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| Agreement Template: | Non-Governmental Organisations | Revision no.: | 4 |
| Specific Conditions (part I) | Grant Management Regime I | Date of revision: | April 2022 |

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

AND

THE CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

REGARDING

RAF-3101 MWI-23/0004 INTEGRATING AQUACULTURE-
AGRICULTURE TO COMBAT FOOD INSECURITY IN MALAWI

PART I: SPECIFIC CONDITIONS

PART II: GENERAL CONDITIONS

PART III: PROCUREMENT PROVISIONS

ANNEX A: BUDGET

ANNEX B: RESULTS FRAMEWORK

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PART I: SPECIFIC CONDITIONS

This grant agreement (the Agreement) has been entered into between:

- (1) The Norwegian Agency for Development Cooperation (Norad), Department for Climate and Environment, Section for Food, and
 - (2) The Co-operative Development Foundation of Canada (CDF Canada), a foundation duly established in Canada under registration number 118875517 RR 0001 (the Grant Recipient),
- jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted an application to Norad dated 31 August 2023 (the Application) regarding financial support to the project titled RAF-3101 MWI-23/0004 Integrating Aquaculture-Agriculture to Combat Food Insecurity in Malawi (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A to this Agreement.
- 1.2 Norad has decided to award a grant to be used exclusively for the implementation of the Project (the Grant). The Parties expect the Project to be implemented during the period from 01 January 2024 to 31 December 2028 (the Support Period).
- 1.3 The Parties have agreed to enter into an Agreement, consisting of this part I; Specific Conditions, part II; General Conditions, and part III; Procurement Provisions, all of which form an integral part of this Agreement. In the event of discrepancies between the Specific Conditions and the General Conditions or Procurement Provisions, the Specific Conditions shall prevail.

2 OBJECTIVES OF THE PROJECT

- 2.1 The expected results of the Project are as follows:

The Project's expected effect(s) on society is/are (Impact):

To increase the productivity and income of, and access to markets by, small-scale food producers, especially women, engaged in integrated aquaculture-agriculture system comprising of fish, crops, livestock, and agroforestry sub-systems to combat food insecurity.

The expected effects for the target group of the Project are (Outcome):

1. Increased adoption of diversified climate-resilient technologies such as IAAS
2. Increased knowledge among farmers on managing climate risks
3. Improved forest cover in fishery communities
4. Increased organization of smallholder farmers with strong input and output market linkages

The intended target group is 9,200 farmer households.

- 2.2 The full results framework is included as Annex B to this Agreement.

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3 IMPLEMENTATION OF THE PROJECT

- 3.1 The Project shall be implemented in accordance with the Agreement, including all annexes, and the latest approved Application, including work plan and budget.
- 3.2 During the implementation of the Project, the Grant Recipient shall exercise the necessary diligence, efficiency and transparency in line with sound financial management and best practise principles.
- 3.3 The Grant Recipient shall continuously identify, assess and mitigate any relevant risks associated with the implementation of the Project. The risk of potential negative effects of the Project in the following cases (Cross-Cutting Issues) shall always be included in the risk management of the Project:
- anti-corruption
 - climate and environment,
 - women's rights and gender equality, and
 - human rights (with a particular focus on participation, accountability and non-discrimination)
- 3.4 Any significant deviations or changes from the Application, budgets and approved work plans are subject to Norad's prior, written approval. The following deviations/changes shall always be subject to Norad's prior written approval:
- changes to the Project's sources of income,
 - changes to the result framework or scope of the Project, except minor adjustments at the output level which are necessary to achieve agreed outcomes. Future reports must clearly reflect, explain, and justify all changes made,
 - any changes to the Project's annual budget that imply reallocation of more than 10% of a budget line and exceeds NOK 15 000 (fifteen thousand),

Norad may suspend disbursements of the Grant until requested changes have been approved.

4 THE GRANT

- 4.1 The Grant shall amount to maximum NOK 170 million (Norwegian Kroner one hundred and seventy million). The annual allocated Grant includes Crisis Modifier (CM) funding that will be allocated to emerging needs within a budget year. The use of flexible funds must be approved by Norad. The table below shows the tentative allocation to the Project, and to CM respectively:

| Year | Tentative Project Allocation NOK | Tentative Crisis Modifier funding NOK |
|--------------|----------------------------------|---------------------------------------|
| 2024 | 32,599,405 | 2,704,595 |
| 2025 | 31,202,737 | 2,930,263 |
| 2026 | 33,867,910 | 3,304,090 |
| 2027 | 27,260,243 | 2,498,757 |
| 2028 | 31,181,777 | 2,450,223 |
| Total | 156,112,071 | 13,887,929 |

- 4.2 The Grant Recipient can apply for release of CM funding throughout a budget year. CM can be released upon agreement from Norad for a crisis for activities within the Project's Results Framework. In exceptional cases it can include essential activities not directly linked to the

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Project's Results Framework. CM project elements shall normally not exceed 6 months, but for applications submitted before 1 July each year, the CM project element may run to the end of the budget year. In case of a severe crisis, Norad can consider requests for 12 months. If no application for CM funding has been submitted by 1 November each year, Norad will enter into a dialogue with the Grant Recipient to assess possible budget modifications for use in another budget line for the subsequent year. If no suitable modifications are agreed upon, the CM for that year will be withheld by Norad. The template to be used to apply for the release of the CM budget line and additional information as to its use, is available upon request from Norad. The Grant Recipient shall include the CM funding in the reporting mentioned in Article 6.

- 4.3 Disbursements after the current calendar year are subject to Norwegian Parliamentary appropriations. Significant reductions in the Parliament's annual appropriations may lead to a reduction of the Grant for the relevant budget year and/or of the total Grant amount. If the Grant amount is reduced the Parties shall revise the work plan, budget and results framework correspondingly, unless the Grant Recipient secures additional funding from other sources.
- 4.4 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.5 The Grant may be used to cover overheads/indirect costs up to a maximum of 7% of Norad's pro rata share of the incurred direct costs of the Project.
- 4.6 The Grant Recipient is responsible for obtaining any additional resources which may be required to duly implement the Project.

5 DISBURSEMENT

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Project for the upcoming period, which shall not exceed six months. The first disbursement may be made upon signature of the agreement based on the approved Application. The subsequent disbursements shall be made upon Norad's receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question. The first disbursement may include approved Project expenses incurred from the start of the Support Period.
- 5.2 Financial need refers to the budgeted expenditure for the upcoming period, minus any funds available to the Project from all other sources during the same period.
- 5.3 The financial need shall be documented through an updated financial report for the Project and a reference to the latest approved work plan and budget.
- 5.4 The disbursement requests shall be signed by an authorised representative of the Grant Recipient. A confirmation that the Project is being implemented in accordance with the Agreement shall be included in the disbursement request.
- 5.5 All disbursements are conditional upon the Grant Recipient's continued compliance with the requirements of the Agreement, including the timely fulfilment of reporting obligations. Norad may withhold disbursements in accordance with article 18 of the General Conditions if it finds that the requirements of the Agreement have not been met. Except for the Project's first year, the last disbursement each year is subject to Norad's approval of the progress report and financial report.

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5.6 All disbursements will be made to the following bank account:

Name of the account: Cooperative Development Foundation of Canada
Account no.: 020015772701
Routing no.: 82817102
Transit no.: 17102
Institution no.: 828
Name and address of the bank: Your Credit Union
14 Chamberlain Ave, Ottawa ON, K1S 1V9, Canada
Swift/BIC code: CUCXCATTVAN
Currency of the account: CAD

5.7 The Grant Recipient shall immediately acknowledge receipt of the funds in writing. The amount received shall be stated, as well as the date of receipt and the exchange rate applied.

6 REPORTING AND OTHER DOCUMENTATION

6.1 The following shall be submitted by the Grant Recipient to Norad:

- a) A **progress report** covering the period from January to December shall be submitted to Norad by June 1st each year. The progress report shall include the content specified in article 2 of the General Conditions.
- b) A **financial report** covering the period from January to December shall be submitted to Norad by June 1st each year. The financial report shall include the content specified in article 3 of the General Conditions. The final financial report shall cover the entire Support Period and shall be submitted along with the final report referred to in article 6.1 f) of the Specific Conditions
- c) An **audit report** covering the annual financial statements of the Project shall be submitted to Norad by June 1st each year. The audit report shall comply with the requirements set out in article 7 of the Specific Conditions and article 5 of the General Conditions. If the auditor submits a management letter (matters for governance attention) this shall be attached to the audit report. The management letter shall list any measures that have been taken as a result of previous Project audits and state whether such results have been adequate to deal with reported shortcomings.
- d) An updated **work plan and budget** covering the period from January to December shall be submitted to Norad by November 1st each year. The work plan and budget shall include the content listed in article 1 of the General Conditions.
- e) The **annual report and audit report** of the Grant Recipient's entire organisation shall be submitted to Norad for information by June 1st each year. If the auditor submits a management letter (matters for governance attention) this shall be attached to the audit report.
- f) A **final report** for the Support Period shall be submitted to Norad no later than six (6) months after the end of the Support Period. The final report shall include the content listed in article 4 of the General Conditions.

6.2 If the Grant Recipient is unable to meet the deadlines set out above, Norad shall be informed immediately.

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6.3 All work plans, budgets and reports shall be approved in writing by Norad unless otherwise agreed by the Parties.

7 AUDIT

7.1 The annual financial statements of the Project shall be audited in accordance with International Standards of Auditing (ISA). The Auditor shall comply with ISA 800 (Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks) / ISA 805 (Special Considerations audits of single financial statements and specific elements, accounts or items of a financial statement) and all ISAs relevant to the Project audit. Additional requirements applicable to the auditor and the audit report are included in article 5 of the General Conditions. /

8 FORMAL MEETINGS

8.1 The Parties shall hold formal meetings once per year, tentatively in September, in order to discuss i.a. the results achieved by the Project during the Support Period. The meetings shall be called and chaired by the Grant Recipient.

8.2 The Grant recipient shall submit a draft agenda to Norad no later than two weeks before the meeting. Unless otherwise agreed, the Parties shall discuss, such as but not limited to, the latest progress report and financial report, and/or the work plan and budget for the upcoming period.

8.3 The Grant Recipient shall record main issues discussed, points of view expressed, and decisions made, in minutes from the meeting. The Grant Recipient shall submit the minutes to Norad no later than two weeks after the meeting for comments. The agreed minutes shall be endorsed by both Parties.

8.4 The Parties shall hold additional formal meetings if/when requested by Norad or the Grant Recipient. Details regarding agenda and procedures will be agreed upon by the Parties.

9 REVIEWS AND OTHER FOLLOW-UP MEASURES

9.1 A mid-term review focusing on progress to date shall be carried out by December 2026. The Grant Recipient shall draft the terms of reference for the review and submit them to Norad for approval. The costs of the review shall be included in the Project budget.

9.2 An impact evaluation will be implemented, and the costs shall be included in the Project budget.

9.3 If the Grant Recipient or another interested party initiates a review or evaluation of activities wholly or partly funded by the Grant, Norad shall be informed. The Grant Recipient shall forward a copy of the report of any such review or evaluation to Norad without undue delay.

10 PROCUREMENT

10.1 All procurement under the Project shall be completed in accordance with the Procurement Provisions in Part III of this Agreement.

11 REPAYMENT OF INTEREST AND UNUSED FUNDS

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11.1 Upon the end of the Support Period or upon termination of this Agreement, any unused funds that total NOK 500 or more shall in its entirety be repaid to Norad as soon as possible and at the latest within 6 months. The repayment shall include any interest which has not been used for Project purposes, and other financial gain accrued on the Grant.

11.2 Repayments shall be made to the following bank account:

Name of the account: Norad
Account no.: 7694.05.14815
IBAN no.: NO31 7694 0514 815
Name and address of the bank: DNB Bank ASA, N-0021 Oslo, Norway
Swift/BIC code: DNBANOKKXXX

11.3 The transaction shall be clearly marked: "Unused funds". The name of the Grant Recipient shall be stated, along with Norad's agreement number(s) and agreement title(s).

12 SPECIAL PROVISIONS

12.1 The following additional terms and conditions shall apply for this Project:

- a) The second disbursement for 2024 is conditional upon the following conditions being met:
 - a. A revised results framework must be submitted to Norad, including baseline and target data disaggregated by, at a minimum, age, gender and disability.
 - b. A completed partner assessment. Norad will conduct the assessment. Depending on the results of the partner assessment, a modification of the Agreement for the remaining years of the Project will be required.

13 NOTICES

13.1 All communication to Norad concerning the Agreement shall be directed to the Section for Food at the following address/e-mail address: norad-mat@norad.no.

13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Sanjeev Singh, Director Programs & Development and Waleed Hakim, Program Manager, at the following address/e-mail address: ssingh@cdfcanada.coop and whakim@cdfcanada.coop.

13.3 Norad's agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

14 SIGNATURES

14.1 By signing part I of the Agreement, the Parties also confirm receipt and approval of part II; General Conditions, and part III; Procurement Provisions, which all form an integral part of the Agreement.

14.2 This Agreement in the English language has been signed by both Parties. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

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Place: Oslo/Ottawa

Date: December 8th, 2023




for the Norwegian Agency for Development
Cooperation,

Per Fredrik Pharo

Director

Department for Climate and Environment



for the Co-operative Development Foundation of
Canada,

Benoit Andre

Executive Director

Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework



PROJECT TITLE: IAA to Combat Food Insecurity in Malawi

| DIRECT PROJECT COSTS (Displaying share transferred to local partners and other levels) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | TOTAL | Share |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------|
| | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | % |
| DIRECT PROJECT COSTS (HQ) | 1 945 156 | 1 831 479 | 1 897 697 | 1 590 977 | 1 704 430 | 8 969 738 | 54 % |
| DIRECT PROJECT COSTS (Regional/Country Office/Other level) | 555 080 | 1 103 977 | 1 513 151 | 1 223 399 | 1 098 788 | 5 494 396 | 33 % |
| DIRECT PROJECT COSTS (Local partner*) | 697 512 | 547 099 | 520 654 | 163 635 | 123 967 | 2 052 867 | 12 % |
| TOTAL DIRECT PROJECT COSTS | 3 197 748 | 3 482 555 | 3 931 502 | 2 978 011 | 2 927 185 | 16 517 001 | |

| DIRECT PROJECT COST BY COUNTRY (required information for multi-country agreements) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | TOTAL | Share |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------|
| | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | % |
| Malawi | 1 252 592 | 1 651 077 | 2 033 804 | 1 387 034 | 1 222 755 | 7 547 263 | 46 % |
| Global/Regional (if relevant) | 1 945 156 | 1 831 479 | 1 897 697 | 1 590 977 | 1 704 430 | 8 969 738 | 54 % |
| TOTAL DIRECT PROJECT COSTS | 3 197 748 | 3 482 555 | 3 931 502 | 2 978 011 | 2 927 185 | 16 517 001 | |

| DIRECT PROJECT COST BY SECTOR (or by outcome if preferred) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | TOTAL | Share |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------|
| | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | % |
| Preliminary Activities | 951 828 | 177 593 | 177 593 | 177 593 | 177 593 | 1 662 199 | 10 % |
| Crosscutting Activities | 487 460 | 581 849 | 595 918 | 546 720 | 567 185 | 2 779 132 | 17 % |
| Activity 1: IAAS established | 509 153 | 916 509 | 900 016 | 474 340 | 469 442 | 3 269 460 | 20 % |
| Activity 2: Promoting reforestation | 569 173 | 493 905 | 304 954 | 148 431 | 158 577 | 1 675 040 | 10 % |
| Activity 3: Value addition in integrated agriculture | - | 549 976 | 1 093 461 | 1 093 461 | 1 093 461 | 3 830 358 | 23 % |
| Activity 4: Developing aquaculture value chain | 335 547 | 401 802 | 453 079 | 287 332 | 203 626 | 1 681 387 | 10 % |
| Activity 5: Strengthen extension services | 364 830 | 364 864 | 406 266 | 245 205 | 245 451 | 1 626 616 | 10 % |
| TOTAL DIRECT PROJECT COSTS | 3 217 992 | 3 486 498 | 3 931 286 | 2 973 081 | 2 915 335 | 16 524 192 | |

| INCOME/FINANCING PLAN DIRECT PROJECT COSTS | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | TOTAL | Share |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------|
| | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | Amt (CAD) | % |
| Grant funding Norad | 3 217 992 | 3 486 498 | 3 931 286 | 2 973 081 | 2 915 335 | 16 524 192 | 100 % |
| Grant funding other donors | | | | | | - | 0 % |
| Funding provided by grant recipient | | | | | | - | 0 % |
| Other income | | | | | | - | 0 % |
| TOTAL INCOME/FINANCING PLAN DIRECT PROJECT COST | 3 217 992 | 3 486 498 | 3 931 286 | 2 973 081 | 2 915 335 | 16 524 192 | |

| APPLICATION/GRANT AMOUNT** | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | TOTAL | Rate |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---------|
| | Amt NOK | Amt NOK | Amt NOK | Amt NOK | Amt NOK | Amt NOK | |
| Norad contribution secretariat (only relevant for umbrella) | | | | | | - | 7,85477 |
| Norad contribution direct project cost | 25 276 585 | 27 385 637 | 30 879 348 | 23 352 871 | 22 899 284 | 129 793 725 | 7,85477 |
| Norad indirect cost contribution | 1 470 613 | 1 634 593 | 1 885 943 | 1 457 924 | 1 438 132 | 7 887 205 | 7,85477 |
| Norad contribution WorldFish CGIAR consortium cost (2%) | 297 242 | 285 683 | 281 091 | 182 978 | 174 666 | 1 221 660 | 7,85477 |
| TOTAL NORAD APPLICATION/GRANT AMOUNT | 27 044 440 | 29 305 913 | 33 046 383 | 24 993 772 | 24 512 081 | 138 902 589 | |

| CRISIS MODIFICATION BUDGET | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | TOTAL | Share |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|-------|
| | Amt NOK | Amt NOK | Amt NOK | Amt NOK | Amt NOK | Amt NOK | % |
| 10% of total project cost | 2 527 659 | 2 738 564 | 3 087 935 | 2 335 287 | 2 289 928 | 12 979 372 | |
| Norad indirect cost contribution | 176 936 | 191 699 | 216 155 | 163 470 | 160 295 | 908 556 | |
| TOTAL CRISIS MODIFICATION BUDGET | 2 704 595 | 2 930 263 | 3 304 090 | 2 498 757 | 2 450 223 | 13 887 929 | |

| APPLICATION/GRANT AMOUNT** **Including Crisis Modification Budget | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | TOTAL | Rate |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---------|
| | Amt NOK | Amt NOK | Amt NOK | Amt NOK | Amt NOK | Amt NOK | |
| Norad contribution secretariat (only relevant for umbrella) | | | | | | - | 7,85477 |
| Norad contribution direct project cost | 27 804 000 | 30 124 000 | 33 967 000 | 25 688 000 | 25 189 000 | 142 772 000 | 7,85477 |
| Norad indirect cost contribution | 1 944 000 | 2 111 000 | 2 383 000 | 1 804 000 | 1 773 000 | 10 015 000 | 7,85477 |
| Impact evaluation | 5 556 000 | 1 898 000 | 822 000 | 2 267 000 | 6 670 000 | 17 213 000 | |
| TOTAL NORAD APPLICATION/GRANT AMOUNT | 35 304 000 | 34 133 000 | 37 172 000 | 29 759 000 | 33 632 000 | 170 000 000 | |

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RESULTS FRAMEWORK

| Results | Partners | Indicators | Targets | Means of Verification |
|--|------------------------------------|--|--|--|
| <p>Ultimate Goal: To improve food security by strengthening the production of smallholder farmer food producers, particularly women, and their access to markets through an integrated aquaculture-agriculture system (IAAS) that includes fish, crops, livestock, and agroforestry sub-systems.</p> <p>Long-Term Impact Increased food production and dietary diversity among smallholder farmers</p> | <p>CDF Canada</p> <p>WorldFish</p> | <p>% change in food access</p> <p>Food Insecurity Experience Scale (FIES)</p> | <p>10% increase in food access</p> <p>Change in FIES from food insecure towards food security</p> | <p>Impact evaluation report</p> <p>Baseline evaluation report</p> <p>End-of-term evaluation report</p> |
| <p>Increased food production and dietary diversity among smallholder farmers</p> | <p>CDF Canada</p> <p>WorldFish</p> | <p>% change in volume of fish, crops produced in kgs. (disaggregated by gender, age, disability)</p> <p>% change in dietary diversity measured by frequency of consumption of various food groups in a month, e.g. Household Dietary Diversity Score (HDDS)</p> | <p>20% increase in volume of fish, crops produced in kgs.</p> <p>10% improvement in dietary diversity measured by the HDDS</p> | <p>Baseline evaluation report</p> <p>Mid-term evaluation report</p> <p>End-term evaluation report</p> |
| <p>Outcome 1: Increased adoption of diversified climate-resilient technologies such as integrated aquaculture, agroforestry and other climate-smart agricultural technologies that limit emissions of greenhouse gases from food production</p> | <p>CDF Canada</p> <p>WorldFish</p> | <p>Number of farmer households practicing integrated aquaculture system (IAAS)</p> <p>Number of farmer households practicing agroforestry</p> <p>Number of farmer households who have stocked fingerlings from a hatchery owned by the private sector (all disaggregated by gender, age, and disability)</p> | <p>80% of 3,600 farmer households practicing integrated aquaculture agriculture system (40% women, 30% youth & 3% people with disability)</p> <p>80% of 3,600 farmer households practicing agroforestry (40% women, 30% youth & 3% people with disability)</p> <p>80% of 3,600 farmer households (40% women, 30% youth & 3% people with disability) have stocked fingerlings from a hatchery owned by the private sector</p> | <p>Baseline evaluation report</p> <p>Mid-term evaluation report</p> <p>End-term evaluation report</p> |
| <p>Output 1.1: Integrated aquaculture agriculture systems' demonstration plots/ponds are developed in the farmers' communities</p> | <p>WorldFish</p> <p>CDF Canada</p> | <p>Number of demonstration plots/ponds on integrated aquaculture agriculture systems established</p> | <p>At least 40 demonstration plots/ponds established</p> | <p>Minutes of project meetings</p> <p>MEL database</p> |
| <p>Output 1.2: SMEs and/or co-operatives working with the project are provided training on how to train smallholder farmers accessing services from them (e.g farmers buying aquaculture inputs, including equipment from an agro-outlet store)</p> | <p>WorldFish</p> <p>CDF Canada</p> | <p>Number of IAAS train the trainer (TOT) sessions provided to SMEs and/or co-operatives</p> <p>Number of participants in IAAS ToT sessions.</p> | <p>At least 1 SME and/or co-operative operating an agro-outlet store in each Extension Planning Area Section has received IAAS ToT training</p> | <p>IAAS ToT curriculum</p> <p>MEL database</p> |

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| Results | Partners | Indicators | Targets | Means of Verification |
|--|--------------------------------------|--|---|---|
| Outcome 2: Improved forest cover in fisheries communities | CDF Canada WorldFish | Number of hectares of bare land covered by the planted bamboo trees | At least 3,000 hectares of vulnerable land are covered with local bamboos | Baseline evaluation report Mid-term evaluation report End-of-term evaluation report |
| Output 2.1: Local bamboo species planted in the vulnerable bare land in the fisheries communities | CDF Canada WorldFish | Mapping of forest cover change | At least 50,000 bamboos planted in each identified vulnerable area | Minutes of project meetings MEL database Drone photography |
| Output 2.2: People residing in the wetlands and fishing communities are trained on bamboo management, seed collection, harvesting, and fishing practices | CDF Canada WorldFish | Number of people trained on bamboo plantations, seed collection, and harvesting (disaggregated by gender, age, and disability) | 3,000 people in the wetlands (40% women, 30% youth & 3% people with disability) are trained on reforestation | Minutes of project meetings MEL database Training curriculum |
| Output 2.3: Development of bamboo nursery plots and bamboo planting | WorldFish | Number of bamboo nursery plots or field plantations | At least 1 bamboo nursery field in each zone earmarked for reforestation | Minutes of project meetings MEL database |
| Output 2.4: Native bamboo species suitable for the different districts and responsive to local industry needs are mapped | WorldFish | Type of bamboo tree species identified for planting in various districts | Not applicable | Minutes of project meetings MEL database |
| Output 2.5: Monitoring review and carbon trading verification framework developed | WorldFish | Approved monitoring review and carbon trading verification framework | Not applicable | Minutes of project meetings MEL database |
| Long-Term Impact Increased agricultural market diversity and resilience to climate shocks | CDF Canada WorldFish | Agro-outlet stores serving the IAA system in targeted districts reach sustainability by expanding their customer base. | At least 1 SME and/or co-operative agro-outlet store in each Extension Planning Area Section is making a profit | Business analyses of selected SMEs/Co-operatives MEL database |
| Outcome 3: Increased organization of smallholder farmers with strong input and output market linkages between smallholder farmers and private sector actors in the aquaculture value chains | CDF Canada WorldFish AWFISHNET | Number of farmer households reporting to be accessing various agricultural inputs/outputs offered by the private sector businesses or agro-outlet store (disaggregated by gender, age, and disability) | 80% of 3,600 farmer households (40% women, 30% youth & 3% people with disability) have access to inputs/outputs offered by the private sector | Baseline evaluation report Mid-term evaluation report End-of-term evaluation report |
| Output 3.1: A baseline assessment is conducted to understand the number, distribution, farming practices, and smallholder farmers' willingness to buy inputs like quality fingerlings from an established hatchery or agro-outlet store | WorldFish CDF Canada | Approved baseline assessment report | 1 baseline report at the beginning of a project | An approved baseline assessment report |

| Results | Partners | Indicators | Targets | Means of Verification |
|---|-------------------------|---|---|---|
| managed by the private sector (co-operatives or SMEs) or government | | | | |
| Output 3.2: Updated farmer registers | WorldFish | Updated farmer registers in each Extension Planning Area Section (disaggregated by gender, age, disability, and location) | 3,600 farmer households registered | Minutes of project meetings MEL database |
| Output 3.3: Private sector businesses and co-operatives are identified, with agreements signed to expand their businesses or establish new agro-outlet stores targeting smallholder farmers in various clusters or Agricultural Extension Planning Communities | WorldFish CDF Canada | Number of private sector players that have signed a partnership agreement to work with the project to provide markets for smallholder farmers. E.g., expanding agro-shops, seed or feed outlets in remote rural areas targeting smallholder farmers | At least 1 SME and/or co-operative agro-outlet store in each Extension Planning Area Section have signed partnership agreement. | Minutes of project meetings MEL database |
| Output 3.4 Sustainable formal and informal primary co-operatives support value chains in IAA systems in rural communities. | CDF Canada | Formal and informal primary co-operatives have improved core functions as measured by a standard tool. | 50% of 160 formal and informal co-operatives | Co-operative assessment tool. |
| Output 3.5 Secondary and apex co-operatives provide support to primary co-operative members. | CDF Canada | Secondary and apex co-operatives have improved core functions as measured by a standard tool. | 90% of 9 SACCOs and 2 apex co-operatives | Co-operative assessment tool. |
| Output 3.6 Marginalized groups have increased entrepreneurship opportunities and income generating activities. | CDF Canada | Members of marginalized groups have increased knowledge and skills that may be applied to generating income. | 60% of 3,600 marginalized individuals | FGD and surveys. |
| Outcome 4: Increased knowledge among farmers on managing climate risks to support resilient aquaculture production [e.g. climate-smart agriculture technologies such as an integrated aquaculture-agriculture system (IAAS)] | CDF Canada WorldFish | Number of farmers with knowledge of integrated aquaculture-agriculture system (IAAS) (disaggregated by gender, age, disability) Number of farmers who have access to climate-smart agriculture technologies (disaggregated by gender, age, and disability) | 80% of 3,600 farmer households (40% women, 30% youth & 3% people with disability) know integrated aquaculture-agriculture system (IAAS) and other climate-smart technologies 80% of 3,600 farmer households (40% women, 30% youth & 3% people with disability) have access to climate-smart agriculture technologies | Baseline evaluation report Mid-term evaluation report End-of-term evaluation report |

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| Results | Partners | Indicators | Targets | Means of Verification |
|---|--------------------------------------|--|---|---|
| Output 4.1: Inclusive business and entrepreneurial models are established and provide aquaculture markets, climate-smart technologies, and information to farmers in various Agricultural Extension Planning Communities | CDF Canada WorldFish | List of inclusive business and entrepreneurial models established and working with smallholder farmers in providing markets, climate-smart technologies, and information to their respective communities | At least 40 inclusive business models run by the private sector established (40% owned by women) | Minutes of project meetings MEL database |
| Output 4.2: IAAS training materials are revised, and demonstration plots/ponds are established within farmer communities | CDF Canada WorldFish AWFISHNET | IAAS training materials IAAS demonstration plots/ponds | Training materials on IAAS Training materials on agroforestry At least 2 demonstration plots/ponds in each district | Minutes of project meetings MEL database |
| Output 4.3: A database of farmers trained and accessing various types of climate-smart agriculture technologies and extension services provided by the SME and/or co-operatives | WorldFish | Number of farmer households trained by the private sector Number of farmers buying various agricultural inputs from SMEs and/or co-operative agro-outlet stores | 80% of 3,600 farmer households (40% women, 30% youth & 3% people with disability) trained by the SMEs and/or co-operatives 80% of 3,600 farmer households buying inputs and/or selling farm produce from/to the SME and/or co-operative agro-shops | Minutes of project meetings MEL database |
| Output 4.4: Farmers are empowered using to build their capacity on farmers' right to access quality seeds, feeds, financial literacy, and climate-smart agriculture technologies | CDF Canada WorldFish AWFISHNET | Number of volunteer extension agents engaged to empower farmers on topics such as farmers' right to access quality inputs, climate-smart agriculture technologies, and social inequality. | At least 1 volunteer extension agents in each Extension Planning Area Section | Minutes of project meetings MEL database |
| Output 4.5 Household and community gender relations are transformed to support changes to household power, agency and access to resources under IAAS. | CDF Canada | Number of farmer households reached and empowered through the gender transformative initiatives | 2,000 farmer households (40% women, 30% youth & 3% people with disability) | FGD and surveys |

| | | | |
|---------------------------------|--|------------------------|-----------------|
| Standard: General Conditions | Norwegian and Non-Norwegian NGOs Grant Management Regime I and II | Revision no.: Date: | 3 21.10.2019 |
|---------------------------------|--|------------------------|-----------------|

**PART II: GENERAL CONDITIONS
APPLICABLE TO GRANTS FROM
THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION**

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1 IMPLEMENTATION PLAN AND BUDGET

- 1.1 Any updated implementation plan to be submitted in accordance with the Specific Conditions shall be directly related to the results framework and shall specify planned activities and outputs and time schedules for the upcoming reporting period.
- 1.2 Any updated budget to be submitted in accordance with the Specific Conditions shall be based on the approved budget in Annex A and include estimated income to the Project from all sources as well as planned expenditures for the upcoming reporting period. The estimated financial need of the Project in the upcoming reporting period shall be clearly stated.
- 1.3 Significant deviations from or changes to the implementation plan and budget is subject to Norad's prior, written approval as outlined in article 12 of the General Conditions.

2 PROGRESS REPORT

- 2.1 Any progress reports to be submitted in accordance with the Specific Conditions shall describe the results achieved by the Project during the reporting period. The report shall be set up in a way that allows direct comparison with the latest approved Application, implementation plan and budget, and shall be signed by an authorised representative of the Grant Recipient.
- 2.2 The progress reports shall, as a minimum, include:
 - a) an account of the results achieved so far by the Project, using the format, indicators and targets of the approved results framework. The overview must:
 - show delivered main outputs compared to planned outputs;
 - show the Project's progress towards achieving the Outcome;
 - if possible, describe the likelihood of the Impact being achieved.
 - b) an account and assessment of deviations from the latest approved implementation plan and Application;
 - c) an assessment of how efficiently Project resources have been turned into Outputs;
 - d) a brief update on the risk management of the Project, including:
 - any new risk factors;
 - how materialized risks have been handled in the reporting period;
 - the effectiveness of mitigating measures;
 - how risks will be handled going forward.The update shall include both risks affecting Project achievements and the risks for negative consequences from the Project on its surroundings. Potential negative effects on the cross-cutting issues as referred to in the Specific Conditions article 3 shall always be accounted for.

3 FINANCIAL REPORT

- 3.1 Any financial report to be submitted in accordance with the Specific Conditions shall comprise financial statements with a comparison to the latest approved budget for the reporting period, as well as an identification of any deviations from the budget as per clause 3.3 below. The financial report shall be certified by the financial controller (or equivalent) as well as an authorised representative of the Grant Recipient.
- 3.2 The financial statements shall be set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items. They shall, as a minimum, include:
 - a) the accounting principles applied;

- b) income from all sources, including bank interest. Norad's contribution shall be specified;
 - c) expenses charged/capitalised in the relevant reporting period;
 - d) expenses charged/capitalised from start-up of the Project to the end of the reporting period;
 - e) unused funds as per the reporting date;
 - f) overhead/indirect costs to be covered by the Grant in accordance with article 4 of the Specific Conditions;
 - g) balance sheet, when required in accordance with the accounting principles applied;
 - h) explanatory notes including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the Project.
- 3.3 Deviations from the approved budget shall be highlighted with information about both nominal amounts and percentage of each deviation. The Grant Recipient shall include a written explanation of any deviations amounting to more than 10% from a budget line.

4 FINAL REPORT

- 4.1 The final report to be submitted in accordance with the Specific Conditions shall describe the results achieved by the Project during the Support Period. The report shall be set up in a way that allows for a direct comparison with the Application, and shall be signed by an authorised representative of the Grant Recipient.
- 4.2 The final report shall, as a minimum, include:
- a) the items listed for the progress reports described in article 2 of the General Conditions, covering the entire Support Period;
 - b) an assessment of the Project's effect on society (Impact);
 - c) a description of the main lessons learned from the Project;
 - d) an assessment of the sustainability of the achieved results by the Project.

5 AUDIT

- 5.1 If an audit of the Project's financial statements is required pursuant to the Specific Conditions, the audit shall be carried out by an independent chartered/certified or state-authorised public accountant (auditor).
- 5.2 Norad reserves the right to approve the auditor, and may require that the auditor shall be replaced if Norad finds that the auditor has not performed satisfactorily or if there is any doubt as to the auditor's independence or professional standards.
- 5.3 The auditor shall form an opinion on whether the Project's financial statements fairly reflect the financial position of the Project and whether they are prepared, in all material respects, in accordance with the applicable financial reporting framework, namely:
- a) the accounting principles followed by the Grant Recipient and;
 - b) the requirements of article 3 clause 2 of the General Conditions.
- 5.4 The auditor shall report in accordance with the applicable audit standards, as agreed in the Specific Conditions.
- 5.5 The audit report shall include:
- a) the Project name and agreement number;
 - b) identification of the Project's total expenses and total income;
 - c) the subject of the audit;

- d) the financial reporting framework applied;
 - e) the auditing standards applied;
 - f) a statement that the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement;
 - g) the auditor's opinion.
- 5.6 In addition to the Project's audit report, the auditor shall submit a management letter (matters for governance attention), which shall contain any findings made during the audit of the Project. It shall also list any measures that have been taken as a result of previous audits and whether such measures have been adequate to deal with reported shortcomings.
- 5.7 If any findings have been reported in the Project's management letter, the Grant Recipient shall prepare a response including an action plan to be submitted to Norad together with the management letter.
- 5.8 The costs of the audit of the Project's financial statements shall be included in the Project's budget.
- 5.9 The audit requirements stated in this Agreement are applicable for the total Grant, including any part of the Grant that has been transferred to a cooperating partner.
- 5.10 The auditor of the Project's consolidated financial statement is responsible for the direction, supervision and performance of the audit of any part of the Grant that has been transferred to a cooperating partner. The auditor shall assure itself that those performing the audit for cooperating partners have the appropriate qualifications, that the audit is in compliance with professional standards, and that the audit report is appropriate under the circumstances.
- 5.11 The auditor of the Project's consolidated financial statement shall express an opinion on whether the statement is prepared, in all material respects, in accordance with the requirements of this Agreement. To this end, the auditor shall obtain sufficient appropriate audit evidence regarding the financial statements of the cooperating partner and the consolidation process.

6 CONTROL MEASURES

- 6.1 Representatives of Norad and the Norwegian Auditor General may at all times carry out independent reviews, audits, field visits or evaluations or other control measures related to the Project. The objective of such control measures may be i.a to verify that the Grant has been used in accordance with the Agreement or to evaluate the achievement of results.
- 6.2 The Grant Recipient shall facilitate such control measures by providing all information and documentation necessary to carry out the relevant initiative, as well as ensuring unrestricted access to any premises, records, goods and documents requested.
- 6.3 The representatives of Norad and the Norwegian Auditor General shall also have access to the Grant Recipient's auditor and the auditor's assessments of all information pertaining to the Grant Recipient and the Project. The Grant Recipient shall release the auditor from any confidentiality obligations in order to facilitate such access.
- 6.4 The rights and obligations of this article 6 shall remain in force for 5 years following expiry or termination of the Agreement, whichever occurs later.

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7 FINANCIAL MANAGEMENT

- 7.1 The Grant Recipient shall keep accurate accounts of the Project's income and expenditure using an appropriate accounting- and double-entry book-keeping system¹ in accordance with the applicable accounting- and bookkeeping policies in the jurisdiction of the Grant Recipient.
- 7.2 The accounts shall be kept up to date at least on a monthly basis. Bank reconciliations² and cash reconciliations³ shall be completed at least every month, and shall be documented by the Grant Recipient.
- 7.3 Accounts and expenditures relating to the Project must be easily identifiable and verifiable, either by using separate accounts for the Project or by ensuring that Project expenditure can be easily identified and traced within the general accounting- and bookkeeping systems. The accounts must provide details of bank interest accrued on the Grant.
- 7.4 The Grant Recipient shall keep the Project's accounting records for at least 5 years from the time of Norad's approval of the final report for the Project. This shall include i.a. vouchers, receipts, contracts and bank statements.

8 EXCHANGE RATE FLUCTUATIONS

- 8.1 If the Grant is converted into another currency, the exchange shall be made through a national or commercial bank unless otherwise approved by Norad. Exchange rates must be stated to four decimal places.
- 8.2 If exchange rate fluctuations decrease the value of the Grant to such an extent that this will have consequences for the implementation of the Project, the Grant Recipient shall inform Norad as soon as possible.
- 8.3 If exchange rate fluctuations increase the value of the Grant, the gain shall be treated as disbursed Grant funds and used for Project purposes. Net surplus from conversion into foreign currency shall be subtracted from future disbursements or repaid as unused funds at the end of the Support Period, unless otherwise agreed between the Parties.

9 EQUIPMENT, CONSUMABLES AND INTELLECTUAL PROPERTY RIGHTS

- 9.1 The right of ownership to equipment, consumables and intellectual property rights procured or developed by use of the Grant shall vest in the Grant Recipient or its cooperating partner, unless otherwise stated in the Application. All matters associated with such equipment, consumables and intellectual property rights are the exclusive responsibility of the Grant Recipient. However, significant use of such equipment, consumables and intellectual property rights for purposes

1 A double-entry bookkeeping system is system of bookkeeping where every entry to an account requires a corresponding and opposite entry to a different account.

2 Bank reconciliation is a process of verifying whether the sum found in the bank statements at the end of the period correspond with transactions recorded in the accounting system. This is usually done in conjunction with closure of the accounting records.

3 Cash reconciliation is a process of verifying whether the cash at hand at the end of the period corresponds with the amount of cash in the beginning of the period and the registrations of withdrawals and deposits in the period. This is usually done in conjunction with closure of the accounting records.



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outside the Project shall be subject to the Norad's prior approval, as outlined in Article 12 of the General Conditions.

- 9.2 Norad shall have a non-exclusive and royalty-free license to use all intellectual property rights procured or developed by the use of the Grant. Norad may assign this right to any individual or organisation at its own discretion.
- 9.3 Transfer of ownership of such equipment, consumables or intellectual property rights during the Support Period shall be made at market terms. Ownership may not be transferred to an employee of the Grant Recipient or its cooperating partner, or to anyone related or connected to an employee, if such relation could lead to a conflict of interest as described in article 16 of the General Conditions.
- 9.4 Before a transfer is decided, the Grant Recipient shall assess whether it may have an impact on the Project and, where appropriate, consult with Norad. Any income from a transfer shall accrue to the Project, and shall be reported in the financial statement of the Project.
- 9.5 The Grant Recipient shall prepare a record of transfer of ownership for any equipment, consumables and intellectual property rights. The record shall comprise information about the object of transfer, the original purchase price paid by the Grant Recipient, price offers received, the final sales price and the name of the purchaser. The record shall be submitted to Norad along with the first progress report due after the sale.
- 9.6 If the activities of the Project do not continue after the end of the Support Period or after termination of the Agreement, the Grant Recipient shall inform Norad about the remaining equipment and goods that have been purchased by use of the Grant. The Norad may require that such assets be sold. Such sale shall be completed in accordance with the procedures described above. Income from the sale shall be repaid to Norad.

10 REAL PROPERTY

- 10.1 The Grant may not be used to purchase or construct real property (land or buildings) unless explicitly approved by Norad.
- 10.2 If Norad has approved a purchase or construction of real property, the Grant Recipient and Norad shall agree on the details concerning the ownership and the status of the real property after the end of the Support Period and/or the end of the Project. The agreement may be formalised in the Specific Conditions or in a separate agreement document.
- 10.3 Norad may in such an agreement require i.a. that the real property shall be sold after the end of the Support Period and that the proceeds from the sale shall be repaid to Norad. Norad may also reserve the right to establish security interests in any real property purchased by use of the Grant.

11 TRANSFER OF THE GRANT TO A COOPERATING PARTNER

- 11.1 Transfer of all or part of the Grant including assets to a cooperating partner shall be documented through a written agreement. The agreement shall specify that the cooperating partner is required to comply with the provisions of this Agreement and to cooperate with the Grant Recipient to ensure that the Grant Recipient is able to fulfil its obligations hereunder.

- 11.2 The agreement between the Grant Recipient and the cooperating partner shall have provisions related to i.a. reporting, audit, procurement and measures to prevent financial irregularities. Furthermore, the agreement shall explicitly state that:
- a) both the Grant Recipient, Norad and the Norwegian Auditor General shall have the same access to undertake the control measures related to the cooperating partner's use of the Grant as described in article 6 of the General Conditions,
 - b) the Grant Recipient shall be entitled to claim repayment of the Grant from the cooperating partner in the same instances and to the same extent that Norad is entitled to claim repayment from the Grant Recipient, and the cooperating partner shall accept that Norad has the right to claim repayment directly from the cooperating partner to the same extent as the Grant Recipient,
 - c) the cooperating partner shall accept the choice of law and settlement of disputes provisions in article 24 of the General Conditions in relation to any disputes arising between the cooperating partner and Norad.
- 11.3 The Grant Recipient shall assure itself that the cooperating partner has the necessary competence and internal procedures to meet the requirements of the Agreement and shall follow-up the cooperating partner's compliance with the Agreement throughout the Support Period.
- 11.4 The Grant may not be transferred to a cooperating partner who has previously been charged or sentenced for any criminal activity unless explicitly approved by Norad.
- 11.5 The Grant Recipient shall remain fully responsible towards Norad for any part of the Grant including assets that has been transferred to a cooperating partner.

12 CHANGES TO THE PROJECT OR THE GRANT RECIPIENT

- 12.1 Any significant deviations from or changes to the Application or approved implementation plans or budgets are subject to Norad's prior, written approval. The same applies to significant changes to, or circumstances materially affecting, the Grant Recipient's organisation.
- 12.2 The following deviations/changes shall always be subject to Norad's prior written approval:
- a) any changes to the Project's sources of income,
 - b) any changes to the results framework or scope of the Project,
 - c) changes to the implementation plan which implies a delay of more than three months of any activity,
 - d) changes to the Project's annual budget that imply reallocation of more than 10% of a budget line.
- 12.3 Norad may suspend disbursements of the Grant until such changes have been approved.

13 EXTENSION OF THE SUPPORT PERIOD

- 13.1 The Support Period of the Project is set out in the Specific Conditions. The Grant Recipient must, without delay, inform Norad of any circumstances likely to hamper or delay the implementation of the Project.
- 13.2 The Grant Recipient may request an extension of the Support Period if this is necessary to complete all planned activities. The request must state the reasons for the delay and supporting documentation must be enclosed. Norad shall approve or decline the request in writing.

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14 TRANSPARENCY

14.1 The Grant Recipient shall publish the following in a dedicated and easily accessible place of its internet site:

- a) a copy of this Agreement and any addendum;
- b) the title and value of any contracts, cooperation agreements and/or other sub-agreements of more than NOK 500 000 (or the equivalent in local currency) which are financed by the Grant;
- c) the names and nationalities of the respective agreement parties and, if relevant, any sub-grantees or contractors in receipt of Project funds;

Any deviations from article 14 shall be agreed by the Parties in writing, i.a. in the Specific Conditions.

14.2 Publication shall take place as soon as possible, and at the latest within six months after the contracts, cooperation agreements and/or other sub-agreements were entered into.

14.3 The Grant Recipient shall make other project documentation, including the Application and all agreed reports, available to anyone upon request. Requests for disclosure may be denied if such disclosure is prohibited by confidentiality obligations and/or if it may be detrimental to the Grant Recipient's legitimate interests.

15 FINANCIAL IRREGULARITIES

15.1 The Grant Recipient is required to practise zero tolerance against corruption and other financial irregularities within and related to the Project. The zero tolerance policy applies to all staff members, consultants and other non-staff personnel and to cooperating partners and beneficiaries of the Grant.

15.2 "Financial irregularities" refers to all kinds of:

- a) corruption, including bribery, nepotism and illegal gratuities;
- b) misappropriation of cash, inventory and all other kinds of assets;
- c) financial and non-financial fraudulent statements;
- d) all other use of Project funds which is not in accordance with the implementation plan and budget.

15.3 In order to fulfil the zero tolerance requirement, the Grant Recipient shall:

- a) organise its operations and internal control systems in a way that financial irregularities are prevented and detected;
- b) do its utmost to prevent and stop financial irregularities within and related to the Project;
- c) require that all staff involved in, and any consultants, suppliers and contractors financed under the Project refrain from financial irregularities.

15.4 The Grant Recipient shall inform Norad immediately of any indication of financial irregularities in or related to the Project. The Grant Recipient shall provide Norad with an account of all the known facts and an assessment of how the matter should be followed up, including whether criminal prosecution or other sanctions are considered appropriate.

15.5 The matter will be handled by Norad in accordance with Norad's guidelines for handling suspicion of financial irregularities. The Grant Recipient shall cooperate fully with Norad's investigation and follow-up. If requested by Norad, the Grant Recipient shall initiate prosecution and/or apply other sanctions against persons or entities suspected of financial irregularities.



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- 15.6 Norad may claim repayment of all or parts of the Grant in accordance with article 17 of the General Conditions if it finds that any financial irregularities have taken place in or related to the Project. The repayment claim may also include any interest, investment income or any other financial gain obtained as a result of the financial irregularity.

16 CONFLICT OF INTEREST

- 16.1 The Grant Recipient shall take all necessary precautions to avoid any conflicts of interest in all matters related to the Project.
- 16.2 Conflict of interest refers to any situation where the impartial and objective exercise of the functions of anyone acting on behalf of the Grant Recipient is, or may be, compromised for reasons involving family, personal life, political or national affinity, economic interest or any other connection or shared interest with another person.
- 16.3 If a conflict of interest occurs, the Grant Recipient shall, without delay, take all necessary measures to resolve the conflict, e.g. by replacing the person in question or by obtaining independent verification of the terms of the proposed decision or transaction.
- 16.4 If the conflict of interest cannot be resolved and/or if it relates to a decision or transaction of special significance to the Project, the decision or transaction may not be concluded without the prior, written approval of Norad.

17 BREACH OF THE AGREEMENT

- 17.1 If the Grant Recipient fails to fulfil its obligations under this Agreement and/or if there is suspicion of financial irregularities, Norad may suspend disbursement of all or part of the Grant.
- 17.2 In the event of material breach of the Agreement, Norad may terminate the Agreement with immediate effect, and/or claim repayment of all or parts of the Grant.
- 17.3 Material breach of the Agreement shall include, without limitation, the following situations:
- a) all or part of the Grant has not been used in accordance with the Agreement and/or approved implementation plans and budget,
 - b) the Grant Recipient has made false or incomplete statements to obtain the Grant,
 - c) the use of the Grant has not been satisfactorily accounted for,
 - d) the Grant Recipient has, after having been granted an extended deadline, failed to provide the agreed reports, or has knowingly provided reports that do not reflect reality,
 - e) financial irregularities, grave professional misconduct or illegal activity of any form have taken place within the Grant Recipient or its cooperating partners,
 - f) the Grant Recipient has failed to inform Norad of indication of financial irregularities within the Project in accordance with article 15 of the General Conditions,
 - g) the Grant Recipient has changed legal personality without prior notification to Norad,
 - h) the Grant Recipient is bankrupt, being wound up or is having its affairs administered by the courts, or is subject to any analogous or corresponding procedure provided for under national legislation.
- 17.4 The Grant Recipient shall inform Norad immediately of any circumstances that may indicate or lead to a breach of Agreement, and shall provide Norad with any information or documentation it may reasonably require in order to determine if a breach of the Agreement has occurred.



- 17.5 Norad may also suspend disbursements or terminate the Agreement with immediate effect if a material breach of another agreement between Norad and the Grant Recipient has been established.

18 TERMINATION OF THE AGREEMENT

- 18.1 Each of the Parties may terminate the Agreement upon a written notice.
- 18.2 The Support Period shall end three months after the date of the notice of termination. During these three months, the Grant Recipient may only use the Grant to cover commitments that have been established before the date of the notice of termination.
- 18.3 If the Project cannot continue without the Grant, the Grant Recipient shall use these three months to discontinue or scale down the Project promptly and in an orderly and financially sound manner. Any funds that remain unused at the end of the Support Period shall be repaid to Norad.
- 18.4 The Grant Recipient shall submit a final report to Norad within three months of the end of the Support Period. The final report shall meet the requirements set out in article 4 of the General Conditions and shall also include a financial report and audit report covering the period from the previous financial report until the end of the Support Period.
- 18.5 The Agreement will be considered terminated when the final report has been approved by Norad and any remaining funds have been repaid.

19 WAIVER AND IMMUNITIES

- 19.1 Nothing in the Agreement or any document related to the Agreement shall imply a waiver, express or implied, by Norad, the Government of Norway or any of its officials of any privileges or immunity enjoyed by them or their acceptance of the jurisdiction of the courts of any country over disputes arising thereof. This article 19 will not prevent arbitration or court proceedings in the legal venue of the Grant Recipient pursuant to article 24 of the General Conditions.

20 LIABILITY

- 20.1 Norad shall not under any circumstances or for any reason be held liable for damage, injury or loss of income sustained by the Grant Recipient or its agencies, staff or property as a direct or indirect consequence of the Project or services provided thereunder. Norad will not accept any claim for compensation or increases in payment in connection with such damage, injury or loss of income.
- 20.2 The Grant Recipient shall assume sole liability towards third parties, including liability for damage, injury or loss of income of any kind sustained by them as a direct or indirect consequence of the Project. The Grant Recipient shall indemnify Norad against any claim or action from the Grant Recipient's staff or third parties in relation to the Project.

21 ASSIGNMENT

- 21.1 The Agreement and/or the Grant may not be assigned to a third party without the prior written consent of Norad. This shall not, however, prevent transfer of parts of the Grant to a cooperating partner in accordance with article 11 of the General Conditions.



22 RECOGNITION AND PUBLICATION

- 22.1 The Grant Recipient shall acknowledge Norad's support to the Project in all publications and other materials issued in relation to the Project. Norad's logotype will be provided by Norad upon request. All use of Norad's logotype must be approved by Norad.

23 ENTRY INTO FORCE, DURATION AND AMENDMENT

- 23.1 The Agreement shall enter into force at the date of the last signature and shall remain in force until all obligations arising from it have been fulfilled, or until it is terminated in accordance with the provisions of the General Conditions. Whether the obligations of the Agreement shall be considered fulfilled, will be determined through consultations between the Parties and confirmed by Norad in a completion letter.
- 23.2 The Agreement may be amended. Any such amendment must be agreed upon in writing between the Parties and shall become an integral part of the Agreement.
- 23.3 Termination or expiry of the Agreement shall not release the Parties from any liability arising from any act or omission that has taken place prior to such termination or expiry.

24 CHOICE OF LAW AND SETTLEMENT OF DISPUTES

- 24.1 The Agreement shall be governed and construed in accordance with Norwegian law.
- 24.2 If any dispute arises relating to the implementation or interpretation of the Agreement, the Parties shall seek to reach an amicable solution.
- 24.3 Any dispute arising out of or in connection with the Agreement that cannot be solved amicably, shall exclusively be settled before the Norwegian courts of law with Oslo District Court as legal venue.
- 24.4 The Grant Recipient accepts that Norad can, at its own sole discretion and as an alternative to the legal venue mentioned above, choose to settle the dispute by
- a) the courts in the legal venue of the Grant Recipient, or
 - b) arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three arbitrators. If the disputed amount is below an amount corresponding to NOK 10 000 000 the arbitral tribunal shall, however, be composed of a sole arbitrator. The seat of arbitration shall be Stockholm, Sweden, and the language to be used in the arbitral proceedings shall be English. The Parties agree that neither the arbitral proceedings nor the award shall be subject to any confidentiality.
- 24.5 The Parties agree that no other courts of law, than as set out in this article 24, shall have jurisdiction over disputes arising out of or in connection with this Agreement.



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PART III: PROCUREMENT PROVISIONS
APPLICABLE TO GRANTS FROM
THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS
AND NORAD

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PART III: PROCUREMENT PROVISIONS

This Part III of the Agreement sets out the minimum rules and principles which shall be applied by the Grant Recipient and their sub-grantees for all procurements under the Project/Activity funded by grants received from MFA or Norad.

PRINCIPLES

1 SOUND FINANCIAL MANAGEMENT

- 1.1 All procurement must be justified, reasonable and compliant with sound financial management.
- 1.2 Sound financial management means that the Grant must be used in accordance with the principles of economy, efficiency, and effectiveness:
 - a) The principle of economy refers to resources required being made available in due time, in appropriate quantity and quality and at the best price.
 - b) The principle of efficiency refers to the relationship between the resources spent and results achieved.
 - c) The principle of effectiveness refers to the degree of which the procurement process meets the intended outcome.

2 EQUAL TREATMENT AND NON-DISCRIMINATION

- 2.1 Fair competition is the foundation for sound procurement. Tenderers shall be treated equally and without discrimination throughout the procurement process.
- 2.2 Open and transparent processes are essential for promoting competition and minimising the risk of corruption. Where the design or execution of a procurement process is made with the intention of unduly favouring or disadvantaging certain tenderers the competition will be considered artificially narrowed and in breach with the principle of equal treatment and non-discrimination.

3 ETHICS IN PROCUREMENT

- 3.1 Grant recipients, as well as tenderers, suppliers, contractors, and consultants under contracts financed in whole or in part by the Grant shall observe the highest standards of ethics during the procurement and execution of contracts.
- 3.2 This shall always include:
 - a) Respecting minimum ILO standards such as the respect of working conditions and avoidance of child labour.
 - b) Respecting basic social rights and environmental aspects.
 - c) Having zero-tolerance for corruption and financial irregularities.
 - d) Having zero-tolerance for inaction to sexual exploitation, sexual abuse, and sexual harassment (SEAH).

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4 SUSTAINABLE PROCUREMENT

- 4.1 Grant recipients shall endeavour to consider environmentally-sound products and/or services when defining criteria and requirements for procurement.
- 4.2 Grant recipients shall, when procuring services, endeavour to limit the amount of travel needed to perform the services and when relevant and appropriate instead use virtual meetings and/or phone conferences.

GENERAL RULES

5 NOTORIETY

- 5.1 Grant recipients shall keep sufficient and appropriate records and documentation about the procurement procedure, the selection criteria set, evaluations made and award decisions.

6 CONFLICT OF INTEREST

- 6.1 Grant recipients shall avoid any situation of conflict of interest. Conflict of interest refers to any situation where the impartial and objective exercise is, or may be, compromised for reasons involving family, personal life, political or national affinity, economic interest or any other connection or shared interest with another person.
- 6.2 Contracts may not be awarded to tenderers that are subject to a conflict of interest without an explicit written approval from MFA/Norad.
- 6.3 The obligation to avoid conflict of interest applies to anyone acting on behalf of the grant recipient.

7 VALUATION OF CONTRACTS AND THRESHOLDS

- 7.1 All monetary amounts referred to in this Part III are amounts excluding value-added tax (VAT).
- 7.2 To determining the applicable procurement method, grant recipients shall ensure that the estimation of the contract value is made correctly and includes all costs related to the specific contract.
- 7.3 Any form of options and extensions of the contract shall be included when estimating the contract value.
- 7.4 No contract may be split-up with the intention of avoiding the application of a formal procurement method.

8 TENDER DOCUMENTS

- 8.1 The tender documents shall furnish all information necessary for a prospective tenderer to prepare a responsive tender for the goods, works or services to be provided.

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8.2 The tender documents shall be drafted to encourage the widest possible competition. They shall clearly define the scope of works, goods, or services to be supplied, the rights and obligations of the tenderer and the grant recipient and set out fair and non-discriminatory criteria for selecting the winning tender.

9 EVALUATION OF TENDERS

9.1 The evaluation of tenders shall be made in a neutral and transparent manner and in accordance with the criteria pre-determined in the call for tenders.

9.2 Where the value of the contract exceeds NOK 1,000,000 an evaluation committee must be set up to evaluate the received tenders. This committee must have an odd number of members with the technical and administrative capacities to give an informed opinion of the tenders.

10 GROUNDS FOR DISQUALIFICATION OF TENDERERS

10.1 A tenderer should be excluded from the evaluation and the award of a contract, if:

- a) They are bankrupt or is being wound up, whose affairs are being administered by court, has entered an arrangement with creditors, has suspended business activities or is subject of an injunction against running business by court.
- b) They are the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by court, or for an arrangement with creditors or of any other similar proceedings.
- c) They have been found guilty of grave professional misconduct by any means which the grant recipient can justify.
- d) They are not registered in a national official register or registered for declaration and payment of tax in accordance with national legislation.
- e) They have not fulfilled obligations relating to payments of taxes or social security contributions.
- f) They or persons having powers of representation, decision-making or control over them have been convicted for fraud, corruption, involvement in a criminal organisation or money laundering.
- g) They or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct.

11 VERIFICATION OF QUALIFICATIONS

11.1 Grant recipient shall, unless deemed unnecessary, ensure that a tenderer meets formal requirements as stipulated under this Part III and national law.

11.2 A tenderer should normally be required to include in its tender evidence that:

- a) It is registered by a national registrar of companies.
- b) It is registered for declaration and payment of tax in accordance with national legislation.

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- c) It is free from debts regarding taxes and social security contributions.

12 PROCUREMENT PROTOCOL

12.1 For contracts with a value exceeding NOK 100,000, the grant recipient shall compile a written protocol with documentation of all assessments and decisions made during all steps of the procurement process from the planning stage until the signing of the contract.

12.2 The protocol shall as a minimum include:

- a) A description of the service, goods or works to be procured,
- b) its relevance to the project/programme,
- c) the value of the contract,
- a) the selected tender procedure,
- b) the name of all received tenderers,
- c) the selection criteria,
- d) the assessment of the tenders and tenderers,
- e) an assessment of conflict of interest, and
- f) the name of the selected tenderer.

Where simplified tendering is used the protocol shall in addition include:

- g) A justification for the selection of tenderers.

12.3 Upon request by MFA/Norad, the grant recipient shall submit the procurement protocol to MFA/Norad and grant MFA/Norad access to all relevant information and documentation related to the procurement procedure and practices applied.

12.4 Failure to provide the procurement protocol shall render expenditure ineligible for MFA/Norad funding.

13 CONTROL AND COMPLIANCE

13.1 MFA/Norad may carry out ex post controls of the grant recipients' compliance with the rules set forth in this Part III.

13.2 Non-compliance with the minimum procurement rules and principles in this Part III shall render expenditure ineligible for MFA/Norad funding.

13.3 Non-compliance with the minimum procurement rules and principles in this Part III may be viewed as a material breach in accordance with General Conditions article 18.

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PROCUREMENT METHODS

14 OPEN TENDERING

- 14.1 Open tendering is mandatory for procurement where the contract value exceeds NOK 1,000,000 (Norwegian kroner one million).
- 14.2 Open tendering are procedures under which all firms/individuals are given adequate notification of contract requirements and all eligible tenderers are given an equal opportunity to submit a tender.
- 14.3 Open tender requires that the tendering opportunities are published to notify eligible tenderers about the contract opportunity.
- 14.4 Under open tendering the grant recipients are required to publish the invitations to tender in:
- a) At least one media outlet of national circulation in the project/programme country, and
 - b) on their website or in an appropriate international media outlet.
- 14.5 The grant recipient must give sufficient public notification of tendering opportunities to allow potential tenderers to determine their interest and to prepare their tenders. Open tendering may be conducted with or without prequalification proceedings.
- 14.6 Grant recipients are encouraged to apply open tendering in all procurement to increase transparency and promote competition.

15 SIMPLIFIED TENDERING

- 15.1 Simplified tendering may be used when the value of the contract is less than NOK 1,000,000 (Norwegian kroner one million).
- 15.2 Simplified tendering is a procedure where a minimum of three - 3 - prospective tenderers are invited to tender by direct invitation in writing.
- 15.3 A simplified tender process shall always include the following features:
- a) A written invitation to tender which includes the tender and contract information, cf. article 8.
 - b) A procurement protocol cf. article 12.

16 SINGLE SOURCE PROCUREMENT

- 16.1 Single source procurement may be used when the contract value is less than NOK 100,000 (Norwegian kroner one hundred thousand).
- 16.2 The contract may be awarded using any procedure established by the grant recipient while respecting the principles of sound financial management, conflict of interest, ethics in procurement, sustainable procurement, and notoriety.

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- 16.3 Single source procurement may also be used where the extension of an existing contract awarded after an open or simplified tender would clearly be economic and efficient. The extended contract's maximum value shall not exceed 50 % of the original contract.
- 16.4 MFA/Norad may in exceptional cases upon written and justified request from the grant recipient, also allow single source procurement in the following cases:
- a) A product or services can only be provided by a single firm because of exclusive capabilities, exceptional worth for the Project or proprietary rights.
 - b) Standardisation with existing equipment is determined to be important and justified, and compatible goods cannot be provided by other suppliers.
 - c) It is a case of extreme urgency not foreseeable or attributable to the grant recipients.

17 NEGOTIATED PROCEDURE

- 17.1 Under a negotiated procedure the grant recipient may approach one or more suppliers to negotiate a contract directly.
- 17.2 A negotiated procedure may only be used where no tenders or no acceptable tenders are received after an open tender procedure. A negotiated procedure may then be applied without further publication of a procurement notice provided that the original contract terms are not substantially altered.
- 17.3 An unacceptable tender is a tender that significantly deviate from the procurement requirements, is not delivered within the set deadline, is delivered by a supplier who does not meet the qualification requirements, or where there is evidence of illegal bid collusion or corruption.

18 EXISTING FRAMEWORK AGREEMENTS

- 18.1 The grant recipients may utilize existing framework agreements or other types of pre-qualified suppliers for procurement of goods, works or services needed for an activity funded by the Grant if the initial contractual process corresponds to the requirements for an open tender procedure as set out in these Procurement Provisions.
- 18.2 A procurement protocol documenting the initial open tender procedure and a copy of the initial contract shall be submitted to MFA/Norad upon request.

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