

PROJECT AGREEMENT ANNUAL SUPPORT

YEAR: 2013
BETWEEN
NORWEGIAN CHURCH AID (NCA)
AND

HABIBA INTERNATIONAL (HI)

This document is a project agreement between **HABIBA INTERNATIONAL (HI)** (hereafter referred to as the Partner) and Norwegian Church Aid (hereafter referred to as NCA), concerning the following project:

Project Name: FGM AWARENESS CREATION AND MOBILIZATION

NCA Project ID: 12417

Partner's Project Reference:

Contact Details:

Partner: **HABIBA INTERNATIONAL**
PO Box 404, Mandera, Kenya
Tel: 254-721-451250, 254-722-247616
Email: habibainter@yahoo.com

NCA: Gaim Kebreab,
Norwegian Church Aid
P. O. Box 52802, 00200,
City Square,
Nairobi Kenya
Email: Gaim.Kebreab@nca.no
Office: 254 2 4452465/6/7
Fax: +254 2 4452468

 NORWEGIAN CHURCH AID	
REF: NO:	237
PERSON RESPONSIBLE:	KE.N.A
21 MAR 2013	
DATE REGISTERED IN PHS:	
PROJECT ID:	
EVENT NO:	
EOST CENTRE CODE:	

Whereas the partner has requested assistance for the above project and is willing to carry out the implementation of this project; and whereas NCA is willing to assist in providing financial assistance to this project, as well as technical and material assistance as specified in the Project Document the two parties have agreed as follows:

ARTICLE 1 THE PROJECT

- 1.1** The project is described in a Project Document entitled **Awareness Creation and Community Mobilisation ON FGM through Community Dialogue, Forums and Organised Media Sessions (3 Yrs Concept Paper)** Dated: **December 2011**. The Project Document (attached herewith as an appendix) constitutes an integral part of this agreement.

1.2 The detailed budget for the current year showing both funding sources and specified costs per activity is presented as a document entitled **Annual Work plan and Budget** Dated: 30th January 2013 . (attached herewith as an appendix).

1.3 The total grant from NCA in cash is: Norwegian Kroner (NOK) **200,000/ Two Hundred Thousand Only.**
The grant is to cover the part of the operational cost of the project as specified in the Project Document.

1.4 Transfers of funds will be made in two (2) installments. The installments will be transferred in **US Dollars** to the following bank account

Account number: **090101087420**

Account Holder: **Habiba International, Women and Youth Affairs**

Name of bank: **Kenya Commercial Bank**

Address of bank: **Mandera Branch**

Swift code: **KBCLKENX**

IBAN no (if known):

Transfers of funds will be made in accordance with the prevailing exchange rate. Transfers of funds are dependent on funds being made available to NCA, and will be according to the following schedule:

- **1st installment** (65 % of the grant) will be transferred upon the signing of this agreement (if an advance of funds has been made, the first transfer will be 65 % of the grant, less the NOK advance).
- **2nd installment** (35 % of the grant) will be transferred approx. 1st September provided that Audited Financial Statements (AFS) for the previous year (ref. 2.5.2), and the periodic financial report/s as per 30 June for the current year have been received and approved by NCA. (Periodical financial report as per 30 June must be sent to NCA no later than 31 July, ref 2.5.1).

ARTICLE 2 OBLIGATIONS OF THE PARTNER

- 2.1 The Partner agrees to undertake all overall management and control of the proper implementation of the project in all its aspects as outlined in the Project Document. Management is responsible for preventing, detecting and taking action regarding any corruption or fraud in the organization. Management is obliged to alert NCA if any professional misconduct, fraud or serious irregularity is detected or suspected. Management is obliged to comply with national laws and regulations, and apply the ACT Anti-fraud and corruption policy (appendix).
- 2.2 NCA funds shall be spent on the project according to the agreement. The Partner shall confirm the receipt of funds within 14 days of the date of the written confirmation request (ref 3.1).
- 2.3 At any point during the implementation period NCA must be notified if major changes from the budget and plans in the project or utilization of funds are necessary. Approval for the changes and/or budget revision must be sought from NCA.
- 2.4 Funds granted from NCA must be spent within the year ending 31 December. Unused funds pertaining to NCA exceeding NOK 1 000 must be shown in the accounts as a short-term debt to NCA (ref. 2.5.2.3).

In the event of the cooperation with the Partner continuing, the unused funds will be deducted in the next year's installments.

In the event of the cooperation with the Partner being terminated, unused funds must be repaid to NCA.

Unused funds will be settled using the prevailing rate of exchange as of 31 December.

2.5 REQUIREMENTS REGARDING FINANCIAL PRACTICES AND ACCOUNTS

- The accounts shall comply with national laws and regulations and, whenever applicable, to the International Financial Reporting Standard (IFRS).
- The financial practices and accounts must not contain elements in violation of local laws and regulations.
- The financial accounts must differentiate between various activities and income sources. Accountability and transparency in accounts are to be observed in all transactions and reporting.
- Fixed assets and inventories shall be expensed at the time of acquisition. This is an exception from IFRS that is accepted by NCA.
- The accounts should be prepared according to the accrual basis of accounting (i.e. not according to the cash basis of accounting).
- The Partner may apply its own procurement policy for the procurement of goods and services under this agreement. The concept of best practice and best quality shall be applied.

2.5.1 Reporting Requirements during the Year

2.5.1.1 Periodic Financial Reports

A minimum of two (2) periodic financial reports shall be submitted to NCA during the calendar year according to below schedule:

- 1st periodic financial report per **30 June** no later than **31 July**.
- 2nd periodic financial report per **30 September** no later than **15 October**.

Appendix 6H1 attached to this agreement is the template for periodic financial reports.

If unused amount deviates substantially from what is needed to finalize the project, NCA requests the Partner's comments/explanation per budget line. Please state whether this is due to changes in activity, price or quantity and why this took place and actions planned in order to finalize the project according to the budget. A revised budget should be made if appropriate (ref 2.3).

Documentation on the figures reported in the periodic financial reports must be available for NCA on request.

2.5.1.2 Periodic Narrative Reports

Periodic narrative reports shall be presented to NCA along with the periodic financial reports. Periodic narrative reports shall comment on the progress of the project and any deviation from the project plan.

2.5.2 Reporting Requirements at the End of the Year

2.5.2.1 Annual Consolidated Audited Financial Statements

NCA requires annual consolidated Audited Financial Statements (AFS). Reference to the term AFS in this agreement implies annual consolidated audited financial statements signed and approved by the registered, elected auditor and the Management of the organization.

The AFS must be submitted to NCA no later than **March 15** the following year in two signed copies. The AFS must be audited in accordance with the International Auditing Standards.

The AFS must include the Income and Expenditure Statement, the Balance Sheet, Notes to the Accounts including Project Notes and the Auditor's Report.

2.5.2.2 Income and Expenditure Statements

In complying with the international accounting requirements, the income and expenditure statement must show actual income and actual expenditure compared to last year's figures.

Income shall be specified by source in local and receiving currency (for donated income: listed by donor) in the notes to the accounts (ref. 2.5.2.4).

2.5.2.3 Balance Sheet

The balance sheet shall comply with national laws and regulations and whenever applicable, to IFRS. The balance sheet must show figures for both the current and previous years. Any unused funds pertaining to NCA remaining at the end of the year must be shown as a short-term debt to NCA in the balance sheet (ref.2.4).

2.5.2.4 Notes to the Accounts

Notes to the accounts shall provide information about principles applied including exchange rate principles and confirmation that funds have been spent according to the agreement.

Notes to the accounts shall provide specifications of accounts including a list of donated income per donor or income source, in-kind contributions, replacement value of fixed assets and inventory, a specification of the balances for the current year and the project notes.

Project Notes

It is of vital importance that project(s) funded by NCA are specified in project note(s) as an integral part of the AFS.

Appendix 6H2 attached to this agreement is the template for the project note.

The project note must show actual income (listed by donor) and actual expenditure by account/activity according to the approved budget. Variances between the budget and actual income and expenditure must be shown on each budget line as a percentage. Variances on budget lines exceeding 15 % shall be commented upon.

In-kind contributions must be included as both income and expenditure so as to reflect the true total activity of the project. In-kind contributions must be clearly marked as in-kind and subtotaled in the project note.

If the project has an opening balance, the project note must include a distribution of the opening balance per donor or income source. The opening balance shall not include unused funds from previous year pertaining to NCA as NCA funds are not carried forward (ref 2.4).

If a project has a closing balance, the project note must include a distribution of the closing balance per donor or income source. The percentages are to be calculated on the basis of total income less opening balance and in-kind contribution expensed.

2.5.2.5 Auditor's report

The AFS are only approved when the signed auditor's report is enclosed.

The auditor's report must be issued in accordance with International Auditing Standards.

The name and address of the Auditor is as follows:

KIMANI AND ASSOCIATES (CPA) - BOX 20122 - 00200
NAIROBI - KENYA P982

The Auditor's membership number is (enter the number) with the (enter name of the organization) and date of valid practicing certificate is from 1ST JAN 2013 to 31ST DEC 2013

2.6 Narrative reporting

An annual narrative report of previous year's activities shall be presented to NCA no later than **March 15** in the current year. The annual narrative report shall be based on the Project Document which constitutes part of this agreement.

ARTICLE 3 OBLIGATIONS OF NCA

- 3.1 NCA shall transfer funds in due time as outlined in this agreement (ref. 1.4). NCA shall send a Confirmation Letter for each transfer to the partner (ref 2.2).
- 3.2 Transfers of funds are subject to be withheld or cancelled if the Partner fails to comply with the obligations set out in this agreement.
- 3.3 If specified in the Project Document and budget, NCA will also provide goods and services. The cost of these goods and services (in-kind) shall be covered by the total contribution made available to the project. NCA shall provide the Partner with proper documentation of the value of these goods and services, so that they can be included in the partner's accounts.

ARTICLE 4 LIABILITIES

- 4.1 Subject to the provisions of this agreement, no party shall be liable to indemnification by any third party in respect of any claims, debt, damage, or demand arising from the implementation of the project.
- 4.2 Where the employee of any party to this agreement is injured, disabled or killed or has any other claim based upon her/his employment in this project, the party employing her/him shall be solely responsible in respect of all claims that may arise there from.

ARTICLE 5 DURATION, AMENDMENT, RENEWAL AND TERMINATION

- 5.1 This agreement shall come into force when duly signed by both parties and shall be effective until all obligations in this agreement are met.
- 5.2 This agreement may be renewed, amended, or terminated by either party before its expiration date, upon two month's written notice.
- 5.3 Being a partner-oriented organization, NCA is committed to accountability and transparency to its stakeholder. Inherent in this commitment is the aspect of learning and improvement. In that regard NCA may request that an evaluation of the project is carried out. This could be in the form of a mid-term review or an end of project cycle evaluation. The evaluation might be carried out by NCA or by an external consultant. The partner will be notified in due time, invited to participate in designing the evaluation and must provide all required documents, information and access to the program area.
- 5.4 In addition to the financial reporting requirements of this agreement, NCA reserves the right to require additional audit reports, such as special audit reports and Management Letters. NCA also reserves the right to require an independent audit, a forensic audit or an investigative audit to be carried out. The independent audit will be performed by an auditor independent of the partner. NCA will be responsible for the selection of auditor, the Terms of Reference for the audit, and the agreement with the auditor. In case of an independent audit, the partner will have to cooperate with the auditor, provide all required information, documentation and access.
- 5.5 If any dispute arises relating to the implementation or interpretation of this agreement, or the use of funds, there shall be a mutual consultation between the parties, with a view to securing a successful realization of the objectives of the project.
- 5.6 If the dispute cannot be solved through mutual consultations, the dispute is resolved through mediation. The mediation body consists of three persons, of which each party appoints one person. These two persons agree on the appointment of the chair of the mediation body. If they cannot agree on the appointment of the chair within 14 days, the chair is appointed by the Mediation Court of Norway. The ruling of the mediation body is binding for both parties.
- 5.7 If a situation of contract termination occurs, the partner must take immediate action to minimize all expenditure and obligations relating to the project.

In the event of misappropriation of funds, NCA reserves the absolute right to suspend and set conditions for resumption or to terminate this contract. Any funds not spent according to the terms and conditions in this agreement must be repaid to NCA.

This agreement is signed in two copies – one of which is retained by each of the signatories to this agreement.

For the Partner

18/3/13
Date and place **MANDERA COUNTY**

.....
Signature

HABIBA ISSACK
Name
Management/position

.....
Signature

ABDI M-ALI
Name
Project Responsible Person



For NCA

Nairobi, 22/3-2013
Date and place

Kirsten Engela
Signature

Kirsten Engela
Name
Country Representative

.....
Signature

WASKE MUYONI
Name
Project Responsible Person



Appendices:

6H Routines and Guidelines - Project document with project budget

6H1 Routines and Guidelines - template with example of a Periodic Financial Report

6H2 Routines and Guidelines - template with example of a Project Note

ACT Anti-fraud and corruption policy

**Copies: Partner
NCA Representation/NCA Head Office**

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THREE YEAR BUDGET FOR NCA FUNDED PROJECT.

Item	Description	Amount KES	YEAR 2013	YEAR 2014	YEAR 2015
Lobby and advocacy campaigns	FGM day advocacy(publicity campaigns ,posters, t-shirts, caps, theatre arts, sports school plays and concerts	Lunch 1000x100 pple x 1day Staff per diem 2000 x 3 x 3day Fuel 100liters x 140 IEC and Burners T-shirts 600 times 800	100,000 18,000 14,000 240,000	100,000 18,000 14,000 240,000	100,000 18,000 14,000 240,000
Sanitary, hygiene and reproductive health trainings	4 meetings	200 x 1day x 1000 Training facilitation 3 persons x 2000 x 4 days incl. travels days Fuel 200 liters Stationeries 6000 x 4	200,000 24,000 28,000 24,000	200,000 24,000 28,000 24,000	200,000 24,000 28,000 24,000
Girls leader forums in schools	200 girls	Lunch – 200 x 1000 x 1 day Training facilitation 3persons x 2000 x4days incl. travels days Fuel 100 liters Stationeries 6000 x 4	200,000 24,000 14,000 24,000	200,000 24,000 14,000 24,000	200,000 24,000 14,000 24,000
Sustaining advocacy through community dialogue at grass-root level and in schools, health and market centers and public offices(fixing posters in offices)	18 meetings(in the three project areas)	Lunch and tea 50 persons x 18 x1000 Fuel 400liters x 140 Stationary 6000 x 6	720,000 56,000 36,000	720,000 56,000 36,000	720,000 56,000 36,000
Project monitoring	60days	60days x 2000 Fuel 150liters x 140	120,000 21,000	120,000 21,000	120,000 21,000

HABIBA INTERNATIONAL
WOMEN AND YOUTH
AFFAIRS
Box 404 MANDERA

THREE YEAR BUDGET FOR NCA FUNDED PROJECT.

Project officer salary	Remuneration for project officer	30,000x12	360,000	360,000	360,000
Project Vehicle maintenance	Maintenance	20,000 x 12months	240,000	240,000	240,000
Office admin	Office admin	10,000 x 12month	120,000	120,000	120,000
Annual audit	Project audit	150,000	150,000	150,000	150,000
Bank charges	Bank charges	24,000	24,000	24,000	24,000
TOTAL			2,757,000	2,757,000	2,757,000

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