

GRANT AGREEMENT
BETWEEN
THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION
AND
INTERNATIONAL CENTER FOR HYDROPOWER
REGARDING
GLO-3915 QZA-15/1501 ICH TECHNICAL COOPERATION 2016-2020

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PART I: SPECIFIC CONDITIONS

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

- (1) The Norwegian Agency for Development Cooperation (Norad), Section for Renewable Energy, and
 - (2) International Centre for Hydropower, an association duly established in Norway under registration number 994 637 614 (the Grant Recipient),
- jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted a programme document to Norad dated 29 August 2016 (the Application) regarding financial support to the programme titled ICH Technical Cooperation 2016-2020, GLO-3915 QZA-15/1501 (the Programme). The estimated costs of the Programme are indicated in the budget attached as Annex A to this Agreement.
- 1.2 The Programme is a continuation of the programme “GLO-3915 QZA-10/1055 ICH - Technical Cooperation 2011-2015”.
- 1.3 Norad has decided to award a grant to be used exclusively for the implementation of the Programme (the Grant). The Parties expect the Programme to be implemented during the period from 1st January, 2016 to 31st December, 2020 (the Support Period).
- 1.4 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 PROGRAMME

- 2.1 The expected results of the Programme are as follows:

The Programme’s planned overall effect on society (Impact) is

- Sustainable hydropower development in ICH areas of involvement in developing countries

The planned effects for the target group of the Programme (Intermediate Outcomes) are structured according to the three main areas of training, altogether eight goals:

Operation and Maintenance (A)

- A1. Hydropower professionals gain and apply knowledge of international standards and knowhow of Health, Safety and Environment (HSE) and increase awareness in their organizations.
- A2. Participants gain and apply knowledge and technical knowhow on the processes and needs to enhance optimal maintenance of hydropower plants.

A3. Participants gain and apply knowledge and technical knowhow of the processes and approaches necessary for optimal operation of hydropower plants.

Environmental and Social issues (B)

B1. Hydropower professionals gain and apply knowledge of international standards and practice to address environmental and social (E&S) impacts and challenges in an acceptable standard.

B2. Participants gain and apply knowledge of communication, mitigation and evaluation (M&E), and safeguards needs and handling in hydropower projects.

Legal and Financial Management (C)

C1. Hydropower professionals apply the gained understanding of the legal landscape in the hydropower sector in the regions in which they operate.

C2. Participants of the hydropower sector learn how and value of establishing a sustainable and constructive organisational culture in their working environments/organizations and apply this learnt knowledge.

C3. Participants of the hydropower sector gain an understanding of financial principles necessary to attract investment and operate sustainably and apply this in practice.

The main services provided by the Programme (Outputs) are, for all outcome categories (A,B,C):

- Each year, ninety percent of a total 500 participants successfully completed 26 courses/activities across the regions covered by ICH courses/activities (Asia, Africa, Latin-America and Norway). Of these 25% are women.

The results will be monitored through a set of defined indicators. The results monitoring will be done by a combination of case studies and monitoring of each participant and their respective institutions.

The case studies shall be defined by the end of the first quarter (Q1) of 2017. The methodology for results monitoring and the base line shall be defined by the end of the second quarter (Q2) of 2017.

2.2 The full results framework is included as Annex B to this Agreement.

3 IMPLEMENTATION OF THE PROGRAMME

3.1 The Programme 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 Programme, 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 Programme, including the risk of corruption and other financial irregularities, and any potential negative effects that the Programme may have on the environment and climate, gender equality and human rights.

4 THE GRANT

4.1 The Grant shall amount to xxxxxxxxxxxxxxxxxxxxxxxxx.

- 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 Norad 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 shall be used exclusively to finance the actual costs of the implementation of the Programme during the Support Period.
- 4.4 The Grant Recipient is responsible for obtaining any additional resources which may be required to duly implement the Programme.

5 DISBURSEMENT

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Programme for the upcoming period, which shall not exceed six months. The disbursements shall be made upon Norad'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 Programme 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 Programme from all other sources during the same period.
- 5.3 The financial need shall be documented through an updated financial statement for the Programme and updated budget for the following six months
- 5.4 The disbursement requests shall be signed by an authorised representative of the Grant Recipient. A confirmation that the Programme 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. Norad 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 Programme's first year, the first disbursement each year is subject to the Norad's receipt and approval of the progress report and financial report.
- 5.6 All disbursements will be made to the following bank account:
- 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.

6 REPORTING AND OTHER DOCUMENTATION

- 6.1 The following shall be submitted by the Grant Recipient to Norad:
 - a) A **progress report** covering the period from January to December shall be submitted to Norad by 15th April each year. The progress report shall include the content specified in article 2 of the General Conditions. MFA's standard reporting format should be used.

- b) A **financial report** covering the period from January to December shall be submitted to Norad by 15th April each year, along with the progress report referred to in article 6.1 a). 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 Programme shall be submitted to Norad by 1st June 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.
 - d) An updated **implementation plan and budget** covering the period from January to December shall be submitted to Norad by 1st December each year. The implementation plan and budget shall include the content listed in article 1 of the General Conditions.
 - e) Reporting on **Programme results on impact and outcome level** shall be done through follow-up of participants one and three years after course participation, and two case studies (2018, 2020). The monitoring shall be done against baseline which shall be defined in 2017.
 - f) A **final report** for the Support Period shall be submitted to Norad no later than three 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 should be used.
- 6.2 If the Grant Recipient is unable to meet the deadlines set out above, Norad shall be informed immediately.
- 6.3 All implementation plans, budgets and reports shall be approved in writing by Norad unless otherwise agreed by the Parties.

7 AUDIT

- 7.1 The annual financial statements of the Programme 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"). Additional requirements applicable to the auditor and the audit report are included in article 5 of the General Conditions.
- 7.2 The Grant Recipient is responsible for submitting the audit report to Norad 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, in May, in order to discuss i.a. the results achieved by the Programme 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 two 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 Norad 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 A mid-term review or similar evaluation may be carried out by Norad within the end of the third year of the Support Period, if deemed necessary by Norad. Norad shall draft the terms of reference for the mid-term review and submit them to the other Party for approval. The costs of the review shall be covered by Norad over and above the Grant.
- 9.2 An end review of the Programme shall be carried out by Norad within six months after the end of the Support Period. Norad 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 covered by Norad 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, Norad shall be informed. The Grant Recipient shall forward a copy of the report of any such review or evaluation to Norad without undue delay.

10 PROCUREMENT

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

11 REPAYMENT OF INTEREST AND UNUSED FUNDS

- 11.1 Interest accrued on the Grant during the course of a year shall be repaid to Norad by 31 January the following year. If the Grant Recipient receives several grants from Norad, 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 termination of this Agreement, any unused funds that total more than NOK 500 shall be repaid to Norad 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:
- 11.4 The transaction shall be clearly marked: "Unused funds" or "Interest". The name of the Grant Recipient shall be stated, along with Norad's agreement number and agreement title.

12 SPECIAL PROVISIONS

No special provisions apply

13 NOTICES

- 13.1 All communication to Norad concerning the Agreement shall be directed to the Norad's Section for Renewable Energy at the following e-mail address: post-ren@norad.no, with copy to andre.ottosen@norad.no
- 13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Managing Director Tom Solberg at the following e-mail address: tom@ich.no
- 13.3 Norad'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 confirm receipt and approval of part II; General Conditions, and part III; Procurement Provisions, which all form an integral part of the Agreement.
- 14.2 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:

Date:

for the Norwegian Agency For Development
Cooperation

Ørnulf Strøm

Deputy Director

Department for Climate, Energy and Environment
Section for Renewable Energy

for International Center for Hydropower,

Tom Solberg

Managing Director

Attachments:

Annex A: Approved budget for the Programme

Annex B: Results framework

Annex B: Results framework

Impact level for all categories (A,B,C)		
<p>Impact level / Main Goal: Sustainable hydropower development in ICH areas of involvement in developing countries</p> <p>Methodology: Data collection from ICH course/activity participants, follow-up of participants and case study of specific participant organizations (see Methodological Approach). This will cover all geographical regions covered in ICH work.</p>		
Outcomes by category		
Operation & Maintenance (A)		
<p>Intermediate Outcome One Hydropower professionals gain and apply knowledge of international standards and knowhow of Health, Safety and Environment (HSE) and increase awareness in their organizations.</p> <p>Indicators</p> <ul style="list-style-type: none"> ➤ Specific participant performance (90% clearance) in courses/activities through direct assessment of knowledge of international HSE standards and practice. ➤ Specific follow-up of select participant post-course completion to assess if the HSE knowledge gained is applied/used. At least 50% either use or apply the knowledge. ➤ Case study results will shed light on participant carry-over of the knowledge learnt to the organizational level (e.g., actual changes made or internal processes started to trigger change or new ideas discussed at the corporate/administrative level). This would require specific organization case study 	<p>Intermediate Outcome Two Participants gain and apply knowledge and technical knowhow on the processes and needs to enhance optimal maintenance of hydropower plants.</p> <p>Indicators</p> <ul style="list-style-type: none"> ➤ Specific participant performance (90% clearance) in courses/activities through direct assessment of their knowledge of optimal maintenance. ➤ Specific follow-up of select participant post-course completion on if and how the learnt knowledge is applied/used. At least 50% either use or apply the knowledge. ➤ Case study results will shed light on participant carry-over of the knowledge learnt to the organizational level (e.g., actual changes made or internal processes started to trigger change or new ideas discussed at the corporate/administrative level). This would require specific organization case study. 	<p>Intermediate Outcome Three Participants gain and apply knowledge and technical knowhow of the processes and approaches necessary for optimal operation of hydropower plants.</p> <p>Indicators</p> <ul style="list-style-type: none"> ➤ Specific participant performance (90 % clearance) in courses/activities through direct assessment of their knowledge of optimal operation. ➤ Specific follow-up of select participant post-course completion on if and how the learnt knowledge is applied/used. At least 50% either use or apply the knowledge. ➤ Case study results will shed light on participant carry-over of the knowledge learnt to the organizational level (e.g., actual changes made or internal processes started to trigger change or new ideas discussed at the corporate/administrative level). This would require specific organization case study
Environmental and Social Issues (B)		
<p>Intermediate Outcome One Hydropower professionals gain and apply knowledge of international standards and practice to address environmental and social (E&S) impacts and challenges in an acceptable standard.</p> <p>Indicators</p> <ul style="list-style-type: none"> ➤ Specific participant performance (90% clearance) in courses/activities through direct assessment of knowledge of international standards that can be applied to hydropower projects. ➤ Specific participant knowledge of environmental and social practice (e.g., management planning, stakeholder analysis etc, as per course content) based on classroom group projects where all (100%) clear the practical exercises given. ➤ Specific follow-up of select participant post-course completion to assess if the HSE knowledge gained is applied/used. ➤ Case study results will shed light on participant carry-over of the knowledge learnt to the organizational level (e.g., actual changes 	<p>Intermediate Outcome Two Participants gain and apply knowledge of communication, mitigation and evaluation (M&E), and safeguards needs and handling in hydropower projects.</p> <p>Indicators</p> <ul style="list-style-type: none"> ➤ Specific participant performance (90% clearance) in courses/activities through direct and group work assessment of communication processes, M&E and safeguard needs. ➤ Specific follow-up of select participant post-course completion to assess if the M&E and safeguard knowledge gained is applied/used. At least 50% either use or apply the knowledge. ➤ Case study results will shed light on participant carry-over of the knowledge learnt to the organizational level (e.g., actual changes made or internal processes started to trigger change or new ideas discussed at the corporate/administrative level). This would require specific organization case study. 	-

Legal and Financial Management (C)		
<p>made or internal processes started to trigger change or new ideas discussed at the corporate/administrative level). This would require specific organization case study.</p>	<p>Intermediate Outcome One Hydropower professionals apply the gained understanding of the legal landscape in the hydropower sector in the regions in which they operate.</p> <p>Indicators</p> <ul style="list-style-type: none"> ➤ Specific participant knowledge of the legal landscape of the region they operate in – 90% clearance of assessment (test in courses or activity sessions). ➤ Specific participant follow-up of how the knowledge is applied / used. At least 50% either use or apply the knowledge. ➤ Case study results will shed light on participant carry-over of the knowledge learnt to the organizational level (e.g., actual changes made or internal processes started to trigger change or new ideas discussed at the corporate/administrative level). This would require specific organization case study. 	<p>Intermediate Outcome Three Participants of the hydropower sector gain an understanding of financial principles necessary to attract investment and operate sustainably and apply this in practice.</p> <p>Indicators</p> <ul style="list-style-type: none"> ➤ Specific participant assessments (90% clearance) show that they have knowledge of financial principles necessary to attract investment and ensure sustainable operation of organizations. ➤ Specific follow-up shows that 30% of participants utilized financial principles learned. ➤ Case study at specific organization level will shed light on organizations from which participants participated in ICH activities – if activity actually influenced organization investments and operation and in what way.
<p>Intermediate Outcome Two Participants of the hydropower sector learn how and value of establishing a sustainable and constructive organizational culture in their working environments/organizations and apply this learnt knowledge.</p> <p>Indicators</p> <ul style="list-style-type: none"> ➤ Specific participants assessment (100% clearance) show that they have knowledge of how a sustainable and constructive organizational culture is to be established. ➤ Specific follow-up shows that 30% of participants endeavoured to establish a sustainable and constructive organizational culture. ➤ Case study at specific organization level will shed light on organizations from which participants participated in ICH activities – if training actually influenced organization culture and in what way. 	<p>Indicators (baseline indicators for all Outcome Categories: A, B, C)</p> <p>Assessed from actual training offered, applications and during ICH activities:</p> <ol style="list-style-type: none"> 1. Number of courses delivered and other training activities conducted. 2. Total number of participants (male/female). <p>Note: The aim is to have twenty participants per course, although this has been difficult to achieve at times based on past experience. Mini-seminars or conferences (part of the ICH activity portfolio) generally bring in higher numbers (>20).</p> <ol style="list-style-type: none"> 3. Participant course satisfaction rate. 4. Average participant evaluation and improvement score measured. 5. Number of paying participants. 6. Percentage amount of ICH course/activity costs paid by external parties and in-kind contributions. 7. Number of female experts from developing countries involved as resources persons/experts or lecturers in the ICH courses or other activities. <p>Outputs will be reported on annual basis</p>	<p>Assessed from follow-up of participants:</p> <ol style="list-style-type: none"> 1. How knowledge was applied and found useful? After 1 year. 2. How knowledge was applied and found useful? After 3 years. <p>Note: for no.2 above a cohort of participants will be chosen to be followed up further. The choice would be based on their willingness and ability to provide insightful information after the 1st follow-up, i.e., after one year of training.</p> <p>Specific Case Study:</p> <ol style="list-style-type: none"> 1. Organizational/institutional use/application of the knowledge from training will be followed up through both institutional level analysis and individuals, verifiable through the specific case studies and in some cases (based on ability and willingness to provide information) follow-up with participants. 2. The proposed case studies will also provide more targeted input needs on the impact of training. 3. Lessons learned from ICH training and their use would be also indicative of overall impacts.