

BELGIAN SUSTAINABLE CHOCOLATE PROGRAM

PHASE II

GRANT AGREEMENT

The Belgian State, represented by the Minister of Development Cooperation, Mister Alexander De Croo, Rue des Petits Carmes 15, 1000 Brussels, Belgium;

and

IDH The 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. J. Oorthuizen, executive director, hereinafter referred to as “IDH”;

Decide, considering that:

- the overall purpose of IDH is to accelerate sustainability within the value chains of various program sectors under the IDH strategy 2016 – 2020 ‘Innovating Impact @ scale’ through the development of impact coalitions of companies, NGOs, governments, trade unions, financial institutions, and universities that strive for impact on public good;
the purpose of IDH in the framework of Beyond Chocolate is to fulfil the coordination, monitoring and communication role of the Belgian partnership for sustainable chocolate and share its international networks, experience and knowledge on driving sustainability in international cocoa supply chains; building on the momentum gained during the scoping and engagement phase, commitments will be sustained and translated into concrete actions.

- the overall purpose of the Belgian development policy is to reinforce the complementarity and synergy between different actors and finance and enter into partnerships with new actors in order to achieve the most important development impact in the framework of the Agenda 2030;
The purpose of the Belgian State engaging in this Agreement is to support the “Beyond Chocolate” partnership through a sector-wide approach and program in order to sustainably improve the living conditions of the cocoa producers (m/f) and their families in production

regions that are important for the Belgian chocolate sector. The activities of “Beyond Chocolate” in these regions will contribute to:

- raising the livelihoods of male and female cocoa producers ;
- improving the level of participation and access to education of children;
- the sustainable use of forests, water, soils and other natural resources;

to conclude this Grant Agreement, hereinafter the “**Agreement**”, to document their collaboration regarding the implementation of the second phase of the Belgian sustainable chocolate program, hereinafter “**the Program**”:

1. Scope of the Agreement

- 1.1 The Grant is awarded to IDH for the execution of the Program. The submitted and accepted program proposal is attached to this Agreement as Annex 1. The program proposal defines the criteria for the selection of the Belgian partner, the indicators for the measurement and the evaluation of the projects that will be funded, the criteria for the selection of the projects, the budgetary conditions for the projects, the duration of the projects and the geographical scope of the projects as well as the criteria for the selection of the organizations that can introduce projects through IDH.
- 1.2 On a policy level, the Belgian project manager to IDH will actively cooperate in consultation with the competent directorates within the Belgian Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation to cover and advocate all policy areas at EU level. The relationships with, among others, the World Cocoa Foundation (WCF) and The International Cocoa Organization (ICCO) will be further explored.
- 1.3 Any work undertaken by IDH under the scope of this Agreement shall be executed in conformity with the highest professional standards.
- 1.4 The role of the Belgian State is to actively work together with IDH in order to achieve its engagements in the framework of ‘Beyond Chocolate’ (Annex 2).

2. Finance

- 2.1 The Belgian State provides IDH a grant for the execution of the Program described in Annex 1 in the amount of EUR 2,500,000 (two million five hundred thousand) as foreseen in the Royal Decree (Annex 3) .
- 2.2 The funding will be disbursed according to the following schedule:

700.000 EUR in 2019;

700.000 EUR in 2020;

700.000 EUR in 2021

400.000 EUR in 2022

after fulfillment of the obligations foreseen in 2.4 for the last installment.

2.3 The grant and the yearly disbursed installments can be modified due to decisions the Belgian State has to make on a budgetary level. If these modifications have an impact on the realization of the objectives of the Program, IDH will modify the Program after consultation with the Belgian State.

2.4 The first installment of 700.000 EUR will be paid once the original request for payment has been received by the Belgian State. The second and third installment of 700.000 EUR will be paid in the course of 2020 and 2021 after the receipt of an intermediary narrative and financial report, that demonstrates that the spent balance of the previous installment is higher than 75%.

The financial report contains the degree of realization of the projects that are selected and funded under the terms of this Agreement as well as a list of the costs incurred by the organizations that implement these projects.

The last installment of 400.000 EUR will be paid after the receipt of:

- an original request for payment by the beneficiary;
- the final report, containing a narrative and financial report covering the total budget spent, including the expenditure of the final installment, the results obtained within the framework of the Program and the degree of realization of the projects that are selected and funded under the terms of this Agreement);
- a list of the costs incurred by IDH and by the organizations that implement the projects under the terms of this Agreement;
- an electronic or non-electronic copy of the accounting documents.

2.5 An original request for payment must be filed by IDH on a paper with the official letterhead and be duly dated and signed. The request for payment must also refer to this Agreement, indicating the bank details mentioned in article 2.6 and can be formulated as follows:

"STATEMENT OF MONEY OWED:

The undersigned, Joost Oorthuizen, who represents IDH the sustainable trade initiative, declares that the Belgian State owes the aforementioned association the amount of xxx EUR, as the grant for the implementation of the Second phase of the Belgian sustainable Chocolate

Program 'Beyond Chocolate'. This amount can be paid into account nr.

NL24RABO0162372094."

2.6 All installments provided by the Belgian State will be transferred to and disbursed to IDH at the following bank account:

Bank Name	Rabobank
Account Name:	IDH Sustainable Trade Initiative
Account Number:	0162372094
IBAN:	NL24RABO0162372094
Routing/ABA Number:	N.A
SWIFT Code:	RABONL2U

3. Audit and Reporting

3.1 The financial statements relating to this grant must be audited annually by a firm of certified public accountants and follow the standards of ISA/ISSAI. The annual audit shall include a financial, compliance and performance audit.

3.2 Annual audited reports are to be submitted to the Belgian State not later than the 30th of June of the year that follows the audited year.

3.3 The financial report consists of a certified financial statement regarding the (un)spent balances, and a list of the costs and expenses already taken place. The narrative report consists of an impact and progress evaluation. The donor is entitled to ask for any additional information.

4. Duration

4.1 The Program will start on the 1st of March 2019 and end on the 29th of February 2022.

5. Intellectual property

5.1 Nothing in this Agreement shall grant either Party or any third party any ownership, license, or authorization to use any other Party's trademarks or other intellectual property.

5.2 No Party will make use of another Party's marks, including the name, logo or certification mark of that Party, without that Party's prior written consent.

6. Confidentiality

6.1 In the course of the preparation and the execution of the Program, the Parties may receive and become aware of information (such as but not limited to projects, practices, and customer or potential customer information) that is sensitive and confidential in nature. Any information and knowledge shared, obtained before, during or after the Agreement, with the exception of the existence of the Agreement and the purpose thereof, shall be treated confidentially and may not be stored or shared with any other organization without the prior written consent of the other Party.

7. Communication

7.1 Subject to the terms and conditions regarding confidentiality in this Agreement, the Parties may communicate the existence of the Agreement on their website and may inform third parties of its purpose, but shall refrain from mentioning anything relating to the content of the Agreement. The Parties agree that these communications shall be driven and focused on the Agreement's objectives. The Parties will take all necessary precautions to ensure that sensitive information will not be shared with any third parties.

8. No Detrimental Activity

8.1 Each Party under this Agreement represents and warrants to the other Party that it knows of no activities or other matters not yet a matter of public information that should preclude a cooperation under this Agreement or prove detrimental to the other Party's interests. In addition, if in the future, any Party becomes aware of any activity or matter that may become detrimental to the interests of the other Party, then that Party shall promptly notify the affected party of the relevant facts and circumstances.

9. Exclusivity

9.1 This Agreement doesn't prevent the parties to conclude other programs or programs covering activities similar to the subject of this Agreement anywhere in the world.

9.2 Double funding of the purposes for which the grant of the Belgian State is given, is nevertheless forbidden. IDH is committed to inform the Belgian State of all other funding of the purposes for which the grant is given.

9.3 Nothing in this Agreement shall be construed as constituting the Parties as partners or as creating between such parties the relationships of employer and employee.

10 Use of the grant and eligible expenses

10.1 Taking into account the law of 22nd May 2003, and in particular articles 121 to 124 thereof, the mentioned grant must be used for the purposes for which it is granted. IDH is obliged to immediately reimburse the grant to the Belgian State if:

- the conditions of the Grant, as specified in the Royal Decree and this Agreement, including its Annexes, are not respected;
- the Grant is not used for the purposes for which it is granted;
- IDH prevents the controls and verifications of the Belgian State as mentioned in 10.4;

IDH is obliged to reimburse the part of the grant that has not been justified.

10.2 IDH must respect the list of non-subsidiary expenses mentioned in Annex 4 of this Agreement.

10.3 The accounts and original receipts and invoices of IDH will be kept available during at least five years after the end of the Program.

10.4 During the period of this Agreement, IDH will allow representatives of the Belgian State to verify and assess the implementation of the Program and the utilization of the grant, including the accounts, original receipts and invoices at the IDH office, provided that reasonable prior notice is given.

10.5 The Belgian State can at any time, at its own initiative, decide to assess the Program through an external evaluation and/or an external audit.

10.6 IDH insures that all partners engaged in the Program respect the obligations in article 10. More in particular, IDH must mention the following in the framework that it concludes with organizations of which the projects are selected and funded under the terms of this Agreement:

- The organization is obliged to immediately reimburse the grant to IDH if the conditions of the grant, as foreseen in the framework concluded between IDH and the organization, are not respected, the grant is not used for the purposes for which it is granted or the organization prevents the controls and the verifications mentioned in the framework;
- The organization is obliged to reimburse the part of the grant that had not been justified to IDH;
- The organization must respect the list of non-subsidiary expenses that is joined to the framework;

- The accounts and original receipts and invoices of the organization for the project will be kept available during at least five years after the end of the project;
- During the period of the project, the organization will allow representatives of the Belgian State to verify and assess the implementation of the project and the utilization of the grant, including the accounts, original receipts and invoices at the organization's office, provided that reasonable prior notice is given;
- 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.

The list of non-subsidiary expenses that is joined to the framework concluded with the organizations is identical to the list of non- subsidiary expenses mentioned in Annex 4 of this Agreement.

- 10.7 If an organization reimburses IDH for one of the reasons mentioned in article 10.6, IDH is authorized to use this sum for another project, unless this is no longer possible given the circumstances of the case. In that case, IDH reimburses this sum to the Belgian State.

11 Interpretation of the Agreement, applicable law and jurisdiction

11.1 In case of doubt about the interpretation of this Agreement, IDH will consult the Belgian State. Each decision will be subjected to an exchange of letters between the Parties.

11.2 Only Belgian law is applicable to this Agreement.

11.3 Legal conflicts regarding this Agreement are subject to the jurisdiction of the Belgian courts.

12 Miscellaneous

12.1 This Agreement together with the Annexes and other documents referred to in this Agreement, constitutes the entire agreement between the Parties.

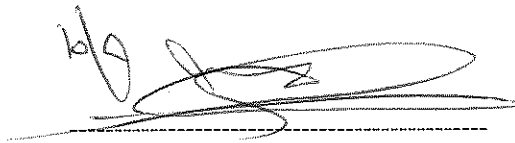
IN WITNESS WHEREOF, the undersigned Parties have confirmed their agreement:

For The Belgian State



Name: Alexander De Croo
Position: Minister of Development Cooperation
Date:

For IDH



Name: Joost Oorthuizen
Position: Executive Board Member
Date:

Attached to this Agreement is:

- Annex 1: Belgian Sustainable Chocolate Program – Program for Phase II
- Annex 2: Beyond Chocolate
- Annex 3: Royal Decree
- Annex 4: List of non-subsidiary expenses