



**MICRO-CAPITAL GRANT AGREEMENT
MICRO-CAPITAL GRANT AGREEMENT BETWEEN THE IMPLEMENTING PARTNER AND THE RECIPIENT
INSTITUTION
FOR THE PROVISION OF GRANT FUNDS
UNDER A UNDP-SUPPORTED PROGRAMME/PROJECT**

This Agreement (hereinafter referred to as the "Agreement") is made between the **UNDP Sierra Leone** and **African Foundation for Development (AFFORD) - Sierra Leone**.

WHEREAS **African Foundation for Development Sierra Leone** has been requested by the United Nations Development Programme ("UNDP") to manage a component of the Youth AWP for 2016 (activities: Increase youth employment through business development services in the Western Area and Providing BDS mentoring and business post training support to youth; providing opportunity for testing new approaches) *as part of* the Youth Employment & Empowerment Programme (programme ID 77781) (hereinafter referred to as "the Programme"). It is also a poverty reduction strategy called the Agenda for prosperity (2013-2017) which outlines a strategy for youth empowerment and employment.

WHEREAS the Implementing Partner and UNDP desires to provide funding, in the form of a micro-capital grant (hereinafter referred to as "the Grant") made by the **UNDP Sierra Leone** to **African Foundation for Development- Sierra Leone** (the Recipient Institution is hereinafter referred to as the "AFFORD - SL") in the context of the Programme, and on the terms and conditions set forth in this Agreement; and

WHEREAS the **AFFORD -SL** is ready and willing to accept such funds from the **UNDP Sierra Leone** for the activities described in the following, and on the said terms and conditions;

NOW, therefore, the parties hereto agree as follows:

I. Responsibilities of the AFFORID -SL

1.1 The RECIPIENT INSTITUTION agrees to:

1. Undertake the activities described in its **Work plan and Budget** which is attached to this Agreement as Annex 2, or subsequent updates hereof to be approved by the Project Board of the Programme;
2. Report to the **UNDP Sierra Leone** on the utilization of the Grant in accordance with Article IV below.

1.2 The **AFFORD -SL** commits itself to reaching the performance targets set out in annex 1 to this Agreement for Sustainability and Portfolio Quality of 'Increased youth employment through business development services'. If the **AFFORD -SL** fails to meet its responsibilities outlined in article 1.1, or to attain at least % of any one performance target for any given year, the Project Board of the Programme will have the right to suspend all or part of the micro-capital grant support to the **AFFORD -SL** under the Programme. Upon request of the Project Board, and for its consideration in determining the period of the extension, the **AFFORD-SL** shall be obligated to produce a written explanation detailing the reasons

the target was missed, and measures taken by the **AFFORD -SL** to remedy the situation. The suspension shall remain in effect until the Project Board is satisfied that the **AFFORD -SL** has achieved the target. In programmes in which the Grant is channeled to the **AFFORD -SL** through a technical assistance contractor, the contractor may, at its discretion, continue to provide technical assistance to the **AFFORD -SL** during this suspension period.

1.3 The **AFFORD -SL** shall inform UNDP about any problems it may face in attaining the objectives agreed upon, as soon as such problems are encountered.

II. Duration

2.1 This Agreement will come into effect upon signature and shall expire on **31st December 2016** covering the anticipated term of the project. The Agreement may be extended beyond this period through an exchange of letters between the Parties, noting the new expiration date.

III. Payments

3.1 UNDP shall provide funds to the **AFFORD -SL** in an amount up to **174,000,000 SLL (One Hundred and Seventy Four Million Leones)** according to the schedule of the project budget set out in Annex 3, with **128,418,181.816 SLL (One Hundred and Twenty Eight Million, Four Hundred and Eighteen Thousand, One Hundred and Eighty One Leones, Eight Hundred and Sixteen cents)**, to be paid upon signature of this Agreement. The second/final tranche payments of **45,581,818.182 SLL (Forty Five Million, Five Hundred and Eighty One Thousand, Eight Hundred and Eighteen Leones, One Hundred and Eighty Two Cents.)** will be paid upon submission of first quarterly narrative and financial reports. On top of this, an extensive monitoring will be carried out by the UNDP with regard to the implementation of the activity plan.

3.2 All payments shall be deposited into the **AFFORD -SL** bank account of which the details are as follows:

NAME OF THE BANK:	Rokel Commercial Bank (SL) Ltd
BENEFICIARY ACCOUNT NAME:	African Foundation for Development
BENEFICIARY ACCOUNT NUMBER:	0010010009740
ADDRESS OF THE BANK:	30 Siaka Steven Street, Freetown

3.3 The amount of payment of such funds is not subject to any adjustment or revision due to changes in prices, exchange rates or the actual costs incurred by the **AFFORD -SL** in the performance of the activities under this Agreement.

IV. Records, Information and Reports

4.1 The **AFFORD -SL** shall maintain clear, accurate and complete records in respect of the funds received under this Agreement.

4.2 The **AFFORD -SL** 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 **AFFORD -SL**.

4.34.3 Within thirty days after completion of programme activities, the **AFFORD -SL** 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 3 of this Agreement.

4.34.4 Provide quarterly reports to the Project Board in accord with the Attached Reporting Formats (Attachment 1); and Provide Annual Audited Statements [Income Statement and Balance Sheet].

4.4 All correspondence regarding the implementation of this Agreement shall be addressed to:

For the Implementing Partner

Manja Kargbo
Technical Director
African Foundation for Development (AFFORD-SL)
12 Siaka Steven Street
Freetown, Sierra Leone

For UNDP:

Mr Sudipto Mukerjee
Country Director
55 Wilkinson Road
Freetown, Sierra Leone

V. General Provisions

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

5.2 The AFFORD -SL shall carry out all activities described in its work plan with due diligence and efficiency. Subject to the express terms of this Agreement, it is understood that the AFFORD -SL 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 quality of work and the progress being made toward successfully achieving the goals of such activities shall be subject to review by the Project Board. If at any time the Project Board is not satisfied with the quality of work or the progress being made toward achieving such goals, the Project Board 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 AFFORD -SL as described in paragraph 6.8 below; and/or seek any other remedy as may be necessary. The 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 AFFORD -SL insofar as further payments are concerned.

5.3 Neither the Implementing Partner nor UNDP undertakes any responsibilities whatsoever in respect of life, health, accident, travel or any other insurance coverage for any person employed by the RECIPIENT INSTITUTION to undertake activities under this Agreement. Such responsibilities shall be borne by the AFFORD -SL.

5.4 The rights and obligations of the AFFORD -SL are limited to the terms and conditions of this Agreement. Accordingly, the AFFORD -SL 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 **AFFORD -SL** shall indemnify, hold and save harmless, and defend, at its own expense, the United Nations, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the **AFFORD -SL**, or its employees, officers, agents or sub-contractors, in the performance of this Memorandum of Understanding. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the **AFFORD -SL**, its employees, officers, agents, servants or sub-contractors. The obligations under this provision do not lapse upon termination of this Memorandum of Understanding.

5.6 Assets (Credit Funds and Equipment) supplied by UNDP funds to the **AFFORD -SL** 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 accordance with its Financial Regulations and Rules. 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 at any time by either Party giving thirty (30) days written notice to the other Party. Upon termination of the Agreement, the **AFFORD -SL** shall promptly return any unutilized funds to UNDP as per paragraph 6.6 above.

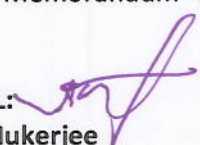
5.8 No modification of or change to this Agreement, waiver of any of its provisions or additional contractual provisions shall be valid or enforceable unless previously approved in writing by the parties to this Agreement or their duly authorized representatives in the form of an amendment to this Agreement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

5.9 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.

5.10 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 **UNDP -SL**, respectively, have on behalf of the Implementing Partner and UNDP -SL signed the present Memorandum of Agreement on the dates indicated below their respective signatures.

On behalf of UNDP SL: 
Name: Mr. Sudipto Mukerjee
Title: Country Director
Date: 24/05/16

On behalf of the AFFORD- SL 
Name: Manja Kargbo
Title: Technical Director
Date: 10/05/16



Annex 2: Youth AWP
2016

Planned Activities	Timeframe				Responsible Party	Funding Source	Budget Description	Amount (USD)
	Q1	Q2	Q3	Q4				
<i>List activity results and associated actions</i>								
Activity Result 1: Projects are scaled up and benefit a greater number of youth, 4 BDS centers (3 existing and 1 new) become more efficient creating 400 jobs								
Action 1.1. Continue support to 3 existing BDS centers to scale up and strengthen capacities of IPS through PMSU technical training support.(Training for Staff and Beneficiaries, Mentorship, Post Training support)	x	x	x	x	NAYCOM MOYA NGOs PMSU	TRAC	72500 - Supplies 72200 - Equipment 75700 - Workshop	10,000 10,000 60,000
Action 1.2. Support the establishment of 1 BDS process in Kono.	x	x	x		UNDP, NAYCOM	SDG-F	72600- Grants. <i>Funding provided under SDG-F project activities.</i>	10,000
Action 1.3. Establish BDS centers in two targeted districts and develop their management framework (Technical support LGED)	x	x			UNDP	TRAC	<i>Funding provided under LGED Project</i>	

Annex1: Description of Activities

Project number: 77781 **Project title:** Youth Employment & Empowerment Programme

This MCG will enter into force upon signature and will expire **31st December 2016**. The full amount of this MCG is of **LE 174,000,000**

For this MCG, the following agreements will also be applicable:

- 1) After a one month time of signing the contract, a Logical framework and detailed budget for each activity will be prepared by AFFORD-SL in consultation with UNDP SL.
 - 2) Review meetings will be held every two months to ensure the quality of the programme.
 - 3) Disbursement of Q2 will be done upon signing of the Micro Capital grant and two quarterly narrative and financial report would be submitted and followed by project completion narrative and financial report
- Section 1) Results to be achieved by AFFORD SL

Deliverables of Quarter I & III

- 100 New information material printed and distributed (namely 70 brochures, 25 leaflets and 25 posters)
- 4 Bimonthly radio sessions on business advice with open calls (including promotional jingle and informing business operators on BDS activities)
- 6 Networking activities to consolidate the BDS achievements
- 7 Business Ebola affected enterprises supported to revamp their businesses
- 40 trainees to visit different enterprise production sites
- 12 grants to support the Business plan competition.
- 40 youth to be trained in various entrepreneurial skills

Executive Summary

The Youth Employment and Empowerment Project focuses on institutional capacity building of the National Youth Commission and the Ministry of Youth Employment and Sport to prepare them give the required support for youth employment. These supports are in the form of technical support in designing necessary outline and strategies to provide services that enhance entrepreneurship skills for youth and the formulation of national youth service design. Specific objectives of this project are:

- to provide rapid employment opportunities and income generating activities for young people;
- to strengthen the capacity of the Ministry of Youth Affairs (MOYA) and National Youth Commission;
- To promote and facilitate the participation of young people in decision making processes and the development of youth interest initiatives.

The project shall be implemented with specific deliverable activities with the expectations in the areas of; Institutional Capacity Development and Policy Development, Youth Employment through Micro and Small Enterprise Development.

Background / Justification

The Youth Employment and Empowerment Programme focuses on specific deliverable activities in the areas of; institutional capacity development, policy development, and youth employment through micro and small enterprise development.

Provision of rapid employment opportunities and income generating activities for the young people through business development scheme is also the prime objective of the programme.

This intended programme seeks to offer a range of services catering for the diverse needs of young people (15-35 years) seeking to set up or expand a business in Kenema urban area while also providing more general careers counseling and support to any young person seeking to understand the training and employment options available to them.

The programme design has been shaped by in-depth understanding of the needs of young people in Sierra Leone. The programme will also harness the strengths of a number of key partners including business leaders, training institutions and the private sector.

Expanding the availability and enhancing the quality of BDS for the young people will be achieved by providing a range of information, training and support services through the Centre.

Promoting an entrepreneurial culture will be achieved through an extensive outreach campaign targeting both target groups and the wider public and through the publicity around success stories and a mini business planning competition.

Boosting the employment opportunity of young people will be achieved through the provision of high quality training and accompanying services coupled with tailored support from both peers and professional business mentors in a youth-friendly and empowering environment.

Overview of Target Groups

Sierra Leone faces a massive youth employment challenge. Only 4% of young people are fully employed, while one in three urban and one in six rural 20-24 year olds are economically inactive (i.e. not contributing to household income)¹. The outbreak of the Ebola epidemic in the country has exacerbated the unemployment situation that of the youth. The majority of 15-35 year olds are underemployed, unemployed and/or in low-paying or poor quality jobs which are insecure and have few prospects for advancement. Despite impressive bounce-back growth following the end of the civil war, the economy continues to be hampered by limited private sector development, weak local purchasing and poor infrastructure and these, amongst other factors is failing to generate the jobs demanded by the large and growing youth population (80% of Sierra Leoneans are under 35, 34% fall between the ages of 15 and 35)².

This programme will primarily target young people in the age range 15-35 in three urban centers who are either a) already running their own micro, small or medium enterprise (MSME) or b) who are willing to create their own business but have not yet taken the necessary steps. The information and counseling services will be available to any person who accesses the Business Support Centre (BSC) – including those not necessarily motivated towards entrepreneurship/self-employment - while other more specialist services (consultancy, financial services) will be offered to young people. Throughout, the emphasis will be on encouraging the participation of females in the programmes and young people who have not had access to these forms of support in the past.

Strategy

¹ Youth Employment in Sierra Leone, World Bank, 2009

² Ibid.

Salary Intern	Staff	1	x	x	3,480,000.00	3,480,000.00
Salary for BDS Manager	Staff	1	x	x	30,000,000.00	30,000,000.00
Subtotal Admin Cost					49,298,181.82	47,716,363.64
GRAND TOTAL					174,000,000	128,418,181.82
						1,581,818.18
						45,581,818.18

Note: Activities to be implemented under the \$30,000 (SLL 174,000,000) available funds budgeted in the AWP 2016 Disbursement of Q2 upon signing of the Micro Capital Grant (MCG) quarterly report will be submitted and narrative and financial BDS project completion report.

- UN exchange rate for April 2016 is 5,800 Leone for 1USD

B. F. I. C.

Final Report on the Use of Funds

Date: _____

Project Title: _____

Name of the Grantee: _____

Total Amount of Funds Under the Agreement: _____

Date of signature of the Agreement _____

FOR THE PERIOD COVERING FROM _____ TO _____

General Category of Expenditures	Budget	Expenditures	Balance	Amount Requested
Personnel				
Transportation				
Premises				
Training/Seminar/ Workshops, etc.				
Contracts				
Equipment/Furniture (Specify)				
Other [Specify]				
Miscellaneous				
TOTAL				

Certified by: _____

Name and signature of the Representative of the Grantee

Note 1. The grantee is responsible for compiling and providing all supporting documentation or information related to this report at the request of UNDP.