

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

The Royal Norwegian society for Development

REGARDING

MOZ-18/ 0023 Scaling up profitable aquaculture in Mozambique

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PART I: SPECIFIC CONDITIONS

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## PART I: SPECIFIC CONDITIONS

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

- (1) The Norwegian Ministry of Foreign Affairs (MFA), represented by the Royal Norwegian Embassy in Mozambique (the Embassy), and
  - (2) The Royal Society for Development, an independent non-profit member organisation duly established in Norway under registration number 965208739 (the Grant Recipient),
- jointly referred to as the Parties.

### 1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted an application to MFA dated 15 October 2019 (the Application) regarding financial support to the project titled Scaling up profitable aquaculture in Mozambique, MOZ - 18/0023 (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A to this Agreement.
- 1.2 MFA has decided to award a grant to be used exclusively for the implementation of the Project (the Grant). The Parties expect the Project to be implemented during the period from December 2019 to December 2023 (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 expected effect on society is increased food security in Mozambique (Impact).

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

1. Sustainable aquaculture incubator in Chokwe in place
2. Attractive model for share ponding developed and implemented
3. Sustainable domestic markets established

The planned main products and/or services of the Project are (Outputs):

- 1.1. IAC is serving trainees and entrepreneurs
- 1.2. The IAC model is known by Tilapia players in Mozambique

- 2.1. Competence strengthened for trainees and entrepreneurs in sustainable tilapia farming
- 2.2. Competence strengthened for trainees in tilapia economics and entrepreneurs in tilapia business management
- 2.3. Sustainable production sites are fully operationalised
- 3.1. Improved market integration
- 3.2. Marketing and branding of product established
- 3.3. Plan for processing plant developed and negotiated with potential investors

The intended target group is individuals who are motivated to be trained 4-6 months, then start tilapia production commercially in a profit-sharing (share-ponding) model under the IAC with Papa Pesca.

- 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 continuously identify, assess and mitigate any relevant risks associated with the implementation of the Project. The risk of potential negative effects of the Project in the following cases (Cross-Cutting Issues) shall always be included in the risk management of the Project:
  - 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 MFA 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 40 150 000 (Norwegian Kroner forty million, one hundred and fifty thousand).
- 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 MFA 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.

- 4.3 The Grant 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 MFA'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.

## 5 DISBURSEMENT

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Project for the upcoming period, which shall not exceed six months. The disbursements shall be made upon MFA's receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question. 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, 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. MFA may withhold disbursements in accordance with article 17 of the General Conditions if it finds that the requirements of the Agreement have not been met. Except for the Project's first year, the first disbursement each year is subject to the MFA's receipt and approval of the progress report and financial report.
- 5.6 The Grant Recipient shall have a separate bank account exclusively for grants from MFA. All disbursements will be made to the following bank account:
- |                               |   |
|-------------------------------|---|
| Name of the account:          | Det Kongelige Selskap for Norges Vel      |
| Account no.:                  | 15063012006                               |
| IBAN no.:                     | NO8015063012006                           |
| Name and address of the bank: | DNB<br>Postboks 1600 Sentrum<br>0021 Oslo |
| Swift/BIC code:               | DNBANOKKXXX                               |
| 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.

## 6 REPORTING AND OTHER DOCUMENTATION

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

- a) A **progress report** covering the period from January to December shall be submitted to MFA by 15 February each year. The first progress report shall include month of December 2019. The progress report shall include the content specified in article 2 of the General Conditions. MFA's standard reporting format shall be used.
- b) A **financial report** covering the period from January to December shall be submitted to MFA by 15 February each year. The first financial report shall include month of December 2019. The financial report shall include the content specified in article 3 of the General Conditions. The final financial report shall cover the entire Support Period and shall be submitted along with the final report referred to in article 6.1 f) of the Specific Conditions.
- c) An **audit report** covering the annual financial statements of the Project shall be submitted to MFA by 30 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 MFA by 15 February each year. The implementation plan and budget shall include the content listed in article 1 of the General Conditions.
- e) A **final report** for the Support Period shall be submitted to MFA no later than 3 months after the end of the Support Period. The final report shall include the content listed in article 4 of the General Conditions. MFA's standard reporting format shall be used.

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

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

## 7 AUDIT

7.1 The annual financial statements of the Project shall be audited in accordance with International Standards of Auditing (ISA). 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), and ISA 800 ("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 MFA within the deadline indicated in article 6 of the Specific Conditions.

## **8 FORMAL MEETINGS**

- 8.1 The Parties shall hold formal meetings once per year, tentatively in February in order to discuss i.a. the results achieved by the Project during the Support Period. The meetings shall be called and chaired by the Grant Recipient.
- 8.2 Unless otherwise agreed, the Parties shall discuss the latest progress report and financial report, as well as the implementation plan and budget for the upcoming period.
- 8.3 The Grant Recipient shall record main issues discussed, points of view expressed and decisions made, in minutes from the meeting. The Grant Recipient shall submit the minutes to MFA no later than two weeks after the meeting for comments. The agreed minutes shall be signed by both Parties.

## **9 REVIEWS AND OTHER FOLLOW-UP MEASURES**

- 9.1 A mid-term review focusing on progress to date and recommendations for future course of actions shall be carried out by November 2021. The Grant Recipient shall draft the terms of reference for the review and submit them to the other Party for approval. The costs of the review shall be included in the Project budget.
- 9.2 An end-term review focusing on results achieved by the Project and recommendations for future course of actions shall be carried out by March 2023. The Grant Recipient shall draft the terms of reference for the review and submit them to the other Party for approval. The costs of the review shall be included in the Project budget.
- 9.3 If the Grant Recipient or another interested party initiates a review or evaluation of activities wholly or partly funded by the Grant, MFA shall be informed. The Grant Recipient shall forward a copy of the report of any such review or evaluation to MFA without undue delay.

## **10 PROCUREMENT**

- 10.1 All procurement under the Project shall be completed in accordance with the Procurement Provisions in Part III of this Agreement.
- 10.2 If the total value of a contract exceeds NOK 500 000, the procurement record and the draft contract shall be submitted to MFA for information. The Grant Recipient shall also confirm in writing that the requirements agreed on in article 10.1 have been fulfilled.

## **11 REPAYMENT OF INTEREST AND UNUSED FUNDS**

- 11.1 Interest accrued on the Grant during the course of a year shall be repaid to MFA by 31 January the following year. If the Grant Recipient receives several grants from MFA, the interest on these grants should be repaid in one instalment. The instalment shall be documented by a copy of the annual bank statement for the account.
- 11.2 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 MFA as soon as possible and at the latest

within 6 months. The repayment shall include any interest and other financial gain accrued on the Grant and not previously repaid.

11.3 Repayments shall be made to the following bank account:

Name of the account:	<b>Ambassaden I Maputo</b>
Account no.:	Utenriksdepartementet, Postbosks 81 14 dep. N-0032 Oslo
IBAN no.:	<b>7694 05 13479</b>
Name and address of the bank:	DNB, 00231 Oslo, Norway
Swift/BIC code:	DNBANOKKXXX

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

## 12 SPECIAL PROVISIONS

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

## 13 NOTICES

- 13.1 All communication to MFA concerning the Agreement shall be directed to the Embassy in Maputo at the following e-mail address: [emb.maputo@mfa.no](mailto:emb.maputo@mfa.no), and with copy to Clarisse Barbosa with e-mail address: [clarisse.barbosa.fernandes@maf.no](mailto:clarisse.barbosa.fernandes@maf.no)
- 13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Reinaart Pretorius at the following e-mail address: [norgesvel@norgesvel.no](mailto:norgesvel@norgesvel.no) , and with copy to Reinaart Pretorius at the following e-mail address: [Reinaart.Pretorius@norgesvel.no](mailto:Reinaart.Pretorius@norgesvel.no)
- 13.3 MFA’s agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

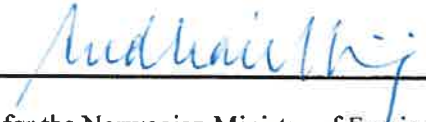
## 14 SIGNATURES

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

Date:..... December 2019



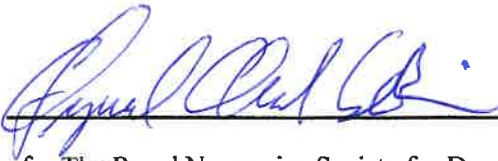
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for the Norwegian Ministry of Foreign Affairs,

Aud Marit Wiig

Ambassador

Royal Norwegian Embassy in Maputo



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for The Royal Norwegian Society for Development

Øyvind Ørbeck Sørheim

Managing Director

The Royal Norwegian Society for Development

Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework





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**PART II: GENERAL CONDITIONS  
APPLICABLE TO GRANTS FROM  
THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS**

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## 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 MFA'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 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;

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- b) income from all sources, including bank interest. MFA'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 MFA reserves the right to approve the auditor, and may require that the auditor shall be replaced if MFA finds that the auditor has not performed satisfactorily or if there is any doubt as to the auditor's independence or professional standards.

5.3 The auditor shall form an opinion on whether the Project's financial statements fairly reflect the financial position of the Project and whether they are prepared, in all material respects, in accordance with the applicable financial reporting framework, 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;

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

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## 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 system<sup>1</sup> 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 reconciliations<sup>2</sup> and cash reconciliations<sup>3</sup> 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 MFA's approval of the final report for the Project. This shall include i.a. vouchers, receipts, contracts and bank statements.

## 8 EXCHANGE RATE FLUCTUATIONS

- 8.1 If the Grant is converted into another currency, the exchange shall be made through a national or commercial bank unless otherwise approved by MFA. Exchange rates must be stated to four decimal places.
- 8.2 If exchange rate fluctuations decrease the value of the Grant to such an extent that this will have consequences for the implementation of the Project, the Grant Recipient shall inform MFA as soon as possible.
- 8.3 If exchange rate fluctuations increase the value of the Grant, the 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,

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

<sup>2</sup> 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.

<sup>3</sup> 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.

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significant use of such equipment, consumables and intellectual property rights for purposes outside the Project shall be subject to the MFA's prior approval, as outlined in Article 12 of the General Conditions.

- 9.2 MFA shall have a non-exclusive and royalty-free license to use all intellectual property rights procured or developed by the use of the Grant. MFA may assign this right to any individual or organisation at its own discretion.
- 9.3 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 MFA. 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 MFA 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 MFA about the remaining equipment and goods that have been purchased by use of the Grant. The MFA may require that such assets be sold. Such sale shall be completed in accordance with the procedures described above. Income from the sale shall be repaid to MFA.

## 10 REAL PROPERTY

- 10.1 The Grant may not be used to purchase or construct real property (land or buildings) unless explicitly approved by MFA.
- 10.2 If MFA has approved a purchase or construction of real property, the Grant Recipient and MFA 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 MFA may in such an agreement require i.a. that the real property shall be sold after the end of the Support Period and that the proceeds from the sale shall be repaid to MFA. MFA may also reserve the right to establish security interests in any real property purchased by use of the Grant.

## 11 TRANSFER OF THE GRANT TO A COOPERATING PARTNER

- 11.1 Transfer of all or part of the Grant including assets to a cooperating partner 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.



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- 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:
- a) both the Grant Recipient, MFA 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,
  - b) 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 MFA is entitled to claim repayment from the Grant Recipient, and the cooperating partner shall accept that MFA has the right to claim repayment directly from the cooperating partner to the same extent as the Grant Recipient,
  - c) the cooperating partner shall accept the choice of law and settlement of disputes provisions in article 24 of the General Conditions in relation to any disputes arising between the cooperating partner and MFA.
- 11.3 The Grant Recipient shall assure itself that the cooperating partner has the necessary competence and internal procedures to meet the requirements of the Agreement 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 MFA.
- 11.5 The Grant Recipient shall remain fully responsible towards MFA for any part of the Grant including assets that has been transferred to a cooperating partner.

## 12 CHANGES 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 MFA'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 MFA's prior written approval:
- a) any changes to the Project's sources of income,
  - b) any changes to the results framework or scope of the Project,
  - c) changes to the implementation plan which implies a delay of more than three months of any activity,
  - d) changes to the Project's budget that imply reallocation of more than 10% of a budget line.
- 12.3 MFA 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 MFA 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. MFA shall approve or decline the request in writing.

## 14 TRANSPARENCY

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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 MFA immediately of any indication of financial irregularities in or related to the Project. The Grant Recipient shall provide MFA with an account of all the known facts and an assessment of how the matter should be followed up, including whether criminal prosecution or other sanctions are considered appropriate.

15.5 The matter will be handled by MFA in accordance with MFA's guidelines for handling suspicion of financial irregularities. The Grant Recipient shall cooperate fully with MFA's investigation and follow-up. If requested by MFA, the Grant Recipient shall initiate prosecution and/or apply other sanctions against persons or entities suspected of financial irregularities.

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- 15.6 MFA 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 MFA.

## 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, MFA may suspend disbursement of all or part of the Grant.
- 17.2 In the event of material breach of the Agreement, MFA may terminate the Agreement with immediate effect, and/or claim repayment of all or parts of the Grant.
- 17.3 Material breach of the Agreement shall include, without limitation, the following situations:
- a) all or part of the Grant has not been used in accordance with the Agreement and/or approved implementation plans and budget,
  - b) the Grant Recipient has made false or incomplete statements to obtain the Grant,
  - c) the use of the Grant has not been satisfactorily accounted for,
  - d) the Grant Recipient has, after having been granted an extended deadline, failed to provide the agreed reports, or has knowingly provided reports that do not reflect reality,
  - e) financial irregularities, grave professional misconduct or illegal activity of any form have taken place within the Grant Recipient or its cooperating partners,
  - f) the Grant Recipient has failed to inform MFA of indication of financial irregularities within the Project in accordance with article 15 of the General Conditions,
  - g) the Grant Recipient has changed legal personality without prior notification to MFA,
  - h) 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 MFA immediately of any circumstances that may indicate or lead to a breach of Agreement, and shall provide MFA with any information or documentation it may reasonably require in order to determine if a breach of the Agreement has occurred.

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

## **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 MFA.

18.4 The Grant Recipient shall submit a final report to MFA within three months of the end of the Support Period. The final report shall meet the requirements set out in article 4 of the General Conditions and shall also include a financial report and audit report covering the period from the previous financial report until the end of the Support Period.

18.5 The Agreement will be considered terminated when the final report has been approved by MFA 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 MFA, 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 MFA shall not under any circumstances or for any reason be held liable for damage, injury or loss of income sustained by the Grant Recipient or its agencies, staff or property as a direct or indirect consequence of the Project or services provided thereunder. MFA will not accept any claim for compensation or increases in payment in connection with such damage, injury or loss of income.

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 MFA 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 MFA. This shall not, however, prevent transfer of parts of the Grant to a cooperating partner in accordance with article 11 of the General Conditions.

## **22 RECOGNITION AND PUBLICATION**

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

### 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 MFA 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 MFA 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.



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## PART III: PROCUREMENT IN THE CONTEXT OF PROJECTS FINANCED BY THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

### 1 INTRODUCTION

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

### 2 BASIC PRINCIPLES

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

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

### 3 ELIGIBLE TENDERERS

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

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

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



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

#### **4 GENERAL PROCUREMENT RULES**

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

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

## 5 AWARD OF CONTRACTS

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

## 6 PUBLICATION OF PROCUREMENT NOTICE

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

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

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

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

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

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

## **7 USE OF NEGOTIATED PROCEDURE WITHOUT PRIOR PUBLICATION**

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

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



ANNEX A - DETAILED PROJECT BUDGET

Project name: Scaling up profitable aquaculture in Mozambique - MOZ 2462 (18/0023)

Country: Mozambique

1. Budget for IAC costs in more detail NOK

Year	Year 1	Year 2	Year 3	Year 4	Total
<b>A. 4810 Local partner costs</b>					
<b>Salaries</b>	<b>546 710</b>	<b>572 246</b>	<b>599 058</b>	<b>627 211</b>	<b>2 345 226</b>
<i>Man.Dir IAC, Supervisor, harvest personell (seasonal-120 ponds x2-3 annual harvests)</i>	294 710	308 546	323 073	338 327	
<i>Chairman fee, GA fees, obligatory supervisory committee (low rates)</i>	252 000	263 700	275 985	288 884	
<b>Travels</b>	<b>363 758</b>	<b>342 191</b>	<b>315 740</b>	<b>185 224</b>	<b>1 206 912</b>
<i>Vehicles - fuel, driver, maintenance, insurances</i>	363 758	342 191	315 740	185 224	
<b>Operating costs</b>	<b>1 229 571</b>	<b>1 178 608</b>	<b>1 377 206</b>	<b>1 460 825</b>	<b>5 246 210</b>
<i>Pond inputs - juveniles, fertiliser, lime</i>	133 155	125 235	193 950	222 075	
<i>Nets, protective cloth, tools, office equip, house maint, health-care</i>	120 330	58 140	81 540	63 540	
<i>Licences, water, electricity, internet, mobile comm.</i>	162 864	174 398	194 749	203 735	
<i>Disease testing, emergency allocation (canal cleaning, similar)</i>	99 900	45 180	62 748	51 833	
<i>Tilapia marketing activities</i>	90 000	90 000	90 000	90 000	
<i>Service fee to PP: adm/jin/ procurement, HR, security, pond maint, harvest check-sales</i>	623 322	685 654	754 220	829 642	
<b>Consultants</b>	<b>52 200</b>	<b>126 000</b>	<b>45 000</b>	<b>45 000</b>	<b>268 200</b>
<i>Tilapia training (for IAC personell), business management- and maintenance training</i>	52 200	126 000	45 000	45 000	
<b>Investments</b>	<b>5 302 260</b>	<b>3 389 192</b>	<b>3 820 362</b>	<b>3 206 250</b>	<b>15 718 064</b>
<i>Ponds (32 modules@10000m3), water reservoirs (2), sedim'zone, culvert upgrade</i>	675 000	531 000	504 000	-	
<i>Fence, lights, guard site, bio-security system</i>	101 160	38 942	42 612	9 000	
<i>Feed storage structure w/ landing site, tanks, harvest tool</i>	135 000	20 250	2 250	2 250	
<i>Energy supply upgrade, water pumps, small irrig.system (pond banks)</i>	459 000	-	72 000	-	
<i>Managing Director house (1) on-site</i>	270 000	-	-	-	
<i>Excovator (1), 4x4 tractor (1), car (1), motorbikes (2)</i>	760 500	9 000	13 500	9 000	
<i>Marketing hubs (4) with tilapia info center and cold truck</i>	1 173 600	1 062 000	162 000	162 000	
<i>Feed paid to LFI/ feed provider</i>	1 728 000	1 728 000	3 024 000	3 024 000	
<b>Other direct activity costs</b>					
<b>Monitoring and evaluations</b>					
<b>4810 Sub total</b>	<b>7 494 499</b>	<b>5 608 237</b>	<b>6 157 366</b>	<b>5 524 509</b>	<b>24 784 611</b>

2. Budget for Norges Vel costs in NOK

<b>B. Costs paid from Norges Vel HQ</b>					
4000 Procurement	-	-	-	-	-
4500 Consultants	2 585 800	2 090 800	1 687 800	1 469 200	7 833 600
<i>Tilapia technical backstopping and business model inputs - work time</i>	1 024 000	1 024 000	672 000	582 600	
<i>Tilapia technical support - travel costs</i>	204 000	204 000	153 000	102 000	
<i>Expatriate hands-on trainers on-site Mozambique (2)</i>	862 800	862 800	862 800	784 600	
<i>Design for processing plant bidding</i>	495 000	-	-	-	
4500 Monitoring & evaluation				500 000	500 000
4510 Audits (Mozambique and Norway)	100 000	100 000	100 000	100 000	400 000
4530 Communication (material, other)	40 000	40 000	50 000	50 000	180 000
4900 Professional follow-up Norges Vel (Proj.Man., Dir., Controller)	756 200	756 200	756 200	756 200	3 024 800
4200 Travel costs Norges Vel (4 person travels/ year)	187 200	187 200	187 200	187 200	748 800
<b>Sub total</b>	<b>3 669 200</b>	<b>3 174 200</b>	<b>2 781 200</b>	<b>3 062 600</b>	<b>12 687 200</b>

3. Budget Total IAC and Norges Vel costs In NOK

<b>Total project costs (A + B) - C. Other income / revenues</b>	<b>11 163 699</b>	<b>8 782 437</b>	<b>8 938 566</b>	<b>8 587 109</b>	<b>37 471 811</b>
<b>D. Admin. Support to NV 7%</b>	781 459	614 771	625 700	601 098	2 623 027
<b>Net funding requirement</b>	<b>11 945 158</b>	<b>9 397 208</b>	<b>9 564 265</b>	<b>9 188 207</b>	<b>40 094 838</b>

ANNEX B: RESULTS FRAMEWORK FOR THE PROJECT "IMPROVED FOOD SECURITY BY SCALING UP PROFITABLE AQUACULTURE IN MOZAMBIQUE"

Project name: Scaling up profitable aquaculture in Mozambique - MOZ 2462 (18/0023)  
 Country: Mozambique

RESULTS	Planned implementation period	Indicators	Baseline (2018)	Targets	Year 1	Year 2	Year 3	Year 4	Means of Verification
<b>IMPACT:</b> Increased food security in Mozambique	Year 1-4	(1) Increased access to healthy fish proteins (2) Increased job creation in the tilapia value chain (3) Increased private investments in the tilapia value chain (from grow-out to sales)	28 tons fresh tilapia on ice sold from pilot to Chokwe/Gaza markets locally	(1) Access to tilapia above IAC sales (2) Jobs created in the tilapia value chain (3) Increased investments in tilapia pond farming/ product development, logistics, and sales/ markets	(1) Access to above 214 tons of tilapia (2) Jobs created in the tilapia value chain (3) Increased investments in tilapia pond farming/ product development, logistics, and sales/ markets	(1) Access to above 382 tons of tilapia (2) Jobs created in the tilapia value chain (3) Increased investments in tilapia pond farming/ product development, logistics, and sales/ markets	(1) Access to above 632 tons of tilapia (2) Jobs created in the tilapia value chain (3) Increased investments in tilapia pond farming/ product development, logistics, and sales/ markets	(1) Access to above 890 tons of tilapia (2) Jobs created in the tilapia value chain (3) Increased investments in tilapia pond farming/ product development, logistics, and sales/ markets	External Evaluation Progress Reports IAC and Norges Vel
			IAC not yet in place Pilot: 100% financed by project, 30,000 USD net financed from sales in bank account.	IAC is economically sustainable based on tilapia sales and provision of services to trainees and entrepreneurs	IAC is economically sustainable based on tilapia sales and provision of services to trainees and entrepreneurs	IAC is 40% economically sustainable	IAC is 85% economically sustainable	IAC is 100% economically sustainable based on tilapia sales and provision of services	IAC is 100% economically sustainable based on tilapia sales and provision of services
<b>Outcome 1:</b> Sustainable aquaculture incubator in Chokwe in place	Year 1-4	Incubadora de Aquacultura do Chokwe (IAC) is economically sustainable	IAC is in process of being established being established (2018-2019 still not business Plan 2023)	Incubadora de Aquacultura do Chokwe (IAC) is fully established and functioning organisationally + administratively	IAC is established and functionally operational	IAC is formally established; functioning with Man.Dir., Op. Dir., expert support - serving trainees and entrepreneurs engaged	IAC is formally established; functioning with Man.Dir., Op. Dir., expert support - serving trainees and entrepreneurs engaged	IAC is formally established; functioning with Man.Dir., Op. Dir., expert support - serving trainees and entrepreneurs engaged	IAC Accounts, Audits, Financial Reporting + IAC Narrative Reporting; Norges Vel Reports
			IAC does not yet exist. The Tilapia Pilot is 100% MFA financed. 30,000 USD have been accumulated from sales in bank account.	IAC generates revenue from admin. fee on support to trainees and entrepreneurs (aquapreneurs) and from fish sales	IAC generates revenue from sales and admin. fee on 890 tons of fish produced	IAC generates revenue from sales and admin. fee on 382 tons of fish produced	IAC generates revenue from sales and admin. fee on 214 tons of fish produced	IAC generates revenue from sales and admin. fee on 382 tons of fish produced	IAC generates revenue from sales and admin. fee on 632 tons of fish produced
<b>Output 1.1:</b> IAC is serving trainees and entrepreneurs	Year 1-4	IAC generates revenue from admin. fee on support to trainees and entrepreneurs (aquapreneurs) and from fish sales	IAC does not yet exist. The Tilapia Pilot is 100% MFA financed. 30,000 USD have been accumulated from sales in bank account.	IAC generates revenue from sales and admin. fee on 890 tons of fish produced	IAC generates revenue from sales and admin. fee on 214 tons of fish produced	IAC generates revenue from sales and admin. fee on 382 tons of fish produced	IAC generates revenue from sales and admin. fee on 632 tons of fish produced	IAC generates revenue from sales and admin. fee on 890 tons of fish produced	IAC Accounts, Audits, Financial Reporting + IAC Narrative Reporting; Norges Vel Reports
			IAC does not yet exist. The Tilapia Pilot is 100% MFA financed. 30,000 USD have been accumulated from sales in bank account.	IAC generates revenue from admin. fee on support to trainees and entrepreneurs (aquapreneurs) and from fish sales	IAC generates revenue from sales and admin. fee on 890 tons of fish produced	IAC generates revenue from sales and admin. fee on 382 tons of fish produced	IAC generates revenue from sales and admin. fee on 214 tons of fish produced	IAC generates revenue from sales and admin. fee on 382 tons of fish produced	IAC generates revenue from sales and admin. fee on 632 tons of fish produced
<b>Activity 1.1.1. Finalisation of Registration of IAC as association in Chokwe w/name reservation (2019), sign-off by District Administrator, criminal records (min. 10 constituting members), association bylaws, deed, Boletim da Republica publishing, central bank and bank account registration, declaration of activity upstart and INSS registration</b>	Year 1								
<b>Activity 1.1.2. Election of the IAC Board and Supervisory Committee (Conselho Fiscal) by IAC General Assembly + implementation of IAC Annual General Assemblies, Supervisory Committee Meetings and Board Meetings</b>	Year 1-4								

<p>Activity 1.1.3. Transfer of Managing Director + Operational Supervisor + export tilapia specialist + all assets and any funds under project in Papa Pesca over to IAC</p>	Year 1								
<p>Activity 1.1.4. Managing Director with Operational Supervisor ensure daily management of all operations: pond building + related infrastructure, feed import, fingerling/fertiliser-lime purchase, follow-up of trainees-entrepreneurs: sales and marketing; liaison with externals; coordinating service delivery by Papa Pesca (on admin/finance, security, similar), etc.</p>	Year 1-4								
<p>Activity 1.1.5. IAC monthly reporting to Norges Vel on main production/project indicators (IAC service delivery, tilapia production results, admin, fee/financial situation, etc.) + IAC Semi-annual Project Reports w/ accounting to Norges Vel</p>	Year 1-4								
<p>Activity 1.1.6. Continuous backstopping by Norges Vel to IAC as seen needed + as requested by IAC</p>	Year 1-4								
<p>Output 1.2 The IAC model is known by Tilapia players in Mozambique</p>	Year 1-4	The IAC and profitable tilapia model is well known by relevant players	Info on demonstrator and 1st cycle profitable tilapia farming is readily shared w/ the Ministry, MPA, some donors and potential investors - not staff pro-active	IAC and profitable tilapia model development is known by the authorities, private players donors, investors	Year 1 status of the IAC and profitable tilapia model is known by the authorities, private players donors, investors	Year 2 status of the IAC and profitable tilapia model is known by the authorities, private players donors, investors	Year 3 status of the IAC and profitable tilapia model is known by the authorities, private players donors, investors	Year 4 status of the IAC and profitable tilapia model is known by the authorities, private players donors, investors	IAC Reporting: Norges Vel Reports; information obtained from other specified players
<p>Activity 1.2.1. Min. 2 annual information exchange meetings IAC-Ministry of Fisheries (MINMAP/ IIP/ other relevant) - on IAC model implementation and results; AquaPark/ legislative/ policy developments for tilapia aquaculture</p>	Year 1-4								
<p>Activity 1.2.2. Min. 2 coordination meetings per year with other donors additional to the Norwegian Embassy - by the IAC/ Norges Vel to spread information about the IAC model working</p>	Year 1-4								
<p>Activity 1.2.3. Meetings with private sector players (companies, investors) involved or wishing to be involved in increasing food security by developing the tilapia value chain</p>	Year 1-4								
<p>Activity 1.2.4. Continuous backstopping by Norges Vel to IAC</p>	Year 1-4								
<p>Outcome 2: Attractive model for shareholding developed and implemented</p>	Year 1-4	Tilapia production achieved	28 tons	890 tons	214 tons	382 tons	532 tons	890 tons	IAC Production Reports; IAC Semi-annual + Annual Reports; Norges Vel Narrative
<p>Gross profits for entrepreneurs (shareholders)</p>	<p>Entrepreneurs' net profit per month in the pilot</p>	<p>10 000 USD gross profit/ year/ entrepreneur</p>	<p>10 000 USD gross profit/ year/ entrepreneur</p>	<p>10 000 USD gross profit/ year/ entrepreneur</p>	<p>10 000 USD gross profit/ year/ entrepreneur</p>	<p>10 000 USD gross profit/ year/ entrepreneur</p>	<p>50 USD/ month/ trainee + possible bonus (=100 USD total)</p>	<p>Payments to trainees during hands-on training</p>	
<p>60 USD/ month/ trainee + possible bonus (=100 USD total)</p>	<p>60 USD/ month/ trainee + possible bonus (=100 USD total)</p>	<p>60 USD/ month/ trainee + possible bonus (=100 USD total)</p>	<p>60 USD/ month/ trainee + possible bonus (=100 USD total)</p>	<p>60 USD/ month/ trainee + possible bonus (=100 USD total)</p>	<p>60 USD/ month/ trainee + possible bonus (=100 USD total)</p>	<p>60 USD/ month/ trainee + possible bonus (=100 USD total)</p>	<p>60 USD/ month/ trainee + possible bonus (=100 USD total)</p>	<p>60 USD/ month/ trainee + possible bonus (=100 USD total)</p>	

Output 2.1. Competence strengthened for trainees and entrepreneurs in sustainable tilapia farming	Activity 2.1.1. Engagement of consultant for tilapia technical advice and backstopping in compliance with bidding rules/regulations	Year 1-4																																		
	Activity 2.1.2. Engagement of 2 expatriate specialists for training and follow-up in pond preparation-stocking-grow-out-harvesting-sales of tilapia Niloticus	Year 1-4																																		
	Activity 2.1.3. Engagement of 3-4 entrepreneurs annually for IAC participation + 12 trainees every 4-6 months (contracts signed); min. 50% women	Year 1-4																																		
	Activity 2.1.4. Training and follow-up by 2 expatriates and by 2 IAC technical supervisors - of 3/7/11/16 entrepreneurs (shareponding model) + 24 trainees annually (tilapia management); min. 50% women	Year 1-4																																		
	Activity 2.1.5. Tilapia management training for Managing Director/ Operational Supervisor at Asian Institute of Technology (AIT), Thailand	Year 1-2																																		
	Activity 2.1.6. Monthly internal results evaluation + agreed relevant improvements after cycle end (4-6 months) of tilapia production volume, efficiency, Feed Conversion Ratio, FCR) and entrepreneurs' profits, trainees' bonuses, etc. other Key Performance Indicators (KPIs)	Year 1-4																																		
	Activity 2.1.7. Continuous backstopping by Norges Vel to IAC	Year 1-4																																		
	Output 2.2. Competences strengthened for trainees in tilapia economics and entrepreneurs in tilapia business management	Activity 2.2.1. Engagement of consultant/trainer for training in tilapia economics	Year 1-4																																	
																							No. of entrepreneurs trained in tilapia- and general business management	Entrepreneurs do not yet exist in the Pilot	16 entrepreneurs trained in- and running shareponding (tilapia grow-out model)	3 entrepreneurs trained in- and running shareponding (tilapia grow-out model)	7 entrepreneurs trained in- and running shareponding (tilapia grow-out model)	11 entrepreneurs trained in- and running shareponding (tilapia grow-out model)	16 entrepreneurs trained in- and running shareponding (tilapia grow-out model)	IAC Entrepreneur Registers and Reports; Norges Vel Reports; External Consultancy Reports						
																															No. of trainees trained	0 trainees trained in tilapia economics in 2018 (started 2019)	96 new trainees trained in tilapia economics	24 trainees trained in basic tilapia economics	24 trainees trained in basic tilapia economics	24 trainees trained in basic tilapia economics
% women trained (trainees + entrepreneurs)																																				

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<p>Activity 3.1.3. Negotiations with other value chain players for sales channels for frozen fish (pending private investment in freezing) - to additional markets/ persons in Mozambique</p> <p>Activity 3.1.4. Continuous backstopping by Norges Vel to IAC</p>	<p>Year 1-4</p>				<p>Information center in place; IAC Reports; Norges Vel Reports</p>
<p>Output 3.2. Marketing and branding of product established</p>	<p>Year 1-4</p>	<p>The marketing and information tilapia center established. Informing on healthiness of tilapia</p>	<p>Product marketing by farm-gate sales and word-of-mouth</p>	<p>Marketing done by tilapia info centre</p>	<p>Communication centre is established</p>
<p>Activity 3.2.1. Same as 3.1.1. : Establishment and maintenance of sales- and info center in Bairro</p> <p>Activity 3.2.2. Development of marketing materials (leaflets/posters/videos/photos/radio advertising/ other) with focus on nutrients in tilapia to avoid children's stunting, improved health + sustainability of model applied</p> <p>Activity 3.2.3. Registration of the IAC tilapia/ Tilapia do Chove brand</p> <p>Activity 3.2.4. Full-time information sharing for buyers of branded tilapia/ other visitors at the Bairro info centre</p> <p>Activity 3.2.5. Continuous follow-up and backing by Norges Vel</p>	<p>Year 1</p> <p>Year 1-4</p> <p>Year 1</p> <p>Year 1-4</p> <p>Year 1-4</p>	<p>Domestic tilapia brand established</p>	<p>Word-of-mouth reputation (good); no formal by and established</p>	<p>Brand is registered and communicated</p>	<p>Brand is registered</p>
<p>Output 3.3. Plan for processing plant developed and negotiated with potential investors</p>	<p>Year 1-4</p>	<p>Processing Plan developed and dialogues/ negotiations with investors carried out</p>	<p>Not sufficient volume justifying processing plant, however some contacts with possible further funders/ investors for the overall tilapia value chain development</p>	<p>Detailed plan for processing plant developed and investor dialogues/ negotiations carried out (3)</p>	<p>Detailed design established for processing plant and investors approached (3) to build and operate processing plant</p>
<p>Activity 3.3.1. Establish ToR for tilapia processing plan design + carry out bidding process (for detailed processing plant design)</p> <p>Activity 3.3.2. Negotiate with investors for establishment of tilapia processing plant (incl. desalting, freezing in 10kg. boxes)</p> <p>Activity 3.3.3. Continuous follow-up and backing by Norges Vel</p>	<p>Year 1-2</p> <p>Year 1-2</p> <p>Year 1-4</p>				<p>Further facilitation of negotiations for investors to build, own and operate a tilapia processing plant</p> <p>Investor negotiations further as relevant</p> <p>Investor negotiations further as relevant</p> <p>Investor negotiations further as relevant</p> <p>Processing Plan; Private Investments; IAC Reports; Norges Vel Reports</p>

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