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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

THE ACTIVE LEARNING CENTRE

REGARDING

MWI-16/0018, CAPACITY BUILDING AND TRANSPARENCY IN
LOCAL GOVERNMENT

PART I: SPECIFIC CONDITIONS

PART II: GENERAL CONDITIONS

PART III: PROCUREMENT PROVISIONS

ANNEX A: BUDGET

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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 Lilongwe (the Embassy), and
- (2) The Active Learning Centre, a charity duly established in Scotland under registration number SC022963 (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 22.11.2017 (the Application) regarding financial support to the project titled, Capacity Building and Transparency in Local Government - MWI-16/0018 (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 December 2017 to December 2020 (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 to nurture a generation of effective elected councillors and local leaders, who will help strengthen their communities, support development and consolidate democracy, by understanding effective service delivery, being accountable to their communities, and responsive to their priorities. (Impact).

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

- a. Increase the capacity and confidence of elected councillors across 11 councils to be able to effectively scrutinise the delivery and development of key services such as health and education, and be confident in identifying and reporting corruption (Outcome).
- b. Support councillors to strengthen their skills to prioritize and deliver key services to meet the needs of the communities they are accountable to, through more effective dialogue and consultation with community leaders and activist; so reducing the pervasiveness of patron-client politics.

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- c. 80% of the 2019 intake of councillors will report they feel better supported and that they have increased their political skills by taking part in a political mentoring programme and that the 2014 intake of councillors will be able to demonstrate they have gained personal and technical knowledge required to be effective mentors.
 - d. 80 % of elected councillors across 11 councils will demonstrate that they have strengthened citizen participation in local democracy by working with community leaders to scrutinise and track budgets and key services through a process of annual reporting, supported by a comprehensive media strategy and followed by quarterly tracking reports; so reducing the pervasiveness of patron-client politics.
 - e. 80% of the 2019 intake of councillors will report they feel better supported and that they have increased their political skills by taking part in a political mentoring programme and that the 2014 intake of councillors will be able to demonstrate they have gained personal and technical knowledge required to be effective mentors.
 - f. Increase the institutional capacity of WOLREC by training a core team of up to ten trainers, expert in active learning for adults, gender and democracy/politics
 - g. Understanding of the impact of the elements of the project and contribute to the national discussion on good governance, transparency and anti-corruption campaigns.
- 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 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 3, 868, 600 (Norwegian Kroner Three Million Eight Hundred Sixty Eight Thousand and Six Hundred).
- 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.

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- 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 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 taking into account balances from previous period.
- 5.4 The disbursement requests shall be signed by the chief financial officer/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: ALC/MALAWI/BHIA
Account no.: 00178258
IBAN no.: GB27RBOS83210500178258
Name and address of the bank: RBS, 339 Byres Road, Glasgow, G12 8QP
Swift/BIC code: RBOSGBL
Currency of the account: Pound Sterling

- 5.7 The Grant Recipient shall immediately acknowledge receipt of the funds in writing. The amount received shall be stated, as well as the date of receipt and the exchange rate applied.

6 REPORTING AND OTHER DOCUMENTATION

- 6.1 The following shall be submitted by the Grant Recipient to MFA:
- a) A **progress report** covering the period from end of December to November shall be submitted to MFA by February of each year. The progress report shall include the content specified in article 2 of the General Conditions. MFA's standard reporting format shall be used.

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- b) A **financial report** covering the period from December to November shall be submitted to MFA by February 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 within 3 months of the end of 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** and semi-annual progress report covering the period from December to May and from June to November shall be submitted to MFA at the beginning of each planning and reporting period. 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 within 3 months of the end of 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 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.

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) 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").

7.2 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.

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8 FORMAL MEETINGS

- 8.1 The Parties shall hold formal meetings once per year, tentatively in February 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 three weeks 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.

9 REVIEWS AND OTHER FOLLOW-UP MEASURES

- 9.1 A mid-term review focusing on progress to date and key lessons learnt shall be carried out by June 2019. 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 shall be included in the Project budget.
- 9.2 An end-term review focusing on key results achieved by the Project shall be carried out by December 2020. 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 shall be included in the Project budget.
- 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.

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.

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11.2 Repayments shall be made to the following bank account:

Name of the account: Royal Norwegian Embassy Lilongwe
Account no.: 76940513657
IBAN no.: NO6376940513657
Name and address of the bank: DBN NOR SA, 0021, Oslo
Swift/BIC code: DNBANOKK

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

12 NOTICES

12.1 All communication to MFA concerning the Agreement shall be directed to the Embassy at the following address/e-mail address:

The Ambassador,
Royal Norwegian Embassy
P/BAG B323
Lilongwe, Malawi
Email: emb.lilongwe@mfa.no

12.2 All communication to the Grant Recipient concerning the Agreement shall be directed to The Active Learning Centre at the following address/e-mail address:

The Senior Associate
The Active Learning Centre
N403A
St Andrew's Building
University of Glasgow
11 Eldon Street
Glasgow G3 6NH
Email: info@activelearningcentre.org

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.

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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.

Place:	<i>Lilongwe</i>	<i>Aitsoval, UK</i>
Date:	<i>6 December, 2017</i>	<i>6 December, 2017</i>
	<i>Bjarne Garden</i> _____ Bjarne Garden	<i>Susan Dalgety</i> _____ Susan Dalgety
	for the Norwegian Ministry of Foreign Affairs, Bjarne Garden Head of Cooperation/Deputy Head of Mission Lilongwe	For The Active Learning Centre, Susan Dalgety Senior Associate

Attachments:

Annex A: Approved budget for the Project
Annex B: Results framework