

GRANT AGREEMENT

(Micro-Capital Grant Agreement)

For Non-Credit Related
Activities

DESCRIPTION

Standard Grant Agreement (Micro-Capital Grant Agreement)

This Memorandum of Understanding is provided as a tool that can be adapted to the specific needs of a particular programme. Micro-Capital Grant Agreements should be approved by an independent mechanism such as a steering committee or Steering Committee. This grant 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 results. These results should be clearly specified, such that it is clear to all parties when a recipient institution qualifies for release of tranches of funds.

TERMINOLOGY

1. This Agreement utilizes the harmonized terminology in line with the revised financial regulations and rules (FRR) which have introduced new/redefined terms as follows:
 - a. 'Execution' is the overall ownership and responsibility for UNDP programme results at the country level which is exercised by the government, through the Government Coordinating Agency by approving and signing the Country Programme Action Plan (CPAP) with UNDP. Therefore, all activities falling within the CPAP are nationally executed.
 - b. 'Implementation' is the management and delivery of programme activities to achieve specified results, specifically the mobilization of UNDP programme inputs and their use in producing outputs that will contribute to development outcomes, as set forth in the Annual Work Plans (AWPs).

These two terms are elaborated under the Legal Framework section of the Programme and Project Management Section of the POPP.

2. It is important to note that at the level of project management, the terms "execution" under the non-harmonized operational modalities, including global and regional projects and "implementation" under the harmonized operational modalities have the same meaning, i.e. management and delivery of project activities to produce specified outputs and efficient use of resources. Therefore, this Agreement uses the term "implementation" in line with the "harmonized operational modalities" to cover also at the project level the term "execution" under the non-harmonized operational modalities. More specifically, all references to "Executing Agency" have been replaced with "Implementing Partner".
3. When using this Letter of Agreement in non-harmonized or non-CPAP countries, change the following terms as follows:
 - a. Execution instead of Implementation
 - b. Designated Institution instead of Implementing Partner

A. MICRO-CAPITAL GRANT AGREEMENT

MICRO-CAPITAL GRANT AGREEMENT BETWEEN THE IMPLEMENTING PARTNER AND THE RECIPIENT INSTITUTION FOR THE PROVISION OF GRANT FUNDS

1. Micro-Capital Agreement (hereinafter referred to as the "Agreement") made between the Implementing Partner [UNDP Samoa] and the Recipient Institution [Samoa Association of Manufacturers and Exporters].

WHEREAS UNDP Samoa (hereinafter referred to as "the Implementing Partner") has been requested by the United Nations Development Programme ("UNDP Pacific Centre") to manage the project defined in project document [00058684 MDGs and Poverty Alleviation] (hereinafter referred to as "the Project"), implemented at the request of the Government of [Samoa]

WHEREAS the Implementing Partner [UNDP Samoa] and UNDP desire to provide funding to the Samoa Association of Manufacturers and Exporters in the context of a Project and on the terms and conditions hereinafter set forth, and

WHEREAS the Samoa Association of Manufacturers and Exporters is ready and willing to accept such funds from the Implementing Partner [UNDP Samoa] and UNDP through the administration of UNDP for the above mentioned activities on the said terms and conditions.

NOW, therefore, the parties hereto agree as follows:

I. Responsibilities of the Samoa Association of Manufacturers and Exporters (SAME)

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

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

1.3 The Samoa Association of Manufacturers and Exporters agrees to inform the Steering Committee about any problems it may face in attaining the objectives agreed upon.

II. Duration

2.1 This Agreement will come into effect on **17/06/2013** and shall expire on **17/06/2013**, covering the anticipated term of the project. It can be extended, if necessary by exchange of letters, noting the new expiration date.

III. Payments

3.1 The Implementing Partner [In cases of UNDP Support to NIM/Direct Payments: UNDP] shall provide funds to the Samoa Association of Manufacturers and Exporters in an amount up to **US 25,000** according to the schedule of the project budget set out below. Payments are subject to the Samoa Association of Manufacturers and Exporters meeting the outputs as specified in the Performance Targets [Section C].

US 25,000, upon signature of this Agreement.

3.2 All payments shall be deposited into the Samoa Association of Manufacturers and Exporters bank account of which the details are as follows:

**ANZ Bank Samoa Limited
Swift Code ANZBWSWW
Samoa Association of Manufactures & Exporters Inc
Account # 1212404
Main Branch-Apia. Samoa**

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 Samoa Association of Manufacturers and Exporters in the performance of the activities under this Agreement.

IV. Records, Information and Reports

- 4.1 The Samoa Association of Manufacturers and Exporters shall maintain clear, accurate and complete records in respect of the funds received under this Agreement.
- 4.2 The Samoa Association of Manufacturers and Exporters shall furnish, compile and make available at all times to the Implementing Partner, UNDP any records or information, oral or written, which UNDP may reasonably request in respect of the funds received by the Samoa Association of Manufacturers and Exporters.
- 4.3 Within sixty days after completion of project activities, the Samoa Association of Manufacturers and Exporters shall provide the Implementing Partner and UNDP with a final report with respect to all expenditures made from such funds (including salaries, travel and supplies) and indicating the progress made toward the goals of the activities undertaken, utilizing the reporting format contained in Annex I.
- 4.4 All further correspondence regarding the implementation of this Agreement should be addressed to:

For the **Implementing Partner**
Georgina Bonin, ARR GPRU UNDP Samoa, Private Mail Bag, Apia, Samoa

For UNDP:
Garry Wiseman, Manger UNDP Pacific Centre, Kadavu House, Suva, Fiji

For the **RECIPIENT INSTITUTION:**
Eddie Wilson, SAME Head office Project Coordinator, Apia, Samoa

V. General Provisions

5.1 This Agreement and the Annexes attached hereto shall form the entire Agreement between **UNDP Samoa, UNDP Pacific Centre and Samoa Association of Manufacturers and Exporters** and the Implementing Partner, superseding the contents of any other negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Agreement.

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

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

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

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

5.6 Assets (Equipment) supplied by UNDP funds to the **Samoa Association of Manufacturers and Exporters** shall be the property of UNDP until the end of the project, at which time UNDP shall determine the best use of these assets. In cases where the **Samoa Association of Manufacturers and Exporters** has met its responsibilities under this agreement, and handover of the asset would contribute to the sustainability of activities, UNDP would normally handover these assets to the **Samoa Association of Manufacturers and Exporters**. The assets shall be used for the purpose indicated in the Workplan throughout the period of this Agreement.

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

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

5.9 No modification of or change to this Agreement, waiver of any of its provisions or additional contractual provisions shall be valid or enforceable unless previously approved in writing by the

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

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

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

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

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

On behalf of Implementing Partner:

Name: Nileema Noble 

Title: UNDP Resident Representative

Date: 17/06/2013

On behalf of the RECIPIENT INSTITUTION:

Name: Funefeai Oliva Vaai 

Title: SAME President

Date: 17/06/2013



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

PROJECT BUDGET OF RECIPIENT INSTITUTION

Project Number: 00058684

Date: 17/06/2013

Project Title: MDGs and Poverty Reduction in the Pacific

Name of the RECIPIENT INSTITUTION: **Samoa Association of Manufacturers and Exporters**

Total Amount of Funds under the Agreement: USD 25,000

Date of the Agreement: 17/06/2013

PROJECT BUDGET (in Local Currency)

PERIOD COVERING FROM _____ TO _____

General Category of Expenditures	Tranche 1	Tranche 2	Tranche 3	TOTAL
Personnel	25000			25000
Transportation				

Premises				
Training/Seminar/ Workshops, etc.				
Contracts (Audit)				
Equipment/Furniture (Specify)				
Other [Specify]				
Miscellaneous				
TOTAL	<u>25000</u>			<u>25000</u>

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

C. RECIPIENT INSTITUTION Performance Targets

NAME OF RECIPIENT INSTITUTION: **Samoa Association of Manufacturers and Exporters**

PERFORMANCE TARGETS	BASELINE	YEAR 1		YEAR 2		YEAR 3	
		Proposed	Actual	Proposed	Actual	Proposed	Actual

ANNEX 1

Annual Reporting Format

Year _____

Recipient Institution: _____

OVERALL TARGETS FOR ENTIRE GRANT	BASELINE	PROPOSED ANNUAL TARGETS	ANNUAL BUDGET	ACTUAL ANNUAL RESULTS	ACTUAL ANNUAL EXPENDITURES	PROGRESS TOWARDS TARGETS