

## **Modification to Grant Agreement No. 1**

The Public Organization “Umed ba behbudi”, a non-profit public organization, registered in GBAO, Tajikistan (further as Grantee) and Shiraz Dhanani, citizen of United States of America (further as Donor), signed a Grant Agreement dated 19<sup>th</sup> of August 2017 (hereinafter called the Original Grant Agreement) to implement a project with a goal of eliminating poverty amongst s poor families in rural areas of GBAO, Tajikistan. The project is called “Creating opportunities for poor families in Pamir Mountains”.

The Donor and the Grantee desire to amend the Original Grant Agreement, to make modifications to the to the grant’s activity description, duration of the project, management of funds of the Original Grant Agreement and to provide new increment of the Donor’s financing.

Therefore, the Donor and the Grantee hereby agree to amend the Original Grant Agreement as amended as follows:

### **Article I**

#### **Definitions**

In this Modification to Grant Award Agreement No. 1, unless the context otherwise requires, the following terms shall have the following meaning:

1. Grant Duration: The period that the Programme should continue to be implemented by the Grantee.
2. Grant: The amount in USD that the Donor provides the Grantee from USA
3. Grant Fund: Money the Grantee receives directly from the Donor
4. Term deposits: Investment of Grant Funds, received by the Grantee, into term deposits
5. Maturity of the term deposit: End date of a term deposit
6. Perpetuity of the Programme: Never-ending duration of the Programme Implementation
7. Successive Programme Director: A Director that will take over the Programme after the then current Programme Director retires or is incapacitated.
8. Reserve Fund Account: An additional bank account in Tajik Somonis to hold unused funds from the preceding years and also to hold funds earmarked for any planned projects.
9. Feedback: Information, from the beneficiaries of a project and in their own words, how and how much they have benefited from the Programme. The review of the feedbacks is necessary as a means for non-site verifications of the completed projects and the associated benefits to the recipients of the assistance.
10. Changes in Tajikistan’s laws and regulations: Future changes and laws related to the operations of not-for-profit public organization.

11. Audit: An official fee-based inspection of the accounts and also the Review of Feedbacks, by an independent Professional Accountant.

12.. Annual Report: An annual report that each Public Organizations is required to submit to the Tajikistan the Ministry of Justice by the April deadline of the following year.

These reports will be prepared by a professional accountant or a lawyer with proven experience in preparing such reports.

13. Small Village: For the Programme purpose, the Programme Director shall decide at his discretion, case by case, whether a village is small or not.

14.. Administrative Funds: Funds budgeted, in any year, to cover expenses of Director's annual compensation, , income of any employed assistant, taxes withheld by bank, any additional government taxes on the interest earned, accountant's fees, legal fees for ordinary work, fees for preparation of annual reports required by the Ministry of Justice, stationary, expenses for renting an office, and other obvious expenses of such nature that are not directly associated with the implementation of any specific project or a group of projects, training of an assistant or a successive director, etc. **Exceptions: Exceptional legal fees, Expenses of out-of-town trips with a companion/s, out-of-town accommodations and meals, Vehicle related expenses of all kinds, including fuel, regular maintenance, repairs of all kinds and even replacement (when deemed necessary) of the vehicle under use with another pre-owned vehicle. All these stated exceptions will be paid for from the Funds dedicated to the implementation of Projects.**

15. Project Funds: Funds budgeted, in any year, to cover the costs of surveys, planning, engineering services, purchases of materials, transportation of materials, renting equipments for construction, purchase of minor equipments for construction, on-project-site all mechanical and non-mechanical services, machinery services and any and all other construction activities not covered here , professional on-site construction-related services, and all expenses of items listed as exceptions in the preceding Clause 16 of the Article I.

16. Continuity of the Programme: The successful continuation of the Donor's Charity Program under successive Program Directors and successive Board of Directors.

17. Board of Directors: The Management Body of the organization, which will consist of at least 3 volunteer members, with responsibility for 1) Strategic management of the organization, 2) Selecting a successive programme director from those recommended by the retiring director or independently of the director, if the director is not available for any reason, 3) Appointing a successive Board of Directors, and 4) Meeting every 3 months.

The costs associated with all the meetings will be paid for by the programme. .

## Article II

### Modifications to the Grant's Duration:

2.0. The Original Grant Agreement states that the Grant's period is from August 19, 2017 - August 18, 2027. With the purpose of scaling up the assistance provided by the Programme to help even more poor villages and families, the Donor and the Grantee have decided, to maintain, continue and sustain "Creating opportunities for poor villages and poor families in the Pamir Mountains of Tajikistan" charity program (here after referred to as "Charity Programme") for a perpetual duration. Accordingly, all clauses included in this Modification to the Grant agreement will continue to be still applicable and obligatory indefinitely beyond August 18, 2027.

## Article III

### Modifications to the Grant:

The following clauses 3.1 and 3.2 replace the Final Approved Grant Budget stated in Clause 8 of the Original Grant Agreement is modified as following:

3.1 The Grant amount has been increased to \$500000, at the request of the donor.

**3.2 As a Muslim, the Grantor passionately wants to follow the guidance of (Peace be upon him) Prophet Mohamed that the best charity is an ongoing charity. Therefore the Grantor's strong goal is to develop and have his Programme managed as a an ongoing charity programme that is sustainable and perpetually funded.**

The donor only has limited funds to donate. Based on this limitation and the only way he can empower the Grantee to develop his charity programme into a perpetual ongoing charity , the donor has directed the Grantee to use ALL his donations of the Grant-Funds (in US\$) to invest in local currency BANK-ISSUED time-deposits , and then use only the interest income (from these time-deposits) to fund the on-going Charity Programme.

The Term-Deposit conditions are stated in Article IV of this agreement

## Article IV

### Modification to the Grant Fund management

4.1. To achieve the goal and objectives expressed in the Clause 3.2

The donor has directed to invest his US\$300000, donated to the Grantee in 2017, in a local currency time-deposit maturing in 3 years or more.

.Also to further increase the funding capacity of his Charity Programme, the Donor will donate in 2018, additional funds of US\$200000 to the Grantee to invest in additional local currency time- deposits maturing in 3 years or more.

4.2. On the maturity date, all proceeds from each matured term deposit should be reinvested in a new local currency bank-issued time-deposit maturing in 3 years or more.

4.3 When any of the donor's term-deposit matures, the donor hereby allows the Founding current Programme Director Mavlonazarov Mavlonazar Akbarshoevich and or the current Volunteer Head of this Public Organization Khudonazarova Umeda Davlatnazarovna to add, any voluntary donations they wish to make, to the proceeds received from the matured term-deposit. In which case, the total amount to reinvest in a new term-deposit will be the proceeds received + any voluntary donations from them.

4.4 All the interest received from the term deposits will be used EXCLUSIVELY for funding Grant activities and will NOT be reinvested in any term deposits.

4.5 Grant activities: This clause 4.5 replaces the clause 7 of the Original Grant Agreement

The Grant activities shall be charity activities of the types described below:

- 1) Fund and implement projects in small villages to 1) facilitate water supply for drinking, 2) facilitate water supply for irrigation, 3) develop unused arable land owned by villages into communal farms, 4) any other kinds of productive assistance.
- 2) After undertaking research on needs, capacity and skills of poor families, provide them with the assistance to increase their income and improve their living conditions.
- 3) Fund and implement relief projects, following any natural disasters

4.6 The Grantee shall set up a Reserve Fund account for depositing, at year-end, all the surplus interest funds (derived from term-deposits) for use in the subsequent years and also to hold funds earmarked for any specific planned projects.

4.7 Funds in the Reserve Fund Account shall be used, when necessary, to supplement the amount budgeted in any year for projects, AND also to fund projects already earmarked in the Reserve Account

4.8 To maximize lasting achievement from any post-disaster relief projects, such relief-projects should be funded and implemented ONLY after the major and well-funded institutions have completed their emergency help.

4.9 Because of the limited funding capacity of this Programme, the post-disaster projects shall focus only on helping small villages that have been affected by any natural disaster.

4.10 Post-disaster projects shall be within any of the following 4 categories:

1. To facilitate water supply for drinking and or irrigation
2. To develop communal farms, in situations where villagers have been relocated to new areas where they have also received ownership of any unused arable lands.
3. To give very poor families income-generating assets (matching their skills) to enable them to increase their income.
4. To improve the living conditions of the relatively very poor villagers.

5. Any other kinds of productive assistance.

## **Article V**

### **Programme Continuation:**

For successful and uninterrupted continuation of the Donor's Charity Program, the Grantee shall do all that is required under the Registration to ensure smooth transition of the responsibilities to successive Programme Director and successive Board of Directors and that the successors operate in full compliance with the requirements of the Ministry of Justice.

The Terms of reference included into the Labor Agreement, signed with the Programme Director, should explicitly state all the requirements that shall be followed by the Program Director and the associated Board of Directors, on choosing Successive Programme Director and setting up Successive Board of Directors.

## **Article VI**

Modifications to the Annual Programme Budget:

6.1 The Annual Programme Budget, in any year will be the total annual interest earned from all the term deposits.

6.2. The funds to be dedicated for projects in any year will be the annual total interest earned from the time-deposits MINUS the Administrative expenses covered in Article 1, Clause 16

6.3 The TOTAL annual compensation of the Programme Director and any assistant/s he employs (at his discretion) for administrative work shall be limited to 10% of the annual funds dedicated for projects, as computed in the preceding Clause 6.2. This compensation will include all taxes.

However, the total annual compensation of the Programme Director and any assistance he employs will never be less than TJS 50500 (including all taxes).

6.4 Any compensation of an assistant/s will be paid from the total compensation computed in the preceding Clause 6.3 .

The amount to be paid to the assistant will be determined between the Programme Director and the Assistant

The compensation paid to an assistant should be clearly recorded as a separate transaction, for the accounting purpose and for his/her tax obligations.

6.5 Programme Strategy:

a) The Programme Director should use balanced, fair and efficient judgement to plan projects and allocate funds in any year, so as to bring benefits to multiple villages.

b) Under normal circumstances, top priority for charity assistance should be desirably given to the villages which need supply of water for drinking, followed by villages which need supply of water for irrigation of existing farms, followed by villages willing to develop communal

farms on their unused arable lands, followed by villages in need of other kinds of productive assistance. However, the Programme Director can make justifiable exceptions when it is warranted, based on balanced, fair and efficient judgement .

c) In the case of assisting any villages that have been affected by any natural disaster, the Programme Director should make exceptions for these villages with respect to priority, kinds of projects and allocation of funds.

## **Article VII**

### **Modifications to the Programme implementation**

#### **The Programme Implementation under the Programme Director is modified as follows:**

7.1. The Scope of work under the programme (provided in Annex 1 of the Original Grant Agreement) is tailored for 1 (one) person: Programme Director/Manager. However, as stated earlier, the Director may hire an assistant at his discretion

7.2. On out of town trips, the director can take another person to accompany him for safety reason and assistance in the field work.

7.3. The director shall be personally responsible for visiting villages, meeting with the village chiefs, assessing their problems, decide in consultation with the chiefs what kind of help will be most helpful, which tasks within the project they would be commit to do on their own, assist the villages during the progress of any project, inspect the projects during the implementation, and finally verify the project completion and the expected outcome.

The villagers shall be expected to participate in any project the Director undertakes for them, to the extent appropriate and reasonable. But they shall not be compensated for their work because the project would be for their own benefit.

The participation of the village would reduce the project cost and their level of participation will also be an important gauge of how seriously their need is and how valuable our project will be to them.

The responsibilities stated in the first paragraph of this Clause 7.3, Article VII, and any other obvious managerial duties not covered in the referred paragraph of this Clause shall not be delegated to any assistant.

7.4 The Director shall require feedbacks from the recipients on each completed project, within 3-12 months, depending on the type of assistance given..

The feedbacks, in combination with photos taken, shall provide the ultimate proofs of the success of the associated projects.

7.5 All the tasks shall be fully documented by posting the following items a, b and c on the Google Drive, and by posting the following item d on the website “pamirscharity.org”.

a) Individual receipts for the purchases of individual items (even if they are alike),

b) Associated Agreements with the Recipients

c) Feedbacks from the benefiting recipients

d) Selection of photos showing the situation preceding the project, construction of each stage of the project, successful completion of the project and the improved situation after the project has been completed.

7.6. The Director shall schedule an audit, each year

7.7. The Director shall submit the required annual report to Ministry of Justice, several weeks before the April deadline.

7.8. The Director shall plan and complete the training of the successive Director, well ahead of the time he plans to retire or disengage from the Programme for whatever reason. The training should be at least 2 months long.

7.9. Any vehicle used in the Programme should be maintained in good condition with timely repairs to last at least up to 400,000 kms. After that, the Director can decide on replacing the vehicle if necessary. The justified costs associated with the car maintenance will be covered by the Programme.

When choosing a vehicle for replacement, it should be chosen from the available pre-owned vehicles and not from the available new vehicles at that time <https://myaccount.nytimes.com/seg/>.

### **Article VIII**

8.0 If the Grantee is required to cease its operation as a charity organization because of the future changes in Tajikistan's laws and Regulations, then it shall identify the best operating micro-finance/financial-aid organization/agency in the Khorog area to pass the funds to.

8.1. For micro-financing organization/agency that agrees to take over will use the Grantee's free cash on hand, on-going stream of interest income from renewing each 3-year Grantee's term deposits at maturity date.

8.2. The microfinancing organization/agency should use the funds provided by the Grantee for supporting small income generating projects (pictures of examples of these types of projects are provided in Annex 1 of this modification) in GBAO region, such as

a) Land quality improvement – to assist people in far villages in increasing the amount or the quality of the land, where they can grow fruits and vegetables for their own consumption and sale.

b) Small wood processing factory – to provide the poor families, which members have the skills of processing wood or making things from the wood as windows, doors and etc., used in daily life, with the necessary equipment, so they can make these things for sale.

c) Metal worker equipment – to provide with better quality and more innovative equipment to members of poor families in far villages of GBAO, who have the skills of doing such work.

8.3. Where the Grantee's funds are used, micro financing shall be interest free but the associated financial aid shall be repayable according the organization's own rules.

### Statement of Agreement

If after having reviewed in its entirety this Modification to Grant Agreement No. 1, you in your capacity fully and unconditionally agree with all of the above, you may enter into this Modification to Grant Agreement No. 1 by affixing your signature below.

**Donor:** Shiraz Dhanani

Shiraz Dhanani

Donor

-----  
Name

-----  
Title

*Shiraz Dhanani*

1 December, 2017

-----  
Signature

-----  
Date

On behalf of Grantee:

Mavlonazarov Mavlonazar, Public Organization "Umed ba behbudi"

*Mavlonazarov M*

-----  
Name

*Director*

-----  
Title

*[Signature]*

*1 December 2017*

-----  
Signature

-----  
Date



**Annex 1.** Pictures of examples of projects, which should be supported by the micro financing organization, which will receive the funds from the Grantee, in case if the Grantee is required to cease its operation as a charity organization.

