

Contract Number: SB RG 05/2022

GRANT AGREEMENT

BETWEEN

Centar za promociju civilnog drustva

AND

Институт за стратешки истражувања и едукација/ Institute for
Strategic Research and Education

REGARDING

Corruption Free Universities in Albania, North Macedonia and
Serbia

FUNDED BY THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS



PART I: SPECIFIC CONDITIONS

PART II: GENERAL CONDITIONS

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PART I: SPECIFIC CONDITIONS

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

- (1) Centar za promociju civilnog drustva, a national non-governmental, non-partisan organization established in 1996 in Sarajevo, Bosnia and Herzegovina (BiH) under registration number R-I-128/96, ID Number 4200535000003, Marka Marulića 2, 71000 Sarajevo, Bosna i Hercegovina (hereinafter referred to as CPCD), and
- (2) Институт за стратешки истражувања и едукација/ Institute for Strategic Research and Education (ISIEISIE) established in 2004. in Skopje, North Macedonia under registration number 5860261, ID or VAT number 4030004510454 (hereinafter referred to as the Cooperating partner),

jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Cooperating partner has submitted a project proposal to SMART Balkans project (hereinafter referred to as the Project) under the Call for proposals Reference Number SB RG 01/22 regarding financial support to the project titled Corruption Free Universities in Albania, North Macedonia and Serbia in partnership with Institute for Development Research & Alternatives, Center for Free Elections and Democracy – CeSID Serbia, , agreement number SB RG 05/2022. (hereinafter referred to as the ‘Project’)

The estimated costs of the Project for the Cooperating partner are indicated in the budget attached as Annex A to this Agreement.

- 1.2 This grant is to be used exclusively for the implementation of the Project. The Parties expect the Project to be implemented during the period from 01.01.2023. to 31.08.2024. (the Support Period).
- 1.3 The Parties have agreed to enter into an Agreement, consisting of:
 - a. this part I; Specific Conditions,
 - b. part II; General Conditions,
 - c. part III; Procurement Provisions

Annex 1 – Approved budget for the Project

Annex 2 – Project proposal, final

Annex 3 – Results framework

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/are (Impact):

- 2.1.1 To promote rule of law, provide effective administration of justice and prevent corruption among students and university employees in the higher education of Albania, North Macedonia and Serbia.

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

- 2.2.1 To raise awareness of all stakeholders in HE system for effective implementation of corruption prevention mechanisms.
- 2.2.2 To strengthen the capacities of university administration and management as well as the capacities of students, student bodies and organizations to implement the existing legislation for corruption prevention and to develop new instruments to address the emerging challenges and to promote the establishment of enabling environment for reporting corruption through better informed stakeholders and the general public.

2.3 The planned main products and/or services of the Project are (Outputs):

- 2.3.1 Strengthened regional cooperation between the partners from the targeted countries and with relevant national authorities competent for corruption prevention in higher education.
- 2.3.2 Improved capacities for corruption prevention at universities.
- 2.3.3 Demonstrated a more active role of civil society in corruption prevention at national and regional level and better informed stakeholders and the general public regarding the issues at hand.

2.4 The intended target groups are:

- 2.4.1 Activists, nonformal groups, student organizations' representatives, public university administration and management, civil society representatives and other competent stakeholders.

2.5 The full results framework is included as Annex 3 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 Cooperating partner shall exercise the necessary diligence, efficiency and transparency in line with sound financial management and best practise principles.

3.3 The Cooperating partner 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)

3.4 The Cooperating partner shall immediately inform CPCD of any circumstances likely to hamper or delay the successful implementation of the Project.

4 THE GRANT

4.1 The Grant shall amount to maximum **NOK 1,435,783.52** (one million four hundred thirty-five thousand seven hundred eighty-three and fifty-two hundredths NOK).

- 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 may be used to cover overheads/indirect costs up to a maximum of **1.00%** of CPCD's funding of the incurred direct project costs.
- 4.5 The Cooperating partner 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 instalments which are based on the financial need of the Project for the upcoming period, which shall not exceed six months. The disbursements shall be made upon CPCD's receipt of written disbursement requests and financial need projection from the Cooperating partner, describing the financial need for the period in question.

First instalment in amount of 20% of the contract value	287,156.70 NOK
Second instalment in amount of 20% of the contract value	287,156.70 NOK
Third instalment in amount of 30% of the contract value	430,735.06 NOK
Fourth instalment in amount of 20% of the contract value	287,156.70 NOK
The last instalment is maximum 10% of the contract value or the remaining balance as per the approval of the final financial report.	143,578.35 NOK

First pre-financing instalment shall be transferred upon contract signature. Transfer of subsequent instalments is subject to approval of financial report and spending of at least 80% of the previous instalment.

- 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 report for the Project and a reference to the latest approved implementation plan and budget. Financial report will be submitted online via reporting section at the GMP.
- 5.4 The disbursement request shall be signed by an authorised representative of the Cooperating partner. 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 Cooperating partner's continued compliance with the requirements of the Agreement, including the timely fulfilment of reporting obligations. CPCD 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 CPCD's receipt and approval of the progress report and financial report.
- 5.6 The Cooperating partner shall have a separate bank account exclusively for this grant. All disbursements will be made to the following bank account:

Name of the account:	Институт за стратешки истражувања и едукација/ Institute for Strategic Research and Education
Account no.:	0270100352580
(Please insert obligatory statement as per Article 5.6.1)	SEPARATE BANK ACCOUNT

Name and address of the bank:	Komercijalna banka AD Skopje
IBAN no.:	MK07300701003525820
Swift/BIC code:	KOBSMK2X
Currency of the account:	EUR

5.6.1 In the event of legal limitations for opening a separate bank account, Cooperating partner may use existing organisation bank account, but all project related transactions must be clearly identifiable and have to contain project reference. In the above table Cooperating partner must clearly state 'SEPARATE BANK ACCOUNT' or 'EXISTING ORGANISATION BANK ACCOUNT' depending on the legal provisions.

5.6.2 Legal limitations from the article 5.6.1 must be proved and documented prior to contract signature, otherwise, CPCD is not obliged to proceed with disbursements as per article 5.1.

5.7 The Cooperating partner shall immediately acknowledge receipt of the funds in writing. The amount received shall be stated, as well as the date of receipt.

6 REPORTING AND OTHER DOCUMENTATION

6.1 The following shall be submitted by the Cooperating partner to CPCD:

- a) A **progress report** shall be submitted semi-annually covering the six-month periods starting from the first day of the project for the duration of the project Support Period. Progress report shall be submitted to CPCD by the 15th of the following month for the previous six-month period. The progress report shall include the content specified in article 2 of the General Conditions.
- b) **Quarterly financial report** shall be submitted to CPCD by the 15th of the following month for the previous quarter. The financial report shall include the content specified in article 3 of the General Conditions. Financial report will be submitted online via reporting section at the GMP. Quarterly financial report must be substantiated fully with the supporting documentation.
- c) An updated **implementation plan and budget** covering the period of six months starting from the commencement date of the Support Period shall be submitted to CPCD by the 15th day of the following month for the previous six-month period. The implementation plan and budget shall include the content listed in article 1 of the General Conditions.
- d) A **final financial and narrative report** for the Support Period shall be submitted to CPCD / CPCD no later than one month after the end of the Support Period. The final report shall include the content listed in article 4 of the General Conditions.

6.2 **Financial reports** will be made in the currency of the budget NOK / EUR. Conversion into the currency set in the Specific Conditions and EUR shall be made using the rate of exchange at which the disbursement was recorded in the Cooperating partner's accounts, unless otherwise provided for in the Specific Conditions. Costs incurred in other currencies than the one used in the Cooperating partner's accounts shall be converted using the exchange rate according to its usual accounting practices if so provided for in the Specific Conditions.

6.3 Cooperating partner is obliged to use the same exchange rate principle as the CPCD. Exchange rate principle to be used is FIFO (First In First Out). The FIFO principle assumes that the exchange rate applied for the oldest instalment received is used first. Exchange rate is used for converting expenditure made in local currency. Exchange rate calculation must be clearly presented and documented.

- 6.4 If the Cooperating partner is unable to meet the deadlines set out above, CPCD shall be informed immediately.
- 6.5 All implementation plans, budgets and reports shall be approved via Grants Management Platform (GMP) by CPCD unless otherwise agreed by the Parties.
- 6.6 Reporting language is **English**.

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 CPCD is responsible for organisation of audit process. CPCD will communicate the audit process with the Cooperating partner including audit ToR.
- 7.3 The Cooperating partner is responsible to maintain financial records in accordance with current Financial Laws and regulations of the country of its registration and rules of sound financial management as specified in article 7 of the General Conditions.
- 7.4 The Cooperating partner is responsible for submitting all relevant documentation requested by the Auditor.

8 MONITORING

- 8.1 The Parties shall hold formal and informal meetings in order to discuss i.a. the results achieved by the Project during the Support Period.
- 8.2 CPCD shall perform onsite visits, surveys and other monitoring tools during the Support Period.
- 8.3 Cooperating partner will proactively participate in various activities regarding the Project monitoring and evaluation.

9 REVIEWS AND OTHER FOLLOW-UP MEASURES

- 9.1 If the Cooperating partner or another interested party initiates a review or evaluation of activities wholly or partly funded by the Project, CPCD shall be informed. The Grant Recipient shall forward a copy of the report of any such review or evaluation to CPCD 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 Implementation of internal procedures is expected if they are stricter and more detailed than those defined in 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 shall in its entirety be repaid to CPCD as soon as possible and at the latest within 3 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:	Centar za promociju civilnog drustva
Address:	Marka Marulića 2, 71000 Sarajevo, BiH
Name and address of the bank:	Raiffeisen BANK d.d. Bosna i Hercegovina
IBAN no.:	BA391611000000201527
Swift code:	RZBABA2S

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

12 SPECIAL PROVISIONS

- 12.1 CPCD is responsible for the compliance of the Cooperating partner with NMFA requirements, including ensuring that the parties implement any required improvements relating to findings from reviews or audit procedures.

- 12.2 The Cooperating partner is fully responsible for the implementation of the allocated budget. The sole responsibility for the implementation and administration of the Project lies with the Cooperating partner.

- 12.3 Sub-granting is not allowed.

- 12.4 The obligation in Article 5.6 to have a separate bank account exclusively for grants from MFA, applies to all Cooperating partners, unless proved and documented as per Articles 5.6.1 and 5.6.2.

- 12.5 Apart from provisions set out in General conditions, grave breach of contract is considered to be:

- Misuse of project funds
- Damage to the:
 - Project's reputation by the Cooperating partner
 - CPCD's reputation by the Cooperating partner
- Illegal conduct in Cooperating partner's business
- Conflict of interest

In the event of the grave breach of contract and Specific Conditions, CPCD reserves the right to immediately terminate the contract with the Cooperating partner and/or claim of all or the parts of the Grant.

Any misuse of funds will be the sole responsibility of Cooperating partner. The Cooperating partner is obliged to resolve the issue(s) including covering losses due to fraudulent activities.

- a) CPCD, MFA and the Norwegian Auditor General shall have the same access to undertake the control measures related to the cooperating partner's use of the Grant as described in article 6 of the General Conditions,
- b) CPCD shall be entitled to claim repayment of the Grant from the cooperating partner in the same instances and to the same extent that MFA is entitled to claim repayment from the CPCD, and the cooperating partner shall accept that MFA has the right to claim repayment directly from the cooperating partner to the same extent as the CPCD,
- c) The Cooperating partner shall accept the choice of law and settlement of disputes provisions in article 24 of the General Conditions in relation to any disputes arising between the cooperating partner and CPCD and MFA.

The parties are obliged to:

- a) Respect the privacy protection principles of all natural and legal persons participating in the implementation of the Project
- b) Work on strengthening of anti-bribery and anti-corruption measures and systems
- c) Human rights protection
- d) Ensure gender equality and harassment prevention
- e) Comply with environment protection measures

13 NOTICES

- 13.1 All communication to CPCD concerning the Agreement shall be directed to CPCD Grants manager at the following e-mail address: grants1@smartbalkansproject.org
- 13.2 All communication to the Cooperating partner concerning the Agreement shall be directed to the Cooperating partner's authorised person of the Cooperating partner at the following address/e-mail address: m.dokmanovic@isie.org.mk
- 13.3 CPCD Project manager and Grants manager must be included in the e-mail correspondence in the case(s) (but not limited to) of any situation that crisis communication occurs, in situation of complains by the Cooperating partner, contract termination regardless of who the Cooperating partner signed the contract with.
- 13.4 CPCD'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 and all Annexes, which all form an integral part of the Agreement.
- 14.2 This Agreement is done in the English language in three originals, two originals being for the CPCD, and one original being for the Cooperating partner. This Agreement 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: Sarajevo

Date: 29.12.2022.



for Centar za promociju civilnog društva

Aida Daguda
Directress



Place: Skopje

Date: 29.12.2022.



for Институт за стратешки истражувања и
едукација/ Institute for Strategic Research and
Education

Mišo Dokmanović
President of the Executive Board

