

SUBGRANT AGREEMENT

between

Stiftelsen Atlas-alliansen, also known as the Atlas Alliance,

and

ADRA Norway

regarding

GLO-3728 RAF-19/0044 Together for Inclusion

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# SPECIFIC TERMS AND CONDITIONS

This agreement (the "**Subgrant Agreement**") has been entered into between:

- (1) Stiftelsen Atlas-alliansen ("**Atlas**"), duly established in Norway under registration number 971 281 669,  
  
and
- (2) ADRA Norge – Adventist Development and Relief Agency Norway (the "**Subgrant Recipient**"), a foundation duly established in Norway under registration number 977 143 454,  
  
jointly referred to as the "**Parties**".

## 1 BACKGROUND, SCOPE AND OVERVIEW OF GOVERNING PROVISIONS

- 1.1 Atlas has submitted an application (the "**Norad Application**") to Norad dated 4 June 2019 regarding financial support to the project titled "GLO-3728 RAF-19/0044, Together for Inclusion (the "**Project**"). Based on, inter alia, the Norad Application, Atlas and Norad has entered into a grant agreement (the "**Norad Agreement**"), cf. Appendix 1.
- 1.2 In relation to the Project, the Subgrant Recipient has submitted an application to Atlas which describes how grant funds will be used in the event that the Norad Agreement is entered into and Atlas, by virtue of the Norad Agreement, relays specific grant funds from Norad to the Subgrant Recipient. The application from the Subgrant Recipient has been revised by the Subgrant Recipient after the initial version was first submitted to Atlas. The revised version of application (the "**Application**") has also been submitted to Atlas and it forms an integral part of the Subgrant Agreement.
- 1.3 Based on the Norad Agreement and the Application, Atlas has decided to award a grant (the "**Grant**") to the Subgrant Recipient. The Subgrant Agreement regulates terms and conditions for the award of the Grant to the Subgrant Recipient. The Grant shall be used in accordance with the Subgrant Agreement, including the Application, and consequently be used exclusively for the implementation of the Subgrant Recipient's part of the Project. The Subgrant Recipient's part of the Project, as described in the Application, is hereinafter referred to as the "**Subproject**".
- 1.4 The Subgrant Agreement is entered into and comes into force on the date it has been signed by both Parties, and it consists of this document (the "**Specific T&C**") and the following appendixes:
  - Appendix 1: The Norad Agreement
    - Appendix 1a: Part I: Specific Conditions
    - Appendix 1b: Part II: General Conditions
    - Appendix 1c: Part III: Procurement Provisions
    - Appendix 1d: Annex A: Budget
    - Appendix 1e: Annex B: Results Framework
  - Appendix 2: The Application
    - Appendix 2a: The country application(s) that the Subgrant Recipient was part of
    - Appendix 2b: The overall Norad grant split by organization, and per year

- Appendix 2c: The Subgrant Recipient's budgets split per country by year and per cost category using Norad template.
- Appendix 3: Annual reporting plan and templates for yearly financial reporting
- Appendix 4: Declaration of compliance with formal requirements

The Parties rights and obligations under the Subgrant Agreement shall be governed by the provisions in the Specific T&C, including the present article 1.4. In this regard, the Parties agree, inter alia, that all provisions set out in part II and III of the Norad Agreement, cf. Appendix 1b and 1c, shall, mutatis mutandis, apply to the Subgrant Agreement in accordance with the back-to-back principle. Generally, when interpreting and applying the provisions in Appendix 1b and 1c in this regard, the following principles shall apply:

- "Norad" shall be read as Atlas
- "Grant Recipient" shall be read as the Subgrant Recipient
- "Agreement" shall be read as the Subgrant Agreement
- "Specific Conditions" shall be read as the Specific T&C
- "Project" shall be read as the Subproject

However, where it is clear from the context of the provisions in Appendix 1b and 1c that Norad shall have independent rights in relation to the Subgrant Recipient, Norad shall also have such rights vis-à-vis the Subgrant Recipient by virtue of the Subgrant Agreement. Examples of provisions mentioned in the latter sentence are found in Appendix 1b article 6.1 - 6.4, 9.2, 11.2, 15.6 and 22.1. Furthermore, in the event of discrepancies between the provisions in the Specific T&C and the provisions in Appendix 1b and 1c, the provisions in the Specific T&C shall prevail as far as the discrepancy reaches.

- 1.5 The Subgrant Recipient has an independent obligation to comply with the provisions of the Norad Agreement as well as to cooperate with Atlas to ensure that Atlas is able to fulfil Atlas' obligations according to the Norad Agreement, cf. article 11.1 in part II of the Norad Agreement, cf. Appendix 1b.
- 1.6 The Parties expect the Project, including the Subproject, to be implemented during the period from July 2019 to December 2022 (the Support Period).
- 1.7 The Subgrant Recipient is the country lead in South Sudan and Niger and a partner in Somalia.

## 2 OBJECTIVES OF THE PROJECT AND SUBPROJECT

- 2.1 The expected results of the Project, which includes the Subproject, are to contribute to the overall impact and selected outcomes of the Together for Inclusion project as follows, and as specified further in the Norad Agreement:

The Project's planned effect on society is

*Impact: The rights for persons with disabilities are fulfilled in Mozambique, Niger, Somalia, South Sudan and Uganda.*

The planned effects for the target group of the Project are

Outcome 1110: *Improved ability of people with disabilities to participate in local and national decision making*

Outcome 1120: *Increased capacity of DPOs to influence local and national decision making*

Outcome 1130: *Improved inclusivity of decision-making processes, policies and services*

Outcome 1210: *Increased participation of girls and boys with disabilities in pre-primary, primary and secondary education*

Outcome 1220: *Increased capacity of DPOs to improve inclusivity of the education system for children with disabilities*

Outcome 1230: *Improved inclusivity of the education system for children with disabilities*

Outcome 1310: *Improved ability of people with disabilities to earn money and manage resources* Outcome 1320: *Increased capacity of DPOs to improve economic opportunities for people with disabilities*

Outcome 1330: *Improved inclusivity of economic empowerment services, employers and programs*

The full results framework for the Project is included as Annex B to the Norad Agreement, cf. Appendix 1e.

- 2.2 The planned effects for the target group of the Subproject are stipulated in Appendix 2. The Subgrant Recipient, as part of the country group(s) to which the organisation belongs, shall submit a revised results framework for approval prior to the second disbursement of funds. The revised results framework shall include baseline data and targets that reflect the indicators' frequency of measurements, as well as final targets. All relevant data shall be disaggregated according to sex and under/above 18 years of age, and type of disability where relevant.

### **3 IMPLEMENTATION OF THE SUBPROJECT**

- 3.1 The Subproject shall be implemented by the Subgrant Recipient in accordance with the Subgrant Agreement, including the Application,<sup>1</sup> as well as any amendments to the Subgrant Agreement mutually approved in writing by the Parties.
- 3.2 During the implementation of the Subproject, the Subgrant Recipient shall exercise the necessary diligence, efficiency and transparency in line with sound financial management and best practise principles.
- 3.3 The Subgrant Recipient shall continuously identify, assess and mitigate any relevant risks associated with the implementation of the Subproject. The following topics shall always be included in the risk management of the Subproject:
- corruption and financial irregularities
  - climate and environment,
  - women's rights and gender equality, and

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<sup>1</sup> There is one amendment to the Niger country application. It is stated there that Plan is the program lead in Niger, but Norad and Atlas Alliance have agreed to move the lead responsibility to ADRA.

- human rights (with a particular focus on participation, accountability and non-discrimination)
- 3.4 The Subgrant Recipient shall immediately inform Atlas of any circumstances likely to hamper or delay the successful implementation of the Subproject.

#### **4 THE GRANT**

- 4.1 The Grant under the entire Support Period shall amount to maximum NOK 32,142,628 .
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the annual allocation to the relevant budget line may lead to a reduction in annual allocations and/or in the total Grant amount.
- 4.3 Atlas' annual distribution of the Grant will be according to Atlas' distribution plan and after Atlas' annual receipt of grant funds from Norad. The annual allocations must be confirmed by Norad following the Parliament's approval of the state budget for the relevant budget year. Disbursements will be based on the actual financial need of the Subproject in accordance with article 5 in the Specific T&C.
- 4.4 The Grant shall be used exclusively to finance the actual costs of the implementation of the Subproject during the Support Period.
- 4.5 The Grant may be used to cover overheads/indirect costs up to a maximum of 7 % of the NORAD share of the actual direct costs of the Subproject.
- 4.6 The Subgrant Recipient is responsible for obtaining any additional resources which may be required to duly implement the Subproject.
- 4.7 The Subgrant Recipient may apply for additional funding to the Subproject during the Support Period only upon written invitation from Atlas.

#### **5 DISBURSEMENT**

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Subproject for the upcoming period, which shall not exceed six months. The disbursements shall be made upon Atlas's receipt of written disbursement requests from the Subgrant Recipient, describing the financial need for the period in question. The first disbursement shall include approved Subproject expenses incurred prior to the signing of the Subgrant Agreement. The third disbursement shall be subject to Atlas's receipt and approval of an updated results framework, as per article 2.2 in the Specific T&C, and an updated Subproject budget reflecting that the cost of evaluation in line with the *Together for Inclusion Monitoring and Evaluation Plan*, more specifically the costs for baseline, mid-term review and end of project evaluation, now rests with Atlas and is therefore excluded from Subgrant Recipient's budget. The resulting budget reduction shall either be deducted from the total Grant or the Subgrant Recipient can request reallocation of funds in accordance with article 12.2 d) in Appendix 1b.
- 5.2 Financial need refers to the budgeted expenditure for the upcoming period, less any funds available to the Subproject from all other sources during the same period.

- 5.3 The financial need shall be documented through an updated financial statement for the Subproject and a reference to the latest approved implementation plan and budget.
- 5.4 The disbursement requests shall be signed by the chief financial officer of the Subgrant Recipient. A confirmation that the Subproject is being implemented in accordance with the Subgrant Agreement shall be included in the disbursement request.
- 5.5 All disbursements are conditional upon the Subgrant Recipient's continued compliance with the requirements of the Subgrant Agreement, including the timely fulfilment of reporting obligations. Atlas may withhold disbursements in accordance with article 17 in Appendix 1b if it finds that the requirements of the Subgrant Agreement have not been met. Except for the Subproject's first year, the first disbursement each year is subject to the Atlas's receipt and approval of the updated implementation plan and budget, while the second disbursement each year is subject to Atlas's receipt and approval of the latest progress report and financial report.
- 5.6 The Subgrant Recipient shall have a separate bank account exclusively for grants from Atlas. All disbursements will be made to the following bank account:

Name of the account:	ADRA Norge
Account no.:	3000.30.31264
IBAN no.:	NO31 3000 3031 264
Name and address of the bank:	Sparebanken SørPB 2004662 Kr.sand
Swift/BIC code:	SPSONO22XXX
Currency of the account:	NOK

## 6 REPORTING AND OTHER DOCUMENTATION

- 6.1 The following shall be submitted by the Subgrant Recipient to Atlas:
- a) A **progress report** covering the period from January to December, with the exception of the first progress report which shall extend from the Subproject's start-date until December 2020, shall be submitted to Atlas by 30<sup>th</sup> of April each year. The progress report shall include the content specified in article 2 in Appendix 1b as well as the following:
- reporting against Norad's standard indicators for this funding round.
  - a short description of how the Subproject interacts and coordinates with other relevant actors within the disability sector in the project countries, including, but not limited to the International Disability Alliance and DFID.
  - Quarterly monitoring reports, as outlined in the MERL System and Guidelines document.

The Civil Society Department's standard reporting format shall be used.

- b) A **financial report** covering the period from January 01 to December 31, shall be submitted to Atlas by 30-April each year. The financial report shall include the content specified in article 3 in Appendix 1b.
- c) An **audit report** covering the covering the period from January 01 to December 31, of the Subproject shall be submitted to Atlas by 30 -April each year. The first audit report shall extend from the Subproject's start date until December 31<sup>st</sup>, 2020. The audit report shall comply with the requirements set out in article 7 of the Specific T&C and article 5 in Appendix 1b. 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 Atlas by 1-Oct each year. The implementation plan and budget shall include the content listed in article 1 in Appendix 1b. The Civil Society Department's standard formats shall be used. Any deviations from the implementation plan must be reported and an updated budget covering the period from January to December shall be submitted to Atlas by 1-Oct each year. The implementation plan and budget shall include the content listed in article 1 in Appendix 1b. The Civil Society Department's standard formats shall be used."
- e) The **final country reports** for Niger and South Sudan for the Support Period shall be submitted to Atlas no later than four months after the end of the Support Period. The final report shall include the content listed in article 4 in Appendix 1b. The Civil Society Department's standard reporting format shall be used.
- 6.2 If the Subgrant Recipient is unable to meet the deadlines set out above, Atlas shall be informed in writing immediately.
- 6.3 All implementation plans, budgets and reports shall be approved in writing by Atlas unless otherwise agreed by the Parties.
- 6.4 In addition to submitting the reports listed above to Atlas, the Subgrant Recipient shall by 30 April each year make public a description of its efforts to combat financial irregularities in its operations and of any closed cases of financial irregularities that the Subgrant Recipient has been involved in during the previous year. The description may be publicised either by publication of a separate report or in the Subgrant Recipient's general annual report. The description shall also be available on the Subgrant Recipient's website until next year's description is made public. The information shall be made public in such a way that whistle-blowers are not exposed and that individuals associated with cases of financial irregularities are ensured the necessary protection. The Subgrant Recipient shall, when making the description public, send the website link to Atlas by e-mail to [program@atlas-alliansen.no](mailto:program@atlas-alliansen.no)
- 6.5 The Subgrant Recipient shall follow and use the annual reporting plan and templates for yearly financial reporting in Appendix 3.

## 7 AUDIT

- 7.1 The annual financial statements of the Subproject 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"). Additional requirements applicable to the auditor and the audit report are stipulated in article 5 in Appendix 1b.
- 7.2 The Subgrant Recipient is responsible for submitting the audit report to Atlas within the deadline indicated in article 6 of the Specific T&C.

## 8 MEETINGS BETWEEN ATLAS AND THE SUBGRANT RECIPIENT



- 8.1 The Parties shall hold meetings when found necessary by one of the Parties, in order to discuss i.a. the results achieved by the Subproject during the Support Period. The meetings shall be chaired by Atlas.
- 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 Atlas shall record main issues discussed, points of view expressed and decisions made, in minutes from the meeting. Atlas shall submit the minutes to the Subgrant Recipient 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 If the Subgrant Recipient or another interested party initiates a review or evaluation of activities that are wholly or partly funded by the Grant, Atlas shall be informed. The Subgrant Recipient shall forward a copy of the report of any such review or evaluation to Atlas without undue delay.

## **10 PROCUREMENT**

- 10.1 All procurement activities by the Subgrant Recipient in relation to the Subproject shall, pursuant to article 1.4 in the Specific T&C, be performed in accordance with Appendix 1c. If however chapter 13 of the Specific T&C includes provisions regarding the Subgrant Recipient's procurement activities, and the provisions in chapter 13 are in discrepancy with the provisions in Appendix 1c, the provisions in chapter 13 shall prevail as far as the discrepancy reaches.

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

- 11.1 Interest accrued on the Grant during the course of a year shall be repaid to Atlas by 15-Feb the following year. If the Subgrant Recipient receives several grants from Atlas, the interest on these grants should be repaid in one instalment. The instalment shall be documented by a copy of the annual bank statement for the account.
- 11.2 Upon the end of the Support Period or upon other forms of termination of the Subgrant Agreement, any unused funds shall in its entirety be repaid to Atlas as soon as possible and at the latest within 6 months. The repayment shall include any interest and other financial gain accrued on the Grant and not previously repaid.
- 11.3 Repayments shall be made to the following bank account:

Name of the account:	NORAD Bistand
Account no.:	8200.06.20412
IBAN no.:	NO09 8200 0620 412
Name and address of the bank:	DnBNOR Bank AS Postboks 1600 Sentrum 0021 Oslo Norway
Swift/BIC code:	DNBANOKKXXX

11.4 All transactions shall be clearly marked: "Unused funds" or "Interest". The name of the Subgrant Recipient shall be stated, along with Atlas's agreement number and agreement title.

## 12 NOTICES

12.1 All communication to Atlas concerning the Subgrant Agreement shall be directed to the following address/e-mail address: [program@atlas-alliansen.no](mailto:program@atlas-alliansen.no)

12.2 All communication to the Subgrant Recipient concerning the Subgrant Agreement shall be directed to the following address/e-mail address: [elidon.bardhi@adranorge.no](mailto:elidon.bardhi@adranorge.no) and [derek.glass@adranorge.no](mailto:derek.glass@adranorge.no).

12.3 Atlas's agreement number and agreement title shall be stated in all correspondence regarding the Subgrant Agreement, including disbursement requests and repayment of unused funds.

## 13 OTHER PROVISIONS

13.1 By entering into the Agreement, the Subgrant Recipient declares that it adheres to and complies with all requirements stipulated in Appendix 4. The requirements specified in Appendix 4 are not to be considered as an exhaustive list of all requirements applicable to the Subgrant Recipient.

## 14 SIGNATURES

14.1 By signing the Specific T&C, the Parties confirm both the receipt of Subgrant Agreement in its entirety and the acceptance of all its governing provisions, cf. article 1.4 of the Specific T&C.

14.2 The Subgrant 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: *Vik*

Date: *24/9/20*

Place: *Oslo 28/9-20*

Date:

*Birgit Philipson*

for the Subgrant Recipient

Birgit Philipson  
Secretary General

*M. Eriksen*

for The Atlas Alliance

Morten Eriksen  
Executive Director