

Agreement Template: Specific Conditions (part I)	Non-Governmental Organisations	Revision no.:	4
	Grant Management Regime II	Date:	June 2022

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

TRADEMARK AFRICA

REGARDING

TAN 23-0002, TANZANIA-TRADE FACILITATION AND
INTRA-AFRICAN INTEGRATION

PART I: SPECIFIC CONDITIONS

PART II: GENERAL CONDITIONS

PART III: PROCUREMENT PROVISIONS

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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) TradeMark Africa, a company limited by guarantee duly established in Kenya under registration number CPR/2009/5689 ("TMA") (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 21.11.2023 regarding financial support to its operations (Core Activities), as described in Tanzania country programme strategy 3 (2023-2030), 'Towards building sustainable and inclusive trade for Africa' dated May 2023 (the Strategy Document).
- 1.2 MFA has decided to award a grant to be used exclusively for the implementation of the Core Activities (the Grant) during the period from 01/07/2023 to 30/06/2026 (the Support Period). The grant may not be used for any other areas of the corporate strategy.
- 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.
- 1.4 Any reference to "Project" in the General Conditions shall be understood as a reference to the Core Activities. Any reference to the "Project Document" shall be understood as a reference to the Strategy Document.

2 OBJECTIVES

- 2.1 The expected effect(s) of the Core Activities on society is/are to contribute to sustainable, inclusive prosperity in Africa through increased sustainable and inclusive trade flows (Impact).
- 2.2 The expected effects for the target group of the Core Activities are (Outcome):

Outcome 1: Increased market access (by reducing trade barriers, including transport and other processes)

Intermediate Outcome: 1.1 Sustainable and efficient transport infrastructure

Intermediate Outcome: 1.2 Improved trading standards and sanitary and phytosanitary (SPS) measures

Intermediate Outcome: 1.3 Effective trade systems and procedure

Intermediate Outcome: 1.4 Improved trade regulatory environment

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Outcome 2: Improved business competitiveness (increasing SMEs to access out-border markets, increased capacity to create new jobs and catalyse new investments.

Intermediate outcomes:2.1. Increased trade capacity of Tanzanian businesses

Intermediate Outcome:2.2. More inclusive trade

- 2.3 The Strategy Document includes more information on expected results.

3 IMPLEMENTATION

- 3.1 The Core Activities shall be implemented in accordance with the Agreement, including all annexes, and the Strategy Document, including work plan and budget.
- 3.2 During the implementation of the Core Activities, 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 Core Activities. The risk of potential negative effects of the Core Activities in the following cases (Cross-Cutting Issues) shall always be included in the risk management of the Core Activities:
- 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 Strategy Document, work plan and budget must be submitted to MFA for information. MFA may suspend the disbursement until the changes have been assessed and approved for support.

4 THE GRANT

- 4.1 The Grant shall amount to NOK 60 000 000 (Norwegian Kroner sixty million). The Grant is given as a fixed amount based on the budget in the Strategy Document.
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the Parliament's 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 Grant Recipient must 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 Core Activities during the Support Period.
- 4.4 The Grant Recipient is responsible for obtaining any additional resources which may be required to duly implement the Core Activities.

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5 DISBURSEMENT

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Grant Recipient for the upcoming period, which shall not exceed six months. The first disbursement may be made upon signature of the Agreement. The subsequent disbursements shall be made upon MFA's receipt of written disbursement requests from the Grant Recipient.
- 5.2 The disbursement requests shall be signed by an authorised representative of the Grant Recipient. A confirmation that the Core Activities are being implemented in accordance with the Agreement and without any major deviations from the Strategy Document shall be included in the disbursement request. The financial need shall be documented through updated financial statements for the Core Activities.
- 5.3 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.
- 5.4 All disbursements will be made to the following bank account:
- Name of the account: TradeMark Africa
Account no.: 6725200022
IBAN no.: 6725200022
Name and address of the bank: NCBA
Bank Kenya Limited, Westlands branch,
NCBA Centre, Mara Rd. Upper-hill,
P.O.Box 44599-00100, Nairobi, Kenya
Swift/BIC code: CBAFKENX
Currency of the account: USD
- 5.5 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 **report** covering the period from July to June shall be submitted to MFA by 31 October each year. The Grant Recipient's annual report or other general reporting is sufficient given that the content requirements set out below are met.
- The report shall include both a narrative part and financial statements covering the Core Activities. The narrative part shall include the content specified in article 2 clause 2 of the General Conditions, whereas the financial statements shall include the content specified in article 3 clause 2 of the General Conditions.
- b) The **audit report** covering the annual financial statements of the Grant Recipient shall be submitted to MFA by 31 January 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, except clause 5.5. If the auditor submits a management letter (matters for governance attention), this

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shall be attached to the audit report. The management letter shall list any measures that have been taken as a result of previous audits and state whether such results have been adequate to deal with reported shortcomings.

- c) An updated **work plan and budget** covering the period from July to June shall be submitted to MFA by 30 May each year. The work plan and budget shall include the content listed in article 1 of the General Conditions.

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

7 AUDIT

- 7.1 The annual financial statements of the Grant Recipient shall be audited in accordance with International Standards of Auditing (ISA). 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 August in order to discuss i.a. the results achieved during the Support Period. The meetings may be held jointly with other donors. 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 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 all participants to the meeting.
- 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 An end review focusing on results achieved shall be carried out by June 2026 unless otherwise agreed. 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 budget. The review may be carried out jointly with other donors.
- 9.2 The Embassy will tentatively undertake one Project site visit/TMA partner visit per year. The visit may be carried out jointly with other donors.
- 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

All procurement made in connection with the Core Activities shall be completed in accordance with the Procurement Provisions in Part III of this Agreement, with the exception that the Grant Recipient will use its own threshold values for procurement.

11 REPAYMENT OF INTEREST AND UNUSED FUNDS

11.1 If the Grant Recipient does not complete the Core Activities as planned, or if the Core Activities are significantly scaled down compared to the initial budget, MFA may claim repayment of all or parts of the Grant including any pro rata share of accrued interest and/or 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 Dar es Salaam

Account no.: 7694.05.13487

IBAN no.: NO9476940513487

Name and address of the bank: DNB Bank ASA, Postboks 1600 Sentrum, 0021 Oslo, Norway

Swift/BIC code: DNBANOKKXXX

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

12 SPECIAL PROVISIONS

12.1 The following provisions of the General Conditions are not applicable under this Agreement:

- a) Article 5 clause 8 to 10
- b) Article 7 clause 2
- c) Article 9 clause 6
- d) Article 10 in its entirety
- e) Article 13 in its entirety.

13 NOTICES

13.1 All communication to MFA concerning the Agreement shall be directed to the Embassy at the following address/e-mail address: emb.daressalaam@mfa.no

13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Regional Director, East & Central Africa at the following address/e-mail address: 3rd floor, 50 Mirambo Street – Dar es Salaam, Tanzania. Email: monica.hangi@trademarkafrica.com with copy to: info@trademarkafrica.com

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.

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14 SIGNATURES

- 14.1 By signing part I of the Agreement, the Parties also confirm receipt and approval of part II; General Conditions, and part III; Procurement Provisions, which all form an integral part of the Agreement.
- 14.2 This Agreement in the English language has been signed by both Parties. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

Place: Dar es Salaam

Nairobi

Date: 4/12/2023

4/12/2023




For the Norwegian Ministry of Foreign Affairs.

for TradeMark Africa,

Tone Tinnes

Erastus Mwencha

Ambassador

TMA Board Chairperson

Norwegian Embassy of Dar es Salaam

TradeMark Africa, Nairobi, Kenya

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.

- 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 and sexual exploitation, abuse and harassment. 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, SEXUAL ABUSE AND SEXUAL 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 take all reasonable steps 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 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. The obligation to avoid conflict of interest applies to anyone acting on behalf of the Grant Recipient.

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 PROVISIONS APPLICABLE TO GRANTS FROM THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS AND NORAD

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PART III: PROCUREMENT PROVISIONS

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

PRINCIPLES

1 SOUND FINANCIAL MANAGEMENT

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

2 EQUAL TREATMENT AND NON-DISCRIMINATION

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

3 ETHICS IN PROCUREMENT

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

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4 SUSTAINABLE PROCUREMENT

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

GENERAL RULES

5 NOTORIETY

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

6 CONFLICT OF INTEREST

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

7 VALUATION OF CONTRACTS AND THRESHOLDS

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

8 TENDER DOCUMENTS

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

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

9 EVALUATION OF TENDERS

- 9.1 The evaluation of tenders shall be made in a neutral and transparent manner and in accordance with the criteria pre-determined in the call for tenders.
- 9.2 Where the value of the contract exceeds NOK 1,000,000 an evaluation committee must be set up to evaluate the received tenders. This committee must have an odd number of members with the technical and administrative capacities to give an informed opinion of the tenders.

10 GROUNDS FOR DISQUALIFICATION OF TENDERERS

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

11 VERIFICATION OF QUALIFICATIONS

- 11.1 Grant recipient shall, unless deemed unnecessary, ensure that a tenderer meets formal requirements as stipulated under this Part III and national law.
- 11.2 A tenderer should normally be required to include in its tender evidence that:
- a) It is registered by a national registrar of companies.
 - b) It is registered for declaration and payment of tax in accordance with national legislation.

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

12 PROCUREMENT PROTOCOL

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

12.2 The protocol shall as a minimum include:

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

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

- g) A justification for the selection of tenderers.

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

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

13 CONTROL AND COMPLIANCE

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

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

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

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PROCUREMENT METHODS

14 OPEN TENDERING

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

15 SIMPLIFIED TENDERING

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

16 SINGLE SOURCE PROCUREMENT

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

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16.3 Single source procurement may also be used where the extension of an existing contract awarded after an open or simplified tender would clearly be economic and efficient. The extended contract's maximum value shall not exceed 50 % of the original contract.

16.4 MFA/Norad may in exceptional cases upon written and justified request from the grant recipient, also allow single source procurement in the following cases:

- a) A product or services can only be provided by a single firm because of exclusive capabilities, exceptional worth for the Project or proprietary rights.
- b) Standardisation with existing equipment is determined to be important and justified, and compatible goods cannot be provided by other suppliers.
- c) It is a case of extreme urgency not foreseeable or attributable to the grant recipients.

17 NEGOTIATED PROCEDURE

17.1 Under a negotiated procedure the grant recipient may approach one or more suppliers to negotiate a contract directly.

17.2 A negotiated procedure may only be used where no tenders or no acceptable tenders are received after an open tender procedure. A negotiated procedure may then be applied without further publication of a procurement notice provided that the original contract terms are not substantially altered.

17.3 An unacceptable tender is a tender that significantly deviate from the procurement requirements, is not delivered within the set deadline, is delivered by a supplier who does not meet the qualification requirements, or where there is evidence of illegal bid collusion or corruption.

18 EXISTING FRAMEWORK AGREEMENTS

18.1 The grant recipients may utilize existing framework agreements or other types of pre-qualified suppliers for procurement of goods, works or services needed for an activity funded by the Grant if the initial contractual process corresponds to the requirements for an open tender procedure as set out in these Procurement Provisions.

18.2 A procurement protocol documenting the initial open tender procedure and a copy of the initial contract shall be submitted to MFA/Norad upon request.