



Foreign &
Commonwealth
Office

Grant Contract

The Parties to this Contract are:

The Secretary for State for Foreign and Commonwealth Affairs represented by:

Wasim Mir
Deputy Head of Mission
British Embassy Brasilia

for the Foreign and Commonwealth Office (the Authority)
and

LSE Enterprise Ltd.
Queens House, 2nd Floor, Houghton Street, London, WC2A 2AZ, United
Kingdom, UK
Simon Flemington, CEO

(the Grantee), referred to collectively as the Parties and each individually as a Party, on the following terms.

1. Introduction and Definitions

1.1 This Grant Contract contains the terms on which grant funding is being provided to the Grantee for the Project.

1.2 In this Grant Contract the following terms have the meanings set out below:

Grant Contract

- (a) 'Equipment' means the tools and machinery which the Grantee may use in order to conduct research and other necessary activity for which grant funding has been provided;
- (b) 'Project' means the activity in support of **Boosting PPPs in Education and Urban Mobility in Minas Gerais and Bahia** for which the Authority has sought proposals and awarded grant funding to the Grantee under this Grant Contract;

(c) 'Project Implementation' means all steps which the Grantee undertakes in order to deliver the Project which is being supported by funding provided under this Grant Contract.

1.3 Any reference to UK primary legislation (Acts) or secondary legislation (Statutory Instruments) in this Grant Contract includes reference to any changes to or replacement of those Acts or Statutory Instruments.

2. Grant Offer

2.1 The Authority offers to pay the Grantee the grant funding set out in this Grant Contract on condition that the Grantee complies fully with the terms of this Grant Contract.

2.2 The Grantee acknowledges that the Authority agrees to provide funding only for the amount, period and purposes set out in this Grant Contract.

3. Purpose of the Grant

3.1 The Authority is providing grant funding for the implementation of the project entitled: **Boosting PPPs in Education and Urban Mobility in Minas Gerais and Bahia** ("the Project"). The Project outputs and activities are set out in Annex A.

3.2 The Grantee accepts responsibility for the proper use and administration of all funding provided under this Grant Contract and undertakes that this will be used only for the purpose of carrying out the Project in accordance with Annex A.

4. Grant Funding Period

4.1 The grant funding period is from *20th May 2016* to *31st March 2017*.

4.2 Project Implementation will begin on the day after the last of the two parties signs this Grant Contract.

5. Amount of the Grant

5.1 The Authority shall provide up to a maximum of £ 109,335.00 towards the total costs of the Project, of which £ 109,335.00 (*one hundred and nine thousand three hundred thirty five pounds sterling*) will be paid in the current financial year.

5.2 The Authority does not guarantee grant funding for subsequent periods after the term of this Grant Contract. If the Authority were to provide additional grant funding this will depend on factors including:

(a) The availability of funding to the Authority and



- (b) Full compliance with the terms of this Grant Contract by the Grantee in the period covered by this Grant Contract.

6. Timing of Grant payments

- 6.1 Payment will be made 1 month in arrears.
- 6.2 The Authority will not authorise payment unless the Grantee has:
 - (a) signed and returned a copy of this Grant Contract to the Authority;
 - (b) provided appropriate bank details including a method for identifying the Authority's funding either in a separate bank account or by using project codes; and
 - (c) complied with the terms of this Grant Contract, especially the reporting requirements.
- 6.3 The Authority reserves the right to withhold all or any payments of the grant funding if it has reasonably requested information and/or documentation from the Grantee and this has not been provided to the Authority within the timescales reasonably required.

7. Managing the Grant

Reporting

- 7.1 The Grantee shall provide a quarterly monitoring report and a financial report every 3 months during the grant funding period starting from **30 June 2016**.
 - 7.1.1 The quarterly monitoring report shall:
 - (a) describe the Project activities completed and the results achieved
 - (b) contain an assessment of progress made against the proposals in original bid documents
 - (c) refer to the indicators of success in Annex A (the Final Bid Form).
 - 7.1.2 The financial reports shall state:
 - (a) how much funding was spent
 - (b) the purpose of the expenditure in (a) above
 - (c) whether any funding was used for consultant's fees or travel expenses.
- 7.2 When the project has been completed the Grantee shall prepare and send a final report (the "Project Completion Report") to the Authority within the period that the Authority requests. This report shall contain a detailed breakdown of all expenditure for the grant funding period. The Authority will only make a final grant payment when the Project Completion Report has been submitted to the relevant representative of the Authority, in the format requested and with all of the information that is required.

- 7.3 The Grantee shall send originals or copies of invoices and receipts to the Authority within one (1) calendar month after sending a financial report to the Authority.
- 7.4 Where a Project has an annual expenditure of over £200,000 the Grantee shall provide externally audited financial reports to the Authority unless the Parties agree otherwise.

Monitoring and Evaluation

- 7.5 The Authority will supervise the progress of the Project throughout the grant funding period and reserves the right to:
- (a) carry out Evaluation Visits at a time agreed with the Grantee and after giving reasonable notice; and/or
 - (b) to appoint an external evaluator.
- 7.6 The method and timing of the Evaluation of the Project will be at the Authority's discretion.
- 7.7 The Grantee will make staff available to meet with, answer questions and provide management information to the evaluator appointed by the Authority.
- 7.8 The Authority and the Grantee shall undertake a joint review of the Project if the Authority considers it necessary to refocus the Project outputs. If, at any stage, the Project outputs are not achieving the agreed objectives, impact and delivery the Authority may terminate the Project.

Surplus funding

- 7.9 The grant funding must be spent in the financial year for which it was approved. Funds may only be carried over *in exceptional circumstances* with the **prior written agreement** of the Authority's authorised representative.
- 7.10 The Authority and the Grantee shall work together to ensure effective management of the grant funding provided under this Grant Contract.

Additional governance

- 7.11 In order to ensure its accountability to Parliament or any other body authorised to scrutinise its use and management of public funds or in order to assess risks of fraud or guard against potentially fraudulent use of grant funding, the Authority reserves the right to:
- (a) make grant funding subject to such arrangements (including terms of reference, steering committees and virtual boards) as it considers



reasonable, appropriate and proportionate to manage the relationship with the Grantee. This reservation may be exercised because of the budget, scope or complexity of a Project; or

- (b) commission an external audit of the financial reporting provided by the Grantee at any point in the grant funding period. Where the Authority exercises this right, it will bear the cost of such audit.

Recovery of funding

- 7.12 If the Authority makes an overpayment to the Grantee, it will seek recovery of all sums overpaid. The Grantee shall repay any overpayment to the Authority within thirty (30) calendar days of receiving a written request from the Authority to make a repayment. If there is a dispute between the parties about the overpayment, repayment will not be made until the dispute has been resolved.
- 7.13 The Authority retains the right to recover any funds given to the Grantee under this Grant Contract which have not been used for the purposes of implementing the Project or cannot be accounted for.

Financial Irregularity

- 7.14 If the Grantee has good reason to suspect fraud or any other misuse of any grant funding paid under this Grant Contract, it must notify the Authority immediately, explain the steps that are being taken to investigate the suspicion and keep the Authority informed of the progress and outcome of the investigation.

8. Other uses of grant funding

Procurement

- 8.1 The Grantee must obtain value for money when using grant funding and shall act in a fair, open and non-discriminatory manner when buying goods and services.
- 8.2 The Grantee shall follow its own procurement guidelines and procedures when buying goods and services using grant funding provided under this Grant Contract.
- 8.3 If the Authority requests information from the Grantee about the use of grant funding provided under this Grant Contract for procurement, the Grantee shall provide sufficient information to show that its procurement processes are transparent, fair, allow for competition and was cost effective.

Equipment – Purchase and disposal

- 8.4 The Authority provides funding under this Grant Contract on the basis that the Grantee will not use grant funding to purchase Equipment in order to implement the Project.

- 8.5 If the Grantee considers that it is necessary or that it may be necessary to use grant funding to buy Equipment it shall inform the Authority of this at the earliest opportunity. The Grantee shall not purchase Equipment using grant funding provided under this Grant Contract unless the Authority has consented to such use of the funding and this is recorded in writing as an additional annex to this Grant Contract.
- 8.6 The Authority reserves the right to consider any failure to seek its consent before using grant funding to buy Equipment as a significant breach of this Grant Contract for which the Authority may end this Grant Contract.
- 8.7 If the Grantee buys Equipment to implement the Project it shall maintain a record and notify the Authority of such purchases using grant funding. Entries in the record must include the following information:
- (a) description of the item(s)
 - (b) specific identification (e.g. serial number)
 - (c) date of purchase
 - (d) where the item was purchased
 - (e) original value (including VAT, if paid)
 - (f) person responsible for the purchase
- 8.8 If the Grantee has an existing process by which it records all purchases, this process may be used to record the information set out in clause 8.7(a)-(f).
- 8.9 If the Grantee buys Equipment with the Authority's consent, any such Equipment with an initial value of £1,000 and a useful life of more than one (1) year at the end of the grant funding period will be the property of the Authority and must not be disposed of except as the Authority directs.
- 8.10 If the Grantee has an existing process or policy regarding the ownership and disposal of Equipment which is inconsistent with clause 8.9, it shall make the Authority aware of this at the earliest possible opportunity when bidding for funding from the Authority.

9. Authority Access to sites and records

- 9.1 The Authority may request reasonable access for its authorised representatives, after giving the Grantee notice, to:
- (a) Project sites which the Grantee owns or occupies and where any activity in support of the Project has been undertaken and/or
 - (b) records (however these are stored) which show how grant funding for the Project has been used.



10. Lawful conduct

- 10.1 The Grantee acknowledges that the Authority is subject to the Freedom of Information Act 2000, the Data Protection Act 1998 and the Equality Act 2010.
- 10.2 The Grantee must ensure that it complies with any applicable law or organisational directives and regulations which is binding on it.
- 10.3 The Grantee shall also cooperate with the Authority (to the fullest extent permissible and consistent with its obligations under any applicable law or rules) to enable the Authority's compliance with its obligations under the legislation referred to in clause 10.1 or other applicable legislation which applies to the provision of grant funding under this Grant Contract.
- 10.4 The Grantee acknowledges that, where the Authority is required to disclose information in line with its obligations under the UK Freedom of Information Act 2000, it shall be responsible for determining whether any information relating to this Grant Contract is exempt from disclosure. If the Grantee provides information to the Authority which is designated as commercially sensitive or confidential these markings shall not determine conclusively whether or not disclosure by the Authority is necessary in order to comply with its legal obligations.

11. Transparency

- 11.1 The Grantee acknowledges that the Authority shall disclose payments made under this Grant Contract with a value of twenty five thousand pounds (£25, 000) or more in accordance with the UK Government's transparency agenda.

12. Publicity – Acknowledgement of Funding

- 12.1 The Grantee may acknowledge the grant funding provided by the Authority for the Project in materials produced during the grant funding period and at related public events unless the Authority directs otherwise. Where the Authority directs that its funding must not be acknowledged the Grantee shall comply with this instruction.
- 12.2 The Grantee must consult the Authority regarding the content of any promotion or publicity regarding the Project particularly if it proposes to use any of the Authority's branding or logos.

13. Conflict of Interest and Grantee commentary

- 13.1 The Grantee shall ensure that it has adequate procedures in place to enable early identification and effective management of any conflicts of interest which it or its Staff may have in relation to this Grant Contract. Where the Grantee identifies a



conflict of interest it shall notify the Authority of this and provide information about how this is being managed.

13.2 In addition to its obligations in clause 13.1, the Grantee shall:

- (a) avoid expressing views which are inconsistent with the Programme Objective when speaking to external partners in order to deliver the Project;
- (b) make clear that it does not represent or speak for the Authority or the Government of the United Kingdom in any situation where it expresses views;
- (c) check with the Authority first before making any statements which might be covered by clauses 13.2 (a) or (b).

14. Amendment of this Grant Contract

14.1 This Grant Contract may be amended only by written agreement of the Parties.

15. Breach of Grant Conditions, Temporary Suspension and Termination

Temporary suspension of performance

15.1 Either Party may notify the other of any event or matter which was neither caused by the Parties nor is within the control of the Parties which prevents, delays or is likely to prevent or delay the performance of its obligations under this Grant Contract. In this situation, the Parties may agree to suspend the performance of obligations under this Grant Contract temporarily for a period of up to 1 calendar month ("Temporary Suspension Period").

Termination

15.2 Either Party may terminate this Grant Contract by giving one (1) month's notice to the other if:

- (a) the other Party commits a significant breach of any terms of this Grant Contract and the breach is not remedied after communication and within the period agreed by the Parties; or
- (b) there is a significant event which was neither caused by the Parties nor is within the control of the Parties and this prevents the implementation of the Project.

15.3 The Authority may terminate this Grant Contract by giving one (1) month's notice in writing to the Grantee, if:



- (a) any changes occur, which in the sole opinion of the Authority, impair the value of the contribution to the Project or towards the Authority's Programme Objective;
- (b) The funding available to the Authority becomes, or is likely to become, in the Authority's sole opinion, insufficient for it to continue to finance the Project.

15.4 On termination of this Grant Contract the Grantee shall provide financial and narrative reports (including invoices and receipts) up to the date of such termination.

16. Insurance

16.1 The Grantee shall ensure that it has such insurance in place as is necessary for the normal conduct of its activities. Where it is necessary for the Grantee to purchase additional insurance cover in order to perform its obligations under this Grant Contract, the Grantee shall ensure that it has all relevant insurance in place prior to the start of the grant funding period.

17. Liability and Indemnity

17.1 Neither Party may limit its liability for personal injury or death caused by negligence, fraud or fraudulent representation.

17.2 Subject to clause 17.1, the Authority does not accept any liability to the Grantee or to any third Party for any costs, claims, damage or losses however they are incurred.

17.3 The Grantee agrees to indemnify the Authority for any costs, claims, damage or losses which arise as a result of negligence by the Grantee or out of any breach by the Grantee of any terms of this Grant Contract.

18. Grantee responsibility for Staff

18.1 The Grantee undertakes to provide adequate supervision of and care for its staff, authorised agents and representatives.

18.2 In the event that it is necessary for the Grantee or any of its representatives or associates involved in the Project to travel in order to perform the tasks specified in Annex A, the Grantee shall be responsible for obtaining security advice from security providers that are established and reputable with appropriate experience, qualified personnel and insurance cover. The costs of any specialist security provision shall be borne by the Project budget.

- 18.3 Subject to 18.4, where the Authority has publicly advised against all travel to a country or region where the Project is to be implemented or where the Authority has highlighted specific security or safety concerns, the Grantee must liaise closely and in good time with the Authority about the feasibility of travel to such country or region.
- 18.4 The Authority acknowledges that where the Grantee has access to its own source of advice and processes for ensuring the safety and security of its personnel (including contractors and other authorised agents) it will rely on such provisions and shall bear the responsibility for all such personnel.

19. Intellectual Property Rights

- 19.1 Any intellectual property rights which arise in the course of the implementation of the Project by the Grantee shall belong to the Grantee provided that the Grantee hereby grants to the Authority a worldwide, perpetual, royalty free licence to use such intellectual property rights for any purpose directly connected with the Project.
- 19.2 Except as provided for in clause 19.1 above, this Grant Contract shall not grant either Party any rights over the other Party's intellectual property rights. In particular, neither Party shall own or assert any interest in the other Party's existing intellectual property rights "Background IP".
- 19.3 The Grantee warrants that it will take all reasonable steps to ensure that its implementation of the Project under this Grant Contract will not infringe any intellectual property rights of any third Party. The Grantee agrees to indemnify and hold the Authority harmless against all liability, loss, damage, costs and expenses (including legal costs) which the Authority may incur or suffer as a result of any claim of alleged or actual infringement of a third Party's intellectual property rights because of the Grantee's negligent implementation of the Project.

20. Information about Grantee Staff and Sub-contractors

- 20.1 The Grantee acknowledges that in some circumstances the Authority may for security purposes require information regarding its Staff and subcontractors or other authorised representatives. Where the Authority makes such a request the Grantee shall, subject to clause 20.2, provide the Authority with such information as the Authority may require in order to carry out any security checks it deems necessary.
- 20.2 When providing information to the Authority in line with clause 20.1, the Authority acknowledges and the Grantee agrees that such disclosure will be to the extent that this is permissible under any of the following:
- (a) the UK Data Protection Act 1998 (if applicable);
 - (b) the principles of transparency, legitimate purpose and proportionality; or

- (c) any other legislation or personal data protections rules, policy or practice that applies to the Grantee.

21. Dispute Resolution

- 21.1 The Parties shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with this Grant Contract.
- 21.2 The Parties may settle any dispute using a dispute resolution process which they agree.
- 21.3 If the Parties are unable to resolve a dispute in line with the requirements of clauses 21.1 or 21.2, the dispute may, by agreement between the Parties, be referred to mediation in accordance with the Model Mediation Procedure issued by the Centre for Effective Dispute Resolution ("CEDR"), or such other mediation procedure as is agreed by the Parties. Unless otherwise agreed between the Parties, the mediator will be nominated by CEDR. To initiate the mediation the Party shall give notice in writing (the ADR Notice) to the other Party, and that latter Party will choose whether or not to accede to mediation. A copy of the ADR Notice should be sent to CEDR. The mediation will start no later than 14 days after the date of the ADR Notice.
- 21.4 The performance of the obligations which the Grantee has under this Grant Contract will not cease or be delayed because a dispute has been referred to mediation under clause 21.3 of this Grant Contract.

22. Entire Agreement

- 22.1 This Grant Contract constitutes the entire agreement between the Parties and supersedes all negotiations, representations or agreements either written or oral preceding it, without prejudice to the Authority's rights and remedies at law or otherwise.

23. Governing Law

- 23.1 This Grant Contract will be governed by and construed in accordance with substantive English law and the Grantee hereby irrevocably submits to the non-exclusive jurisdiction of the English courts. The submission to such jurisdiction will not (and will not be construed so as to) limit the right of the Authority to take proceedings against the Grantee in any other court of competent jurisdiction, nor will the taking of proceedings by the Authority in any one or more jurisdictions




preclude the taking of proceedings by the Authority in any other jurisdiction, whether concurrently or not.



Signed for the Grantee
Simon Flemington
CEO

Date: 26/05/2016.



Signed for the Authority
Wasim Mir
Deputy Head of Mission

Date: 24/05/16