

PROGRAM DESCRIPTION**Mensah Duah and Co. Partner Agreement****Ghana****1.0 INTRODUCTION**

This Appendix A describes the activities to be undertaken and the results to be achieved with the funds obligated under this Cooperative Agreement. Nothing in this Appendix A shall be construed as amending any of the definitions or terms of the Agreement.

2.0 BACKGROUND

Grassroots entities in Ghana are engaged in a diverse range of activities that hold significant potential for benefiting their communities. Viewed in the aggregate, these activities can play a critical role in fostering sustained economic and social development of the country. However, for the most part grassroots entities and micro and small enterprises are constrained in exploiting these opportunities and participating actively in the social and economic development of their country by lack of access to financial, technical, and other resources.

The African Development Foundation (ADF) provides such entities direct financial support in the form of grants to:

1. carry out activities at the local level designed to enlarge opportunities for community development;
2. expand their participation in development processes; and
3. establish and promote indigenous development institutions that can respond to the requirements of the poor.

The shortage of community development institutions that can provide in-country expertise to support successful grassroots activities and micro and small enterprises impedes these objectives. ADF has found that it can overcome this obstacle by helping local development institutions strengthen their capacity to support community-based and other activities that benefit the poor. To this end, ADF has established the Community Development Institutions Program ("Program"). Under this Program, ADF and a local consulting firm ("Partner") enter into a cooperative agreement that provides direct support to the Partner to: (a) build its capacity; and (b) provide financial and technical support to enterprises and grassroots entities.

The Partner under this Agreement, Mensah Duah and Co., is a legally recognized Ghanaian organization that has demonstrated expertise in financial management, reporting and auditing.

3.0 FUNDING

The financial plan for the Program is set forth in Appendix A-1. The Parties may make changes to the financial plan without formal amendment to the Agreement, if such changes do not cause ADF's contribution to exceed the amount specified Article 3 of the Agreement.

4.0 GOAL

The Goal of the Program is to expand local capacity to promote and support grassroots participatory development.

5.0 PROGRAM PURPOSES

Build self-supporting sustainable local community development agencies that provide technical assistance and support to local enterprises and grassroots groups. Drawing on the ADF participatory development model, the Partner will become an "anchor" for ensuring that competent local leadership and technical and financial capacity are institutionalized.

6.0 RESULTS TO BE ACHIEVED AND INDICATORS OF ACHIEVEMENT

6.1 Institutional Capacity of the Partner

- 6.1.2 improved monitoring and evaluation, as indicated by the timely identification and remediation of problems experienced in clients' project activities;
- 6.1.3 operational capacity to execute stated objectives, as indicated by clear and understood bylaws or similar rules, clear and consistent personnel system, and the devolution of decision-making to appropriate levels;
- 6.1.4 sound financial management, as indicated by compliance with generally accepted accounting and auditing standards;
- 6.1.5 effective use of participatory development methodologies (PDM) in assistance to clients, as indicated by approaches to project planning, design, implementation, monitoring, and evaluation of project activities;

- 6.1.6 ability to counsel and nurture local enterprises, communities and grassroots entities in the development and execution of their projects, as indicated by the effectiveness of support strategies used by the Partner;
- 6.1.7 enhanced knowledge and expertise in small and medium enterprise (SME) development, micro-finance (MFI), and trade and investment (T&I), as indicated by the quality of proposals for ADF funding for which the Partner assists applicants in developing and the technical advice it provides to ADF grantees; and
- 6.1.9 ability to identify and assess the capabilities of local consultants and experts to provide technical assistance and training to enterprises and grassroots entities, as indicated by the timeliness in proposing consultants and experts and the quality of their advice and other work.

7.0 PROGRAM ACTIVITIES

The Parties will develop a work plan and detailed scopes of work for the key personnel under this Program to guide implementation of these activities. The major activities of the Partner will include the following.

7.1 Planning

The Partner will undertake a planning exercise to fully integrate the requirements of this Agreement into its operations and clearly establish priorities within the organization.

7.2 Project Implementation and Monitoring

7.2.1 Training

At a minimum, the Partner will provide or help arrange the following training for designated ADF grantees in (a) establishment and maintenance of project records and automated accounting systems; (b) ADF's financial management and reporting requirements; (c) ADF's requirements for internal controls and cash management systems; (d) project monitoring and evaluation (PM&E) committees for evaluation of project progress, identification of resources and data needed to resolve issues impeding the achievement of project objectives. The Partner will assure grantees implement their training plans.

7.2.2 Staff Recruitment

The Partner will assist grantees to determine requisite skills for staff to be hired under the project, develop or assure job descriptions are prepared, provide oversight of the recruiting, interview and selection process in

accordance with ADF guidelines, review employment contracts and ensure grantee compliance with the Ghana labor code.

7.2.3 Procurement

Reviewing the equipment and services to be procured under the Grant Agreement with ADF, the Partner will advise and assure grantees obtain at least two, preferably three, updated comparative pro-forma invoices for items or services valued at more than \$2,000. For services to be provided, the Partner will assist grantees in developing detailed terms of reference and deliverables.

7.2.4 Project Monitoring and Remediation

Using an ADF financial monitoring checklist and a monitoring plan developed in collaboration with project grantees and based upon key milestones in their implementation schedule, the Partner will visit projects twice monthly for the first six months to help grantees routinely assess and document progress against performance indicators, identify problems or issues hindering achievement of project objectives, and consult with grantees to resolve these problems. The Partner will also assist grantees in resolving administrative and logistical problems with banks, vendors, and local government authorities.

7.2.5 Financial Management

The Partner will (a) assist grantees with submission of quarterly financial reports and statements and disbursement requests to ensure that they are prepared in accordance with the terms and conditions of their grant agreements; (b) visit project sites to verify that grantees are maintaining sound financial management practices, and provide on-site training to address minor deficiencies or make recommendations concerning appropriate interventions to correct more serious problems; and (c) re-administer the ADF financial assessment questionnaire during month six of this agreement to ensure the grantees are able to fully satisfy ADF's financial certification requirements.

7.3 Project Development

7.3.1 Design Project Activities

Applying and promoting participatory development methodologies (PDM), the Partner will work together with ADF designated grant applicants to assist them in transforming their unsolicited proposals into sustainable development projects. The Partner will assist applicants to (a) develop a long-term vision and strategy for sustaining and advancing their projects; (b) conduct the necessary analyses and feasibility studies to assess the viability of their projects; (c) design technical components, budgets, management plans, implementation plans, and other project elements in accordance with guidelines provided by ADF; (d) research technical

specifications of requested equipment to ensure appropriate capacity needed for the project, (e) identify reliable and cost-effective sources of equipment or other technical assistance; (f) gather project baseline data and required due diligence information; and (g) develop skills inventory, training needs assessments, and training plans. The Partner may provide the required expertise directly or through the use of outside technical assistance providers (TAPs).

7.3.2 Prepare Project Proposals

Following on the results of the PDM process used to design project activities, the Partner will draft project documents for review by the applicant. Based on the applicant's approval, the Partner will submit the documents to ADF for review and approval. Partner may engage TAPs to assist in proposal preparation.

7.3.3 Procurement

The Partner shall provide technical assistance to project grantees in the procurement of appropriate equipment.

7.3.4 Reporting

The Partner will assist grantees with submission of program and financial reports and disbursement requests to ensure that they are prepared in accordance with the terms and conditions of their grant agreements, visit project sites to assist grantees in maintaining sound financial management practices, and providing on-site training to address minor deficiencies or to make recommendations concerning appropriate interventions to correct more serious problems. The Partner shall verify the accuracy and completeness of quarterly financial and program reports it receives from project grantees, prior to transmitting each such report to ADF.

8.0 Roles and Responsibilities

The Partner will report to the Regional Program Director (RPD). The ADF Regional Program Director will have primary responsibility for promoting ADF's program including soliciting, screening and recommending grant applications for review. The RPD will collaborate with the Partner on various activities including monitoring progress and conducting reviews of the Program, reviewing the Partner's financial and progress reports, assessing staff training needs, providing or coordinating ADF required training for the Partner.

The Regional Program Director will designate ADF grant applicants and grantees as clients. The Partner will ensure that the clients get the necessary technical support and advice they need to submit proposals that comply with ADF requirements and implement their projects successfully.

9.0 Implementation

The Partner and the Regional Program Director will agree on a work plan that will guide the Partner's activities for the duration of the Agreement. At a minimum, this plan will specify implementation targets and timing, monitoring and evaluation mechanisms, and staffing and training needs.

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