

FINANCING AGREEMENT: GRANT

Between

**THE UNITED NATIONS CAPITAL DEVELOPMENT
FUND
(UNCDF)**

And

<Name>

Recipient Institution

UNCDF/FSP - GRANT AGREEMENT
A. GRANT AGREEMENT

**GRANT AGREEMENT BETWEEN UNCDF and Recipient Institution
FOR THE PROVISION OF GRANT FUNDS**

Grant Agreement (hereinafter referred to as the "Agreement") made between **the United Nations Capital Development Fund ("UNCDF" or "Grantor")**, **YYY and Recipient Institution** (the Recipient Institution, hereinafter referred to as the financial service provider or "**Recipient Institution**"). **YYY** will sign its own agreement directly with the **Recipient Institution**.

WHEREAS the **Grantor** desires to provide funding to the **Recipient Institution** in the context of a Programme and on the terms and conditions hereinafter set forth,

WHEREAS, the funds provided by the **Grantor**, will be earmarked to support the **Recipient Institution** to [describe the objective of the project]

WHEREAS the **Recipient Institution** is ready and willing to accept such funds from the **Grantor** 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 **Recipient Institution** agrees to: complete the key results/milestones specified in the Section III below, including providing reports and statements to the grantor in accordance with the Monitoring Schedule. The **Recipient Institution** shall be responsible for verifying the accuracy of all reports. Funds provided pursuant to this Agreement shall be used to achieve these results/milestones. The **Recipient Institution** shall be free to reallocate resources as needed in order to produce the expected results.

1.2 If the **Recipient Institution** fails to meet the minimum performance indicators in Section III within ninety (90) days of the timeframe specified, the **Grantor** may suspend or terminate this agreement at its discretion. The suspension will remain in effect until the **Recipient Institution** has met the targets or until the **Grantor** has agreed in writing to modify the performance targets.

1.3 The **Recipient Institution** agrees to inform the **Grantor** about any problems it may face in a timely fashion or any anticipated failure to complete the activities or achieve the expected results. The **Recipient Institution** also agrees to immediately report any incidence of fraud, theft, or significant operational loss that negatively impact its ability to fulfill the terms of this Agreement or threaten or have a relevant impact on its ability to continue as a going concern.

1.4 The **Recipient Institution** agrees to notify the Grantor of any <grant funds/loan funds> for the purpose of completing the <Project Description/Business Plan> it may receive prior to signature of those funding agreements. The Grantor reserves the right to adjust the

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amount of funding in this Agreement if it determines that its funds are no longer necessary as the result of other funding agreements.

1.5 UNCDF strongly encourages the Recipient Institution to endorse the Client Protection Principles of the Smart Campaign / which are listed below. A full description of the six principles can be found at: <http://smartcampaign.org/> / to endorse the The GSMA's Code of Conduct for Mobile Money Providers. The Code of Conduct can be found here: <https://www.gsma.com/mobilefordevelopment/mobile-money/policy-and-regulation/code-of-conduct/>.

- Appropriate product design and delivery
- Prevention of over-indebtedness
- Transparency
- Responsible Pricing
- Fair and respectful treatment of clients
- Privacy of client data
- Mechanisms for complaint resolution

The FSP will inform UNCDF when it has endorsed the campaign principles. By endorsing the principles, the FSP commits to incorporate the principles in the FSP policies and practices, and to monitor their implementation. The FSP will annually report to UNCDF:

- 1] what other policies it has adopted to protect clients;
- 2] what systems or practices it has implemented during the reporting period to promote client protection.
- 3] how it monitors its performance in the area of client protection.

II. Duration

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

III. Key Results/Milestone and Payments

3.1 The **Grantor** shall provide funds to the **Recipient Institution** of an amount of <US\$XX> according the schedule set out below. Payments are subject to the **Recipient Institution** achieving the Expected Results as well as the disbursement conditions set forth in this article, if any.

Upon signature of this Agreement:

Payment/Date	Amount	Results/Milestone to Be Achieved	Disbursement Conditions

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Total			
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Amount of these funds, if any, to be used for financing the loan portfolio:

3.2 Detailed Results (outreach and performance) targets are as follows:

Recipient Institution	BASELINE	End of Year		End of Year		End of Year	
		Proposed	Minimum Target	Proposed	Minimum Target	Proposed	Minimum Target
Number of Active Borrowers							
Number of voluntary depositors							
% of Female Clients							
% Women relative to total personnel							
% Women in management							
Return on Assets							
Operational Self-Sufficiency							
Cost per Borrower							
Operating Expense Ratio							
Portfolio at Risk at 30 days							
Write-off ratio							

3.3 Disbursement conditions shall include that the FSP must be current on all payments due under any existing loan agreement with UNCDF and meeting reporting requirements. By submitting data to UNCDF via the MIX Market, the grantor agrees that this data will be publicly available:

Mechanism	Timing/Due Date	Scope	Responsibility
Quarterly and Annual Reports	30 days after end of fiscal quarter	Annex 1 Report Format (for FSPs only) sent to and publicly available on the MIX Market	Recipient Institution
Mid-term and Final evaluation			UNCDF (primary), Recipient Institution to be

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			available to evaluators
Audited Financial Statements	120 days after the end of the fiscal year	Sent to and publicly available on the MIX Market	Recipient Institution
Client Protection Principles Actions	28 February	policies adopted to protect clients; systems or practices implemented; and how it monitors its performance	Recipient Institution
Final Report	45 days after end date		Recipient Institution

3.4 The **Recipient Institution** shall request disbursements with the supporting information to show that disbursement conditions have been met. All payments shall be deposited into the **Recipient Institution's** bank account of which the details are as follows:

Name of the Bank:
 Bank Routing Number:
 SWIFT Code:
 Beneficiary Account Name:
 Beneficiary Account Number:
 Address of Bank:

3.5 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.

IV. 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.
- 4.2 The **Recipient Institution** agrees to provide reports and fulfill its obligations accordance with the Monitoring and Evaluation schedule (section III). It agrees to reasonable requests to make its personnel available to participate in on-site monitoring visits.
- 4.3 Within sixty (60) days after completion of project activities, the **Recipient Institution** shall provide the **Grantor** with a final financial report describing how the expenditures were utilized.

All further correspondence regarding the implementation of this Agreement should be addressed to:

For **UNCDF**:

(Please provide contact information)

For the **Recipient Institution**:

(Please provide contact information, including email address, of 2 main leaders)

For the **Grantors**:

(Please provide contact information)

V. Copyright, Patents and Other Proprietary Rights:

5.1 UNCDF is custodian of copyright, patents and other proprietary rights. Except as is otherwise expressly provided in writing in the Agreement, the UNCDF shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the RECIPIENT INSTITUTION has developed for the UNCDF under the Agreement and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Agreement, and the RECIPIENT INSTITUTION acknowledges and agrees that such products, documents and other materials constitute works made for the UNCDF. In line with the public good nature of the UNCDF, UNCDF will place all the deliverables for publication specified in the public domain with the intent that they can and should be freely and widely used by other parties and the RECIPIENT INSTITUTION shall not be excluded from the ability to use such deliverables on the same basis as other external parties.

5.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the RECIPIENT INSTITUTION: (i) that pre-existed the performance by the RECIPIENT INSTITUTION of its obligations under the Agreement, or (ii) that the RECIPIENT INSTITUTION may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Agreement, the UNCDF does not and shall not claim any ownership interest thereto, and the RECIPIENT INSTITUTION grants to the UNCDF a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Agreement.

5.3 At the request of the UNCDF; the RECIPIENT INSTITUTION shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNCDF in compliance with the requirements of the applicable law and of the Agreement.

5.4 Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the RECIPIENT INSTITUTION under the Agreement shall be the property of the UNCDF, shall be made available for use or inspection by the UNCDF at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNCDF authorized officials on completion of work under the Agreement.

VI. Use of Name, Emblem or Official Seal of UNCDF or the United Nations:

6.1 The RECIPIENT INSTITUTION shall not advertise or otherwise make public the fact that it is a RECIPIENT INSTITUTION with UNCDF without the express written consent of UNCDF, nor shall the RECIPIENT INSTITUTION, in any manner whatsoever use the name, emblem or official seal of UNCDF or The United Nations, or any abbreviation of the name of UNCDF or United Nations in connection with its business or otherwise.

6.2 However, the RECIPIENT INSTITUTION may represent in the course of the activities necessary to produce these results and in general that it has been appointed by UNCDF to complete the activities and deliverables specified in this agreement; provided that the RECIPIENT INSTITUTION or any party associated with it may not make any public announcement to this effect until UNCDF has issued an announcement.

6.3 The RECIPIENT INSTITUTION shall have no ability to make any representations which bind UNCDF other than in the direct course of delivering the specific results indicated here.

6.4 While all publications resulting from this Agreement shall follow the template and format to be defined by UNCDF, the authorship of RECIPIENT INSTITUTION, including specific members of the RECIPIENT INSTITUTION's consortium shall be acknowledged in each publication.

VII. Confidential Nature of Documents and Information:

Information and data that is considered proprietary by either party and that is delivered or disclosed by one party ("Discloser") to the other party ("Receiver") during the course of performance of the Agreement, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

7.1 The receiver ("Receiver") of such information shall use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and, use the Discloser's Information solely for the purpose for which it was disclosed.

7.2 Provided that the Receiver has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Agreement and this Article 8, the Receiver may disclose Information to any other party with the Discloser's prior written consent; and, the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Agreement, and employees officials, representatives and agents of any legal entity that it controls, controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Agreement, provided that, for these purposes a controlled legal entity means:

7.2.1 a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,

7.2.2 any entity over which the Party exercises effective managerial control; or,

7.2.3 for the UNCDF, UNDP and UNV, as associated fund of UNDP.

7.3 The RECIPIENT INSTITUTION may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the RECIPIENT INSTITUTION will give the UNCDF sufficient prior notice of a request for the disclosure of Information in order to allow the UNCDF to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made, to the extent allowed by law.

7.4 The UNCDF may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

7.5 The Receiver shall not be precluded from disclosing Information that is obtained by the Receiver from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Receiver, or at any time is developed by the Receiver completely independently of any disclosures hereunder.

7.6 These obligations and restrictions of confidentiality shall be effective during the term of the Agreement, including any extension thereof, and, unless otherwise provided in the Agreement, shall remain effective following any termination of the Agreement for a period not to exceed 2 years from termination.

VIII. General Provisions

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

8.2 The **Recipient Institution** shall carry out all activities described in paragraph 1.1 with due diligence and efficiency and shall have exclusive control over the administration and implementation of those activities. The **Grantor** shall not interfere in the exercise of such control. If in the **Grantor's** determination the **Recipient Institution** is not carrying out the activities described in paragraph 1.1, the **Grantor** 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 **Recipient Institution** as described in paragraph 5.7 below; and /or seek any other remedy as may be necessary. The **Grantor's** determination shall be binding and conclusive upon the **Recipient Institution** insofar as payments are concerned.

8.3 The **Grantor** undertake 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 **Recipient Institution**.

8.4 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.

8.5 The **Recipient Institution** shall be solely liable for claims by third parties arising from the **Recipient Institution's** acts or omissions in the course of performing this Agreement and under no circumstances shall the **Grantor** be held liable for such claims by third parties.

8.6 Grant funds disbursed to the **Recipient Institution** shall be considered to be the property of the **Grantor** and shall not become the property of the **Recipient Institution** until one or more of the following conditions have been met: (i) the **Recipient Institution** has verifiably complied with all conditions in this grant agreement; (ii) the **Grantor** advises the **Recipient Institution** in writing that it has fulfilled the conditions to the **Grantors'** satisfaction; (iii) the **Grantor** otherwise notifies the **Recipient Institution** in writing that it releases the **Recipient Institution** from any obligation to repay funds. In the case of multiple

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payments in paragraph 3.1, the Grantor's approval of a payment shall be considered a notification of fulfillment of conditions for all previous payments. If within ninety (90) days after the end date of the Agreement there has been no written communication from the **Grantor** in regard to the disposition of the funds, the funds shall be considered the property of the **Recipient Institution**. In cases where the above conditions have not been met, the **Grantor** may at its discretion require the **Recipient Institution** to return of some or all of the funds and the **Recipient Institution** has thirty (30) days to comply with this request.

8.7 This Agreement may be terminated by either party before completion of the Agreement by giving thirty-day (30) written notice to the other party. In the case of termination by the **Grantor**, the disposition of funds shall be governed by paragraph 5.6. In case of termination by the **Recipient Institution**, the **Grantor** may at its discretion require the **Recipient Institution** to return all or part of the funds. The **Recipient Institution** has thirty (30) days to comply with this request. If the **Grantor** fails to request the return of funds within ninety (90) days of the termination notice, the funds shall be considered the property of the **Recipient Institution**.

8.8 The **Recipient Institution** acknowledges that the **Grantor** has made no actual or implied promise of funding except for the amounts specified by this Agreement.

8.9 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.

8.10 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.

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

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IN WITNESS WHEREOF, the undersigned, duly appointed representatives of the **Grantor**, and the **Recipient Institution**, respectively, have on behalf of the **Grantor** and the **Recipient Institution** signed the present Memorandum of Agreement on the dates indicated below their respective signatures.

On behalf of UNCDF:

On behalf of the Recipient Institution:

Name: Judith Karl

Name: _____

Title: Executive Secretary

Title: _____

Date: _____

Date: _____

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Annex I: Reporting: Required Formats (Financial Service Providers only)
Quarterly and Annual Reporting:



Color Code	
YouthStart Only	
MicroLead Only	

Please complete first quarter information on first reporting period. At second, third and fourth quarter information for each subsequent reporting period.
Please send your completed form to us at uncdf@themix.org. If you have any questions at any point in the data collection process, do not hesitate to email us.
Please complete this information section **before** completing any other sections on this form. Cells shaded in grey are automatically calculated.
For questions on terms in the form, please click on the term or go directly to the Glossary tab at the end of this form. [Glossary](#)

General information	Name of institution	
	Country	--choose--
	Local Currency (used in this report)	--choose--
Information about the person completing this form	Name	
	Position in the institution	
	Phone number	
	Email	
Year	Year	2013

Section I: Infrastructure

Please complete the information on your **personnel** and **offices**.

Infrastructure		31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Dec-13
Points of Service	Number of offices / branches					
	Rural offices / branches					
	Other points of service *					
	Rural points of service					

* Other points of service might include grocery stores, pharmacies, gas stations or other service points that are not MFI offices.

Staff and Gender		31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Dec-13
Employees	Number of employees					
	Number of loan officers					
Management	Number of managers					
	Number of women managers					
Board	Number of board members					
	Number of women board members					

Section II: Clients

Please complete the information on your **clients**. Cells shaded in grey are automatically calculated.
Each category is independent from one another and therefore the sum will not necessarily equal the number of total clients.

Clients: Characterization and Number		31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Dec-13
Number of active clients	Number of active clients previously unbanked					
	Number active women clients					
	Number active youth clients (<25 years of age)					
	Number active youth clients (12-24 years of age)					
Number of active borrowers	Number of active borrowers previously unbanked					
	Number of active women borrowers					
	Number of active youth borrowers (<25 years of age)					
	Number active youth borrowers (12-24 years of age)					
Number of depositors	Number of active depositors previously unbanked					
	Number of women depositors					
	Number of youth depositors (<25 years of age)					
	Number active youth depositors (12-24 years of age)					

Section III: Loan Portfolio

Please complete the information on your **total loan portfolio**. Cells shaded in grey are automatically calculated.
Each category is independent from one another and therefore the sum will not necessarily equal the total loan portfolio outstanding.

Loan Portfolio		31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Dec-13
Loan Portfolio, Gross	currency					
By Type	Consumer					
	Microenterprise					
	Corporate					
	Small and Medium Enterprise					

Loan Accounts		31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Dec-13
Number of Loan Accounts						
By Gender	Female					
	Male					
By Geography	Rural					
	Urban					
By Clients Age	Youth (< 25 years)					
	Other (> 25 years)					

If you have microenterprise loans, please complete the following information.

Microenterprise Borrowers		31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Dec-13
Number of Active Borrowers, Microenterprise						
By Gender	Female					
	Male					
By Geography	Rural					
	Urban					

Section IV: Portfolio Arrears and Write-off loans

Please provide information on the **portfolio arrears** and **write-off loans** for your loan portfolio.

Loan Portfolio: Portfolio Aging Report		31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Dec-13
Current portfolio (PAR < 1 days)	as of currency					
PAR 1-30 days						
PAR 31 - 90 days						
PAR 91 - 180 days						
PAR > 180 days						
Renegotiated loans						
Loan Portfolio, gross						

(Reported above)

Write-offs, during the period		1-Jan-13	1-Apr-13	1-Jul-13	1-Oct-13	1-Jan-13
	starting ending currency	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Dec-13