

Template:	Non-Norwegian NGOs	Revision no.:	3
Specific Conditions (part I)	Grant Management Regime I	Date:	21.10.2019

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

Agricultural Council of Tanzania

REGARDING

TAN-19/0011 Agricultural Council of Tanzania - Partnership for Scale
(phase 3)

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 Dar es Salaam (the Embassy), and
- (2) Agricultural Council of Tanzania, is an organisation registered as a Non-Governmental Organisation (NGO) duly established in Tanzania under registration number 000NGO/R2/000143 (the Grant Recipient),

jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted a project document to MFA dated 30.09.2020 (the Application) regarding financial support to the project titled Partnership for Scale, phase 3 agreement number TAN-19/0011 (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 1 October 2020 to 31 December 2023. The first 3 months are considered as the inception phase of the Project (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: *Improved Food and Nutrition Security and Poverty Reduction (Impact).*

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

1. *Increased Productivity of Smallholder Farmers*
2. *Increased Economically Viable Business Opportunities and Employment for Private Sector Actors*
3. *Farming Household Consumption Patterns Improved*

The planned deliverables/outputs are listed in the attached Results Framework, Annex B.

The intended target group is smallholder farmers. Other target groups are farmers' organisations and Small and Medium sized enterprises.

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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 implementation 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 The Grant Recipient shall immediately inform MFA of any circumstances likely to hamper or delay the successful implementation of the Project.

4 THE GRANT

4.1 The Grant shall amount to maximum NOK 39 000 000,- (Norwegian Kroner Thirty Nine Million).

4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the Parliament's annual allocation to the relevant budget line may lead to a reduction in annual Grant allocations and/or in the total Grant amount. The annual Grant allocations must be confirmed by MFA following the Parliament's approval of the state budget for the relevant budget year. If the Grant amount is reduced the Grant Recipient must revise the implementation plan, budget and results framework correspondingly.

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 6 % of the incurred direct project 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 disbursements shall be made upon

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MFA's receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question. The first disbursement shall include approved Project expenses incurred prior to the signing of this Agreement.

- 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 statement for the Project and a reference to the latest approved implementation plan and budget.
- 5.4 The disbursement requests shall be signed by Programme Manager of the Project 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. MFA may withhold disbursements in accordance with article 17 of the General Conditions if it finds that the requirements of the Agreement have not been met. Except for the first year, the second disbursement each year is subject to MFA's receipt and approval of the progress report and financial report.
- 5.6 All disbursements will be made to the following bank account:

Name of the account:	Agricultural Council of Tanzania
Account no.:	02J1007728500
IBAN no.:	N/A
Name and address of the bank:	CRDB Bank, Lumumba Branch
Swift/BIC code:	USD
Currency of the account:	

- 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 January to December (annual report) shall be submitted to MFA by end March 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 MFA by end March 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 March 30th 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. The management letter (matters for governance attention) shall be attached to the audit report.

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- d) An updated **implementation plan and budget** covering the period from January to December shall be submitted to MFA by 1 December the previous year. The implementation 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 shall be submitted to MFA by 30 March each year. If the auditor in addition 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 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.

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

6.3 All implementation 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 all ISAs relevant to the audit, ref. ISA 200 (Overall objectives of the independent auditor and the conduct of an audit in accordance with international standards on auditing), paragraphs 18 and 20. Of Particular relevance is ISA 240 (The Auditor's responsibility to Consider Fraud and Error in an Audit of Financial Statements), and ISA 800 ("Special Considerations audits of single financial statements and specific elements, accounts or items of a financial statement").

7.2 Additional requirements applicable to the auditor and the audit report are included in article 5 of the General Conditions.

7.3 The Grant Recipient is responsible for submitting the audit report to MFA within the deadline indicated in article 6 of the Specific Conditions.

8 FORMAL MEETINGS

8.1 The Parties shall hold formal meetings once per year, tentatively in April 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 Unless otherwise agreed, the Parties shall discuss the latest progress report and financial report, as well as the implementation plan and budget for the upcoming period. Reports should be submitted at least 2 weeks prior to meeting.

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 signed by both Parties.

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9 REVIEWS AND OTHER FOLLOW-UP MEASURES

- 9.1 A mid-term review focusing on progress, to date shall be carried out by January 2022. The Grant Recipient shall draft the terms of reference for the review and submit them to the other Party for approval. The costs of the review is included in the Project budget.
- 9.2 An end-term review focusing on results achieved by the Project and possible impact/effect on the target group, and lessons-learned shall be carried out by September 2023. The Grant Recipient shall draft the terms of reference for the review and submit them to the other Party for approval. The costs of the review is included in the Project budget.
- 9.3 The first 3 months of the Project is considered as the inception phase and expected deliverables by the end of this period are:
- i) revision of the Results Framework to include baseline values, with possible need for adjustments to the theory of Change, submitted to the MFA;
 - ii) project team recruited and in place.
- 9.4 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

- 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 200.000, the procurement record and the 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 have 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.:	7694 05 13 457
IBAN no.:	NO947 694 051 13487
Name and address of the bank:	DnB ASA, 0021 Oslo, Norway
Swift/BIC code:	DNBANOKKXXX

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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 and agreement title.

12 SPECIAL PROVISIONS

- a) The following shall be added to article 2 clause 2 of the General Conditions: “Gender disaggregated data shall be provided where relevant.”
- b) The following shall be added to article 11 clause 1 of the General Conditions: The Grant Recipient shall provide MFA with a draft for such an agreement, or template if such exists for information purposes before entering into the agreement.
- c) General Conditions article 14 shall be replaced with the following: “The Grant Recipient shall make project documentation available to anyone upon request unless disclosure is prohibited by confidentiality obligations and/or if it may be detrimental to the Grant Recipient’s legitimate interests. “Project documentation” shall include this Agreement and any contracts, cooperation agreement or other sub-agreements financed by the Grant, the Application and all agreed reports.”

13 NOTICES

- 13.1 All communication to MFA concerning the Agreement shall be directed to the Embassy at the following e-mail address: emb.daressalaam@mfa.no
- 13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Mark Magila, Programme Manager at the following e-mail address: act@actanzania.or.tz, with a copy to m_magila@hotmail.com (m_magila).
- 13.3 MFA’s agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

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 has been signed in two -2- original copies in the English language. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.



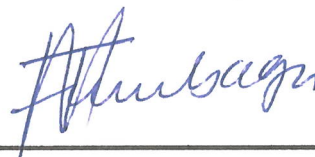

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Place: Dar es Salaam

Date: 23 October 2020

Date :

23rd Oct, 2020

for the Norwegian Ministry of Foreign Affairs,

for Agricultural Council of Tanzania

Elisabeth Jacobsen

Timoth Mmbaga

Ambassador

Acting CEO

Norwegian Embassy in Dar es Salaam

ACT

Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework