

Template:	Non-Norwegian NGOs	Revision no.:	1
Specific Conditions (part I)	Grant Management Regime I	Date:	01.03.2016

## GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

PARTNERSHIP FOR GOVERNANCE REFORM INDONESIA  
(KEMITRAAN BAGI PEMBARUAN TATA PEMERINTAHAN)

REGARDING

INCEPTION PHASE OF  
INS-2134-17/0008, DESA PEDULI GAMBUT//CARING FOR  
PEATLAND VILLAGES

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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) Partnership for Governance Reform (Kemitraan), a civil law partnership duly established in Jakarta, Indonesia under registration number AHU-00135.60.10.2014 (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 22 November 2017 (the Application) regarding financial support to the project titled INS-2134-17/0008 Desa Peduli Gambut (Caring for Peatland Villages or DPG) (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 October 2017 to May 2018 (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 planned effect(s) on society is approximately 110,000 hectares of degraded peatland in 7 provinces through community and village based approaches restored (Impact).
- 2.2 The planned goal of the inception phase is to undertake preparation for Desa Peduli Gambut (DPG Project). The Inception phase aims at achieving the following outcomes: preparation for sustainable peatland management is in place in 189 villages, and preparation for DPG Project administration and communication is in place. (Outcomes)
- 2.3 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.

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- 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 18,000,000 (Norwegian Kroner Eighteen Million).
- 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 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 Grant shall be disbursed in full upon signing of the agreement, and upon MFA's receipt of written request for disbursement from the Grant Recipient.
- 5.2 The disbursement requests shall be signed by the Executive Director of Kemitraan.
- 5.3 All disbursements will be made to the following bank account:

Name of the account:	Kemitraan Bagi Tata Pembaruan Pemerintahan
Account no.:	037602000001308
IBAN no.:	-
Name and address of the bank:	BRI, Jakarta, Sudirman I Branch Arthaloka Bld 1 <sup>st</sup> Fl. Jl. Jend. Sudirman Kav. 2, Jakarta 10220, Indonesia
Swift/BIC code:	BRINIDJA
Currency of the account:	USD

- 5.4 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:

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- a) A **financial report** covering the period from October 2017 to May 2018 shall be submitted to MFA by 31 August 2018. The financial report shall include the content specified in article 3 of the General Conditions.
- b) A **final audit report** covering the support of the Project shall be submitted to MFA no later than 3 months after the end of the Support Period. 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 in addition submits a management letter (matters for governance attention) this shall be attached to the audit report.
- c) 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 financial statements of the Project shall be audited in accordance with International Standards of Auditing ISA 805 (“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 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 The Party shall hold a consultative meeting to review the progress of the project and to discuss continuation of the Project tentatively in March 2018.

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.

## 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  
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 and agreement title.

## 12 NOTICES

12.1 All communication to MFA concerning the Agreement shall be directed to Øyvind Dahl and the Embassy of the Kingdom of Norway at the following address/e-mail address: [oyvind.dahl@mfa.no](mailto:oyvind.dahl@mfa.no) and [emb.jakarta@mfa.no](mailto:emb.jakarta@mfa.no)

12.2 All communication to the Grant Recipient concerning the Agreement shall be directed to the Executive Director of Kemitraan at the following address Jl. Taman Margasatwa No 26C, Ragunan, Jakarta Selatan 12550; e-mail address: [monica.tanuhandaru@kemitraan.or.id](mailto:monica.tanuhandaru@kemitraan.or.id) and [info@kemitraan.or.id](mailto:info@kemitraan.or.id)

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 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: 5 December 2017



for the Norwegian Ministry of Foreign Affairs,

Vegard Kaale

Ambassador.

Embassy of Norway Jakarta



for Kemitraan,

Monica Tanuhandaru

Executive Director

Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework

