

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

AND

PROBOGOTA

REGARDING

QZA-0746 COL-17/0020 (P360: 1700730)

PROBOGOTA – STRATEGIC PARTNERSHIP – ICT START-UPS AND  
SMES IN COLOMBIA

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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 Section for Private Sector Development, and
- (2) ProBogota, a foundation registered in the commercial registry of Bogota under the registration number 900753664-6 as "civil society and other organizations" (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 15 June 2017 (the Application) regarding financial support to the project titled "ProBogota McKinsey – Strategic partnership – ICT start-ups and SMEs in Colombia," QZA-0746 COL-17/0020 (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A to this Agreement.
- 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 1 October 2017 to 31 December 2019 (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:

The Project's planned effect(s) on society (Impact) is to contribute to overcome Colombia's economic vulnerabilities through strengthening SMEs competitiveness and productivity based on a pertinent and high impact support from a robust Bogota Region ICT sector.

The planned effects for the target group of the Project (Outcome) are to successfully establish Bogota ICT Incubator & Accelerator (BICTIA). BICTIA will be a vehicle to strengthen and internationalise ICT Start-ups and SMEs, mainly focused on the B2B market, in order to make them capable of delivering affordable and pertinent high impact ICT products and services to SMEs on the five specialization areas defined by the Smart Specialization Strategy (SSS) in the Bogota Region.

The planned main products and/or services of the Project (Outputs): The main Key Performance Indicator (KPI) for the project are the number of start-ups and/or SMEs attended with BICTIA's services portfolio through its different components, and number of companies invested by the Fund.

The intended target groups are ICT start-ups and SMEs, mainly focused on the B2B market, in the Bogota Region in Colombia.



- 2.2 The full results framework is included as Annex B to this Agreement.

### **3 IMPLEMENTATION OF THE PROJECT**

- 3.1 The Project shall be implemented in accordance with the Agreement, including all annexes, and the latest approved Application, including implementation plan and budget.
- 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.
- 3.4 Although the grant recipient is ProBogota, it is expected that all major decisions relating to the project be made in consensus with the other project partners, in particular Oslo International Hub and International Development Norway.

### **4 THE GRANT**

- 4.1 The Grant shall amount to maximum NOK 14 994 000 (Norwegian Kroner fourteen million nine hundred and ninety four thousand).
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the Parliament's annual allocation to the relevant budget line may lead to a reduction in annual Grant allocations and/or in the total Grant amount. The annual Grant allocations must be confirmed by Norad following the Parliament's approval of the state budget for the relevant budget year. If the Grant amount is reduced the Grant Recipient must revise the implementation plan, budget and results framework correspondingly.
- 4.3 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.4 The Grant Recipient is responsible for obtaining any additional resources which may be required to duly implement the Project.

### **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.
- 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 second disbursement each year is subject to Norad's receipt and approval of the 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:	FUNDACION PARA EL PROGRESO DE LA REGION BOGOTA - PROBOGOTA REGION
Account no.:	013 2002278
IBAN no.:	
Name and address of the bank:	BANCO COLPATRIA – BOGOTA COLOMBIA
Swift/BIC code:	COLPCOBB
Currency of the account:	US Dollars

- 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 **progress report** covering the period from 1 October 2017 to 30 June 2018 shall be submitted to Norad by 31 July 2018. Thereafter a progress report covering the period from 1 July 2018 to 30 June 2019 shall be submitted to Norad by 31 July 2019. The progress report shall include the content specified in article 2 of the General Conditions.
  - A **financial report** covering the period from 1 October 2017 to 30 June 2018 shall be submitted to Norad by 31 July 2018. Thereafter a financial report covering the period from 1 July 2018 to 30 June 2019 shall be submitted to Norad by 31 July 2019. 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 e) of the Specific Conditions.
  - An **audit report** covering the annual financial statements of the Project shall be submitted to Norad by 31 July 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.
  - An updated **implementation plan and budget** covering the period from January to December shall be submitted to Norad by 31 July each year. The implementation plan and

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budget shall include the content listed in article 1 of the General Conditions.

- e) A **final report** for the Support Period shall be submitted to Norad no later than 31 March 2020. The final report shall include the content listed in article 4 of the General Conditions.

6.2 If the Grant Recipient is unable to meet the deadlines set out above, Norad shall be informed 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 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 Additional requirements applicable to the auditor and the audit report are included in article 5 of the General Conditions.

7.3 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 at least once per year, tentatively in order to discuss i.a. the results achieved by the Project during the Support Period. The meetings shall be called and chaired by the Grant Recipient.

8.2 Unless otherwise agreed, the Parties shall discuss the latest progress report and financial report, as well as the implementation plan and budget for the upcoming period. In the event that such reports have not been received at least two weeks before the meeting, the Parties shall agree upon a new date to hold the meeting.

8.3 The Grant Recipient shall record main issues discussed, points of view expressed and decisions made, in minutes from the meeting. The Grant Recipient shall submit the minutes to Norad no later than two weeks after the meeting for comments. The agreed minutes shall be signed by both Parties.

## **9 REVIEWS AND OTHER FOLLOW-UP MEASURES**

9.1 An end-term review focusing on results achieved by the Project shall be carried out by 31 March 2020. 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 On Norad's request, the Grant Recipient will arrange for field visits to the project site. Norad will notify about such a request with at least 7 days' notice.

- 9.3 If the Grant Recipient or another interested party initiates a review or evaluation of activities 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 award criteria and their weighting 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:

Name of the account:	Norad
Account no.:	7694.05.14815
IBAN no.:	NO31 7694 0514 815
Name and address of the bank:	DNB Bank ASA, Postboks 1600 Sentrum, 0021 Oslo
Swift/BIC code:	DNBANOKKXXX

- 11.3 The transaction shall be clearly marked: "Unused funds". The name of the Grant Recipient shall be stated, along with Norad's agreement number and agreement title.

## **12 SPECIAL PROVISIONS**

- 12.1 The Grant Recipient shall in accordance with Section 3.3 identify relevant risk factors that may adversely affect the implementation of the Project, including risks for crosscutting issues as listed in a) – d) below. Risk assessment shall be included in the final report submitted to Norad.
- a) Human Rights, particularly participation, accountability and non-discrimination
  - b) Women's rights and equality
  - c) Climate and the environment
  - d) Anti-corruption

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- 12.2 Norad expects the Grant Recipient to act in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
- 12.3 Salaries to own employees included in the budget in Annex A are covered with a maximum rate of NOK 550 per hour, and are documented with timesheets. Fees for consultants for direct purchases of services are covered with a maximum rate of NOK 1000 per hour. Other consultant services shall be procured in accordance with Part III; Procurement provisions. Travel expenses are covered for Economy class. The stated rates are maximum rates. Accommodation costs and hotel costs are covered by invoices within a reasonable cost framework.
- 12.4 General Conditions article 9 clause 2 shall not be applicable.
- 12.5 General Conditions article 14 shall be replaced with the following: "The Grant Recipient shall make project documentation available to anyone upon request unless disclosure is prohibited by confidentiality obligations and/or if it may be detrimental to the Grant Recipient's legitimate interests. "Project documentation" shall include this Agreement and any contracts, cooperation agreement or other sub-agreements financed by the Grant, the Application and all agreed reports."

### 13 NOTICES

- 13.1 All communication to Norad concerning the Agreement shall be directed to the Section for Private Sector Development at the following address/e-mail address: Postboks 8034 Dep, NO-0030 Oslo, Norway / [postmottak@norad.no](mailto:postmottak@norad.no).
- 13.2 All communication to the Grant Recipient concerning the Agreement shall be directed to ProBogota at the following address/e-mail address: Carrera 9 # 77-67 oficina 904, Bogota, D.C., Colombia / [qramirez@probogota.org](mailto:qramirez@probogota.org).
- 13.3 Norad's agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.



#### 14 SIGNATURES

- 14.1 By signing part I of the Agreement, the Parties confirm receipt and approval of part II; General Conditions, and part III; Procurement Provisions, which all form an integral part of the Agreement.
- 14.2 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

Date: 27/11-17

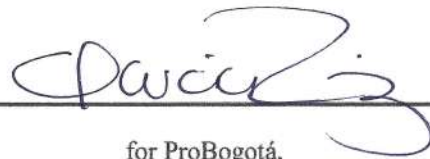


for the Norwegian Agency for Development  
Cooperation,

Paul Wade

Assistant Director

Section for Private Sector Development



for ProBogotá,

Claudia Ramírez

Executive Director

#### Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework

## ANNEX A – APPROVED BUDGET

COSTS NOK '000	Project with NORAD's grant								Project's future sustainability model		
	Pre-ops	Y1			Y2			Total PRE-OPS	Y3		
	Q4	S1	S2	Total Y1	S1	S2	Total Y2	+ Y1 + Y2	S1	S2	Total Y3
Co-working	46	292	300	639	313	313	627	1,266	326	326	651
Incubation/Acceleration	274	2,738	1,022	4,033	1,067	1,051	2,119	6,152	928	1,104	2,032
Training	12	121	349	482	374	482	856	1,339	485.36	485.36	971
Fund	50	331	911	1,292	1,166	2,366	3,532	4,824	379.90	379.90	760
Activities executed by partners	1000	1,996	0	2,996	1,804	0	1,804	4,800	0.00	0.00	0
<b>Total</b>	<b>1,383</b>	<b>5,478</b>	<b>2,582</b>	<b>9,443</b>	<b>4,725</b>	<b>4,213</b>	<b>8,938</b>	<b>18,381</b>	<b>2,119</b>	<b>2,295</b>	<b>4,414</b>

INCOME NOK '000	Project with NORAD's grant								Project's future sustainability model		
	Q4	S1	S2	Total Y1	S1	S2	Total Y2	Total PRE-OPS + Y1 + Y2	S1	S2	Total Y3
NORAD	1,383	5,304	1,583	8,270	3,670	3,054	6,724	14,994	0	0	0
Co-working Spaces	0	96	288	384	444	444	887	1,271	907	907	1,814
Incubation Services	0	60	360	420	238	238	475	895	486	486	972
Acceleration Services	0	0	0	0	0	0	0	0	960	960	1,920
Training Activities	0	19	355	374	375	481	857	1,231	481	481	962
Fund Related Activities	0.00	0	0	0	0	0	0	0	372	372	744
<b>Total</b>	<b>1,383</b>	<b>5,479</b>	<b>2,586</b>	<b>9,448</b>	<b>4,727</b>	<b>4,216</b>	<b>8,943</b>	<b>18,392</b>	<b>3,206</b>	<b>3,206</b>	<b>6,412</b>

BALANCE NOK '000	Project with NORAD's grant								Project's future sustainability model		
	Q4	S1	S2	Total Y1	S1	S2	Total Y2	Total PRE-OPS + Y1 + Y2	S1	S2	Total Y3
PROJECT	0	1	4	6	2	3	5	11	1,087	911	1,998
CO-WORKING SPACE	-46	-196	-12	-255	130	130	260	5	582	582	1163

## ANNEX B – RESULTS FRAMEWORK

### Development Goal

Contributing to overcome Colombia's economic vulnerabilities through strengthening SMEs competitiveness and productivity based on a pertinent and high impact support from a robust Bogota Region ICT sector.

### Project Goal

Successfully establishing Bogota ICT Incubator & Accelerator (BICTIA). BICTIA will be a vehicle to strengthen and internationalise ICT Start-ups, and SMEs mainly focused on the B2B market in order to make them capable of delivering affordable and pertinent high impact ICT products and services to SMEs on the five specialization areas defined by SSS in Bogota Region.

### Expected Results (measurable services/products from the project activities)

The main Key Performance Indicator (KPI) for the project will be the number of start ups and/or SMEs attended with BICTIA's services portfolio through its different components, and number of companies invested by the Fund. Although gender discrimination is not really an issue in Colombia, a gender focused KPI is included to make an explicit and deliberate effort to ensure participation of female entrepreneurs.

300 Start-Ups/SMEs Go Through BICTIA (2 years)						
Results Break-up						
Goal	Indicator	Outcome Semester 1 2018	Outcome Semester 2 2018	Outcome Semester 1 2019	Outcome Semester 1 2019	TOTAL
Strengthening Bogota and surrounding region Start-ups via Incubator and Accelerator services and community building via co-working spaces.	Number of Start-ups / SMEs	20	80	120	80	300
Education and training specific to the ICT sector and entrepreneurial skill in Bogota and surrounding region	Number of students that complete training & education programs	50	150	200	200	600
Funding	Number of Start-ups / SMEs	0	5	10	10	25
Gender focus	% of Start-ups / SMEs Served	20%	20%	20%	20%	20%

Note: Column 4 should say "Semester 2 2019"

CMA