

Template: Specific Conditions (part I)	ALL NGOs Grant Management Regime I Adapted for KOS by JUR, 03/2021	MFA Revision no.: MFA Date:	3 21.10.2019
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GRANT AGREEMENT

between

The Norwegian Agency for Development Cooperation

and

Stiftelsen The Stockholm Environment Institute
regarding

Trase: Intelligence for sustainable trade, QZA-21/0156

PART I: SPECIFIC CONDITIONS

PART II: GENERAL CONDITIONS

PART III: PROCUREMENT PROVISIONS

ANNEX A: BUDGET

ANNEX B: RESULTS FRAMEWORK

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TABLE OF CONTENTS

1	SCOPE AND BACKGROUND	3
2	OBJECTIVES OF THE PROJECT	3
3	IMPLEMENTATION OF THE PROJECT	4
4	THE GRANT	4
5	DISBURSEMENT	5
6	REPORTING AND OTHER DOCUMENTATION	6
7	AUDIT	7
8	FORMAL MEETINGS.....	7
9	REVIEWS AND OTHER FOLLOW-UP MEASURES.....	7
10	PROCUREMENT.....	8
11	REPAYMENT OF INTEREST AND UNUSED FUNDS	8
12	SPECIAL PROVISIONS	8
13	NOTICES.....	9
14	SIGNATURES.....	9

PART I: SPECIFIC CONDITIONS

This grant agreement (the Agreement) has been entered into between:

- (1) The Norwegian Agency for Development Cooperation (Norad), represented by the Department for Civil Society and the Private Sector, and
- (2) Stiftelsen The Stockholm Environment Institute (SEI), a foundation duly established in Sweden under registration number 802014-0763 (the Grant Recipient),
jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted an application to Norad dated 19 May 2020 (the Application) regarding financial support to “Trase: Intelligence for sustainable trade”, QZA-21/0156 (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A to this Agreement.
- 1.2 Norad 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 May 2021 to December 2025 (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 Project shall contribute to the following overarching NICFI outcome(s):
 - NICFI Outcome 4 Increased transparency in land management, land use, value chains and financing
 - NICFI Outcome 5 Commodity markets stimulate deforestation-free production in tropical forest countries
 - NICFI Outcome 6 Financial markets stimulate deforestation-free commodity production in tropical forest countries
- 2.2 The expected results of the Project are as follows:

The Project’s expected effect(s) on society is to empower a transition towards more sustainable commodity production, trade and consumption by enabling market actors to understand how they are connected to deforestation risk, improve how they target interventions to manage risk and make investments, and strengthen accountability around sustainability goals (impact).

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

- Objective 1: Supply chain uptake
- Objective 2: Finance sector uptake
- Objective 3: Consumer market governments uptake
- Objective 4: Empowering multipliers and pressure groups to enable broad uptake and strengthen accountability.
- Objective 5: Improving the understanding of sectoral progress, challenges, and opportunities in the sustainability of commodity trade
- Objective 6: Public availability of Trase data, methods, and analyses.

2.3 The full results framework is included as Annex B to this Agreement. The Grant Recipient shall submit a revised results framework including targets for 2024 and 2025 for approval within December 2021.

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 as well as any later amendments to the above documents which are approved by Norad.
- 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 continuously identify, assess and mitigate any relevant risks associated with the implementation of the Project. The risk of any potential negative effects of the Project in the following cases (Cross-Cutting Issues) shall always be included in the risk management of the Project:
 - 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 The Grant Recipient shall immediately inform Norad of any circumstances likely to hamper or delay the successful implementation of the Project.

4 THE GRANT

- 4.1 The Grant shall amount to maximum NOK 60,000,000 (Norwegian Kroner Sixty Million).
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the Parliament's annual allocation to the relevant budget line may lead to a reduction in annual Grant allocations and/or in the total Grant amount. The annual Grant allocations must be confirmed by Norad following the Parliament's

approval of the state budget for the relevant budget year. If the Grant amount is reduced the Grant Recipient must revise the implementation plan, budget and results framework correspondingly.

The tentative, annual distribution of the Grant will be as follows:

2021	12 000 000
2022	12 000 000
2023	12 000 000
2024	12 000 000
2025	Up to remaining amount

- 4.3 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.4 The Grant may be used to cover overheads/indirect costs up to a maximum of 7% of Norad's pro rata share of the incurred direct 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.
- 4.6 The Grant Recipient may apply for additional funding to the Project during the Support Period only upon written invitation from Norad.

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 Norad'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, minus 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.
- 5.4 The disbursement requests shall be signed by an authorised representative of the Grant Recipient. A confirmation that the Project is being implemented in accordance with the Agreement shall be included in the disbursement request.
- 5.5 All disbursements are conditional upon the Grant Recipient's continued compliance with the requirements of the Agreement, including the timely fulfilment of reporting obligations. Norad 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. Except for the Project's first year, the first disbursement each year is subject to Norad's receipt and approval of the updated implementation plan and budget, while the second disbursement each year is subject to Norad's receipt and approval of the latest progress report and financial report.

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

Name of the account: STIFTELSEN THE STOCKHOLM ENVIRONMENT INSTITUTE

Account no.: 53699629

IBAN no.: SE17 6000 0000 0000 5369 9629

Name and address of the bank: SVENSKA HANDELSBANKEN, KORNHAMNSTORG
51, BOX 2273, SE-10317 STOCKHOLM, SWEDEN

Swift/BIC code: HANDSESS

Currency of the account: NOK

- 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 Norad:

- a) An annual **progress report** covering the period from January to December shall be submitted to Norad by 1 June each year. The progress report shall include the content specified in article 2 of the General Conditions.
 - b) An annual **financial report** covering the period from January to December shall be submitted to Norad by 1 June 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 Norad by 1 June each year. The audit report shall comply with the requirements set out in article 7 of the Specific Conditions and article 5 of the General Conditions. The management letter (matters for governance attention) shall be attached to the audit report.
 - d) An updated **implementation plan and budget** covering the period from January to December shall be submitted to Norad by 15 November each year. The implementation plan and budget shall include the content listed in article 1 of the General Conditions.
 - e) The organisation wide **annual report and audit report** of the Grant Recipient shall be submitted to Norad for information by 1 June each year. If the auditor 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 Norad no later than six months after the end of the Support Period. The final report shall include the content listed in article 4 of the General Conditions. The Department for Civil Society and the Private Sector's reporting format shall be used.
- 6.2 If the Grant Recipient is unable to meet the deadlines set out above, Norad shall be informed in writing immediately.
- 6.3 All implementation plans, budgets and reports shall be approved in writing by Norad unless otherwise agreed by the Parties.

- 6.4 In addition to submitting the reports listed above to Norad, the Grant Recipient shall by 1 August each year make public a description of its efforts to combat financial irregularities in its operations and of any closed cases of financial irregularities that the Grant Recipient has been involved in during the previous year. The description may be publicised either by publication of a separate report or in the Grant Recipient's general annual report. The information shall be made public in such a way that whistle-blowers are not exposed and that individuals associated with cases of financial irregularities are ensured the necessary protection.

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 all ISAs relevant to the audit, ref. ISA 200 (Overall objectives of the independent auditor and the conduct of an audit in accordance with international standards on auditing), paragraphs 18 and 20. Of particular relevance is ISA 240, (the Auditor's responsibility to Consider Fraud and Error in an Audit of Financial Statements), ISA 800 ("Special considerations- Audits of financial Statements prepared in accordance with special purpose frameworks") and ISA 805 ("Special Considerations-Audits of single financial statements and specific elements, accounts or items of a financial statement") Additional requirements applicable to the auditor and the audit report are included in article 5 of the General Conditions.
- 7.2 The Grant Recipient is responsible for submitting the audit report to Norad within the deadline indicated in article 6 of the Specific Conditions.

8 FORMAL MEETINGS

- 8.1 The Parties shall hold formal meetings if/when requested by Norad. The meetings shall be chaired by Norad.
- 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.
- 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 Norad no later than two weeks after the meeting for comments and approval.

9 REVIEWS AND OTHER FOLLOW-UP MEASURES

- 9.1 A review focusing on progress to date and shall be carried out by 1 June 2024. The Grant Recipient shall draft the terms of reference for the review, based on a template developed by Norad, and submit them to the other Party for approval. The costs of the review shall be included in the Project budget.
- 9.2 An organisational assessment focusing on the Grant Recipients internal control systems shall be carried out by 2024. The costs of the assessment shall be covered by Norad over and above the Grant.

- 9.3 If the Grant Recipient or another interested party initiates a review or evaluation of activities wholly or partly funded by the Grant, Norad shall be informed. The Grant Recipient shall forward a copy of the report of any such review or evaluation to Norad 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.
- 10.2 If the total value of a contract exceeds NOK 500,000, the procurement record and the signed contract shall be submitted to Norad for information.

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 NOK 500 or more shall in its entirety be repaid to Norad as soon as possible and at the latest within 6 months. The repayment shall include any interest which have not been used for Project purposes, and other financial gain accrued on the Grant.
- 11.2 Repayments shall be made to the following bank account:

Name of the account:	Norad
Account no.:	7694 05 14815
IBAN no.:	NO31 7694 05 14 815
Name and address of the bank:	DnB ASA, 0021 Oslo, Norway
Swift/BIC code:	DNBANOKK

- 11.3 The transaction shall be clearly marked: “Unused funds” or “Interest”. The name of the Grant Recipient shall be stated, along with Norad’s agreement number(s) and agreement title(s).

12 SPECIAL PROVISIONS

- 12.1 General Conditions article 12 clause 2. d) shall be replaced with: “changes to the Project’s annual budget that imply reallocation of more than 10 % of a budget line. Changes that amount to less than NOK 60,000 do not need to be pre-approved. Due to the extraordinary circumstances related to Covid-19, reallocation up to 20 % without pre-approval will be allowed for the year 2021.”
- 12.2 General Conditions article 12 clause 2 c) shall be replaced with: “changes to the implementation plan which implies a delay that may influence the achievement of expected results as presented in the results framework”.
- 12.3 General Conditions article 22 clause 1 shall be replaced with: The Grant Recipient shall acknowledge NICFI’s support to the Project in all publications and other materials issued in relation to the Project. NICFI’s logotype will be provided by Norad upon request. All use of NICFI’s logotype must be approved by Norad.”
- 12.4 All income generated by the Grant funds during the Support period shall be included in the financial statement and exclusively be used towards the Project objectives. Income generated as a result of the Grant funds after the end of the Support period shall be reinvested in the

Grant recipients' operational activities to ensure financial sustainability and growth of services.

- 12.5 Unless otherwise agreed, published reports produced as a result of activities financed in whole or in part from contributions from Norad shall be placed in the public domain for non-commercial use. This applies equally to databases developed by use of the Grant.

13 NOTICES

- 13.1 All communication to Norad concerning the Agreement shall be directed to the Department for Civil Society and the Private Sector at the following address/e-mail address: asp.norad-post@norad.no.
- 13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Toby Gardner at the following address/e-mail address: toby.gardner@sei.org, and Natalia Heini at natalia.heini@sei.org.
- 13.3 Norad'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 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: Oslo, Norway

Date: 5 May 2021



for the Norwegian Agency for Development Cooperation,

Wenche Fone

Director

Department for Civil Society and the Private
Sector

for Stiftelsen The Stockholm Environment Institute

Måns Nilsson

Executive Director

Stiftelsen The Stockholm Environment Institute

Attachments:

- Annex A: Approved budget for the Project
- Annex B: Results framework
- Annex C: Outputs and Activities table

SECTION 1: Management Plan

Objective	Sub-Objective
<p>1. Supply chain uptake. Over 250² market-leading commodity buyers are influenced and enabled³ by Trase data, methods, and analyses to support action on⁴ more sustainable sourcing strategies to reduce deforestation and land-based emissions.</p>	<p>1.1 Uptake by retailers, brands, and manufacturers. Market-leading retailers, brands, manufacturers, and industry associations are influenced and enabled by Trase data, methods, and analyses to support improved management of deforestation and emissions risks through smarter supplier engagement and monitoring strategies, thereby facilitating progress towards sustainability goals and compliance with legislative requirements.</p> <p>1.2 Uptake by commodity traders. Market-leading commodity traders are influenced and enabled by Trase data, methods, and</p>

¹ Estimation of coverage is based on most recent FAO data on volumes of global trade in forest-risk commodities. Not included in this calculation is chicken and pork, as derived commodities that are only being mapped in Brazil, and shrimp, for which comparable global data are not available.

² The target of 250 companies under Objective 1 and 250 financial institutions under Objective 2 takes into consideration risk exposure, including from the Forest 500 assessment of the businesses that have the biggest leverage for addressing deforestation, as well as increasing levels of engagement in the sustainability agenda, through roundtables, industry groups, and legislative action.

³ Trase seeks to positively impact supply chain sustainability through two main impact pathways i) directly or indirectly enabling more effective decision making by empowering market actors, including buyers, financial institutions, and importer countries with a unique decision-support platform, data products and analyses; otherwise, ii) indirectly influencing market actors by making more transparent their linkages with deforestation to their clients, financiers, policymakers/regulators, and civil society groups at an unprecedented level.

⁴ Evidence of uptake of Trase data and analyses to support action on supply chain sustainability will be collected through both direct engagement by Trase's team with the actor in question (e.g. survey, testimony, public announcement), or indirectly, via evidence provided by multipliers, including both service providers and pressure groups; through independent monitoring of reports, citations and actor-specific analytics on data access; and through targeted third-party data and information providers that they are subscribers and/or purchasers of, as well as industry and multi-stakeholder processes that they are participants of.

ATTACHMENT 1
GRANT OUTCOMES, PAYMENTS & REQUIREMENTS PLAN (#7703.01)

	<p>analyses to support improvements in their management of deforestation and emissions risks, including through improved transparency, monitoring and reporting strategies, and communication of progress towards sustainability goals and compliance with legislative requirements.</p>
<p>2. Financial sector uptake. Over 250 market-leading financial institutions, including investors and banks, are influenced and enabled by Trase data, methods and analyses⁵ to support action on more sustainable investment and lending strategies to reduce deforestation and land-based emissions.</p>	<p>2.1 Uptake by investors. Market-leading investors are influenced and enabled by Trase data, methods, and analyses to support improved risk management strategies, including client due diligence, client engagement, portfolio risk screening strategies, and green finance products (e.g., ESG frameworks or loan covenants) that incentivize more sustainable practices, thereby helping facilitate their progress towards sustainability goals and compliance with legislative requirements.</p> <p>2.2 Uptake by banks. Market-leading banks are influenced and enabled by Trase data, methods, and analyses to support improvements in due diligence on lending, screening of loan-books and green product innovation, thereby helping facilitate their progress towards sustainability goals and compliance with legislative requirements.</p> <p>3. Consumer market governments uptake. Key government agencies and advisory bodies in leading commodity import markets in Europe and China are influenced and enabled by Trase data,</p>

⁵ See Footnote #2

⁶ Targets include Peking University's Institute of Advanced Agricultural Sciences, linked to the Ministry of Agriculture and Rural Affairs (MARA); University of International Business and Economics and the Chinese Academy of International Trade and Economic Cooperation, linked to the Ministry of Commerce (MOFCOM); School of Public Policy and Management of Tsinghua University, linked to the National Development Reform Commission, a multi-ministerial board.; Institute of Climate Change and Sustainable Development (ICCSD) at Tsinghua University linked to the Ministry of Ecology and Environment (MEE); as well as Chinese and international NGOs working within China on sustainable trade, including the Global Environmental Institute, Solidaridad, Client Earth, WWF, TNC, TFA China as well as international organizations and multilateral bodies such as the CCI CED.

ATTACHMENT 1
GRANT OUTCOMES, PAYMENTS & REQUIREMENTS PLAN (#7703.01)

<p>methods and analyses to support improvements in the design, operationalization and monitoring of demand-side measures to reduce imported deforestation and land-based emissions.</p>	<p>stronger demand signal from the Chinese government and Chinese state-affiliated companies that discourages deforestation, land conversion and emissions associated with commodity imports from Latin America and Indonesia.</p> <p>3.2 Uptake in Europe. At least three national governments, including in France, UK and Germany, as well as the European Commission, use Trase data and analyses to better integrate deforestation and emissions embedded in commodity trade into the design, implementation and monitoring of policies and measures to reduce imported deforestation risk including through due diligence regulations, international trade agreements, public information platforms and forest country partnerships⁷.</p>	<p>4. Empowering multipliers and pressure groups to enable broad uptake and strengthen accountability. Over 25 leading service and data providers, campaigning organizations and government-enforcement agencies are equipped and empowered to use Trase's data, methods and analyses in their engagements with market, finance and government actors, helping scale-up the impact of Trase.</p> <p>4.1. Empowering uptake multipliers. At least 10 leading third-party service providers and guidance services, including advisory, analysis and data provisioning consultancies⁸ are equipped and empowered to use Trase products in their work to help design and support interventions by market, finance and government actors, and to integrate Trase data, methods and analyses into their own data products and guidance protocols and standards, including on deforestation and emissions monitoring and reporting.</p> <p>4.2. Empowering campaigners and enforcement agencies. At least 20 civil society campaigns, media investigations and enforcement agency initiatives are conducted each year that use Trase data and analyses to target investigations on specific businesses, financial institutions, governments, jurisdictions, and</p>
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⁷ Priority policy processes include EU Action Plan on the World's Forests (Priorities 1, 3, 5); Amsterdam Declaration Partnership; Cocoa & Forests Initiative, France's Combating Imported Deforestation Strategy, and UK Global Resource Initiative, and market responses e.g. FEFAC sustainable sourcing guidelines.

⁸ Target multipliers include leading sector-specific consultancies such as BSR, Earthworm, Proforest, 3Keel; mainstream advisory firms such as PwC, Deloitte, EY and KPMG - the Big Four; sustainable finance management consultancies such as Sustainalytics and Arabesque; and global NGOs leading work to increase market and finance sector engagement such as TNC and WWF.

	<p>industry associations to strengthen accountability, and improve monitoring of progress against sustainability commitments⁹.</p> <p>5. Improving the understanding of sectoral progress, challenges, and opportunities in the sustainability of commodity trade. The unique supply chain information provided by Trase drives a step-change in our ability to understand and assess progress in the sustainability of the production, trade and consumption of forest risks commodities, including critical insights into the effectiveness of voluntary and regulatory measures to deliver sector-wide improvements in sustainability outcomes.</p>
	<p>5.1. Intelligence for sustainable trade. Targeted analyses of Trase data and convenings of key stakeholders provide a critical appraisal of the strategic opportunities and challenges facing the sustainability of international commodity trade, and the effectiveness of measures to reduce deforestation and emissions, including by reporting on key performance indicators for individual commodities, companies and countries, demand-led analyses on the challenges facing particular market, finance and government actors, and in-depth assessments of the hard-truths that can limit the success of supply chain sustainability interventions.</p> <p>5.2. Third-party assessments. The accuracy and coverage of influential independent assessments on company-specific and sector-wide progress regarding the sustainability of the production, trade and consumption of forest-risk commodities is enhanced through the integration of Trase data, methods, and analyses.¹⁰</p>
	<p>6. Public availability of Trase data, methods, and analyses. The Trase initiative provides public transparency and open-access to data and analysis on the trade, financing, and sustainability impacts of globally traded forest-risk commodities.</p> <p>6.1. Supply chain physical flows. National and sub-national supply-chain flow maps encompassing 70% of global trade in forest risk commodities are updated yearly or every two years¹¹. (See roll out plan in Annex 1).</p>

⁹ Target campaigning and investigative organizations already using Trase data include Rainforest Foundation Norway, Mighty Earth, Global Witness, IDEA, Greenpeace, Chain Reaction Research, enforcement agencies include the Brazilian Prosecution Service (MPF) and Indonesia's Corruption Eradication Commission (KPK).

¹⁰ Leading third-party assessments which we will target include company specific assessments (e.g. Forest500, SPOTT, Supply Change, WWF Scorecards, CDP), and sector-wide progress assessments (e.g. NYDF, TFA, European Soy monitor).

¹¹ Supply chain data and models will be updated every year where feasible based on data availability or at minimum every two years.

<p>6.2. Supply chain sustainability indicators. Coverage of the commodity-specific deforestation, deforestation risk¹², greenhouse gas emissions and ZDC policies' indicators publicly accessible through Trase's data products is expanded to cover 70% of global trade in forest risk commodities and maintained yearly or every two years.</p>	<p>6.3. Supply chain financing flows. Coverage of information and analysis on the ownership and financing of commodity trade publicly accessible through Trase's data products is maintained and expanded to cover trade in soy, maize and beef from Latin America and palm oil and shrimp from Indonesia.¹³</p>	<p>6.4. Interoperability. The impact of Trase methods, data and derived assessment and visualization products on target market, finance and government actors is multiplied by making them accessible to, and integrated with, other leading independent data and information systems, including through commercial data service, impact assessment and ESG products, government monitoring systems, civil society and multi-stakeholder information platforms, knowledge products, and guidance protocols¹⁴.</p>
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¹² For any given year Trase assesses (i) the past deforestation that was necessary to clear land for commodity production for harvest and export and (ii) new deforestation observed in that year where the main driver is identified as the expansion of a specific commodity. A summary of our deforestation indicators is available here: http://resources.trase.earth/documents/data_methods/Trase_deforestation_risk_method_final%20Sept%202020.pdf. The resolution and accuracy of deforestation indicators will vary depending on data availability between commodities and countries.

¹³ Further expansion of ownership and finance data to other commodities and geographies is possible but conditional on securing additional funding.

¹⁴ Third-party data and information products and platforms that we will target for the uptake of Trase data products includes ESG products (e.g. Bloomberg, Refinitiv), public information platforms (e.g. deforestation monitoring by European governments the EU), open-access and commercial supply-chain information systems (e.g. GFW, GFW Pro, SourceUp, Forest Mind, Land Griffin, LCA databases such as Ecoinvent), knowledge platforms (e.g. Evidensia, WEF Strategic Intelligence platform), and guidance protocols (e.g. AFi, SBTi and GHG Protocol, PCAF).

<p>6.5. Dissemination. Targeted communications efforts including through curation and packaging of multimedia content, social, mainstream, and targeted media channels, and media and knowledge partnerships, mainstream awareness of Trase data and analyses with target users.</p>	<p>6.6. Financial sustainability. The Trase initiative generates sufficient revenue via use of Trase data and analyses by target users independent from donor grant support to cover core operating costs by the end of the grant.</p>	<p>6.7. Impact assessment. A biannual assessment of how the uptake and use of Trase data, methods and analyses influences actor behavior helps identify the specific targets, decisions, impact pathways and monitoring approaches by which Trase can be most effective in contributing towards, and reporting on, meaningful improvements in the sustainability of commodity trade.</p>
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SECTION 2: Monitoring and Reporting Plan

Management Effectiveness Questions

Key Questions to be addressed by this plan (In addition to direct measurement of objectives/sub-objectives):

1. What are the major challenges in expanding and maintaining the coverage of Trase data?
2. What types of companies, financial institutions and governmental agencies/programs are demonstrating the most robust and meaningful (or less robust and meaningful) use of Trase data and analyses? What feedback are users providing to help optimize usability and uptake, including through new data, analyses, and features/integrations that Trase could provide? Are there major barriers to uptake reported by target users?

ATTACHMENT 1
GRANT OUTCOMES, PAYMENTS & REQUIREMENTS PLAN (#7703.01)

3. What are the most effective strategies to increase the uptake of Trase data, methods and analyses by market, financial and governmental actors?
4. Are there specific multipliers (4.1 and 4.2) and data integrations (6.4) that stand out as major drivers of uptake? Why? What types of data, analyses and features/integrations that target users are asking for, and which Trase is not yet providing?
5. How is the Trase initiative improving the assessment of sectoral progress in the ZDC space? Is Trase helping shape specific agendas in the ZDC space and more broadly on the sustainable production and consumption agenda?
6. How effective are communications efforts in driving visibility and uptake of Trase data and analyses?
7. What are the most promising revenue models Trase may rely on to become financially independent from donor funding? What are the main lessons in generating revenue? How is Trase ensuring operational efficiencies to maintain low operational costs?

Monitoring and Reporting Table

Obj	Indicator and relevant objective(s)/sub-objective(s)	Methods (include unit and frequency)	Expected Milestones (By End of Period)				
			2020 Baseline	2021	2022	2023	2024
1	1. Cumulative number of retailers, manufacturers and traders who are influenced and enabled to support action on more sustainable sourcing strategies ¹⁵ to reduce deforestation and land-based emissions through the uptake and use of Trase data and analyses ¹⁶ .	Reports of targeted user applications, annual survey of target users; direct engagement and survey of multipliers (service providers, data providers and pressure groups), and independent monitoring of Trase citations and data use; survey of distribution and client lists of third-party data and information providers, and industry and multi-stakeholder processes	9	25	50	100	150

¹⁵ Improvements to the sustainability of sourcing strategies include improved risk management and supplier engagement procedures, monitoring of progress against sustainability goals and legislative requirements, and improved transparency, monitoring and reporting strategies.

¹⁶ Uptake and use includes the contribution of Trase data and analyses to improve how commodity buyers understand, manage and monitor risk in their supply chains to reduce exposure to deforestation, incentivize sustainable production practices and comply with legislative and voluntary requirements. Evidence of uptake and use of Trase data and analyses to support action on supply chain sustainability will be collected through both i) direct engagement by Trase's team with the actor in question (e.g. survey, testimony, public announcement), or indirectly, via ii) evidence provided by multipliers, including both service providers and pressure groups; iii) independent monitoring of reports, citations and actor-specific analytics on data access; or iv) targeted third-party data and information providers that they are subscribers and/or purchasers of, as well as industry and multi-stakeholder processes that they are participants of. In the case of (iv) uptake and use of Trase data, often together with other data, via these targeted channels may play a key role in influencing and enabling these actors but we will not have the same evidence base to demonstrate and understand the impact as where engagement is directly with the Trase team or directly with one of the Trase multipliers. An improved understanding of these impact pathways and lines of evidence will be developed through Trase's internal MEL framework and biannual impact assessments (see Objective 6.7).

ATTACHMENT 1
GRANT OUTCOMES, PAYMENTS & REQUIREMENTS PLAN (#7703.01)

			25	50	100	150	250
2	2. Cumulative number of investors and banks who are influenced and enabled to support action on more sustainable investment and lending strategies ¹⁷ to reduce deforestation and land-based emissions through the uptake and use of Trase data and analyses ¹⁸ .	Reports of targeted user applications, annual survey of target users, direct engagement and survey of multipliers (service providers, data providers and pressure groups), and independent monitoring of Trase citations and data use; survey of distribution and client lists of third-party data and information providers, and industry and multi-stakeholder processes	5				
3.1	3.1.1. Cumulative number of Chinese research organizations, companies, industry associations and NGOs which work in China and which use Trase data and analyses on deforestation and emissions risks linked to commodity imports in own analyses and reports targeting Chinese government	External publications, public statements, use in presentations and requests for data and analysis, meeting notes.	1	2	3	5	10

¹⁷ Improvements to the sustainability of investment and lending strategies include improved client due diligence, client engagement, and investment portfolio and loan-book risk screening practices, and improvements in the development of green financing products.

¹⁸ Uptake and use includes the contribution of Trase data and analyses to improve how financial institutions understand, manage and monitor risk in their investments to reduce exposure to deforestation, incentivize sustainable production practices and comply with legislative and voluntary requirements. And see footnote #15 for description of evidence of uptake and use.

ATTACHMENT 1
GRANT OUTCOMES, PAYMENTS & REQUIREMENTS PLAN (#7703.01)

			2	5	7	10	10	10	10
3.2	3.2.1. Cumulative number of European Commission agencies and national governments that provide statements demonstrating the contributions by Trase data and analyses to the development, implementation, and/or monitoring of policies to reduce overseas environmental impacts, including through: due diligence regulations, international trade agreements, public information platforms and forest country partnerships	European governments and the European Commission, requests for data, analyses and services by these parties							
4.1	4.1.1. Annual number of third-party service providers and guidance services, including advisory and analysis consultancies that are equipped and empowered to use Trase products in their work to help design and support interventions by market, finance and government actors	Number of collaborative agreements with multiplier service providers, survey of service providers	2	5	8	12	15	15	15
4.2	4.2.1. Annual number of civil society campaigns, media investigations and enforcement agency initiatives that use Trase data and analyses to target investigations on specific businesses, financial institutions, governments, jurisdictions, and industry associations	Annual survey and monitoring of civil society campaigns and publications, media monitoring tools, and survey of enforcement agencies	5	10	15	20	20	20	20

ATTACHMENT 1
GRANT OUTCOMES, PAYMENTS & REQUIREMENTS PLAN (#7703.01)

		Annual summary of Trase publications	10	15	20	30	40	40
5.1	5.1.1. Annual number of Trase briefings, insight collections, factsheets, and papers on performance of specific commodities, companies and governments and barriers facing the success of supply chain sustainability interventions.							
5.2	5.2.1. Annual number of independent company-specific and sector-wide assessments on the sustainability of the production, trade and consumption of forest-risk commodities that use Trase data, methods, and insights	Assessment reports, methods documents, and data requests from assessment initiatives	5	5	10	15	15	15
6.1	6.1.1. Cumulative number of sub-national commodity maps on trase.earth	Number of commodities published on Trase	15	22	26	30	30	30
6.2	6.2.1. Cumulative number of sub-national commodity maps on trase.earth that are accompanied by assessment of GHG emissions from land conversion	Number of commodities published on Trase with accompanying indicators on deforestation and emissions	5	10	15	20	25	30
6.3	6.3.1. Cumulative number of commodities and countries for which data is available on the direct and indirect financing of commodity traders and associated exposure of	Number of commodities published on Trase where company ownership and financing has been mapped on Trase.earth	3	6	10	10	10	10

ATTACHMENT 1
GRANT OUTCOMES, PAYMENTS & REQUIREMENTS PLAN (#7703.01)

	financial institutions to deforestation risks						
6.4	6.4.1. Number of third-party platforms and data products which include Trase data, methods, visualizations, and insights, updated on a regular basis.	Survey of third-party platforms and data products	3	5	8	12	15
6.5	6.5.1. Amount of revenue generated from access to and use of Trase data and analyses that can be used to cover core operating costs of the platform	Contracts, partnerships, license agreements	75k USD	100k USD	150k USD	300k USD	500k USD
6.5	6.5.2. Operational cost of maintaining the smooth functioning of the Trase data systems and products, including updating new years of data	Financial monitoring	TBD	TBD	TBD	TBD	500k
6.6	6.6.1. A biannual assessment of how the uptake and use of Trase data, methods and analyses influences actor behavior and contributes towards meaningful improvements in the sustainability of commodity trade ¹⁹ .	Impact assessment led by the Trase initiative	0	0	1	0	0

¹⁹ This review would include an assessment of progress against indicators in this Monitoring and Reporting Table, the evidence base for assessing meaningful uptake, use and behavior change by target actors, as well as an appraisal of the adequacy and effectiveness of the current indicators and Trase MEL framework

ATTACHMENT 1
GRANT OUTCOMES, PAYMENTS & REQUIREMENTS PLAN (#7703.01)

Annex 1. Coverage and rollout of sub-national supply-chain maps by Trase (Objective 6.1)

Commodities	Latin America						Africa			South-East Asia	
	Brazil	Argentina	Paraguay	Bolivia	Ecuador	Colombia	Ivory Coast	Ghana	Indonesia	Vietnam	
Soy											
Maize	2021	2021	2021								
Coffee											
Cocoa				2022					2022	2022	
Palm oil											
Beef	2021										
Shrimp				2022							
Chicken											
Pork											
Pulp											

Baseline end Q1 2021
Expansion

Notes

1. Expansion to new commodities will be concentrated in first two years 2021-2022
2. Commodities that are already mapped will be updated every year, or every second year depending on data availability constraints
3. Brazilian beef includes work to cover domestic supply chains
4. Feasibility of working in new frontiers, including West Africa, and new commodities, will depend on data availability, the quality and coverage of which cannot be sufficiently ascertained until initial scoping work has been conducted
5. Trase will remain adaptive to changes in data availability and impact and expansion may include additional commodities not included in this target matrix while some of the initial targets may be de-prioritized.

1

Category of outputs	Which Objectives does this category of Outputs contribute to?	Output Indicator	How/measure	2020 Baseline				Targets				Activities that contribute to the output	2021	2022	2023	2024	2025
				2021	2022	2023	2024	2025	2025	2024	2023						
1. Supply chain mapping	-Sub-objective 6.1 Supply chain flows -Sub-objective 6.2 Supply chain indicators	1.1. Supply chain time series data; number of contexts	Cumulative number of sub-national commodity maps on trace, earth, timber with numbers on Trade (See Objectives table 6.1 & indicators matrix)	Number of commodities published on Trade	15	22	26	30	TBD	TBD	TBD	Scope data availability for target list of new commodities and develop commodity maps for those that are considered feasible (target is coverage of 30 sub-national commodity supply chain maps). These are expected to be completed by year 3.	2023	2023	2023	2023	2023
		1.2. Supply chain time series: annual updates	Cumulative number of sub-national supply chain maps with updated time-series data (see related matrix)	Number of commodities published on Trade with updated time-series	15	15	15	15	TBD	TBD	TBD	Process line series data on deforestation for selected sub-national commodity maps.					
	1.3. Supply chain emissions estimates	Cumulative number of sub-national commodity maps on trade, earth that are accompanied by assessment of GHG emissions from land conversion (See Objectives table 6.2.1)	Number of commodities published on Trade with accompanying deforestation and emissions indicators	5	10	15	20	TBD	TBD	TBD	Process line series data on emissions from commodity deforestation for selected sub-national commodity maps.						
2. Finance mapping	Sub-objective 6.3 Financing of supply chain -Sub-objective 6.4 Interoperability -Sub-objective 4.1 Empowering uptake multipliers	2.1. Trade ownership and financing data	Cumulative number of commodities and countries for which data is available on the legal entities involved and the required tracking of company ownership and financing of financial institutions to monitor deforestation risks (See Objectives table 6.1.1)	Number of commodities published on Trade where company ownership and financing has been monitored	3	6	10	10	TBD	TBD	TBD	Expand coverage, depth and update data of legal ownership patterns and capital investments to Latin American soy and beef and Indonesian palm oil on trading companies accessible on the Trade Finance platform.					
		3.1. Operational data platforms	Number of operational data platforms	Availability of platform and monthly numbers of active users (Google Analytics)	2	2	2	2	TBD	TBD	TBD	Maintenance and adjustments to platform tools informed by user feedback.					
		3.2. Public API	Public API	Avg. number of public API users	1	1	1	1	TBD	TBD	TBD	Facilitate uptake of data through API; data product and metric development based on user feedback.					
		3.3. Data Explorer	Data Explorer	Number of data tools that allow search in the entire Trade database for specific user-defined queries	0	1	1	1	TBD	TBD	TBD	Develop a data explorer functionality that allows easy access to common user defined queries of the entire Trade database.					
3. Product development	Sub-objective 6.4 Interoperability -Sub-objective 4.1 Empowering uptake multipliers	4.1. Trade publications	Annual number of Trade briefings, insight collections, case studies, and papers on performance of specific commodities, companies and governments, and barriers facing the success of supply chain sustainable interventions (See Objectives table 5.1.1)	Annual summary of Trade publications	10	15	20	30	TBD	TBD	TBD	Content production (briefings, expounders, case studies, collections) for Trade Insights portal as well as annual reports and white papers for the last 5 years of the Project.					
		4.2. Third party publications	Annual number of independent company-specific and sector-wide publications that highlight the production, trade and consumption of specific commodities and companies that use Trade data, methods and insights	Annual summary of independent publications	5	5	10	15	TBD	TBD	TBD	Annual reports and white papers for the last 5 years of the Project.					
4. Publications	-Sub-objective 5.1 and 5.2 Intelligence for sustainable trade -Objective 4.2 Uptake by supply chain companies -Objective 4.3 Uptake by financial institutions -Objective 4.1 Uptake in China and Europe -Objective 4.4 Uptake by multipliers	4.3. Case studies	Total number of independent publications that highlight the production, trade and consumption of specific commodities and companies that use Trade data, methods and insights	Annual summary of independent publications	7	12	24	36	TBD	TBD	TBD	Provide data and analysis support to third-party assessment exercises					
		5.1. Explainers	Total number of published Trade Explainers that provide accessible introductions to Trade data and provide accessible video introductions to Trade data and methods	Annual summary of Trade publications	5	10	15	20	TBD	TBD	TBD	Develop Trade enhancement and training tool, tailored to target users - to include tutorials, case studies and methodologies for analysts. This will include use of key focus areas to achieve scale of uptake via multipliers (service providers).					
		5.2. Tutorials	Total number of published Trade Tutorials that provide accessible video introductions to Trade data and methods	Annual summary of Trade publications	5	10	15	20	TBD	TBD	TBD	- high-level summary of the context, overview of the methodology applied and data inputs, and key findings for general uptake and as an option for conversations.					
		5.3. Case studies	Total number of published case studies on how users are using Trade	Availability of case studies	0	5	10	15	TBD	TBD	TBD	- more detailed content for specific target audience, including step-by-step guides and case studies for uptake by multipliers (expanding analyses					
5. Engagement resources	- Objective 1 Uptake by supply chain companies - Objective 2 Uptake by financial institutions -Objective 4.1 Uptake in China and Europe -Objective 4.4 Uptake by multipliers	6.1. Pitch applications	Annual number of pitch applications with key users for target users	Summary of pilots, webinars, workshops and case studies	2	3	3	3	TBD	TBD	TBD	Direct engagements will be limited to target applications with specific, influential actors, and to test applications for data with our key focus areas to achieve scale of uptake via multipliers (service providers).					
		6.2. Data & analysis provision	Requests for and provision of data for target users	Data sharing requests; use of data in external publications; internal emails and recording	25	30	35	40	TBD	TBD	TBD	In these cases, we will seek to engage with relevant stakeholders and analyse for opportunities to enhance uptake.					
		6.3. Training sessions with target audiences	Annual number of training sessions on Trade data, methods and findings	Record of training sessions, attendees, date, location, duration	12	12	12	12	TBD	TBD	TBD	Direct engagements will be limited to target applications with specific, influential actors, and to test applications for data with our key focus areas to achieve scale of uptake via multipliers (service providers).					
7. Engagements, training and capacity building of multipliers	-Objective 3.1 Uptake in China and Europe -Sub-objective 4.1 Empowering uptake multipliers	7.1. Partnerships with key multipliers to use Trade data and analysis	Number of partnerships	Contracts MOUs, brief publications & analyses	5	10	15	20	TBD	TBD	TBD	Partnerships with target research organisations in China and provide training on Trade data.					

- Sub-objective 4.2 Empowering campaigning NGOs, media and enforcement agencies								
7.2. Training sessions with multiples	Number of training sessions with multiples	Record of training sessions, attendees and scope	3	6	12	TBD	TBD	
7.3. Use of data by campaigning NGOs	Annual number of civil society investigations and media stories that use Trade data and analysis on global products and services	Civil society campaigns and publications	5	10	15	TBD	TBD	
7.4. Uptake of Trade data, analysis and visualisations in third party products and platforms via APIs	Number of data products & platforms that utilise/integrate Trade data, analysis and visuals via APIs	Track APIs and licensing agreements	2	3	5	TBD	TBD	
8. Outreach activities	<ul style="list-style-type: none"> - Objective 4.1 Uptake by supply chain companies - Objective 4.2 Uptake by financial institutions - Objective 4.3 Uptake by Europe and China - Objective 4.4 Uptake by multiples - Sub-objective 6.5 Dissemination 	<p>8.1. Annual number of presentations and inhalts and links on external websites and events</p> <p>8.2. Mailing list</p> <p>8.3. Social media followers</p>	<p>Number of presentations</p> <p>Record of presentations, attendees and scope</p> <p>Number of Trade newsletter subscribers</p> <p>Number of social media followers</p>	14	12	12	TBD	TBD
9. Monitoring, evaluation and learning	<ul style="list-style-type: none"> - Objective 4.1 Revised MEL framework in place - Objective 4.2 Internal impact assessment - Objective 4.3 Mid-term and project assessment - Objective 4.4 Business plan completed - Objective 4.5 Business plan submitted - Objective 4.6 Contracts for earned income 	<p>9.1. Revised MEL framework in place</p> <p>9.2. Internal impact assessment</p> <p>9.3. Mid-term and project assessment</p> <p>9.4. Business plan completed</p> <p>Business plan submitted</p> <p>Business plan submitted</p> <p>Business plan submitted</p> <p>Business plan submitted</p>	<p>Revised MEL framework in active use</p> <p>Impact assessment completed</p> <p>Available</p> <p>Available</p> <p>Business plan submitted</p> <p>Business plan submitted</p> <p>Business plan submitted</p>	0	1	1	TBD	TBD
10. Development and operationalise business plan for revenue generation.	Sub-Objective 6.1. Financial sustainability	<p>10.1. Contracts for earned income</p>	Amount of revenue earned from access to and use of Trade data and analyses that can be used to cover operating costs in the platform (See Objectives indicator 6.4.2.)	10k USD	150k USD	300k USD	TBD	TBD
							Secure contracts and licensing agreements	

1. Expansion to new commodities will be concentrated in first two years 2021-2022
 2. Commodities that are already mapped will be updated every year, or every second year depending on data availability constraints
 3. Brazilian beef includes work to cover domestic supply chains
 4. Feasibility of working in new frontiers, including West Africa, and new commodities, will depend on data availability, the quality and coverage of which cannot be sufficiently ascertained until initial scoping work has been conducted
 5. Trase will remain adaptive to changes in data availability and impact and expansion may include additional commodities not included in this target matrix while some of the initial targets may be de-mapped

Standard: General Conditions	Norwegian and Non-Norwegian NGOs Grant Management Regime I and II	Revision no.: Date:	3 21.10.2019
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**PART II: GENERAL CONDITIONS
APPLICABLE TO GRANTS FROM
THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION**

TABLE OF CONTENTS

1	IMPLEMENTATION PLAN AND BUDGET	2
2	PROGRESS REPORT	2
3	FINANCIAL REPORT	2
4	FINAL REPORT	3
5	AUDIT	3
6	CONTROL MEASURES.....	4
7	FINANCIAL MANAGEMENT.....	5
8	EXCHANGE RATE FLUCTUATIONS	5
9	EQUIPMENT, CONSUMABLES AND INTELLECTUAL PROPERTY RIGHTS	5
10	REAL PROPERTY	6
11	TRANSFER OF THE GRANT TO A COOPERATING PARTNER	6
12	CHANGES TO THE PROJECT OR THE GRANT RECIPIENT	7
13	EXTENSION OF THE SUPPORT PERIOD.....	7
14	TRANSPARENCY	8
15	FINANCIAL IRREGULARITIES.....	8
16	CONFLICT OF INTEREST	9
17	BREACH OF THE AGREEMENT	9
18	TERMINATION OF THE AGREEMENT	10
19	WAIVER AND IMMUNITIES	10
20	LIABILITY	10
21	ASSIGNMENT	10
22	RECOGNITION AND PUBLICATION	11
23	ENTRY INTO FORCE, DURATION AND AMENDMENT.....	11
24	CHOICE OF LAW AND SETTLEMENT OF DISPUTES.....	11

1 IMPLEMENTATION PLAN AND BUDGET

- 1.1 Any updated implementation plan to be submitted in accordance with the Specific Conditions shall be directly related to the results framework and shall specify planned activities and outputs and time schedules for the upcoming reporting period.
- 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.
- 1.3 Significant deviations from or changes to the implementation plan and budget is subject to Norad's prior, written approval as outlined in article 12 of the General Conditions.

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, implementation 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 implementation plan and Application;
 - c) an assessment of how efficiently Project resources have been turned into Outputs;
 - d) 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.

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) the accounting principles applied;



- b) income from all sources, including bank interest. Norad's contribution shall be specified;
 - c) expenses charged/capitalised in the relevant reporting period;
 - d) expenses charged/capitalised from start-up of the Project to the end of the reporting period;
 - e) unused funds as per the reporting date;
 - f) overhead/indirect costs to be covered by the Grant in accordance with article 4 of the Specific Conditions;
 - g) balance sheet, when required in accordance with the accounting principles applied;
 - h) explanatory notes including a description of the accounting policies 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% from a budget line.

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 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, the audit shall be carried out by an independent chartered/certified or state-authorised public accountant (auditor).
- 5.2 Norad reserves the right to approve the auditor, and may require that the auditor shall be replaced if Norad 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, namely:
- a) the accounting principles followed by the Grant Recipient and;
 - b) the requirements of article 3 clause 2 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) identification of the Project's total expenses and total income;
 - c) the subject of the audit;

- d) the financial reporting framework applied;
 - e) the auditing standards applied;
 - f) a statement that the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement;
 - g) the auditor's opinion.
- 5.6 In addition to the Project's audit report, the auditor shall submit a management letter (matters for governance attention), which shall contain any findings made during the audit of the Project. It shall also list any measures that have been taken as a result of previous audits and whether such measures have been adequate to deal with reported shortcomings.
- 5.7 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 Norad together with the management letter.
- 5.8 The costs of the audit of the Project's financial statements shall be included in the Project's budget.
- 5.9 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.
- 5.10 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.
- 5.11 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 requirements of this Agreement. 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 Norad 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 Norad 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 in accordance with the applicable accounting- and bookkeeping policies in the jurisdiction of the Grant Recipient.
- 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. 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 Norad'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 Norad. 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 Norad as soon as possible.
- 8.3 If exchange rate fluctuations increase the value of the Grant, the gain shall be treated as disbursed Grant funds and used for Project purposes. 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

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.

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.

outside the Project shall be subject to the Norad's prior approval, as outlined in Article 12 of the General Conditions.

- 9.2 Norad shall have a non-exclusive and royalty-free license to use all intellectual property rights procured or developed by the use of the Grant. Norad may assign this right to any individual or organisation at its own discretion.
- 9.3 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 16 of the General Conditions.
- 9.4 Before a transfer is decided, the Grant Recipient shall assess whether it may have an impact on the Project and, where appropriate, consult with Norad. Any income from a transfer shall accrue to the Project, and shall be reported in the financial statement of the Project.
- 9.5 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 Norad along with the first progress report due after the sale.
- 9.6 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 Norad about the remaining equipment and goods that have been purchased by use of the Grant. The Norad 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 Norad.

10 REAL PROPERTY

- 10.1 The Grant may not be used to purchase or construct real property (land or buildings) unless explicitly approved by Norad.
- 10.2 If Norad has approved a purchase or construction of real property, the Grant Recipient and Norad shall agree 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. The agreement may be formalised in the Specific Conditions or in a separate agreement document.
- 10.3 Norad 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 Norad. Norad 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 shall be documented through a written agreement. The agreement shall specify that the cooperating partner is required to comply with the provisions of this Agreement and to cooperate with the Grant Recipient to ensure that the Grant Recipient is able to fulfil its obligations hereunder.

- 11.2 The agreement between the Grant Recipient and the cooperating partner shall have provisions related to i.a. reporting, audit, procurement and measures to prevent financial irregularities. Furthermore, the agreement shall explicitly state that:
- both the Grant Recipient, Norad and the Norwegian Auditor General shall have the same access to undertake the control measures related to the cooperating partner's use of the Grant as described in article 6 of the General Conditions,
 - the Grant Recipient shall be entitled to claim repayment of the Grant from the cooperating partner in the same instances and to the same extent that Norad is entitled to claim repayment from the Grant Recipient, and the cooperating partner shall accept that Norad has the right to claim repayment directly from the cooperating partner to the same extent as the Grant Recipient,
 - the cooperating partner shall accept the choice of law and settlement of disputes provisions in article 24 of the General Conditions in relation to any disputes arising between the cooperating partner and Norad.
- 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 and shall follow-up the cooperating partner's compliance with the Agreement throughout the Support Period.
- 11.4 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 Norad.
- 11.5 The Grant Recipient shall remain fully responsible towards Norad for any part of the Grant including assets that has been transferred to a cooperating partner.

12 CHANGES TO THE PROJECT OR THE GRANT RECIPIENT

- 12.1 Any significant deviations from or changes to the Application or approved implementation plans or budgets are subject to Norad's prior, written approval. The same applies to significant changes to, or circumstances materially affecting, the Grant Recipient's organisation.
- 12.2 The following deviations/changes shall always be subject to Norad's prior written approval:
- any changes to the Project's sources of income,
 - any changes to the results framework or scope of the Project,
 - changes to the implementation plan which implies a delay of more than three months of any activity,
 - changes to the Project's annual budget that imply reallocation of more than 10% of a budget line.

12.3 Norad may suspend disbursements of the Grant until such changes have been approved.

13 EXTENSION OF THE SUPPORT PERIOD

- 13.1 The Support Period of the Project is set out in the Specific Conditions. The Grant Recipient must, without delay, inform Norad of any circumstances likely to hamper or delay the implementation of the Project.
- 13.2 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. Norad shall approve or decline the request in writing.

14 TRANSPARENCY

14.1 The Grant Recipient shall publish the following in a dedicated and easily accessible place of its internet site:

- a) a copy of this Agreement and any addendum;
- b) the title and value of any contracts, cooperation agreements and/or other sub-agreements of more than NOK 500 000 (or the equivalent in local currency) which are financed by the Grant;
- c) the names and nationalities of the respective agreement parties and, if relevant, any sub-grantees or contractors in receipt of Project funds;

Any deviations from article 14 shall be agreed by the Parties in writing, i.a. in the Specific Conditions.

14.2 Publication shall take place as soon as possible, and at the latest within six months after the contracts, cooperation agreements and/or other sub-agreements were entered into.

14.3 The Grant Recipient shall make other project documentation, including the Application and all agreed reports, available to anyone upon request. Requests for disclosure may 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 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 implementation plan and budget.

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 Norad immediately of any indication of financial irregularities in or related to the Project. The Grant Recipient shall provide Norad 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 Norad in accordance with Norad's guidelines for handling suspicion of financial irregularities. The Grant Recipient shall cooperate fully with Norad's investigation and follow-up. If requested by Norad, the Grant Recipient shall initiate prosecution and/or apply other sanctions against persons or entities suspected of financial irregularities.

- 15.6 Norad may claim repayment of all or parts of the Grant in accordance with article 17 of the General Conditions if it finds that any financial irregularities have taken place in or related to the Project. The repayment claim may also include any interest, investment income or any other financial gain obtained as a result of the financial irregularity.

16 CONFLICT OF INTEREST

- 16.1 The Grant Recipient shall take all necessary precautions to avoid any conflicts of interest in all matters related to the Project.
- 16.2 Conflict of interest refers to any situation where the impartial and objective exercise of the functions of anyone acting on behalf of the Grant Recipient 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.
- 16.3 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.
- 16.4 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 Norad.

17 BREACH OF THE AGREEMENT

- 17.1 If the Grant Recipient fails to fulfil its obligations under this Agreement and/or if there is suspicion of financial irregularities, Norad may suspend disbursement of all or part of the Grant.
- 17.2 In the event of material breach of the Agreement, Norad may terminate the Agreement with immediate effect, and/or claim repayment of all or parts of the Grant.
- 17.3 Material breach of the Agreement shall include, without limitation, the following situations:
- all or part of the Grant has not been used in accordance with the Agreement and/or approved implementation plans and budget,
 - the Grant Recipient has made false or incomplete statements to obtain the Grant,
 - the use of the Grant has not been satisfactorily accounted for,
 - 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,
 - financial irregularities, grave professional misconduct or illegal activity of any form have taken place within the Grant Recipient or its cooperating partners,
 - the Grant Recipient has failed to inform Norad of indication of financial irregularities within the Project in accordance with article 15 of the General Conditions,
 - the Grant Recipient has changed legal personality without prior notification to Norad,
 - 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.
- 17.4 The Grant Recipient shall inform Norad immediately of any circumstances that may indicate or lead to a breach of Agreement, and shall provide Norad with any information or documentation it may reasonably require in order to determine if a breach of the Agreement has occurred.

- 17.5 Norad may also suspend disbursements or terminate the Agreement with immediate effect if a material breach of another agreement between Norad and the Grant Recipient has been established.

18 TERMINATION OF THE AGREEMENT

- 18.1 Each of the Parties may terminate the Agreement upon a written notice.
- 18.2 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.
- 18.3 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. Any funds that remain unused at the end of the Support Period shall be repaid to Norad.
- 18.4 The Grant Recipient shall submit a final report to Norad 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.
- 18.5 The Agreement will be considered terminated when the final report has been approved by Norad and any remaining funds have been repaid.

19 WAIVER AND IMMUNITIES

- 19.1 Nothing in the Agreement or any document related to the Agreement shall imply a waiver, express or implied, by Norad, the Government of Norway or any of its officials of any privileges or immunity enjoyed by them or their acceptance of the jurisdiction of the courts of any country over disputes arising thereof. This article 19 will not prevent arbitration or court proceedings in the legal venue of the Grant Recipient pursuant to article 24 of the General Conditions.

20 LIABILITY

- 20.1 Norad 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. Norad will not accept any claim for compensation or increases in payment in connection with such damage, injury or loss of income.
- 20.2 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 Norad against any claim or action from the Grant Recipient's staff or third parties in relation to the Project.

21 ASSIGNMENT

- 21.1 The Agreement and/or the Grant may not be assigned to a third party without the prior written consent of Norad. This shall not, however, prevent transfer of parts of the Grant to a cooperating partner in accordance with article 11 of the General Conditions.



22 RECOGNITION AND PUBLICATION

- 22.1 The Grant Recipient shall acknowledge Norad's support to the Project in all publications and other materials issued in relation to the Project. Norad's logotype will be provided by Norad upon request. All use of Norad's logotype must be approved by Norad.

23 ENTRY INTO FORCE, DURATION AND AMENDMENT

- 23.1 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 Norad in a completion letter.
- 23.2 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.
- 23.3 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.

24 CHOICE OF LAW AND SETTLEMENT OF DISPUTES

- 24.1 The Agreement shall be governed and construed in accordance with Norwegian law.
- 24.2 If any dispute arises relating to the implementation or interpretation of the Agreement, the Parties shall seek to reach an amicable solution.
- 24.3 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.
- 24.4 The Grant Recipient accepts that Norad can, 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.
- 24.5 The Parties agree that no other courts of law, than as set out in this article 24, shall have jurisdiction over disputes arising out of or in connection with this Agreement.

Standard: Procurement Provisions	Norwegian and Non-Norwegian NGOs Grant Management Regime I and II	Revision no.: 3 Date: 21.10.2019
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PART III: PROCUREMENT IN THE CONTEXT OF PROJECTS FINANCED BY THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

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 Norwegian Agency for Development Cooperation (Norad). Stricter rules may supplement the compulsory minimum rules set forth in this Part III.
- 1.2 Norad 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 Norad 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.
- 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;

- 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.



- 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 Norad, the Grant Recipient shall deliver its written record to Norad and grant Norad 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 Norad;
- 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 Norad so requires.