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Specific Conditions (part I)	Grant Management Regime I	Date:	01.03.2016

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA ON
BEHALF OF THE UNIVERSITY OF NEBRASKA-LINCOLN

REGARDING

INS-19/0008 GLOBAL YIELD GAP ATLAS PALM OIL PHASE II

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 Jakarta (the Embassy) and
- (2) The Board of Regents of the University of Nebraska on behalf of the University of Nebraska-Lincoln, a public higher education institution duly established in the United States of America under Nebraska Revised Statutes Chapter 85,

jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted an proposal to MFA dated February 21, 2019 (the Application) regarding financial support to the project titled *Developing solutions for closing the yield gap in smallholder oil palm plantations in Indonesia* (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 June 1 2019 – June 30, 2023 (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 objectives of the Project are as follows:

The Project's planned effect(s) on society is: Oil palm yield increases in smallholder plantations and forests and peatlands are protected from conversion into oil palm plantations (Impact statement).

The planned effects for the target group of the Project are: The global knowledge about causes of yield gaps (and solutions) in smallholder oil palm plantations in Indonesia is increased and Knowledge about the potential for extra oil palm production on existing cropland area and its potential land savings is increased for major stakeholders (outcome statements).

The planned main products and/or services of the Project are: Determine the causes for yield gaps in smallholder plantations located in mineral soils across major oil palm producing regions in Indonesia (Sumatra and Kalimantan) and demonstrate available management practices to close the yield gaps in a sustainable and cost-effective way. And, engage local agricultural, preservation, and government stakeholders in efforts to use the information about the causes of the gap and the improved management practices to intensify productivity on currently cultivated land thereby limiting the extension of cultivation to vulnerable area and consequent damage to the environment (output statements).

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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 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 identify, assess and mitigate any relevant risks associated with the implementation of the Project, including the risk of corruption and other financial irregularities, and any potential negative effects that the Project may have on the environment and climate, gender equality and human rights.

4 THE GRANT

- 4.1 The Grant shall amount to maximum NOK 35 000 000 Norwegian Kroner (thirty five million Norwegian kroner).
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations.
- 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 7% of MFA's pro rata share of the actual 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 first disbursement shall be made upon signature of this Agreement. Thereafter, 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 MFA's receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question.
- 5.2 Financial need refers to the budgeted expenditure for the upcoming period, less 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.

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- 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. 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.
- 5.6 All disbursements will be made to the following bank account:
- Name of the account: 51-00 NE STATE
TREAS
Account no.: 105701031947
IBAN no.:
Name and address of the bank: U.S Bank,
233 S. 13th St., Lincoln, NE 68508
Swift/BIC code: USBKUS44IMT
Currency of the account: US Dollars
- 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) An **annual progress report** covering the period of 1 June – 31 May shall be submitted to MFA by 01 July each year.
 - b) A **financial report** covering the period of 1 June – 31 May shall be submitted to MFA by 01 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 6.1e) of the Specific Conditions.
 - c) An **audit report** covering the annual financial statements of the Project shall be submitted to MFA by September 31 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.
 - d) An updated **implementation plan and budget** covering the period of 1 June – 31 May shall be submitted to MFA by 01 July each year. The implementation plan and budget shall include the content listed in article 1 of the General Conditions.
 - e) A **final report** for the Support Period shall be submitted to MFA no later than 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, MFA shall be informed immediately.

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- 6.3 All implementation plans, budgets and reports shall be approved in writing by MFA unless otherwise agreed by the Parties.

7 AUDIT

The annual financial statements of the Project shall be audited in accordance with the country's national auditing standards which are equivalent to International Standards of Auditing (ISA) 800 ("Special considerations audits of financial statements prepared in accordance with special purpose frameworks") or ISA 805 ("Special considerations audits of single financial statements and specific elements, accounts or items of a financial statement").

- 7.1 Additional requirements applicable to the auditor and the audit report are included in article 5 of the General Conditions.
- 7.2 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, tentatively in August each year 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. In the event that such reports have not been received at least 15 working days before the meeting, the Parties shall agree upon a new date to hold the 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.
- 8.4 The Parties shall hold other 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 August 2021. MFA shall draft the terms of reference for the review and submit them to the other Party for approval. The costs of the review shall be covered by MFA over and above the Grant.
- 9.2 An end review focusing on progress to date shall be carried out by 6 months after the end of the support period. MFA shall draft the terms of reference for the review and submit them to the other Party for approval. The costs of the review shall be covered by MFA over and above the Grant.
- 9.3 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.

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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

- 11.1 Upon the end of the Support Period or upon termination of this Agreement, any unused funds that total more than NOK 500 shall 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 in Jakarta
Account no.: 7694.05.13711
IBAN no.: NO60 7694 0513 711
Name and address of the bank: DnB ASA, 0021 Oslo, Norway
Swift/BIC code: DNBANOKK XXX

- 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 INS-18/0001 and agreement title.

12 NOTICES

- 12.1 All communication to MFA concerning the Agreement shall be directed to the Royal Norwegian Embassy/Forest and Climate Team at the following address/e-mail address: emb.jakarta@mfa.no.
- 12.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Dr. Patricio Grassini, at the following e-mail addresses: pgrassini2@unl.edu with a copy to David Clausen at unlospawards@unl.edu.
- 12.3 MFA's agreement number INS-19/0008 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 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 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: Jakarta

Date: 07.05.2019

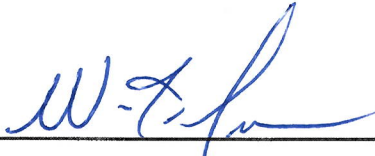


for the Norwegian Ministry of Foreign Affairs,

Bjørnar Dahl Hotvedt

Minister Councillor

Royal Norwegian Embassy in Indonesia



for University of Nebraska-Lincoln,

William J. Nunez

Vice Chancellor, Business and Finance

University of Nebraska-Lincoln

Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework