Grant agreement

(The "Agreement")

The Swedish International Development Cooperation Agency, Sida,

Organisation number: 202100-4789

Sida
105 25 Stockholm
Sweden,

("Sida")

of the one part,

and

[Full official name of the Cooperation Partner],
[Legal status (organisation)]
[title of the Project/Programme]
[Organisation official registration number]
[Full official address]
[VAT number, for VAT registered cooperation partners],

(The "Cooperation Partner")

of the other part,

(The "Parties")

have agreed as follows:

Special Conditions

Article 1 – Purpose

1.1 The purpose of “this Agreement” is to finance the implementation of the project/programme through a grant: Innovations Against Poverty Phase II (the "Project") described in the project document/application in Annex I ("the Project Document") including budget and Results Framework.
The Project includes transfer of funds in the form of sub-grants from the Cooperation Partner to Third Parties as expressed in the Project Document (hereafter referred to as “Third Parties”) for implementation of parts of the Project in order to reach the objectives. The transfer of funds from the Cooperation Partner towards Third Parties will be made in the aid modality of programme/project support.

An amount corresponding to the figures in the annual budget as approved by Sida will be provided for such transfer of funds to Third Parties.

The sub-grants to Third Parties cannot exceed 200 000 EUR over any period of three fiscal years. It is the responsibility of the Cooperation Partner to ensure compliance with this regulation and this will be verified by Sida as part of the annual audit.

The selection criteria as well as the selection procedure is described in the Project Document and information to interested Third Parties shall be made available on the webpage of the Cooperation Partner.

The Cooperation Partner agrees to implement the Project on the terms and conditions set out in this Agreement, which consists of these special conditions (the "Special Conditions") and the annexes including Annex II General Conditions (version of February 2015), which the Cooperation Partner hereby declares it has noted and accepted.

The Cooperation Partner shall always enter into a written agreement with any Third Party before making any disbursements to such Third Party. The Agreement shall include the conditions from this Agreement listed by Sida as compulsory\(^1\). The agreement template for Third Parties shall be approved by Sida.

The Cooperation Partner is responsible for the follow-up of funds being forwarded to a Third Party, including assessments of organizational capacity, internal control and risk, as well as the monitoring and evaluation of the activities.

1.2 The Cooperation Partner accepts the grant and undertakes to carry out the Project under its own responsibility.

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\(^1\) Compulsory conditions will be communicated separately in the dialogue between Sida and the implementing organisation.
Article 2 – Activity period of the Project

2.1 This Agreement shall enter into force on the date upon signature by both Parties. The activity period of the Project, as laid down in Annex I, is [insert dates].

Article 3 – Financing of the Project and provisional disbursement schedule

3.1 The total cost of the Project is [...........] Sida undertakes to finance a maximum of [.... ....] SEK (the Sida Contribution). The final amount of Sida’s contribution shall be established in accordance with Article 16 as well as Article 17 of the General Conditions.

3.2 The Parties foresee the following provisional disbursement schedule:

<table>
<thead>
<tr>
<th>Year</th>
<th>Quarter</th>
<th>Amount SEK</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>.... quarter of the year</td>
<td>[insert amount]</td>
<td>SEK upon signature</td>
</tr>
<tr>
<td>Year 2</td>
<td>.... quarter of the year</td>
<td>[insert amount]</td>
<td>SEK</td>
</tr>
<tr>
<td>Year x</td>
<td>.... quarter of the year</td>
<td>[insert amount]</td>
<td>SEK</td>
</tr>
<tr>
<td>Total maximum contribution</td>
<td></td>
<td>[insert amount]</td>
<td>SEK.</td>
</tr>
</tbody>
</table>

3.3 The first payment shall be deposited into the designated account(s) based on

- signed Agreement followed by a request in writing as well as bank letter as set out in Article 14 in the General Conditions.
• Additional conditions for the first payment may be applicable, such as approval of an annual work plan (including budget reflecting estimates), implemented measures to address weaknesses etc.

3.4 Subsequent payments shall be based upon the fulfilment of the reporting requirements in this Agreement as well as liquidity needs according to presented annual work plans and budgets. Requests for other tranches shall be supported by cash balance statements.

3.5 A request shall be sent in writing, in one original, to Sida/with information on the title of the Project, the Contribution ID and information on the period for which the requested amount shall be used.

The contribution ID is [………]

The request shall be signed by the responsible function of the Cooperation Partner [………]

3.6 Payment shall be made in accordance with the requirements in Article 14 of the General Conditions.

3.7 The financing provided by Sida shall be deposited by the Cooperation Partner in [………] foreign exchange account[s].

Article 4 – Procurement

4.1 The attached procurement guidelines “Procurement by Non-Governmental Organisations in the context of Sida-financed projects/programmes, version of 2013”, Annex V, shall apply to the Cooperation Partner for the procurement carried out internally within the Cooperation Partner and for any procurement carried out by any Third Parties.

4.2 Tender documentation, including all published procurement notices, shall be prepared in the English language.

4.3 At the request of either of the Parties, consultations shall be held on any matter relating to procurement.

Sida may carry out checks on procurements. The check may take the form of a procurement audit. The Cooperation Partner shall provide Sida with all the necessary documentation and information.

Article 5 – Reporting & recovery

5.1 The Cooperation Partner shall prepare and submit [annual/semi-annual] audited financial reports for the Project no later than the [……………]
following the end of the 12 months period under which the activities have taken place from the 1st of January to the 31st December.

The financial reports shall be signed by the [………..] and follow the stipulations in Article 2.2 of the General Conditions.

5.2 The Cooperation Partner shall prepare and submit in writing annual narrative reports no later than [………..] following the end of each financial year. The reports shall follow the stipulations in Article 2.3 of the General Conditions.

The report will cover the period from [………..]

The annual narrative reports shall include an appendix with information on the Third Parties which have received funds during the year. The annual narrative report shall include accounts for results and assessments on effectiveness in the individual projects, including those being implemented by Third Parties supported by this Project, and a comprehensive analysis on progress and conditions for goal attainment in the Project as a whole, with (if applicable) references to recent evaluations.

The narrative report shall be signed by the [………..]

5.3 The Cooperation Partner shall prepare and submit a Final Narrative Report no later than [………..] in accordance with Article 2.4 of the General Conditions. It should be submitted on the same date as for the submission of the audited final financial report.

The final narrative report shall include accounts for results and assessments on effectiveness in all the projects, including those having been implemented by Third Parties supported by this Project, and a comprehensive analysis on goal attainment and lessons learned.

The Final Narrative Report shall be signed by the [………..]

5.4 Sida shall establish the final amount of the contribution upon receipt and approval of the final report(s) (narrative/audited final financial report) of the entire Project including an account on reclaimed amounts from Third Parties (unspent funds as well as accrued interest). It is the responsibility of the Cooperation Partner to inform and reclaim such amounts from the Third Party by issuing a debit note of the amount based on the reports. Funds which have been placed at the Cooperation Partner’s disposal and which remain after completion of the entire Project shall together with accrued interest be returned to Sida. Sida will inform the Cooperation Partner by issuing a debit note of the amount, based on these reports, to be repaid to Sida as well as the preferred currency and bank details. The repayment shall be transferred to Sida's account within 45 days of the date of the debit note.
Article 6 – Review and evaluation

6.1 [Annual/semi-annual/quarterly] review meetings will be carried out by the Cooperation Partner and Sida.

6.2 The following information/other inputs shall be furnished and distributed to Sida no later than [………..]

- annual and medium-term work plans and budgets for the forthcoming year. The work plan and budget shall be in accordance with the agreed Results Framework and include an updated risk analysis, an updated plan for monitoring and evaluation and when applicable account for how conclusions from recent evaluations and/or review meetings will be implemented.

- [………..]

6.3 The Parties shall cooperate and regularly communicate with each other on all matters relevant to the implementation of the Project and this Agreement.

6.4 Additional consultation meetings may be requested by the Cooperation Partner and/or Sida on any subject relevant to the implementation of the Project.

6.5 Annual planning meetings will be carried out by the Cooperation Partner and Sida. The meetings shall be called and chaired by the Cooperation Partner. The following information shall be furnished and distributed to Sida […………] (insert time period) number of working days in advance of the meeting:

- Annual and medium-term work plans and budgets for the forthcoming year.)

6.6 Sida shall commission

a) a Mid-Term Review of the intervention no later than […………]. Sida is responsible for drafting the Terms of Reference and the Cooperation Partner shall give its no-objection to these. The cost of the Mid-Term Review shall be borne by Sida.

and/or

b) an Independent Evaluation regarding [………..] no later than [………..] Sida is responsible for drafting the Terms of Reference and The Cooperation Partner shall give its no-objection to these. The cost of the evaluation shall be borne by Sida.
Article 7 – Audit

7.1 The Cooperation Partner is responsible for submitting annual audited financial reports of the Project to Sida no later than [……………]

The audit shall be carried out by an external, independent and qualified auditor. The audit shall be carried out in accordance with international standards issued by International Auditing and Assurance Standards Board (IAASB). If the audit is performed using national audit standards which have been assessed to be equivalent, Sida shall approve the Terms of Reference in advance.

Sida shall approve the selection of the auditor.

7.2 Sida’s standard Terms of Reference for annual financial audit shall be used, Annex IV. Any deviations shall be approved by Sida. The cost for the audit shall be paid by the Cooperation Partner and shall be a part of the Project budget.

7.3 The Auditor’s report shall express an opinion whether the submitted annual financial report is in accordance with the Cooperation Partner’s accounting records and Article 2.2, 13 and 16 of the General Conditions. The auditor shall also include other questions in the audit if requested in the terms of reference.

7.4 The auditor shall submit a Management Letter/Audit Memorandum, which shall contain the audit findings made during the audit process. It shall also state which measures have been taken as a result of previous audit and whether measures taken have been adequate to deal with reported shortcomings.

7.5 A Management response including an Action Plan regarding any findings shall be produced by the Cooperation Partner and submitted to Sida together with the audited financial report and the management letter.

7.6 Sida reserves the right to require that the auditor shall be replaced if considerations which were unknown when the Agreement was signed cast doubt on the auditor's independence or professional standards.

7.7 The Cooperation Partner shall in all agreements entered into with the Third Parties include the right for the Cooperation Partner, Sida as well as the Swedish National Audit Office (SNAO) to audit these grants.

7.8 If the Cooperation Partner’s grant to a Third Party does not exceed SEK500,000, the Cooperation Partners regular operational instructions on financial follow up apply, as set out in the attached instructions…..(Annex VI). The financial report(s) shall be accompanied and verified by a Certification of financial report (Annex VII).
7.9 The Cooperation Partner shall in all agreements entered into with the Third parties, include a condition that stipulates a requirement to carry out annual audits. This condition shall be included in all agreements entered into with Third Parties that exceed SEK 500,000. The condition shall meet the requirements in article 7.1-7.5 above. The selection of auditor and the terms of reference shall be approved in writing by the Cooperation Partner.

**Article 8 – Contact addresses**

Any communication relating to this Agreement must be in writing, state Sidas contribution number and be sent to the following addresses:

**For Sida**

The Swedish International Development Cooperation Agency, Sida,
[Department / Unit]

For the attention of [insert title and name of programme officer]

105 25 Stockholm

Sweden

**For the Cooperation Partner :**

[Full Name]

[Address]

**Article 9 – Annexes**

9.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

- **Annex I:** Project Document/Application including budget, Results Framework
- **Annex II:** General Conditions (version of 2015)
- **Annex III:** Standard Template for Transfer of Assets Ownership
- **Annex IV:** Sidas Standard Terms of Reference for Audit, version of 2013
- **Annex V:** Procurement by Non-Governmental Organisations in the context of Sida-financed projects/programmes, version of 2013
- **Annex VI:** Operational instructions on financial follow up by the Cooperation Partner *(to be presented by the Cooperation partner, therefore not attached here)*
- **Annex VII:** Certification of financial report
9.2 In the event of conflict between the provisions of the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of conflict between the provisions of Annex II and those of the other annexes, those of Annex II shall take precedence.

**Article 10 – Other specific conditions applying to the Project**

10.1 Article 9 in the General Conditions shall not be interpreted as meaning that the forwarding of funds to Third Parties requires prior written approval from Sida.

**Article 11 – Applicable law and dispute settlement**

Any dispute, controversy or claim arising out of or in connection with this Agreement that cannot be settled amicably shall be definitively resolved by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. A single arbitrator shall be appointed. The place of arbitration shall be Stockholm and the language used in the proceedings shall be English.

This Agreement shall be governed by the substantive law of Sweden without regard to its conflict of law rules.  

or:

In the event of a dispute arising between the Parties by reason of this Agreement, it shall be resolved by a Swedish court applying Swedish law without regard to its conflict of law regulations.

**Article 12 – Termination**

This Agreement shall remain valid until …………… unless terminated earlier by three months' written notice by either Party. In case of premature termination by the Cooperation Partner, no funds shall be made available for activities after three months of the written notice. All rights and obligations of the Parties pursuant to this Agreement shall continue unimpaired until the return of the remaining funds/fund balance to Sida and

2 For Cooperation Partners established according to other jurisdictions outside Sweden

3 For Cooperation Partners established according to Swedish law
fulfilment of the reporting requirements of this Agreement, at which time this Agreement expires.

**Article 13 – Entry into force**

This Agreement shall enter into force upon signature by both Parties.

This Agreement has been drawn up in English in two originals, one original being for Sida and one original being for the Cooperation Partner.

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Place and date

For the Swedish International Development Cooperation Agency, Sida

Place and date

For [the Cooperation Partner]

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Signature

Signature

Name in block letters

Name in block letters

Title in block letters

Title in block letters

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**Annexes:**

Annex I: Project Document/Application including budget, Results Framework

Annex II: General Conditions (version of 2015)

Annex III: Standard Template for Transfer of Assets Ownership

Annex IV: Sidas Standard Terms of Reference for Audit, version of 2013

Annex V: Procurement by Non-Governmental Organisations in the context of Sida-financed projects/programmes, version of 2013

Annex VI: Operational instructions on financial follow up by the Cooperation Partner (to be presented by the Cooperation partner, therefore not attached here)

Annex VII: Certification of financial report