

# **GRANT AGREEMENT**

(Micro-Capital Grant Agreement)

**For Non-Credit Related  
Activities**

## A. MICRO-CAPITAL GRANT AGREEMENT

### MICRO-CAPITAL GRANT AGREEMENT BETWEEN THE UNDP AND THE CITIZENS ASSOCIATION (ZDRUZENIE NA GRAGJANI) SMART-UP – SOCIAL INNOVATION LAB FOR THE PROVISION OF GRANT FUNDS

Micro-Capital Agreement (hereinafter referred to as the "Agreement") made between the UNDP as Implementing Partner and the Recipient Institution, the Citizens Association Smart Up – Social Innovation Lab (hereinafter referred to as "Smart-up")

WHEREAS the United Nations Development Programme ("UNDP") manages the project defined in project document 00109163- RESILIENT SKOPJE: SCALING-UP FOR SUSTAINABILITY, INNOVATION AND CLIMATE CHANGE (hereinafter referred to as "the Project"), with the financial support of the City of Skopje and UNDP.

WHEREAS UNDP desires to provide funding to Smart-Up in the context of the Project and on the terms and conditions hereinafter set forth, and

WHEREAS Smart-Up is ready and willing to accept such funds from UNDP for the above-mentioned activities on the said terms and conditions.

NOW, therefore, the parties hereto agree as follows:

#### I. Responsibilities of the RECIPIENT INSTITUTION

1.1 The Smart Up 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 project Board; and 3) Provide Annual Audited Statement [Income Statement and Balance Sheets]. 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 Smart Up agrees to reach the performance targets contained in Section C. If the Smart Up fails to meet its responsibilities outlined in article 1.1 or to attain at least 70% of any one performance target, then this will be considered grounds for the Project Board to suspend any further micro-capital grant support. The suspension shall remain in effect until Smart Up has achieved the target.

1.3 Smart-Up agrees to inform UNDP about any problems it may face in attaining the objectives agreed upon.

#### II. Duration

2.1 This Agreement will come into effect on **6 September 2018** and shall expire on **28 February 2019**, 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 UNDP shall provide funds to Smart-Up in the amount up to **29,995 USD** in MKD according to the UN Exchange Rate effective on the day the transfer is made, and to the schedule of the project budget set out below. Payments are subject to Smart-Up meeting the outputs as specified below and providing respective narrative and financial reports, certifying that at least 70% of the previous tranche(s) has been expended.

Outputs	Amount	Timing	Condition for Payment Release
Upon signature of the Agreement and delivery of activity 1 50% of total amount	USD 15,000	By 30 October 2018	
2 <sup>nd</sup> Tranche 30%  Upon delivery of deliverables 2 and 3	USD 8,997	By 31 December 2018	Within thirty (30) days from the date of meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.
3 <sup>rd</sup> tranche, 20%  Upon approval of the final report	USD 5,998	By 31 March 2019	

3.2 All payments shall be deposited into Smart-Up bank account of which the details are as follows:

Bank: NLB Banka A.D Skopje, st. Majka Tereza No.1, 1000 Skopje  
Bank Swift code: TUTNMK22  
Account name: Zdruzenie na gragjani SMART AP – Labaratorija za socijalni inovacii Skopje  
Ivan Kozarov 25, 1000 Skopje, Macedonia  
Account number: 210-0696824401-61

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 Smart-Up in the performance of the activities under this Agreement.

#### **IV. Records, Information and Reports**

- 4.1 Smart-Up shall maintain clear, accurate and complete records in respect of the funds received under this Agreement.
- 4.2 Smart-Up 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 Smart-Up.
- 4.3 Within sixty days after completion of project activities, Smart-Up shall provide 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 UNDP:  
Narine Sahakyan  
Deputy Resident Representative  
Jordan Hadzi-Konstantinov Dzinot, 23, 1000 Skopje

For Smart-Up:  
Nikolco Goshev  
President  
Ivan Kozarov 25, 1000 Skopje

## V. General Provisions

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

5.2 Smart-Up shall carry out all activities described in its proposal with due diligence and efficiency. Subject to the express terms of this Agreement, it is understood that Smart-Up shall have exclusive control over the administration and implementation of the activities referred to above in paragraph 1.1 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 such activities shall be subject to review by UNDP. If at any time UNDP is not satisfied with the quality of work or the progress being made toward achieving such goals, UNDP may: (i) withhold payment of funds until in its opinion the situation has been corrected; or (ii) declare this Agreement terminated by written notice to Smart-Up as described in paragraph 5.7 below; and/or seek any other remedy as may be necessary. UNDP'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 Smart-Up insofar as further payments are concerned.

5.3 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 Smart-Up.

5.4 The rights and obligations of Smart-Up are limited to the terms and conditions of this Agreement. Accordingly, Smart-Up 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 Smart-Up shall be solely liable for claims by third parties arising from Smart-Up's acts or omissions in the course of performing this Agreement and under no circumstances shall UNDP be held liable for such claims by third parties.

5.6 Assets (Equipment) supplied by UNDP funds to Smart-Up 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 Smart-Up 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 Smart-Up. The assets shall be used for the purpose indicated in the Proposal 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 Smart-Up shall promptly return any unutilized funds to UNDP as per paragraph 5.6 above.

5.8 Smart-Up acknowledges that 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 Smart-Up, actual disbursements will be based upon Smart-Up's meeting performance targets. If any of the funds are returned to UNDP or if this Agreement is rescinded, Smart-Up acknowledges that UNDP will have no further obligation to Smart-Up 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 UNDP, and Smart-Up, respectively, have on behalf of UNDP and Smart-Up signed the present Memorandum of Agreement on the dates indicated below their respective signatures.

**On behalf of UNDP:**

Name: Narine Sahakyan

Title: Deputy Resident Representative

Date: 6 September 2018

**On behalf of Smart-Up:**

Name: Nikolco Goshev

Title: President

Date: 6 September 2018



**B. BUDGET**

**PROJECT BUDGET OF SMART-UP**

Date: 24 August 2018

Project Number: 00109163

Project Title: Resilient Skopje – Scaling Up for Sustainability, Innovation and Climate Change

Name of the RECIPIENT INSTITUTION: Citizens Association Smart-Up – Social Innovation Lab

Total Amount of Funds under the Agreement: 29, 995 USD

Date of the Agreement: 6 September 2018



**PROJECT BUDGET (in USD)**

**PERIOD COVERING FROM 6 September 2018 TO 28 February 2019**

**DETAILED BUDGET ATTACHED TO THIS AGREEMENT IN ANNEX 1**

## B. Smart-Up's performance targets and workplan

Project Title:	<b>Resilient Skopje – Scaling Up for Sustainability, Innovation and Climate Change</b>
Implementing Partner:	<b>Citizens Association SMART-UP – Social Innovation Lab</b>
Total Budget:	<b>29,995 USD</b>
Duration:	<b>6 months</b>
Start date:	<b>6 September 2018</b>
End date:	<b>28 February 2019</b>

PERFORMANCE TARGETS	BASELINE	YEAR 1	
		Proposed	Actual
#of citizens engaged with the work of Skopje Lab		300	
# of designs for redesign of public spaces presented to stakeholders		6	
# of hours spent on field in observation		40	
#of online and offline interviews conducted and analyzed		200	
# of citizen engaged in strategy priority development consultation through the campaign “Meet the people of Skopje”		100	
# of capacity building workshops conducted		6	
# of days dedicated to development of pipe line projects and advisory		15	
# of citizens engaged with testing one waste management solution		100	
#number of blogs and stories published online		4	
#of meetings conducted for initiating partnership		20	
#of partnerships established		4	
#of people participating in the workshop for city strategy development		50	
#of social media shares		150	

Recipient Institution: Smart-Up

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