



Pakistan

**MICRO-CAPITAL GRANT AGREEMENT
BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME
AND
THE MEMON INDUSTRIAL & TECHNICAL INSTITUTE, KARACHI**

Micro-Capital Agreement (hereinafter referred to as the "Agreement") made between **United Nations Development Programme** (hereinafter referred to as the "UNDP") and the Recipient Institution **the Memon Industrial & Technical Institute, Karachi** (hereinafter referred to as the "MITI"), Karachi.

WHEREAS the **UNDP** manages the "Youth Employment Project" [Project ID: 00093588] (hereinafter referred to as "the Project").

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

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

NOW, therefore, the parties hereto agree as follows:

I. Responsibilities of the Memon Industrial & Technical Institute, Karachi

1.1 The **MITI** agrees to: 1) Undertake the activities described in its **Workplan** and **Budget** (attached as annex), and updates related to the subsequent release of funds in **tranches**; and 2) Provide Annual Audited Statements [Income Statement and Balance Sheets]. In projects where a technical contractor is providing assistance to the MITI institute, 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 following results, also specified in its annual performance targets [Section C].

1.2 The MITI agrees to reach the performance targets contained in Section C. If the MITI, fails to meet its responsibilities outlined in article 1.1 to attain at least 70% of any one performance target for any given year, then this will be considered grounds for the UNDP to suspend any further micro-capital grant support. The suspension shall remain in effect until the MITI institute has achieved the target

1.3 The MITI, agrees to inform the UNDP about any problems it may face in attaining the objectives agreed upon.

II. Duration

2.1 This Agreement will come into effect on **9th September, 2015** and shall expire on **8th September 2016** 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 the MITI in an amount up to Pak Rupees 6,150,000/- according to the schedule of the project budget set out below. Payments are subject to the MITI meeting the outputs as specified in the Performance Targets [Section C].

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

Name: Askari bank
Branch: Korangi No 06, Karachi
A/C type: Current; Currency: PKR
A/C title: Memon Industrial & Technical Institute.
A/C No: 1550100003808
IBAN # PK98ASCM0001550100003808
Address: R-01, Sector # 36E, Bismillah Chowrangi, Area 5D, Korangi # 6, Karachi.
PTCL (tel. no.): 021- 35049330

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 MITI in the performance of the activities under this Agreement.

IV. Records, Information and Reports

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

4.2 The MITI 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 MITI institute.

4.3 Within sixty days after completion of project activities, the MITI institute shall provide the UNDP with a final report with respect to all expenditures made from such funds 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**:

Marc-André Franche
Country Director UNDP
Pakistan

For **MITI**:

H.M. Shahzad
Chairman MITI

V. General Provisions

5.1 This Agreement and the Annexes attached hereto shall form the entire Agreement between **MITI** and the **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 The **MITI** 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 **MITI** shall have exclusive control over the administration and implementation of the activities referred to above in paragraph 1.1 and that the 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 UNDP. If at any time the UNDP is not satisfied with the quality of work or the progress being made toward achieving such goals, the 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 the **MITI** as described in paragraph 5.7 below; and/or seek any other remedy as may be necessary. The UNDP 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 **MITI** insofar as further payments are concerned.

5.3 The 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 **MITI**.

5.4 The rights and obligations of the **MITI** are limited to the terms and conditions of this Agreement. Accordingly, the **MITI** 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 **MITI** shall be solely liable for claims by third parties arising from the **MITI**'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 the **MITI** 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 **MITI** 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 **MITI**. 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 **MITI** shall promptly return any unutilized funds to UNDP as per paragraph 5.6 above.

5.8 The **MITI** 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 this **MITI**, actual disbursements will be based upon the **MITI** meeting performance targets. If any of the funds are returned to UNDP or if this Agreement is rescinded, the **MITI** acknowledges that the UNDP will have no further obligation to the **MITI** 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.

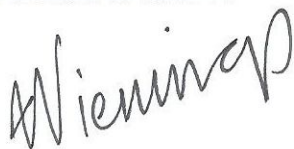
5.10 Any controversy or claim arising out of, or in accordance with this Agreement or any breach thereof, shall unless it is settled by direct negotiation, be settled in accordance with the UNCITRAL Arbitration Rules as at present in force. Where, in the course of such direct negotiation referred to 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 the **MITI institute**, respectively, have on behalf of **UNDP** and the **MITI institute** signed the present Memorandum of Agreement on the dates indicated below their respective signatures.

On behalf of UNDP:



for
Marc-André Franche
Country Director UNDP
Pakistan

Date: 9/9/15

On behalf of the MITI:



H.M. Shahzad
Chairman MITI institute

Date: 9-9-2015