

ZAM 2388
ZAM 07/027

Contract between the 07/01229-19

Norwegian Ministry of Foreign Affairs (MFA)

and

NGO Coordinating Council (NGOCC)

regarding

Five Year Programme Plan

The NGOCC has in letter dated 22nd December 2006 requested MFA for financial support to the Five Year Programme Plan, MFA has decided to comply with the request, and the two parties agree as follows:

1. Scope and objectives

- 1.1 This Contract sets forth the terms and procedures for MFA's assistance to the Programme as outlined in the Agreed Programme Summary in Annex I (the Programme) and further described in the Programme Document, dated 28th May 2007. The financial support is limited to the period 2007-June 2010.

The Norwegian Embassy in Lusaka (the Embassy) is, as a part of MFA, competent to act on behalf of MFA. All communication to MFA in regard to the Agreement shall be directed to the Embassy.

- 1.2 The Purpose of the Programme.

The purpose of the Programme is to contribute to empowerment of women and promotion of gender equity and equality in Zambia.

- 1.3 Strategic goals

Strategic Goals for NGOCC during the programme period:

- 1) enhance the institutional and technical capacities of its members to champion gender equality and equity
- 2) contribute to the improvement in social status of women, particularly rural and vulnerable Women in rural areas.
- 3) enable its membership to address priority development issues affecting women and children
- 4) provide leadership in advocating for the necessary legal, institutional and policy changes to promote gender equality and equity.
- 5) be a more efficient, effective, accountable and dynamic organization capable of implementing programmes to meet its vision.

2. Contributions of MFA

- 2.1 MFA shall, subject to Parliamentary appropriations, make available a financial grant not exceeding NOK 31.9 million (Norwegian Kroner Thirty-One Million Nine Hundred Thousand) (the Grant) to be used exclusively to finance the Programme during the period 2007-June 2010.

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- 2.2 Upon completion of the Programme, any unutilised funds, including accrued interests, shall be returned to MFA, unless the Parties have agreed in writing upon the utilisation of such funds.

3. Obligations of the NGOCC

The NGOCC shall:

- 3.1 Implement the Programme on the basis of this Contract, approved budgets and work plans as well as the Programme Document. Any revisions have to be agreed upon in advance in writing,
- 3.2 effect purchases for the Programme in such a manner as to obtain the most favourable terms with regard to price, quality, delivery date and maintenance facilities, and to keep the same insured,
- 3.3 meet all additional expenses that may be necessary for the completion of the Programme including provide counter part and other funding according to the budget,
- 3.4 ensure that Programme funds, which shall include any accrued interests, are properly accounted for,
- 3.5 keep MFA informed about plans for major organisational changes as well as keep MFA informed as to the name of the auditor of the Programme,
- 3.6 provide copies to MFA of reports submitted to relevant authorities pertaining to the Programme,
- 3.7 promptly inform MFA in writing of any condition which interferes or threatens to interfere with the successful implementation of the Programme,
- 3.8 guarantee that funds made available in accordance with this Contract are not used in violation of relevant UN conventions and resolutions of the UN Security Council,
- 3.9 ensure that representatives of Norway are permitted to visit any part of the Programme for purposes related to the Contract and examine any relevant records, goods and documents.

4. Disbursements

- 4.1 Disbursements from the Grant shall take place upon semi-annual written requests from The NGOCC based on the financial needs of the Programme and, with exception of the first request, on approved work plans and budgets. The planned disbursement schedule is as follows:

- Up to NOK 3.4 million on receipt of an updated statement of accounts as per 31st May 2007
- Up to NOK 3 million on receipt and approval of the Semi-Annual Progress Report and revised Budgets and Workplans due 30th September 2007
- Up to NOK 6 million on receipt and approval of the Annual Progress Report and Audited Statement of Accounts due 30th March 2008
- Up to NOK 4 million on receipt and approval the Semi-Annual Progress Report and revised Budgets and Workplans due 30th September 2008
- Up to NOK 6.5 million on receipt and approval of the Annual Progress Report and Audited Statement of Accounts due 30th March 2009
- Up to NOK 4 million on receipt and approval of the Semi-Annual Progress Report and revised Budgets and Workplans due 30th September 2009

- Up to NOK 5 million on receipt and approval of the Annual Progress Report and Audited Statement of Accounts due 30th March 2010

Along with the requests, the NGOCC shall submit statements of cash and bank balances from the Programme's accounting records.

- 4.2 When determining the amount to request, NGOCC shall take into account unspent disbursed amounts and income from all sources as well as any accrued interests.
- 4.3 Funds will be transferred upon MFA's approval of the request to a separate bank account in the name of NGOCC, and will be available for the Programme immediately. NGOCC shall immediately, in writing, acknowledge receipt of the funds. The date of receipt shall be stated as well as the exchange rate applied.

5. Reporting

5.1 NGOCC shall submit the following reports/documentation to MFA:

- An annual progress report for the previous year within 31st March each year,
- financial statements for the Programme showing receipts/income and expenditures the previous year as well as the cash/bank/financial position of the Programme as per 31 December the previous year within 31st March each year,
- a budget and work plan for the coming year within 30th September each year with an updated revolving plan for the entire Programme period,
- brief semi-annual progress reports and statement of accounts, covering the period January-June within 30th September each year,
- the audited annual financial statements of the entire organisation within 31st March each year,
- a final report for the whole Programme period, as well as financial statements from end of the previous audit until completion of the Programme within 31st September 2010.

5.2 The annual progress report shall include the following information:

- A description of actual outputs compared to planned outputs (normally defined in annual work plans)
- a brief summary of the use of funds compared to budget
- an assessment of the efficiency of the Programme (a measure of how efficiently resources/inputs are converted into outputs)
- an explanation of major deviations from the plan
- an assessment of problems and risks (internal or external to the Programme) that may affect the success of the Programme
- an assessment of the need for adjustments to activity plans and/or inputs and outputs, including actions for risk mitigation.
- a brief assessment of achievements in relation to purpose.

The semi-annual progress reports shall be brief and shall focus on major deviations from plans.

5.3 The final report shall include the following information:

- The topics listed in Clause 5.2 above
- an assessment of the effectiveness of the Programme, i.e. the extent to which the purpose has been achieved
- an assessment of impact (if possible), i.e. the changes and effects positive or negative, planned and unforeseen of the Programme seen in relation to target groups and others who are affected

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- an assessment of the sustainability of the Programme, i.e. an assessment of the extent to which the positive effects of the Programme will still continue after the external assistance has been concluded
- a summary of main "lessons learned".

5.4 MFA shall respond in writing within four weeks after the receipt of the reports and documentation. MFA shall approve the work plans and budgets in writing.

6. Audit

6.1 The annual financial statements of the Programme shall be audited by an independent and recognised professional accountant (auditor) acceptable to MFA. The audit shall at least cover the issues mentioned in the Terms of Reference in Annex II to the Contract. A separate audit shall be prepared for the operation of the Grant Management Unit. NGOCC shall submit to MFA the audit report, any management letter and any other report from the auditor significant to the implementation of the Programme within 31st March each year. NGOCC shall comment upon the auditor's findings, and MFA shall respond within four weeks upon reception of the report.

6.2 MFA may appoint an independent auditor to undertake audit if deemed necessary. Audits may also be carried out by the Norwegian Auditor General as and when deemed necessary.

7. Meetings and reviews

7.1 Formal meetings shall be held within 2nd Quarter each year unless otherwise agreed in writing. The meetings shall be called and chaired by NGOCC. The purpose of these meetings is to discuss the progress of the Programme, including results and fulfilment of agreed obligations, to discuss and, if feasible, approve documentation submitted according to Article 5, as well as to discuss issues of special concern for the implementation of the Programme, e.g. risk management. Central elements of the discussion and all decisions from the consultations shall be recorded in agreed minutes.

When either party feel that the need arises, Semi-Annual meetings will be held to discuss the January-June progress report, as well as workplans and budgets for the coming year. Request for a Semi-Annual meeting can be made by either party, in writing.

7.2 A review focussing on progress to date and the effectiveness of the Programme, i.e. the extent to which the Purpose is being/have been achieved, shall be carried out by end-2009. An assessment of the Programme's impact may also be included in the review(s).

In addition the Parties may agree on carrying out an evaluation of the Programme.

The cost of the review(s)/evaluation(s) shall be covered by MFA over and above the Grant.

7.3 MFA reserves the right to carry out independent reviews or evaluations of the Programme as and when MFA deems it necessary. The cost for such reviews will be covered by funds over and above the Grant.

8. Corruption

The Parties declare their commitment to counteract corrupt practices in the execution of the Contract. Further, the Parties commit themselves not to accept, either directly or indirectly, as an inducement or reward in relation to the execution of the Contract, any kind of offer, gift, payments or benefits, which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to the Programme, and undertake to take rapid legal action to initiate investigations of and prosecution against, in accordance with applicable law, any person suspected of corruption or misuse of resources related to the Programme.

9. Breach of contract

- 9.1 If NGOCC fails to fulfil its obligations under this Contract, or if any major organisational changes are found to be contradictory to the objectives of the Programme, MFA may, upon consultations with NGOCC cancel this Contract and claim repayment or withdraw the total or a portion of the funds provided to the Programme.
- 9.2 MFA may cancel this Contract or portion of this Contract with immediate effect if it determines that corrupt or fraudulent practices were engaged in by representatives of NGOCC or of a beneficiary of the aid funds without NGOCC having taken timely and appropriate action satisfactory to MFA to remedy the situation.

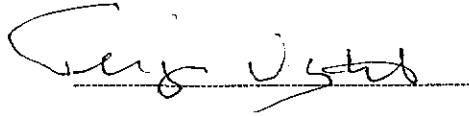
10. Entry into force – Termination - Disputes

- 10.1 This Contract shall enter into force on the date of its signature, and shall remain in force until both Parties have fulfilled all obligations arising from it. Whether these obligations shall be regarded as fulfilled, shall be determined in consultation by the Parties.
- 10.2 Notwithstanding the previous clause, each Party may terminate the Contract upon three months' written notice.
- 10.3 In case of termination of the Contract NGOCC shall exert its best efforts to bring the Programme to an end in a rapid, orderly and economical manner as to the use of the funds from MFA. NGOCC shall not commit the Programme economically from the date of the receipt of the notice of termination. Any unspent funds not committed by the date of the receipt of the notice of termination, shall be returned to MFA without delay.
- 10.4 If any dispute arises relating to the implementation or interpretation of this Contract, the Parties shall consult with a view to reaching a solution. Any disputes that cannot be solved amicably shall be referred to the competent Zambian court and settled in accordance with Zambian law. The court venue shall be Lusaka High Court.

This Contract is drawn in duplicate with one copy for NGOCC and one for MFA.

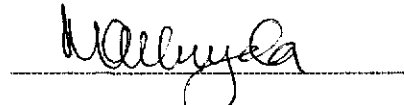
Lusaka, 22nd June 2007

For the Norwegian Ministry of
Foreign Affairs



Terje Vigtel
Ambassador

For NGOCC



Marian Munyinda
Chairperson, NGOCC Board

Annex I: Agreed Programme Summary
Annex II: Terms of reference for audit

Annex I Agreed Programme Summary

Programme name:	Support to NGO Co-ordinating Council Five Year Programme plan
Programme number:	ZAM 2388
Agreement number:	ZAM-07/027
Agreement partner:	NGO Co-ordinating Council
Implementing institution:	NGO Co-ordinating Council
Budget:	NOK 31.9 million

Description of the Programme

Purpose:

To contribute to empowerment of women and promotion of gender equity and equality in Zambia.

Strategic Goals for NGOCC during the programme period:

1. enhance the institutional and technical capacities of its members to champion gender equality and equity
2. contribute to the improvement in social status of women, particularly rural and vulnerable Women in rural areas.
3. have enable its membership to address priority development issues affecting women and children
4. provide leadership in advocating for the necessary legal, institutional and policy changes to promote gender equality and equity.
5. be a more efficient, effective, accountable and dynamic organization capable of implementing programmes to meet its vision.

Inputs

- Capitalisation of the sub-grant facility
- Personnel
- Running costs and equipment

Main indicators

In the anticipation of NGOCC developing a revised M&E framework, the following indicators have been selected from the proposal:

- At least 50 MO representatives received training in Gender Budgeting by end 2008
- At least 60 MO representatives trained annually in governance, project management and leadership; lobby and advocacy
- At least 10 new MOs admitted every year
- Each MO visited by NGOCC Secretariat at least once a year
- At least 30 young women participate in exchange programme/internship programme every year
- At least 50% of applicants to Basket Fund able to submit a proposal that meets the requirement for funding
- At least 80% of projects supported by the Basket Fund visited during the project period
- NGOCC Advocacy Strategy developed and in use by End 2007
- At least 100 community leaders (political, administrative, traditional) sensitised on gender every year
- At least 4 policy meetings held with senior government representatives
- Board meetings held on time
- General Assembly held every year, with at least 80% of MOs participating

Major risk factors (internal and external)

Internal

- *That the integrity of the Basket Fund is compromised through mismanagement or corruption.* Mitigation: Documented adherence to the agreed guidelines, as well as separate audit for the Grant Management Unit.
- *That capacity building exercises do not meet the clients (MO)s needs.* Mitigation: Increased emphasis will be put on providing training at the local level, to allow for broader participation, as well as real-life case studies
- *That MOs do not appreciate the role of the Secretariat, leading to discontent and undermining NGOCC's legitimacy as an advocate for women in Zambia* Mitigation: A range of measures will be taken to ensure more dialogue between HQ and MOs, as well as between MOs. Increased access to training in various fields should also contribute to a better appreciation of the roles/responsibilities MOs-Secretariat.

External

- *That the political environment remains disinterested in the promotion of women's development and rights as citizens of Zambia.* Mitigation: Efforts should be made to highlight the importance of gender equality for overall achievement of e.g. MDGs, FNDP and Budget support PAF. Use of regional and international forums to highlight Zambia's achievements/challenges.
- *That NGOCC's membership in OASIS Forums is seen as political, leading GRZ to consider e.g. de-registration.* Mitigation: NGOCC has a clear policy whereby partisan activities are not allowed. Emphasis will also be given to regular interaction and networking with senior GRZ officials.
- *Additional funding following the agreed Contract period not forthcoming.* Mitigation: NGOCC is committed to improve its M&E framework so as to be able to more clearly demonstrate results. This will enhance its credibility as a key civil society partner, as well as an organisation that contributes directly to women's rights and gender equality.

Overall Budget

NGOCC budget 2007-2010 (June)	2007	2008	2009	2010 (up to June)	TOTAL (USD)	TOTAL (NOK) **
Membership Development and Support Services	492 788	568 566	531 937	288 711	1 882 002	11 668 412
Basket Fund	1 231 419	1 358 133	1 393 333	766 422	4 794 307	29 445 703
Advocacy and Communication	448 196	482 408	499 926	231 410	1 661 940	10 304 028
Governance and Management	591 411	440 408	508 952	273 713	1 814 484	11 249 801
Total (USD)	2 763 814	2 849 515	2 934 148	1 560 256	10 107 733	62 667 945
Total (NOK)**	17 135 647	17 666 993	18 191 718	9 673 587	62 667 945	
FINANCING						
Norway's contribution (NOK)	6 400 000*	10 000 000	10 500 000	5 000 000		31 900 000
Carry-over of Norwegian funds from 2006 to the Basket Fund	3 100 000					
ACBF (approx, NOK)**	1 866 200	1 866 200	1 866 200	933 100		6 531 700
NGOCC own contribution**	198 400	208 320	218 869	114 700		740 280
Other donors contribution (tentative in NOK)**	5 571 047	5 592 473	5 606 658	3 625 787		20 395 965

*) Excluding carry-over of approximately USD 500,000 for Basket Fund activities covering Jan-June 2007.

**) Based on USD 1= NOK 6.2

Annex II Terms of Reference for audit

The auditor shall carry out the audit in accordance with any national legislation for NGOs as well as with international standards on auditing.

The objective of the audit is to audit 1) the annual financial statements of the Programme as defined in Annex I to this Contract as well as 2) compliance with certain contractual obligations. The auditor shall be given a copy of the present Contract, and decides himself whether to submit one or two reports. The audit report(s) shall state the auditor's opinion/findings as to:

- Whether the financial statements and the cash/bank/financial position present fairly, in all material respects, the income and expenditures of the Programme in accordance with an acceptable financial reporting framework
- whether the audit has uncovered any material weaknesses in relevant internal control(s)
- whether the funds have been deposited in a separate bank account in the name of the organisation and that accrued interest are reflected in the statement from the bank whether the audit has uncovered any illegal or corrupt practices
- whether funds have been used exclusively to cover Programme expenditures
- whether receipts/income and expenditures are properly accounted for.
- whether the counterpart funds from the NGOCC have been made available according to the budget in Annex 1.

The above list does not preclude the organisation or the auditor from addressing further issues.

The auditor shall also, if the auditor deems it warranted based on findings during the audit, submit a management letter to the organisation upon completion of the audit. The letter should address deficiencies noted in the system of internal control.