

## **Addendum No. 2 to Arrangement between the Norwegian Ministry of Climate and Environment and the UK Department for International Development (DFID) regarding development cooperation concerning Financing the Tropical Forest Alliance (TFA) Secretariat for 2014-2017**

**WHEREAS** the Norwegian Ministry of Climate and Environment (the Ministry) and the UK Department for International Development (DFID) have entered into an arrangement dated June 10, 2015 on development cooperation concerning Financing the Tropical Forest Alliance (TFA Secretariat) for 2014-2017 (the Arrangement),

**WHEREAS** on April 14<sup>th</sup> 2018 the Ministry – on behalf of the Ministry and DFID (together the Donors) - entered into a new grant agreement with the World Economic Forum (WEF/the Grant Recipient) regarding *support to the TFA Secretariat Phase 2 (2018-2020)* (the Grant Agreement),

**WHEREAS** on May 11th 2018 the Ministry and DFID entered into amendment no 1 to the Arrangement, agreeing to prolonging the Arrangement with additional funds in the period 2018-2021.

**WHEREAS** the Netherlands Minister for Foreign Trade and Development Cooperation (DGIS) wishes to support the TFA Secretariat and thus to enter into the Arrangement and channel its support through the Ministry (the Lead Donor) who will take on the responsibility of acting on behalf of both DFID and DGIS (the Co-Donors) as specified in the Arrangement and this Addendum No.2.

**WHEREAS** the Ministry, DFID and DGIS have agreed on amending the Arrangement,

**WHEREAS** the Lead Donor on behalf of all donors will enter into an Addendum No. 1 to the Grant Agreement with WEF in order to reflect the decision by DGIS to support TFA,

**NOW THEREFORE** the Ministry, DFID and DGIS have reached the following understanding which shall constitute Addendum No. 2 to, and an integral part of, the Arrangement:

### **Paragraph I**

1. All references to "the Donors" through-out the Arrangement shall hereby refer to the Ministry, DFID and DGIS. All references to "both Donors" shall hereby be replaced with "all Donors".
2. All references to "the Co-Donor" through-out the Arrangement shall hereby be replaced by "the Co-Donors".

## Paragraph II

1. The Arrangement's Paragraph II – Contributions of the Donors will read as follows:

The Donors will, subject to parliamentary appropriations, make total contributions not exceeding the following amounts (collectively referred to as the Contribution) exclusively to finance the Secretariat in the period:

	2018	2019	2020	Total
Lead Donor contribution (NOK)	NOK 12 mill	NOK 13 mill	NOK 13 mill	NOK 38 mill
DFID Co-Donor contribution (GPB)	£ 750,000	£ 750,000	£ 500,000	£ 2,000,000
DGIS Co-Donor contribution (NOK)	NOK 7,780,000	NOK 7,780,000	NOK 7,782,129	NOK 23,342,129

The annual breakdown of payments is tentative, and subject to financial need.

Upon completion of WEF's function as the Secretariat, any remaining funds on the bank account of the Lead Donor mentioned in Paragraph IV Clause 3, including any unspent interests and funds returned according to the Grant Agreement, will be refunded on a proportional basis unless otherwise decided by the Donors.

## Paragraph III

1. The entities competent to act on behalf of each of the Donors in matters related to this Arrangement are:

For the Ministry (Lead Donor):

(10)(2e)  
(10)(2e) Department for Climate Change

For DFID (Co-Donor):

(10)(2e)  
(10)(2e) Climate and Environment Department

For DGIS (Co-Donor):

(10)(2e)  
(10)(2e) Climate Team

## Paragraph IV

1. The Arrangement's Paragraph IV Clause 2 will be deleted and replaced with the following:

Disbursements from the Co-Donors to the Lead Donor will be made bi-annually depending on the progress and performance to date and the liquidity needs of the Secretariat the coming period of six months. Upon receiving disbursements request from WEF the Lead Donor will submit written disbursements request to the Co-Donors tentatively in April and October each year. DFID will receive the template provided in the Arrangement's Annex 1 and DGIS will receive the Ministry's standard request-form for payments. Such requests will include a financial statement of the Secretariat and the budget for the coming period. Unless otherwise decided each Donor's annual contribution to disbursements will be as stated in Paragraph II (as amended).

This Addendum No. 2 will enter into force on the date of its signature, and will remain in force as specified in the Arrangement's Paragraph VII. All other provisions of the Arrangement (as amended) will remain unchanged and in force.

IN WITNESS WHEREOF the undersigned, acting on behalf of the respective entities, have signed the Addendum No. 2 in three originals in the English language. In the event of translation the English text of this Addendum No. 2 will prevail.

Place and date

For the Norwegian Ministry of  
Climate and Environment

(10)(2e)

(10)(2e)

(10)(2e) Department for Climate  
Change

For the Department for  
International Development

(10)(2e)

(10)(2e) Climate and  
Environment Department

For the Netherlands Minister  
for Foreign Trade and  
Development Cooperation

(10)(2e)

(10)(2e) Climate Team  
Inclusive Green Growth  
Department

# **ARRANGEMENT ON DELEGATED CO-OPERATION**

**between**

**The UK Department for International Development (DFID)**

**and**

**The Norwegian Ministry of Climate and Environment (the Ministry)**

**regarding**

**Financing of the Tropical Forest Alliance (TFA) Secretariat for 2014-2017**

**WHEREAS** Tropical Forest Alliance 2020 is a public-private partnership in which partners take voluntary actions to reduce the tropical deforestation associated with commodities such as palm oil, soy, beef, paper & pulp;

**WHEREAS** the Norwegian Ministry of Climate and Environment (the Ministry) has requested the Government of the United Kingdom (the UK) to co-finance the secretariat function of Tropical Forest Alliance 2020 for 2014-2017 (the Secretariat);

**WHEREAS** the UK Department for International Development (DFID) has decided to comply with the request, and wishes to channel its support through the Ministry (the Lead Donor), who will take on the responsibility of acting on behalf of DFID (the Co-Donor) as specified in this arrangement on delegated co-operation (this Arrangement);

**WHEREAS** the Secretariat will be hosted by the World Economic Forum (WEF);

**WHEREAS** the Lead Donor will enter into an agreement with WEF regarding the management and implementation of the Secretariat (the Grant Agreement);

**NOW THEREFORE** DFID and the Ministry (together "the Donors") have reached the following understanding:

## **Paragraph I: Scope and objectives**

1. This Arrangement sets forth common provisions and procedures for the delegated co-operation between the Donors regarding their financing and support to the execution of the Secretariat. The objective of the Arrangement is to improve donor co-ordination and harmonisation through delegated co-operation thereby enhancing the efficiency of the Donors' development co-operation.
2. The overarching purpose of this Arrangement is to contribute to a reduction in tropical deforestation by promoting of sustainable production of commodities such as soy, beef, palm oil and pulp and paper.



3. The scope of the Secretariat is defined in the Funding Proposal dated 15<sup>th</sup> March 2015. The Lead-Donor's Grant Arrangement with WEF will state the Donors' co-financing of the Programme and the Lead Donor's authority to represent the Co-Donor in accordance with this Arrangement. The Co-Donor will carry no responsibility or liability towards WEF for the execution of the Grant Agreement.
4. The Lead Donor will submit a copy of the Grant Agreement to the Co-Donor for information when the Grant Agreement has been entered into. The same applies in respect of any amendments to the Grant Agreement.
5. No offer, payment, consideration, gift or benefit of any kind, which could be regarded as an illegal or corrupt practice, has or will be made, promised, sought or accepted, neither directly nor indirectly, as an inducement or reward in relation to activities funded under this Arrangement, including tendering, award or execution of contracts. Any such practice will be grounds for the immediate cancellation of this Arrangement and for such additional action, civil and/or criminal, as may be appropriate.

### Paragraph II: Contributions of the Donors

1. The Donors will, subject to parliamentary appropriations, make total contributions not exceeding the following amounts (collectively referred to as the Contribution) exclusively to finance the Secretariat in the period:

	2015	2016	2017	Total
Lead Donor contribution NOK	NOK5,000,000	NOK10,000,000	NOK10,000,000	NOK 25,000,000
Co-Donor contribution GBP	£500,000	£750,000	£750,000	£2,000,000

The annual breakdown of payments is tentative.

2. Upon completion of WEF's function as the Secretariat any remaining Contribution funds on the bank account of the Lead Donor mentioned in Paragraph IV Clause 3, including any unspent interests and funds returned according to the Grant Agreement, will be refunded on a proportional basis unless otherwise decided by the Donors.

### Paragraph III: Co-operation and representation

1. The Lead Donor will administer the Contribution and follow-up the Secretariat with WEF in accordance with the stipulations in the Grant Agreement and the Lead Donor's prevailing general principles and guidelines for development assistance.
2. The Lead Donor will promptly inform the Co-Donor of any event that interferes or threatens to interfere with the successful implementation of the Secretariat.

3. The Lead Donor will consult with the Co-Donor in case fundamental changes which adversely affect the Secretariat occur and before making any decision of principle regarding the Secretariat, e.g. before suspension or termination of, or amendments to, the Grant Agreement.
4. Both Donors will participate in the Steering Committee (SC) meetings with WEF and other stakeholders. This will be the principal decision making body overseeing the Secretariat. Both Donors will in addition participate in a separate "grant management meeting" with WEF. This meeting will be held in relation to the SC meeting. Both meetings will be stipulated in the Grant Agreement.
5. Subject to applicable law the Co-Donor will be given access, whenever requested, to all documentation and information in the possession of the Lead Donor pertaining to Lead Donor's administration of the Contribution and implementation of the Secretariat. Further, the Lead Donor will obtain from WEF any information or documentation relating to the Secretariat that the Co-Donor may reasonably request.
6. The entities competent to act on behalf of each of the Donors in matters related to this Arrangement are:

For the Lead Donor:

(10)(2e)

(10)(2e) Department for Climate Change,  
Royal Norwegian Ministry of Climate and the Environment,  
Kongens Gate 20,  
0153 Oslo,  
Norway

For the Co-Donor:

(10)(2e)

(10)(2e) Climate and Environment Department  
Department for International Development  
22 Whitehall  
London  
SW1A 2EG

All communication in regard to this Arrangement will be directed to the above mentioned entities.

## Paragraph IV: Disbursements

1. Payments to WEF from the Contribution will be made by the Lead Donor against the agreed proposal and budget and upon receipt of written requests from WEF according to the Grant Arrangement.

2. Disbursements from the Co-Donor to the Lead Donor will be made bi-annually depending on the progress and performance to date and the liquidity needs of the Secretariat the coming period of six months. Upon receiving disbursement request from WEF the Lead Donor will submit written disbursement request to the Co-Donor tentatively in April and October each year using the template provided at Annex 1. Such requests will include a financial statement of the Secretariat and the budget for the coming period. Unless otherwise decided each Donor's annual contribution to disbursements to WEF will be as stated in Paragraph II.

3. Payments from the Co-Donor should be made into the following bank account:

<b>Bank:</b>	DNB ASA, P.O. Box 1600 Sentrum, 0021 Oslo Norway
<b>A/C Name:</b>	The Norwegian Ministry of Climate and Environment 7694 05 00 334
<b>SWIFT:</b>	DNBANOKKXXX
<b>Reference:</b>	Tropical Forest Alliance Secretariat
<b>IBAN:</b>	NO [REDACTED] (10)(2g)

The Lead Donor will confirm receipt of the Co-Donor's contributions stating the date of receipt and the exchange rate applied.

## Paragraph V: Reporting

1. At least 2 weeks before the meetings according to Paragraph III clause 4 the Lead Donor will submit to the Co-Donor the following documentation which WEF has submitted:

- the most recent annual progress report
- the most recent financial statement
- the audit report of the preceding fiscal year
- the work plan and budget for the subsequent fiscal year.

The above-mentioned provisions will apply correspondingly to the final report and the final financial statement.

2. If a review or evaluation of the Secretariat is carried out, the following will be submitted to the Co-Donor for information:

- prior to the review/evaluation a copy of the draft Terms of Reference,
- a copy the review/evaluation report,
- any comments by WEF to the report,

- the Lead Donor's assessment of the report and suggestions to any follow-up actions.
3. Within 3 months after the end of the calendar year each year the Lead Donor will submit to the Co-Donor a financial statement showing, as per the end of the previous calendar year, funds received from the Co-Donor, funds disbursed to WEF, each Donor's contribution to the disbursements and the balance of the Contribution carried over to the following calendar year. The financial statement will be in Norwegian Kroner (NOK).

### Paragraph VI: Reservations

1. The Donors will do their utmost to reach a joint position on how to handle the matter if one or more of the Donors are of the opinion that its contribution has not been used and/or accounted for by WEF as described in the Grant Agreement, including if one or more of the Donors are of the opinion that political changes which would negatively affect the achievement of the goal and objectives of the Secretariat have occurred. The Donors may decide, without affecting other actions, that the Lead Donor will:
  - withhold/suspend any future disbursements to WEF,
  - reclaim all or part of the funds already disbursed to WEF, and/or
  - cancel the Grant Agreement and this Arrangement.
2. If the Donors are unable to reach a joint position on how to handle the matter, the Co-Donor may, without affecting other actions:
  - withhold/suspend any future disbursements to the Lead Donor,
  - reclaim any contribution transferred to the Lead Donor, but not yet disbursed to WEF and/or
  - request, in respect of its contribution, that the Lead Donor takes any such action as mentioned in Section 1 above towards WEF.
3. If the Lead Donor does not fulfil its commitments according to this Arrangement, the Co-Donor may, after consultations with the Lead Donor, without affecting other actions:
  - Withhold/suspend any future disbursements,
  - reclaim all or part of funds already disbursed to the Lead Donor and/or
  - cancel this Arrangement.

In respect of funds already disbursed or irrevocably committed to WEF or any other third party in accordance with this Arrangement, the Lead Donor's repayment to the Co-Donor will be limited to the amount repaid by WEF or such third party.

4. The Lead Donor will inform WEF immediately in writing of any action as referred to in this paragraph, and will take any necessary actions in respect of the Grant Agreement, including (partially) cancelling the Grant Agreement. In case of

cancellation of this Arrangement by one of the Donors, the Donors will consult with each other on how to bring the Arrangement to an orderly end. Any amount corresponding to the contribution by the cancelling Donor which remains unspent will be returned to that Donor immediately and unconditionally unless otherwise decided by the Donors.

#### Paragraph VII: Duration – Disputes - Amendments

1. The delegated co-operation under this Arrangement will start on the date it is signed by the Donors, and will end on <30 June 2018> unless the Donors decide to change the date.
2. Each Donor may terminate this Arrangement upon four months written notice to the other Donor.
3. If any dispute arises relating to the implementation or interpretation of this Arrangement, the Donors will consult with a view to reaching a solution.
4. In line with both Donors' Transparency commitments, both Donors give consent for this Arrangement (and any subsequent amendments) to be published on the respective Donor's website
5. Any amendments to the provisions contained within this Arrangement will be set out in writing.

The undersigned have signed the Arrangement in two originals in the English language. In the event of translation the English text of this Arrangement will prevail.

For: Department for International Development	For: The Norwegian Ministry of Climate and Environment
Date: 11 <sup>th</sup> May 2015	Date: 10/6/15
(10)(2e)	(10)(2e)
(10)(2e) (10)(2e) Climate and Environment Department, Department for International Development	(10)(2e) (10)(2e) Department for Climate Change, Royal Norwegian Ministry of Climate and the Environment.

**ANNEX 1:      TEMPLATE FOR REQUEST FOR PAYMENT BY DFID**

To:	Accounts Payable, DFID, Abercrombie House, East Kilbride, Scotland G75 8EA
Cc:	Financial Management Group, DFID, Abercrombie House, East Kilbride, Scotland

The Norwegian Ministry of Climate and Environment requests payment of £ **[AMOUNT IN FIGURES  
[AMOUNT IN WORDS]** on **[DATE]** into the account specified in the Delegated Cooperation Agreement as follows:

Bank Name:	DNB ASA
Bank Postal Address:	P.O. Box 1600 Sentrum, 0021 Oslo Norway
Name of Account:	The Norwegian Ministry of Climate and Environment Reference : Tropical Forest Alliance Secretariat
Bank Account Number:	(10)(2g)
Sort Code:	
Currency of Bank Account:	
IBAN number: [required for bank accounts within Europe]	(10)(2g)
SWIFT number:	DNBANOKKXXX
ABA or BIC Number: [BIC required for bank accounts within Europe]	
Intermediary bank details:	

in respect of Financing of the Tropical Forest Alliance (TFA) Secretariat for 2014-2017 DFID Project Reference 202745-102, Purchase Order [tbc]. A financial statement from the Secretariat and the budget for the coming period are attached.

signed of behalf of the Norwegian Ministry of Climate and Environment	
Name:	
Position:	
E-mail:	



**ANNEX 2: NOTIFICATION OF PAYMENT TO THE NORWEGIAN MINISTRY OF CLIMATE AND ENVIRONMENT**

To:	
Cc:	FMG, DFID, Abercrombie House, East Kilbride, Scotland

DFID has authorised the payment of **[AMOUNT IN FIGURES [AMOUNT IN WORDS]]** on **[DATE]** into

Bank Name:	
Bank Postal Address:	
Name of Account:	
Bank Account Number:	
Sort Code:	
Currency of Bank Account:	
IBAN number: [required for bank accounts within Europe]	
SWIFT number:	
ABA or BIC Number: [BIC required for bank accounts within Europe]	
Intermediary bank details:	

in respect of Financing of the Tropical Forest Alliance (TFA) Secretariat for 2014-2017. DFID Reference 202745-102 PO [tbc] , **[ [INSERT PARTNER PROJECT REFERENCE]**

Signed for DFID	
Name:	
Position:	
Address:	
E-mail:	



**ANNEX 3: REIMBURSEMENT OF FUNDS (inc interest)**

To:	DFID Accounts Payable
Cc:	FMG, DFID, Abercrombie House, East Kilbride, Scotland

**[NAME of ORGANISATION]** has authorised the payment of **[AMOUNT IN FIGURES]** **[AMOUNT IN WORDS]** on **[DATE]** into the DFID Bank Account.

DFID's bank accounts and the payment methods required for such transfers are as follows, please choose one of the following as appropriate:

**BACS:** Payments of small amounts in the UK and **CHAPS** over £10,000 should be paid to the following account:

Bank:	Citibank
Sort code:	08-33-00
Account number:	(10)(2g)
Account Code	
Component Code	

**Electronic receipts from Overseas:** Receipts transferred direct from an overseas bank account should be paid to the following Citibank Bank account:

Bank:	Citibank		
Sort code:	08-33-00	Account No:	(10)(2g)
Account Code			
Component Code			

Quoting:

Pay Citi London : BIC/Swift CITIGB2L IBAN : (10)(2g)

Posting Address : 25 Canada Square , Canary Wharf, London , E14 5LB

Please obtain Account Code and the Component Code Reference from your DFID Contact if you do not know it.

Any organisation wishing to refund DFID by cheque should make the cheque payable to Department for International Development and send it to their DFID Programme Officer along with a letter confirming the reason for the refund.

<b>[NAME of ORGANISATION]</b>	
Name:	
Position:	
Address:	
E-mail:	

Template:	Foreign governmental entities	Revision no.:	1
Amendment/Addendum	Grant Management Regime I, II and III	Date:	19.04.2018

# **ADDENDUM NUMBER 1 TO AGREEMENT BETWEEN THE NORWEGIAN MINISTRY OF CLIMATE AND ENVIRONMENT AND THE WORLD ECONOMIC FORUM CONCERNING FINANCIAL SUPPORT TO THE TROPICAL FOREST ALLIANCE 2020 SECRETARIAT FOR THE PERIOD 2018-2021**

WHEREAS the Norwegian Ministry of Climate and Environment (hereinafter referred to as "the Ministry") and the World Economic Forum (hereinafter referred to as "the Grant Recipient") (jointly referred to as the Parties) have entered into an agreement dated April 14<sup>th</sup> 2018 (the Agreement)

WHEREAS the Netherlands Minister for Foreign Trade and Development Cooperation (DGIS) wishes to grant additional financial support to the Project thorough a delegate cooperation set-up with the Ministry and the UK Department of International Development (Dfid), with which the Ministry and Dfid have decided to comply,

WHEREAS the Ministry (Lead Donor), DGIS (Co-Donor) and Dfid (Co-Donor) therefore have entered into Addendum nr 2 to the Arrangement between the Norwegian Ministry of Climate and Environment and the UK Department of International Development (Dfid) regarding development cooperation concerning Financing the Tropical Forest Alliance (TFA) Secretariat for 2014-2017.

NOW THEREFORE the Parties have reached the following understanding, which shall constitute Addendum number 1 to, and be an integrated part of, the Agreement:

## **1 ADDITIONAL AND/OR REVISED CONDITIONS**

### **Part 1. SPECIFIC CONDITIONS:**

1. All references to "the Donors" through-out the Arrangement shall hereby refer to the Ministry, DFID and DGIS. All references to "both Donors" shall hereby be replaced with "all Donors".
2. All references to "the Co-Donor" through-out the Arrangement shall hereby be replaced by "the Co-Donors".

### **Part 4. THE GRANT**

The Agreement's paragraph 4.1 shall read as follows

4.1 Subject to parliamentary appropriations, the Donors will jointly support the Project, and through the KLD, make available a grant (jointly referred to as the Grant). The Grant shall not exceed the following amounts:

Dfid: up to Pounds sterling (GPB) 2 000 000 (two million)

KLD: up to Norwegian Kroner (NOK) 38 000 000 (thirty eight million)

DGIS: Up to Norwegian Kroner (NOK) 23 342 129 (twenty three million three hundred and forty two thousand one hundred and twenty nine)

The Grant Recipient will seek to ensure that DFID's contribution will not be used for travel expenses.

The Agreement's paragraph 4.3 shall be deleted and replaced with the following:

Template:	Foreign governmental entities	Revision no.:	1
Amendment/Addendum	Grant Management Regime I, II and III	Date:	19.04.2018

4.3 The Grant may be used to cover overheads/indirect costs up to a maximum of 7% of the actual costs of the Project.

## 2 REMAINING CONDITIONS OF THE AGREEMENT

2.1 All other provisions of the Agreement shall remain unchanged and in force.

## 3 ENTRY INTO FORCE AND DURATION

3.1 The Addendum No. 1 shall enter into force on the date of the last signature, and remain in force until all obligations arising from it have been fulfilled.

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IN WITNESS WHEREOF the undersigned, acting on behalf of their respective Party, have signed the Addendum No. 1 in two -2- originals in the English language, whereof the Parties keep one each. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

Place:

(10)(2e)

Date:

Member of the Managing Board

(10)(2e)

(10)(2e) Resources and Operations

(10)(2e)

for the Norwegian Ministry of Climate and  
Enviornment,

for World Economic Forum

(10)(2e)

Department for Climate Change

(10)(2e)

(10)(2e)

Finance, Technology and  
Operations, Member of the Executive Committee,  
CFO Office

And

(10)(2e)

(10)(2e)

, Managing Board

Attachments:

Annex A: Revised budget