

Grant Agreement

The

Your organization
Your address

Green wording will vary depending
on the project outline you handed
in

- hereinafter referred to as the 'recipient'

and

**Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH**

**Friedrich-Ebert-Allee 32 + 36
53113 Bonn**

or

**Dag-Hammarskjöld-Weg 1 - 5
65760 Eschborn
Federal Republic of Germany**

- hereinafter referred to as 'GIZ' -

herewith enter into the following grant agreement (hereinafter referred to
as the 'Agreement') for the GIZ project:

NAMA Facility Implementation Call VIII - NAMA Support Project
Name of Your Project - Detailed Preparation Phase (DPP)

Country: **global: here Ghana**

Communication details (must be quoted in all correspondence)

Agreement number: 123456

Project processing number: 01.1234.5-678.99

Unit responsible for the budget

Organisational unit: G300

Responsible officer: Dr. S. David

Procurement and Contracting

Organisational unit: E2B0

Responsible officer: M. Mustermann jun.

Financial management of the contract

Organisational unit: 5750

Responsible officer: M. Mustermann sen.

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

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Martin Jäger

Management Board
Tanja Gönner (Chair)
Ingrid-Gabriela Hoven
Thorsten Schäfer-Gümbel

Commerzbank AG Frankfurt am Main
BIC (SWIFT): COBADEFFXXX
IBAN: DE45 5004 0000 0588 9555 00

The basis for the grant provided to [Your organisation] is the commission from the **Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (hereinafter referred to as BMUV)**, dated **04.06.2021**. GIZ shall provide the grant pursuant to this Agreement exclusively on behalf of and for the account of BMUV.

The GIZ has been mandated by the Decision No. **02** dated **22.02.2022** of the NAMA Facility Board to appraise the NAMA Support Project Outline of the recipient selected by that Decision as NAMA Support Project of the **8th** Call of the NAMA Facility.

This Grant Agreement is concluded to finance the Detailed Preparation Phase of the NAMA Support Project.

In this context the NAMA Facility Board has confirmed that GIZ shall carry out this task on the basis of and within the contractual frameworks of BMU's commission of GIZ including GIZ's statutory reserve.

Article 1

Amount and purpose of the grant

1.1 As commissioned by the BMUV, GIZ shall make available to the recipient a grant of

- an amount of **up to EUR 196,718.40** (in words **one hundred ninety-six thousand seven hundred eighteen euros and 40 cents**) as contribution to the current phase of the Project (Phase I) as described in Annex 2;
Implementation of the Period of Phase I: Start 01.10.2022; End 31.03.2023;
- no amount for the Decision Period: Start **01.04.2023**; End **30.04.2023**;
- an amount of up to EUR **153,281.60** (in words **one hundred fifty-three thousand two hundred eighty-one euros and 60 cents**) as contribution to the second phase of the Project (Phase II) as described in Annex 2, provided that the approval of the progress report after Phase I has been given by the NAMA Facility Technical Support Unit (TSU) at GIZ;

Implementation Period of Phase II: Start **01.05.2023**; End **31.01.2024**.

- 1.2 The recipient shall use the grant exclusively for actual costs incurred within the scope of the Project described in Article 2 as attributed to the grant according to the budget lines below and the estimated budget, which sets out details of the Project costs (hereinafter referred to as the 'Estimated Budget'). The Estimated Budget is attached hereto (**Annex 1**) and forms an integral part of the Agreement.

	Phase I up to EUR	Decision Period up to EUR	Phase II up to EUR	Phase I + II total up to EUR
1. Staff	15,000.00	0.00	3,211.54	18,211.54
2. External Experts/Consultants	88,800.00	0.00	88,800.00	177,600.00
3. Transportation/Travel costs	920.00	0.00	1,000.00	1,920.00
4. Workshops	22,400.00	0.00	28,232.00	50,632.00
5. Procurement of goods	9,000.00	0.00	21,010.00	30,010.00
6. Other costs/Consumables	1,000.00	0.00	1,000.00	2,000.00
7. Administration costs 7%	9,598.40	0.00	10,028.06	19,626.46
8. Forwarding of funds	50,000.00	0.00	0.00	50,000.00

- 1.3 The grant is made available for the period from **01.10.2022** to **31.03.2023** for Phase I unless that the approval of the progress report after Phase I has been given by the NAMA Facility Technical Support Unit (TSU) at GIZ for the period **01.05.2023** to **31.01.2024** (Phase II). Only actual costs incurred during this period and related to activities carried out during this period may be financed from the grant.

GIZ shall have the right to refuse disbursements after **31.05.2023**.

- 1.4 The recipient shall use the grant only for necessary and reasonable actual costs incurred in accordance with sound business principles.
- 1.5 The recipient shall be entitled to spend up to 20% more than the budget line amount specified in Article 1.2 for any budget line (except for administration costs and forwarding of funds if these items are contractually agreed) provided that the actual costs are reduced by the same amount in one or more of the other budget lines (except for administration costs and forwarding of funds if these items are contractually agreed) to be financed from the grant. The recipient shall inform GIZ about the relevant budget line changes for cross-checking when submitting the financial statements.
- 1.6 The grant may be used only for actual costs not already financed under other subsidies or long-term loans.
- 1.7 The Project is cofinanced by the following parties (the recipient and/or third parties) through in-kind contributions / loans up to the amount of:
1. the recipient up to EUR **50,000.00** equals **14,29 %**

The respective allocation of the individual contributions made by each cofinancing party to the estimated Project expenditures is shown in the Estimated Budget (**Annex 1**).

GIZ's grant is made available subject to the condition that all of the aforementioned cofinancing parties provide their contributions.

If the actual costs for the Project to be financed by the various parties amount to less than the estimated costs, GIZ is entitled to reduce its grant in the same proportion as the actual costs are reduced in relation to the estimated costs.

Article 2

The Project

2.1 The primary objective of the Decarbonizing the Agriculture Sector in Ghana Project (hereinafter referred to as the 'Project') financed by the grant is to implement the Detailed Preparation Phase (DPP) of the NAMA Facility's 8th Call by supporting and advising the Government in Ghana in developing the NAMA Support Project (NSP) Decarbonizing the Agriculture Sector in order to present a NAMA Support Project Proposal to the NAMA Facility Board at the end of the DPP.

This will support the Ghana Government in attracting international funding for the implementation of the NSP that aims to mitigate GHG emissions in the Ghana Agriculture Sector by promoting the uptake of energy efficiency (EE) measures and green technologies.

This overall objective is defined by the following benchmarks:

The focus of the DPP is to arrive at a clearly defined NSP that is ready for immediate implementation. Such an NSP would reflect

- clear scope
- and deliverables for each component (financial and technical component),
- details of the financial support mechanism to be offered during the implementation,
- a clear set of roles and responsibilities for the Implementing Partner(s) and the Steering Committee,
- and agreed terms for the selection of farmers to benefit from NSP implementation.

2.2 In order to achieve this objective, the following measures are planned to be undertaken by the recipient:

General task to be covered over Phase I and II (if Phase II is agreed):

- Policy and Regulatory Framework: Define the specifics of activities related to "policy and regulatory framework". This shall also cover aspects related to the minimum energy performance standards.
- Barrier Analysis: Further elaborate the barrier analysis, so that the NSP proposal sufficiently responds to the identified needs.
- Business Model and Financing Mechanism:

- Assess the business models and design the Financial Mechanism(s) in line with the public benefit purpose in the context of international cooperation for sustainable development.
- Assess the possibility to expand the scope of existing green financing schemes such as SBP Financing Scheme for Renewable Energy, so that it can also be used for EE interventions.
- Technical Assistance Measures: Refine activities, deliverables and log frame.
- Institutional set-up:
 - Specify the NSO and institutional arrangements between the NSO and the NAMA Facility Grant Agent (NFGA).
 - Specify the institutional set-up and arrangements between key NSP implementing partners and stakeholders to deliver the NSP.
 - Agree on terms of the Steering Committee.
- Target group(s) and other stakeholders:
 - Undertake stakeholder engagement with all relevant parties who would be involved and/or impacted by the NSP to gather inputs and address stakeholder concerns.
 - Define society, human rights and gender aspects that beneficiaries will need to comply with.
- Project rationale including logframe: Update the logframe (TC and FC activities).
- Risk Analysis: Conduct a risk analysis, once the scope and deliverables of each Component have been clearly defined. Establish mitigants to provide assurance that the NSP can be implemented to high quality within time and cost constraints.
- Direct and indirect GHG emission reduction: Recalculate GHG emission reductions in line with the NAMA Facility's M+E framework.
- Perform Environmental and Social Impact Assessment.
- Cost and funding: The amount of funding to be allocated towards each Component should be revised and reconfirmed in light of the DPP.
- Ensure sustainability and define the phase out of NAMA Facility support.

Tasks complementary for Phase I:

- Elaborate details on the financing mechanism including information on the organisations to be involved, underlying business cases, potential co-funding contributions, agreements

to be concluded between these organizations and the financial flows including indicative amounts (including indicative interest rates and fees). This shall also include:

- Comparative assessment of the proposed concessional revolving fund versus other financial support mechanisms, to demonstrate that the proposed mechanism remains the most suitable option throughout the whole NSP implementation;
 - Assessment of options for incrementally improving financial ambition and leverage potential of the financial support mechanism during the NSP implementation;
 - An exploration of scenarios under which the level of concessionality of the revolving fund is successively reduced over the course of the NSP implementation.
- Analyse existing funding schemes for sustainable energy and the potential for the NSP to tap into these funds for particular eligible technologies.
 - Discuss with the State Bank the prospects and possible timeline for the introduction of an Energy Efficiency Refinancing Scheme that mirrors the existing offer for renewable energy.
 - Refine the scale-up and replication strategy of the NSP in order to broaden the NSP's scope (closely linked to the elaboration of the financial support mechanisms).
 - The feasibility of, and options for, the NSP becoming a driver of continuous improvement in social standards is assessed, i.e. by allocating part of the energy cost savings to measures specifically aimed at improving social standards.
 - Provide the results of the systematic screening of possible intended and unintended negative impacts and risks of the NSP to environment, society, human rights and gender according to a checklist provided separately by the TSU.

Details are laid down in the project proposal dated **22.02.2022**, which is attached hereto (**Annex 2**) and forms an integral part of the Agreement (hereinafter referred to as 'Project Proposal').

Article 3

Financial management of the grant and disbursement procedure

- 3.1 The recipient shall maintain and consistently apply an adequate financial management system that includes separate informational statements and project records for the grant prepared in accordance with internationally recognised accounting standards. The recipient shall always comply with the requirements set out in the Financial Guidelines for Grant Agreements attached as **Annex 3**.
- 3.2 After entering into the Agreement, but no later than when the first request for pre-financing instalments, the recipient **shall submit a schedule of financial requirements** drawn up in EUR (see template in **Annex 3**) that specifies **quarterly amounts for the entire term of the Agreement**, unless this has already been submitted at the time the Agreement was concluded. In accordance with the schedule of financial requirements, the recipient **shall request quarterly** pre-financing instalments in EUR in the amount of the expected financial requirement for the following quarter, deducting any funds still available from the penultimate quarter.
- The request for each pre-financing instalment shall be submitted in an originally signed copy and must include the Project processing number and the Agreement number (see template in **Annex 3**).
- 3.3 All funds made available under this Agreement must be accounted for separately from any funds provided by other donors.

The recipient shall open a separate sub-account with its bank **or** a separate cost unit in its own accounts to settle the financial transactions involved in this Agreement and shall confirm to GIZ that this has been done when submitting its first request for pre-financing instalments.

GIZ shall issue all payments to the recipient's account.

The recipient shall submit confirmation from the bank verifying the account number at the latest together with the first request for the pre-financing instalment and every time a different account number is used.

All amounts paid by GIZ shall remain in the aforementioned account as trust funds until they are passed on to the final recipients or used to pay for the supplies and/or services to be financed from the grant.

- 3.4 The amounts paid into the aforementioned account by GIZ shall be subject to interest to the extent permitted by the applicable legal provisions.

GIZ may at any time request that the Recipient promptly submits a copy of the interest agreement and/or interest calculation by the bank, or a confirmation from the bank that interest cannot be paid on the credit balance in the account.

Any income, interest or gains earned on the grant received by the recipient under this Agreement ('Investment Income') as well as any funds reflowed to the recipient which were originally distributed from the grant including, but not limited to, reimbursement or repayment, payment of principal, interest, dividends and fees, as appropriate, but excluding any unused or undisbursed amounts with respect to the Project ('Reflowed Funds') shall be reinvested in the Project by the recipient and shall be indicated as such when submitting the financial statements by allocating these amounts to the respective budget line where they have been reinvested.

GIZ reserves the right to deduct any Investment Income and Reflowed Funds from the pledged amount of the grant.

- 3.5 In the recipient's accounting records for the Project, all vouchers, expenditures, actual costs and any Investment Income and Reflowed Funds related to the Project and the Estimated Budget to be financed from the grant shall be entered in chronological order and according to the regulations for proper and orderly accounting. These supporting documents shall be subdivided into the categories specified in the Estimated Budget and shall contain at least the following items:

- a) Entry number
- b) Date
- c) Recipient/Origin of voucher
- d) Amount
- e) Reason

- 3.6 Except for the first and second pre-financed period, the recipient shall submit with each request for pre-financing instalments a financial statement originally signed (see template in Annex 3) for the pre-financing instalment of the penultimate period, providing evidence of the use of the funds, as well as confirmation of the cofinancing according to Article 1.7, and an inventory of the goods purchased according to Article 6.4 for the penultimate period. Interim financial statements must be submitted no later than two months after the end of the respective pre-financed instalment period, even if no further pre-financing instalment is requested.

The financial statement must be drawn up in EUR. The actual costs shall be entered chronologically and broken down according to the cost categories as specified in the Estimated Budget (**Annex 1**).

If the budget lines presented in Article 1.2 contain administration costs, these must be settled separately as a lump-sum percentage. All other budget lines shown under Article 1.2 will be settled against evidence.

Any remaining funds held by the recipient based on the financial statement will be offset against the next disbursement.

The recipient's request shall become due upon expiry of a verification period of 15 days after the financial statement has been received. Payment shall be made by GIZ no later than 30 days after the request becomes due, in the amount established and, where applicable, corrected, by GIZ.

- 3.7 If the recipient does not submit a financial statement or an inventory or a narrative progress report in the correct manner (according to Article 3.1, Article 3.5, Article 4 and Article 6) or by the contractually agreed due date, GIZ is entitled to suspend payments until a correct financial statement, narrative progress report or inventory is presented.
- 3.8 The recipient shall submit proof from the bank regarding the amount that has been credited in the currency of the account for the amounts disbursed by GIZ with the next financial statement. The expenditures in the currency of the account shall be converted to EUR at the

exchange rate based on the amount credited to the account and the transferred EUR disbursement.

The recipient shall use the real exchange rate and shall submit proof from the bank for each amount that has been credited to its account in the currency of the account and/or in the local currency for each grant amount disbursed by GIZ.

In absence of such proof and after GIZ has given their consent, the recipient may convert the local currency based on the EU currency converter InforEuro or alternatively use its own certified exchange system, provided that the latter complies with international standards comparable to InforEuro.

- 3.9 Upon completion of the Project, but no later than two months after the completion of all measures, or upon expiration or termination of this Agreement, the recipient shall submit to GIZ, in addition to the final narrative report according to Article 4.6 hereof, a final financial statement originally signed (see template in **Annex 3**) and provide GIZ with evidence of how the amounts disbursed have been used. The final financial statement must be drawn up in EUR. The actual costs shall be entered chronologically and broken down according to the budget lines as specified in the Estimated Budget (**Annex 1**).

If the budget lines presented in Article 1.2 contain administration costs, these must be settled separately as a lump-sum percentage. All other budget lines shown under Article 1.2 will be settled against evidence.

Any remaining funds still held at the end of the Project or upon expiration or termination of this Agreement, including any remaining Investment Income, Reflowed Funds and unused funds, shall be returned to GIZ directly by the recipient, immediately and without a request to do so, in EUR at the exchange rate based on the latest pre-financing instalment credited to the account. This shall not affect the right of GIZ to request a repayment according to the contractual terms.

To minimise the risk of repayment, the recipient shall monitor the effective balance of funds before the final pre-financing instalment is requested.

3.10 Any interim and final financial statements shall be accompanied by copies of supporting documents in accordance with the Financial Guidelines (**Annex 3**) for every single cost item exceeding the amount of **EUR 1,000.00**.

The recipient shall submit all documents either in German, English, French or Spanish, **or** shall attach a translation into **one** of these languages.

3.11 The final financial statement must be accompanied by a declaration specifying the extent to which the contributions to be provided by the aforementioned other cofinancing parties (the recipient and/or third parties) have been paid.

3.12 The amount of **EUR 35,000.00 (at least 10% of the Agreement value)** shall be retained from the grant as security.

The final payment shall be disbursed up to the retained amount together with the final request for disbursement as soon as all obligations by the recipient arising from the Agreement, in particular those regarding the provision of evidence on the use of funds for the purpose stipulated, and the reporting requirements have been met. GIZ reserves the right to retain 20% of the security retention amount until the external audit report has been handed over to GIZ.

3.13 GIZ will commission a certified public accountant to audit the Project. This audit will examine whether the measures have been implemented and administered properly and correctly in accordance with the relevant terms of this Agreement, in particular with respect of cash and invoice management, the use of grant funds and the award of contracts for supplies and services.

If the contract ends after Phase I, the period to be covered by the audit is shown below:

1. Audit period: **01.10.2022 up to 31.03.2023**

Otherwise, the periods to be covered by the audit for Phase I and Phase II are shown below:

1. Audit period: **01.10.2022 up to 30.06.2023**

2. Audit period: **01.07.2023 up to 31.01.2024**

The recipient must permit GIZ and/or the certified public accountant commissioned by GIZ to inspect the accounts and any other documents related to the purpose of this Agreement at any time.

GIZ and/or the certified public accountant commissioned by GIZ shall inform the recipient in writing about the upcoming inspection.

Upon completion of the audit report, GIZ shall inform the recipient of the main findings. The recipient shall promptly implement the recommendations made by GIZ on the basis of the audit findings and provide evidence thereof if requested by GIZ.

Article 4

Implementation of the Project and reporting

4.1 The description of the measures in Article 2.2, including the Project Proposal (**Annex 2**), constitutes the binding framework for the implementation of the Project.

Furthermore, the recipient shall submit the following additional documents and (narrative progress) reports to GIZ.

- an interim report by e-mail including details on the NAMA Support Organisation (NSO) and audit reports from the last three years on the identified NSO by 01.01.2023 to the NAMA Facility Technical Support Unit (TSU) at GIZ.
- the final report of the project Phase I describing the implementation and objectives of the Project in the light of the aims set and submit it to the NAMA Facility Technical Support Unit (TSU) at GIZ by 31.03.2023
- a final report including the NSP Proposal after the project Phase II, if Phase II is agreed, describing the implementation and results of the Project in the light of the aims set and submit it to the GIZ-TSU NAMA Facility by 31.01.2024.

4.2 The recipient shall

- a) carry out the Project with due diligence, efficiency and in accordance with sound administrative, technical, financial, business and development practices and in accordance with this Agreement;
- b) secure full financing for the Project and, upon request, furnish GIZ with evidence demonstrating that all actual costs not financed from this grant are covered;

- c) obtain, or contractually cause any other entity involved in the Project to obtain, at the relevant time, all necessary licenses, approvals and consents to implement, (if appropriate) carry out or operate any measure, all of which are to be maintained in full force and effect at all relevant times; and
- d) seek remedies under the relevant contract with each other entity for breach, non-performance or default by such entity;
- e) claim repayment by each other entity of any funds used by any of them to any illegal or improper purposes (including bribery) contrary to this Agreement or any laws of the country in which the Project is implemented;
- f) pay, upon request and starting on the date of receipt, interest at a rate of 5 percentage points above the respective rate applied by the European Central Bank to its main refinancing transactions p.a. for any amount not spent in a timely manner in accordance with the schedule of financial requirements for the Project;
- g) keep for ten years after submission of the final financial statement all books, records and the originals of the supporting documents, clearly identifying all actual costs for the services and supplies for the Project and those services and supplies financed from the grant;
- h) enable GIZ or any third parties authorised by GIZ at any time to review the books and any other records and documents relevant for the implementation of the Project and to visit all facilities related thereto.

4.3 All press releases or public statements intended to be made by the recipient regarding this Agreement and the Project must be approved by GIZ in writing prior to release or disclosure. However, the recipient shall not be required to obtain prior written consent from GIZ for short references posted about the Project financed by GIZ on the recipient's website. For all publications on the Project, the recipient shall always indicate in an appropriate manner that it is conducting or has conducted its activities within the framework of a Project financed by GIZ as commissioned by the Government of the Federal Republic of Germany.

The recipient will assure that all publication, communication and/or visibility activities are in accordance with **Annex 5** of the Agreement.

The recipient will notify GIZ immediately and strive to remedy any detected shortcomings in the implementation of the publishing, communication and visibility requirements, which are

set out in the document 'Cooperate Design and Wording' which is attached to this Agreement as **Annex 5**.

- 4.4 The recipient shall inform GIZ in writing of any circumstances that may seriously affect or jeopardise the attainment of the purpose of this Agreement, substantially interfere with the performance of the recipient's material obligations under this Agreement, or with the recipient's management or implementation of the Project and shall promptly provide detailed information of this upon becoming aware of such circumstances.

For the avoidance of doubt, this obligation to provide information shall also apply in cases including but not limited to: substantial changes in the risk assessment of the Project; the occurrence of unintended adverse impacts on human rights, the environment and climate, contexts characterised by fragility and violence, and gender equality; other significant time, financial, technical or development policy changes in the course of the Agreement; and risks to the safety or health of assigned staff.

Major changes to the measures described in Article 2.2, including the Project Proposal, or major changes to the estimated costs may be applied only on the basis of revised planning and after obtaining written prior consent from GIZ. 'Major Change' means any substantial change of the scope, structure, design or objectives of the Project that substantially alters the purpose or benefit of the Project.

- 4.5 The recipient shall submit narrative **progress reports** every six months. The reports shall be submitted to GIZ no later than two months after the end of the respective reporting period.
- 4.6 The recipient shall draw up a narrative **final report** describing the implementation and results of the Project in light of the objectives set and submit this report to GIZ no later than two months after completion of all measures, at the latest two months after the end of the period referred to in Article 1.3.

Article 5

Sub-grants to final recipients

- 5.1 In cases where goods, construction works or services are purchased using grant funds, Article 6 shall apply.
- 5.2 If, in accordance with the Project Proposal and Estimated Budget (**Annexes 1 and 2**), the recipient is entitled to forward parts of the grant as sub-grants to third parties ('final recipients'), the recipient ensures that it does not violate EU state aid law by forwarding the funds.

When forwarding funds, the recipient shall also ensure that the relevant terms and conditions of this Agreement are substantially applied to the contractual relationship between the recipient and the final recipients, in particular but not limited to the stipulations related to the use of the grant funds and to the disbursement and reporting procedures. The recipient shall also ensure that the final recipients are not entitled to pass on the funds received or any part thereof to other recipients by including this condition in the contracts with the final recipients.

- 5.3 Prior to any forwarding of funds, however, the recipient shall perform appropriate due diligence processes to assess the integrity and capacity of each final recipient, while taking into account the non-profit objective of the Project, and select each final recipient based on a positive assessment of that final recipient's capacity to carry out the measure that is being assigned to it. The recipient shall document the assessments in a transparent manner and make such assessments available to GIZ upon request.

If the final recipient has not yet been specified when the Agreement is signed, the recipient must submit a written list of potential final recipients, including their estimated budgets, to GIZ and obtain GIZ's written consent by way of a supplement to this Agreement before forwarding any funds to the final recipient.

- 5.4 The recipient must provide evidence of the use of the funds granted under this Agreement by submitting appropriate financial reports and supporting documents. In this respect, the recipient is obliged to check the contractual and financial evidence presented by the final recipient and to forward this evidence to GIZ together with the findings of its own checks to

verify the evidence when settling the amounts provided by GIZ under the terms of the Agreement. Pre-instalments to third parties shall be included separately in the financial statements. Proof of costs related to these instalments must be requested by the recipient from the final recipient, checked and documented in accordance with Article 3.1 in the financial statements submitted by the recipient to GIZ.

Article 6

Purchasing of goods, construction works and services

- 6.1 When awarding contracts for supplies, construction works or services to be financed in full or in part from the grant, the recipient shall observe, insofar as applicable, the regulations on public procurement which apply in **Ghana**, and shall in any case comply with the provisions in **Annex 4a** (Award Procedure / Procurement Guidelines), which are an integral part of this Agreement. The contract award procedure, including but not limited to all decisions in this context, shall be documented in accordance with the template provided as **Annex 4b** (Documentation of Contract Awards). The documentation shall be stored with the accounting vouchers and documents pursuant to Article 3. At the request of GIZ, the recipient shall furnish evidence of the proper implementation of the contract award procedures.
- 6.2 If the recipient has violated any of the provisions set out in Article 6.1, including the requirements stipulated in **Annexes 4a and 4b**, GIZ shall be entitled to deduct the respective amount of any additional costs incurred due to the violation, but at least 20 % of the respective purchasing volume from the grant for each violation. The right to suspend or terminate the disbursements, to terminate the Agreement, or to reclaim repayment in accordance with Article 13 of this Agreement remains unaffected.
- 6.3 Upon entering into contracts for supplies, construction works or services to be financed according to the terms of this Agreement, the recipient shall ensure that
- a) the goods, construction works or services procured do not violate or infringe any industrial property or intellectual property right or claim of any third party ('Third Party IP Rights');

- b) all contracts for the procurement of goods, construction works or services contain appropriate representations, warranties and indemnities from the contractor or supplier to the recipient with respect to Third Party IP Rights;
- c) all goods, construction works or services procured under this Agreement are used exclusively for the purposes of the Project, and all facilities relevant to the Project are at all times properly operated and maintained (taking into account reasonable wear and tear);
- d) competent and qualified consultants and contractors are employed/contracted to achieve the objectives of the Project; procurement should comply with the relevant sustainability standards;
- e) the terms of payment of these contracts conform to customary trade practices; import duties, which may not be financed under the Agreement, are to be indicated separately in the contracts to be entered into and in the invoices;
- f) adequate provision is made for the insurance of any goods required for the Project to protect against risks in accordance with prudent industry practice and that any compensation from the insurance is payable in a freely usable currency to replace or repair such goods;
- g) the supplies to be financed are insured against transportation risks to an adequate and customary extent in order to provide for the placement of goods or restoration to their original state; imported goods are to be insured in freely convertible currencies, as far as possible;
- h) reimbursement, insurance, security, warranty or similar payments which may be claimed on the basis of those contracts, are to be transferred to the account indicated in Article 3.3 and reassigned for Project use. The recipient shall notify GIZ of the amount of payments received within the scope of the Project reports.

6.4 The recipient is obliged to submit up-to-date inventories with each financial statement. All items financed from the grant whose purchase or manufacturing costs exceed **EUR 800.00** (net) must be inventoried.

Where the respective inventory submitted includes inventoried items that are listed for the first time, ownership of the inventoried items is transferred from the recipient to GIZ to secure any claims of GIZ against the recipient arising from or in connection with this Agreement

(incl. possible reversal claims), and at the same time the items shall be provided on loan to the recipient by GIZ until completion of the Project.

- 6.5 If and insofar as the recipient uses any part of the funds to purchase items for the purpose of implementing measures for the Project (such as vehicles or office equipment; referred to as 'inventoried items' in Article 6.4 of this Agreement), upon completion of the measures or termination of this Agreement, GIZ shall be entitled to determine and decide at its sole discretion to take any steps with regards to these items that are in the best interest of the continued operation of the Project.

The transfer of ownership shall be noted on the related certificate of assignment which shall be submitted with the final financial statement.

Article 7

Intellectual property rights

- 7.1 With respect to any intellectual property generated by the recipient in the course of or in connection with the implementation of the Project, including in particular, but without limitation to the reports produced pursuant to Article 3 and 4 and all studies, documents or other work results, including computer programs, resulting from the Project implementation and financed in whole or in part from the grant ('Intellectual Property'), the recipient hereby grants GIZ an irrevocable, non-exclusive, world-wide, royalty-free and transferable right to use for non-commercial purposes all such Intellectual Property in all areas and fields, including their processing and translation and use in electronic media. The recipient shall hand over one copy of the materials to GIZ promptly on request by GIZ. GIZ is entitled to grant simple sub-user rights to third parties.
- 7.2 The recipient guarantees that the material provided in the course of implementing the Project is not subject to any copyright or other third-party rights that would prejudice the use of the Intellectual Property to the extent described above. The recipient shall indemnify and hold GIZ harmless against any third-party claims that may arise from granting the rights pursuant to Article 7.1 and shall reimburse GIZ for any reasonable costs incurred in connection with the legal defence to such claims.

Article 8

Data protection

- 8.1 GIZ shall process personal data in connection with this Agreement exclusively in accordance with the General Data Protection Regulation of the European Union (GDPR). Such data shall be processed solely for the purpose of implementing, managing and monitoring this Agreement. To the extent permitted by law the recipient has the right to view, erase or correct its personal data and can contact GIZ (datenschutzbeauftragter@giz.de) or the government bodies responsible for such matters in order to assert its rights.
- 8.2 The recipient shall comply with the applicable data protection regulations of the EU and of national legislation (including approval and reporting obligations) when processing personal data in connection with this Agreement. The recipient shall provide its employees access to the data only to the extent absolutely necessary for implementing, managing or monitoring the Agreement and shall require its relevant employees to maintain data confidentiality. Personal data shall be treated confidentially by the recipient in all circumstances. The recipient shall implement technical and organisational security precautions appropriate to the risks arising from data processing and to the type of personal data concerned. The recipient shall inform the employees concerned that their personal data will be collected and processed by GIZ.

Article 9

Compliance with legal regulations as well as environmental and social standards

- 9.1 When using the funds provided, the recipient shall respect the local conditions in the relevant country, as well as the customary trading practices and legal provisions, ordinances and official regulations. When using the funds provided, the recipient shall also comply with all applicable tax regulations and shall take into account the associated general, special and social impacts.
- 9.2 The recipient is obliged to use the funds in compliance with international standards and multilateral agreements, in particular international human rights conventions, the International Labour Organisation (ILO) declaration of 1998 and to ensure the protection of

children; the prevention of violence, abuse and exploitation of any kind; non-discrimination, especially with regard to origin, ethnicity, religion, age, gender identity, sexual orientation or disability; as well as the promotion of equal opportunities for all genders when using the funds.

The recipient shall also use the grant in compliance with applicable national and international environmental law, minimise emissions of greenhouse gases and avoid any action that could increase the vulnerability of the population and/or ecosystems.

The recipient is obliged to use the grant in a way that avoids or reduces unintended adverse impacts on the environment, climate protection, adaptation to climate change, human rights, contexts characterised by fragility and violence, and gender equality by implementing attributable mitigation measures. It also undertakes to harness potential for promoting gender equality.

- 9.3 The recipient shall take appropriate measures to prevent sexual harassment in a professional context and shall refrain from inciting violence or hatred as well as objectively unjustified discrimination against an individual or group of individuals.

Article 10

Conflicts of interest

- 10.1 The recipient shall at all times act in an impartial and loyal manner. A conflict of interest may arise in particular from economic interests, political affinities or national ties, family or friendships or other ties or interests.
- 10.2 During the term of the Agreement the recipient shall not conclude any contract where a conflict of interest is to be anticipated due to the nature of the contract or due to the recipient's personal or financial connections with a third party unless prior consent has been given by GIZ in writing.

10.3 In the event that a conflict of interest or a potential conflict of interest arises in the course of this Agreement, the recipient must disclose such event to GIZ without undue delay and consult and reach agreement with GIZ on any further steps to be taken.

Article 11

AntiMoney Laundering (AML), countering the Financing of Terrorism (CFT), anti-bribery and compliance with embargoes

- 11.1 The recipient shall not support activities that contribute to money laundering, terrorism financing or corruption.
- 11.2 The recipient shall not make available, either directly or indirectly, any funds or other economic resources from the grant to third parties that are on a sanctions list issued by the United Nations and/or the EU. In connection with the Project as described in Article 2, the recipient may only enter into contractual or business relations and/or maintain such relations with third parties that are reliable and to whom no statutory ban on doing business or entering into contracts applies. Furthermore, the recipient shall comply with any embargoes or any other trade restrictions issued by the United Nations, the EU and/or the Federal Republic of Germany in connection with the implementation of the Project.
- 11.3 The recipient shall inform GIZ of its own accord of the occurrence of any event that results in the recipient, any member of its personnel or its management bodies or other governing bodies or any of its shareholders or contractual partners appearing on a sanctions list issued by the United Nations Security Council, the EU or the Federal Republic of Germany. This also applies if the recipient becomes aware that it or one of the aforementioned individuals appears on any such list.
- 11.4 All forms of corruption are prohibited. In connection with this Agreement, the recipient may not offer or give any gifts or advantages either directly or through third parties and may not accept or demand such gifts or advantages for itself or for others. Moreover, the recipient is obliged to undertake suitable and appropriate measures to prevent and fight corruption.

- 11.5 The recipient shall require all parties involved by the recipient in implementing the Project to undertake to comply with all the provisions mentioned in this Article 11 during the development of the Project and in connection with the implementation of the Project.
- 11.6 The recipient shall inform GIZ immediately of the occurrence of any breach of a provision of this Article 11. This shall not affect GIZ's rights pursuant to Article 13.

Article 12

Force majeure

- 12.1 'Force majeure' is an unavoidable event (e.g. natural disaster, outbreak of diseases and epidemics, serious un-rest, war or terrorism) which is unforeseeable by human judgement and experience, cannot be avoided or rendered harmless by reasonable economic means and under application of the utmost care, and which prevents one of the Parties' from fulfilling any of their obligations under this Agreement. If an event originates from the sphere of responsibility of one of the Parties', this shall not constitute an event of force majeure.
- 12.2 Neither Party to this Agreement shall be held liable for a breach of its obligations under this Agreement if it is prevented from fulfilling such obligations by reason of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and sought out reasonable alternative measures with the objective of carrying out the terms and conditions of this Agreement as applicable.
- 12.3 A Party affected by an event of Force Majeure shall notify the other Party of this as soon as possible and no later than fifteen (15) days upon becoming aware of the implications of the occurrence of the event on the Project measure, providing evidence of the nature and cause of the event, which shall include information about the possibility of returning to normal conditions as soon as possible.

Article 13

Event of default, suspension and termination, repayment

- 13.1 GIZ shall be entitled to either suspend any or all disbursements if an event of default occurs relating to this Agreement. An event of default shall exist if
- a) the recipient is not able to furnish evidence proving the use of the grant for the purpose stipulated in this Agreement;
 - b) goods purchased by the recipient for the Project and financed from the grant are not used or cease to be used for the purpose of the Agreement;
 - c) the recipient has violated any of the provisions set out in Article 6 of this Agreement or any other material obligation under this Agreement;
 - d) before conclusion of the Agreement or during its execution, the recipient has given false information or withheld relevant information affecting the allocation or disbursement of the grant;
 - e) any extraordinary circumstances have arisen which preclude or seriously jeopardise the purpose of the grant, the implementation of the Project, or the performance of the obligations assumed by the recipient under this Agreement; or
 - f) the Government of the Federal Republic of Germany terminates, suspends or modifies the relevant contract with GIZ which forms the basis for this Agreement.
- 13.2 GIZ shall be entitled to terminate this Agreement in part or in full with immediate effect if any of the circumstances referred to in Article 13.1 a) to f) arise. In case any of the circumstances referred to in Article 13.1 a) to d) arise, GIZ shall be entitled to terminate the Agreement with immediate effect if these circumstances have not been remedied within a period to be stipulated by GIZ, which shall, however, not be less than 30 days.
- 13.3 Upon termination of this Agreement, the recipient shall return to GIZ promptly at GIZ's first request any unused portion of the grant. This includes any unused or reflowed funds including any accrued income, interest or gains associated therewith, for which no further disbursements, liabilities or costs are due to be made or paid by the recipient. In respect of any part of the grant already disbursed or irrevocably committed by the recipient in good faith to a third party prior to the notice of termination the repayment will be limited to the amount which has actually been recovered by the recipient from such third party having exercised all

best efforts. The recipient shall promptly cancel any existing commitments to a third party (e.g. employment contracts, lease contracts, loans). Where Article 13.1 a) applies, in addition to any unused portion of the grant, the recipient shall repay amounts for which it is unable to furnish evidence of the use for the purpose stipulated in this Agreement. Where Article 13.1 b) applies, in addition to any unused portion of the grant, the amounts related to the goods concerned shall be repaid. The recipient shall pay interest in a timely manner after GIZ's first request at a rate of 5 percentage points above the respective rate applied by the European Central Bank to its main refinancing transactions p.a. on the repayment amount with respect to Article 13.1 a) to d).

Article 14

Final provisions

- 14.1 The Annexes to this Agreement constitute integral parts of this Agreement.
- 14.2 If a provision of this Agreement is invalid, this shall not affect the validity of the remaining provisions. Any resulting deficiency shall be remedied by a provision consistent with the purpose and intent of this Agreement.
- 14.3 The recipient shall not assign or transfer, pledge or mortgage any rights under this Agreement.
- 14.4 This Agreement shall be governed by German law.
- 14.5 Place of performance for payments shall be Frankfurt am Main.
- 14.6 Place of jurisdiction shall be Frankfurt am Main, provided the recipient is a merchant/trader, a legal entity under public law or a special fund under public law, or has no general place of jurisdiction in Germany. GIZ may also take legal action against the recipient at the court responsible for the recipient's place of residence.
- 14.7 In the event that provisions of this Agreement do not support the efficient achievement of the objective defined in Articles 1 and 2 above, GIZ and the recipient may adjust or amend these

provisions by mutual consent at any stage during the implementation of the Project.
Amendments and changes to this Agreement must be made in writing to be valid.

Bonn / Eschborn, Date: 01.03.2022

Your location, Date:

Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH

Your Organization

.....
Ms. J. Doe
Contract Manager (E2B0)
Contract Management 7

.....
Mr. M. Mustermann
Contract Manager (E2B0)
Contract Management 7

Annexes:

(Annexes 3 – 4 can be downloaded from www.giz.de/financing)

Annex 1: Estimated Budget of 22.02.2022

Annex 2: Project Proposal of 22.02.2022

Annex 3: Financial Guidelines for Grant Agreements (06/2020)

Annex 4a: Award Procedure / Procurement Guidelines (06/2020)

4b: Documentation of Contract Awards (06/2020)

Annex 5: Corporate Design and Wording