

Template:	Non-Norwegian NGOs	Revision no.:	1
Specific Conditions (part I)	Grant Management Regime I	Date:	01.03.2016

## GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

SHIFT PROJECT LTD.

REGARDING

QZA-18/0420 VALUING RESPECT. HOW TO EVALUATE BUSINESS  
RESPECT FOR HUMAN RIGHTS

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PART I: SPECIFIC CONDITIONS

PART II: GENERAL CONDITIONS

PART III: PROCUREMENT PROVISIONS

ANNEX A: BUDGET

ANNEX B: RESULTS FRAMEWORK

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## PART I: SPECIFIC CONDITIONS

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

- (1) The Norwegian Ministry of Foreign Affairs (MFA), represented by Section for Business Relations and private Sector Development, and
- (2) Shift Project LTD, a 501(c)3 non-profit organization duly established in the United States as of July 19, 2011 under registration number 45-2779314 (the Grant Recipient),

jointly referred to as the Parties.

### 1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted an application to MFA dated 6 November 2018 (the Application) regarding financial support to the Valuing Respect Project titled: Valuing Respect. How to evaluate business respect for Human Rights, QZA-18/0420 (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A to this Agreement.
- 1.2 MFA has decided to award a grant to be used exclusively for the implementation of the Project (the Grant). The Parties expect the Project to be implemented during the period from July, 2018 to June, 2021 (the Support Period).
- 1.3 The Parties 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 planned effect(s) on society is that companies allocate increased resources to human rights risk mitigation and remediation efforts that have a high likelihood of leading to positive outcomes for people. (Impact).

The planned effects for the target group of the Project are: 1. major companies use more effective indicators and assessment tools to understand and improve the effectiveness of their efforts to mitigate and remediate human rights risks and impacts, and reflect these (indicators, evidence and approaches) in their public disclosure; and 2. a critical mass of companies' stakeholders actively apply indicators or other tools that reflect the project's outputs, to drive company actions that are likely to achieve positive outcomes for people (Outcomes).

The planned main products of the Project are the public articulation and dissemination of widely supported resources for improving how all actors evaluate companies' efforts to mitigate human rights risks and impacts. These resources might include: indicators, principles, other assessment tools and methods, case examples or guidance (Outputs).

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2.2 The full results framework is included as Annex B 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 identify, assess and mitigate any relevant risks associated with the implementation of the Project, including the risk of corruption and other financial irregularities, and any potential negative effects that the Project may have on the environment and climate, gender equality and human rights.

### **4 THE GRANT**

- 4.1 The Grant shall amount to maximum NOK 9,000,000 (Nine million and 00/100 Norwegian Kroner ).
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. 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 MFA 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 10% of MFA's pro rata share 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 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 MFA's receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question. The first disbursement shall include approved Project expenses incurred prior to the signing of this Agreement.
- 5.2 Financial need refers to the budgeted expenditure for the upcoming period, less any funds available to the Project from all other sources during the same period.



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- 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.
- 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. MFA 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 first disbursement each year is subject to MFA's receipt and approval of the progress report and financial report.
- 5.6 All disbursements will be made to the following bank account:
- Name of the account: [REDACTED]  
Account no.: [REDACTED]  
IBAN no.: [REDACTED]  
Name and address of the bank: [REDACTED]  
[REDACTED]  
Swift/BIC code: [REDACTED]  
Currency of the account: [REDACTED]
- 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 MFA:
- a) A **progress report** covering the period from July to December shall be submitted to MFA by 31 January each year. A second progress report for the period from January to June shall be submitted to MFA by 31 July each year. The progress reports shall include the content specified in article 2 of the General Conditions. MFA's standard reporting format shall be used.
  - b) A **financial report** covering the period from July to December shall be submitted to MFA by 31 January each year. A second financial report for the period from January to June shall be submitted to MFA by 31 July 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 f) of the Specific Conditions.
  - c) An **audit report** covering the annual financial statements of the Project shall be submitted to MFA by November 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.

The **annual report and audit report** of the Grant Recipient shall be submitted to MFA by November each year. If the auditor in addition submits a management letter (matters for

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governance attention) this shall be attached to the audit report.

- d) A **final report** for the Support Period shall be submitted to MFA no later than 4 months after the end of the Support Period. The final report shall include the content listed in article 4 of the General Conditions. MFA's standard reporting format shall be used.

6.2 If the Grant Recipient is unable to meet the deadlines set out above, MFA shall be informed immediately.

6.3 All implementation plans, budgets and reports shall be approved in writing by MFA unless otherwise agreed by the Parties.

## **7 AUDIT**

7.1 The annual financial statements of the Project shall be audited in accordance with the country's national auditing standards which are equivalent to International Standards of Auditing (ISA) 800 ("Special considerations audits of financial statements prepared in accordance with special purpose frameworks") or ISA 805 ("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 MFA within the deadline indicated in article 6 of the Specific Conditions.

## **8 FORMAL MEETINGS**

8.1 The Parties shall hold formal meetings once per year, tentatively in November each year 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 MFA no later than three weeks after the meeting for comments. The agreed minutes shall be signed by both Parties.

## **9 REVIEWS AND OTHER FOLLOW-UP MEASURES**

9.1 The Grant Recipient will commission an independent evaluation of the Valuing Respect project in the first half of 2021, and shall forward a copy of the report of the evaluation to MFA without undue delay.

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## 10 PROCUREMENT

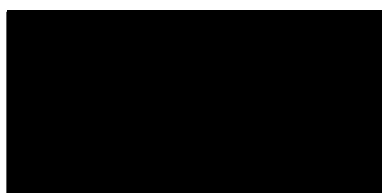
- 10.1 All procurement under the Project shall be completed in accordance with the Procurement Provisions in Part III of this Agreement.

## 11 REPAYMENT OF INTEREST AND UNUSED FUNDS

- 11.1 Upon the end of the Support Period or upon termination of this Agreement, any unused funds that total more than NOK 500 shall be repaid to MFA 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:

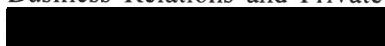
Name of the account:  
Account no.:  
IBAN no.:  
Name and address of the bank:  
Swift/BIC code:



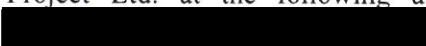
- 11.3 The transaction shall be clearly marked: "Unused funds". The name of the Grant Recipient shall be stated, along with MFA's agreement number and agreement title.

## 12 NOTICES

- 12.1 All communication to MFA concerning the Agreement shall be directed to the Section for Business Relations and Private Sector Development at the following address/e-mail address:



- 12.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Shift Project Ltd. at the following address/e-mail address:



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

## 13 SIGNATURES

- 13.1 By signing part I of the Agreement, the Parties confirm receipt and approval of part II; General Conditions, and part III; Procurement Provisions, which all form an integral part of the Agreement.

- 13.2 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.



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Place: Oslo

Date: 04.12.2018 03.12.2018

for the Norwegian Ministry of Foreign Affairs,

Line Aune

Deputy Director

Section for Business Relations and Private Sector  
Development

for Shift Project Ltd,

Caroline Rees

President

Shift Ltd. Project

Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework