

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

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

THE NORWEGIAN RED CROSS

REGARDING

QZA-22/0246, SUPPORT TO IFRC DREF AND EMERGENCY
APPEALS 2023-2025

PART I: SPECIFIC CONDITIONS

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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 Section for Humanitarian Affairs, and
- (2) The Norwegian Red Cross (NorCross), an association duly established in Norway under registration number 864 139 442 (the Grant Recipient),

jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted a request to MFA dated 07 March 2023 (the Application) regarding financial support to the International Federation of Red Cross Red Crescent Societies Disaster Response Emergency Fund (DREF) and Emergency Appeals, titled Support to IFRC DREF and Emergency Appeals 2023-2025, QZA-22/0246 (the Project). The estimated cost of the Project is 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 January 2023 to December 2025 (the Support Period).
- 1.3 Additional grants towards specific IFRC issued emergency appeals may be granted through addenda to this Agreement.
- 1.4 The Grant Recipient submitted a letter on 20 March 2023 requesting additional funds to the IFRC *Africa Hunger Crisis Emergency Appeal*, and on 23 May 2023 requesting additional funds to the IFRC Emergency Appeal for Myanmar, Cyclone Mocha.
- 1.5 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 on society: Prevention and alleviation of human suffering.

The expected effects for the target group of the Activities are (Outcome):

- People anticipate, survive, and quickly recover from crises

- 2.2 The DREF and emergency appeals are for disaster response and recovery within the fields of protection, health, food, security, water and sanitation. The DREF includes direct funding to finance early actions in advance of predicted hazards, through the anticipation pillar, or an imminent crisis emergency plan of action designed to save lives before a disaster happens.

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- 2.3 The annual DREF Appeal and the specific IFRC Emergency Appeals will include information about expected results.

3 IMPLEMENTATION OF THE PROJECT

- 3.1 The Project shall be implemented in accordance with the Agreement, including all annexes, and the annual DREF appeal and supported IFRC Emergency Appeals.
- 3.2 Any significant changes to the Project shall be subject to MFA prior approval.
- 3.3 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.
- 3.4 The Grant Recipient shall continuously identify, assess, and mitigate any relevant risks associated with the implementation of the Project. The risk of potential negative effects of the Project in the following cases (Cross-Cutting Issues) shall always be included in the risk management of the Project:
- a) anti-corruption
 - b) climate and environment,
 - c) women's rights and gender equality, and
 - d) human rights (with a particular focus on participation, accountability, and non-discrimination)
- 3.5 The Grant Recipient shall be familiar with UN Security Council Resolution 1325 on women, peace, and security (s/res/1325 (2000)) and implement the Project in a way that promotes the intentions of the resolution in the best possible way. A statement on how the intentions of this resolution have been addressed shall be included in the progress reports and final report of the Project.
- 3.6 The Grant Recipient shall ensure that the Project is implemented in respect of international humanitarian law and international human rights law and that the implementation of the Project is guided by and complies with the international humanitarian principles of humanity, neutrality, impartiality, and independence.
- 3.7 The MFA shall be informed by the Grant Recipient of security considerations or risk assessments in areas of Project implementation. Such information should include the IFRC's efforts to uphold the humanitarian principles in complex security and/or political situations and risk assessments should be communicated to the MFA through the Parties regular dialogue.
- 3.8 The MFA underlines the necessity that all possible means are taken by the Grant Recipient and its implementing partner IFRC to ensure the integrity of the humanitarian principles, compliance with international humanitarian law and the safety of staff.

4 THE GRANT

- 4.1 The Grant shall amount to maximum **NOK 205 000 000** (Two hundred five million Norwegian Kroner), including admin support.

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- 4.2 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.3 Support to NorCross' management of the Grant, referred to as administrative support, including coordination, transfers, accounting, and audit shall amount to 0.3% of each allocated grant. The administrative support shall be included in the granted amount.
- 4.4 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 for 2023 shall be disbursed in full upon the signing of this Agreement, as part of the co-financing of the IFRC Appeals for 2023. The disbursement may include approved project expenses incurred from the start of the Support Period.
- 5.2 The Grant shall be disbursed in advance instalments based on the financial need of the Project for the upcoming period, which shall not exceed twelve 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. The disbursement request shall include a copy of the relevant annual DREF and/or emergency appeal.
- 5.3 The financial need shall be documented through an updated financial report for the Project and a reference to the supported IFRC appeals.
- 5.4 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the Parliament's annual appropriations may lead to a reduction of the Grant for the relevant budget year and/or of the total Grant amount. The annual Grant allocations must be confirmed by MFA for each year.

The tentative annual allocations are as follows:

2023: NOK 105 million, allocated as follows:

NOK 50 million, earmarked DREF, including administrative support

NOK 50 million, earmarked *Africa Hunger Crisis Emergency Appeal* (Oct 2022-Dec 2023), dated 06.10.22, including administrative support

NOK 5 million, earmarked *Emergency Appeal – Myanmar- Cyclone Mocha* (May 2023-May 2024), dated 18 May 2023, including administrative support

2024: NOK 50 million, earmarked DREF, including administrative support

2025: NOK 50 million, earmarked DREF, including administrative support

- 5.5 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.

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5.6 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.

5.7 The Grant Recipient shall have a separate bank account exclusively for grants from MFA. All disbursements will be made to the following bank account:

Name of the account:	Norges Røde Kors
Account no.:	Postboks 1 Grønland, 0133 Oslo
IBAN no.:	8200.06.08358
Name and address of the bank:	NO32 8200 0608 358
	DnB Bank ASA, Postboks 1600
	0021 Oslo
Swift/BIC code:	DNBANOKKXXX
Currency of the account:	NOK

5.8 The Grant Recipient shall ensure that its cooperating partner IFRC immediately acknowledge receipt of any transferred funds in writing. The amount received shall be stated, as well as the date of receipt and the exchange rate applied. The documentation shall be kept on file by NorCross and made available to MFA upon request.

6 REPORTING AND OTHER DOCUMENTATION

6.1 The following shall be submitted by the Grant Recipient to MFA:

- a) The IFRC's annual narrative and financial reports related to DREF and supported emergency appeals shall be submitted by 31 August each year.
- b) A summary of achievements related to the Grant covering the period from January to December shall be submitted by 31 August each year, the summary shall seek to meet the requirements of the General Conditions article 2.2.
- c) A financial Project report covering the period from January to December shall be submitted to MFA by 31 August each year. The financial report shall include the content specified in article 3 of the General Conditions and show the transfers from the Grant Recipient to IFRC split on DREF and each supported emergency appeal. The final financial report shall cover the entire Support Period and shall be submitted along with the final report referred to below.

6.2 An **audit report** covering the annual financial statements of the Project shall be submitted to MFA by August 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. If the auditor submits a management letter (matters for governance attention) this shall be attached to the audit report. The management letter shall list any measures that have been taken as a result of previous Programme audits and state whether such results have been adequate to deal with reported shortcomings.

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

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7 AUDIT

- 7.1 The annual financial statements of the Project shall be audited in accordance with International Standards of Auditing (ISA). The Auditor shall comply with ISA 800 (Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks) / ISA 805 (Special Considerations audits of single financial statements and specific elements, accounts, or items of a financial statement) and all ISAs relevant to the Project audit. 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 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 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 line with the principles of the Procurement Provisions in Part III of this Agreement. The threshold of NOK 500 000 in Article 5.4 shall be replaced with CHF 50 000.
- 10.2 The Grant Recipient reserves its right not to publish the Procurement Notice (as per chapter 6 of part III of this Agreement) where the Grant Recipient deems that the publication may compromise the safety and security of its of IFRC's personnel or operations in a given context, or where such publication may compromise the Grant Recipient's neutrality.

11 REPAYMENT OF INTEREST AND UNUSED FUNDS

- 11.1 If the Grant Recipient does not complete the Project or the Project is significantly scaled down MFA may claim repayment of all or parts of the Grant.

- 11.2 Repayments shall be made to the following bank account:

Name of the account:	Norwegian Ministry of Foreign Affairs
Account no.:	7694 05 12 618
IBAN no.:	NO83 7694 0512 618
Name and address of the bank:	DnB ASA, 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(s) and agreement title(s).

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12 SPECIAL PROVISIONS

- 12.1 General conditions article 4.2 d) shall not apply for humanitarian funding.
- 12.2 The following shall be added to article 9.3 of the General Conditions: "In the event MFA uses the intellectual property developed by the Grant Recipient's sub-grantee, IFRC, it shall acknowledge IFRC as the owner of the intellectual property rights."
- 12.3 The following shall be added to article 23.1 of the General Conditions: "the Grant Recipient reserves its right to not use the MFA logo, in publications and other materials where the Grant Recipient deems that such usage may compromise the safety and security of its personnel or operations in a given context or where such usage may compromise the Grant Recipient's neutrality."
- 12.4 General conditions article 11.2 c) shall be amended as follows: "if the cooperating partner is an entity from the red cross and red crescent movement, as set forth in the statutes of the international red cross and red crescent movement of 1986 article 1, the cooperating partner shall accept the choice of law in article 25.1 and settlement of disputes provisions in article 25.2 and 25.4 b) of the general conditions in relation to any disputes arising between the cooperating partner and mfa."

13 NOTICES

- 13.1 All communication to MFA concerning the Agreement shall be directed to the Section for Humanitarian Affairs at the following e-mail address: Seksjon.for.humanitaere.sporsmal@mfa.no
- 13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Elisabeth Mustorp at the following e-mail address: elisabeth.mustorp@redcross.no
- 13.3 MFA's agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

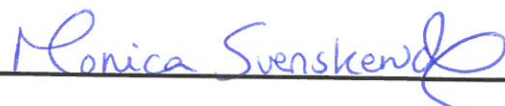
14 SIGNATURES

- 14.1 By signing part I of the Agreement, the Parties also confirm receipt and approval of part II; General Conditions, and part III; Procurement Provisions, which all form an integral part of the Agreement.
- 14.2 This Agreement 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.

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Place: Oslo,

Date: 7/7-2023



for the Norwegian Ministry of Foreign Affairs,

Monica Svenskerud

Deputy Director

Section for Humanitarian Affairs



for the Norwegian Red Cross,

FOR:

Jørgen Haldorsen

International Director

International Preparedness and Programmes

Attachments:

Annex A: Approved budget for the Project

Annex B: DREF Appeal 2023, Emergency Appeal Africa Hunger Crisis, Emergency Appeal Myanmar Cyclone Mocha

ANNEX A - BUDGET - SUPPORT TO IFRC DREF AND EMERGENCY APPEALS 2023 - 2025

Year	IFRC Appeal grant	Add no	Total grant amount NOK	of which to appeal	of which admin
2023	DREF	Main	50 000 000	49 850 449	149 551
2023	Africa Hunger Crisis EA	Main	50 000 000	49 850 449	149 551
2023	Myanmar, Cyclone Mocha	Main	5 000 000	4 985 045	14 955
2024	DREF	Main	50 000 000	49 850 449	149 551
2025	DREF	Main	50 000 000	49 850 449	149 551
IFRC Emergency Appeals					
		Addendum no			
		1			
		2			
		3			
		4			
		5			
TOTAL			205 000 000	204 386 839	613 161

Handwritten signature and initials in blue ink.

Standard:	NGOs	Revision no.:	4
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PART II: GENERAL CONDITIONS APPLICABLE TO GRANTS FROM THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

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AA

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.

- 5.6 If any findings have been reported in the Project's management letter, the Grant Recipient shall prepare a response including an action plan to be submitted to MFA together with the management letter.
- 5.7 The costs of the audit of the Project's financial statements shall be included in the Project's budget.
- 5.8 The audit requirements stated in this Agreement are applicable for the total Grant, including any part of the Grant that has been transferred to a cooperating partner.
- 5.9 The auditor of the Project's consolidated financial statement is responsible for the direction, supervision and performance of the audit of any part of the Grant that has been transferred to a cooperating partner. The auditor shall assure itself that those performing the audit for cooperating partners have the appropriate qualifications, that the audit is in compliance with professional standards, and that the audit report is appropriate under the circumstances. ISA 600 establishes standards and provide guidelines when using the work of other auditors.
- 5.10 The auditor of the Project's consolidated financial statement shall express an opinion on whether the statement is prepared, in all material respects, in accordance with the applicable financial reporting framework and the requirements of article 3. To this end, the auditor shall obtain sufficient appropriate audit evidence regarding the financial statements of the cooperating partner and the consolidation process.

6 CONTROL MEASURES

- 6.1 Representatives of MFA and the Norwegian Auditor General may at all times carry out independent reviews, audits, field visits or evaluations or other control measures related to the Project. The objective of such control measures may be i.a to verify that the Grant has been used in accordance with the Agreement or to evaluate the achievement of results.
- 6.2 The Grant Recipient shall facilitate such control measures by providing all information and documentation necessary to carry out the relevant initiative, as well as ensuring unrestricted access to any premises, records, goods and documents requested.
- 6.3 The representatives of MFA and the Norwegian Auditor General shall also have access to the Grant Recipient's auditor and the auditor's assessments of all information pertaining to the Grant Recipient and the Project. The Grant Recipient shall release the auditor from any confidentiality obligations in order to facilitate such access.
- 6.4 The rights and obligations of this article 6 shall remain in force for 5 years following expiry or termination of the Agreement, whichever occurs later.

7 FINANCIAL MANAGEMENT

- 7.1 The Grant Recipient shall keep accurate accounts of the Project's income and expenditure using an appropriate accounting- and double-entry book-keeping system¹.

¹ A double-entry bookkeeping a system is system of bookkeeping where every entry to an account requires a corresponding and opposite entry to a different account.

- 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 IN THE CONTEXT OF PROJECTS FINANCED BY THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

1 INTRODUCTION

- 1.1 This Part III sets out procurement rules and principles which shall be applied by the Grant Recipient when procuring goods, services or works to Projects financed by the Ministry of Foreign Affairs (MFA). Stricter rules may supplement the compulsory minimum rules set forth in this Part III.
- 1.2 The MFA may carry out ex post checks on the Grant Recipient's compliance with the rules set forth in this Part III.
- 1.3 Failure to comply with the rules set forth in this Part III shall render the Project expenditure ineligible for MFA funding and may lead to withholding funds or claim for repayment in accordance with article 17 of the General Conditions (Part II) of this Agreement.
- 1.4 Contracts shall not be split artificially to circumvent the procurement thresholds. All monetary amounts referred to in this Part III are amounts excluding value-added tax (VAT).
- 1.5 The procurement provisions shall also apply to any procurements to be carried out by the Grant Recipient's cooperation partners or others. The Grant Recipient shall be responsible for compliance as per article 11 of the General Conditions (Part II) of this Agreement regardless of whether the procurement is carried out by the Grant Recipient itself or its cooperation partners or others.
- 1.6 Sections 1 to 4 set out rules, which shall apply to all contracts. Sections 5 to 6 contain specific rules for service, supply and works contracts. Section 7 lists the situations where a negotiated procedure without prior publication is permitted.

2 BASIC PRINCIPLES

- 2.1 If a Project requires procurement by the Grant Recipient, the contract must be awarded following a tender procedure to the most economically advantageous tender (i.e. to the tenderer obtaining the best score based on price and quality), or, as appropriate, to the tenderer offering the lowest price. In doing so, the Grant Recipient shall avoid any conflict of interests and respect the following basic principles:
 - a) **Competition:** The procedures applied and the award of contracts shall be based on fair competition.

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- b) **Equal treatment and non-discrimination:** Participation in tender procedures shall be open on equal terms to all natural and legal persons. During the entire procurement and the award of contracts, the Grant Recipient shall not discriminate against candidates/tenderers or groups of candidates/tenderers.
- c) **Transparency and ex-ante publicity:** As a general rule, tender procedures shall be based on prior publication. Where the Grant Recipient does not launch an open tender procedure, it shall justify the choice of tenderers that are invited to submit an offer.
- d) **Objective criteria:** The Grant Recipient shall evaluate the offers received against objective criteria, which enable the Grant Recipient to measure the quality of the offers and shall take into account the price (the offer with the lowest price shall be awarded the highest score for the price criterion). The criteria shall be set out beforehand and shall be relevant to the contract in question.
- e) **Notoriety:** The Grant Recipient shall keep sufficient and appropriate records and documentation with regard to the procedure, its evaluation and award.

3 ELIGIBLE TENDERERS

3.1 Tenderers must provide information on their legal form and ownership structure.

3.2 Tenderers shall be excluded from participation in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations. However, tenderers in this situation may be eligible to participate insofar as the Grant Recipient is able to purchase supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a final judgment;
- c) they have been guilty of grave professional misconduct; proven by any means which the Grant Recipient can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which they are established, or with those of the country of the Grant Recipient or those of the country where the contract is to be performed;

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- e) 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 by a final judgment;
 - f) they make use of child labour or forced labour and/or practise discrimination, and/or do not respect the right to freedom of association and the right to organise and engage in collective bargaining pursuant to the core conventions of the International Labour Organization (ILO).
- 3.3 Tenderers shall confirm in writing that they are not in any of the situations listed above. Even if such confirmation is given by a tenderer, the Grant Recipient shall investigate any of the situations listed above if it has reasonable grounds to doubt the contents of such confirmation.
- 3.4 Contracts shall not be awarded to tenderers which, during the procurement procedure:
- a) are subject to a conflict of interests;
 - b) are guilty of misrepresentation in supplying the information required by the Grant Recipient as a condition of participation in the tender procedure, or fail to supply this information.

4 GENERAL PROCUREMENT RULES

- 4.1 The tender documents shall be drafted in accordance with best international practice. The Grant Recipient may voluntarily use the models published in the Practical Guide on the EuropeAid (EU) website.
- 4.2 The Grant Recipient shall take into account universal design and the potential environmental impact of any planned procurements.
- 4.3 All invitations to submit tenders shall state that offers will be rejected if any illegal or corrupt practises have taken place in connection with the award. All contracts concluded under the Project shall state that the Grant Recipient may terminate the contract if it finds that illegal or corrupt practises have taken place in connection with the contract award or execution.
- 4.4 The time-limits for receipt of tenders and requests to participate must be sufficient to allow interested parties a reasonable and appropriate period to prepare and submit their tenders.
- 4.5 An evaluation committee must be set up to evaluate applications and/or tenders of a value of NOK 500 000 or more on the basis of the exclusion, selection and award criteria. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

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- 4.6 For contracts with a value exceeding NOK 100 000, the Grant Recipient shall compile a written record with documentation of all assessments and decisions during all steps of the procurement process from the planning stage until the signing of the contract. Upon request by the MFA, the Grant Recipient shall deliver its written record to the MFA and grant the MFA access to all relevant information and documentation related to the procurement procedure and practices applied.

5 AWARD OF CONTRACTS

- 5.1 Contracts with a value of less than NOK 500 000 may be awarded by using any procurement procedure established by the Grant Recipient, while respecting the rules and principles laid down in Sections 1 to 4 of this Part III.
- 5.2 Contracts with a value exceeding NOK 500 000 shall be awarded by means of one of the following procurement procedures:
- a) **Open tender procedure:** In open procedures, any interested tenderer may submit a tender in response to a call for competition. The tender shall be accompanied by the information for qualitative selection as requested by the Grant Recipient.
 - b) **Restricted procedure:** In restricted procedures, any tenderer may submit a request to participate in response to a call for competition by providing the information for qualitative selection as requested by the Grant Recipient. Only those tenderers invited to do so by the Grant Recipient following its assessment of the information provided may submit a tender. The Grant Recipient may limit the number of suitable candidates to be invited to participate in the procedure.
 - c) **Competitive procedure with negotiation:** In competitive procedures with negotiation, any tenderer may submit a request to participate or a tender in response to a call for competition by providing the information for qualitative selection as requested by the Grant Recipient. Tenderers may submit an initial tender, which shall be the basis for subsequent negotiations. The minimum requirements and the award criteria shall not be subject to negotiations.
- 5.3 Where the Grant Recipient does not launch an open tender procedure, it shall justify and document in writing the choice of tenderers that are invited to submit an offer.
- 5.4 Deviations from the procedures listed in Section 5.2 are limited to the situations listed in Section 7 of this Part III.

6 PUBLICATION OF PROCUREMENT NOTICE

- 6.1 The following shall apply with respect to publication of the procurement notice:¹

¹ Definitions of different types of contracts and procedures can be found in Directive 2014/24/EU.

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- a) **Service and supply contracts from NOK 500 000 to less than NOK 2 500 000 and works contracts from NOK 500 000 to less than NOK 40 000 000**

The prior procurement notice shall be published in all appropriate media, at least in the country in which the Project will be carried out as well as on the Grant Recipient's website.

- b) **Service and supply contracts with a value of NOK 2 500 000 and above and works contracts with a value of NOK 40 000 000 and above**

The prior procurement notice shall be published in all appropriate media, in particular on the Grant Recipient's website, in the international press and the national press of the country in which the Project will be carried out, and in any other relevant specialist periodicals.

7 USE OF NEGOTIATED PROCEDURE WITHOUT PRIOR PUBLICATION

7.1 The Grant Recipient may use a negotiated procedure without prior publication in the following cases:

- a) if any of the circumstances set out in Article 32 of Directive 2014/24/EU are present;
- b) for purposes of humanitarian aid and civil protection operations or for crisis management aid in a crisis that has been formally recognised by and for the time period declared by the MFA;
- c) where the services are entrusted to public-sector or non-profit bodies and relate to activities of an institutional nature or are designed to provide assistance to people in the social field;
- d) for contracts declared to be secret, or whose performance must be accompanied by special security measures, or when the protection of the essential interests of the MFA so requires.

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