

## **Khyber Pakhtukhwa Community-Driven Local Development (CDLD) Contract between District Administration/Government and Community Based Organisation (CBO)**

### **A. Recitals**

This Grant Agreement is between the Government of Khyber Pakhtunkhwa (GoKP) and Community Based Organisation (CBO). On behalf of GoKP, Deputy Commissioner (DC), District \_\_\_\_\_, whose office is located at \_\_\_\_\_, under the Community-Driven Local Development (CDLD) Programme, and CBO named \_\_\_\_\_ with registration no. \_\_\_\_\_ (hereinafter referred to as the “Grantee”) acting through its President \_\_\_\_\_ and Secretary \_\_\_\_\_.

This Grant Agreement includes the attachments referenced in the signature page (individually, an “Attachment” and collectively, the “Attachments”), each of which, together with all documents referenced therein, constitute an integral part of the Grant Agreement.

### **B. General Conditions**

#### **Article 1: Definitions**

- 1.1. Governing Law: All matters relating to this contract, including formation, construction, interpretation, execution, performance, validity and resolution or termination shall be governed in all respects by the laws of Pakistan and Khyber Pakhtunkhwa.
- 1.2. Grant: The maximum amount of GoKP money available to the Grantee for disbursement by the Deputy Commissioner for the purpose of implementing the approved Project/s.
- 1.3. Milestones of the project with activities, as set out in the full project proposal.
- 1.4. Party: The GoKP or the Grantee, as the case may be, and “Parties” means both of these;
- 1.5. Project: The Project means \_\_\_\_\_ (Project Name)
- 1.6. Project Funds: Total amount of money made available by the district administration/government and the CBO contribution, which both the GoKP and Grantee agree to provide in full as agreed to cost estimates mentioned in full project proposal at Annex-1
- 1.7. Project Management: Project management shall be carried out by the following committees to be formed in the General Body Meetings of the CBO: Project Management Committee (3 - 5 persons); Procurement Committee (3 - 5 persons); Finance/Audit Committee (3 - 5 persons); Monitoring and Reporting Committee (3 - 5 persons);

## Article 2: Purpose of the Grant

- 2.1 The Grant is awarded for the implementation of the Project as mentioned at article 1.5 the details of which have been set out in the full project proposal submitted by the CBO and summarised in the work plan which is attached as Annex-2.
- 2.2 The Grantee accepts responsibility for the Grant and undertakes that it will be used only for the purpose of carrying out the Project in accordance with the full project proposal.
- 2.3 If the Grant is used for any other purposes, it will be termed as a violation of this Grant Agreement and the grant is subject to cancellation and refund of its full amount.

## Article 3: Duration of the Project

- 3.1 Implementation of the Project will begin on \_\_\_\_\_. The total Project duration shall be \_\_\_\_\_ months. And the closing date of the Project shall be \_\_\_\_\_, until revised with the mutual consent of the parties.

## Article 4: Financing the Project

- 4.1 The amount of the CDLD Grant Agreement is (Rupees) \_\_\_\_\_ in words (Rupees) \_\_\_\_\_ only. The CDLD Grant is subject to the availability of yearly-allocated district funds.
- 4.2 The following payment plan will be applied to release funds during the course of the Project life:

First Installment	(30% of the total grant)	Rs. _____
Second Installment	(60% of the total grant)	Rs. _____
Final Installment	(10% of the total grant)	Rs. _____
	Total	Rs. _____

First installment (mobilisation advance) will be paid at the time of signing of this contract, upon the request submitted by the CBO. The second and final installments shall be paid subject to the achievement of milestones spelled out in the detailed proposal and certification of CDLD authorised technical officials.

- 4.3 Procurement of goods or services by the Grantee using CDLD Grant must comply with the procurement policies and procedures of the Grantee, using transparent processes and fair and open competition and approval in line with the Project procurement governance plans in the full project proposal.
- 4.4 The Project funds should be spent in the appropriate financial year for which they were intended. Funds will be available uninterrupted to the Grantee in the subsequent financial year.
- 4.5 The Grantee agrees to provide the amount specified in article 1.6 as its contribution over the life of the Project towards funding its activities. In signing this contract, the Grantee certifies and warrants that it has the financial wherewithal to provide its share of the Project obligations.

## Article 5: Bank Account, Payments and Reports

- 5.1 The Project cost, by line item, is set out in Annex-1 cost estimates, detailed bill of quantities (BoQ).
- 5.2 The Grantee shall submit a fund requisition form for the release of all the three installments on the prescribed format.
- 5.3 All payments to eligible Grantee shall be made to a bank account in the name of the CBO, jointly operated by the President and Secretary of the CBO, through bank transfer or crossed cheque and under proper acknowledgment receipt and witnessed by representatives of the CBO. Bank details of CBO are:

Bank account No.: \_\_\_\_\_

Title of account: \_\_\_\_\_

Bank name: \_\_\_\_\_

Branch name: \_\_\_\_\_

- 5.4 The concerned Grantee shall obtain and retain receipts on file for all expenditures incurred and payments made on prescribed voucher and registers for audit, including independent third party auditors. Such records shall be maintained for a minimum of seven years or until three years after the audit takes place, whichever is later.
- 5.5 The GoKP reserves the right to commission an external audit of the financial report covering the implementation of the Project at any time.
- 5.6 The GoKP reserves the right to reclaim at any time within a period of 5 years Project any grant money which remains unspent at the termination of this Project
- 5.7 The Grantee shall allow and support access of the GoKP or its representatives to project sites and to all relevant records for the purposes of monitoring, evaluation and audit.
- 5.8 The Grantee will submit Project progress reports (narrative and financial), as following;

Progress Report	When	Submitted to Whom
1st report	At the time of second installment along with fund requisition	District Planning Officer
2nd report	At the time of third installment along with fund requisition	District Planning Officer
3rd report	At the completion of the Project	District Planning Officer

- 5.9 In addition to the above mentioned reports, the CBO may be required to submit ad-hoc progress reports as required by the District Planning Officer.

Reports should include the following information:

- 5.9.1 Narrative: The narrative summary shall describe programme achievements as compared to the Project summary, such as milestones achieved, type and number of activities, beneficiaries

reached and explanations of deviations, if any. This shall be submitted by the fifth (5) working day following the end of the reporting period. Template of Narrative Report is attached as Annex-1

5.9.2 Financial: The financial summary shall report expenditures as compared to the budget in the Project summary and be accompanied by original receipts. Grantee will submit the financial report on a periodic basis, upon completion of milestones. This shall be submitted by the fifth (5) working day following the end of the reporting period. Template of Financial Report is attached as Annex-2

5.9.3 The concerned Grantee will submit completion report to concerned district administration (government). The report comprises of programme and financial reports no later than twenty calendar days after the completion of Project. Completion report outlining the progress and successes of the Project, the benefits to the community, and an accounting of funds expended.

5.10 The concerned Grantee will return all unexpended funds to GoKP through cross cheque in the name of GoKP on submission of the final report.

## Article 6: Monitoring and Evaluation

6.1 Monitoring shall be two-tiered and will involve the pool of engineers, district administration and office of the Commissioner Malakand.

6.1.1 Deputy Commissioner Office:

- a. The Deputy Commissioner (DC) will conduct random checking of the CDLD Projects, ensuring the district officers' visit to ongoing CDLD Projects in the district during every calendar quarter. The visiting officer (s) may include head of the respective district departments, Assistant Commissioner and Additional Assistant Commissioners. The concerned district department's head may authorise officers from his/her field formation or district headquarter offices to conduct such monitoring.
- b. The technical supervision and inspection of the CBO's Project will be undertaken by the relevant Engineering Department of the district government assisted by the pool of engineers. The funds' installments will be only released to the Grantee, upon certification of the activity by officials of Engineering Line Department and pool of engineer. The work plan of technical supervision and inspection, to be formulated by pool of engineer is attached as Annex-4.

6.1.2 Commissioner Office:

- a. The Divisional Monitoring Officer (DMO) in the Commissioner Office will review quarterly progress reports of the district.
- b. In addition, the DMO himself/herself or officers concerned will conduct random inspection of the ongoing CDLD Projects in the division. Such monitoring visits shall be complemented by geo-referenced and photographs of the ongoing Project works.

6.2 The Grantee will make representative/office bearer available to meet with, answers questions and provide management information to the auditor monitor evaluator appointed by the GoKP.

## Article 7: Engineering Support

7.1 The GoKP ensures that the respective district technical line departments will provide engineering support to Grantee in implementation of this Project, abiding by the following terms and conditions:

- The Grantee will making implementations of this Project strictly in conformity to the given design drawings, sketches, specifications and engineering standards, as directed by the engineer-in-charge.
- If the Grantee is making any changes or modifications to the agreed design, specifications or standards at their own, it will be termed as violation of the contract, which may lead to its termination or invoking the penalty clause.
- In case there is any need warranting the change of design or specifications, Grantee will make a written request to Technical Evaluation Committee (TEC), giving details of suggested changes and modifications. TEC will review such request, and communicate their decision in writing.
- If such request of the Grantee is approved, it will be handed over to SRSP which will process it further, including design modifications if required, along with a negative or positive variation order. Such modifications will only become effective once the same have been approved by the respective technical member of the TEC.
- In case of positive variation, the additional costs will be mustered out of Grantee's own resources, and no additional funds will be demanded from the public exchequer.
- It will be the exclusive responsibility of the Grantee to ensure safe custody of all Project materials brought to site against any theft, loss, pilferage, climatic conditions and / or misuse.
- The Grantee will maintain an on-site register, Material at Site (MAS), reflecting stock balance of all construction related items, including daily issuance etc.
- The Grantee will afford access to MAS register and shall facilitate all visiting officials for stock inspection and verifications.

## Article 8: Operation and Maintenance

8.1 After successful completion of the Project, the operation and maintenance of the Project will be the responsibility of the CBO, as mentioned in the detailed proposal and agreed by the GoKP.

8.2 The Projects which are already under the Government O&M system e.g. school missing facilities, additional class rooms, renovation and reconstruction of health units, etc. shall however continue to be maintained by the relevant department of the district government.

## Article 9: Amendment of the Agreement

9.1 The Grantee and GoKP shall notify in writing of any changes, amendments and deviations proposed in the approved Project, if the ground realities warrant so. However, such changes and amendments will only be done with the agreement of both the parties.

9.2 The concerned Grantee shall promptly notify district administration/management in writing within seven days after the occurrence of any of the following:

- Change in its address or phone number;
- Change in name of the Grantee; or
- Any other development that significantly affects the implementation operation of the Project or the Grantee.

## Article 10: Termination of the Contract

10.1 Either party may terminate this contract upon one calendar month's written notice to the other if:

- The other party commits a material breach of any terms of this agreement; or
- There is a force majeure event, which prevents the implementation of the Project.

In addition, the GoKP may terminate this contract, upon one month's calendar notice to the Grantee, if:

- Any changes occur which, in the opinion of the GoKP; impair significantly the value of the contribution of the Project towards the GoKP's policy objectives;
- There are changes to the GoKP's policy priorities within which the programme is to be delivered; or
- The funding available to the GoKP becomes, or is likely to become, in the GoKP's sole opinion, insufficient for it to continue to finance the Project.

10.2 Upon termination of this contract, the Grantee shall provide financial and narrative reports (including invoices and receipts) up to the date of such termination.

10.3 A joint review between the GoKP and the Grantee shall be undertaken at any time during the implementation of the Project if the GoKP considers it necessary to refocus the Project outputs. If the Project outputs are not achieving the agreed objectives, impact and deliverables, the GoKP may terminate the Project at any stage.

10.4 Upon termination of this contract, the GoKP retains the right to recover any funds given to the Grantee under this contract which have not been used for the purposes of implementing the Project or cannot be accounted for.

## Article 11: Liability

- 11.1 The Grantee undertakes to provide adequate supervision of and care for its members, agents and visitors, and accepts that in no circumstances will the GoKP be responsible for the acts or omissions of the Grantee's members, agents or visitors or for any loss or liability arising as a result of the Project, which remains the entire responsibility of the Grantee.
- 11.2 The Grantee undertakes to ensure that the services and materials specified in the application are used as per standards and that the work done is in compliance with the drawings, designs and quality assurance standards given in the detailed project proposal.
- 11.3 The GoKP can recover any amount, which proves to have been either embezzled or not spent on the Project activities.
- 11.4 In case of any embezzlement, misappropriation and non-compliance with the design and quality of the material the Grantee shall be responsible and shall be proceeded against by the district administration/government in accordance with the prevailing law.
- 11.5 The Grantee shall contribute a minimum of 10% of the Project cost in cash or kind. This cost shall be reflected in cost estimates clearly. In case of in cash contribution, the deposit slips or latest bank statements showing the contributed amount must be presented at time of negotiation or before the signing of the contract. In case of kind contribution, undertaking mentioning the source and nature of contribution must be presented at the time of negotiation, along with measuring yard-stick.

## Article 12: Dispute Resolution

- 12.1 The parties shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with this contract.
- 12.2 The Parties agree to use their best efforts to settle amicably all disputes arising out of or in connection with the contract. In the event that a dispute arises between GoKP and the Grantee that cannot be settled amicably and by agreement between the Parties, the dispute shall be referred to arbitration by a single arbitrator to be appointed by the Parties. The Project Management Committee shall also take a lead role to resolve the issue at community level.
- 12.3 The performance of the Services will not cease or be delayed by the reference of a dispute to mediation pursuant to Article 11.2.
- 12.4 In case a dispute arise among members of the community on any aspect of the Project, the parties involved shall take the matter to Tehsil Level Committee, where Assistant Commissioner/Additional Assistant Commissioner are member of the committee, who shall further involve the Secretary of the

Village/Neighborhood Council and resolve the issue. In such cases, the decision of the Tehsil Level Committee shall be final.

- 12.5 In case a conflict/dispute could not be resolved by the Tehsil Level Committee, the chair shall take up the case to the Deputy Commissioner with the recommendation of the committee for a final decision.

### Article 13: Law

- 13.1 This contract shall be governed by and construed in accordance with the governing laws and the Grantee hereby irrevocably submits to the jurisdiction of the courts of Pakistan and KP. The submission to such jurisdiction will not (and will not be construed so as to) limit the right of the GoKP to take proceedings against the Grantee in any other court of competent jurisdiction, nor will the taking of proceedings by the GoKP in any one or more jurisdictions preclude the taking of proceedings by the GoKP in any other jurisdiction, whether concurrently or not.

### Article 14: Notices

- 14.1 Any notice or other documents to be served under this Grant Agreement may be delivered or sent by reliable mail or courier channels, facsimile or email to the party to be served as provided in the SC or at any other address which one party may have notified to the other in accordance with this article.

Witness (1)	Witness (2)
Signature:	Signature:
Name:	Name:
CNIC:	CNIC:
Date:	Date:

### Attachments to Agreement

1. Narrative report (template)
2. Financial report (template)
3. Funds requisition form
4. Work plan of technical supervision and inspection
5. Approved detailed project proposal, along with detailed drawings, sketches and other supporting documents
6. Agreed cost estimates summary of the project, along with the BoQ
7. Agreed work plan clearly reflecting the milestones and timelines