

**Contract**  
**between**  
**the Norwegian Ministry of Foreign Affairs (MFA)**  
**and**  
**Norwegian Church Aid – Zambia office (NCA)**  
**regarding support to**  
**ZAM-3022 ZAM-08/010**  
**NCA Strategic Partnership Education Phase Out Bridge 2008**

Norwegian Church Aid – Zambia office, hereafter referred to as NCA, has, in letter dated 4<sup>th</sup> February 2008, requested MFA, through the Norwegian Embassy in Lusaka, for financial support to ZAM-08/010 “NCA Strategic Partnership Programme Education Phase Out Bridge 2008”. Whereas MFA previously has supported “NCA Strategic Partnership in Education 2006-2007” through agreement dated 9 March 2006. MFA has decided to comply with the request, and the two parties agree as follows:

**1. Scope and objectives**

1.1 The scope of this contract is twofold. Firstly, to set 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 “NCA Strategic Partnership programme 2008”, dated 14. February 2008. Secondly, to set forth the principles of the strategic partnership dimension of the relationship between NCA and the Embassy.

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 Contract shall be directed to the Embassy.

**1.2 Programme Goals and Objectives 2008**

**LFA Summary** (Numbering refers to project document)

**4.1 Basic education. Overall Goal: Improved equitable access and quality of education provided**

**Objectives:**

- 4.1.1 Improved teaching and learning for boys and girls in partner schools
- 4.1.2 Improved teaching and learning environment for persons with disability in selected schools
- 4.1.3 Fresh water and safe sanitation in schools and surrounding communities improved
- 4.1.4 Contribute to the reduction of HIV/AIDS transmission in Faith Based Organisations’ schools and surrounding communities and improve attendance and participation in schools of orphans and vulnerable children
- 4.1.5 Phase out Embassy support taking into account prior commitments

**4.2 HIV and AIDS. Overall Goal: Faith Communities addressing HIV and AIDS**

**Objective:**

- 4.2.1 Partners consulted and challenged on issues of HIV and AIDS to solicit for input for developing the strategic plan for 2009-2011.

#### **4.3 Women's Empowerment and Gender Equality. Overall Goal: Improved gender equality**

**Objectives:**

- 4.3.1 Curriculum for good governance and gender training in the churches developed
- 4.3.2 Work plan for empowerment and participation of women in churches developed.
- 4.3.3 Partners challenged and consulted on issues of women's empowerment and gender equality and input given to development of strategic plan for 2009-2011

#### **4.4 Civil Society For Accountable Governance. Overall Goal: Contribute towards strengthening district and community governance**

**Objectives:**

- 4.4.1 Local level advocacy and governance within partner operational areas consolidated
- 4.4.2 Capacity building of partners in advocacy done
- 4.4.3 Partners challenged and consulted on issues of civil society for accountable governance to solicit input towards development of the Strategic Plan for 2009-2011.

#### **4.5 Monitoring and Capacity building. Overall Goal: Capacity building of partners undertaken to improve management and monitoring of projects**

**Objective:**

- 4.5.1 NCA's partners have improved in their programme implementation.

#### **4.6 Strategic Partnership Dimension. Overall Goal: Strengthened dialogue between NCA and Embassy on strategic policy issues in the areas of governance and gender**

**Objectives:**

- 4.6.1 To contribute to improving the knowledge base at the Embassy in terms of providing information on experiences at the partner and grass root level. This entails a systematic sharing of information and knowledge between the Embassy and NCA, and will enhance the basis for dialogue with the Government and other partners
- 4.6.2 To ensure more interaction with both relevant authorities and with other NGOs. This aim being to ensure that more information from the micro level on experiences and lessons learnt reaches the macro level, and as such informs the decision making and planning processes.

## **2. Contributions of MFA**

- 2.1 MFA shall, subject to Parliamentary appropriations, make available a financial grant not exceeding NOK 10,000,000 (Norwegian Kroner Ten million only) (the Grant) to be used exclusively to finance the Programme during the planned period 2008-2009.
- 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 NCA**

NCA 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,
- 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 authorities relevant 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 NCA based on the financial needs of the Programme and, with exception of the first request, on approved workplans and budgets. The first disbursement, amounting to NOK 5,000,000, will be made upon signing of this Contract and approval by MFA of a disbursement request from NCA.

Along with the requests, except the first request, NCA shall state the cash balance of the Programme and submit a statement of bank balances for the Programme from the bank.

4.2 When determining the amount to request, NCA 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 NCA in Oslo to the following Bank Account:

Name of the Beneficiary: Norwegian Church AidBank: DnB Nor ASA  
Bank Address: N 0021 Oslo, NORWAY  
Account No: 154.22.85911  
BIC: UBNONOKK

Funds will be available for the Programme immediately. NCA 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 NCA shall submit the following reports/documentation to MFA:

- a) Annual Narrative Report of the programme progress and Audited Accounts for NCA Office Zambia for 2008 by mid April 2009
- b) Annual Financial Report for 2008 in a format that allows for comparison with approved work plan and budget by the end of June 2009
- c) Audited Accounts that includes partners' transactions for 2008 by the end of June 2009
- d) The receipt of the reports in a), b) and c) shall serve as receipt of final report

5.2 The annual progress report/final report shall include the following information:

- a) A description of actual outputs compared to planned outputs (normally defined in annual work plans)
- b) a brief summary of the use of funds compared to budget
- c) an assessment of the efficiency of the Programme (a measure of how efficiently resources/inputs are converted into outputs)
- d) an explanation of major deviations from the plan
- e) an assessment of problems and risks (internal or external to the Programme) that may affect the success of the Programme
- f) an assessment of the need for adjustments to activity plans and/or inputs and outputs, including actions for risk mitigation.
- g) an assessment of the effectiveness of the Programme, i.e. the extent to which the purpose has been achieved
- h) 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
- i) 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
- j) a summary of main "lessons learned".

5.3 MFA shall respond in writing within 3 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. NCA 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 end of April each year. NCA shall comment upon the auditor's findings, and MFA shall respond within 3 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 Annual/End of programme meeting to review programme outcome shall be held within the 2nd quarter 2009 unless otherwise agreed in writing. The meeting shall be called and chaired by NCA. The purpose of the meeting 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.

7.2 Strategic Partnership meetings will be held as needed between NCA and MFA. In 2008 these meetings will focus on reorientation of the partnership. The meetings shall be called and chaired by NCA. The meetings will be aimed at improving the information base and provide value-added knowledge. In order to create synergies, these meetings might be held jointly with other relevant partners.

7.3 The Parties may agree on carrying out an evaluation of the Programme. The cost of an evaluation shall be covered by MFA over and above the Grant.

7.4 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 NCA 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 NCA 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 NCA or of a beneficiary of the aid funds without NCA 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 NCA 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. NCA 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 Norwegian court and settled in accordance with Norwegian law.

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

Place: Lusaka

Date: 8.5.08

Place: Lusaka

Date 08/05/2008

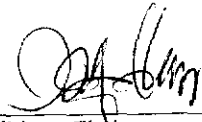
For the Norwegian Ministry of  
Foreign Affairs:

For Norwegian Church Aid – Zambia



Tore Gjøs  
Ambassador

**Tore F. Gjøs**  
Ambassador



Oddbjørn Flem  
Country Representative

**ODDBJØRN FLEM**  
COUNTRY REPRESENTATIVE

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

## AGREED PROGRAMME SUMMARY

### 1. Identification of the Programme

**Programme Title:** NCA Strategic Partnership Education Phase Out Bridge 2008

**PTA Reference:** ZAM-3022 ZAM-08/010

**Implementing institution:** Norwegian Church Aid – Zambia office (NCA)

### 2. Description of the Programme:

The priority thematic areas for the Embassy supported NCA programme in 2008 are Education, Faith Communities addressing HIV and AIDS, Women Empowerment and Gender Equality, Civil Society for Accountable Governance, Monitoring and Capacity Building. The goals and objectives of the support as formulated in the Project Document are summarised below.

#### **Programme Goals and Objectives 2008**

**LFA Summary** (Numbering refers to project document)

#### **4.1 Basic education. Overall Goal: Improved equitable access and quality of education provided**

##### **Objectives:**

- 4.1.1 Improved teaching and learning for boys and girls in partner schools
- 4.1.2 Improved teaching and learning environment for persons with disability in selected schools
- 4.1.3 Fresh water and safe sanitation in schools and surrounding communities improved
- 4.1.4 Contribute to the reduction of HIV/AIDS transmission in Faith Based Organisations' schools and surrounding communities and improve attendance and participation in schools of orphans and vulnerable children
- 4.1.5 Phase out Embassy support taking into account prior commitments

#### **4.2 HIV and AIDS. Overall Goal: Faith Communities addressing HIV and AIDS**

##### **Objective:**

- 4.2.1 Partners consulted and challenged on issues of HIV and AIDS to solicit for input for developing the strategic plan for 2009-2011.

#### **4.3 Women's Empowerment and Gender Equality. Overall Goal: Improved gender equality**

##### **Objectives:**

- 4.3.1 Curriculum for good governance and gender training in the churches developed
- 4.3.2 Work plan for empowerment and participation of women in churches developed.
- 4.3.3 Partners challenged and consulted on issues of women's empowerment and gender equality and input given to development of strategic plan 2009-2011

#### **4.4 Civil Society For Accountable Governance. Overall Goal: Contribute towards strengthening district and community governance**

##### **Objectives:**

- 4.4.1 Local level advocacy and governance within partner operational areas consolidated
- 4.4.2 Capacity building of partners in advocacy done
- 4.4.3 Partners challenged and consulted on issues of civil society for accountable governance to solicit input towards development of the Strategic Plan for 2009-2011

#### **4.5 Monitoring and Capacity building. Overall Goal: Capacity building of NCA partners undertaken to improve management and monitoring of projects**

##### **Objective:**

- 4.5.1 NCA partners have improved in their programme implementation.

**4.6 Strategic Partnership Dimension. Overall Goal: Strengthened dialogue between NCA and Embassy on strategic policy issues in the areas of governance and gender.**

**Objectives:**

**4.6.1** To contribute to improving the knowledge base at the Embassy in terms of providing information on experiences at the partner and grass root level. This entails a systematic sharing of information and knowledge between the Embassy and NCA, and will enhance the basis for dialogue with the Government and other partners

**4.6.2** To ensure more interaction with both relevant authorities and with other NGOs. This aim being to ensure that more information from the micro level on experiences and lessons learnt reaches the macro level, and as such informs the decision making and planning processes

**3. Major risk factors**

- Government/ Civil Society hostility and lack of trust for each other
- Government enacting an unfavourable NGO Bill
- Poor civil society/ Government engagement
- Environmental factors such as Drought and floods reducing the resources and energies of the NCA partners from Education
- Donors reducing their support for the Education Sector
- Delayed disbursement of donor funding

**4. Budget**

See attached Annex III

## **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:

- a) 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
- b) whether the audit has uncovered any material weaknesses in relevant *internal control(s)*
- c) 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
- d) whether the audit has *uncovered* any illegal or corrupt practices
- e) whether funds have been used exclusively to cover Programme expenditures
- f) whether receipts/income and expenditures are properly accounted for.

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.

**ANNEX III BUDGET 2008; NCA INTERNATIONAL COOPERATION - ZAMBIA**

Name of Partner	PID	Implementer	Project Description	Thematic Priority	TOTAL NOK 2008	Gender	Hiv/Aids	Governance	Education	Environment
<i>Southern Africa</i>										
<b>Zambia</b>										
1.0 Council of Churches in Zambia	10252	1.1 CCZ education program	Support to primary, secondary- and teacher training education. School rehabilitation and teaching materials. Also integrated manpower development programme, human rights, central administration, women's department, and projects department.	Education, Governance	1 150 000	100 000	50 000	100 000	900 000	0
	12613	1.2 Reformed Church in Zambia Basic Education	Support to primary, secondary and teacher training education. School rehabilitation and teaching materials. Also support to non-formal education, administration, gender mainstreaming.	Education	644 000	50 000	44 000	50 000	500 000	0
		<b>TOTAL CCZ</b>			<b>1 794 000</b>					
2.0 Zambia Episcopal Conference	12428	1.1 Zambia Episcopal Conference Education Programme	Support to primary-, secondary- and teacher training education. School rehabilitation and teacher training materials. Also integrated manpower development programme, human rights, central administration, gender mainstreaming and projects department.	Education, Governance	920 000	50 000	0	50 000	820 000	0
	11788	1.2 Support to Teacher Training College in Mbala	Ongoing construction of teacher training college in Mbala by Archdiocese of Kasama. Competency development and building of teachers in basic education.	Higher Education	368 000	0	0	0	368 000	0
	12883	1.3 Media and Communication and Challenge Magazine	Long term support aimed at strengthening the church's community radio station and magazines as strategic tools and channels for enhancing the role of civil society and the general public in the promotion of good accountable governance particularly in p	Governance	138 000	0	0	138 000	0	0
	14486	Education Secretaries Forum	<b>NCA Faithbased Partners Educational Secretaries Forum: Advocacy and Education</b>	Governance	209 438	0	0	209 438,00	0	0
		<b>TOTAL ZEC</b>			<b>1 635 438</b>					
3.0 Evangelical Fellowship of Zambia	12404	3.1 Evangelical Fellowship of Zambia	Long term Basic Education Support Programme in Zambia. Specific areas of focus being school rehabilitation, provision of teaching materials and water and sanitation, promotion OVCs (inclusive of children with special needs and disabilities) access to qu	Education, Governance	326 000	50 000	50 000	100 000	628 000	0
	11792	3.2 Nyamphande Orphanage Community School	Support to children and local Community Schools. Focuses on orphans and vulnerable children.	Basic Education	184 000	0	0	0	184 000	0
		<b>TOTAL EFZ</b>			<b>1 012 000</b>					
4.0 Zambia Open Community Schools	11791	Support to Community Schools	National Coordination Board for community schools. Main focus is provision of educational support services and facilities which include; teacher training, school infrastructure development and rehabilitation, grants for income generating activities(IGAs)	Basic Education and Adult Literacy	800 000	50 000	60 000	90 000	600 000	0
		<b>TOTAL ZOCS</b>			<b>800 000</b>					
5.0 Response Network	11618	Support to Community Schools in Southern Province	Community Schools Project. Focuses on community mobilisation to improve access to basic education for Orphans and Vulnerable Children (OVCs) in communities.	Education	920 000	170 000	0	0	650 000	100 000
		<b>TOTAL RESPONSE</b>			<b>920 000</b>					
6.0 Citizen Forum	12887	Citizen Forum	Ongoing support to Community Centred Education Programmes for mobilisation of the community for effective participation of the critical mass around issues of education processes and programmes. CCEP also aims at enhancing the capacities of Faithbased E	Governance	552 000	52 000	0	500 000	0	0
	14488	Citizen Forum	NCA Partner Advocacy Project on Constitution and Decentralization	Governance	278 000	0	0	278 000,00	0	0
	14803	Citizen Forum	Support to Gender, Gender Based Violence and Governance in the Churches. Development of the Curriculum and Manuals on Gender, Gender Justice and Governance in the Churches	Gender, GBV, Governance	220 000	20 800	0	200 000	0	0
		<b>TOTAL CITIZENS FORUM</b>			<b>1 048 000</b>					
7.0 Mindolo Ecumenical Foundation	13464	Mindolo Education Programme	Support to Issue based empowerment programme for church leaders and Norwegian Church Aid Partners	Governance	552 000	152 000	0	200 000	200 000	0
		<b>TOTAL MINDOLO</b>			<b>552 000</b>					
9.0 Zambia Interfaith Networking Group	14070	9.1 Sport, HIV and AIDS in community Schools	The use sport as a tool for empowering the youth and children in community schools through the use of SPORT as a tool for mobilising communities using KAO	HIV/Aids/Sport	368 000	0	368 000	0	0	0
		<b>TOTAL ZINGO</b>			<b>368 000</b>					
9.0 Norwegian Church Aid	14794	9.1 Water and Sanitation Project	Long term implementation and monitoring of water and sanitation projects in partner supported schools and surrounding communities. This project is meant to improve the learning environment in partner supported schools through provision of improved water a	Environment	552 000	152 000	0	0	0	400 000
	11785	9.2 Capacity Building of Partners and NCA staff	Training programme staff and partners in organisational, management, development, RBA and thematic issues as Disability, gender, Water and Sanitation, advocacy, Monitoring and evaluation, emergency preparedness.	Organizational Development	393 022	0	0	393 022,00	0	0
	12885	9.3 Special Education for Children with Disabilities	Support to primary, secondary, teacher training for children with disabilities. Also support to educational infrastructure and teaching/learning materials for disabled children.	Education	184 000	0	0	0	184 000	0
		<b>Total NCA operational</b>			<b>9 786 366</b>	<b>846 800</b>	<b>572 000</b>	<b>2 306 460</b>	<b>5 034 000</b>	<b>500 000</b>
		<b>Subtotal Zambia</b>			<b>9 786 366</b>					
		8% Admin Cost			740 741					
		<b>Total</b>			<b>10 527 107</b>					