

Agreement Template:	Non-governmental organisations NGOs	Revision no:	5
Grant Agreement	Grant Management Regime III	Date:	February 2023

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

ASOCIACION PRO FUNDACION PARA LAS CCSS

REGARDING

CUB-23/0002: ECONOMIC POLICY ADVICE FOR PRIVATE SECTOR
DEVELOPMENT IN CUBA

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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 Havana (the Embassy), and
- (2) Asociacion Pro Fundacion para las CCSS (APFCS), a foundation duly established in Uruguay under registration number 214761300018 (the Grant Recipient),

jointly referred to as the Parties.

1 BACKGROUND

- 1.1 The Grant Recipient has submitted an application to MFA dated 1.11.2023 (the Application) regarding financial support to the project: Economic policy advice for private sector development in Cuba (the Activity).
- 1.2 MFA has decided to award a grant to be used exclusively for the implementation of the Activity (the Grant). The Parties expect the Activity to be implemented during the period from 01.12.2023 to 01.06.2024 (the Support Period).

2 THE ACTIVITY

- 2.1 The planned main product/s and/or service/s of the Activity (Outputs) is: to provide policy advice to Cuban economists and government organizations on economic reforms for development. We will provide Cuban economists with guidance, technical advice, and policy experiences from economics and Uruguay and other Latin American countries to achieve economic change and development.
- 2.2 The expected effect/s for the target group of the Activity (Outcome) are:
 - train economists and SME owners in SME best practices
 - train government agencies in SME regulation for development
 - advise Central Bank of Cuba on inflation policies.
 - .advise the Ministry of Economics and Planning on policy measures
- 2.3 The Activity shall be implemented in accordance with the Agreement and the approved Application, including the budget attached as Annex A to this Agreement.
- 2.4 The Grant Recipient shall acknowledge MFA's support to the Activity in all publications and other materials issued in relation to the Activity. MFA's logotype will be provided by MFA upon request. All use of MFA's logotype must be approved by MFA.

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3 THE GRANT

- 3.1 The Grant shall amount to a maximum of 500 000 NOK (Norwegian Kroner five hundred thousand)). Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. The Grant is given as a fixed amount based on the Grant Recipient's budget.
- 3.2 The Grant shall be used exclusively to finance the actual costs of the implementation of the Activity during the Support Period. The Grant may not be used to cover indirect cost.
- 3.3 The Grant Recipient is responsible for obtaining any additional resources which may be required to duly implement the Activity.

4 DISBURSEMENT

- 4.1 The full Grant will be disbursed upon signing of the Agreement.
- 4.2 All disbursements will be made to the following bank account:

Name of the account: **Asociacion Pro Fundacion para las CCSS**
Account no.: **00156029100005**
IBAN no.:
Name and address of the bank: **Banco República. Address: 18 De Julio 1670, Montevideo Uruguay**
Swift/BIC code: **BROUUYMM**
Currency of the account: **USD**

- 4.3 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.

5 REPORTING AND OTHER FOLLOW-UP MEASURES

- 5.1 The following shall be submitted by the Grant Recipient to MFA:
- a) A **financial report** for the Activity shall be submitted by 01.10.2024. The financial reports must be structured in the same way as the latest approved budget to enable direct comparison between the budgeted and actual amounts. Along with the financial report, the Grant Recipient shall submit supporting documentation of the expenses incurred.
 - b) A **final report** for the Activity shall be submitted to MFA by 01.10.2024. The final report shall give a summary of the Activity and the results achieved. The information contained in the final report shall be comparable to the information in the Application. Copies of any publications or other printed material produced in connection with the Activity shall be attached to the report.>
 - c) An **audit report** covering the financial statement of the Activity shall be submitted within 01.10.2024. The audit shall be carried out in accordance with International Standards of Auditing (ISA) or equivalent, by an independent chartered/certified or state-authorised public accountant (auditor). If the auditor submits a management letter (matters for governance attention) this shall be attached to the audit report and the Grant Recipient shall prepare a response to be submitted to MFA together with the management letter. The costs of the audit shall be included in the Activity's budget.

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- 5.2 All reports shall be approved in writing by MFA unless otherwise agreed by the Parties. MFA may require that the Grant Recipient provides additional information or documentation.
- 5.3 Representatives of MFA and the Norwegian Auditor General may at all times carry out independent reviews, audits, field visits or evaluations or other control measures to verify that the Grant is being used in accordance with the Agreement. This shall include a right to visit any premises and examine any records, goods and documents requested.

6 PROCUREMENT

- 6.1 If the implementation of the Activity requires procurement of services or goods by the Grant Recipient, the contract must be awarded to the most economically advantageous tender (the tender offering the best price-quality ratio), as evaluated against the award criteria listed in the tender documents. The Grant Recipient shall keep sufficient and appropriate records and documentation with regard to the procedure, its evaluation and award.
- 6.2 Contracts must be awarded in accordance with procurement rules and procedures:
- ensuring sufficient transparency, fair competition and adequate ex-ante publicity;
 - ensuring equal treatment, proportionality and non-discrimination;
 - avoiding conflicts of interest throughout the entire procurement procedure.>
- 6.3 All procurement with a value of more than NOK 100 000 under the Activity shall be completed in accordance with the Procurement Provisions enclosed as an annex to this Agreement.

7 SEXUAL EXPLOITATION, SEXUAL ABUSE AND SEXUAL HARASSMENT

- 7.1 MFA has zero tolerance for inaction against sexual exploitation, abuse and harassment (SEAH). The Grant Recipient shall have a victim/survivor-centred approach to SEAH issues and take all reasonable steps to prevent, detect and respond to SEAH within and related to the Activity. This obligation applies to all staff members, consultants and other non-staff personnel, cooperating partners, and any third parties involved in activities funded by the Grant.
- 7.2 The following definitions apply:
- Sexual exploitation: Any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.
 - Sexual abuse: The actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.
 - Sexual harassment: Any form of unwanted sexual attention that has the purpose or effect of being offensive, frightening, hostile, degrading, humiliating or troublesome.
- 7.3 The Grant Recipient shall:
- Have ethical guidelines that include policies on prevention and response to SEAH,
 - organise its operations and internal control systems in a way that SEAH is prevented, detected, and responded to,
 - take swift action on suspicions or complaints of SEAH.

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- 7.4 The Grant Recipient shall inform MFA immediately of any indications of SEAH credible enough to warrant an investigation in or related to the Activity as well as indications of SEAH not directly linked to the Activity but of significant impact on the partnership with MFA.
- 7.5 The Grant Recipient shall provide MFA with a report of the relevant facts and an assessment of how the matter will be followed up, including whether the organisation will improve internal systems to prevent, detect and respond to SEAH, and whether criminal prosecution or other sanctions are considered appropriate, considering the rights, needs and wishes of the survivor/victim. The reporting will be made without compromising the safety, security, privacy, and due process rights of any concerned person. The report will be handled by MFA in accordance with MFA's guidelines for handling notifications of sexual abuse, sexual exploitation, and sexual harassment by grant recipients.
- 7.6 Upon request from MFA, the Grant Recipient shall grant MFA access to all relevant information and documentation related to the Grant Recipients adherence with this article.

8 FINANCIAL IRREGULARITIES

- 8.1 The Grant Recipient is required to practise zero tolerance against corruption and other financial irregularities within and related to the Activity. The zero-tolerance policy applies to all staff members, consultants and other non-staff personnel and to cooperating partners and where relevant beneficiaries of the Grant.
- 8.2 "Financial irregularities" refers to all kinds of:
- a) corruption, including bribery, nepotism and illegal gratuities;
 - b) misappropriation of cash, inventory and all other kinds of assets;
 - c) financial and non-financial fraudulent statements;
 - d) all other use of the Grant not in accordance with the Agreement.
- 8.3 In order to fulfil the zero-tolerance requirement, the Grant Recipient shall:
- a) Organise its operations and internal control systems in a way that financial irregularities are prevented and detected;
 - b) do its utmost to prevent and handle financial irregularities within and related to the Activity;
 - c) require that all staff involved in, and any consultants, suppliers and contractors financed under the Activity refrain from financial irregularities.
- 8.4 The Grant Recipient shall inform MFA immediately of any indication of financial irregularities in or related to the Activity. The Grant Recipient shall provide MFA with an account of all the known facts and an assessment of how the matter should be followed up, including whether criminal prosecution or other sanctions are considered appropriate.
- 8.5 The matter will be handled by MFA in accordance with MFA's guidelines for handling suspicion of financial irregularities. The Grant Recipient shall cooperate fully with MFA's investigation and follow-up. If requested by MFA, the Grant Recipient shall, provided there is sufficient basis for taking legal steps, report the suspicions to the police, commence civil proceedings for recovery of damages or apply other appropriate sanctions against persons or entities suspected of financial irregularities. However, in cases where the Grant Recipient is concerned that due process of law may be unavailable, the matter shall instead be included in

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the account and assessment referred to in clause 8.4 for discussion of a mutually acceptable course of action.

9 BREACH OF AGREEMENT AND DISPUTES

- 9.1 If the Grant Recipient fails to fulfil its obligations under this Agreement and/or if there is suspicion of financial irregularities, MFA may suspend disbursement of all or part of the Grant.
- 9.2 In the event of material breach of the Agreement, including if the Grant has not been used in accordance with the Agreement, if financial irregularities have taken place in or related to the Activity or the use of funds has not been satisfactorily accounted for, MFA may terminate the Agreement with immediate effect, and/or claim repayment of all or parts of the Grant. A repayment claim may also include interest and any other financial gain obtained by the Grant Recipient as a result of the financial irregularity.
- 9.3 The Agreement shall be governed and construed in accordance with Norwegian law. If any dispute arises relating to the implementation or interpretation of this Agreement, the Parties shall seek to reach an amicable solution. Any dispute arising out of or in connection with this Agreement that cannot be solved amicably, shall exclusively be settled before the Norwegian courts of law with Oslo District Court as legal venue.

10 REPAYMENT OF UNUSED FUNDS

- 10.1 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 MFA 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.
- 10.2 Repayments shall be made to the following bank account:
- Name of the account: Royal Norwegian Embassy in Havana
Account no.: 7694.05.13797
IBAN no.: NO6076940513797
Name and address of the bank: DNB, Postboks 1600 Sentrum, NO-0021 Oslo, Norway
Swift/BIC code: DNBANOKK
- 10.3 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.

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11 NOTICES

- 11.1 All communication to MFA concerning the Agreement shall be directed to the Embassy at the following address/e-mail address: emb.havana@mfa.no
- 11.2 All communication to the Grant Recipient concerning the Agreement shall be directed to APFCS and Mr. Leandro Zipitria at the following address/e-mail address: leandro.zipitria@cienciassociales.edu.uy // apfcs@cienciassociales.edu.uy
- 11.3 MFA's agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

12 ENTRY INTO FORCE, DURATION AND SIGNATURES

- 12.1 The Agreement shall enter into force at the time it is signed by the latter of the Parties and shall remain in force until both Parties have fulfilled all obligations arising from it or until it is terminated in accordance with the provisions of this Agreement.
- 12.2 MFA may, at its sole discretion, make the Agreement and Activity reports available to the public in order to promote transparency.
- 12.3 Each of the Parties may terminate the Agreement upon a written notice. The Support Period shall end two months after the date of the notice of termination. During this period, the Grant Recipient may only use the Grant to cover commitments that have been established before the date of the notice of termination. The reporting obligations specified in Article 4 shall remain in force until fulfilled by the Grant Recipient.
- 12.4 This Agreement in the English language has been signed by both Parties. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

Place: Havana

Date: 28/11-2023

for the Norwegian Ministry of Foreign Affairs,

Erlend Skutlaberg

Chargé d'affaires

Royal Norwegian Embassy in Havana

for APFCS,

Rosario Domingo

Presidente

Carmen Midaglia

Secretary

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Asociación Pro-fundación Para las Ciencias Sociales

Attachments:

Annex A: Approved budget for the Activity
Annex B: Procurement Provisions

This is a suggested template for results framework for projects/programmes to be supported by the Norwegian Ministry of Foreign Affairs. The approved results framework will be included as a part of the agreement between the MFA and grant recipient. It is therefore important that the results framework is consistent and realistic.

RESULTS FRAMEWORK: Economic policy advise for private sector development in Cuba.

LEVEL	EXPECTED RESULT	INDICATORS	Indicator data		Data source of verification	Comments
			BASELINE Y0	FINAL TARGET Y1		
IMPACT						
OUTCOME 1	SME development					
OUTPUT 1.1	Train economist and SME owners in SME best practices	<ul style="list-style-type: none"> Up to two seminars in Havana Up to 30 SME owners trained 		<ul style="list-style-type: none"> Up to two seminars in Havana Up to 30 SME owners trained 	Number of seminars and participants.	
OUTPUT 1.2	Train government agencies in SME regulations for development	<ul style="list-style-type: none"> One consultancy on best practice for SME development 		<ul style="list-style-type: none"> One consultancy on best practice for SME development 	Written documents, or meetings with officials.	
OUTCOME 2	Policy advise					
OUTPUT 2.1	Advise Central Bank of Cuba on inflation policies	<ul style="list-style-type: none"> One on-site policy advise on inflation measures 		<ul style="list-style-type: none"> One on-site policy advise on inflation measures 	Meeting with officials, writing note on results of visits.	
OUTPUT 2.2	Advise the Ministry of Economics and Planning of Cuba on policy measures	<ul style="list-style-type: none"> Up to two policy advises on topics such as tax reform, macroeconomic 		<ul style="list-style-type: none"> Up to two policy advises on topics such as tax reform, macroeconomic 	Written documents, or meetings with officials.	

This is a suggested template for results framework for projects/programmes to be supported by the Norwegian Ministry of Foreign Affairs. The approved results framework will be included as a part of the agreement between the MFA and grant recipient. It is therefore important that the results framework is consistent and realistic.

		policy modeling, or exchange rate market.		policy modeling, or exchange rate market.		
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Per Ad Lund

