

Template:	<b>Non-Norwegian NGOs</b>	Revision no.:	3
Specific Conditions (part I)	<b>Grant Management Regime I</b>	Date:	21.10.2019

## GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF CLIMATE AND ENVIRONMENT

AND

THE WORLD ECONOMIC FORUM

REGARDING

21/1377, SUPPORT TO TROPICAL FOREST ALLIANCE PHASE 3

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PART I: SPECIFIC CONDITIONS

PART II: GENERAL CONDITIONS

PART III: PROCUREMENT PROVISIONS

ANNEX A1 and A2: BUDGET

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## PART I: SPECIFIC CONDITIONS

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

- (1) The Norwegian Ministry of Climate and Environment (MCE), represented by the Norwegian International Forest and Climate Initiative and
  - (2) the World Economic Forum, an international institution under Swiss Federal Law, duly established in Switzerland (the Grant Recipient),
- jointly referred to as the Parties.

### 1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted an application to MCE, the UK Foreign, Commonwealth & Development Office (FCDO) and the Ministry of Foreign Affairs of the Netherlands (DGIS) dated 27/4-2021 (the Application) regarding financial support to the project titled 21/1377, *Tropical Forest Alliance (TFA) Phase 3* (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A1 to this Agreement. The estimated cost of a separate, year one project component is indicated in the budget attached as Annex A2 to this Agreement.
- 1.2 MCE, FCDO and DGIS (the Donors) has decided to award a grant to be used exclusively for the implementation of the Project (the Grant). The Donors has on 28/6-2021 entered into an arrangement on delegated cooperation (ADC). MCE has taken the responsibility to act as lead donor on behalf of FCDO and DGIS (the Co-Donors).
- 1.3 The Parties expect the Project to be implemented during the period from 1<sup>st</sup> July, 2021 to 30<sup>th</sup> June 2024 (the Support Period).
- 1.4 The MCE as lead donor on behalf of the Co-Donors and the Grant Recipient 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(s) on society is ***Reduced commodity-driven deforestation in key production landscapes and countries*** (Impact).

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

1. *Demonstrable progress on advancing policy and practice for target companies to address commodity driven deforestation*
2. *Increased financial flows towards sustainable land use practice, rewarding leaders*
3. *Policy landscape shifted to incentivise greater volumes of deforestation-free commodity production and trade*

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The planned main products and/or services (Outputs) of the Project are listed in the results framework (Annex B1)

Year one of the project has an additional component with activities aimed at mobilizing private sector investments into jurisdictional scale REDD+. The expected **impact** of this component is: ***High quality jurisdictional REDD+ potential is unlocked to slow, reduce and halt greenhouse gas emissions.***

There are three specific outcomes that are formulated specifically for this component, but which also contribute to the outcome of the core TFA activities above.

1. *Forestry solutions recognised in public discourse as an integral part of climate action*
2. *Increased confidence in JREDD+ solutions as an integral part of climate action among leading corporates*
3. *Increased corporate demand and public investment commitments for high integrity JREDD+ credits to meet corporate climate goals*

The planned main products and/or services (Outputs) of the this project component is listed in the results framework (Annex B2)

2.2 *TFA works closely with four major target groups globally, in Southeast Asia, West and Central Africa, and the Amazon Basin, supporting the implementation of initiatives at both the regional and global level:*

- *Tropical forest governments and sub-national jurisdictions;*
- *Smallholder farmers;*
- *Key civil society groups working on forest issues; and*
- *Soft commodity growers, traders and buyers, both domestically and internationally.*

2.3 The full results framework is included as Annex B1 and B2 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)

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- 3.4 The Grant Recipient shall immediately inform MCE of any circumstances likely to hamper or delay the successful implementation of the Project.

#### 4 THE GRANT

- 4.1 The Donors will make total contributions not exceeding the following amounts (collectively referred to as the Grant) exclusively to finance the Secretariat in the Support Period

		Year 1	Year 2	Year 3	Total
Norway, MCE	<b>NOK</b>	16,000,000	14,000,000	5,000,000	<b>35 mill</b>
Norway, MCE*	<b>NOK</b>	7,300,000			<b>7,3 mill</b>
UK, FCDO	<b>GBP</b>	750,000	750,000	500,000	<b>2.0 mill**</b>
Netherland, DGIS	<b>CHF</b>	1,600,000	1,000,000	1,000,000	<b>3.6 mill</b>

\* Additional contribution for year one activities with separate budget (Annex A2) and outcomes (Annex B2), ref paragraph 2.1.

\*\* Final disbursement from FCDO by 31<sup>st</sup> July 2023.

The annual breakdown is tentative, based on submitted project budget from WEF.

- 4.2 Disbursement after the current calendar year is subject to parliamentary appropriations in each donor country. 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 MCE 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 the incurred direct project 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 by the MCE in Norwegian Kroner, on behalf of the Donors, 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 MCE's receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question. Disbursement requests shall be submitted to MCE biannually by July 31<sup>st</sup> and January 31<sup>st</sup>.
- 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.

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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. MCE 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 MCE's receipt and approval of the progress report and financial report.

5.6 All disbursements will be made to the following bank account:

Account Holder:	World Economic Forum
Name of the account:	WEF-TFA Initiative
Account no.:	(10)(2g)
IBAN no.:	
Name and address of the bank:	UBS AG, Postfach, CH-8098 Zurich
Swift/BIC code:	UBSWCHZH80A
Currency of the account:	CHF

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 MCE:

- a) A **progress report** covering the period from July to June shall be submitted to MCE by October 15<sup>th</sup> each year. The progress report shall include the content specified in article 2 of the General Conditions.
- b) A **financial report** covering the period from July to June shall be submitted to MCE by October 15<sup>th</sup> each year. 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 MCE by November 30<sup>th</sup> 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 July to June shall be submitted to MCE by May 15<sup>th</sup> 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 MCE 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, MCE shall be informed immediately.



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- 6.3 All implementation plans, budgets and reports shall be approved in writing by MCE 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").
- 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 MCE within the deadline indicated in article 6 of the Specific Conditions.

## **8 FORMAL MEETINGS**

- 8.1 The Grant Recipient and the Donors shall hold formal meetings once per year, tentatively in November 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 MCE 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 An end-term review focusing on results achieved by the Project shall be carried out by 31st May. 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 If the Grant Recipient or another interested party initiates a review or evaluation of activities wholly or partly funded by the Grant, MCE shall be informed. The Grant Recipient shall forward a copy of the report of any such review or evaluation to MCE 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.

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

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11.1 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 MCE 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: Klima- og miljødepartementet

Account no.: (10)(2g)

IBAN no.: (10)(2g)

Name and address of the bank: DNB, Dronning Eufemias gt 30, 0191 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 MCE's agreement number and agreement title.

## 12 SPECIAL PROVISIONS

12.1 The Grant Recipient confirms it has in place policies for effective risk management, whistleblowing, safeguarding and prevention of sexual harassment.

12.2 The Grant shall not be used to Lobby the Donors government (i.e. activities which aim to influence or attempt to influence Donors Parliament, government or political activity, or Donors legislative or regulatory action).

12.3 The Grant Recipient agrees to collaborate with the Donors to build support for development and raise awareness of the Donors funding for development activity. Both will proactively look for ways to raise awareness of the Donors funding for development. The Grant Recipient will explicitly acknowledge the Donors support through use of the Donors appropriate logo in all communications with the public or third parties about this Project, unless otherwise agreed, ref General Conditions Section 22. The Grant Recipient also agrees to collaborate with the Donors on other awareness raising activities where feasible and appropriate, to profile the partnership and the results it is delivering.

12.4 During the first year of the Support Period, the Grant Recipient will work with the Donors to find a practical way to publish to the International Aid Transparency Initiative (IATI) standard on all donor funding for the TFA Secretariat. The purpose of this arrangement is to ensure transparency and traceability of all donor funding received by TFA, in line with the intention of the IATI. For further advice please go to <https://iatistandard.org/en/about/iati-standard/>

12.5 The rights of MCE and its representative according to General Conditions Section 6 will apply equally to the other Donors to the ADC. The Co-Donors will strive to act through MCE as Lead Donor to the extent possible.

12.6 The Parties have a zero tolerance for inaction approach to tackling sexual exploitation, abuse and harassment ("SEAH"). This means the Grant Recipient, and its implementing partners, will take all reasonable and adequate steps to prevent SEAH of any person linked to the delivery of the Project Arrangement by both its employees and any implementing partner and respond appropriately when reports of SEAH arise. The Grant Recipient must apply the IASC Six Core Principles Relating to Sexual Exploitation and Abuse and the following principles and practices when implementing this project and provide evidence to demonstrate this where required:



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- a) Adherence to the IASC-Minimum Operation Standards and/or SEA elements of the Core Humanitarian Standard on Quality and Accountability;
- b) A survivor-centred approach<sup>ii</sup> to SEAH issues;
- c) Strong leadership and signalling on tackling SEAH;
- d) Make all reasonable and adequate efforts to address gender inequality and other power imbalances;
- e) Robust reporting to enhance accountability and transparency;
- f) Ensure that SEAH standards from this arrangement are reflected in funding templates with implementing partners, [for UN entities: by means such as, but not limited to, adherence to the United Nations Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners.]

12.7 The Grant Recipient will adhere to the following reporting requirements:

- a) The Grant Recipient will promptly contact the Donors through written notice [toreportingconcerns@fcdo.gov.uk](mailto:toreportingconcerns@fcdo.gov.uk), [Postmottak@kld.dep.no](mailto:Postmottak@kld.dep.no) and [safeguarding@minbuza.nl](mailto:safeguarding@minbuza.nl) to report any allegation credible enough to warrant an investigation of SEAH related to this Memorandum.
- b) The Grant Recipient should also promptly report to [reportingconcerns@fcdo.gov.uk](mailto:reportingconcerns@fcdo.gov.uk), [Postmottak@kld.dep.no](mailto:Postmottak@kld.dep.no) and [safeguarding@minbuza.nl](mailto:safeguarding@minbuza.nl) any allegation credible enough to warrant an investigation of SEAH that are not directly related to this Memorandum but would be of significant impact to the partnership.

12.8 The report, as referred to in paragraph 12.7.a and 12.7 b, will indicate: agreement number, nature of the alleged misconduct, date of alleged misconduct, date of first report to Grant Recipient, location, involvement of implementing partner, state of affairs concerning the investigation and the action that will be taken by the Partner, and whether the case is referred to law enforcement. The organisation will provide updates on the status of the case. The notice will be given in writing and delivered to the point of contact mentioned in paragraph 12.7.a and 12.7.b.

12.9 It is understood and accepted that the Grant Recipients arrangement to report on SEAH is subject to not compromising the safety, security, privacy and due process rights of any concerned persons.

12.10 When the Grant Recipient becomes aware of suspicions or complaints of SEAH, the Grant Recipient will take swift and appropriate action to stop harm occurring, investigate and report to relevant authorities (for criminal matters) when safe to do so and after considering the wishes of the survivor.

### 13 NOTICES

13.1 All communication to MCE concerning the Agreement shall be directed to the Norwegian International Climate and Forest Initiative, Ministry of Climate and Environment at the following e-mail address: [postmottak@kld.dep.no](mailto:postmottak@kld.dep.no), marked "21/1377 Support to TFA Phase 3".

13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to (10)(2e) (10)(2e) Tropical Forest Alliance, at the following e-mail address: (10)(2e) @weforum.org.

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13.3 MCE'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: Oslo

Date: 29/6/06

June 30, 2021 | 09:20 CEST July 1, 2021 | 09:26 CE

<div style="background-color: black; color: white; padding: 5px; width: 300px; margin: 0 auto;">(10)(2e)</div> <p>for the Norwegian Ministry of Climate and Environment,</p> <div style="background-color: black; color: white; padding: 5px; width: 150px; margin: 10px auto;">(10)(2e)</div>	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">DocuSigned by:</div> <div style="background-color: black; color: white; padding: 5px; width: 150px; margin: 0 auto;">(10)(2e)</div>	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">DocuSigned by:</div> <div style="background-color: black; color: white; padding: 5px; width: 150px; margin: 0 auto;">(10)(2e)</div>
	for World Economic Forum,	
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### Attachments:

Annex A1 and A2: Approved budgets for the Project  
Annex B1 and B2: Results frameworks

<sup>i</sup> See UNGA Resolution A/RES/73/148 for the definition of sexual harassment and UNSG Bulletin ST/SGB/2003/13 for the definition of sexual exploitation and abuse. Both definitions are included in the DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance: Key Pillars of Prevention and Response.

<sup>ii</sup> A survivor-centred approach is one for which the survivor's dignity, experiences, considerations, needs, and resiliencies are placed at the centre of the process, from the initial program design to investigating and responding to potential incidents. Consistent with the UN Protocol on Allegations of SEA Involving Implementing Partners, the survivor should be informed, participate in the decision-making process, and provide consent on the possible use and disclosure of their information. Those interacting with the survivor and/or handling information regarding the allegation must maintain confidentiality, ensure safety of the survivor, and apply survivor-centred principles which are safety, confidentiality, respect, and non-discrimination. When the survivor is a child, the approach must consider the best interests of the child and engage with the family/caregivers as appropriate. Staff and partners should comply with host country and local child welfare and protection legislation and international standards, whichever gives greater protection.