

[THIS DOCUMENT IS A DRAFT CONTRACT. AS SUCH, ALL INFORMATION HEREIN IS SUBJECT TO CHANGE AND DOES NOT BIND IDH IN ANY WAY.]

FUNDING AGREEMENT ("Agreement")

Between:

IDH Sustainable Trade Initiative, a foundation under the laws of the Netherlands, registered with the Dutch Chamber of Commerce under number 53521129, having its registered office and its place of business at Arthur van Schendelstraat 500 (3511 MH) Utrecht, the Netherlands, in this matter duly represented by Mr. Daan Wensing, hereinafter referred to as "**IDH**"; and

[Name project partner] a **[description legal entity]** under the laws of **[name country]**, registered with the company register under number **[registration number]**, having its registered office and its place of business at **[address]**, **[name country]**, in this matter duly represented by Mr./Mrs. **[name representative]**, hereinafter referred to as the "**Project Partner**".

IDH and the Project Partner also individually referred to as "**Party**" or collectively as the "**Parties**".

WHEREAS:

- (A) The overall purpose of IDH is to accelerate sustainability within value chains of various sectors under the IDH strategy 2021-2025: 'Catalyzing Private Sector Solutions for the Sustainable Development Goals (SDGs)' through driving public-private coalitions and viable sustainable business- and finance models to have impact on the SDGs. For this purpose, IDH works with companies, NGOs, governments, trade unions, financial institutions, and universities.
- (B) The purpose of the Project Partner engaging in the **[name program]** (the "**Program**") is to contribute to the Beyond Chocolate 2030 objective of enabling cocoa farmers supplying to the Belgian market to earn a living income.
- (C) The Parties have expressed their commitment to cooperate in order to support and implement the project under this agreement (the "**Project**") as described and specified in the project proposal (the "**Project Proposal**"), as approved by IDH (attached hereto as Annex 1), and by applying for funding in relation to the objectives of the Project.

THE PARTIES HEREBY AGREE AS FOLLOWS:

- 1. **Scope**
 - 1.1 The IDH General Terms & Conditions (attached hereto as Annex 2) apply to this agreement between IDH and the Project Partner.
 - 1.2 Unless otherwise specifically agreed to by the Parties, in the event of any conflict between the terms of this Agreement and its annexes, the following order or precedence will be applied: i) the terms of this Agreement; ii) the IDH General Terms and Conditions; iii) the Reporting Guidelines; iv) the Auditor Selection Guidelines; v) the Project Proposal; vi) any other annexed documents, if relevant.
 - 1.3 The Project Proposal includes a detailed description of the Project. In brief, the Project can be described as follows: **[Summary project]**

- 1.4 The Project Partner is responsible for the funding of the Project. In addition, the Project Partner is responsible for the implementation, coordination and results of and reporting on the Project as described in this Agreement and in the approved Project Proposal. This responsibility includes (yet is not limited to) the following:
 - a. Provision of funding to the Project in accordance with the Project Proposal;
 - b. Implementation of the Project in accordance with the Project Proposal;
 - c. Report on the implementation and overall activities of the Project to IDH according to the Guidelines for Planning and Reporting for Implementing Partners (the "**Guidelines**", attached hereto as Annex 3);
 - d. Select independent auditor in accordance with the Guideline Selection Auditor (attached hereto as Annex 4).
- 1.5 IDH will support the Project with co-funding as described in this Agreement.
- 1.6 In reference to article 27 of the IDH General Terms and Conditions, the Parties commit to participate in the learning activities that are part of the Program and Project. The Parties shall share lessons learned and relevant Project information including digital data with each other for the benefit of the Project. IDH has access to this information for inter- and cross-sectoral learning purposes. IDH will take all necessary precautions to ensure that confidential information will not be shared with anybody outside of IDH.
- 1.7 In reference to and in addition to article 13.1 of the IDH General Terms and Conditions, the Parties are obliged to promptly inform each other and consult with each other regarding any (suspected) changes in circumstances or irregularities that may affect the implementation of the Project, and/or affect compliance with the Agreement. Such notifications should include the financial interests involved (if applicable) as well as mitigating measures taken. If any (suspected) changes in circumstances or irregularities, including but not limited to epidemics such as Covid-19, lead to any delay in the implementation of the Project, IDH shall have the right to adjust the instalment schedule.

2. Finance & Planning and Reporting

Funding amounts

- 2.1 The Project Partner will provide funding for the Project in the minimum amount of **EUR [amount]**, in accordance with the budget in the Project Proposal and the funding ratio of the Parties' contributions contained therein.
- 2.2 IDH undertakes to provide co-funding of the Project Partner's investment for Project activities that have either already taken place or are anticipated during the Project term and agreed on in the budget and the Project Proposal, based on actual costs incurred, up to a total amount of maximum **EUR [amount]**.

Reporting Requirements and Funding Disbursement Schedule

- 2.3 The Project Partner will comply with the Guidelines in a full and timely manner. The Project Partner is aware that IDH has a zero-tolerance policy on faulty reporting and that all obligations under this Agreement must be fulfilled in order to receive the full IDH contribution to the Project. **As part of the Project, the Project Partner will make sure that the reporting is audited by an independent auditor. The Project Partner will select the independent auditor in accordance with the Guideline Selection Auditor (Annex 4).**
- 2.4 The Project Partner must allow representatives of the Belgian State to verify and assess the implementation of the Project and the utilization of IDH's contribution, including the accounts, original receipts and invoices at the Project Partner's office, provided that reasonable prior

notice is given. These documents must be kept by the Project Partner at least 5 years after the Project has ended. The Project Partner agrees that the Belgian State can at any time, at its own initiative, decide to assess the Project through an external evaluation and/or an external audit. In the event the Project Partner prevents the controls and verifications included in this clause or does not fulfil the conditions of IDH's contribution, the Project Partner is obliged to immediately reimburse IDH's financial contribution to IDH.

- 2.5 The Project Partner will:
- a. Monitor, evaluate and report on progress of activities (including KPIs) and financials (budgeted vs. actual) to IDH as defined in the schedule included in Article 2.5.
 - b. Fully comply with the criteria and requirements stated in the Guidelines.
- 2.6 Funds made payable to the Project Partner under the Agreement will be transferred according to the following schedule, after approval of the relevant reporting content and receipt of a payment request from the Project Partner. The Project Partner is not allowed to deviate from the schedule without prior written approval by IDH:

Year	Reporting deadlines	Reporting content (in accordance with requirements in Guidelines)	Instalment (% of IDH annual budget)	Payment request date
Year 1	NA	NA	60% of Budget Year 1	Send payment request after submission of the signed Agreement.
	[Date]	Baseline Report	NA	NA
	April 30st	Quarterly progress update Jan-Mar <ul style="list-style-type: none"> Financial update Output KPI of Q1 results 	NA	NA
	July 30th	Quarterly progress update Apr-Jun <ul style="list-style-type: none"> Financial update Output KPI of Q2 results Financial forecast year 2 	30% of Budget Year 1	Send payment request after IDH's written approval of Quarterly update
	October 31st	Quarterly progress update Jul-Sep <ul style="list-style-type: none"> Financial update Output KPI of Q3 results of 	NA	NA
Year 2	January 30st	Annual progress report <ul style="list-style-type: none"> Financial Annual Report Revised Budget year 2 Revised work plan year 2 Summary Output and Outcome KPI of Q1 to Q4 results Narrative progress report 	Settlement of Balance Year 1 60% of Revised Budget Year 2	Send payment request after IDH's written approval of Annual progress report, Revised Budget and Audit Report (if applicable)
	March 1st	Audit Report Jan-Dec year 1*		
	April 30st	Quarterly progress update Jan-Mar <ul style="list-style-type: none"> Financial update Output KPI of Q1 results 	NA	NA
	July 30th	Quarterly progress update Apr-Jun <ul style="list-style-type: none"> Financial update Output KPI of Q2 results Financial forecast year 3 	30% of Budget Year 2	Send payment request after IDH's written approval of Progress Report
	October 31st	Quarterly progress update Jul-Sep <ul style="list-style-type: none"> Financial update Output KPI of Q3 results 	NA	NA
Year 3	January 31st	Annual progress report <ul style="list-style-type: none"> Financial Annual Report Revised Budget year 3 Revised work plan year 3 Summary Output and Outcome KPI of Q1 to Q4 results Narrative progress report 	Settlement of Balance Year 2	Send payment request after IDH's written approval of Annual Report and Audit Report (if applicable)
	March, 1st	Audit Report Jan-Dec year 2* (or whole project duration)		

*Audit Report is required when the annual/total IDH spending and/or IDH liable spending is equal or more than EUR 75.000.

- 2.7 IDH reserves the right to deduct any amount of underspending against the annual budget by the Project Partner from the installments to be transferred by IDH in the subsequent year.
- 2.8 Payment will be made by IDH within 45 days after receiving the payment request from the Project Partner. The payment request must be sent via email to invoice@idhtrade.org, and must contain (i) the total amount to be transferred, (ii) the budget period, and (iii) shall reference the contract number [insert Salesforce number].
- 2.9 All funds provided by IDH will be transferred to and disbursed to the Project Partner at the following bank account:
- Bank Name: [Name bank + country]
- Account Name: [.]
- Account Number: [.]
- Routing/ABA Number: [.]
- SWIFT Code: [.]

3. Intellectual Property

- 3.1 The Parties acknowledge that IDH and Project Partner both are and maintain to be the joint owners of all intellectual property arising from the performance of this Agreement, including but not limited to copyrights, database rights, trademarks, patents and know how (the “Arising Intellectual Property”). Each Party can freely use, publish or disseminate the jointly owned Arising Intellectual Property without needing prior consent of the other Party. The Parties shall not make any use of the jointly owned Arising Intellectual Property to the detriment of other Party, nor make any use of the jointly owned Arising Intellectual Property that restricts the ability of the other Party to do the same.

4. Duration and termination

- 4.1 The Agreement will be effective as from [date] and shall terminate automatically on [date], unless extended by the Parties in writing.
- 4.2 Any Party may terminate the Agreement or exit the Project - in full or in part - before the end of the term of the Agreement or the Project, subject to three (3) month's written notice. In that event, such Party is not allowed to withdraw funding already spent under the Agreement and/or committed by the Project Partner under a sub-agreement between the Project Partner and a third party related to the execution of the activities by the Project Partner under the Agreement.
- 4.3 In reference to article 21.2 of the IDH General Terms and Conditions, the Parties acknowledge that IDH is an organization that is dependent on funding from multiple institutional donors. In the event IDH's institutional donors terminate, end or materially change their funding of IDH, the Parties reserve the right to terminate the Agreement with immediate effect and without the risk of incurring liability for damages or compensation.
- 4.4 The rights and obligations of the Parties which by nature are meant to survive this termination shall not terminate on this date.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE

For IDH

Name: Mr. Daan Wensing

Position: CEO

Date: _____

For the Project Partner

Name:

Position:

Date: _____

Attached to and integral part of this Agreement are:

Annex 1: Project Proposal

Annex 2: IDH General Terms & Conditions

Annex 3: Guidelines for Planning and Reporting for Project- and Implementing Partners

Annex 4: Guideline Selection Auditor