

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

AND

CARITAS NORWAY

REGARDING

QZA-0746 COL-18/0014 (P360: 1800495)
CARITAS – STRATEGIC PARTNERSHIP – IMPROVING
PRODUCTIVITY AND SUSTAINABILITY IN THE TILAPIA VALUE
CHAIN

PART I: SPECIFIC CONDITIONS

PART II: GENERAL CONDITIONS

PART III: PROCUREMENT PROVISIONS

ANNEX A: BUDGET

ANNEX B: RESULTS FRAMEWORK

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TABLE OF CONTENTS

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

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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), represented by the Section for Private Sector Development, and
- (2) Caritas Norway, an organisation registered in Norway under the registration number 971 436 514 (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 25 May 2018 (the Application) regarding financial support to the project titled "Caritas – Strategic partnership – Improving productivity and sustainability in the tilapia value chain," QZA-0746 COL-18/0014 (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 1 January 2019 to 31 December 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 improve the competitiveness of the fish farming value chain in Colombia, and thereby contribute to job creation, higher income and more export.

The planned effects for the target group of the Project (Outcome) is to achieve best practice fish farming practices among tilapia farmers in Huila and Caqueta, and in particular introduction of use of vaccination in the fish farming industry.

The planned main products and/or services of the Project (Outputs): a) Training of local tilapia farmers in vaccination and best practice fish farming b) Training of other stakeholders in fish health management c) Creation of 15 demonstration sites for vaccination d) 150 stakeholders participating in internship programs e) Stakeholders trained in water and waste disposal f) At least 1 new vaccine approved in Colombia for commercial use g) 2000 sample fish tested and analysed for pathologies h) At least 30 university professors trained in vaccination protocols i) At least 35 Norwegian companies participating in project events to stimulate to wider collaboration.

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The intended target groups are 300 tilapia farmers in Huila and Caqueta and indirectly thousands of other fish farmers in Colombia.

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.

3.4 The Grant Recipient shall be familiar with UN Security Council Resolution 1325 on women, peace and security (s/res/1325 (2000)), and implement the Project in a way that promotes the intentions of the resolution in the best possible way. A statement on how the intentions of this resolution have been addressed shall be included in the progress reports and final report of the Project.

4 THE GRANT

4.1 The Grant shall amount to maximum NOK 14,999,970 (Norwegian Kroner fourteen million nine hundred and ninety-nine thousand nine hundred and seventy).

4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the Parliament's annual allocation to the relevant budget line may lead to a reduction in annual Grant allocations and/or in the total Grant amount. The annual Grant allocations must be confirmed by Norad following the Parliament's approval of the state budget for the relevant budget year. If the Grant amount is reduced the Grant Recipient must revise the implementation plan, budget and results framework correspondingly.

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

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

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

5 DISBURSEMENT

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Project for the upcoming period, which shall not exceed six months. The disbursements shall be made upon 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 disbursement requests shall be signed by an authorised representative of the Grant Recipient. A confirmation that the Project is being implemented in accordance with the Agreement shall be included in the disbursement request.
- 5.5 All disbursements are conditional upon the Grant Recipient's continued compliance with the requirements of the Agreement, including the timely fulfilment of reporting obligations. Norad may withhold disbursements in accordance with article 17 of the General Conditions if it finds that the requirements of the Agreement have not been met. Except for the Project's first year, the second disbursement each year is subject to Norad'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 Norad. All disbursements will be made to the following bank account:
- | | |
|-------------------------------|---|
| Name of the account: | Caritas Norge |
| Account no.: | 8200.01.93441 |
| IBAN no.: | NO67 8200 0193 441 |
| Name and address of the bank: | DnB, Dronning Eufemias gate 30, 0191 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 and the exchange rate applied.

6 REPORTING AND OTHER DOCUMENTATION

- 6.1 The following shall be submitted by the Grant Recipient to Norad:
- A **progress report** covering the period from 1 January 2019 to 31 December 2019 shall be submitted to Norad by 1 June 2020, and a progress report covering the period from 1 January 2020 to 31 December 2020 shall be submitted to Norad by 1 June 2021. The progress report shall include the content specified in article 2 of the General Conditions.
 - A **financial report** covering the period from January 2019 to 31 December 2019 shall be submitted to Norad by 1 June 2020, and a financial report covering the period from 1 January 2020 to 31 December 2020 shall be submitted to Norad by 1 June 2021. 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 e) of the Specific Conditions.

- c) An **audit report** covering the annual financial statements of the Project shall be submitted to Norad by 1 June each year. The audit report shall comply with the requirements set out in article 7 of the Specific Conditions and article 5 of the General Conditions. The management letter (matters for governance attention) shall be attached to the audit report.
- d) An updated **implementation plan and budget** covering the period from January to December shall be submitted to Norad by 1 November 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 Norad no later than six months after the end of the support period. The final report shall include the content listed in article 4 of the General Conditions.

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 at least once per year, tentatively in December in order to discuss i.a. the results achieved by the Project during the Support Period. The meetings shall be called and chaired by the Grant Recipient.

8.2 Unless otherwise agreed, the Parties shall discuss the latest progress report and financial report, as well as the implementation plan and budget for the upcoming period. In the event that such reports have not been received at least two weeks before the meeting, the Parties shall agree upon a new date to hold the meeting.

8.3 The Grant Recipient shall record main issues discussed, points of view expressed and decisions made, in minutes from the meeting. The Grant Recipient shall submit the minutes to Norad for comments no later than two weeks after the meeting. The agreed minutes shall be signed by both Parties.

9 REVIEWS AND OTHER FOLLOW-UP MEASURES

- 9.1 An end-term review focusing on results achieved by the Project shall be carried out by 31 March 2022. The Grant Recipient shall draft the terms of reference for the review and submit them to Norad 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.
- 10.2 If the total value of a contract exceeds NOK 500 000, the award criteria and their weighting and the signed contract shall be submitted to Norad for information.
- 10.3 Along with the documentation mentioned above, the Grant Recipient shall confirm in writing that the requirements agreed on in this article 10 have been fulfilled.

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:
- | | |
|-------------------------------|---|
| Name of the account: | Norad |
| Account no.: | 7694.05.14815 |
| IBAN no.: | NO31 7694 0514 815 |
| Name and address of the bank: | DNB Bank ASA, Postboks 1600 Sentrum, NO-0021 Oslo |
| Swift/BIC code: | DNBANOKKXXX |
- 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

- 12.1 The Grant Recipient shall in accordance with Section 3.3 identify relevant risk factors that may adversely affect the implementation of the Project, including risks for crosscutting issues as listed in a) – d) below. Risk assessment shall be included in the final report submitted to Norad.
- Human Rights, particularly participation, accountability and non-discrimination
 - Women's rights and equality
 - Climate and the environment
 - Anti-corruption

- 12.2 Norad expects the Grant Recipient and its partners to act in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
- 12.3 Salaries to own employees included in the budget in Annex A are covered with a maximum rate of NOK 550 per hour, and are documented with timesheets. Fees for consultants for direct purchases of services are covered with a maximum rate of NOK 1000 per hour. Other consultant services shall be procured in accordance with Part III; Procurement provisions. Travel expenses are covered for Economy class. The stated rates are maximum rates. Accommodation costs and hotel costs are covered by invoices within a reasonable cost framework.
- 12.4 General Conditions article 14 shall be replaced with the following: "The Grant Recipient shall make project documentation available to anyone upon request unless disclosure is prohibited by confidentiality obligations and/or if it may be detrimental to the Grant Recipient's legitimate interests. "Project documentation" shall include this Agreement and any contracts, cooperation agreement or other sub-agreements financed by the Grant, the Application and all agreed reports."

13 NOTICES

- 13.1 All communication to Norad concerning the Agreement shall be directed to the Section for Private Sector Development at the following address/e-mail address: Postboks 1303 Vika, NO-0112 Oslo, Norway / post-naering@norad.no.
- 13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Caritas Norway at the following address/e-mail address: Storgata 38, 0182 Oslo / marit.sorheim@caritas.no.
- 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.

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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: *Nov. 21, 2018*

Paul Wade

for the Norwegian Agency for Development
Cooperation,

Paul Wade

Assistant Director

Section for Private Sector Development

Plaut Sæheim

for Caritas Norway,

Attachments:

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

ANNEX A – APPROVED BUDGET

Title:	Proposal #22463 Improving productivity and sustainability in the tilapia value chain
Partners:	Caritas Norge, Pharmaq, Colombia - Norway Chamber of Commerce, Piscicola Botero.
Country:	Colombia
Implementing period:	January 2019 - December 2021

Complete 3-year budget							
	Notes	Pharmaq	CNCC	SNPS	Pisc. Botero	CN	Total NOK
Operational costs - programme		2 116 500	690 000	4 032 911	45 000	1 387 500	8 271 911
Travel and accomodation	1	459 000	150 000	843 429	-	150 000	1 602 429
Meetings costs	2	-	-	51 429	-	-	51 429
Infrastructure and equipment	3	-	-	-	-	-	-
Salary (staff of project partners)	4	1 657 500	-	3 138 054	45 000	1 237 500	6 078 054
Consultancy costs	5	-	525 000	-	-	-	525 000
Other	6	-	15 000	-	-	-	15 000
Operational costs - indirect		892 500	-	718 091	45 000	675 375	2 330 966
Personel costs - administrative/core staff	7	765 000	-	444 194	45 000	309 375	1 563 569
External evaluations / reviews		-	-	-	-	-	-
Office / administration	8	127 500	-	248 514	-	-	376 014
Audit		-	-	-	-	366 000	366 000
Financial costs		-	-	25 383	-	-	25 383
Outcome specific costs		6 662 340	230 575	2 338 500	189 000	-	9 420 415
Outcome 1		1 526 100	-	397 500	189 000	-	2 112 600
Outcome 2		-	-	1 513 500	-	-	1 513 500
Outcome 3		4 943 040	-	-	-	-	4 943 040
Outcome 4		193 200	230 575	427 500	-	-	851 275
Sub total- Project development and implementation		9 671 340	920 575	7 089 501	279 000	2 062 875	20 023 291
Other funding / own contribution	9	5 632 128	282 500	-	90 000	-	6 004 628
Norad's share of the project costs		4 039 212	638 075	7 089 501	189 000	2 062 875	14 018 663
Project administration (7%)		-	-	-	-	981 306	981 306
Total of funding applied for from Norad							14 999 970

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ANNEX B – RESULTS FRAMEWORK

Colombia: Improving productivity, competitiveness and livelihood of fish-farmers in Huila and Caquetá.

Results	#	Indicators	Baseline	Targets	Total	Frequency of Reporting	Responsibility	Comments		
Impact										
Improve productivity and competitiveness of the fish farming sector in Huila and Caquetá through good vaccination technology and implementation of Best Practices on Aquaculture Production (BPAP).	01	% increase in income from fish farming activities in target communities	TBD by baseline	25 %	25 %	End of project				
	02	% increase in employment rates in target communities	TBD by baseline	25 %	25 %	End of project				
	03	% increase in survival rate of tilapia crops	TBD by baseline	25 %	25 %	End of project				
Outcomes 1										
Small, medium and large tilapia producers adopt Best Practices on Aquaculture Production and apply fish health management techniques in tilapia crops to improve their productivity and competitiveness	01	% decrease in use of antibiotics in vaccinated populations of fish	TBD by baseline	50 %	40 %	30 %	Annual	PHARMAQ		
	02	% increase in proportion of Colombian tilapia farmers using vaccines in the targeted farms	TBD by baseline	20 %	40 %	60 %	Annual	PHARMAQ		
Outputs										
Local stakeholders trained on fish health management (FHA) and vaccination protocols	03	# stakeholders trained on FHA and vaccination protocols	0	215	100	0	816	Annual	PHARMAQ	Y1: 200 small/med/large farmers in Huila + 15 from 7 towns Y2: 400 (100 small/med/large farmers in Caquetá)
	04	# working sheets in Caquetá target on FHA and vaccination protocols	0	0	30	30	30	Annual	PHARMAQ	
	05	# demonstration plots established for vaccination	0	10	5	0	15	Annual	OTERO	Y1: Huila, 30 plots in both open water and inland ponds Y2: Caquetá, 5 pools
Outcomes 2										
Local stakeholders trained on Best Practices on Aquaculture Production (BPAP)	06	# stakeholders trained on BPAP	0	150	150	0	300	Annual	SAPS	Training carried out by FEDECUA: Y1: 150 small/med/large farmers in Huila & Caquetá Y2: 150 small/med/large farmers in Huila & Caquetá Y3: 30 students in Caquetá
	07	# of stakeholders participating in mentoring programmes	0	60	50	50	150	Annual	OTERO	
	08	# of stakeholders joining exposure trips to demonstration plots	0	50	50	50	150	Annual	OTERO	
Outcomes 3										
Outcome 3: Targeted stakeholders improve their livelihoods	09	% increase in revenues from the use of fish-byproducts	TBD by baseline	15 %	20 %	25 %	25 %	Annual	SAPS	
	010	% increase in water quality	TBD by baseline	15 %	20 %	25 %	25 %	Annual	SAPS	
	011	% increased employment on targeted fish farms	TBD by baseline	15 %	20 %	25 %	25 %	Annual	SAPS	
Outcomes 4										
Young people (16-29) participate actively in the BPAP-based fish farming	012	% increase of young people (16 - 29) emerging farmers participating actively in fish farming. At least 50% women	TBD by baseline	0	20 %	35 %	80 %	Annual	SAPS	
	013	# of stakeholders trained	0	150	150	0	300	Annual	SAPS	Training carried out by FEDECUA: Y1: 150 small/med/large farmers in Huila & Caquetá Y2: 150 small/med/large farmers in Huila & Caquetá Y3: 30 students in Caquetá
Outcomes 5										
Strengthened social fabric in targeted communities	014	% increased participation of fish farmers in decision-making committees	TBD by baseline	40 %	60 %	80 %	80 %	Annual	SAPS	
	015	# of committees created	0	1	1	1	3	Annual	PHARMAQ	It is not possible to say with confidence if this will be possible to register a new tilapia vaccine in Colombia within the timeframe of the project, as it will depend on what we find during the project. If we see there is a requirement for a tilapia vaccine that is already developed/under development for other tilapia markets, it could be possible to register in Colombia within the timeframe of the project.
Outcomes 6										
Outcome 6: Research and development in the tilapia farming sector is promoted	016	# of samples analyzed for pathologies	0	500	750	750	3 000	Annual	PHARMAQ	
	017	# of relevant vaccine concepts identified for Colombian tilapia farming	0	0	1	0	1	Annual	PHARMAQ	
	018	# university professors in Huila and Caquetá trained on vaccination and fish health management protocols	0	0	30	30	30	Annual	PHARMAQ	
Outcomes 7										
University professors from Univ. Amazonia and CORESTA incorporate vaccines and fish health in aquaculture in their programme's curricula	019	# of university students trained	0	0	0	500	800	Annual	SAPS	
	020	# new market niches for the increased volume of tilapia production	TBD by baseline	5	5	5	10	Annual	SAPS	
	021	% increased strategic partnerships created by stakeholders	TBD by baseline	15 %	20 %	25 %	25 %	Annual	SAPS	
Outputs										
Markets identified for the increased volume of tilapia	022	# new markets identified	0	5	5	10	Annual	SAPS		
	023	# farmers who advance in the formalisation process	0	100	100	15	225	Annual	SAPS	
	024	# farmers who complete their formalisation process	0	10	10	5	35	Annual	SAPS	
Farmers are aware of the importance of participation in associations and networks to defend their interests	025	# farmers joining a large association/network	0	40	40	75	175	Annual	SAPS	
	026	# association meetings at regional level	0	1	0	1	2	Annual	PHARMAQ	
	027	# aquaculture workshops with international scope	0	1	1	1	5	Annual	UNICEF	Y1: Membership breakfast in Colombia & April Nov 2019 Y2: Membership breakfast in Norway & Sweden Y3: Integration of experts & students to Colombia
Associative organisations and networks established in Huila and Caquetá (local)	028	# Colombian farmers participating in regional and international meetings	0	0	0	0	80	Annual	UNICEF	Y3: Support in digital
	029	# Norwegian companies participating in project-related events	0	1	1	1	15	Annual	UNICEF	
	030	# Norwegian aquaculture experts joining Colombia together with UNICEF and participating in events in Colombia	0	0	0	0	1	Annual	UNICEF	Y3: Integration of experts & students to Colombia

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