

CONSORTIA SUB-AGREEMENT

between

Norwegian Church Aid ("NCA")
and
The Development Fund ("DF")
(" the Parties")

Origin of funds: Norwegian Ministry of Foreign Affairs,
NMFA ("Donor")

The basis of this Agreement is the Grant from the Norwegian Ministry of Foreign Affairs ref ETH -21/0011, FOOD SECURITY AND LIVELIHOODS SUPPORT FOR CONFLICT AFFECTED COMMUNITIES IN TIGRAY REGIONAL STATE, ETHIOPIA AND (Annex 1)

NCA and the Parties have agreed as follows:

1 Purpose

The purpose of this Consortia Sub-Agreement with annexes (the "Agreement") is to support the implementation of the following:

Project name: Food security and livelihoods support for conflict affected communities in Tigray regional state, Ethiopia

Contact Details in Ethiopia

	NCA	DF
Name:	Norwegian Church Aid	The Development Fund
Address:	Addis Ababa	Addis Ababa
Country:	Ethiopia	Ethiopia
Telephone	+251911200728	+251911516619
E-mail:	Eivind.Aalborg@nca.no	ulf@utviklingsfondet.no
Contact Person:	Eivind Aalborg	Ulf Otto Martin

Contact Details in Oslo

Name:	Norwegian Church Aid	The Development Fund
Address:	Oslo	Oslo
Country:	Norway	Norway
Telephone	+47-975 39 051	+47 962 29 600
E-mail:	pio.ding@nca.no	elin@utviklingsfondet.no
Contact Person:	Pio Ding	Elin Cecilie Ranum

NCA and DF are collectively referred to as the "Parties".

The grant is approved on the terms and conditions set out in this Agreement, which consists of the Grant Agreement with NMFA (annex 1) and the annexes 2, and 3 as mentioned below. Compliance with this Grant Agreement and its annexes is a precondition for this cooperation.

The parties are responsible to undertake overall management and control of the proper implementation of the Project in all its aspects as outlined in this Agreement, including all the annexes, see Attachments.

If the rules and regulations in NMFA Grant Agreement and the Consortium Agreement are in conflict, the NMFA Agreement takes precedence over the Consortium Agreement.

NCA has been chosen to be the grant holder manager and lead.

2 Duration of Implementation

Implementation of the Project will begin on June 22, 2021. The duration of the Project is 12 months from start date of implementation and until June 21, 2022, as described in the project proposal including results framework and Project budget. The grant must be utilised within the project period as stated above.

3 Project - Overall and Immediate Outcomes and Outputs

The Project is described in the attached signed project proposal including results framework. (Annex 2).

4 Financing of the Project and transfers

Based on the funding from the NMFA and the agreed distribution of the funds among the Parties, NCA will distribute the funds as set out in the signed budgets. Overheads/indirect support costs

of the Parties is covered in accordance with the attached budget (Annex 3). The grant to each of the organisations in the consortia includes 5% administration fee and will be transferred to each of the Parties according to their share of the grant. The grant for each member of the consortia is given below:

Consortia Members	Total total grant in NOK
NCA (incl 5% indirect cost to NCA-HO)	15,600,000,-
DF (incl 5% indirect cost to DF-HO)	14,400,000,-
Total	30,000,000,-

The grant will be disbursed in advance instalments based on the financial need of the Project for the upcoming period, which shall not exceed six months. The disbursement shall be made upon MFA's receipts of written disbursement requests from the Grant Recipient, describing the financial need for the project period in question. (ref, para 5.1. in the Grant Agreement)

The Parties shall confirm the receipt of funds within 14 days to the Grant holder.

Funds disbursed from NCA must be spent within the Project period. At the end of the Project period or if the Project is discontinued/terminated all unspent funds must immediately be reimbursed to NCA.

Any significant deviations and all deviations above 10% from or changes to the application or approved implementation plans or budgets are subject to MFA's written approval.

Should a no-cost extension become necessary, the implementing Party will inform NCA latest 2 months prior to the end of the project. Any no-cost extension must be approved by the MFA.

Unused funds will be settled using the prevailing rate of exchange as of the Project's end date (see paragraph 2 above).

Transfers from NCA will be made into the following bank account:

DF

Name of account holder: Utviklingsfondet

Bank name: DNB Bank ASA

Branch name: DNB

City and country: Oslo, Norway

Adress:

Currency: NOK

Account name: Utviklingsfondet

Account no.: 1503 21 17918

SWIFT Code: DNBANOKK

5 Reporting Requirements

Quarterly update:

A quarterly update starting from three months after the signing of the agreement (October) should be presented to MFA, clearly outlining the activities from the previous quarter, and the planned activities for the next quarter (ref para 6.1. a)

Financial review:

A financial review covering the last quarter starting from three months after the signing of the agreement (October) shall be included in the presentation to MFA in the quarterly meeting (ref para 6.1. b)

Audit report:

An audit report covering the financial statements of the Project shall be submitted to MFA within 6 months after the Support period. (ref para 6.1.c). DF shall submit this report to NCA within 5 months after the Support period – so NCA have time for consolidation – before sending the report to MFA. For Audit standard, see para 7 in the Grant Agreement.

Final report:

A final report for the Support period shall be submitted to MFA no later than 3 months after the end of the Support Period. (ref para 6.1. d). DF should send the report to NCA within 2 months after the project period – so NCA have time for consolidation of the report – before sending the report to MFA

HO and Country Office communication:

MFA will transfer the funds to NCA-HO. NCA will transfer the funds to DF-HO. DF Ethiopia will send the narrative report to NCA Ethiopia for consolidation. DF-HO will send the financial report to NCA-HO for consolidation and auditing. (ref. para 5, Audit and Final report)

6 Formal meetings:

Start up meeting:

A start up meeting should be called and chaired by the grant Recipient as soon as possible after the signing of the Agreement (ref para 8.1)

Quarterly meeting:

The Parties shall hold formal quarterly meeting in order to discuss the activities implemented and results achieved by the Project during the previous quarter and the planned activities for the coming quarter (ref para 8.2)

Minutes for the meetings:

The grant Recipients shall record main issues discussed, point of view expressed and decisions made, in minutes from the meeting, and submit it to MFA not later the 2 weeks after the meeting.(ref para 8.3)

7 Amendments

Any amendment of this Consortia Sub-Agreement, including the annexes thereto, shall be made in writing and set out in an addendum to be concluded on the same terms as the original Agreement. This applies also for revisions of the budget as set out in Annex 3. In all revisions of budgets exceeding 10% or revisions of the results framework, a written approval must be granted by the NMFA through NCA.

8 Liabilities

NCA cannot be held liable for any third party claims, debt, damage or demand, arising from the implementation of the Project.

Where the employee of any party to this Agreement is injured, disabled or killed or has any other claim based upon her/his employment in this Project, the party employing her/him shall be solely responsible in respect of all claims that may arise therefrom.

9 International Standards

All parties acknowledge:

1. The Accountability Principles as expressed in the 2010 Humanitarian Accountability Partnership ("HAP") Standard and are committed to continually strive to improve the accountability of all our action.
2. The Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organisations (NGOs) in Disaster Relief and will implement the Project accordingly.
3. The Humanitarian Charter and The Sphere Minimum Standards in Disaster Response and are committed to continually strive to improve the minimum standards in all services delivered through the Project.
4. The Parties shall ensure that the Project is implemented in respect of international humanitarian law and international human rights law and that the implementation of the Project is guided by and comply with the international humanitarian principles of humanity, neutrality, impartiality and independence.

10 The Parties' Staff Code of Conduct

In accordance with HAP the Parties must ensure that an internal Staff Code of Conduct exists and is implemented, reflecting the values and standards of the Parties on the following issues in relation to the conduct of their staff (more issues may be included by the Parties if assessed relevant in the context):

- a) Promotion of fundamental Human Rights
- b) Anti-discrimination practice
- c) Anti-fraud and -corruption practice
- d) Not exploiting and abusing people, including sexual exploitation and abuse
- e) Diversion of Aid
- f) Harassment
- g) Unethical business practices
- h) Security breaches

Reference is made to ACT Alliance's Code of Conduct for inspiration. The document can be found on www.actalliance.org.

11 Anti-corruption

The Parties commits to adhere to the principle of zero tolerance with regard to corruption, fraud, theft, aid diversion and other criminal activity.

If NCA as the consortia lead has reason to suspect that a Party or any of the Party's implementing Partners employees or suppliers indulges in fraudulent or corrupt practices in connection with this Project, NCA will bring this to the attention of the Consortia Steering Committee who may (by simple majority vote) suspend the Party's programme activities regulated under this Agreement. The Committee must also initiate an investigation of the alleged corrupt or fraudulent actions. If the suspicions are substantiated, the Committee can demand repayment to NCA of all funds transferred to the Party under this Agreement. Similarly, if the Parties detect or receive reports or whistle-blowing, or suspect theft, fraud, corruption, abuse or other similar irregularities, the Parties are obliged to inform the Consortia Steering Committee immediately.

After notice of suspension, audits, investigations and other control measures mentioned in paragraph 5.1 above may be initiated and the Parties are obligated to fully cooperate in providing documentation, access to premises and personnel.

The anti-corruption clause applies in the relation between NCA and the Parties as well as between the Parties and third parties:

The Parties commit to enforce the Norwegian State's zero tolerance for corruption and other forms of financial irregularities. It is explicitly stated by the Norwegian Parliament that the zero tolerance principle applies to instances of corruption by bribery, as well as embezzlement and theft, but also to breach of contract, cf. Proposition to the Norwegian Parliament (Prop. 1 S (2014-2015)).

The Parties are obliged to comply with both national laws and regulations and international standards/principles on anti-corruption (e.g. UK Bribery Act 2010), the ACT Anti-fraud and corruption policy or similar aligned policies)

The Parties must ensure that an anti-corruption clause is included in contracts with third parties in relation to this Project.

12 Procurement

All procurement, except procurement of seeds, under the Project shall be completed in accordance with the Procurement Provision in part III of the Grant Agreement (ref para 10.)

Procurement of seeds under the Project, shall be according to the procedures described in para 10.2 in the Grant Agreement.

13 Implementation of the Project

13.1 The project shall be implemented in accordance with the Grant Agreement, including all annexes, and the last approved Application, including implementation plan and budget.

13.2 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 practice principles.

13.3 The Grant Recipients shall continuously identify, assess and mitigate any relevant risk associated with the implementation of the Project. (ref para 3.3. in the Grant Agreement)

13.4 The Grant Recipients shall immediately inform MFA of any circumstances likely to hamper or delay the successful implementation of the Project including any issues that could occur due to security related issues.

14 Dispute resolution

14.1 **Governing law:** The Parties' rights and obligations under this Agreement shall be governed by Norwegian law.

14.2 **Legal venue:** If any dispute arises relating to the implementation or interpretation of the Agreement, the Parties shall seek to reach an amicable solution to such dispute.

If a dispute cannot be solved amicably, the dispute shall be referred to arbitration where the seat of arbitration shall be Oslo, Norway and the arbitration rules shall be the Norwegian Arbitration Act of 14 May 2004 no. 25.

Alternatively, NCA may solely decide to rather refer the case for dispute resolution to Oslo District Court, Norway.

15 Acceptance

The Parties accepts the conditions set out in this Funding Agreement.

The Grant shall be transferred to the bank account set out in paragraph 4 above:

For NCA

Name: Arne Næss-Holm

Position: Director for Int. Programmes

Date: 28. June, 2021

Signature: 

For Development Fund

Name: Elin Cecilie Ranum

Position: Head of Programme Department

Date: 28. June 2021

Signature: 

ATTACHMENTS:

The following documents are annexed to this Funding Agreement and form an integral part of it:

Annex 1: Copy of the grant Agreement between MFA and NCA regarding ETH-21/0011, Food security and livelihoods support for conflict affected communities in Tigray regional state, Ethiopia, including

- Part I: Specific Conditions,
- Part II: General Conditions
- Part III: Procurement Provisions

Annex 2: Signed project proposal including results framework

Annex 3: Signed and approved project budget