

GRANT AGREEMENT

between

The Norwegian Agency for Development Cooperation

And

The Earth Innovation Institute

regarding

Agreement Number QZA-0701 QZA-16/0162

“Building Bridges Between Local Policies, REDD+ and Sustainable Supply
Chain Initiatives: Phase 3 of the Forests, Farms and Finance Initiative”

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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), represented by the Civil Society Department, and
 - (2) The Earth Innovation Institute (EII), a non-governmental organization duly established as a 501(c)3 non-profit in California under registration number 27-344564 (the Grant Recipient),
- jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted an application to Norad dated 04.05.2015, with an updated version submitted on 29.01.2016 (the Application) regarding financial support to the project "Building Bridges Between Local Policies, REDD+ and Sustainable Supply Chain Initiatives: Phase 3 of the Forests, Farms and Finance Initiative", which has been given project number QZA-0701 QZA-16/0162" (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A.
- 1.2 Norad has decided to award a grant to be used exclusively for the implementation of the Project (the Grant). The Parties expect the Project to be implemented during the period from 01.01.2016 to 31.12.2020 (the Support Period).
- 1.3 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 PROJECT

- 2.1 The expected results of the Project are as follows:
- 2.2 The Project's planned effects on society (Impact) are:
 - I. Incentives to achieve REDD+ efforts are established through the new international climate regime or other climate, environment and development funding streams.
 - II. Governments in targeted developing countries have implemented REDD+ related policies, measures and safeguards, such as policies for green growth, unsustainable livelihoods, land use planning, the rights of indigenous peoples and local communities and women's rights.
 - III. Private sector actors have implemented social and environmental policies and practices that reduce the pressure on forests, and are engaged in global public private partnerships.

The planned effects for the target group of the Project (Outcomes) are:

Project Outcome 1: Regionally-tailored mechanisms are leveraging climate finance to attract and deliver public and private sector funds for low-emission development strategies to local governments, smallholders and communities in Brazil, Indonesia, Peru and Colombia.

Project Outcome 2.1: State-wide low-emission rural development strategies designed and implemented through aligned public policies that create integrated systems of landholder incentives (regulatory, administrative and financial) and that are supported by multi-sector governance structures, achieving compliance with Forest Code and implementation of relevant state-level legislation (Mato Grosso—REDD law, Acre—SISA law, Pará—Green Counties Program, Brazil).

Project Outcome 2.2: National and state REDD programs in Indonesia are implemented as part of integrated LED-R strategy through connections between Provincial LED-R strategies, Customary Land Rights Decisions (MK45) and the Agricultural Master Plan.

Project Outcome 2.3: REDD programs implemented in Colombia as part of integrated LED-R strategy through linkages with national zero-deforestation programs and Departmental Development Plans.

Project Outcome 2.4: REDD implemented in Peru as part of an Amazon-wide LED-R Strategy that is integrated with the National Strategy for Forest and Climate (ENBCC) and international agreements to reduce emission from deforestation such as the Under 2 MoU and the Rio Branco Declaration.

Project Outcome 3.1: Supply chain actors including the Norwegian soy-dependent industries in Norway and Chinese government (palm oil, soy, beef) preferentially source agricultural commodities from high-performing states and provinces.

The intended main target groups are subnational governments, agricultural businesses, farmers and smallholders.

- 2.3 The full results framework is included as Annex B to this Agreement. The Grant Recipient shall submit a revised results framework for approval within 13 May 2016.

3 IMPLEMENTATION OF THE PROJECT

- 3.1 The Project shall be implemented in accordance with:

- a) the Agreement, including all annexes,
- b) the approved Application
- c) the implementation plan and budget.

as well as any later amendments to the above documents which are approved by Norad.

- 3.2 During the implementation of the Project, 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 Project, including the risk of corruption and other financial irregularities, and any potential negative effects that the Project may have on the environment and climate, gender equality and human rights.

4 THE GRANT

- 4.1 The Grant shall amount to maximum NOK 65 000 000 (Norwegian Kroner sixty five million).
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the annual allocation to the relevant budget line may lead to a reduction in annual allocations and/or in the total Grant amount. If the Grant amount is reduced, the Grant Recipient must revise the implementation plan, budget and results framework correspondingly.
- 4.3 The tentative, annual distribution of the Grant will be as follows:
- 2016: NOK 16,000,000
2017: NOK 13,000,000
2018: NOK 12,000,000
2019: NOK 12,000,000
2020: Up to remaining Grant amount

The annual allocations must be confirmed by Norad following the Parliament's approval of the state budget for the relevant budget year. Disbursements will be based on the actual financial need of the Project in accordance with article 5 of the Agreement.

- 4.4 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.5 The Grant may be used to cover overheads/indirect costs up to a maximum of 7% of Norad's pro rata share of the actual costs of the Project.
- 4.6 The Grant Recipient is responsible for obtaining any additional resources which may be required to duly implement the Project.
- 4.7 The Grant Recipient may apply for additional funding to the Project during the Support Period only upon written invitation from Norad.

5 DISBURSEMENT

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Project 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 Project expenses incurred prior to the signing of this Agreement, as part of the approved budget for the year 2016. The second disbursement shall be subject to Norad's receipt and approval of an updated results framework, as per article 2.2.
- 5.2 Financial need refers to the budgeted expenditure for the upcoming period, less 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 statement for the Project and a reference to the latest approved implementation plan and budget.
- 5.4 The disbursement requests shall be signed by an authorised representative of the Grant Recipient. 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 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 Project's first year, the first disbursement each year is subject to the Norad's receipt and approval of the updated implementation plan and budget, while the second disbursement each year is subject to Norad's receipt and approval of the latest progress report and financial report.
- 5.6 The Grant Recipient shall have a separate bank account exclusively for grants from Norad. All disbursements will be made to the following bank account:
- Name of the account: Earth Innovation Institute
Account no.: 485009543866
IBAN no.: Not applicable
ABA number: 026009593
Name and address of the bank: Bank of America, 315 Montgomery Street, 14th Floor, San Francisco, CA. 94104, USA
Swift/BIC code: BOFAUS33N (note: the "O" is a letter)
Currency of the account: USD
- 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 and the exchange rate applied.

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 the previous year shall be submitted to Norad by 1 May each year. The last year of the Support Period the progress report shall cover the period from the start of the Support Period to December 2019. The progress report shall include the content specified in article 2 of the General Conditions. The Civil Society Department's standard reporting format shall be used.
 - b) A **financial report** covering the period from January to December the previous year shall be submitted to Norad by 1 May each year. 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 Project shall be submitted to Norad by 1 May 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 15 January each year. The implementation plan and budget shall include the content listed in article 1 of the General Conditions.
 - e) The **annual report and audit report** of the Grant Recipient shall be submitted to Norad by 1 May for the previous year. If the auditor in addition submits a management letter (matters for governance attention) this shall be attached to the submitted audit report.
 - f) A **final report** for the Support Period shall be submitted to Norad no later than 6 months after the end of the Support Period. The final report shall include the content listed in article 4 of the General Conditions. The Civil Society Department's standard reporting format shall be used.
- 6.2 If the Grant Recipient is unable to meet the deadlines set out above, Norad shall be informed in writing 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 Project shall be audited in accordance with the country's national auditing standards which are equivalent to 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").
- 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 if/when requested by Norad. Details regarding agenda and procedures will be agreed upon by the Parties.

9 REVIEWS AND OTHER FOLLOW-UP MEASURES

- 9.1 A mid-term review focusing on verification of key results, progress on standardised reporting and provision of recommendations regarding project implementation for the remainder of the Support Period conducted by an independent third party shall be carried out by 1 November 2018. The Grant Recipient shall draft the terms of reference for the review and submit them to Norad for approval. The costs of the review shall be included in the Project budget.
- 9.2 If the Grant Recipient or another interested party initiates a review or evaluation of activities that are 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 Project shall be completed in accordance with the Procurement Provisions in Part III of this Agreement.

- 10.2 If the total value of a contract exceeds NOK 500 000, the the procurement record and the signed contract shall be submitted to Norad for information.
- 10.3 Along with the documentation mentioned above, the Grant Recipient shall confirm in writing that the requirements agreed on in this article 10 have been fulfilled.

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 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 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:

Account no.: 7694.05.14815
IBAN no.: NO31 7694 0514 815
Name and address of the bank: DNB BANK ASA, N-0021 Oslo, Norway
Swift/BIC code: DNBANOKKXXX

- 11.3 All transactions 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 NOTICES


- 12.1 All communication to Norad concerning the Agreement shall be directed to the Civil Society Department at the following e-mail address: postmottak@norad.no (with copy to marit.fikke@norad.no).
- 12.2 All communication to the Grant Recipient concerning the Agreement shall be directed to Danielle Knight at the following e-mail address: dknight@earthinnovation.org.
- 12.3 Norad's agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

13 SIGNATURES

- 13.1 By signing part I of the Agreement, the Parties confirm receipt and approval of part II; General Conditions, and part III; Procurement Provisions, which form an integral part of the Agreement.
- 13.2 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.

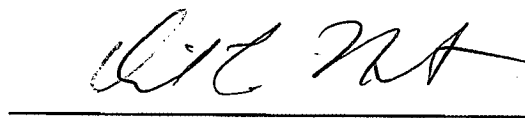
Place: Oslo, Norway

Date: 21.04.2016


for the Norwegian Agency for Development
Cooperation,

Inger Brodal

Assistant Director, Civil Society Department



for the Earth Innovation Institute,

Daniel Nepstad

Executive Director

Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework

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Standard:	Norwegian and Non-Norwegian NGOs	Revision no:	1
General Conditions	Grant Management Regime I and II	Date:	01.03.2016

PART II: GENERAL CONDITIONS APPLICABLE TO GRANTS FROM THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

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1 IMPLEMENTATION PLAN AND BUDGET

- 1.1 Any updated implementation plan to be submitted in accordance with the Specific Conditions shall be directly related to the results framework and shall specify planned activities and outputs and time schedules for the upcoming reporting period.
- 1.2 Any updated budget to be submitted in accordance with the Specific Conditions shall be based on the approved budget in Annex A and include estimated income to the Project from all sources as well as planned expenditures for the upcoming reporting period. The estimated financial need of the Project in the upcoming reporting period shall be clearly stated.
- 1.3 Significant deviations from or changes to the implementation plan and budget is subject to Norad's prior written approval as outlined in article 12 of the General Conditions.

2 PROGRESS REPORT

- 2.1 Any progress reports to be submitted in accordance with the Specific Conditions shall describe the results achieved by the Project during the reporting period. The report shall be set up in a way that allows direct comparison with the latest approved Application, implementation plan and budget, and shall be signed by an authorised representative of the Grant Recipient.
- 2.2 The progress reports shall, as a minimum, include:
 - a) an account of the results achieved so far by the Project, using the format, indicators and targets of the approved results framework. The overview must:
 - show delivered outputs compared to planned outputs;
 - show the Project's progress towards achieving the Outcome;
 - if possible, describe the likelihood of the Impact being achieved.
 - b) an account and assessment of deviations from the latest approved implementation plan and Application;
 - c) an assessment of how efficiently Project resources have been turned into Outputs;
 - d) a brief account of materialised risk factors to the Project, including how these have been handled in the reporting period and/or will be handled in the future. Identified risks related to the climate and environment, gender equality, corruption and other financial mismanagement and human rights shall always be accounted for.

3 FINANCIAL REPORT

- 3.1 Any financial report to be submitted in accordance with the Specific Conditions shall comprise financial statements with a comparison to the latest approved budget for the reporting period, as well as an identification of any deviations from the budget as per clause 3.3 below. The financial report shall be certified by the financial controller (or equivalent) as well as an authorised representative of the Grant Recipient.
- 3.2 The financial statements shall be set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items. They shall, as a minimum, include:
 - a) the accounting principles applied;
 - b) income from all sources, including bank interest. Norad's contribution shall be specified;
 - c) expenses charged/capitalised in the relevant reporting period;
 - d) expenses charged/capitalised from start-up of the Project to the end of the reporting period;
 - e) unused funds as per the reporting date;

- f) overhead/indirect costs to be covered by the Grant in accordance with article 4 of the Specific Conditions;
 - g) balance sheet, when required in accordance with the accounting principles applied;
 - h) explanatory notes including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the Project.
- 3.3 Deviations between the approved budget and the expenses charged/capitalised shall be highlighted with information on both nominal amounts and percentage of each deviation. The Grant Recipient shall include a written explanation of any deviations amounting to more than 10% from a budget line.

4 FINAL REPORT

- 4.1 The final report to be submitted in accordance with the Specific Conditions shall describe the results achieved by the Project during the Support Period. The report shall be set up in a way that allows for a direct comparison with the Application, and shall be signed by an authorised representative of the Grant Recipient.
- 4.2 The final report shall, as a minimum, include:
- a) the items listed for the progress reports described in article 2 of the General Conditions, covering the entire Support Period;
 - b) an assessment of the Project's effect on society (Impact);
 - c) a description of the main lessons learned from the Project;
 - d) an assessment of the sustainability of the achieved results by the Project.

5 AUDIT

- 5.1 If an audit of the Project's financial statements is required pursuant to the Specific Conditions, the audit shall be carried out by an independent chartered/certified or state-authorised public accountant (auditor).
- 5.2 Norad reserves the right to approve the auditor, and may require that the auditor shall be replaced if Norad finds that the auditor has not performed satisfactorily or if there is any doubt as to the auditor's independence or professional standards.
- 5.3 The auditor shall form an opinion on whether the Project's financial statements fairly reflect the financial position of the Project and whether they are prepared, in all material respects, in accordance with the applicable financial reporting framework, namely:
- a) the accounting principles followed by the Grant Recipient and;
 - b) the requirements of article 3 clause 2 of the General Conditions.
- 5.4 The auditor shall report in accordance with the applicable audit standard, as agreed in the Specific Conditions.
- 5.5 The audit report shall include:
- a) the Project name and agreement number;
 - b) identification of the Project's total expenses and total income;
 - c) the subject of the audit;
 - d) the financial reporting framework applied;
 - e) the auditing standards applied;

- f) a statement that the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement;
 - g) the auditor's opinion.
- 5.6 In addition to the Project's audit report, the auditor shall submit a management letter (matters for governance attention), which shall contain any findings made during the audit of the Project. It shall also list any measures that have been taken as a result of previous audits and whether such measures have been adequate to deal with reported shortcomings.
- 5.7 If any findings have been reported in the Project's management letter, the Grant Recipient shall prepare a response, including an action plan to be submitted to Norad together with the management letter.
- 5.8 The costs of the audit of the Project's financial statements shall be included in the Project's budget.
- 5.9 The audit requirements stated in this Agreement are applicable for the total Grant, including any part of the Grant that has been transferred to a cooperating partner.
- 5.10 The auditor of the Project's consolidated financial statement is responsible for the direction, supervision and performance of the audit of any part of the Grant that has been transferred to a cooperating partner. The auditor shall assure itself that those performing the audit for cooperating partners have the appropriate qualifications, that the audit is in compliance with professional standards, and that the audit report is appropriate under the circumstances.
- 5.11 The auditor of the Project's consolidated financial statement shall express an opinion on whether the statement is prepared, in all material respects, in accordance with the requirements of this Agreement. To this end, the auditor shall obtain sufficient appropriate audit evidence regarding the financial statements of the cooperating partner and the consolidation process.

6 CONTROL MEASURES

- 6.1 Representatives of Norad and the Norwegian Auditor General may at all times carry out independent reviews, audits, field visits or evaluations or other control measures related to the Project. The objective of such control measures may be to verify that the Grant has been used in accordance with the Agreement or to evaluate the achievement of results.
- 6.2 The Grant Recipient shall facilitate such control measures by providing all information and documentation necessary to carry out the relevant initiative, as well as ensuring unrestricted access to any premises, records, goods and documents requested.
- 6.3 The representatives of Norad and the Norwegian Auditor General shall also have access to the Grant Recipient's auditor and the auditor's assessments of all information pertaining to the Grant Recipient and the Project. The Grant Recipient shall release the auditor from any confidentiality obligations in order to facilitate such access.
- 6.4 The rights and obligations of this article 6 shall remain in force for 3 years following expiry or termination of the Agreement.

7 FINANCIAL MANAGEMENT

- 7.1 The Grant Recipient shall keep accurate accounts of the Project's income and expenditure using an appropriate accounting- and double-entry book-keeping system¹ in accordance with the applicable accounting- and bookkeeping policies in the jurisdiction of the Grant Recipient.
- 7.2 The accounts shall be kept up to date at least on a monthly basis. Bank reconciliations² and cash reconciliations³ shall be completed at least every month, and shall be documented by the Grant Recipient.
- 7.3 Accounts and expenditures relating to the Project must be easily identifiable and verifiable, either by using separate accounts for the Project or by ensuring that Project expenditure can be easily identified and traced within the general accounting- and bookkeeping systems. The accounts must provide details of bank interest accrued on the Grant.
- 7.4 The Grant Recipient shall keep the Project's accounting records for at least 5 years from the time of Norad's approval of the final report for the Project. This shall include i.a. vouchers, receipts, contracts and bank statements.

8 EXCHANGE RATE FLUCTUATIONS

- 8.1 If the Grant is converted into another currency, the exchange shall be made through a national or commercial bank unless otherwise approved by Norad.
- 8.2 If exchange rate fluctuations decrease the value of the Grant to such an extent that this will have consequences for the implementation of the Project, the Grant Recipient shall inform Norad as soon as possible.
- 8.3 If exchange rate fluctuations increase the value of the Grant, the gain shall be treated as disbursed Grant funds and used for Project purposes. Net surplus from conversion into foreign currency shall be subtracted from future disbursements or repaid as unused funds at the end of the Support Period, unless otherwise agreed between the Parties.

9 EQUIPMENT, CONSUMABLES AND INTELLECTUAL PROPERTY RIGHTS

- 9.1 The right of ownership to equipment, consumables and intellectual property rights procured or developed by use of the Grant shall vest in the Grant Recipient or its cooperating partner, unless otherwise stated in the Application. All matters associated with such equipment, consumables and intellectual property rights are the exclusive responsibility of the Grant Recipient. However, significant use of such equipment, consumables and intellectual property rights for purposes outside the Project shall be subject to the Norad's prior approval, as outlined in Article 12 of the General Conditions.

¹ A double-entry bookkeeping system is system of bookkeeping where every entry to an account requires a corresponding and opposite entry to a different account.

² Bank reconciliation is a process of verifying whether the sum found in the bank statements at the end of the period correspond with transactions recorded in the accounting system. This is usually done in conjunction with closure of the accounting records.

³ Cash reconciliation is a process of verifying whether the cash at hand at the end of the period corresponds with the amount of cash in the beginning of the period and the registrations of withdrawals and deposits in the period. This is usually done in conjunction with closure of the accounting records.

- 9.2 Norad shall have a non-exclusive and royalty-free license to use all intellectual property rights procured or developed by the use of the Grant. Norad may assign this right to any individual or organisation at its own discretion.
- 9.3 Transfer of ownership of such equipment, consumables or intellectual property rights during the Support Period shall be made at market terms. Ownership may not be transferred to an employee of the Grant Recipient or its cooperating partner, or to anyone related or connected to an employee, if such relation could lead to a conflict of interest as described in article 16 of the General Conditions.
- 9.4 Before a transfer is decided, the Grant Recipient shall assess whether it may have an impact on the Project and, where appropriate, consult with Norad. Any income from a transfer shall accrue to the Project, and shall be reported in the financial statement of the Project.
- 9.5 The Grant Recipient shall prepare a record of transfer of ownership for any equipment, consumables and intellectual property rights. The record shall comprise information about the object of transfer, the original purchase price paid by the Grant Recipient, price offers received, the final sales price and the name of the purchaser. The record shall be submitted to Norad along with the first progress report due after the sale.
- 9.6 If the activities of the Project do not continue after the end of the Support Period or after termination of the Agreement, the Grant Recipient shall inform Norad about the remaining equipment and goods that have been purchased by use of the Grant. The Norad may require that such assets be sold. Such sale shall be completed in accordance with the procedures described above. Income from the sale shall be repaid to Norad unless otherwise agreed by the Parties.

10 REAL PROPERTY

- 10.1 The Grant may not be used to purchase or construct real property (land or buildings) unless explicitly approved by Norad.
- 10.2 If Norad has approved a purchase or construction of real property, the Grant Recipient and Norad shall agree on the details concerning the ownership and the status of the real property after the end of the Support Period and/or the end of the Project. The agreement may be formalised in the Specific Conditions or in a separate agreement document.
- 10.3 Norad may in such an agreement require i.a. that the real property shall be sold after the end of the Support Period and that the proceeds from the sale shall be repaid to Norad. Norad may also reserve the right to establish security interests in any real property purchased by use of the Grant.

11 TRANSFER OF THE GRANT TO A COOPERATING PARTNER

- 11.1 Transfer of all or part of the Grant including assets to a cooperating partner shall be documented through a written agreement. The agreement shall specify that the cooperating partner is required to comply with the provisions of this Agreement and to cooperate with the Grant Recipient to ensure that the Grant Recipient is able to fulfil its obligations hereunder.
- 11.2 The agreement between the Grant Recipient and the cooperating partner shall have provisions related to i.a. reporting, audit, procurement and measures to prevent financial irregularities. Furthermore, the agreement shall explicitly state that:

- a) both the Grant Recipient, Norad 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) the Grant Recipient shall be entitled to claim repayment of the Grant from the cooperating partner in the same instances and to the same extent that Norad is entitled to claim repayment from the Grant Recipient, and the cooperating partner shall accept that Norad has the right to claim repayment directly from the cooperating partner to the same extent as the Grant Recipient,
 - 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 Norad.
- 11.3 The Grant Recipient shall assure itself that the cooperating partner has the necessary competence and internal procedures to meet the requirements of the Agreement and shall follow-up the cooperating partner's compliance with the Agreement throughout the Support Period.
- 11.4 The Grant may not be transferred to a cooperating partner who has previously been charged or sentenced for any criminal activity unless explicitly approved by Norad.
- 11.5 The Grant Recipient shall remain fully responsible towards Norad for any part of the Grant including assets that has been transferred to a cooperating partner.

12 CHANGES TO THE PROJECT OR THE GRANT RECIPIENT

- 12.1 Any significant deviations from or changes to the Application or approved implementation plans or budgets are subject to Norad's prior, written approval. The same applies to significant changes to, or circumstances materially affecting, the Grant Recipient's organisation.
- 12.2 The following deviations/changes shall always be subject to Norad's prior written approval:
- a) any changes to the Project's sources of income,
 - b) any changes to the results framework or scope of the Project,
 - c) changes to the implementation plan which implies a delay of more than three months of any activity,
 - d) changes to the Project's budget that imply reallocation of more than 10% of a budget line.
- 12.3 Norad may suspend disbursements of the Grant until such changes have been approved.

13 EXTENSION OF THE SUPPORT PERIOD

- 13.1 The Support Period of the Project is set out in the Specific Conditions. The Grant Recipient must, without delay, inform Norad of any circumstances likely to hamper or delay the implementation of the Project.
- 13.2 The Grant Recipient may request an extension of the Support Period if this is necessary to complete all planned activities. The request must state the reasons for the delay and supporting documentation must be enclosed. Norad shall approve or decline the request in writing.

14 TRANSPARENCY

- 14.1 The Grant Recipient shall publish the following in a dedicated and easily accessible place of its internet site:
- a) a copy of this Agreement;

- b) the title and value of any contracts, cooperation agreements and/or other sub-agreements of more than NOK 500 000 (or the equivalent in local currency) which are to be financed by the Grant;
- c) the names and nationalities of the respective agreement parties and, if relevant, any further sub-grantees or contractors in receipt of Project funds;

Any deviations from article 14 shall be agreed by the Parties in writing, i.e. in the Specific Conditions.

- 14.2 Publication shall take place as soon as possible, and at the latest within six months after the contracts, cooperation agreements and/or other sub-agreements were entered into
- 14.3 The Grant Recipient shall make other project documentation, including the Application and all agreed reports, available to anyone upon request. Requests for disclosure may be denied if such disclosure is prohibited by confidentiality obligations and/or if it may be detrimental to the Grant Recipient's legitimate interests.

15 FINANCIAL IRREGULARITIES

- 15.1 The Grant Recipient is required to practise zero tolerance against corruption and other financial irregularities within and related to the Project. The zero tolerance policy applies to all staff members; consultants and other non-staff personnel and to cooperating partners and beneficiaries of the Grant.
- 15.2 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 Project funds which is not in accordance with the implementation plan and budget.
- 15.3 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 stop financial irregularities within and related to the Project;
 - c) require that all staff involved in, and any consultants, suppliers and contractors financed under the Project refrain from financial irregularities.
- 15.4 The Grant Recipient shall inform Norad immediately of any indication of financial irregularities in or related to the Project. The Grant Recipient shall provide Norad 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.
- 15.5 The matter will be handled by Norad in accordance with Norad's guidelines for handling suspicion of financial irregularities. The Grant Recipient shall cooperate fully with Norad's investigation and follow-up. If requested by Norad, the Grant Recipient shall initiate prosecution and/or apply other sanctions against persons or entities suspected of financial irregularities.
- 15.6 Norad may claim repayment of all or parts of the Grant in accordance with article 17 of the General Conditions if it finds that any financial irregularities have taken place in or related to the Project. The repayment claim may also include any interest, investment income or any other financial gain obtained as a result of the financial irregularity.

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16 CONFLICT OF INTEREST

- 16.1 The Grant Recipient shall take all necessary precautions to avoid any conflicts of interest in all matters related to the Project.
- 16.2 Conflict of interest refers to any situation where the impartial and objective exercise of the functions of anyone acting on behalf of the Grant Recipient is, or may be, compromised for reasons involving family, personal life, political or national affinity, economic interest or any other connection or shared interest with another person.
- 16.3 If a conflict of interest occurs, the Grant Recipient shall, without delay, take all necessary measures to resolve the conflict, e.g. by replacing the person in question or by obtaining independent verification of the terms of the proposed decision or transaction.
- 16.4 If the conflict of interest cannot be resolved and/or if it relates to a decision or transaction of special significance to the Project, the decision or transaction may not be concluded without the prior, written approval of Norad.

17 BREACH OF THE AGREEMENT

- 17.1 If the Grant Recipient fails to fulfil its obligations under this Agreement and/or if there is suspicion of financial irregularities, Norad may suspend disbursement of all or part of the Grant.
- 17.2 In the event of material breach of the Agreement, Norad may terminate the Agreement with immediate effect, and/or claim repayment of all or parts of the Grant.
- 17.3 Material breach of the Agreement shall include, without limitation, the following situations:
- a) all or part of the Grant has not been used in accordance with the Agreement and/or approved implementation plans and budget,
 - b) the Grant Recipient has made false or incomplete statements to obtain the Grant,
 - c) the use of the Grant has not been satisfactorily accounted for,
 - d) the Grant Recipient has, after having been granted an extended deadline, failed to provide the agreed reports, or has knowingly provided reports that do not reflect reality,
 - e) financial irregularities, grave professional misconduct or illegal activity of any form have taken place within the Grant Recipient or its cooperating partners,
 - f) the Grant Recipient has failed to inform Norad of indication of financial irregularities within the Project in accordance with article 15 of the General Conditions,
 - g) the Grant Recipient has changed legal personality without prior notification to Norad,
 - h) the Grant Recipient is bankrupt, being wound up or is having its affairs administered by the courts, or is subject to any analogous or corresponding procedure provided for under national legislation.
- 17.4 The Grant Recipient shall inform Norad immediately of any circumstances that may indicate or lead to a breach of Agreement, and shall provide Norad with any information or documentation it may reasonably require in order to determine if a breach of the Agreement has occurred.
- 17.5 Norad may also suspend disbursements or terminate the Agreement with immediate effect if a material breach of another agreement between Norad and the Grant Recipient has been established.

18 TERMINATION OF THE AGREEMENT

- 18.1 Each of the Parties may terminate the Agreement upon a written notice.
- 18.2 The Support Period shall end three months after the date of the notice of termination. During these three months, the Grant Recipient may only use the Grant to cover commitments that have been established before the date of the notice of termination.
- 18.3 If the Project cannot continue without the Grant, the Grant Recipient shall use these three months to discontinue or scale down the Project promptly and in an orderly and financially sound manner. Any funds that remain unused at the end of the Support Period shall be repaid to Norad.
- 18.4 The Grant Recipient shall submit a final report to Norad within three months of the end of the Support Period. The final report shall meet the requirements set out in article 4 of the General Conditions and shall also include a financial report and audit report covering the period from the previous financial report until the end of the Support Period.
- 18.5 The Agreement will be considered terminated when the final report has been approved by Norad and any remaining funds have been repaid.

19 WAIVER AND IMMUNITIES

- 19.1 Nothing in the Agreement or any document related to the Agreement shall imply a waiver, express or implied, by Norad, the Government of Norway or any of its officials of any privileges or immunity enjoyed by them or their acceptance of the jurisdiction of the courts of any country over disputes arising thereof. This article 19 will not prevent arbitration or court proceedings in the legal venue of the Grant Recipient pursuant to article 24 of the General Conditions.

20 LIABILITY

- 20.1 Norad shall not under any circumstances or for any reason be held liable for damage, injury or loss of income sustained by the Grant Recipient or its staff or property as a direct or indirect consequence of the Project. Norad will not accept any claim for compensation or increases in payment in connection with such damage, injury or loss of income.
- 20.2 The Grant Recipient shall assume sole liability towards third parties, including liability for damage, injury or loss of income of any kind sustained by them as a direct or indirect consequence of the Project. The Grant Recipient shall indemnify Norad against any claim or action from the Grant Recipient's employees or third parties in relation to the Project.

21 ASSIGNMENT

- 21.1 The Agreement and/or the Grant may not be assigned to a third party without the prior written consent of Norad. This shall not, however, prevent transfer of parts of the Grant to a cooperating partner in accordance with article 11 of the General Conditions.

22 RECOGNITION AND PUBLICATION

- 22.1 The Grant Recipient shall acknowledge Norad's support to the Project in all publications and other materials issued in relation to the Project. Norad's logotype will be provided by Norad upon request. All use of Norad's logotype must be approved by Norad.

23 ENTRY INTO FORCE, DURATION AND AMENDMENT

- 23.1 The Agreement shall enter into force at the date of the last signature and shall remain in force until all obligations arising from it have been fulfilled, or until it is terminated in accordance with the provisions of the General Conditions. Whether the obligations of the Agreement shall be considered fulfilled, will be determined through consultations between the Parties and confirmed by Norad in a completion letter.
- 23.2 The Agreement may be amended. Any such amendment must be agreed upon in writing between the Parties and shall become an integral part of the Agreement.
- 23.3 Termination or expiry of the Agreement shall not release the Parties from any liability arising from any act or omission that has taken place prior to such termination or expiry.

24 CHOICE OF LAW AND SETTLEMENT OF DISPUTES

- 24.1 The Agreement shall be governed and construed in accordance with Norwegian law.
- 24.2 If any dispute arises relating to the implementation or interpretation of the Agreement, the Parties shall seek to reach an amicable solution.
- 24.3 Any dispute arising out of or in connection with the Agreement that cannot be solved amicably, shall exclusively be settled before the Norwegian courts of law with Oslo District Court as legal venue.
- 24.4 The Grant Recipient accepts that Norad can, at its own sole discretion and as an alternative to the legal venue mentioned above, choose to settle the dispute by
- a) the courts in the legal venue of the Grant Recipient, or
 - b) arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three arbitrators. If the disputed amount is below an amount corresponding to NOK 10 000 000 the arbitral tribunal shall, however, be composed of a sole arbitrator. The seat of arbitration shall be Stockholm, Sweden, and the language to be used in the arbitral proceedings shall be English. The Parties agree that neither the arbitral proceedings nor the award shall be subject to any confidentiality.
- 24.5 The Parties agree that no other courts of law, than as set out in this article 24, shall have jurisdiction over disputes arising out of or in connection with this Agreement.

Standard: Procurement Provisions	Norwegian and Non-Norwegian NGOs	Revision no.:	1
	Grant Management Regime I and II	Date:	01.03.2016

PART III: PROCUREMENT IN THE CONTEXT OF PROJECTS FINANCED BY THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

1 INTRODUCTION

- 1.1 This Part III sets out procurement rules and principles which shall be applied by the Grant Recipient when procuring goods, services or works to Projects financed by the Norwegian Agency for Development Cooperation (Norad). Stricter rules may supplement the compulsory minimum rules set forth in this Part III.
- 1.2 Norad may carry out ex post checks on the Grant Recipient's compliance with the rules set forth in this Part III.
- 1.3 Failure to comply with the rules set forth in this Part III shall render the Project expenditure ineligible for Norad funding and may lead to withholding funds or claim for repayment in accordance with article 1.7 of the General Conditions (Part II) of this Agreement.
- 1.4 Contracts shall not be split artificially to circumvent the procurement thresholds. All monetary amounts referred to in this Part III are amounts excluding value-added tax (VAT).
- 1.5 The procurement provisions shall also apply to any procurements to be carried out by the Grant Recipient's cooperation partners or others. The Grant Recipient shall be responsible for compliance as per article 11 of the General Conditions (Part II) of this Agreement regardless of whether the procurement is carried out by the Grant Recipient itself or its cooperation partners or others.
- 1.6 Sections 1 to 4 set out rules which shall apply to all contracts. Sections 5 to 6 contain specific rules for service, supply and works contracts. Section 7 lists the situations where a negotiated procedure without prior publication is permitted.

2 BASIC PRINCIPLES

- 2.1 If a Project requires procurement by the Grant Recipient, the contract must be awarded following a tender procedure to the most economically advantageous tender (i.e. to the tenderer obtaining the best score based on price and quality), or, as appropriate, to the tenderer offering the lowest price. In doing so, the Grant Recipient shall avoid any conflict of interests and respect the following basic principles:

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- a) **Competition:** The procedures applied and the award of contracts shall be based on fair competition.
- b) **Equal treatment and non-discrimination:** Participation in tender procedures shall be open on equal terms to all natural and legal persons. During the entire procurement and the award of contracts, the Grant Recipient shall not discriminate against candidates/tenderers or groups of candidates/tenderers.
- c) **Transparency and ex-ante publicity:** As a general rule, tender procedures shall be based on prior publication. Where the Grant Recipient does not launch an open tender procedure, it shall justify the choice of tenderers that are invited to submit an offer.
- d) **Objective criteria:** The Grant Recipient shall evaluate the offers received against objective criteria, which enable the Grant Recipient to measure the quality of the offers and shall take into account the price (the offer with the lowest price shall be awarded the highest score for the price criterion). The criteria shall be set out beforehand and shall be relevant to the contract in question.
- e) **Notoriety:** The Grant Recipient shall keep sufficient and appropriate records and documentation with regard to the procedure, its evaluation and award.

3 ELIGIBLE TENDERERS

3.1 Tenderers must provide information on their legal form and ownership structure.

3.2 Tenderers shall be excluded from participation in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations. However, tenderers in this situation may be eligible to participate insofar as the Grant Recipient is able to purchase supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a final judgment;
- c) they have been guilty of grave professional misconduct; proven by any means which the Grant Recipient can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which they are established, or with those of the country of the Grant Recipient or those of the country where the contract is to be performed;

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- e) they or persons having powers of representation, decision-making or control over them have been convicted for fraud, corruption, involvement in a criminal organisation or money laundering by a final judgment;
 - f) they make use of child labour or forced labour and/or practise discrimination, and/or do not respect the right to freedom of association and the right to organise and engage in collective bargaining pursuant to the core conventions of the International Labour Organization (ILO).
- 3.3 Tenderers shall confirm in writing that they are not in any of the situations listed above. Even if such confirmation is given by a tenderer, the Grant Recipient shall investigate any of the situations listed above if it has reasonable grounds to doubt the contents of such confirmation.
- 3.4 Contracts shall not be awarded to tenderers which, during the procurement procedure:
- a) are subject to a conflict of interests;
 - b) are guilty of misrepresentation in supplying the information required by the Grant Recipient as a condition of participation in the tender procedure, or fail to supply this information.

4 GENERAL PROCUREMENT RULES

- 4.1 The tender documents shall be drafted in accordance with best international practice. The Grant Recipient may voluntarily use the models published in the Practical Guide on the EuropeAid (EU) website.
- 4.2 The Grant Recipient shall take into account universal design and the potential environmental impact of any planned procurements.
- 4.3 All invitations to submit tenders shall state that offers will be rejected if any illegal or corrupt practises have taken place in connection with the award. All contracts concluded under the Project shall state that the Grant Recipient may terminate the contract if it finds that illegal or corrupt practises have taken place in connection with the contract award or execution.
- 4.4 The time-limits for receipt of tenders and requests to participate must be sufficient to allow interested parties a reasonable and appropriate period to prepare and submit their tenders.
- 4.5 An evaluation committee must be set up to evaluate applications and/or tenders of a value of NOK 500 000 or more on the basis of the exclusion, selection and award criteria. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

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- 4.6. For contracts with a value exceeding NOK 100 000, the Grant Recipient shall compile a written record with documentation of all assessments and decisions during all steps of the procurement process from the planning stage until the signing of the contract. Upon request by Norad, the Grant Recipient shall deliver its written record to Norad and grant Norad access to all relevant information and documentation related to the procurement procedure and practices applied.

5 AWARD OF CONTRACTS

- 5.1 Contracts with a value of less than NOK 500 000 may be awarded by using any procurement procedure established by the Grant Recipient, while respecting the rules and principles laid down in Sections 1 to 4 of this Part III.
- 5.2 Contracts with a value exceeding NOK 500 000 shall be awarded by means of one of the following procurement procedures:
- a) **Open tender procedure:** In open procedures, any interested tenderer may submit a tender in response to a call for competition. The tender shall be accompanied by the information for qualitative selection as requested by the Grant Recipient.
 - b) **Restricted procedure:** In restricted procedures, any tenderer may submit a request to participate in response to a call for competition by providing the information for qualitative selection as requested by the Grant Recipient. Only those tenderers invited to do so by the Grant Recipient following its assessment of the information provided may submit a tender. The Grant Recipient may limit the number of suitable candidates to be invited to participate in the procedure.
 - c) **Competitive procedure with negotiation:** In competitive procedures with negotiation, any tenderer may submit a request to participate or a tender in response to a call for competition by providing the information for qualitative selection as requested by the Grant Recipient. Tenderers may submit an initial tender, which shall be the basis for subsequent negotiations. The minimum requirements and the award criteria shall not be subject to negotiations.
- 5.3 Where the Grant Recipient does not launch an open tender procedure, it shall justify and document in writing the choice of tenderers that are invited to submit an offer.
- 5.4 Deviations from the procedures listed in Section 5.2 are limited to the situations listed in Section 7 of this Part III.

6 PUBLICATION OF PROCUREMENT NOTICE

- 6.1 The following shall apply with respect to publication of the procurement notice:¹

¹ Definitions of different types of contracts and procedures can be found in Directive 2014/24/EU.

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- a) **Service and supply contracts from NOK 500 000 to less than NOK 2 500 000 and works contracts from NOK 500 000 to less than NOK 40 000 000.**

The prior procurement notice shall be published in all appropriate media, at least in the country in which the Project will be carried out as well as on the Grant Recipient's website.

- b) **Service and supply contracts with a value of NOK 2 500 000 and above and works contracts with a value of NOK 40 000 000 and above**

The prior procurement notice shall be published in all appropriate media, in particular on the Grant Recipient's website, in the international press and the national press of the country in which the Project will be carried out, and in any other relevant specialist periodicals.

7 USE OF NEGOTIATED PROCEDURE WITHOUT PRIOR PUBLICATION

7.1 The Grant Recipient may use a negotiated procedure without prior publication in the following cases:

- a) if any of the circumstances set out in Article 32 of Directive 2014/24/EU are present;
- b) for purposes of humanitarian aid and civil protection operations or for crisis management aid in a crisis that has been formally recognised by and for the time period declared by Norad;
- c) where the services are entrusted to public-sector or non-profit bodies and relate to activities of an institutional nature or are designed to provide assistance to people in the social field;
- d) for contracts declared to be secret, or whose performance must be accompanied by special security measures, or when the protection of the essential interests of Norad so requires.

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Project Budget Building Bridges Between Local Policies, REDD+ and Sustainable Supply Chain Initiatives: Phase 3 of the Forests, Farms and Finance Initiative

NOK: USD Exchange Rate 8.8087

Budget Summary		2016 NORAD		2016 Confunding		2017 NORAD		2017 Confunding		2018 NORAD		2018 Confunding	
By Country		USD	NOK	Total USD	Total NOK	USD	NOK	Total USD	Total NOK	USD	NOK	Total USD	Total NOK
Brazil		717 475	6 320 000	101 180	891 260	525 391	4 628 000	142 418	1 294 514	517 672	4 560 000	154 771	1 363 323
Indonesia		726 557	6 400 000	303 539	2 673 779	590 327	5 200 000	427 254	3 763 543	509 498	4 488 000	464 312	4 089 969
Colombia		283 357	2 496 000	252 950	2 226 146	278 930	2 467 000	356 045	3 136 286	230 169	2 566 000	386 926	3 408 308
Peru		88 003	783 000	364 129	3 118 409	81 170	715 000	498 463	4 390 800	44 956	396 000	547 697	4 771 631
Total		1 816 392	16 008 000	1 011 798	8 912 596	1 475 819	13 000 000	1 424 181	12 545 144	1 362 294	12 000 000	1 547 706	13 633 230

Budget Summary		2016 NORAD		2016 Confunding		2017 NORAD		2016 Confunding		2018 NORAD		2018 Confunding	
By Location		USD	NOK	Total USD	Total NOK	USD	NOK	Total USD	Total NOK	USD	NOK	Total USD	Total NOK
Headquarters		576 392	5 077 248	321 072	2 828 216	432 294	3 807 936	451 633	3 980 926	393 388	3 465 222	453 351	3 993 421
In-Country Programs		292 530	2 576 800	162 950	1 435 374	254 501	2 241 616	229 364	2 020 395	234 141	2 062 471	266 898	2 351 015
Partners		947 470	8 345 952	527 776	4 649 007	789 024	6 960 248	742 864	6 543 823	734 766	6 472 308	927 457	7 288 795
Total		1 816 392	16 008 000	1 011 798	8 912 596	1 475 819	13 000 000	1 424 181	12 545 144	1 362 294	12 000 000	1 547 706	13 633 230

Budget Summary		2019 NORAD		2019 Confunding		2020 NORAD		2020 Confunding		Total NORAD		Total Confunding	
By Country		USD	NOK	Total USD	Total NOK	USD	NOK	Total USD	Total NOK	USD	NOK	Total USD	Total NOK
Brazil		504 049	4 440 000	161 771	1 424 984	516 160	4 546 880	148 771	1 310 471	2 780 747	24 494 880	708 910	6 324 552
Indonesia		505 411	4 452 000	485 312	4 274 951	502 496	4 426 320	446 312	3 931 413	2 834 289	24 966 320	2 126 729	18 733 655
Colombia		272 466	2 400 000	404 060	3 562 459	270 647	2 384 040	371 928	3 276 178	1 386 568	12 293 100	1 772 274	15 611 379
Peru		80 369	707 940	556 197	4 987 443	72 992	642 980	520 997	4 586 649	368 489	3 245 900	2 481 184	21 855 931
Total		1 362 294	12 000 000	1 617 706	14 249 837	1 362 294	12 000 000	1 487 706	13 104 710	7 379 093	65 000 000	7 089 097	62 445 518

Budget Summary		2019 NORAD		2019 Confunding		2020 NORAD		2019 Confunding		Total NORAD		2019 Confunding	
By Location		USD	NOK	Total USD	Total NOK	USD	NOK	Total USD	Total NOK	USD	NOK	Total USD	Total NOK
Headquarters		365 850	3 222 656	467 142	4 114 904	340 241	2 997 070	389 630	3 519 331	2 108 165	18 570 132	2 093 028	18 436 797
In-Country Programs		222 434	1 959 347	278 039	2 449 156	215 761	1 900 667	242 911	2 139 723	1 219 367	10 741 000	1 180 163	10 395 662
Partners		774 010	6 817 987	872 524	7 665 778	806 292	7 102 363	845 264	7 445 556	4 051 561	35 688 868	3 815 906	33 613 058
Total		1 362 294	12 000 000	1 617 706	14 249 837	1 362 294	12 000 000	1 487 706	13 104 710	7 379 093	65 000 000	7 089 097	62 445 518

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*Sources include: The International Climate Initiative (ICI) and IDH Soy Fund to Eli, McArthur Foundation (via Forest Trends), and Gordon & Betty Moore Foundation to Eli

Earth Innovation Institute
 2016 Project Budget
 Building Bridges Between Local Policies, REDD+ and Sustainable Supply Chain Initiatives: Phase 3 of the Forests, Farms and Finance Initiative

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2016 Budget by Output								
OUTCOME 1	USD	NOK	OUTCOME 2	USD	NOK	OUTCOME 3	USD	NOK
Outputs 1.1.1 thru Outputs 1.1.5	487 495	4 294 182	Outputs 2.1.1 thru 2.1.4 (BRAZIL)	261 722	2 305 419	Outputs 3.1 thru 3.5	244 720	2 155 862
Outputs 1.1.6 thru Outputs 1.1.8	91 680	807 583	Output 2.2.1-2.2.5 (INDONESIA)	261 722	2 305 419	Outputs 3.4 thru 3.6	146 832	1 293 397
			Output 2.3.1 thru 2.3.3 and 2.4.1 thru 2.4.3 (COLOMBIA & PERU)	224 333	1 976 073	Output 3.7 and Output 3.8	97 888	862 265
Total Outcome 1	579 175	5 101 765		747 776	6 586 911		489 441	4 311 324

Annex B

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Outcome 1: Regionally-tailored mechanisms are leveraging climate finance to attract and deliver public and private sector funds for low-emission development strategies to local governments, smallholders and communities in Brazil, Indonesia, Peru and Colombia

We will describe here briefly how project contributed to REDD+ funding being pledged/received at a global level and/or national and/or sub-national level in the targeted developing countries during the year reported on.

Indicator	Short Description	Baseline	Targets					T o t a l	Data Sources	Frequency of Reporting	Responsibility
			Y1	Y2	Y3	Y4	Y5				
Amount of funding (USD) pledged/received (standardized reporting indicator 1.2)											
Funding pledged by targeted agricultural companies and businesses (million USD)	Description of pledges.	0	1	3	6	10	20	Company communications & government websites.	Annual	EI, FT	
Funding pledged by targeted donor countries/states (million USD)	Description of pledges.	0	2	4	8	12	26	Official government communications.	Annual	EI, FT	
Funding received in target jurisdictions from capped California companies (million USD)	Description of funding received.	0		2	5	8	15	California government communications	Annual	EI, GCF	
Funding received by target sub-national jurisdictions (million USD)	Description of funding received.	0	2	5	8	10	25	Official government communications.	Annual	EI, FT	
Declines in Deforestation											

Deforestation declines in target jurisdictions (% reduction below historical average)	Description	63%	65	68	71	76	84	84	INPE Prodes, Hansen et al. 2013	Annual	EII
Project-specific Outcome Indicator											
Local governments in target jurisdictions receiving incentives for slowing deforestation (number of municipalities or districts)	Green Counties Program in Para	0	5	10	5	5	25	Official gov. documents and reports; Reports from donors	Annual	EII, Sapopema, IPAM	
Small-scale farmers and communities supported to improve their production systems through TPS (thousands of farmers and communities receiving support)	0	3	6	6	10	11	36	Official government documents, communications and reports	Annual	EII Solidarietà, Sapopema	
Output Level											
Indicators	Baseline	Targets					Total	Data Sources	Frequency of Reporting	Responsibility	
		Y1	Y2	Y3	Y4	Y5					
Output 1.1.1: Territorial performance fund and monitoring system designed and implemented in Mato Grosso, Acre, and Pará (Brazil) to attract matching and performance-based finance and deliver to smallholders and local governments											
Territorial Performance Funds designed (# of jurisdictions)	Draft in Mato Grosso	1		1	1		3	Official gov. documents	Annual	EII, FT	
Territorial monitoring platforms launched to support TP Fund (# of jurisdictions)	Beta for Brazilian Amazon and Mato Grosso.	2	1	1			4	TPS monitoring platform website	Annual	EII	
Output 1.1.2: Green Forest Bond designed and beginning implementation in Brazil											
GFB design and institutional arrangement completed	0	1						Design documents	Annual	EII, FT	
Output 1.1.3: On-granting mechanism designed for delivering climate finance to high-performing Districts in Central Kalimantan and West Papua, Indonesia											

Results Framework

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On-granting mechanism design completed and institutional arrangement determined	0						1			Official gov. documents	Annual	EII, INOBU
Output 1.1.4: Analysis and convening in support of the implementation of a package of incentives (e.g. with Colombian FINAGRO program) for low-emission rural development in the Colombian Amazon												
Package of incentives design document completed with participation of Min of Agriculture	0						1			Meeting notes; design documents	Annual	EII, FT
Output 1.1.5: Business Plan for Low-emission Rural Development for Peruvian Amazon regions that leverages Forest Finance Incubator to attract private investment												
Peruvian low-emissions rural development document completed							1			Official gov. documents; meeting notes	Annual	EII, FT
Output 1.1.6: GCF performance system designed and implemented, attracting finance from new sources (GCF member states & provinces of Brazil, Indonesia, Peru)												
Number of GCF members with jurisdiction-wide performance platforms for monitoring deforestation, sustainable commodities, and GHG emissions reductions reported.	Draft GCF Performance System	2	2	2	3	3			12	Platform website.	Annual	EII, INOBU, Sapopema, GCF
Output 1.1.8: Analysis, exchange visits, and convening to support California government completion and implementation of REDD offset system												
# of meetings and workshops with CA govt	Brazil, Indonesia	0	4	5	5	5	5			EII and CA govt internal notes/reports	Annual	EII

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Outcome 2.1 State-wide low-emission rural development strategies designed and implemented through aligned public policies that create integrated systems of landholder incentives (regulatory, administrative and financial) and that are supported by multi-sector governance structures, achieving compliance with Forest Code and implementation of relevant state-level legislation (Mato Grosso—REDD law, Acre—SISA law, Pará—Green Counties Program, Brazil).

NICI Outcome 2: Describe how project contributed to governments' implementation of REDD+ relevant policies and/or measures in the targeted developing countries during the year reported on?

2.1 Level of implementation of REDD+ related policy/measure (standardized reporting indicator 2.1)

Status of Implementation uses scale from Standard Reporting Indicators.											Frequency of Reporting: Annual				
Name and Type of policy/measure	Location and Policy Level	Baseline	Status of Implementation					Data Sources	Impact on Gender, Transparency; Sustainable livelihoods; Reduced Deforestation	Responsibility					
			Y1	Y2	Y3	Y4	Y5								
Amazon Fund, Forest Code, Public Credit Programs (ABC & Pronaf) and state-level REDD+-related policies (Acre SISA, Mato Grosso REDD, Para Green Counties Program) integrated within state low-emission development strategy	Mato Grosso	3.	4	5	5	6	6	Official government reports	Gender; Transparency; Sustainable livelihoods; Reduced Deforestation	ElI, IPAM, FT					
	Para	0	2	3.	4	5	5				Official government reports	Gender; Transparency; Sustainable livelihoods; Reduced Deforestation	ElI, IPAM, FT		
	Acre	0	2	3	4	5	5							Official government reports	Gender; Transparency; Sustainable livelihoods; Reduced Deforestation
Output Level															
Indicators:	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility						
		Y1	Y2	Y3	Y4	Y5									
Output 2.1.1: Multi-sector dialogues supported for defining state-wide goals and strategies in each target state, compatible with national REDD															

Output 2.1.1: Multi-sector dialogues supported for defining state-wide goals and strategies in each target state, compatible with national REDD

# of states with published analyses of compatibility of state-level reference levels and national reference level	1		1	1			2	Official government reports; GCF Performance Platform	Annually	EII, IPAM
Territorial multi-stakeholder governance structures supported (# of jurisdictions)	0	1	1	1			3	Article of establishment; meeting minutes	Annual	EII, IPAM, Sapopema
Output 2.1.2: Analysis indicates minimum-cost pathway to full compliance with Forest Code										
Analysis document for each target jurisdiction	Stickler et. al 2013	1	1	1			3	Published report/analysis	Annually	EII, IPAM
Output 2.1.3: Analysis indicates ways of aligning state strategies/policies with national REDD regime, credit programs (e.g. ABC, PRONAF)										
Analysis document or powerpoint summary	0	1	1	1	0	0	3	Document or ppt slide deck	Annually	EII
Output 2.1.4: Technical support system for smallholders and communities designed and ready for implementation through the Territorial Performance Fund										
Published analysis of technical support and rural extension needs and options for addressing these needs.	0	1	1	1	0	0	3	Published document/report on EII website	Annually	EII, IPAM, Sapopema
NIGFI Outcome 2 Standard reporting indicators										
Gender equality (standard reporting indicator 2.1.b): The above policies have the potential to directly and indirectly improve gender equality in target regions. Project partners will incorporate the participation of women and women's concerns into policy development through multi-stakeholder dialogues, resulting in direct benefits to women, such as improved access to credit and rural development programs (all regions). Policies that improve rural livelihoods, through increased access to services and improved incomes, may indirectly improve gender equality by moving households out of crisis mode, improving their ability to focus resources on higher order needs. In order to monitor gender equality, we will implement the following activities: 1) Diagnostics of gender dynamics in focal regions to examine how key institutions, policies or programs are structured to address interests and concerns of women, and how influence women's participation and leadership roles in decision-making regarding the environment; 2) Tracking participation of women in multi-stakeholder dialogues; 3) Tracking formal representation of women in stakeholder groups relevant to the project (e.g. regional government, civil society organizations, commodity roundtables, inter-sectoral climate change institutions, and GCF); 4) Analyzing how women's interests are represented in TPS and jurisdictional certification standards.										

Transparency and/or law enforcement (standard reporting indicator 2.1.c): Regional and national policies described above have the potential to improve transparency by increasing collaboration across government agencies and improving oversight to reduce corruption. Further, the integration of many policies with incentive systems rewards compliance and has the potential of reducing access to credit or government programs for those jurisdictions that are not in compliance, aiding law enforcement efforts. This approach, adopted by the Green Municipalities program in Brazil, has been successful in increasing compliance with environmental regulations and is used as a model for elements of policies described above. In order to monitor transparency and law enforcement we can track changes in country-level indicators, such as the Corruption Perception Index (compiled by Transparency International) and the World Bank's Governance Indicators. Because transparency, corruption, and law enforcement are both difficult to measure with empirical data and may be regionally variable, indicators should be used in conjunction with data on perceptions of corruption collected through periodic interviews with key stakeholders involved in the project, including government officials, commodity/roundtable members, and civil society leaders, among others.

Sustainable livelihoods (standard reporting indicator 2.1.d): The transformation of "business-as-usual", high deforestation, high-emissions livelihoods to sustainable livelihoods is at the heart of the proposed project and are a primary goal of many of the above policies. Brazil's ABC and PRONAF programs will support low-carbon agriculture, REDD+ national programs and CA REDD Offset provision have the potential to reward producers engaged in sustainable livelihoods, in some cases reducing the opportunity costs of deferring high deforestation land use activities for sustainable practices

Reduced deforestation (standard reporting indicator 2.1.e): The above policies and programs aim to reduce deforestation by 1) aligning agricultural and environmental policies, 2) channeling significant economic incentives to producers who reduce deforestation, and 3) improving conditions of rural producers (e.g. access to credit in Brazil) that will facilitate access to climate finance and transformation to sustainable livelihoods. These policy design elements, in conjunction with market mechanisms proposed in this project, will increase the likelihood of achieving significant reductions in deforestation across target regions.

Indicator	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility
		Y1	Y2	Y3	Y4	Y5			
		T o t a l							
Cancun Safeguards (<i>standard reporting indicator 2.2</i>): Please describe any change in the development, policy change or implementation of safeguards during the year reported on, to which your organisation or partners have contributed.									
Safeguard category	Country and case/process	Change (the year reported on)					Your organisation and/or partner(s) contribution	Data Source	

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2.2.1. Consistency between national forests programmes and international conventions and agreements	UNFCCC, REDD, CGF-REDD+, SES, NY Declaration on Forests, Rio Branco Declaration, TPS processes	<i>We will report on change annually.</i>	Create alignment and integration of national and jurisdictional reference levels (RLs) through bottom-up regional performance targets and RLs that are informed by external rules and market forces (CGF, NY Dec. on Forests, Rio Branco Declaration)	Workshop minutes establishing regional performance targets.
2.2.2. Transparent and effective national forest governance structures	National laws and regional TPS processes	<i>We will report on change annually.</i>	Multi-stakeholder TPS governance structures builds broad support for effective governance policy that supports implementation of national policies. Monitoring platforms promote transparency of policy implementation at regional scales.	Meeting minutes of TPS governance structures. Interviews with key stakeholders and project partners regarding perceptions of transparency.
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities	REDD+ SES, Rio Branco Declaration, TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning (including implementation of FPIC) and value their contribution to forest protection through benefit sharing mechanisms.	Meeting minutes of TPS dialogues. Participant lists of dialogues to track stakeholder representation and participation. Documentation of benefit sharing for funds delivered. Documentation of FPIC.

2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities	REDD+ SES, Rio Branco Declaration, TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning and design of benefit sharing frameworks for TPS incentive systems, and supports implementation of FPIC.	Meeting minutes of TPS dialogues. Participant lists of dialogues to track stakeholder representation and participation. Documentation of benefit sharing for funds delivered. Documentation of FPIC.
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits.	TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues build broader support for existing or expanded networks of protected areas and indigenous territories.	Meeting minutes of TPS dialogues
2.2.6. Actions to address the risks of reversals	TPS processes	<i>We will report on change annually.</i>	TPS process builds political, business, and social case for low-deforestation & emissions rural development and improves enabling conditions for policy implementation, lowering risk reversals through flagging political or corporate will be reduced	Meeting minutes of TPS dialogues. Official government reports.
2.2.7. Actions to reduce the displacement of emissions	TPS processes	<i>We will report on change annually.</i>	Establishment of performance targets related to production at the scale of an entire jurisdiction through TPS lowers risk of leakage.	Meeting minutes of TPS dialogues to establish reference levels and performance targets

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Outcome 2.2 National and state REDD programs in Indonesia are implemented as part of integrated LED-R strategy through coordination between Provincial LED-R strategies, Customary Land Rights Decisions (MK45) and the Agricultural Master Plan

NICFI Outcome 2: Describe how project contributed to governments' implementation of REDD+ relevant policies and/or measures in the targeted developing countries during the year reported on?

2.1 Level of implementation of REDD+ related policy/measure (standardized reporting indicator 2.1)

Status of Implementation uses Scale from Standard Reporting indicators.							Frequency of Reporting: Annual				
Name and Type of policy/measure	Location and Policy Level	Baseline	Status of Implementation					Data Sources	Impact on Gender, Transparency; Sustainable livelihoods; Reduced Deforestation	Responsibility	
			Y1	Y2	Y3	Y4	Y5				
National REDD, Customary Land Rights Decisions (MK45) and Agricultural Master Plan are linked to support District and Province-level REDD+ and LED-Programs	Indonesia, national and subnational	3	3	4	5	5	6	Official government reports	Gender; Transparency; Sustainable livelihoods; Reduced Deforestation	EII, INOBU	
Customary land rights institution established	C. Kalimantan and W. Papua	1	2	3	4	5	6	Relevant regulations; Indigenous People Councils	Annually	INOBU, EII	
Hectares of land (standard reporting indicator 2.3.a) to which Indigenous Peoples and forest dependent communities gain rights over and have access											

Country and location	Name of indigenous groups/forest dependent community	Type of rights and access to land	Baseline	Hectares gained					Data source	Gender (standard reporting indicator 2.3.2): Describe how women have access to the land, both formally and informally.	
				e	Hectares gained						Total
					Y1	Y2	Y3	Y4			
Indonesia, Central Kalimantan	Primarily Dayak and independent smallholders	Formal removal of community territory from state forest areas controlled by the Ministry of Forestry	0	0	0	0	0	0	1000	Ministry of Forestry and Environment; Provincial Government of Central Kalimantan	Given the collective nature of Dayak customary tenure, women will likely gain informal access to land (rather than individual titles) when territories are formally recognized by the state. The case may be different for smallholders. Methods for evaluating women's access to land will be defined in first year of project.
				5	5	0	0	0			
Indonesia, West Papua	Diversity of ethnicities	Formal removal of community territory from state forest areas controlled by the Ministry of Forestry	0	0	0	0	0	0	2000	Ministry of Forestry and Environment; Provincial Government of Central Kalimantan	
				1	1	0	0	0			
Output Level											
Indicators	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility		
		Y1	Y2	Y3	Y4	Y5					
Output 2.2.1 Evidence-based value proposition for policy alignment and integration is developed for target jurisdictions in Indonesia.											
Document describing results of analysis of value		0	1	1	1	2	FIU/INORII	Annually	INORII	FIU	

Results Framework

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Gender equality (standard reporting indicator 2.1.b) : The above policies have the potential to directly and indirectly improve gender equality in target regions. Project partners will incorporate the participation of women and women's concerns into policy development through multi-stakeholder dialogues, resulting in direct benefits to women, such as land and titling programs (e.g. Indonesia), and rural development programs (all regions). Policies that improve rural livelihoods, through increased access to services and improved incomes, may indirectly improve gender equality by moving households out of crisis mode, improving their ability to focus resources on higher order needs. In order to monitor gender equality, we will implement the following activities: 1) Diagnostics of gender dynamics in focal regions to examine how key institutions, policies or programs are structured to address interests and concerns of women, and how influence women's participation and leadership roles in decision-making regarding the environment; 2) Tracking society organization of women in multi-stakeholder dialogues; 3) Tracking formal representation of women in stakeholder groups relevant to the project (e.g. regional government, civil society organizations, commodity roundtables, inter-sectoral climate change institutions, and GCF); 4) Analyzing how women's interests are represented in TPS and jurisdictional certification standards.

Transparency and/or law enforcement (standard reporting indicator 2.1.c) : Regional and national policies described above have the potential to improve transparency by increasing collaboration across government agencies and improving oversight to reduce corruption. Further the integration of many policies with incentive systems rewards compliance and has the potential of reducing access to credit or government programs for those jurisdictions that are not in compliance, aiding law enforcement efforts. This approach, adopted by the Green Municipalities program in Brazil, has been successful in increasing compliance with environmental regulations and is used as a model for elements of policies described above. In order to monitor transparency and law enforcement we can track changes in country-level indicators, such as the Corruption Perception Index (compiled by Transparency International) and the World Bank's Governance indicators. Because transparency, corruption, and law enforcement are both difficult to measure with empirical data and may be regionally variable, indicators should be used in conjunction with data on perceptions of corruption collected through periodic interviews with key stakeholders involved in the project, including government officials, commodity roundtable members, and civil society leaders, among others.

Sustainable livelihoods (standard reporting indicator 2.1.d) : The transformation of "business-as-usual", high deforestation, high-emissions livelihoods to sustainable livelihoods is at the heart of the proposed project and are a primary goal of many of the above policies. REDD+ national programs have the potential to reward producers engaged in sustainable livelihoods, in some cases reducing the opportunity costs of deferring high deforestation land use activities for sustainable practices

Reduced deforestation (standard reporting indicator 2.1.e) : The above policies and programs aim to reduce deforestation by 1) aligning agricultural and environmental policies, 2) channeling significant economic incentives to producers who reduce deforestation, and 3) improving conditions of rural producers (e.g. secure land tenure in Indonesia) that will facilitate access to climate finance and transformation to sustainable livelihoods. These policy design elements, in conjunction with market mechanisms proposed in this project, will increase the likelihood of achieving significant reductions in deforestation across target regions.

Indicator	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility
		Y1	Y2	Y3	Y4	Y5			
		1	0	1	2	3			

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Cancun Safeguards (standard reporting indicator 2.2): Please describe any change in the development, policy change or implementation of safeguards during the year reported on, to which your organisation or partners have contributed.

Safeguard category	Country and case/process	Change (the year reported on)	Your organisation and/or partner(s) contribution	Data Source
2.2.1. Consistency between national forests programmes and international conventions and agreements	UNFCCC REDD, CGF-REDD+, SES, NY Declaration on Forests, Rio Branco Declaration, TPS processes	<i>We will report on change annually.</i>	Create alignment and integration of national and jurisdictional reference levels (RLs) through bottom-up regional performance targets and RLs that are informed by external rules and market forces (CGF, NY Dec. on Forests, Rio Branco Declaration)	Workshop minutes establishing regional performance targets.
2.2.2. Transparent and effective national forest governance structures	National laws and regional TPS processes	<i>We will report on change annually.</i>	Multi-stakeholder TPS governance structures builds broad support for effective governance policy that supports implementation of national policies. Monitoring platforms promote transparency of policy implementation at regional scales.	Meeting minutes of TPS governance structures. Interviews with key stakeholders and project partners regarding perceptions of transparency.
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities	REDD+ SES, Rio Branco Declaration, TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning (including implementation of FPIC) and value their contribution to forest protection through benefit-sharing mechanisms.	Meeting minutes of TPS dialogues. Participant lists of dialogues to track stakeholder representation and participation. Documentation of benefit sharing for funds delivered. Documentation of FPIC.

Or

2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities	REDD+ SES, Rio Branco Declaration, TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning and design of benefit sharing frameworks for TPS incentive systems, and supports implementation of FPIC.	Meeting minutes of TPS dialogues. Participant lists of dialogues to track stakeholder representation and participation. Documentation of benefit sharing for funds delivered. Documentation of FPIC.
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits	TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues builds broader support for existing or expanded networks of protected areas and indigenous territories.	Meeting minutes of TPS dialogues
2.2.6. Actions to address the risks of reversals	TPS processes	<i>We will report on change annually.</i>	TPS process builds political, business, and social ease for low-deforestation & emissions rural development and improves enabling conditions for policy implementation, lowering risk reversals through flagging political or corporate will be reduced	Meeting minutes of TPS dialogues. Official government reports.
2.2.7. Actions to reduce the displacement of emissions	TPS processes	<i>We will report on change annually.</i>	Establishment of performance targets related to production at the scale of an entire jurisdiction through TPS lowers risk of leakage.	Meeting minutes of TPS dialogues to establish reference levels and performance targets

Results Framework

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Outcome 2.3 REDD programs implemented in Colombia as part of integrated LED-R strategy through linkages with national zero-deforestation programs and Departmental Development Plans

NICFI Outcome 2: Describe how project contributed to governments' implementation of REDD+ relevant policies and/or measures in the targeted developing countries during the year reported on?

2.1 Level of implementation of REDD+ related policy/measure (standardized reporting indicator 2.1)

Status of Implementation uses Scale from Standard Reporting Indicators.										Frequency of Reporting: Annual	
Name and Type of policy/measure	Location and Policy Level	Baseline	Status of Implementation					Data Sources	Impact on Gender; Transparency; Sustainable livelihoods; Reduced Deforestation	Responsibility	
			Y1	Y2	Y3	Y4	Y5				
Amazon Vision 2020 Program, agricultural credit programs (FINAGRO/CIF) and public-private partnerships (PAAP) are linked to support low-emission rural development in the Amazon	Colombia, national	3	3	4	4	5	5	Official government reports	Gender, Transparency; Sustainable livelihoods; Reduced Deforestation	EI, FT	
Green county program launched in Colombian departments	Colombia	1	2	2	3	4	5	Official policy & other government documents	Annually	EI	
Output Level											
Indicators	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility		
		Y1	Y2	Y3	Y4	Y5					
		0	1	2	3	4					

Or

Output 2.3 Evidence-based value proposition for policy alignment and integration is developed for target jurisdictions in Colombia.

Document describing results of analysis of value proposition for individual Provinces (# of Provinces)	0	1	1	2	Analysis Document	Annually	EII
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Output 2.3 Proposal for jurisdictional performance mechanisms to support implementation of zero-deforestation strategies and programs (e.g. Amazon Vision).

Proposal for jurisdictional performance mechanism within Amazon Vision Program	0	1		1	Proposal document	Annually	EII
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Output 2.3 Proposals for Departmental Development Plans including targets for reducing deforestation

Proposals for Department Development Plans (# of Departments)	0	1	2	2	2	9	Proposals/Official Departmental Plans	Annually	EII
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NICFI Outcome 2 Standard reporting indicators:

Gender equality (standard reporting indicator 2.1.b) : The above policies have the potential to directly and indirectly improve gender equality in target regions. Project partners will incorporate the participation of women and women's concerns into policy development through multi-stakeholder dialogues, resulting in direct benefits to women, such as improved access to credit, and rural development programs. Policies that improve rural livelihoods, through increased access to services and improved incomes, may indirectly improve gender equality by moving households out of crisis mode, improving their ability to focus resources on higher order needs. In order to monitor gender equality, we will implement the following activities: 1) Diagnostics of gender dynamics in focal regions to examine how key institutions, policies or programs are structured to address interests and concerns of women, and how influence women's participation and leadership roles in decision-making regarding the environment; 2) Tracking participation of women in multi-stakeholder dialogues; 3) Tracking formal representation of women in stakeholder groups relevant to the project (e.g. regional government, civil society organizations, commodity roundtables, inter-sectoral climate change institutions, and GCF); 4) Analyzing how women's interests are represented in TPS and jurisdictional certification standards.

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Transparency and/or law enforcement (standard reporting indicator 2.1.c) : Regional and national policies described above have the potential to improve transparency by increasing collaboration across government agencies and improving oversight to reduce corruption. Further the integration of many policies with incentive systems rewards compliance and has the potential of reducing access to credit or government programs for those jurisdictions that are not in compliance, aiding law enforcement efforts. This approach, adopted by the Green Municipalities program in Brazil, has been successful in increasing compliance with environmental regulations and is used as a model for elements of policies described above, such as Colombia's Amazon Vision program. In order to monitor transparency and law enforcement we can track changes in country-level indicators, such as the Corruption Perception Index (compiled by Transparency International) and the World Bank's Governance indicators. Because transparency, corruption, and law enforcement are both difficult to measure with empirical data and may be regionally variable, indicators should be used in conjunction with data on perceptions of corruption collected through periodic interviews with key stakeholders involved in the project, including government officials, commodity roundtable members, and civil society leaders, among others.

Sustainable livelihoods (standard reporting indicator 2.1.d) : The transformation of "business-as-usual", high deforestation, high-emissions livelihoods to sustainable livelihoods is at the heart of the proposed project and are a primary goal of many of the above policies. Colombia's Amazon Vision program will support the transition from extensive cattle ranching to low-deforestation land use practices. REDD+ national programs have the potential to reward producers engaged in sustainable livelihoods, in some cases reducing the opportunity costs of deferring high deforestation land use activities for sustainable practices

Reduced deforestation (standard reporting indicator 2.1.e) : The above policies and programs aim to reduce deforestation by 1) aligning agricultural and environmental policies, 2) channeling significant economic incentives to producers who reduce deforestation, and 3) improving conditions of rural producers (e.g. access to credit in Colombia) that will facilitate access to climate finance and transformation to sustainable livelihoods. These policy design elements, in conjunction with market mechanisms proposed in this project, will increase the likelihood of achieving significant reductions in deforestation across target regions.

Indicator	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility
		T o t a l							
		Y1	Y2	Y3	Y4	Y5			
Cancun Safeguards (<i>standard reporting indicator 2.2</i>): Please describe any change in the development, policy change or implementation of safeguards during the year reported on, to which your organisation or partners have contributed.									
Safeguard category	Country and case/process	Change (the year reported on)					Your organisation and/or partner(s)' contribution	Data Source	

2.2.1. Consistency between national forests programmes and international conventions and agreements	UNFCCC REDD, CGFREDD+, SES, NY Declaration on Forests, Rio Branco Declaration, TPS processes	<i>We will report on change annually.</i>	Create alignment and integration of national and jurisdictional reference levels (RLs) through bottom-up regional performance targets and RLs that are informed by external rules and market forces (CGF, NY Dec on Forests, Rio Branco Declaration)	Workshop minutes: establishing regional performance targets.
2.2.2. Transparent and effective national forest governance structures	National laws and regional TPS processes.	<i>We will report on change annually.</i>	Multi-stakeholder TPS governance structures builds broad support for effective governance policy that supports implementation of national policies. Monitoring platforms promote transparency of policy implementation at regional scales.	Meeting minutes of TPS governance structures. Interviews with key stakeholders and project partners regarding perceptions of transparency.
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities	REDD+ SES, Rio Branco Declaration, TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning (including implementation of FPIC) and value their contribution to forest protection through benefit sharing mechanisms.	Meeting minutes of TPS dialogues. Participant lists of dialogues to track stakeholder representation and participation. Documentation of benefit sharing for funds delivered. Documentation of FPIC.

2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities	REDD+ SES, Rio Branco Declaration, TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning and design of benefit sharing frameworks for TPS incentive systems, and supports implementation of FPIC.	Meeting minutes of TPS dialogues. Participant lists of dialogues to track stakeholder representation and participation. Documentation of benefit sharing for funds delivered. Documentation of FPIC.
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits	TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues builds broader support for existing or expanded networks of protected areas and indigenous territories.	Meeting minutes of TPS dialogues
2.2.6. Actions to address the risks of reversals	TPS processes	<i>We will report on change annually.</i>	TPS process builds political, business, and social case for low-deforestation & emissions rural development and improves enabling conditions for policy implementation, lowering risk reversals through flagging political or corporate will be reduced	Meeting minutes of TPS dialogues. Official government reports.
2.2.7. Actions to reduce the displacement of emissions	TPS processes	<i>We will report on change annually.</i>	Establishment of performance targets related to production at the scale of an entire jurisdiction through TPS lowers risk of leakage.	Meeting minutes of TPS dialogues to establish reference levels and performance targets

Outcome 2.4: REDD implemented in Peru as part of the an Amazon-wide LED-R Strategy that is integrated with the National Strategy for Forest and Climate (ENBCC) and with international agreements to reduce emission from deforestation, such as the Under 2 MoU and the Rio Branco Declaration.											
NICFI Outcome 2: Describe how project contributed to governments' implementation of REDD+ relevant policies and/or measures in the targeted developing countries during the year reported on?											
2.1 Level of implementation of REDD+ related policy/measure (standardized reporting indicator 2.1)											
Status of Implementation uses Scale from Standard Reporting Indicators.						Frequency of Reporting: Annual					
Name and Type of policy/measure	Location and Policy Level	Baseline	Status of Implementation					Data Sources	Impact on Gender, Transparency, Sustainable livelihoods, Reduced Deforestation	Responsibility	
			Y1	Y2	Y3	Y4	Y5				
Regional Amazon LED-R strategy connects national REDD and agricultural finance to support zero-net deforestation	Peru, national and subnational	3	3	3	4	4	5	Official government reports	Gender, Transparency, Sustainable livelihoods, Reduced Deforestation	EI, FT	
Output Level											
Indicators	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility		
		Y1	Y2	Y3	Y4	Y5					
Output 2.4.1: Evidence-based value proposition for policy alignment (including regional-national alignment) and integration is developed for target jurisdictions in Peru.											
Report summarizing results of analysis and convening to assess costs and benefits of 2 or 3 low-emission development options for the Peruvian Amazon region	0	1						Annually	EI		
Output 2.4.2: Update Proposal to include targets for reducing deforestation for in Regional Development Plans to include targets for reducing deforestation for of Peruvian Regional Governments is developed											
Number of regional government for which reports are completed	0	1	2	1	1	5	Meeting notes, reports, summarizing reports, powerpoint	Annually	EI		

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Output 2.4.3: Proposals for Regional Strategies for Forest and Climate to support the implementation of the National Strategy for Forest and Climate (ENBCC) and to allow the compliance of the signers of the Under2MoU and the Rio Branco Declaration

Number of regional government for which reports are completed	0	1	1	2	Reports, powerpoints	Annually	EII
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NICFI Outcome 2 Standard reporting indicators

Gender equality (standard reporting indicator 2.1.b): The above policies have the potential to directly and indirectly improve gender equality in target regions. Project partners will incorporate the participation of women and women's concerns into policy development through multi-stakeholder dialogues, resulting in direct benefits to women, such as improved access to credit, land and titling programs, and rural development programs. Policies that improve rural livelihoods, through increased access to services and improved incomes, may indirectly improve gender equality by moving households out of crisis mode, improving their ability to focus resources on higher order needs. In order to monitor gender equality, we will implement the following activities: 1) Diagnostics of gender dynamics in focal regions to examine how key institutions, policies or programs are structured to address interests and concerns of women, and how influence women's participation and leadership roles in decision-making regarding the environment; 2) Tracking participation of women in multi-stakeholder dialogues; 3) Tracking formal representation of women in stakeholder groups relevant to the project (e.g. regional government, civil society organizations, commodity roundtables, inter-sectoral climate change institutions, and GCF); 4) Analyzing how women's interests are represented in TPS and jurisdictional certification standards.

Transparency and/or law enforcement (standard reporting indicator 2.1.c): Regional and national policies described above have the potential to improve transparency by increasing collaboration across government agencies and improving oversight to reduce corruption. Further the integration of many policies with incentive systems rewards compliance and has the potential of reducing access to credit or government programs for those jurisdictions that are not in compliance, aiding law enforcement efforts. This approach, adopted by the Green Municipalities program in Brazil, has been successful in increasing compliance with environmental regulations and is used as a model for elements of policies described above. In order to monitor transparency and law enforcement we can track changes in country-level indicators, such as the Corruption Perception Index (compiled by Transparency International) and the World Bank's Governance Indicators. Because transparency, corruption, and law enforcement are both difficult to measure with empirical data and may be regionally variable, indicators should be used in conjunction with data on perceptions of corruption collected through periodic interviews with key stakeholders involved in the project, including government officials, commodity roundtable members, and civil society leaders, among others.

Sustainable livelihoods (standard reporting indicator 2.1.d): The transformation of "business-as-usual", high deforestation, high-emissions livelihoods to sustainable livelihoods is at the heart of the proposed project and are a primary goal of many of the above policies. REDD+ national programs have the potential to reward producers engaged in sustainable livelihoods, in some cases reducing the opportunity costs of deferring high deforestation land use activities for sustainable practices

Reduced deforestation (standard reporting indicator 2.1.e): The above policies and programs aim to reduce deforestation by 1) aligning agricultural and environmental policies, 2) channeling significant economic incentives to producers who reduce deforestation, and 3) improving conditions of rural producers (e.g. secure land tenure, access to credit) that will facilitate access to climate finance and transformation to sustainable livelihoods. These policy design elements, in conjunction with market mechanisms proposed in this project, will increase the likelihood of achieving significant reductions in deforestation across target regions.

Indicator	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility
		Y1	Y2	Y3	Y4	Y5			
Cancon Safeguards (standard reporting indicator 2.2): Please describe any change in the development, policy change or implementation of safeguards during the year reported on, to which your organisation or partners have contributed.									
Safeguard category	Country and case/process	Change (the year reported on)					Your organisation and/or partner(s) contribution		Data Source
2.2.1. Consistency between national forests programmes and international conventions and agreements	UNFCCC REDD, CGFREDD+, SES, NY Declaration on Forests, Rio Branco Declaration, TPS processes	We will report on change annually.					Create alignment and integration of national and jurisdictional reference levels (RLs) through bottom-up regional performance targets and RLs that are informed by external rules and market forces (CGF, NY Dec. on Forests, Rio Branco Declaration)		Workshop minutes establishing regional performance targets..
2.2.2. Transparent and effective national forest governance structures	National laws and regional TPS processes	We will report on change annually.					Multi-stakeholder TPS governance structures build broad support for effective governance policy that supports implementation of national policies. Monitoring platforms promote transparency of policy implementation at regional scales.		Meeting minutes of TPS governance structures. Interviews with key stakeholders and project partners regarding perceptions of transparency.
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities	REDD+ SES, Rio Branco Declaration, TPS processes	We will report on change annually.					Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning (including implementation of FPIC) and value their contribution to forest protection through benefit sharing mechanisms.		Meeting minutes of TPS dialogues. Participant lists of dialogues to track stakeholder representation and participation. Documentation of benefit sharing for funds delivered. Documentation of FPIC.

2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities	REDD+ SES, Rio Branco Declaration, TPS processes.	<i>We will report on change annually.</i>	Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning and design of benefit sharing frameworks for TPS incentive systems, and supports implementation of FPIC.	Meeting minutes of TPS dialogues. Participant lists of dialogues to track stakeholder representation and participation. Documentation of benefit sharing for funds delivered. Documentation of FPIC.
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits	TPS processes	<i>We will report on change annually.</i>	Multi-sector dialogues build broader support for existing or expanded networks of protected areas and indigenous territories.	Meeting minutes of TPS dialogues
2.2.6. Actions to address the risks of reversals	TPS processes	<i>We will report on change annually.</i>	TPS process builds political, business, and social case for low-deforestation & emissions rural development and improves enabling conditions for policy implementation, lowering risk reversals through flagging political or corporate will be reduced	Meeting minutes of TPS dialogues. Official government reports.
2.2.7. Actions to reduce the displacement of emissions	TPS processes	<i>We will report on change annually.</i>	Establishment of performance targets related to production at the scale of an entire jurisdiction through TPS lowers risk of leakage.	Meeting minutes of TPS dialogues to establish reference levels and performance targets

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Outcome 3.1: Supply chain actors including the Norwegian soy-dependent industries in Norway and Chinese government (palm oil, soy, beef) preferentially source agricultural commodities from high-performing states and provinces.

NICE Outcome 3: Describe how project contribute to private actors' implementation of social and environmental policies and practices that reduce the pressure on forests, and are they engaged in global public private partnerships to reduce deforestation during the year reported on?

Indicator	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility	
		Y1	Y2	Y3	Y4	Y5				
Number of private-public partnerships created to support jurisdictional sourcing (standard reporting indicator 2.3.1)	1	0	3	4	6	10	23	Websites, media coverage, annual reports	Annual	EI, Proforest, Forest Trends
Number of governments (national, state) publicly committed to sourcing soy, beef and/or palm oil from sustainable jurisdictions	0			1		1	2	Government communications.	Annual	EI, GCF
Percentage of imports of soy, beef and palm oil procured in compliance with governmental sustainable sourcing commitments	0			2	5	15	15	Government documents and websites	Annual	EI, RTRS, RSPO
	0			1	3	6	6	Government documents and websites	Annual	EI, RTRS, RSPO
Number of private sector commitments to source commodities from sustainable jurisdictions (# of businesses).	5	5	8	12	20	30	75	Company & Commodity Roundtable documents	Annual	EI, RTRS, RSPO, Bonsucro, GRSB

Type of policy/ practice change/ transparency measure	Company; Commodity; Location	Baseline	Status of Implementation					Data Sources	Stakeholders Involved	Reduced pressure on deforestation and reduced deforestation:	
			Y1	Y2	Y3	Y4	Y5				
			Target								
Jurisdictional Sourcing Strategies/Policies	Denofa, Grupo Amaggi Unilever, Cargill, etc.; Soy; Mato Grosso – Brazil	2	3	3	4	5	6	Company Annual Reports	Private sector, Subnational Governments, Producers	By involving key groups withing agriculture and government sector in the design and alignment of implementation of private sector initiatives.	
	JBS, Mafing, McDonalds; Beef; Mato Grosso – Brazil	1	2	3	4	5	6	Company Annual Reports	Private sector, Subnational Governments, Producers		
	Wilmar, Sinar Mas, Triputra, United Plantations, Minamas, Unilever and other RSPO members; Palm Oil; Indonesia & Malaysia	2	3	3	4	5	6	RSPO website	Private sector, Subnational Governments, Producers		
	Output level										
	Output level										
	Output level										
Indicators	Baseline	Targets					Data Sources	Frequency of Reporting	Responsibility		
		Y1	Y2	Y3	Y4	Y5					

Output 3.1: Analysis of potential climate change mitigation impacts, cost implications, and procurement options for sourcing, by China, of commodities from sustainable, low-deforestation jurisdictions

Output 3.1: Analysis of potential climate change mitigation impacts, cost implications, and procurement options for sourcing, by China, of commodities from sustainable, low-deforestation jurisdictions

Analyses and meetings summarized in reports describing options for jurisdictional procurement of soy, beef and palm oil by China (1 report per commodity)	0	1	2	0	0	3	Report documents, EII/Inobu	Annually	Solidaridad, EII	
Meetings with Chinese government and corporate representatives to discuss jurisdictional procurement options (4 meetings)	0	3	3	3	3	3	Meeting notes	Annually	Solidaridad, EII	
Output 3.2: Support for workshops, road shows, and exchange visits to develop procurement agreements between and states that produce soy (Mato Grosso, Para), beef (Mato Grosso, Para, Acre) and palm oil (Central Kalimantan) and Chinese government.										
Output 3.3: Support for meetings between California and Chinese governments to discuss possible inclusion of sustainable sourcing in China-California MOU										
Number of exchange visits & meetings between leading oilseed processing provinces & national government stakeholders and target producers jurisdictions	0	2	2	2	2	2	10	Meeting and exchange visit minutes/reports, local media.	Annual	Solidaridad, EII
Output 3.4: Jurisdictional Sustainability Working Group and Forests, Farms and Finance Initiative (3FI) develop and disseminate unifying definitions, concepts, and best practices										
Published report summarizing findings of JWG and 3FI consultations and discussion	0	1	1	1	1	1	3	Published report.	Annual	EII, Proforest
Output 3.5: Annual jurisdictional sustainability guidebook published and disseminated										
Output 3.6: Report with case studies on procurement strategies and the costs and benefits of conventional (farm-by-farm) sourcing versus jurisdictional/territorial sourcing published and disseminated										
Jurisdictional Sourcing Report (one per beef, soy, palm oil)	0	0	1	1	1	1	3	Published report	Annual	EII, RSPO, RTFS, GTPS, Bonsucro

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Output 3.7: Options assessment for jurisdictional certification is conducted, published and discussed with Boards of RSPO, RTRS											
Options Assessment Reports	0	0	1	1				2	Published report	Annual	EII, RSPO, RTRS
Output 3.8: Analysis and convening in support of jurisdictional certification pilots for RSPO and RTRS in Central Kalimantan and Mato Grosso, respectively											
# of meetings involving at least 3 roundtables to discuss jurisdictional certification	0	1	2	2	2	2		9	Published report	Annual	EII, RSPO, RTRS