

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 MINISTRY OF FOREIGN AFFAIRS

AND

IN TRANSFORMATION INITIATIVE (ITI)

REGARDING

**RAF-3007, RAF – 22/0014, ITI Enhancing and Strengthening the Peace
Making Process Agreement**

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 Ministry of Foreign Affairs (MFA), represented by the Royal Norwegian Embassy in Pretoria (the Embassy) and
- (2) In Transformation Initiative (ITI)], a Non Profit Company operating as Non-Government Organisation duly established in South Africa under registration number 2013/062520/08 (the Grant Recipient),

jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted an application to MFA dated 07 July 2022 (the Application) regarding financial support to the project/programme titled ITI Enhancing and Strengthening the Peace-Making Process, RAF – 22/0014 (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A to this Agreement.
- 1.2 MFA 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 July 2022 to 30 June 2025 (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 (Impact).

Restoration of peace and stability through strengthened national peace institutions

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

Anticipated Outcomes for Central African Republic

- Strengthened national capacities and skills to foster and sustain peace and stability using non-violent means.
- An operational Commission for Truth, Justice, Reconciliation and Reparations (CVJRR) with increased technical capacity to better execute on its mandate

Anticipated Outcomes for Lesotho

- Coordinated efforts for ensuring peace and stability championed by non-state actors

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- Alignment of a national and a regional consensus on peace and stability process in Lesotho in support of the implementation of the National Reforms Agenda.

Anticipated Outcomes for South Africa

- A growing collaboration between a broad number of economic stakeholders in the public and private sectors at National level contributes to unlocking some key levers of the economy.

Anticipated Outcomes for Zimbabwe

- Emergence of a regional and international consensus that is tied to a national consensus in safeguarding multi-party democracy
- Emergence of an inclusive dialogue process/framework/roadmap that enjoys the backing of the region and some in the international community in support of positive peace and stability in Zimbabwe

The intended target group is

Political, Civil Society, Government, Governance institutions and Business Leaders who are in key positions of influence to effect and influence transitional processes in their countries.

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

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 MFA's prior, written approval. The following deviations/changes shall always be subject to MFA'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,

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- c) 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),

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

- 3.5 The Grant Recipient shall be familiar with UN Security Council Resolution 1325 on women, peace and security (s/res/1325 (2000)) and implement the Project in a way that promotes the intentions of the resolution in the best possible way. A statement on how the intentions of this resolution have been addressed shall be included in the progress reports and final report of the Project.

4 THE GRANT

- 4.1 The Grant shall amount to maximum NOK 10 415 000, Norwegian Kroner Ten Million Four Hundred and Fifteen Thousand.
- 4.2 Disbursement after the current calendar year is 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.
- 4.3 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.4 The Grant may be used to cover overheads/indirect costs up to a maximum of 5% of MFA's pro rata share of the incurred direct costs of the Project.
- 4.5 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 MFA'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.



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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. MFA 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 MFA's approval of the progress report and financial report.

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

Name of the account: Transition to Transformation NPC (Trading as: In Transformation Initiative)
Account no: 62407740738
Name and address of the bank: First Rand Bank, 1st Floor, The Grove Mall Lynwood Road, Equestria, Pretoria, 0081, South Africa
Swift/BIC code: FIRNZAJJ
Currency of the account: ZAR

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 MFA:

- a) A **progress report** covering the period from 1 July to 30 June shall be submitted to MFA by 31 July each year. The progress report shall include the content specified in article 2 of the General Conditions. MFA's standard reporting format shall be used.
- b) A **financial report** covering the period from 1 July to 30 June shall be submitted to MFA by 31 July 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 MFA by 30 April each year (ITI financial year runs from 1 March to 28 February every 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 1 July to 30 June shall be submitted to MFA by 31 July 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 MFA for information by 30 April each year. If the auditor submits a management letter (matters for governance attention) this shall be attached to the audit report.

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f) A **final report** for the Support Period shall be submitted to MFA no later than 3 months after the end of the Support Period. The final report shall include the content listed in article 4 of the General Conditions. MFA's standard reporting format shall be used.

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

6.3 All work plans, budgets and reports shall be approved in writing by MFA 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 June 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 MFA 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 MFA 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 MFA. 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 31 January 2024. The Grant Recipient shall draft the terms of reference for the review and submit them to MFA for approval. The costs of the review shall be included in the Project budget.

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

10 PROCUREMENT

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- 10.1 All procurement under the Project shall be completed in accordance with the Procurement Provisions in Part III of this Agreement.
- 10.2 If the total value of a contract exceeds NOK 100 000, the call for tenders/the shortlist of suppliers/the award criteria and their weighting/the procurement record and the draft/signed contract shall be submitted to MFA for information. The Grant Recipient shall also confirm in writing that the requirements agreed on in article 10.1 have been fulfilled.

11 REPAYMENT OF INTEREST AND UNUSED FUNDS

- 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 MFA 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: Royal Norwegian Embassy
Account no.:76940513630
IBAN no.: NO16 7694 0513 630
Name and address of the bank:
Swift/BIC code: DNBANOKK
- 11.3 The transaction shall be clearly marked: "Unused funds". The name of the Grant Recipient shall be stated, along with MFA's agreement number(s) and agreement title(s).

12 NOTICES

- 12.1 All communication to MFA concerning the Agreement shall be directed to the Royal Norwegian Embassy in Pretoria at the following e-mail address: emb.pretoria@mfa.no with copy to Sibusisiwe.Nomthandazo.Nkosi@mfa.no
- 12.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Ivor Jenkins at the following address/e-mail address: 26 Duiker Crescent, Silver Lakes, 0054 / ivor@intransformation.org.za .
- 12.3 MFA's agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

13 SIGNATURES

- 13.1 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.
- 13.2 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: Pretoria, South Africa

Date:

24.08.2022.
R Meyer

for the Norwegian Ministry of Foreign Affairs,

for Transition to Transformation NPC (ITI),

Stian Nordengen Christensen

Roelf Meyer

Charge d' Affaires a.i.

Executive Director

Royal Norwegian Embassy, Pretoria

In Transformation Initiative

Attachments:

Annex A: Approved Budget for the Project

Annex B: Results framework

ANNEX A: THREE YEAR APPROVED BUDGET FOR THE PROJECT

**SUMMARY
INTERVENTION
CATEGORIES**

	NOK	ZAR	Year 1 NOK	Year 1 - ZAR	Year 2 NOK	Year 2 - ZAR	Year 3 NOK	Year 3 - ZAR
National Reconciliation	2 998 958 kr	R 5 223 500	999 672 kr	1 741 200	999 672 kr	1 741 200	999 614 kr	1 741 100
Economic Transformation	3 002 689 kr	R 5 230 000	999 672 kr	1 741 200	1 001 509 kr	1 744 400	1 001 509 kr	1 744 400
Democratic Reform	2 999 101 kr	R 5 223 750	999 672 kr	1 741 200	999 715 kr	1 741 275	999 715 kr	1 741 275
Mid Term Review	152 718 kr	R 266 000	0 kr	-	152 718 kr	266 000		-
Monitoring and evaluation	89 952 kr	R 156 675	29 984 kr	52 225	29 984 kr	52 225	29 984 kr	52 225
Lessons capture and ITC	600 251 kr	R 1 045 500	200 084 kr	348 500	200 084 kr	348 500	200 084 kr	348 500
Financial Audits	74 999 kr	R 130 632	25 000 kr	43 544	25 000 kr	43 544	25 000 kr	43 544
	9 918 668 kr	R 17 276 057	3 254 082 kr	R 5 667 869	3 408 681 kr	R 5 937 144	3 255 905 kr	R 5 671 044
5% Overhead	495 933 kr	R 863 803	162 704 kr	R 283 393	170 434 kr	R 296 857	162 795 kr	R 283 552
Total: NOK - ZAR	10 414 601 kr	R 18 139 860	3 416 786 kr	R 5 951 262	3 579 115 kr	R 6 234 001	3 418 700 kr	R 5 954 596

Ex Rate: 0.574 / 1.7

ITI Mission	Promoting sustainable peace through ensuring transitional processes that are peaceful and progressive, ITI promotes the principles of the South African peace-making model to support, advise and assist democratic transition and promote the peaceful management and resolution of conflicts in Africa and across the world		
Sustainable Development Goal	<p>Priority: 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> <p>Target: 16.1 Reduce Violence everywhere</p> <p>Target: 16.6 Develop effective, accountable and transparent institutions</p> <p>Target 16:7 Ensure responsive, inclusive and representative decision making</p> <p>Target: 16.a Strengthen national institutions to prevent violence, crime and terrorism</p> <p>Based on the Institutional Development Theory and The Political Elites Theory: Peace can best be secured by establishing stable/reliable national institutions and reinforcing local capacities for peace with the support of political elites being key given the importance of political will.</p> <p>Strengthening capacities for peace and stability in target countries.</p>		
Theory of Change			
Project Purpose	Restoration of peace and stability through strengthened national peace institutions.		
Impact	<ul style="list-style-type: none"> • Extent to which mechanisms to sustain peace and stability become institutionalized at national levels. • Extent to which convergence/consensus of efforts by diverse national, regional actors and institutions and to some extent those at an international level result in firmer prospects for peace and stability. 		
Impact Indicators			
Key Themes	National Reconciliation	Economic Transformation	Democratic Reforms
Focus Areas	Transitional Justice & Social Cohesion	Private, Public Growth Initiative & District Development Initiative	Multi-party democracy & inclusive national dialogue
Key Project Objectives	Institutional strengthening of national peace infrastructure Supporting national reconciliation efforts through institutional strengthening.		
Priority country	<i>Central African Republic</i>	<i>Lesotho</i>	<i>Zimbabwe</i>
Target Groups	<ul style="list-style-type: none"> • Political elites and institutions • State institutions (CVJRR, National Reconciliation Ministry and National Commission for Mediation) 	<ul style="list-style-type: none"> • Political elites and institutions • State institutions • Civil society (Council of Churches, Lesotho Council for NGOs, TRC) 	<ul style="list-style-type: none"> • Political elites and institutions (political parties) • State institutions • Civil society • Regional and International diplomatic community

	<ul style="list-style-type: none"> Civil society (Woman's network) 	<p>Coordinated efforts for ensuring peace and stability championed by non-state actors</p>	<p>A growing collaboration between a broad number of economic stakeholders in the public and private sectors at National level contributes to unlocking some key levers of the economy.</p>	<p>Emergence of a regional and international consensus that is tied to a national consensus in safeguarding multi-party democracy</p>
<p>Anticipated Outcomes</p>	<p>Strengthened national capacities and skills to foster and sustain peace and stability using non-violent means.</p>	<p>Alignment of a national and a regional consensus on peace and stability process in Lesotho in support of the implementation of the National Reforms Agenda.</p>	<p>Collaborative mechanism firmly established and institutionalized between the public private and civil society sectors at district levels.</p>	<p>Emergence of an inclusive dialogue process/framework/roadmap that enjoys the backing of the region and some in the international community in support of positive peace and stability in Zimbabwe</p>
<p>Outcome Indicators</p>	<ul style="list-style-type: none"> Extent to which institutions that make up the country's peace architecture are able to deepen and perpetuate goals of peace and stability. Increase in the level of confidence in the national peace architecture in its ability to foster peace and stability The extent to which the CVJRR enjoys national and international trust and confidence in their ability to processing key concerns of transitional justice in the country 	<ul style="list-style-type: none"> Extent to which various non state actors and their activities are transformed into networks that link them and their activities in expanding their individual efforts into a national agenda of sustained peace and stability. Increase in the level of confidence at national level in the partnership between national and regional actors to deliver on the implementation of the reforms. Extent to which alignment of national and regional efforts result in the full implementation of the National Reforms Agenda. 	<ul style="list-style-type: none"> Extent of uptake of and the institutionalization of the district development model across at least 3 districts Extent to which a coordinated public private partnership mechanisms become institutionalized with the initiative becoming sustainable with its own funding. Increased levels of positive social and business interactions that yield better delivery of services and quality of life in the target districts. Increase in the level of public confidence in the partnership between public and private sectors to deliver on improved economic growth. 	<ul style="list-style-type: none"> Extent to which opposition parties continue to exist and be fully operational. Extent to which national, regional and international actors are able to converge around a roadmap on the stability of Zimbabwe Level of progress that is made towards an inclusive national dialogue process.

Required Outputs	<p>Reports on the outcomes of 3 technical training/ capacity building events for selected institutions making up the national peace infrastructure. Issues of technical capacity building will be on mediation, negotiation, facilitation and dialogue skills.</p> <p>Trainings and secondment reports of technical expertise availed to the CVJRR</p> <p>Reports on 3 interventions for building implementation capacity around the national peace strategy with selected key stakeholders</p> <p>36 research and popular position papers developed and distributed</p> <p>1 Case study of the transitional justice process in CAR written</p> <p>Learning visit reports to South Africa produced and disseminated</p>	<p>A consensus document confirmed by key non state stakeholders</p> <p>Reports on the outcomes of capacity building events for non-state actors around the implementation of the reforms agenda</p> <p>Documents on and evaluation reports on 2 events for building capacity towards consensus with selected key stakeholders conducted</p> <p>36 research and analytical position papers developed and distributed</p> <p>1 Case study of the national reform process in Lesotho written</p> <p>Reports /documents on 3 dialogue events with key national and regional stakeholders conducted</p>	<p>15 specific examples of collaboration under way in agreed Districts which could be duplicated / examples for other Districts in SA</p> <p>3 District public private mechanisms initiated</p> <p>6 Explanatory and exploratory sessions held at different Districts in South Africa</p> <p>3 Training events for facilitators and key stakeholder groups conducted</p> <p>4 Leadership training programmes conducted</p> <p>36 research and analytical position papers developed and distributed</p> <p>1 leadership training programme documented and certified</p> <p>Number of actors from the various sectors that sign up to the district development initiatives in the targeted districts</p> <p>Number of districts adopting the district development initiative.</p>	<p>36 research and critical analytical position papers developed and distributed and used to guide programme interventions.</p> <p>1 Case study on Lessons learned regarding the democratic reform process in Zimbabwe written</p> <p>Documents on and evaluation reports on the various events for building capacity towards consensus with selected key stakeholders conducted</p> <p>Shuttle diplomacy events held with key national, regional and international players</p> <p>Commitment by regional and some in the international community to supporting dialogue frameworks/roadmap garnered.</p> <p>Engagements with national and regional civil society actors held</p> <p>Advisory and capacity development support (on dialogue, negotiation, mobilization and networking skills mostly) to various political and civil society actors carried out.</p> <p>Number of regional and international actors that sign up to a consensus on Zimbabwe.</p> <p>Number of capacity development initiatives offered to opposition parties</p>
Output Indicators	<p>Number of conflict situations in which targeted institutions are involved as mediators, facilitators, negotiators</p> <p>Number and type of capacity strengthening interventions that are availed to the CVJRR.</p>	<p>Number of non-state actors that come together to form a national consensus around the peace and stability of the country.</p> <p>Number of initiatives carried out by non-state actors as a result of ITI</p>		

	Number of institutions that participate in the ITI initiated capacity development trainings.	support towards ensuring implementation of reforms agenda. Number of consultations carried out with national and regional actors on Lesotho's peace and stability agenda.	Number of participants and sectors that take part in the leadership programme Number of private sectors signing up to the PPGI initiative Number of collaborative engagements of business and government that emerge from the PPGI.	Number of engagements with various stakeholders at national, regional and international actors Number of shuttle diplomacy activities that are successfully carried out.
Activities	3x ITI engagement visits to CAR bi ITI 2x Learning visits by CAR delegations to SA on relevant topics At least 3x Capacity building workshops/engagements with SA experts to the CVJRR 3x Dialogue events with key stakeholders participating on topics of national importance 36x Monthly analytical reports 1x Case study on CAR on "Lessons learned on Transitional justice" 9x Bi-Lateral consultative meetings between SA/ITI and CAR leaders	3x ITI engagement trips to Lesotho 2x Learning visits by Lesotho delegations to SA on relevant topics 3x Capacity building workshops with SA experts on selected and relevant topics 3x Dialogue events with key stakeholders participating on topics of national importance around national reform agenda process. 36x Monthly analytical reports 1x Case study on Lesotho on "Lessons learned" 6x Bi-Lateral consultative meetings between SA/ITI and Lesotho leaders	36x Monthly analytical reports 100x Consultative / linking meetings between ITI, government and business leaders 4x Leadership Training sessions on District level for public and private sector 30x Dialogue sessions on topical issues on the economy and related issues 1 x case study on the district model of PPGI lessons learnt	36x Monthly analytical reports 1x Case study on Zimbabwe on "Lessons learnt" 6x Engagement visits to the Region and Zimbabwe by ITI 6x advisory and strategic guidance visits to SA on numerous topic by Zimbabwe delegations 6x Capacity building workshops with SA experts on selected and relevant topics 6x Dialogue events with key stakeholders participating on topics of national importance 15x Bi-Lateral consultative and shuttle diplomacy meetings between SA/ITI and Zimbabwe leaders
Cross cutting activities	2x Online interactions between key women actors in the country specific activities for purposes of UNSC resolution 1325. 2x Face to face interactions between key women actors in the country specific activities for purposes of further training, cross country learning and solidarity with regards to furthering the goals of UNSC resolution 1325.			

ANNEX B: RESULTS FRAMEWORK

Standard:	NGOs	Revision no.:	4
General Conditions	Grant Management Regime I and II	Date:	April 2022

PART II: GENERAL CONDITIONS APPLICABLE TO GRANTS FROM THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

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1 WORK PLAN AND BUDGET

- 1.1 Any updated work plan to be submitted in accordance with the Specific Conditions shall be directly related to the results framework.
- 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.

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, work 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 Application and/or work plan;
 - c) 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.
 - d) a brief account of work undertaken to prevent instances of financial irregularities and sexual exploitation, sexual abuse and sexual harassment (SEAH).

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) income from all sources, including bank interest. MFA's contribution shall be specified;
 - b) expenses charged/capitalised in the relevant reporting period;
 - c) expenses charged/capitalised from start-up of the Project to the end of the reporting period;
 - d) unused funds as per the reporting date. MFA's share shall be specified;

- e) overhead/indirect costs to be covered by the Grant in accordance with article 4 of the Specific Conditions;
 - f) balance sheet, when required in accordance with the accounting principles applied;
 - g) explanatory notes including a description of the accounting principles 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% of a budget line and exceeds NOK 15 000 (fifteen thousand).

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 how efficiently Project resources have been turned into outputs
 - e) 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 article 6, the audit shall be carried out by an independent chartered/certified or state-authorised public accountant (auditor).
- 5.2 MFA reserves the right to approve the auditor and may require that the auditor shall be replaced if MFA 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 and the requirements of article 3 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) the Project period subject of the audit;
 - c) reference to the financial reporting framework applied;
 - d) the auditing standards applied;
 - e) a statement that the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement;
 - f) the auditor's opinion.

- 5.6 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 MFA together with the management letter.
- 5.7 The costs of the audit of the Project's financial statements shall be included in the Project's budget.
- 5.8 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.
- 5.9 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. ISA 600 establishes standards and provide guidelines when using the work of other auditors.
- 5.10 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 applicable financial reporting framework and the requirements of article 3. 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 MFA 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 MFA 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.

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.

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

- 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. Insufficient documentation may render the expenditure ineligible. 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 MFA'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 MFA. 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 MFA as soon as possible.
- 8.3 If exchange rate fluctuations increase the value of the Grant, the surplus shall be treated as disbursed Grant funds and used for Project purposes. This means that 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 outside the Project shall be subject to the MFA's prior approval.
- 9.2 Intellectual property rights financed in whole or in part from the Grant shall, in the spirit of securing such rights as a common global good, be managed in a way that maximizes their public accessibility and allows the broadest possible use. Material produced as a result of this Grant shall, as far as possible and appropriate, be placed in the public domain for non-commercial use.

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.

- 9.3 MFA shall have a non-exclusive and royalty-free license to use all intellectual property rights procured or developed by the use of the Grant. MFA may assign this right to any individual or organisation at its own discretion.
- 9.4 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 17 of the General Conditions.
- 9.5 Before a transfer is decided, the Grant Recipient shall assess whether it may have an impact on the Project and, where appropriate, consult with MFA. Any income from a transfer shall accrue to the Project, and shall be reported in the financial statement of the Project.
- 9.6 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 MFA along with the first progress report due after the sale.
- 9.7 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 MFA about the remaining equipment and goods that have been purchased by use of the Grant. The MFA 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 MFA.

10 REAL PROPERTY

- 10.1 The Grant may not be used to purchase or construct real property (land or buildings) unless explicitly approved by MFA. Where MFA has approved a purchase or construction of real property such approval must be formalised in the Specific Conditions or in a separate agreement document.
- 10.2 The Grant Recipient and MFA shall in such agreement decide 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.
- 10.3 MFA 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 MFA. MFA 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 must be documented through a written sub-grant agreement. The sub-grant agreement shall specify that the cooperating partner is required to comply with the provisions of this Agreement which is relevant to the sub-grant agreement and to cooperate with the Grant Recipient to ensure that the Grant Recipient is able to fulfil its overall obligations under the Agreement.
- 11.2 The sub-grant agreement shall include provisions for results and financial reporting, audit, procurement and measures to prevent financial irregularities. Furthermore, the sub-grant agreement shall explicitly state that:

- a) both the Grant Recipient, MFA and the Norwegian Auditor General shall have access to undertake such 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 from the cooperating partner in the same instances and to the same extent that MFA is entitled to claim repayment from the Grant Recipient, and that MFA 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 25 of the General Conditions for any dispute arising between the cooperating partner and MFA.
- 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 that are relevant for the sub-grant agreement and shall follow-up the cooperating partner's compliance with such requirements throughout the Support Period.
- 11.4 The Grant Recipient must obtain and assess management letters issued to all cooperating partners. Any significant findings and a response including an action plan to be submitted to MFA
- 11.5 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 MFA.
- 11.6 The Grant Recipient shall remain fully responsible towards MFA for any part of the Grant including assets that has been transferred to a cooperating partner.

12 CHANGES OR CIRCUMSTANCES AFFECTING THE PROJECT OR THE GRANT RECIPIENT

- 12.1 The Grant Recipient shall immediately inform MFA of circumstances likely to hamper, delay or otherwise significantly affect the successful implementation of the Project. The same applies to significant changes to, or circumstances materially affecting, the Grant Recipient's organisation. MFA may suspend disbursement of the Grant until the implications for the Project has been assessed.

13 EXTENSION OF THE SUPPORT PERIOD

- 13.1 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. MFA shall approve or decline the request in writing.

14 TRANSPARENCY

- 14.1 MFA may make this Agreement and other Project documentation, such as but not limited to, the Application and agreed reports available to the public to promote transparency of the use of public funds.
- 14.2 The Grant Recipient shall make the Project documentation, including the Application and all agreed reports, available to anyone upon request. Requests for disclosure may only 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 where relevant 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 Agreement.

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 MFA immediately of any indication of financial irregularities in or related to the Project. The Grant Recipient shall provide MFA 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 MFA in accordance with MFA’s guidelines for handling suspicion of financial irregularities. The Grant Recipient shall cooperate fully with MFA’s investigation and follow-up. If requested by MFA, the Grant Recipient shall, provided there is sufficient basis for taking legal steps, report the suspicions to the police, commence civil proceedings for recovery of damages or apply other appropriate sanctions against persons or entities suspected of financial irregularities. However, in cases where the Grant Recipient is concerned that due process of law may be unavailable, the matter shall instead be included in the account and assessment referred to in clause 15.4 for discussion of a mutually acceptable course of action.

16 SEXUAL EXPLOITATION, ABUSE AND HARASSMENT

16.1 MFA has zero tolerance for inaction against sexual exploitation, abuse and harassment (SEAH). The Grant Recipient shall have a victim/survivor-centred approach to SEAH issues and do its utmost to prevent, detect and respond to SEAH within and related to the Project. This obligation applies to all staff members, consultants and other non-staff personnel, cooperating partners, and any third parties involved in activities funded by the Grant.

16.2 The following definitions apply:

- a) Sexual exploitation: Any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.
- b) Sexual abuse: The actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.
- c) Sexual harassment: Any form of unwanted sexual attention that has the purpose or effect of being offensive, frightening, hostile, degrading, humiliating or troublesome.

16.3 The Grant Recipient shall:

- a) Adhere to the IASC-Minimum Operation Standards on “Protection from sexual exploitation and abuse by own personnel” and/or the SEA elements of the Core Humanitarian Standard on Quality and Accountability,
- b) have ethical guidelines that include policies on prevention and response to SEAH,
- c) organise its operations and internal control systems in a way that SEAH is prevented, detected, and responded to,
- d) take swift action on suspicions or complaints of SEAH.

16.4 The Grant Recipient shall inform MFA immediately of any indications of SEAH credible enough to warrant an investigation within or related to the Project as well as indications of SEAH not directly linked to the Project but of significant impact on the partnership with MFA.

16.5 The Grant Recipient shall provide MFA with a report of the relevant facts and an assessment of how the matter will be followed up, including whether the organisation will improve internal systems to prevent, detect and respond to SEAH, and whether criminal prosecution or other sanctions are considered appropriate, considering the rights, needs and wishes of the survivor/victim. The reporting will be made without compromising the safety, security, privacy, and due process rights of any concerned person. The report will be handled by MFA in accordance with MFA’s guidelines for handling notifications of sexual abuse, sexual exploitation, and sexual harassment by grant recipients.

16.6 Upon request from MFA, the Grant Recipient shall grant the MFA access to all relevant information and documentation related to the Grant Recipient’s adherence with this article.

17 CONFLICT OF INTEREST

17.1 The Grant Recipient shall take all necessary precautions to avoid any conflicts of interest in all matters related to the Project.

17.2 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.

17.3 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.

17.4 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 MFA.

18 BREACH OF THE AGREEMENT

18.1 If the Grant Recipient fails to fulfil its obligations under this Agreement and/or if there is suspicion of financial irregularities, MFA may suspend disbursement of all or part of the Grant.

18.2 In the event of material breach of the Agreement, MFA may terminate the Agreement with immediate effect, and/or claim repayment of all or parts of the Grant. A repayment claim may also include interest and any other financial gain obtained by the Grant Recipient as a result of the financial irregularity.

18.3 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 work 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) the Grant Recipient has failed to take preventive measures against sexual exploitation, sexual abuse, or sexual harassment, to detect or respond to indications thereof, or to take corrective action when sexual exploitation, sexual abuse or sexual harassment has occurred, in accordance with article 16 of the General Conditions,
- f) financial irregularities, grave professional misconduct, or illegal activity of any form have taken place within the Grant Recipient or its cooperating partners,
- g) the Grant Recipient has failed to inform MFA of indication of financial irregularities within the Project in accordance with article 15 of the General Conditions,
- h) the Grant Recipient has changed legal personality without prior notification to MFA,
- i) 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.

18.4 The Grant Recipient shall inform MFA immediately of any circumstances that may indicate or lead to a breach of Agreement, and shall provide MFA with any information or documentation it may reasonably require in order to determine if a breach of the Agreement has occurred.

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

19 TERMINATION OF THE AGREEMENT

19.1 Each of the Parties may terminate the Agreement upon a written notice.

19.2 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.

19.3 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.

19.4 The Grant Recipient shall submit a final report to MFA 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.

19.5 The Agreement will be considered terminated when the final report has been approved by MFA and any remaining funds have been repaid.

20 WAIVER AND IMMUNITIES

20.1 Nothing in the Agreement or any document related to the Agreement or MFA's acceptance of other countries' jurisdiction in disputes arising from this Agreement shall imply that MFA, the Government of Norway or any of their employees are deemed to have, expressly or implicitly waived any privileges or immunities they may have. This article 20 will not prevent arbitration

or court proceedings in the legal venue of the Grant Recipient pursuant to article 25 of the General Conditions.

21 LIABILITY

- 21.1 MFA 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. MFA will not accept any claim for compensation or increases in payment in connection with such damage, injury or loss of income.
- 21.2 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 MFA against any claim or action from the Grant Recipient's staff or third parties in relation to the Project.

22 ASSIGNMENT

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

23 RECOGNITION AND PUBLICATION

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

24 ENTRY INTO FORCE, DURATION AND AMENDMENT

- 24.1 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 MFA in a completion letter.
- 24.2 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.
- 24.3 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.

25 CHOICE OF LAW AND SETTLEMENT OF DISPUTES

- 25.1 The Agreement shall be governed and construed in accordance with Norwegian law.
- 25.2 If any dispute arises relating to the implementation or interpretation of the Agreement, the Parties shall seek to reach an amicable solution.

- 25.3 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.
- 25.4 MFA may, 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.
- 25.5 The Parties agree that no other courts of law, than as set out in this article 25, shall have jurisdiction over disputes arising out of or in connection with this Agreement.

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PART III: PROCUREMENT IN THE CONTEXT OF PROJECTS FINANCED BY THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

1 INTRODUCTION

- 1.1 This Part III sets out procurement rules and principles which shall be applied by the Grant Recipient when procuring goods, services or works to Projects financed by the Ministry of Foreign Affairs (MFA). Stricter rules may supplement the compulsory minimum rules set forth in this Part III.
- 1.2 The MFA may carry out ex post checks on the Grant Recipient's compliance with the rules set forth in this Part III.
- 1.3 Failure to comply with the rules set forth in this Part III shall render the Project expenditure ineligible for MFA funding and may lead to withholding funds or claim for repayment in accordance with article 17 of the General Conditions (Part II) of this Agreement.
- 1.4 Contracts shall not be split artificially to circumvent the procurement thresholds. All monetary amounts referred to in this Part III are amounts excluding value-added tax (VAT).
- 1.5 The procurement provisions shall also apply to any procurements to be carried out by the Grant Recipient's cooperation partners or others. The Grant Recipient shall be responsible for compliance as per article 11 of the General Conditions (Part II) of this Agreement regardless of whether the procurement is carried out by the Grant Recipient itself or its cooperation partners or others.
- 1.6 Sections 1 to 4 set out rules, which shall apply to all contracts. Sections 5 to 6 contain specific rules for service, supply and works contracts. Section 7 lists the situations where a negotiated procedure without prior publication is permitted.

2 BASIC PRINCIPLES

- 2.1 If a Project requires procurement by the Grant Recipient, the contract must be awarded following a tender procedure to the most economically advantageous tender (i.e. to the tenderer obtaining the best score based on price and quality), or, as appropriate, to the tenderer offering the lowest price. In doing so, the Grant Recipient shall avoid any conflict of interests and respect the following basic principles:
 - a) **Competition:** The procedures applied and the award of contracts shall be based on fair competition.

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- b) **Equal treatment and non-discrimination:** Participation in tender procedures shall be open on equal terms to all natural and legal persons. During the entire procurement and the award of contracts, the Grant Recipient shall not discriminate against candidates/tenderers or groups of candidates/tenderers.
- c) **Transparency and ex-ante publicity:** As a general rule, tender procedures shall be based on prior publication. Where the Grant Recipient does not launch an open tender procedure, it shall justify the choice of tenderers that are invited to submit an offer.
- d) **Objective criteria:** The Grant Recipient shall evaluate the offers received against objective criteria, which enable the Grant Recipient to measure the quality of the offers and shall take into account the price (the offer with the lowest price shall be awarded the highest score for the price criterion). The criteria shall be set out beforehand and shall be relevant to the contract in question.
- e) **Notoriety:** The Grant Recipient shall keep sufficient and appropriate records and documentation with regard to the procedure, its evaluation and award.

3 ELIGIBLE TENDERERS

3.1 Tenderers must provide information on their legal form and ownership structure.

3.2 Tenderers shall be excluded from participation in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations. However, tenderers in this situation may be eligible to participate insofar as the Grant Recipient is able to purchase supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a final judgment;
- c) they have been guilty of grave professional misconduct; proven by any means which the Grant Recipient can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which they are established, or with those of the country of the Grant Recipient or those of the country where the contract is to be performed;

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- e) 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 by a final judgment;
 - f) they make use of child labour or forced labour and/or practise discrimination, and/or do not respect the right to freedom of association and the right to organise and engage in collective bargaining pursuant to the core conventions of the International Labour Organization (ILO).
- 3.3 Tenderers shall confirm in writing that they are not in any of the situations listed above. Even if such confirmation is given by a tenderer, the Grant Recipient shall investigate any of the situations listed above if it has reasonable grounds to doubt the contents of such confirmation.
- 3.4 Contracts shall not be awarded to tenderers which, during the procurement procedure:
- a) are subject to a conflict of interests;
 - b) are guilty of misrepresentation in supplying the information required by the Grant Recipient as a condition of participation in the tender procedure, or fail to supply this information.

4 GENERAL PROCUREMENT RULES

- 4.1 The tender documents shall be drafted in accordance with best international practice. The Grant Recipient may voluntarily use the models published in the Practical Guide on the EuropeAid (EU) website.
- 4.2 The Grant Recipient shall take into account universal design and the potential environmental impact of any planned procurements.
- 4.3 All invitations to submit tenders shall state that offers will be rejected if any illegal or corrupt practises have taken place in connection with the award. All contracts concluded under the Project shall state that the Grant Recipient may terminate the contract if it finds that illegal or corrupt practises have taken place in connection with the contract award or execution.
- 4.4 The time-limits for receipt of tenders and requests to participate must be sufficient to allow interested parties a reasonable and appropriate period to prepare and submit their tenders.
- 4.5 An evaluation committee must be set up to evaluate applications and/or tenders of a value of NOK 500 000 or more on the basis of the exclusion, selection and award criteria. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

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- 4.6 For contracts with a value exceeding NOK 100 000, the Grant Recipient shall compile a written record with documentation of all assessments and decisions during all steps of the procurement process from the planning stage until the signing of the contract. Upon request by the MFA, the Grant Recipient shall deliver its written record to the MFA and grant the MFA access to all relevant information and documentation related to the procurement procedure and practices applied.

5 AWARD OF CONTRACTS

- 5.1 Contracts with a value of less than NOK 500 000 may be awarded by using any procurement procedure established by the Grant Recipient, while respecting the rules and principles laid down in Sections 1 to 4 of this Part III.
- 5.2 Contracts with a value exceeding NOK 500 000 shall be awarded by means of one of the following procurement procedures:
- a) **Open tender procedure:** In open procedures, any interested tenderer may submit a tender in response to a call for competition. The tender shall be accompanied by the information for qualitative selection as requested by the Grant Recipient.
 - b) **Restricted procedure:** In restricted procedures, any tenderer may submit a request to participate in response to a call for competition by providing the information for qualitative selection as requested by the Grant Recipient. Only those tenderers invited to do so by the Grant Recipient following its assessment of the information provided may submit a tender. The Grant Recipient may limit the number of suitable candidates to be invited to participate in the procedure.
 - c) **Competitive procedure with negotiation:** In competitive procedures with negotiation, any tenderer may submit a request to participate or a tender in response to a call for competition by providing the information for qualitative selection as requested by the Grant Recipient. Tenderers may submit an initial tender, which shall be the basis for subsequent negotiations. The minimum requirements and the award criteria shall not be subject to negotiations.
- 5.3 Where the Grant Recipient does not launch an open tender procedure, it shall justify and document in writing the choice of tenderers that are invited to submit an offer.
- 5.4 Deviations from the procedures listed in Section 5.2 are limited to the situations listed in Section 7 of this Part III.

6 PUBLICATION OF PROCUREMENT NOTICE

- 6.1 The following shall apply with respect to publication of the procurement notice:¹

¹ Definitions of different types of contracts and procedures can be found in Directive 2014/24/EU.

Standard: Procurement Provisions	Norwegian and Non-Norwegian NGOs	Revision no.:	3
	Grant Management Regime I and II	Date:	21.10.2019

- a) **Service and supply contracts from NOK 500 000 to less than NOK 2 500 000 and works contracts from NOK 500 000 to less than NOK 40 000 000**

The prior procurement notice shall be published in all appropriate media, at least in the country in which the Project will be carried out as well as on the Grant Recipient's website.

- b) **Service and supply contracts with a value of NOK 2 500 000 and above and works contracts with a value of NOK 40 000 000 and above**

The prior procurement notice shall be published in all appropriate media, in particular on the Grant Recipient's website, in the international press and the national press of the country in which the Project will be carried out, and in any other relevant specialist periodicals.

7 USE OF NEGOTIATED PROCEDURE WITHOUT PRIOR PUBLICATION

7.1 The Grant Recipient may use a negotiated procedure without prior publication in the following cases:

- a) if any of the circumstances set out in Article 32 of Directive 2014/24/EU are present;
- b) for purposes of humanitarian aid and civil protection operations or for crisis management aid in a crisis that has been formally recognised by and for the time period declared by the MFA;
- c) where the services are entrusted to public-sector or non-profit bodies and relate to activities of an institutional nature or are designed to provide assistance to people in the social field;
- d) for contracts declared to be secret, or whose performance must be accompanied by special security measures, or when the protection of the essential interests of the MFA so requires.

