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Specific Conditions (part I)	Grant Management Regime I	Date:	01.03.2016

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

Business Innovation Programs, BIP

REGARDING

SRB-17/0008, Rehabilitation and renovation of the museum in Gornji
Milanovac

Phase 3: Rehabilitation and renovation of the museum' exhibition in the
Norwegian house, Gornji Milanovac, Serbia

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 the Royal Norwegian Embassy in Belgrade (the Embassy) and
- (2) Business Innovation Programs, BIP, a Non-governmental organization duly established in [APR/BRS, Belgrade, Serbia] under registration number 17673947 jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted a project document to the Embassy dated May 25th, 2017 (the Application) regarding financial support to the project titled: Rehabilitation and renovation of the museum's exhibition in the Norwegian house in Gornji Milanovac, SRB-17/0008 (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A to this Agreement.
- 1.2 Embassy 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 10 July 2017 to 5 January 2019 (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/are:

The overall objective of the project is maintaining the joint Norwegian and Serbian historical memory about the second world war by modernizing the museum in Gornji Milanovac. The modernization includes the renovation of the facilities, as well as the modernization/digitalization of the historical archive about military war prisoners from Serbia (Yugoslavia) who were detained in camps in Norway between 1941 and 1945. The project contributes to a better understanding of historical events during WW2.

The planned effects for the target group of the Project are:

- Recognition and understanding of the general population who are potential visitors to the museum. In particular, the families of survivors and those who perished in the camps.
- Increased knowledge of youth aged 15-19, students of high schools in Serbia, who visit the museum as part of student excursions.

Hierarchy of change for the project relies on two outcomes:

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- O1: New historically accurate exhibition available to visitors at the Norwegian house in Gornji Milanovac is supposed to create material conditions for the Norwegian house to become sustainable and successful museum and a must-see tourist attraction of Gornji Milanovac and its surrounding.
- O2: Created conditions for sustainable and successful operations of the Norwegian house after project completion is supposed to establish the necessary base for successful business operations of the Norwegian house.
-

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 1 180 372 (Norwegian Kroner one million one hundred and eighty thousand three hundred and seventy two).
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations.
- 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 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 Embassy's receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question.
- 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 the chief financial officer/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.
- 5.6 The final disbursement will be made upon Embassy's receipt and approval of the final report/ financial report/audit report/an invoice covering expenditures incurred since the previous disbursement.
- 5.7 The Grant Recipient shall have a separate bank account exclusively for grants from MFA. All disbursements will be made to the following bank account:
- Name of the account: Udruženje građana "Business Innovation Programs"
Account no.: 265-100000053956-76
IBAN no.: RS35265100000005395676
Name and address of the bank: Raiffeisen Bank a.d. Beograd, Djordja Stanojevic 16,
11070 Belgrade
Swift/BIC code: RZBSRSBG
Currency of the account: EUR
- 5.8 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 the Embassy:
- a) A progress report covering the period from 5 July 2017 to 31 December 2017 shall be submitted to the Embassy by 15 Jan 2018. The progress report 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 5 July 2017 to 31 December 2017 shall be submitted to the Embassy by 1 Jan 2018. 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 the Embassy by 1 March 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.

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d) A **final report** for the Support Period shall be submitted to the Embassy no later than 3 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, the Embassy shall be informed immediately.

6.3 All implementation plans, budgets and reports shall be approved in writing by the Embassy 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) 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 Dec 2017 and Jun 2018. The Parties may agree to hold formal meetings if/when required 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. In the event that such reports have not been received at least 2 weeks before the meeting, the Parties shall agree upon a new date to hold the meeting.

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 the Embassy no later than two weeks after the meeting for comments. The agreed minutes shall be signed by both Parties.

8.4 The Parties shall hold formal meetings if/when requested by the Embassy. Details regarding agenda and procedures will be agreed upon by the Parties.

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

9.1 A mid-term review focusing on progress to date shall be carried out by June 2018. The Grant Recipient shall draft the terms of reference for the review and submit them to the other Party for

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approval. The costs of the review shall be included in the Project budget/covered by the Embassy over and above the Grant.

- 9.2 An end-term review focusing on results achieved by the Project shall be carried out by Feb 2019. 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/covered by the Embassy over and above the Grant.
- 9.3 If the Grant Recipient or another interested party initiates a review or evaluation of activities wholly or partly funded by the Grant, the Embassy shall be informed. The Grant Recipient shall forward a copy of the report of any such review or evaluation to the Embassy 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.
- 10.2 If the total value of a contract exceeds NOK 10.000 the call for tenders/the shortlist of suppliers/the award criteria and their weighting/the procurement record and the signed contract shall be submitted to MFA for information.
- 10.3 Along with the documentation mentioned above, the Grant Recipient shall confirm in writing that the requirements agreed on in this article 10 have been fulfilled.

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: Royal Norwegian Embassy in Belgrade
Account no.: 265100000005483946
IBAN no.: RS35265100000000198319
Name and address of the bank: Raiffeisen Bank ad Beograd
Swift/BIC code: RZBSRSBG
- 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 Royal Norwegian Embassy, Milentija Popovica 5a, Belgrade at the following address/e-mail address: projects.belgrade@mfa.no.

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12.2 All communication to the Grant Recipient concerning the Agreement shall be directed to BIP, Knežinje Zorke 11a, 11000 Belgrade, Serbia at the following address/e-mail address: bd@bips.no.

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.

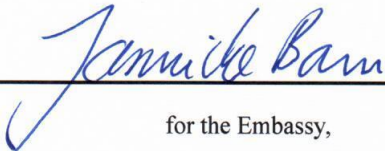
13 SIGNATURES

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.

Place: Belgrade, Serbia

Date: 11 July 2017

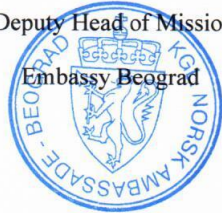


for the Embassy,

Jannicke Bain

Deputy Head of Mission

Embassy Beograd





for BIP,

Bratislav Dobrić

Legal Representative

Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework