GRANT AGREEMENT

BETWEEN

THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

AND

SOUTHERN AFRICAN CONFEDERATION OF AGRICULTURAL
UNIONS SACAU

REGARDING

RAF-17/0015 PROMOTING THE ADOPTION OF CLIMATE SMART
AGRICULTURE ON A WIDE SCALE IN SOUTHERN AFRICA

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PART I: SPECIFIC CONDITIONS

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

(1) The Norwegian Agency for Development Cooperation (Norad), the Civil Society Department, and

(2) Southern African Confederation of Agricultural Unions (SACAU) a Non Profit Company with members duly established in The Republic of South Africa under registration number 2006/024245/08 (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 03.08.2017 (the Application) regarding financial support to the project titled Promoting the adoption of RAF-17/0015 “Promoting the adoption of Climate Smart Agriculture on a wide scale in Southern Africa” (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 August 2017 to March 2021 (the Support Period).

1.3 The Parties have agreed to enter into an Agreement, consisting of this part I; Specific Conditions, part II; General Conditions, and part III; Procurement Provisions, all of which form an integral part of this Agreement. In the event of discrepancies between the Specific Conditions and the General Conditions or Procurement Provisions, the Specific Conditions shall prevail.

2 OBJECTIVES OF THE PROJECT

2.1 The expected results of the Project are as follows:

The Project’s planned effect(s) on society (Impact) is to establish conducive policies for wide scale uptake of Climate Smart Agriculture (CSA) in the region.

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

a) Enhanced capacities of Farmer’s Organisations to advocate for better Climate Smart Agriculture-related policies;

b) Increased influence of SACAU in CSA policy and related processes at regional and global level;

c) Increase influence of Zimbabwe Farmer’s Union in CSA policy and related processes in Zimbabwe.

The intended target groups are SACAU members (National Farmer’s Organisations), their technical staff as well as farmer’s ambassadors.
2.2 The full results framework is included as Annex B to this Agreement.

3 IMPLEMENTATION OF THE PROJECT

3.1 The Project shall be implemented in accordance with the Agreement, including all annexes, and the latest approved Application, including implementation plan and budget.

3.2 During the implementation of the Project, the Grant Recipient shall exercise the necessary diligence, efficiency and transparency in line with sound financial management and best practise principles.

3.3 The Grant Recipient shall identify, assess and mitigate any relevant risks associated with the implementation of the Project, including the risk of corruption and other financial irregularities, and any potential negative effects that the Project may have on the environment and climate, gender equality and human rights.

4 THE GRANT

4.1 The Grant shall amount to maximum NOK 10,000,000 (Norwegian Kroner ten 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.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>NOK 2,500,000</td>
</tr>
<tr>
<td>2018</td>
<td>NOK 2,500,000</td>
</tr>
<tr>
<td>2019</td>
<td>NOK 2,500,000</td>
</tr>
<tr>
<td>2020/21</td>
<td>Up to the remaining amount</td>
</tr>
</tbody>
</table>

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. Disbursements will be based on the actual financial need of the Project in accordance with article 5 of the Agreement.

4.4 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.

4.5 The Grant may be used to cover overheads/indirect costs up to a maximum of 7% of Norad’s pro rata share of the Project.

4.6 The Grant Recipient is responsible for obtaining any additional resources which may be required to duly implement the Project.
5 DISBURSEMENT

5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Project for the upcoming period, which shall not exceed six months. The disbursements shall be made upon Norad’s receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question. The first disbursement shall include approved Project expenses incurred prior to the signing of this Agreement.

5.2 Financial need refers to the budgeted expenditure for the upcoming period, less any funds available to the Project from all other sources during the same period.

5.3 The financial need shall be documented through an updated financial statement for the Project and a reference to the latest approved implementation plan and budget.

5.4 The last disbursement request each year shall be submitted no later than 1 November. Funds intended for the use in 2021, shall be disbursed no later than 1 December 2020.

5.5 The disbursement requests shall be signed by the chief financial officer or 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.

5.6 All disbursements are conditional upon the Grant Recipient’s continued compliance with the requirements of the Agreement, including the timely fulfilment of reporting obligations. 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 second disbursement each year is subject to Norad’s receipt and approval of the progress report and financial report.

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

<table>
<thead>
<tr>
<th>Name of the account</th>
<th>SACAU-NORAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account number</td>
<td>013885537</td>
</tr>
<tr>
<td>IBAN</td>
<td>N/A</td>
</tr>
<tr>
<td>Name and address of the bank</td>
<td>Standard bank of South Africa, Corner of Hendrik Verwoerd and South Streets, Centurion, Pretoria, Republic of South Africa</td>
</tr>
<tr>
<td>SWIFT/BIC</td>
<td>SBZAZAJJ</td>
</tr>
<tr>
<td>Currency of the account</td>
<td>South African Rand (ZAR)</td>
</tr>
</tbody>
</table>

5.8 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) A progress report covering the period from January to December shall be submitted to Norad.
by 1 May each year. The progress report shall include the content specified in article 2 of
the General Conditions. Norad’s standard reporting format shall be used.

b) The annual progress report shall include reporting or coordination and any collaboration with
    CFU and ACT.

c) A financial report covering the period from January to December shall be submitted to Norad
    by 1 May 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 d) of the Specific Conditions.

d) An audit report covering the annual financial statements of the Project shall be submitted to
    Norad by 1 May 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
    (maters for governance attention) shall be attached to the audit report.

e) An updated implementation plan and budget covering the period from January to December
    shall be submitted to Norad by 10 January each year. The implementation plan and budget shall
    include the content listed in article 1 of the General Conditions.

f) The annual report and audit report of the Grant Recipient shall be submitted to Norad by 1
    July each year. If the auditor in addition submits a management letter (matters for governance
    attention) this shall be attached to the audit report.

g) A final report for the Support Period shall be submitted to Norad no later than six months
    months after the end of the Support Period. The final report shall include the content listed in
    article 4 of the General Conditions. Norad’s standard reporting format shall be used.

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

6.3 All implementation plans, budgets and reports shall be approved in writing by Norad unless
    otherwise agreed by the Parties.

7 AUDIT

7.1 The annual financial statements of the Project shall be audited in accordance with International
    Standards of Auditing (ISA) 800 (“Special considerations audits of financial statements prepared
    in accordance with special purpose frameworks”) or ISA 805 (“Special considerations audits of
    single financial statements and specific elements, accounts or items of a financial statement”).

7.2 Additional requirements applicable to the auditor and the audit report are included in article 5 of
    the General Conditions.

7.3 The Grant Recipient is responsible for submitting the audit report to Norad within the deadline
    indicated in article 6 of the Specific Conditions.

8 FORMAL MEETINGS

8.1 The Parties shall hold formal meetings if requested by Norad. Details regarding agenda and
    procedures will be agreed upon by the Parties.
9 REVIEWS AND OTHER FOLLOW-UP MEASURES

9.1 A mid-term review focusing on progress to date shall be carried out by September 2019. Norad shall draft the terms of reference for the review and submit them to the other Party for approval. The costs of the review shall be included in the Project budget.

9.2 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.

11 REPAYMENT OF INTEREST AND UNUSED FUNDS

11.1 Upon the end of the Support Period or upon termination of this Agreement, any unused funds that total more than NOK 500 shall be repaid to 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:

<table>
<thead>
<tr>
<th>Name of the account:</th>
<th>Norad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account no.:</td>
<td>7694 05 14815</td>
</tr>
<tr>
<td>IBAN no.:</td>
<td>NO31 7694 0514 815</td>
</tr>
<tr>
<td>Name and address of the bank:</td>
<td>DNB BANK ASA, N-0021 Oslo, Norway</td>
</tr>
<tr>
<td>Swift/BIC code:</td>
<td>DNBANOKKKXX</td>
</tr>
</tbody>
</table>

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

12 SPECIAL PROVISIONS

a) Support beyond 2018 will be considered on approved plans for collaboration between ZFU and Gwebi in terms of capacitating ZFU in CSA methodologies

b) The following should be added to article 2.2 of the General Conditions: “Status for coordination between ACT, SACAU and CFU shall be included in the progress reports.”

c) The following shall be added to article 2 clause 2 of the General Conditions: “Gender disaggregated data shall be provided where relevant.”

13 NOTICES

13.1 All communication to Norad concerning the Agreement shall be directed to the Department for Civil Society at the following e-mail address: Postmottak@norad.no

13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to [specify] at the following address/e-mail address: Mr. Ishmael Sunga at the following address/e-mail address: ISHMAEL.SUNGA@SACAU.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 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
Date: 10 August 2017

[Signature]

for the Norwegian Agency for Development Cooperation,

[Signature]

for SACAU,

Inger Brodal
Assistant Director
Civil Society Department

Ishmael Sunga
Executive Director

Attachments:

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