also developed a Marketing plan for MCFs.

In the beginning of September 2022, PO Madina and PO Association of Renewable Energy of Tajikistan (PO ARET) were contracted for Promoting Solar Water Heating (SWH) and Solar Photovoltaic (PV) systems in GBAO and Zarafshan valley. The scope of work of both contractors among others included:

- Implementation of Awareness Raising Campaign.
- Providing administrative and logistical support to the GE SMEs project specialists in implementation of training programs for: (i) loan officers of the regional branches of FIs; (ii) local technicians (to install and maintain solar energy technologies); (iii) SMEs and households in operation of solar energy technologies.
- Initiation of micro-scale GE projects. PO Madina and ARET will be looking for SMEs and households, which potentially might be interested in developed loan products.
- Monitoring & Evaluation of the implemented projects.

As a result, solar technologies (PV and SWH systems) were promoted in Zarafshan valley and GBAO covering over 32,000 people, and 634 potential clients were identified and developed for receiving green loans in Zarafshan valley and GBAO.

In the beginning of January 2023, MCF Madina was contracted for Provision of grants to Microlending funds for loan interest rate subsidies for Green Energy loan products. The scope of work of contractor among others included:

- Integrate proposed two financial products into the list of financial products of the organization as per regulations of the National Bank of Tajikistan.
- Implement awareness raising campaigns among potential clients and entrepreneurs on available financial products through conducting public presentations with participation of SMEs, startups, entrepreneurs, youth and women leaders, dissemination of brochures and other information materials, as well as using the social media channels and other means of communication.
- Conduct constant monitoring of the conducted activities under the assignment.
- Collect detailed data and develop at least 2 success stories/case studies/story of clients under UNDP's guidance and submit them to UNDP. Prepare detailed final narrative report indicating issues, lessons learned and recommendations for further development of proposed products.

As a result, 500 loans disbursed to households and SMEs in GBAO, including 238 female loan recipients.

## II. Objectives and scope

**Eligibility:** Only Microcredit Funds (or other forms of non-commercial public organizations having national license for microfinance activity or consortium of public non-commercial organization with microfinance

institute).

1. **Scope of services:** To subsidize the interest rates for Green loan Product in Sughd, Khatlon and DRS
2. **Target areas:** Sughd, Khatlon and DRS
3. **Target beneficiaries:** SMEs and Households.

Note: The selected MCF must ensure both gender equality and participatory equity while implementation of all mentioned activities (expected ratio of participation: not less than 30 percent of total number of clients and beneficiaries are women).

### III. Description of services:

The GE SMEs project will provide support for access to financial resources as a critical condition for entrepreneurship development, income generation, especially for communities not covered by the electricity grid. This includes the following actions:

- Providing SMEs and households in remote rural areas of Tajikistan with access to financial services through the interest rate subsidy for green loan product. Details of Green loan product is presented in Appendix 1
- At least one MCF will be selected for micro-loans in Sughd, Khatlon Regions and Districts of Republican Subordination. Considering that the MCF will disburse about 1000 loans (estimate of the GE SMEs project), it must have up to \$578,000 own funds available. The average loan will be \$578 (estimation of the Consultant), and the average interest rate subsidy -  $\$578 * (25\% - 7.5\%) = \$101.15$ . The selected MCF will disburse up to 1000 loans (if up to  $1000 * \$578 = \$578,000$  own funds are available).

Selected MCFs will be responsible for announcing a request for the submission of loan applications and considering applications. The selected MCFs will conduct their own analysis in accordance with its internal procedures. The GE SMEs project will provide TA in appraisal of GE projects. Through the MCFs, loans will be provided on the terms reflected in the Green loan product described above.

It is assumed that the funds under this Terms of Reference will be provided to the Microcredit funds of the Republic of Tajikistan depending on the proposed methodology and geographical coverage. Administrative costs (such as the implementation of marketing campaign, salary of administrator staff, expenses for coordination of work and monitoring, etc.) and costs of trainings, consultations should not exceed 20% of the grant amount.

The sub-project aims to undertake the following **actions** (but not limited to):

1. Integrate proposed two financial products into the list of financial products of the organization as per regulations of the National Bank of Tajikistan.
2. Implement awareness raising campaigns among potential clients and entrepreneurs on available financial products through conducting public presentations with participation of SMEs, startups, entrepreneurs, youth and women leaders, dissemination of brochures and other information materials, as well as using the social media channels and other means of communication.
3. Conduct constant monitoring of the conducted activities under the assignment.
4. Collect detailed data and develop at least 4 success stories/case studies/story of clients under UNDP's guidance and submit them to UNDP.
5. Prepare detailed final narrative report indicating issues, lessons learned and recommendations for further development of proposed products.

After receiving Grant Resources from UNDP, it is assumed that the selected MCFs will continue to provide Green loans.

To achieve this goal, UNDP will attract MCFs with high potential to support the GE SMEs project in achieving its goals and objectives. The MCFs will be selected on the basis of a competitive process conducted by UNDP and consisting of 2 stages:

1. Consideration of the application and preliminary selection of the MCF.
2. Assessment of the institutional and marketing potential of the MCF to provide preferential loans.

The MCF must meet the following criteria:

- At least three (3) years of experience in the area of provision of financial services, microcredits, and other financial products and existing of valid license of the National Bank of Tajikistan for provision of financial services.
- At least three (3) years of work experience and practical skills in development of financial products for SMEs.
- The size of credit portfolio should be not less than 6,500,000 Tajik somoni.
- Ability to demonstrate portfolio at risk less than 5%.
- Ability to demonstrate high level of disclosure of financial information in accordance with the national (National Bank of Tajikistan) reporting standards. Disclosure of information in accordance with the international standards of financial reporting is a plus.
- Sufficient skills of assigned staff in monitoring and evaluation of conducted activities, including implementation of innovative finance products, etc.
- Availability of qualified experts/consultants to perform the above-mentioned tasks with knowledge of Tajik and Russian languages (CVs to be provided).
- Availability of branches in Sughd, Khatlon and DRS regions
- Availability of necessary technical, administrative, and programmatic opportunities for the direct execution of works described in this assignment (records of previous experience and contracts to be provided).
- Knowledge and skills in preparation of financial and programme reports on performed work.
- Experience in preparation of information materials on the activities conducted.

**Applicants should provide the following information and documents for review:**

1. Grant application form (Annex 1).
2. Grant proposal with proposed activities, work plan, performance targets, risk analysis and budget (Annex II).
3. Copy of the legal documents of grant applicant (MCF establishment documents).
4. Copy of NBT license.
5. Balance, Income and Loss Statements.
6. Copy of the last Auditor report.
7. CV of Director, Senior Accountant, and other key employees of the fund.
8. Branches in target areas of loan disbursement.

**Expected results**

The MCFs will finance solar energy projects under the agreed conditions for Green loan products. The MCFs will receive resources from UNDP to subsidize loan interest rates.

**The result** of the provision of Grant Resources will be exploring new opportunities for sustainability of private investments in GE technologies.

Thus, it is expected that by implementation of this sub-project, the following **results** will be achieved in the different regions of Tajikistan:

1. Conducted awareness raising campaigns and covered at least 10,000 interested SMEs, women and youth groups, households.
2. The proposed Green loan product is introduced into the credit line of the selected organization.
3. Provided mentoring and consulting services for the beneficiaries of financial products to ensure

- the funds are used in line with the objective.
4. As per the results of the testing of financial products on the ground, the organization lessons learnt will be documented.
  5. Regular monitoring of the conducted activities with data, evidence and photos shared with UNDP.
  6. The narrative progress and financial reports are prepared and submitted to UNDP.

## Reporting

The MCF should provide reports (both narrative and financial) to UNDP. MCF bears full responsibility for the preparation and submission of both narrative and financial reports according to the agreed format and schedule with UNDP. All reports should be submitted in accordance with the terms stipulated in the Grant Agreement. All reports should be prepared in Russian or Tajik versions in hard copies and in electronic-version, in MS Word format, font ARIAL-11 on a paper of format A4. All reports should contain a title page with the name, code of the sub-project and UNDP logo. Reports submitted in violation of any of the above requirements will be considered as inappropriate to the Agreement. Requirements for report submission will be further specified in the agreement.

## Payment

The total amount of funds allocated to one MCF will be fully directed to the provision of the requested services. MCF bears full responsibility for payment of all taxes resulting from Agreement, including the Income Tax from the salaries, deductions to the Pension Funds, Revenue Tax and any other related taxes emanating from the agreement with UNDP. UNDP will process the transfer of money to the MCF account according to the schedule and terms of payment, which will be discussed between the parties prior to the signing of the agreement.

## Duration

The duration of the Grant Agreement is **25 December 2023 – 25 December 2024**. The MCF will ensure that all services are completed by the end of **December 2024**.

## Appendix 1: Solar energy technologies eligible for Green loan product #1

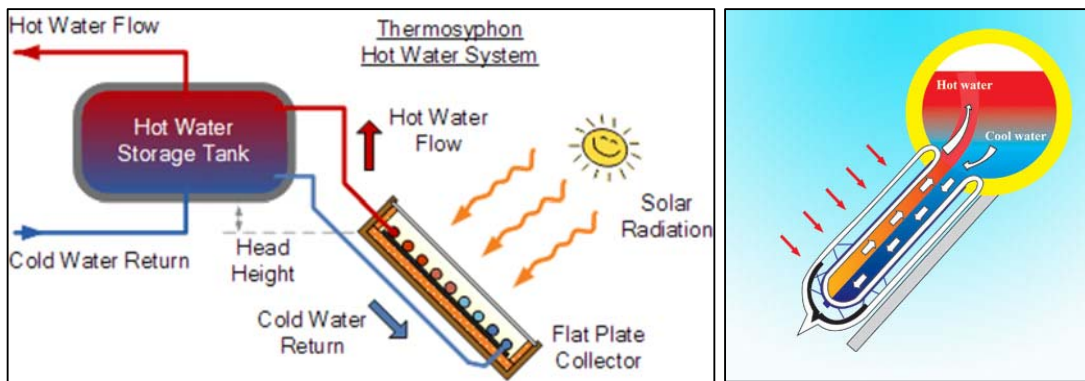
### Technology #1A: Non-pressure vacuum thermosiphon SWH with a capacity of 150 l.

Thermosiphon free-flow seasonal solar collectors are distinguished by their simple design and low price. The main component of the vacuum tube solar collector are glass vacuum tubes. Each vacuum tube consists of two glass tubes. The outer tube is made of transparent, heavy-duty borosilicate glass that can withstand hailstones with a diameter of 25 mm. The inner tube is also made of clear borosilicate glass covered with a special selective coating that absorbs heat with minimal reflection. To avoid heat loss, air is pumped out from the space between the two pipes and a vacuum is created.

Vacuum tube collectors with an integrated tank are used to supply hot water to seasonal facilities from April to October. This system every day heats up to 150 liters to a temperature of **60°C** and saves from **1600 to 1750 kWh** of electricity per year (assuming that in the absence of the project, the water would be heated by electric heaters).

Perfect for hot water supply during the holiday season of hotels, boarding houses, camp sites, swimming pools, summer showers. It can also be used for heating greenhouses and partial heating of residential premises.

### FIGURE 1: OPERATION PRINCIPLE OF THE SWH



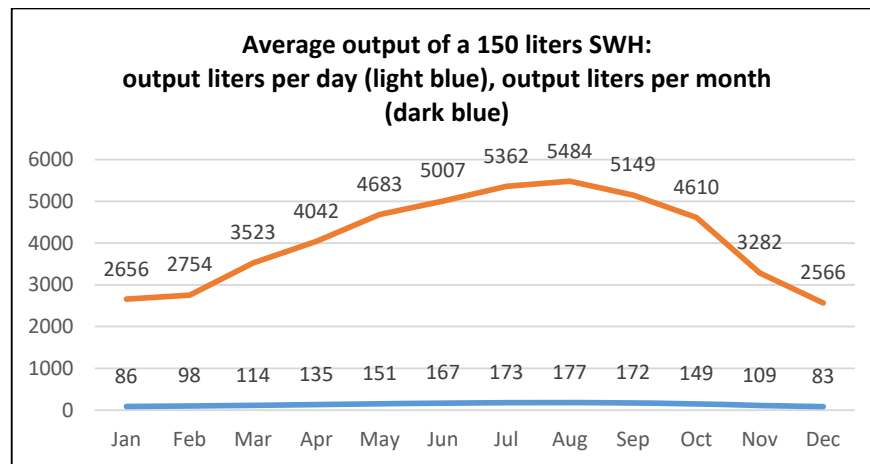
Technical characteristics of a free-flow thermosiphon system for 150 liters:

- Function: - water heating
- Number of tubes: 15 pcs
- Vacuum tube size: 58x1800mm
- Vacuum tube coating: ALN / ALN-SS / Cu
- Tank capacity: 150l
- Tank insulation material: polyurethane
- Recommended tilt angle: 27-45 degrees
- Service life: at least 10 years
- Warranty: 5 years by manufactures and local private entrepreneurs

**TABLE 1: ADVANTAGES AND DISADVANTAGES OF A 150 LITER FREE-FLOW THERMOSIPHON SWH SYSTEM**

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>▪ Low cost of the SWH</li> <li>▪ Ease of installation.</li> <li>▪ Insignificant heat loss, temperature loss in the tank 4-8 degrees during the day.</li> <li>▪ Ideal for warm and mild climates.</li> <li>▪ The operating season is from April to October, with an additional electric heating element it is possible to increase the operating mode from March to November.</li> <li>▪ on a sunny summer day, the water temperature reaches 90°C and on winter sunny days, 60°C.</li> <li>▪ water heating time 3-4 hours This means that in summer season the water may be heated 2-3 times a day</li> </ul>	<ul style="list-style-type: none"> <li>▪ The system works only in plus temperatures, since the water is directly inside the vacuum tube, at night temperatures below 0°C and cloudy daytime weather there is a possibility of water freezing inside the vacuum tubes and their destruction.</li> <li>▪ the operating season is from April to October, with an additional electric heating element, you can increase the operating mode from November to March.</li> <li>▪ The system is free-flow, and it is necessary to install another tank above the collector installation level, which leads to additional costs.</li> <li>▪ The system with the tank is installed on the roof and adds additional weight to the roof structure and also increases the difficulty of maintenance.</li> </ul>

**FIGURE 2: AVERAGE OUTPUT A 150 LITER FREE-FLOW THERMOSIPHON SWH SYSTEM**



Such 150l SWH heats the water from 10-15°C (incoming water) to 60°C (outgoing water). For one year it can heat 49118 liters of water.

The price for installation of non-pressure vacuum thermosyphon SWH with a capacity of 150 l is \$350 or 3.955 TJS (current price at the Tajik market).

#### **Green Product #1B: SPVBS 100-600W-600Wh**

The price of solar PV system SPVBS 100-600W-600Wh was dropping with a stable regression for the past 5 years, falling by 35% from USD 1.20 to USD 0.75 by mid-2020 per 1W. However, due to Covid-19 pandemic and complete border-closure with China, prices in Tajik market have recently increased to USD 0.85, though there is no guarantee from the private entrepreneur that the price will remain at that level. It entirely depends on the demand, border situation and logistics. The complete solar system includes one Mono solar Panel with capacity 100W, one gel battery with a voltage of 12V and a capacity of 50 Ah, one modified sine wave inverter with a power of 600W. This system allows uninterrupted electricity to the lighting system (5 pcs of 5W LED bulbs) and one small LED TV.

The photovoltaic geographic information system (PVGIS) was used by the Project Consultant. PVGIS is a website that gives you information about solar radiation and Photovoltaic (PV) system performance. PVGIS helps to calculate how much energy could be got from different kinds of PV systems at nearly any place in the world. This specialized tool provides information in the following areas:

- **Performance of grid-connected PV:** for calculation of the long-term average energy output from PV systems that are connected to the electricity grid so that the energy produced can be used locally or sent to the grid. This works for fixed PV systems, where the PV modules are mounted in a fixed position, either on a free-standing rack or on a building.
- **Performance of tracking PV systems:** for calculation of the long-term average energy output from grid-connected PV systems where the modules are put on a sun-tracking mounting, so the modules receive more sunlight.
- **Performance of off-grid PV systems.** This tool allows to calculate PV systems that are not connected to the electricity grid but use batteries as energy storage.
- **Monthly radiation.** This tool helps to get monthly average radiation and temperature data for each month over a range of years.
- **Daily radiation:** for calculation of the average solar irradiance and temperature during the day for an average day in each month.
- **TMY** is a tool to generate Typical Meteorological Year (TMY) data of solar radiation, temperature, and other meteorological data, used in many fields, for instance in the calculation of the energy performance of buildings.

According to PVGIS calculations, the annual solar radiation in Tajikistan is **1800-2000 kWh / m<sup>2</sup>**, thus 100 W solar photovoltaic panels, considering their efficiency, can generate **140 kWh** of electricity during the year. Another characteristic feature of this system is that the battery with a total storage energy of 600 Wh (= 12V \* 50 Ah), provides uninterrupted power supply to all the above loads during a cloudy day, and is also independent from the general city network.

**TABLE 2: AVERAGE OUTPUT OF SOLAR PV SYSTEM OF SPVBS 100-600W-600WH**

Month	Average output, kWh	Month	Average output, kWh
January	7.5	July	15.3
February	7.3	August	15.7
March	10.3	September	15.3
April	12.1	October	12.7
May	13.1	November	8.5
June	14.3	December	7.9
<b>Total annual output, kWh</b>		<b>140</b>	

The price of installation of SPVBS 100-600W-600Wh is \$350 or 3.955 TJS.

**Technology #2A: Pressure vacuum thermosiphon 150l SWH**

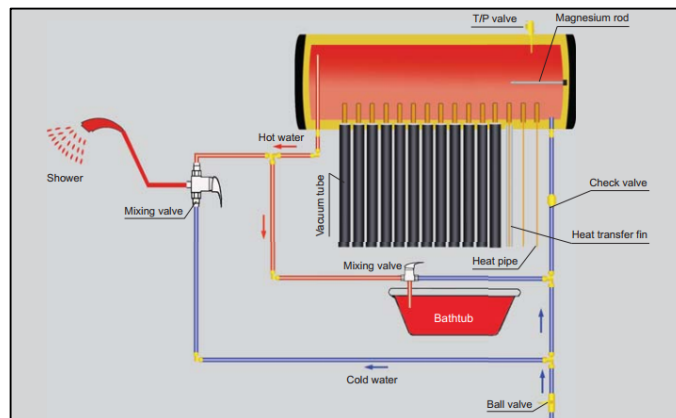
The thermosiphon pressure solar collector is a device that converts solar energy into thermal energy. It is used to prepare hot water for domestic and business needs. In fact, it is a vacuum manifold with a tank.

The use of the thermosiphon collector is seasonal - from February to December. With the additional connection of an electric heating element, it can work effectively round the year.

**Operation principle**

A seasonal pressure solar collector consists of two important parts: a storage tank in which water circulates, and double vacuum tubes (one inserted into the other). The space between the tubes is filled with vacuum to ensure the lowest heat loss, and the heat removal reaches 95%. A heat-resistant substance (antifreeze) flows through the inner tube of the Heat Pipe, which, under the influence of solar radiation, moves upward, turns into steam and transfers heat to the water in the tank through the condenser. Cold water enters the storage tank under pressure from the water supply and heated through pipes reaches the points of draw-off.

**FIGURE 3: OPERATION PRINCIPLE OF PRESSURE VACUUM THERMOSIPHON SWH**



**Peculiarities**

The external storage tank is made of black metal (powder coated), the internal tank is made of stainless steel. Between them, 55mm thick polyurethane foam is used as thermal insulation. The frame and outer tank are anti-corrosion treated. The system also has 15 double glass tubes: the outer one is transparent, the inner one is borosilicate-coated for more efficient absorption of solar heat. All sealing elements are made of silicone rubber, which is odorless, non-toxic and helps maintain high water temperatures.

This seasonal solar collector has a capacity of **150 liters of hot water**, which will be enough for a family of 3-4 people. This system will save from **1600 to 1750 kWh<sup>6</sup>** of electricity per year.

In addition to the basic configuration, the system can optionally include a heating element, a thermostat, an electronic controller, and a temperature sensor.

**TABLE 3: ADVANTAGES AND DISADVANTAGES OF USING OF A PRESSURE VACUUM THERMOSIPHON 150L SWH SYSTEM**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>On a summer day, the water temperature reaches 90°C and on winter sunny days - 60°C.</li> <li>ideal for warm and moderately cold climates.</li> <li>water is heated with the help of the heat pipe and is located only inside the tank, and not inside the vacuum tubes, which will increase the collector's operating mode to a temperature of -10°C.</li> <li>possibility to connect water line pipe directly to the SWH without additional equipment and use it instead of an electric water heater</li> </ul>	<ul style="list-style-type: none"> <li>The system works up to a temperature of -10°C and it is necessary to install it with additional electric heating element for operation at a lower temperature.</li> <li>The system requires you to additionally install a tank above the installation level of the collector, which leads to additional costs.</li> <li>The tank should be installed on the roof which adds additional weight to the roof structure and also increases the difficulty of maintenance.</li> </ul>

The price of the installation of pressure vacuum thermosiphon 150l SWH is \$530 or 5.989 TJS.

**Technology #2B: SPVBS 200-600W-600Wh**

The complete solar system includes one 200W mono solar panel, one gel battery with a voltage of 12V and 100 Ah each, and one modified sine wave inverter with a power of 1 kW. This system allows to provide uninterrupted electricity to the lighting system (10 pcs of 5W LED bulbs), one “20” inches TV.

According to PVGIS calculations, the annual solar radiation in Tajikistan is 1800-2000 kWh / m2, thus a 200 W solar photovoltaic system generates **280 kWh** of electricity during the year. Another characteristic feature of this system is that the battery with a total storage energy of 4800 Wh, provides uninterrupted power supply to all the above loads during a cloudy day, and is also independent from the general city network.

**TABLE 4: AVERAGE OUTPUT OF SOLAR PV SYSTEM OF SPVBS 200-600W-600WH**

Month	Average output, kWh	Month	Average output, kWh
January	15.0	July	30.6
February	14.6	August	31.4
March	20.6	September	30.6
April	24.2	October	25.4
May	26.2	November	17.0
June	28.6	December	15.8

<sup>6</sup> The information is provided by RES engineers. There is not significant deviation of outputs between both systems (for Non-pressure vacuum thermosyphon SWH, which operates during April-October, while this Pressure vacuum thermosiphon during February-December), therefore we have used the same figures



The price with installation of SPVBS 200-600W-600Wh SWH is \$650 or 7.345 TJS

### Technology #3A: Split system 200l SWH

The split system is based on a vacuum solar collector. Such systems are called all-season or separate. The principle of operation of such collectors resembles the operation of a central heating installation. It is a closed system that can work under water pressure. Vacuum solar collectors absorb solar energy, converting it into thermal energy. Due to solar energy, this system is able to provide from 70 to 100% of the daily demand for hot water supply for domestic purposes and significantly reduce costs (30-35%) for water heating. It could contribute to heating as well; however, the system should be upgraded. Additional costs depend on the water needs. For example, it could be connected to the additional electric hot water cylinder which costs \$150. Due to the vacuum, the loss of heat to the atmosphere is minimal.

*Solar collectors are used:*

- to provide hot water supply in houses and dachas, hotels, sanatoriums, boarding houses, sports complexes, catering establishments, tourist centers, industrial, agricultural, and other facilities.
- in floor heating devices.
- to support the heating system.

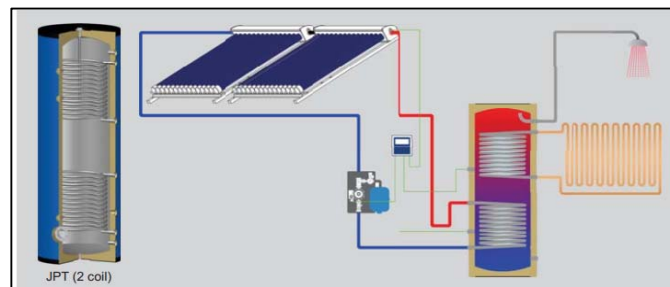
The solar split system consists of:

- solar collector with vacuum tubes, inside of which there is a copper heating element.
- workstation, which includes circulation pump, controller, expansion tank, pressure gauge, sensor etc.
- water tank with one or two heat exchangers.

*Solar split system operation principle:*

The design of the vacuum tube is similar to the design of the glass bulb of a thermos. Each tube has a built-in copper heating element with a boiling and evaporating liquid sealed inside its plane. The solar energy absorbed by the three-layer coating of the vacuum tube is converted into heat energy and transferred to the copper heating element. The vacuum tube together with a copper heating element (hereinafter referred to as the "heat pipe") is connected to a condenser located in the heat exchanger of the collector absorber.

**FIGURE 4: OPERATION PRINCIPLE OF SOLAR SPLIT SWH SYSTEM**



Under the influence of heat, the liquid in the heat pipe boils and evaporates to the upper part, where it gives off thermal energy to the coolant of the main circuit of the water tank.

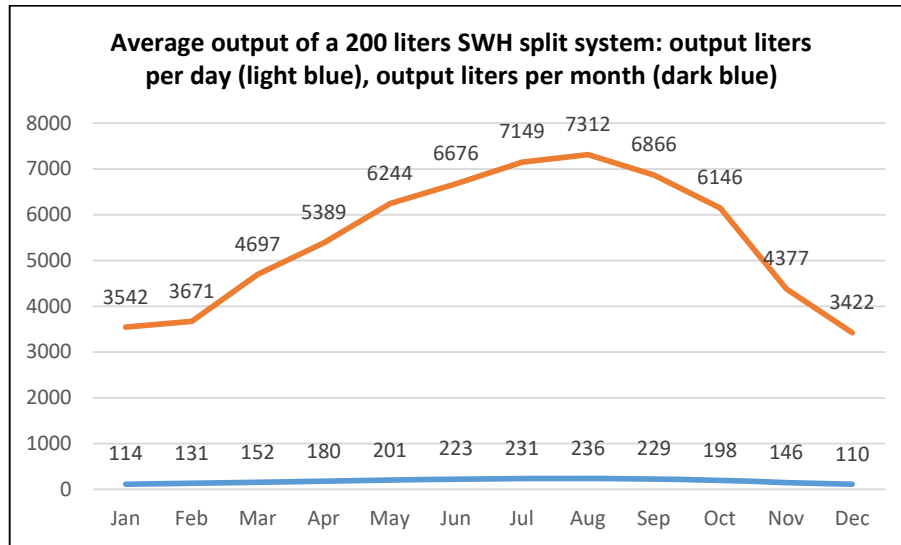
The heating agent of the heating circuit is heated in the second heat exchanger, located in the upper part of the water tank, due to the transfer of heat from the water in the tank heated by the heat exchanger of the

main circuit. The liquid condensate in the heat pipe, after the heat transfer, is released downward and evaporates again. This process is cyclical.

The solar collector receiver is made of copper with thermal insulation. Heat transfer takes place through a copper "sleeve" of the receiver, so that the heating circuit is separated from the pipes.

Solar split-system for hot water and house heating with a volume of 200 liter heats **200 liter to a temperature of 60°C** every day and saves around **2100 kWh of electricity per year**.

**FIGURE 5: AVERAGE OUTPUT OF A 200 LITERS SHW SPLIT SYSTEM**



Such 200l split SWH systems heat the water from 10-15°C (incoming water) to 60°C (outgoing water). In one year, it can heat up to 65,490 liters of water.

**TABLE 5: ADVANTAGES AND DISADVANTAGES OF USING OF A SOLAR SPLIT SYSTEM FOR HOT WATER AND HOUSE HEATING**

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>▪ On a summer day, the water temperature reaches 90°C and on winter sunny days 60°C.</li> <li>▪ ideal for any climate.</li> <li>▪ the water is heated using the heat pipe and is located only inside the container, and not inside the vacuum pipes, and the container is also inside the room, which will increase the collector's operating mode to a temperature of -40°C (applicable for GBAO).</li> <li>▪ possibility to connect water line pipe directly to the SWH without additional equipment and use it instead of an electric water heater.</li> <li>▪ the system can be used to support the heating system.</li> <li>▪ the system is fully automated, which reduces the time for service.</li> </ul>	<ul style="list-style-type: none"> <li>▪ High cost of the split system.</li> <li>▪ Uninterrupted electricity supply is required for constant operation of the circulation pump and automation</li> </ul>

The price for the installation of split system 200l SWH is \$1.800 or 20.340 TJS.

**Technology #3B: SPVBS 1800-3000W-9600Wh**

The complete solar system includes six solar 300W panels with total power of 1800W, four gel battery with a voltage of 12V and 200Ah capacity each, one pure sine wave inverter with a power of 3 kW and one MPPT

charge controller. This system allows us to provide uninterrupted electricity to the lighting system (up to 60 LED bulbs), TV, refrigerator, computer or washing machine.

According to PVGIS calculations, the annual solar radiation in Tajikistan is 1800-2000 kWh / m<sup>2</sup>, thus a solar photovoltaic system with a capacity of 1800 W produces 2250-2550 kWh of electricity during the year. Another characteristic feature of this system is that the battery with a total storage energy of 9600 Wh, provides uninterrupted power supply to all the above loads during a cloudy day, and is also independent from the general city network.

**TABLE 6: AVERAGE OUTPUT OF SOLAR PV SYSTEM OF MODEL SPVBS 1800-3000W-9600WH**

Month	Average output, kWh	Month	Average output, kWh
January	113.0	July	271.7
February	103.3	August	281.4
March	173.9	September	275.8
April	209.8	October	227.9
May	233.2	November	150.8
June	253.9	December	127.2
Total annual output, kWh		2,422	

The price with installation of SPVBS 1800-3000W-9600Wh is \$3.300 or 37.290 TJS.

The increase of solar PV prices is not proportional in relation to the increase of capacity of elements of the system. For example, in spite of the increase of 50% of solar PV panels from 800W to 1200W, the capacity of the batteries (the most expensive part of PV system) doubled from 2400Wh to 4800 Wh.

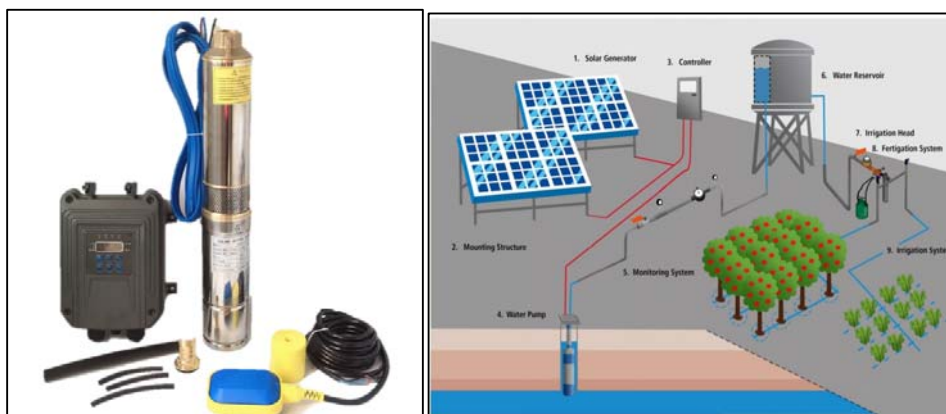
In addition, off-grid systems and the proportion of batteries differ from proportion of PV panels. For instance, 3 PV sets:

- \$1250:800W=\$1,56 per 1W
- \$2300:1200W=\$1,92 per 1W
- \$3300:1800W=\$1,83 per 1W

**Technology # 3C: 3.7 KW pump with 5KW Panels-124m<sup>3</sup>/day-50m depth**

Solar pumps run on electricity generated by PV panels. It consists of a solar panel, controller, DC water pump, fuse box/breakers, electrical wiring, and a water storage tank or reservoir. The operation of solar pump is more economical Compared to traditional electric pumps mainly due to the lower operation and maintenance costs. Solar pumps are useful where grid electricity is unavailable.

**FIGURE 6: SOLAR PUMP AND OPERATION SCHEME OF THE SOLAR PUMP**



The solar PV water pumping systems are used for irrigation and drinking water. Most of the used pumps are fitted with a 2.0 - 3.7 kW motor that receives energy from a 5.0 kW PV panels. The 3.7 kW systems can deliver about 124 m<sup>3</sup> of water per day from 50 meters depth.

The price of installation of a 3.7 KW pump with 5KW Panels-124m<sup>3</sup>/day-50m depth is \$6.000 or 67.800 TJS.



## LOW VALUE GRANT AGREEMENT

Between United Nations Development Programme and a Recipient Institution

### HOW TO USE THIS AGREEMENT

- This template is provided as a tool that can be adapted to the specific needs of a particular project. Low Value Grant Agreements should be approved by an independent mechanism such as a Steering Committee/Project Board or a selection committee nominated by the Project Board. The agreement serves to register the commitments and results that the Recipient Institution has agreed to produce. It is recommended that funds be released in tranches, based on demonstrated achievement of results, however grants may also be given in one tranche. The terms should be clearly specified so that it is clear to all parties when a Recipient Institution qualifies for release of tranches of funds.
- Please make sure to complete the face sheet with correct information.
- Please make sure to attach all the annexes listed on the face sheet.
- This instruction page, as well as all footnotes and any other instructions in this template, are only for the Business Unit's guidance and should be deleted before the agreement is sent to the Recipient Institution for review and signature.
- Any substantive changes to the provisions in this template agreement must be cleared up with the Legal Office, Bureau for Management Services, UNDP.
- Please have two originals of this agreement signed. After signature, UNDP keeps one original and provides the Recipient Institution with the other original.



Together for a Sustainable Future

### Low Value Grant Agreement

[Reference No. insert reference number, if any; if none, delete bracketed text]

1. Country: [Click <b>here</b> and enter Host Country name]					
2. Recipient Institution: "[Click here and enter full name of Recipient Institution]" incorporated under the laws of "[Click here and enter jurisdiction of incorporation]" with address at "[Click here and enter full address of Recipient Institution]"					
3. Project Number and Title: "[Click here and enter Project number (if any) and title]"					
4. Implementation Period: From [Click <b>here</b> and enter date] to [Click <b>here</b> and enter date]					
5. Budget: Up to the amount of US\$ [Click <b>here</b> and enter amount] ([Click <b>here</b> and amount in words] United States Dollars)					
6. Schedule of Disbursement of Funds to Recipient Institution:					
<table border="0"> <thead> <tr> <th style="text-align: center;"><u>Disbursement Date/Milestone</u></th> <th style="text-align: center;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">[insert specific date/milestone]</td> <td style="text-align: center;">[specify amount]</td> </tr> </tbody> </table>		<u>Disbursement Date/Milestone</u>	<u>Amount</u>	[insert specific date/milestone]	[specify amount]
<u>Disbursement Date/Milestone</u>	<u>Amount</u>				
[insert specific date/milestone]	[specify amount]				
7. Information for Recipient Institution Bank Account into Which Funds Will Be Disbursed:					
Account Name: [Click <b>here</b> and enter Owner of Bank Account]					
Account Title: [Click <b>here</b> and enter Account Title]					
Account Number: [Click <b>here</b> and enter Account Number]					
Bank Name: [Click <b>here</b> and enter Bank name]					
Bank Address: [Click <b>here</b> and enter Bank Address]					
Bank SWIFT Code: [Click <b>here</b> and enter Bank SWIFT Code]					
Bank Code: [Click <b>here</b> and enter Bank Code]					
Routing instructions for disbursements: [Click <b>here</b> and enter any additional instructions]					
8. Notices to Recipient Institution:	9. Notices to UNDP:				
Name:	Name:				
Address:	Address:				
Tel:	Tel:				
Fax:	Fax:				
Email:	Email:				

10. Signed for "[Click here and enter Recipient Institution name]" by its Authorized Representative

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

11. Signed for the **United Nations Development Programme** by its Authorized Representative

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

**The following documents constitute the entire Agreement between the Parties and supersedes all prior agreements, understandings, communications and representations concerning the subject matter:**

**This face sheet ("Face Sheet")**

**Standard Terms and Conditions**

**Annex A – Accepted Grant Proposal**

**Annex B – Reporting Format**

**Annex C – Project Document for the Project funding this Grant Agreement**



Together for a Sustainable Future

## **STANDARD TERMS AND CONDITIONS**

This **Low Value Grant Agreement** (hereinafter referred to as the “Agreement”) is made between the United Nations Development Programme, a subsidiary organ of the United Nations established by the General Assembly of the United Nations (hereinafter “UNDP”), and the Recipient Institution named in block 2 of the Face Sheet (the “Recipient Institution,” and together with UNDP, the “Parties”).

WHEREAS, UNDP [is the Implementing Partner] *or* [provides support services to {name of partner}, the Implementing Partner]<sup>7</sup> of the project named in block 3 of the Face Sheet (hereinafter referred to as “the Project”) and more specifically described in the project document [Insert project number and title] attached as **Annex C** (the “Project Document”), implemented at the request of the Government of the country named in block 1 of the Face Sheet;

WHEREAS, UNDP desires to provide funds to the Recipient Institution in the context of the Project for the purposes of undertaking the activities in the accepted Grant Proposal (the “Funds”), and on the terms and conditions hereinafter set forth; and

WHEREAS, the Recipient Institution is ready and willing to accept such Funds from UNDP for the activities (the “Activities”) described in the accepted Grant Proposal in **Annex A** (the “Proposal”) on the terms and conditions hereinafter set forth in this agreement;

NOW, THEREFORE, the Parties hereto agree as follows:

### **1.0 Responsibilities of the Recipient Institution**

1.1 The Recipient Institution agrees to undertake the Activities and achieve the deliverables described in the accepted Proposal (Annex A) with due diligence and efficiency, pursuant to the schedule set forth in the Proposal, and in accordance with the terms and conditions of this Agreement. The Activities must be undertaken in a manner consistent with the regulations, rules, policies and procedures of UNDP, and in accordance with the Project Document which forms an integral part of this Agreement. Funds provided pursuant to this Agreement shall be prudently managed by the Recipient Institution and used solely for the Activities to produce results specified in the Proposal.

1.2 The Recipient Institution agrees to reach the performance targets (the “Performance Targets”) as indicated in the accepted Proposal. If the Recipient Institution fails to meet its responsibilities outlined in this Agreement, or to attain at least 70% of any one Performance Target for any given year, then this will be considered grounds to suspend any further disbursement of Funds. The suspension shall remain in effect until the Recipient Institution has achieved the relevant Performance Targets.

1.3 The Recipient Institution shall inform UNDP about any problems it may face in attaining the objectives agreed upon.

### **2.0 Duration**

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<sup>7</sup> Select only the relevant option and delete the other



2.1 This Agreement, prepared in two originals, shall become effective on the date of its signature by both the Recipient Institution and UNDP, acting through their duly Authorized Representatives, indicated in blocks 10 and 11 of the Face Sheet, and expire on the Implementation Period end date indicated in block 4 of the Face Sheet, unless earlier terminated pursuant to Article 6.4 or 7.9 below.

### **3.0 Payments**

3.1 Subject to the express terms of this Agreement, UNDP shall provide Funds to the Recipient Institution in an amount not to exceed the amount set forth in block 5 of the Face Sheet according to the schedule set out in block 6 of the Face Sheet. Payments are subject to the Recipient Institution meeting the Performance Targets.

3.2 All payments shall be deposited into the Recipient Institution's bank account, the details of which are set forth in block 7 of the Face Sheet.

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 Recipient Institution in the performance of the Activities under this Agreement.

### **4.0 Records, Information and Reports**

4.1 The Recipient Institution shall maintain clear, accurate and complete records in respect of the Funds received under this Agreement. Upon completion of the Activities, or the termination of this Agreement, the Recipient Institution shall maintain the records for a period of at least five (5) years.

4.2 The Recipient Institution shall furnish, compile and make available at all times to UNDP any records or information, oral or written, which UNDP may reasonably request in respect of the Funds received by the Recipient Institution.

4.3 The Recipient Institution shall provide progress reports ("Performance Reports") including financial and narrative information, to UNDP at least 30 days before the expected release of the next tranche or at least annually within 30 days after the end of year until the activities have been completed. The Performance Report, including the financial reporting component, shall follow the format in **Annex B** and shall include certification by the Recipient Institution's representative with institutional responsibility for financial reporting, including the certification date.

4.5 Within [X, but no more than 60] days after completion of the Activities, the Recipient Institution shall provide UNDP with a final financial and narrative report with respect to all expenditures made from such Funds and indicating the results achieved, utilizing the reporting format contained in **Annex B**.

4.6 All further correspondence regarding the implementation of this Agreement should be addressed to the addresses set forth in blocks 8 and 9 of the Face Sheet, as applicable.

### **5.0 Audits and Investigations**

5.1 Notwithstanding the above, UNDP shall have the right to audit or review the Recipient Institution's related books and records as it may require, and to have access to the books and record of the Recipient Institution, as necessary.

5.2 The Recipient Institution acknowledges and agrees that, at any time, UNDP may conduct investigations relating to any aspect of the Agreement, the obligations performed under the Agreement, and the operations of the Recipient Institution generally. The right of UNDP to conduct an investigation and the Recipient Institution's obligation to comply with such an investigation shall not lapse upon expiration or prior termination of the Agreement.

5.3 The Recipient Institution shall provide its full and timely cooperation with any such inspections, audits or investigations. Such cooperation shall include, but shall not be limited to, the Recipient Institution's obligation to make available its personnel and any relevant documentation for such purposes at reasonable times and on reasonable conditions and to grant to UNDP access to the Recipient Institution's premises at reasonable times and on reasonable conditions in connection with such access to the Recipient Institution's personnel and relevant documentation. The Recipient Institution shall require its agents, including, but not limited to, the Recipient Institution's attorneys, accountants or other advisers, to reasonably cooperate with any inspections, audits or investigations carried out by UNDP hereunder.

5.4 UNDP shall be entitled to a refund from the Recipient Institution for any amounts shown by such audits and investigations to have been used by the Recipient Institution other than in accordance with the terms and conditions of the Agreement. The Recipient Institution also agrees that, where applicable, donors to UNDP whose funding is the source of, in whole or in part, the Funds for the Activities, shall have direct recourse to the Recipient Institution for the recovery of any Funds determined by UNDP to have been used in violation of or inconsistent with this Agreement and/or the Proposal.

## **6.0 Representations and Warranties**

6.1 The Recipient Institution represents and warrants that:

(a) it has not and shall not offer any direct or indirect benefit arising from or related to the performance of the Agreement or the award thereof to any representative, official, employee, or other agent of UNDP.

(b) neither it, its parent entities (if any), nor any of the Recipient Institution's subsidiary or affiliated entities (if any) is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, *inter alia*, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

(c) neither it, its parent entities (if any), nor any of the Recipient Institution's subsidiaries or affiliated entities (if any) is engaged in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

(d) it shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by its employees or any other persons engaged and controlled by the Recipient Institution to perform any services under the Agreement. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Recipient Institution shall refrain from, and shall take all reasonable and appropriate measures to prohibit its employees or other persons engaged and controlled by it from exchanging any money, goods, services, or other things of value, for sexual favors or activities, or from engaging any sexual activities that are exploitive or degrading to any person. UNDP shall not apply the foregoing standard relating to age in any case in which the Recipient Institution's personnel or any other person who may be engaged by the Recipient Institution to perform any services under the Agreement is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such personnel or such other person who may be engaged by the Recipient Institution to perform any services under the Agreement.

(e) neither it, its parent entities (if any), nor any of the Recipient Institution's subsidiary, affiliated entities (if any), suppliers and subcontractors is engaged in any transactions with, and/or the provision of resources and support to, individuals and organizations associated with, receiving any type of training for, or engaged in, any act or offense described in Article 2, Sections 1, 3, 4 or 5 of the International Convention for the Suppression of the Financing of Terrorism, adopted by the General Assembly of the United Nations in Resolution 54/109 of 9 December 1999.

6.2 The Recipient Institution shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the Agreement.

6.3 The Recipient Institution acknowledges that it has read the Project Document attached hereto as Annex C, including the section entitled "Risk Management". The Recipient Institution hereby agrees that in undertaking the Activities in the Proposal, it will be bound, *mutatis mutandis*, by the obligations and agreements set forth in the Project Document as applicable to the Implementing Partner of the Project.

6.4 The Recipient Institution acknowledges and agrees that the provisions of this Article 6.0 constitute an essential term of the Agreement and that breach of any such representation and warranty, or covenant shall entitle UNDP to terminate the Agreement immediately upon notice to the Recipient Institution, without any liability for termination charges or any other liability of any kind.

## **7.0 General Provisions**

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

7.2 The Recipient Institution shall carry out all Activities described in the Proposal with due diligence and efficiency. Subject to the express terms of this Agreement, it is understood that the Recipient Institution shall have exclusive control over the administration and implementation of the Activities and that 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 the Activities shall be subject to review by the Project's Steering Committee/Project Board. If at any time the Steering Committee/Project Board is not satisfied with the quality of work or the progress being made toward achieving such goals, the Steering Committee/Project Board may advise UNDP 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 Recipient Institution as described in Article 7.9 below; and/or seek any other remedy as may be necessary. The Steering Committee/Project Board'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 Recipient Institution as far as further payments are concerned.

7.3 UNDP undertakes no responsibility 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 Recipient Institution.

7.4 The rights and obligations of the Recipient Institution are limited to the terms and conditions of this Agreement. Accordingly, the Recipient Institution 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.

7.5 The Recipient Institution shall be fully responsible for all services performed by its personnel, agents, employees, contractors, subcontractors and any other party undertaking Activities in relation to implementing the Proposal on behalf of the Recipient Institution (hereinafter referred to as "Recipient Institution Personnel") and shall ensure that all of its obligations under this Agreement extend to the Recipient Institution Personnel. The Recipient Institution may not assign, transfer, pledge, or make any other disposition of the Agreement, of any part of it, or of any of its rights, claims or obligations under the Agreement, except with the prior written authorization of UNDP. Any authorized assignee or transferee shall be bound by the terms and conditions of this Agreement. The Recipient Institution may not use the services of subcontractor(s) unless prior written authorization is granted by UNDP. If such authorization is granted, the Recipient Institution shall ensure that such subcontractor(s) do not use further tiers of subcontractors, unless prior written authorization is granted by UNDP. Any authorized subcontractor shall be bound by the terms and conditions of this Agreement. The use of subcontractors shall not relieve the Recipient Institution of any of its obligations under this Agreement.

7.6 The Recipient Institution shall indemnify, hold and save harmless, and defend at its own expense, UNDP, its officials and persons performing services for UNDP, from and against all suits, claims, demands and liability of any nature and kind, including their cost and expenses, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) or relating to the acts or omissions of the Recipient Institution, Recipient Institution Personnel or other persons hired for the management of the present Agreement and the Project. The Recipient Institution shall be responsible for, and deal with all claims brought against it by any Recipient Institution Personnel.

7.7 If provided for in the Project Document (or if otherwise agreed between UNDP and the Government of the country named in block 1 of the Face Sheet), assets and equipment purchased with the Funds will become the property of the Recipient Institution. The Recipient Institution shall be responsible for substantive and financial reporting on its use of the Funds to the Steering Committee set up to oversee grant making and/or the implementing partner, as defined in the Project Document. The assets and equipment shall be used for the purpose indicated in the Proposal throughout the period of this Agreement. Procurement of goods, services and technical assistance required under the Proposal will be conducted by the Recipient Institution in accordance with the principles of highest quality, transparency, economy and efficiency. Such procurement will be based on the assessment of competitive quotations, bids, or other proposals, unless otherwise agreed in writing by UNDP.

7.8 Ownership of patent rights, copyrights, and other similar rights ("Intellectual Property Rights") to any discoveries, inventions or works resulting from implementation of the Activities under this Agreement shall vest in the Recipient Institution. Nonetheless, the Recipient Institution shall grant UNDP a perpetual, irrevocable, world-wide, non-exclusive and royalty-free license to use, reproduce, adapt, modify, distribute,

sub-license and make use of such Intellectual Property Rights, including the ability to further license to program country governments in accordance with the requirements of the agreement between the UNDP and the government(s) concerned.

7.9 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 Recipient Institution shall promptly return any unutilized Funds to UNDP.

7.10 The Recipient Institution acknowledges that UNDP and its representatives have made no actual or implied promise of funding except for the amounts specified in this Agreement. Although project related documents may indicate a total amount of funds that could be available for this Recipient Institution, actual disbursements will be based upon the Recipient Institution meeting the Performance Targets. If any of the Funds are returned to UNDP or if this Agreement is rescinded, the Recipient Institution acknowledges that UNDP will have no further obligation to the Recipient Institution as a result of such return or rescission.

7.11 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 or their duly authorized representatives in the form of an amendment to this Agreement duly signed by the Parties hereto.

7.12 The Parties shall try to settle amicably through direct negotiations, any dispute, controversy or claim arising out of or relating to the present Agreement, including breach and termination of the Agreement. If these negotiations are unsuccessful, the matter shall be referred to arbitration in accordance with the United Nations Commission on International Trade Law Arbitration Rules. 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.

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

7.14 Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party to the other Party during the term of this Agreement shall be considered confidential and shall be handled pursuant to the UNDP Information Disclosure Policy, not attached hereto but known to and in the possession of the Parties. The Recipient Institution may disclose information to the extent required by law, provided that and without any waiver of the privileges and immunities of the United Nations, the Recipient Institution will give UNDP sufficient prior notice of a request for the disclosure of information in order to allow UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made. UNDP may disclose information to the extent required pursuant to the Charter of the United Nations, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General of the United Nations.

7.15 The Recipient Institution shall only use the name (including abbreviations), emblem or official seal of the United Nations or UNDP in direct connection with the Activities under this Agreement and upon receiving prior written consent of UNDP. Under no circumstances shall such consent be provided in connection with the use of the name (including abbreviations), emblem or official seal of the United Nations or UNDP for commercial purposes or goodwill.

7.16 The provisions of Article 4.1, Article 5.0, and Articles 7.3, 7.6, 7.7, 7.8, 7.12, 7.13, 7.14 and 7.15 shall survive and remain in full force and effect regardless of the expiry of the Project Implementation Period or the termination of this Agreement.