



**Contractual Agreement Between**  
**HELKETAS Swiss Intercooperation SKY project Bahir Dar**  
**and**  
**Abaynew Garment (MSE) 2019 1st phase Agreement**

HELKETAS Swiss Intercooperation as responsible for the implementation of the SKY project in Bahir Dar, hereafter called the **client**, contracts the Training and Employment Provider (TEP) **Abaynew Garment MSE in Debretabor**, hereafter called the **contractor**, to deliver trainings and job placement services for wage- and self-employment to economically poor and socially discriminated and out of school youths, based on outcome based payment modalities as elaborated in this contract.

**1. Parties of the contract**

The contractor, represented by **Abaynew Mebrat**, Owner and Manager of the training Institute and the client, represented by **Chalachew Gebeyehu**, HELKETAS Swiss Intercooperation SKY project manager Bahir Dar.

**2. Contracted Services**

Under the terms and conditions signed in this contract, HELKETAS Swiss Intercooperation SKY project, agrees to purchase services from the contractor for providing skills training and job placement with decent income to **21 (M-12, F-9) youths of which two are internally displaced youths**, who are economically poor and socially discriminated. The services to be provided are detailed and based on the evaluated and agreed upon proposals provided by the contractor.

**3. Duration of this Contract and Milestones**

No	Day Time trainees		Evening and week end trainees
1	Training duration	Three months with flexibility in the training (nominally 300hrs)	-
2	Latest Start of training	30,Oct,2019	-
3	Possible latest completion of training	29, Jan, 2020	May take more time than the day time Program
4	Closing day for final reporting of employment and income	22,May, 2020	-
5	Closing date for Final Verification and Payment for SKY	29,May, 2020	-

**4. Services to be delivered by the Training and Employment service provider**

- Skill Training services in Garment for M-12, F-9, T-21 of which two are internally displaced. Training content and program should be provided according to the curriculum provided by SKY. All the trainees should participate in cooperative training in appropriate industries
- Organization of competency based assessment through national/institutional assessment.
- Participation in assessment is obligatory



- Job placement (wage or self) with decent income of at least 40% - 80% of the trainees verified after four months after graduation
- Decent income is defined as a minimum income of not less than 1100 Birr per month.

## 5. Skill Plus packages

The trainees need to have life skill and Entrepreneurship training in addition to the above mentioned technical skill training. Training of life skills and entrepreneurship are foreseen for at least five days.

## 6. Outcome Budget

The total agreed outcome budget under this contract is - for one trainee is 4,500 Birr and the total agreed budget is  $21 \times 4,500 = 94,500 \text{ Birr}$  ( *Ninety four thousand Five Hundred Birr*). The breakdown of the outcome budget as per agreed time and outcome release plan are presented in the following table. If more than 40% of graduates got employment, beyond the agreed amount the training provider shall get an incentive for the number of graduates placed to Job based on their categories A-D,

*Table 1: Detailed outcome budget release*

Occupations	Budget	Payment schedule		
		1st installment- at the middle of training-25%	2nd installment at the end of training and 80% success in occupational Assessment-45%	3rd Installment- after four months of graduation and 80% employment linkage- 30%+ incentives for social inclusion
<i>Garment</i>	$21 \times 4,500 = 94,500 \text{ Birr}$	<i>23,625 Birr</i>	<i>42,525 Birr</i>	<i>28,350 Birr</i> +incentive for 40% and more for job placement
<i>Release Plane</i>		<i>Dec, 2019</i>	<i>Feb, 2019</i>	<i>May. 2020</i>

### **Taxes**

The cost of training includes VAT and other taxes. Taxation is done according to the Ethiopian law of tax. if the training provider is to be exempted for taxation, then a certificate or letter of exemption should be submitted to HELVETAS.

### **Definition of Categories of trainees A-D**

No	Definition of Category	Category	Level of incentive for one employed graduate in ETB
1	Women who are single mothers, women living with HIV, women with disabilities, Women who are displaced (IDP) and returnees from middle east countries and others with similar conditions	A	1300
2	Category B Includes- Men living with HIV, men with disabilities, men who are displaced (IDP) and returnees from middle east countries and others with similar conditions	B	1000
3	All disadvantaged women	C	800
4	All disadvantaged Men	D	500



## 7. Disbursement Procedure

The agreed outcome payment amount shall be disbursed in three installments as follows:

- At the middle of the training 25% of the agreed upon training cost will be paid. Dropouts before two weeks are not legible for payments, however, dropouts after two weeks are legible for the first 25% payment only
- After successful completion of the training and verification of 80% successes in competency based national/ institutional assessment, 45% of the training cost will be made.
- 4th months after graduation, and verification of the employment status, the following payment will be issued:
  - The full agreed 30% of the remaining training costs, if 80% and more graduates are employed (wage-or self-employment)with gainful income
  - A percentage of the agreed incentive for job placement will be paid , if less than 80% and Greater than 40% are employed. The TEP will receive the percentage of the incentive according to the job placement rate ( 50% job placement = 50% of incentive for each graduate employed)
  - No incentive will be issued if the employment rate is less than 40%. Employment should always be Gainful (which means the monthly salary or earning of the graduate should be 1100 Et. Birr and More)

## 8. Monitoring and Reporting

The TEP must monitor the performance and outcome of the agreed activities regularly and in line with the requirements of the HETSKY monitoring guideline.

Monitoring includes data collection (DC), data analysis (DA) and reporting (R) processes.

The activities/results to be monitored are:

- Number of trainees per category of beneficiaries. TEP will CD/collect data/ and SKY analyze and report. (concluding if SKY reaches the right beneficiaries)
- Number assessed graduates. TEP will collect data and SKY analyzes and report. (analyzing quality of training)
- Number of employed graduates with decent income, 4 months after graduation TEP will collect data and SKY analyze and report. (analyzing employment data for payment)

## 9. Assessment :

The first priority is for **National** assessment, but if not possible to do so, the **Institutional** assessment will be conducted as an alternative.

The trainees will undergo assessment after training by the assessors accredited with level I, II, III and it could be above these levels in the occupation to be assessed. It should have to follow the National assessment procedure. The assessors could come from government or private sector but independent from TEP if no national assessment. The institutional assessment result of the trainees leads them to certification of completion.

Two hundred Birr (200 Birr) per individuals to be assessed shall be covered by HELVETAS-SKY for the first time (for those who failed the first assessment, the assessment cost shall be covered by either the TEP or the Trainee).

## 10. Schedule of the training:

The training duration will be up to 300 hours dependent of the occupation to be trained. The training schedule shall consider the special circumstances of the trainees, e.g. as the need for income generation during training, child care, amongst others and shall be agreed upon by the majority of trainees of the training group.



**11. Access for verification**

The client or his delegate has the right to visit at any time training sites of the TEP and site of employment without previous note

**12. Anti-Corruption Clause:**

The contracting parties shall neither offer or give any kind of advantage to a third party either directly or indirectly, nor directly or indirectly receive, accept or let themselves promise any gifts, payments or other advantages which are or could be considered as an illegal or corrupt practice. HELVETAS reserves the right to cancel the contractual relationship in case of infringement, suspend payments, and reclaim former payments offense.

**14. Contract amendments, termination and resolution of disputes**

**14.1. Amendments**

This contract can be amended through mutual understanding with a written note signed by both parties.

**14.2. Termination**

This contract automatically expires with reaching the contracting end date specified at the end of the contract. For any subsequent contract, the TEP has to undergo the complete procurement process of HETSKY.

This contract can be terminated during the contracting period by either party with one month advance notice in writing with specification of the reasons to the other contracting party.

In case of serious violations of this contract, HETSKY reserves the right to immediately terminate the contract by giving one week written notice in advance specifies the reasons.

In any of the two cases of early termination of the contract, HETSKY pays only for already successfully completed training activities and achieved outcomes the actual cost incurred by the time of termination up to the maximum agreed amount.

**15. Resolution of disputes**

This agreement is governed by the law applicable in Ethiopia. Any disputes between HETSKY and TEP will first be taken to the HETSKY Steering Committee/Platform committee for mutual understanding and settlement. If either party does not agree to the decision of the HETSKY Steering Committee, the matter may be put to arbitration in accordance with the Ethiopian adjudication. Decision so reached will be final and binding to both parties.

**On Behalf of EMD Construction Finishing Training Center**

**On Behalf of HELVETAS Swiss Intercooperation  
Ethiopia: SKY project**

Name – **Abaynew Mebrat**

Name-

Responsibility- **Owner & Manager of the MSE**

Responsibility-

Signature-----

Signature-----

Date:-03/12/2019

Date-03/12/2019