

Grant Agreement

The

**Aleka Holdings Limited
P.O. Box 63217
104 Kilimani Road,
Ada Estates, Kinondoni,
Dar-es-Salaam
Tanzania**

- hereinafter referred to as the 'Recipient' –

and

**Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
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 project (hereinafter referred to as the 'Project')

develoPPP.de

Country: Tanzania

Communication details (must be quoted in all correspondence)

Agreement number: 81266202
Project processing number: 12.1003.8-024.58

Unit responsible for the budget

Organisational unit: G130
Responsible officer: Elisabeth Richter

Procurement and Contracting

Organisational unit: E2B0
Responsible officer: Jessica Boerner

Financial management of the contract

Organisational unit: 5720
Responsible officer: Lukas Wolfheimer

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

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Chairman of the Supervisory Board
Martin Jäger, State Secretary

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

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

The basis for the grant provided to **Aleka Holdings Limited** is the commission from the **Federal Ministry for Economic Cooperation and Development (hereinafter referred to as BMZ)** dated **1st March 2012**. GIZ shall provide the grant pursuant to this Agreement exclusively on behalf of and for the account of BMZ.

Article 1

Amount and purpose of the grant

1.1 As commissioned by the BMZ, GIZ shall make available to the Recipient a grant of

up to EUR 280,643.00

in words: two hundred eighty thousand six hundred forty-three euros

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.

1.	Staff	up to	EUR	14,226.00
2.	External experts / Consultants	up to	EUR	1,000.00
3.	Transportation	up to	EUR	5,700.00
4.	Training costs	up to	EUR	5,000.00
5.	Procurement of goods	up to	EUR	160,000.00
6.	Other costs / Consumables	up to	EUR	69,204.00
7.	Administration costs (10%)	up to	EUR	25,513.00

1.3 The grant is made available for the period from **18th January 2021** to **17th January 2022**. 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 17th March 2022.

- 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 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 grants / in-kind contributions / loans up to the amount of:
 1. Aleka Holdings Limited up to EUR 142,000.00 equals 33,6%

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 Project financed by the grant is to improve the safety of the medical community against infectious diseases in the East African Region. This overall objective is defined by the following benchmarks:

- 10,000,000 domestically and international certified surgical masks are manufactured and made available at 5% below market price for the Tanzanian market (Tanzania Medical Stores Department, secondary medical facilities, dispensaries, distributors and other sector stakeholders)
- After contract end: at least 5,000 domestically and international certified surgical masks are manufactured and made available at 5% below market price for the Tanzanian market (Tanzania Medical Stores Department, secondary medical facilities, dispensaries, distributors and other sector stakeholders) per year
- 10 additional staff are hired, and full time employed for surgical masks production and 3 existing jobs are secured

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

- Market Fit Research
- Machine Sourcing, Purchasing, & Factory Modification
- Material Purchase and Import
- Local and International Certification and Registration
- Government Liaison
- Production and Distribution

Details are laid down in the project proposal dated November 2020, 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 in the correct manner (according to Article 3.1, Article 3.5 and Article 6) or by the contractually agreed due date for the respective financial statement, GIZ is entitled to suspend payments until a correct financial statement 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 28,100.00** 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.

The periods to be covered by the audit are as follows:

1. Audit period: 18th January 2021 up to 17th January 2022

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.

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.

- 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 **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 **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 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 and services and earmarking of purchased equipment

- 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 Tanzania, 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.

- 6.6 The Recipient must ensure that the machine purchased with the grant according to the Project Proposal (Annex 2) is used to produce surgical masks (or other public goods improving the safety of the medical community against infectious diseases). This obligation continues to apply for up to three years after signing the grant agreement contract or until the value of the machine is written off completely, whichever comes first. For the same period of time, the Recipient shall also ensure that all goods produced with the machine are produced and made available without leaving any profit with the Recipient, preferably at a price 5% below the market price for the Tanzanian market (cf. Article 2.1. of this agreement). This does not include profits invested for operating costs of the machine (maintenance, repair, etc.) factory upgrades (inclusive but not limited areas such as improved building standards, electricity access, and more), scaling up surgical mask production (i.e. purchasing more machinery to make more surgical masks or enhance the standards of the existing production line) and medical supply production diversification (such as, but not limited to, production of surgical gowns and other medical supplies).

If the Recipient violates this provision, GIZ is entitled to demand repayment of the value of the machine at the time of completion of the project in accordance with Article 1.3.

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, as well as any statements and notices which shall be made under this Agreement, must be made in writing to be valid.

Eschborn, Date: 26.02.2021

Dar-es-Salamm, Date:

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
E2B0-Contract Management 7 / Financing

Aleka Holdings Limited

i.V. Christina Schatz
Contract Management E2B0

i.V. Susanne Winkler
Contract Management E2B0

Annexes:

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

Annex 1: Estimated Budget of November 2020

Annex 2: Project Proposal of November 2020

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

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

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

Estimated Budget

Date: 12.11.2020

Name of the Recipient: Aleka Holdings

Description	Amount (up to)	Unit (e.g. person, vehicle, room, unit, ...)	Quantity	Unit (e.g. months, days, trainings, unit, ...)	Eligible up to in EUR	Total GIZ Contribution in EUR (up to)	Own Funds / Third party financing in EUR (up to)	TOTAL in EUR (up to)
1. Staff (Job Title) <i>(Note: This budget line will be settled against payslips and, if partially financed, against payslips and time sheets.)</i>						14.226,00		14.226,00
Factory Manager (COO)	10%	person	12	months	1.275,00	1.530,00		1.530,00
Machine Technician	100%	person	12	months	255,00	3.060,00		3.060,00
Factory Operators (10 women)	100%	person	12	months	803,00	9.636,00		9.636,00
2. External Experts / Consultant (Job Title)						1.000,00		1.000,00
Consultant (Tanzanian) /documentation Support, local standards & follow up (15 days)	1	person	1	unit	1.000,00	1.000,00		1.000,00
3. Transportation / Travel Costs						5.700,00		5.700,00
Logistic and Transport of Machine and Materials (total project period)	1	shipping	1	unit	2.700,00	2.700,00		2.700,00
Air Ticket, Accomodation and Per diem for Government Liason Meetings Trips to Dodoma: One Aleka executive staff to travel for government liason and awareness raising	1	per	1	unit	1.500,00	1.500,00		1.500,00
Air Ticket for Regional Government Liason Meetings Trips to Mwanza, Arusha & Moshi, Mbeya & Iringa, Kigoma- for government liason and awareness raising	1	per	1	unit	1.500,00	1.500,00		1.500,00
4. Training costs						5.000,00		5.000,00
Coordination meetings with Regional Health Authorities, logistic (room, transport), moderation, production of information materials	1	unit	1	unit	5.000,00	5.000,00		5.000,00
5. Procurement of Goods						160.000,00		160.000,00
Surgical Mask Machine (MPL-100) (including installation and capacity building)**	1	machine	1	machine	160.000,00	160.000,00		160.000,00
6. Other costs / Consumables						69.204,00		69.204,00
Material costs 2 months worth (2 non-woven maks layers, 1 melt blown mask layer, ear loop and nose clip materials, mask packaging)	1	mask materials	2	month	27.600,00	55.200,00		55.200,00
Personal Protective Equipment for Workers	1	PPE	12	month	1.167,00	14.004,00		14.004,00
Subtotal - direct costs						255.130,00		255.130,00
7. Supporting cost / Administration costs						25.513,00		25.513,00
Administration costs	10%	unit	1	unit		25.513,00		25.513,00
Subtotal - Funding by GIZ <i>(direct costs + Administration Costs + Forwarding of Funds)</i>			66,40%	financing		280.643,00		280.643,00
8. Own funds / third party financing							142.000,00	142.000,00
Aleka Holdings	1	unit	33,60%	financing	142.000,00		142.000,00	142.000,00
Grand Total (up to - against evidence)*						280.643,00	142.000,00	422.643,00

GIZ will be unable to finance partial costs within one budget line (with the exception of staff costs - position 1 which can be financed partially).
The 'own funds / third party financing' will have to be used for different budget lines, which are not already financed from GIZ.

*All budget lines (with the exception of the administration costs) will be settled against evidence.

** Please see additional obligations in article 6.6 of the Grant Agreement.

Information: In case of purchasing of goods and services from GIZ funds, the relevant 'procurement article' within the Agreement shall apply!



COVID-19 Response – Project Concept & Project Plan

Partner company	Aleka Holdings Limited
Project title	East Africa Surgical Mask Manufacturing
Project country	Tanzania
Public partner	GIZ GmbH – Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH develoPPP.de Programme P.O. Box 51 80 65726 Eschborn Phone: +49 (0) 6196 79 6555 (develoPPP.de GIZ Hotline) Internet: www.giz.de
Submit by email to	develoPPP@giz.de

1. General Information

1.1 Company information	
Company name	Aleka Holdings Limited
Address	104 Kilimani Road, Ada Estates, Kinondoni Dar es Salaam, Tanzania
Contact person / position with phone number and Email address	Larissa Duma Chief Strategy Officer lduma@aleka.tech +255 768 271 319
Fax number	N/A
Website	N/A
Sector Code	13.95.0
Legal status	Registered with BRELA & Tanzania Investment Centre (TIC). Certified with Occupational Safety and Health Authority (OSHA) and the National Environmental Management Council (NEMC)
Founded	15th September 2018
Commercial registry no	137644169

1.2 Financial data and number of staff of the applicant (no group figures)		
	2018	2019
Annual turnover in euros	142,319.49	183,942.26
Profit for the year in euros	48,729.19	65,481.53
Operating cash flow in euros	17,529.25	39,457.22
Equity in euros	69,153.00	72,459.00
Total assets in euros	98,117.00	109,611.00
Number of staff	7	12

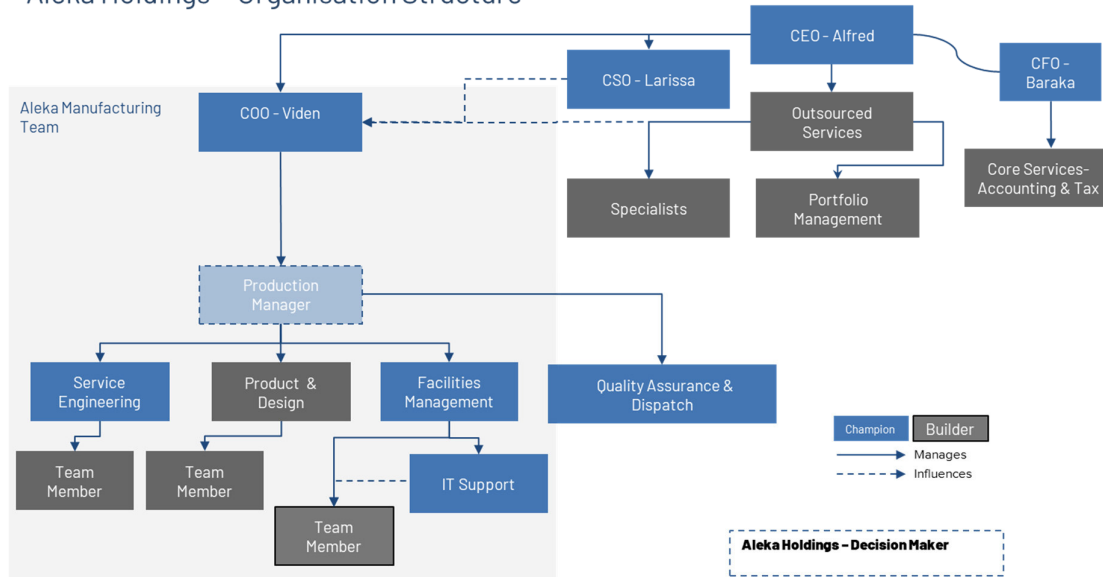
1.3 Short description of the company

Aleka Holdings Limited, a Tanzania based company focused on manufacturing high quality consumable and non-consumable household, wholesale, and export products with a factory in Dar es Salaam, Tanzania. Global efforts to curb plastic consumption are causing a drastic shift in the production of single-and multi-use plastics. Biodegradable, organic, and naturally sourced alternatives to plastic are increasing in demand in global household goods such as bamboo toothbrushes, disposable utensils, hairbrushes and more.

Aleka Holdings Ltd aims not only to take full advantage of being close to market in comparison to alternatives which tend to be imported products, but also work with the in-country available labour force in the capacity building and upskilling of the workforce starting with East Africa and eventually the rest of the continent. The current existing industrial scale project is with non-woven bags at a production scale of 4000 an hour serving a weekly demand of close to 600,000 bags with the acquired machinery. The entire project has been in the development stage for roughly 5 months and officially goes live on April 15th, 2020.

In response to the global COVID-19 pandemic, Aleka Holdings are seeking to invest in the manufacturing of protective wear / gear through modifying their existing non-woven production line and are looking at producing surgical masks in Tanzania.

Aleka Holdings - Organisation Structure



2. Project concept

2.1 General information		
Project title	East Africa Surgical Mask Manufacturing	
Project country	Tanzania	
Project region	East Africa	
Project period	from: 01/2021	to: 01/2022

Planned total costs	€ 422,643.00
Planned own contribution	€ 142,000.00.
Planned third-party contribution (if applicable)	N/A

2.2 Short description of the project

Context

The COVID-19 global pandemic has spread over the African continent with more 2,000,000 cases and 47,200 deaths reported so far. The World Health Organisation (WHO) and the United Nations Population Fund (UNPFA) reported 915,031 confirmed COVID-19 cases and more than 21,086 COVID-19 Deaths for the East African Region in October 2020. As of November 2020, Tanzania has recorded more than 501 COVID-19 cases and about 21 confirmed deaths (WHO, 2020).

This pandemic has created several challenges inhibiting nations across the globe from reliable, safe, and affordable access to personal protective equipment (PPE) for healthcare workers and the public. Increased global PPE demands and restricted production as factories closed or reduced operations have caused a cyclical effect of significant PPE shortages and subsequent price spikes, resulting in exceptional PPE access limitations for lower income countries, such as those in East Africa. Further to this, the significant demand and price surge have resulted in several new PPE manufacturers producing and flooding the market with uncertified or substandard PPE especially in East African countries.

Nations across East Africa have taken several approaches towards public management in tackling COVID-19, with some having taken strict lockdown measures, mandating that citizens wear masks and use sanitizer (where available) in public spaces while others have taken restricted opening or full opening measures. These measures have created increased pressure on medical supply chains to provide healthcare facilities with PPE as they compete against the new general public markets.

Global demand for surgical masks has increased by up to 100 times due to the pandemic (UN News, 2020), with shortfalls especially seen in developing countries such as Tanzania and Kenya, where reports during January and February noted that masks were stockpiled and sold back to China. This situation had created shortages in certified masks and the wholesale price surged from 0.04-0.07 US to over 0.40-0.50 US per surgical mask during its peak in Tanzania, now sitting around 0.17-0.20 US per mask (Anonymous informant #1, 2020). In Tanzania the unaffordable prices and shortage of certified masks has resulted in many well-known hospitals changing masks less often or using very poor-quality masks such as single-ply surgical masks (Anonymous informant #2, 2020).

Furthermore, the surgical mask middle melt blown virus capturing material layer had seen an 18 times price increase from 2,750 USD/ton to 49,574 USD/ton and currently costs 10,000 USD/ton. This has disproportionately distorted market prices for 3-ply certified surgical masks and created a surge of fake and/or ineffective surgical masks. Surgical masks labelled for 'cooking, cleaning, or dust' uses with no certification or standard stamp are commonly found

in Tanzania and neighbouring countries and currently being used by many citizens and medical professionals even though they don't provide adequate virus protection.

Uganda, a landlocked country relying primarily on medical supplies received via the Dar es Salaam port, also suffered the same challenges in access to certified surgical masks. As of June 2020, the Ugandan government was failing to reach a deal with manufacturing firms on the price of the procurement of 33 million masks for free primarily public distribution as they aimed to pay up to 0.27 USD/mask however had only one quote out of 10 companies passing certification with 0.54 USD/mask with the remaining quotes ranging from 0.67-1.34 USD/mask (*Daily Monitor*, 2020 and *Nation*, 2020). This caused extensive financial challenges with their procurement and eventually, even though above their desired limit, the government settled on purchasing the masks for 0.67 US/mask with warnings to the public to be wary about the fake masks on the market (*Nation*, 2020).

Aleka Holdings has conducted extensive research on the viability of purchasing new machines and/or converting their existing non-woven bag manufacturing line to produce surgical masks in their new factory in Dar es Salaam, Tanzania. Subsequently, the technical viability of adding a production line to produce surgical masks meeting international, Tanzania Medicines and Medical Devices Authority (TMDA), and Tanzania Bureau of Standards (TBS) requirements has been finalized. The company has secured machinery options and the materials to locally produce surgical masks to be sold in Tanzania and potentially Uganda, with extension to other East African countries over time as is feasible.

GIZ's financial support is required in order to: i) support the Aleka team to gain the required capacity and expertise to produce quality, certified surgical masks; ii) reduce the project risks and support liquidity in production as the initial capital costs of quality surgical mask making machines and several months of consumable material supplies are high and it may take a few months before the products are certified, market ready, and bought/used; and iii) to support government liaison and general awareness raising work in order to enhance mask use and COVID-19 safety measures.

Project objective:

The safety of the medical community against infectious diseases is improved in the East African Region.

Indicators

- a) 10,000,000 domestically and international certified surgical masks are manufactured and made available at 5% below market price for the Tanzanian market (Tanzania Medical Stores Department, secondary medical facilities, dispensaries, distributors and other sector stakeholders)

Baseline: 0 mask produced

Target line: 10,000,000 masks produced in 2021

Source of verification: Warehousing inventory, receipt slips from parties that received and used the masks in all regions and cities

- b) 10 additional staff are hired, and full time employed for surgical masks production and 3 existing jobs are secured

Baseline: 0 existing jobs in surgical masks production and 3 existing jobs in the company

Target line: 10 new staff are recruited for surgical masks production and 3 staff still working for the company

Source of verification: Contracts of new staff and payslips

Project summary:

The production of surgical masks is not Aleka Holding's core business. The company currently manufactures non-woven bags. Aleka Holdings decided to invest in this project to help to prevent the spread of COVID-19 and to provide the medical community with a safe, certified, market competitive and reliable supply of surgical masks for Tanzania and the East African region.

The East Africa Surgical Mask Manufacturing Project will support the medical community to tackle COVID-19 through manufacturing a minimum of one up to two million 3-ply surgical masks per month that meet international and Tanzania standards for the domestic and regional market and match current wholesale market prices with a maximum 5% price reduction ranging from \$0.17-0.20/mask in Tanzania. The project target group is domestic and regional healthcare workers, of which Tanzania alone had more than 64,000 healthcare workers in 2013 (Tanzania Ministry of Health and Social Welfare, 2013). In particular, the project aims to first target the domestic Tanzanian surgical mask market through supplying the Tanzania government Medical Stores Department (MSD) or local distributors.

The existing factory line that is producing non-woven bags has been upgraded and modified in order to have a sanitary space to produce and store surgical masks in Dar es Salaam, Tanzania. The project will directly employ and train approximately 10 young women to operate the surgical mask factory production line, 1-2 technicians for machine maintenance, and an anticipated additional 2-5 young women being indirectly hired on demand basis for masks marketing, sales, and distribution.

Project measures:

Work Package 1: Market Fit Research Updated

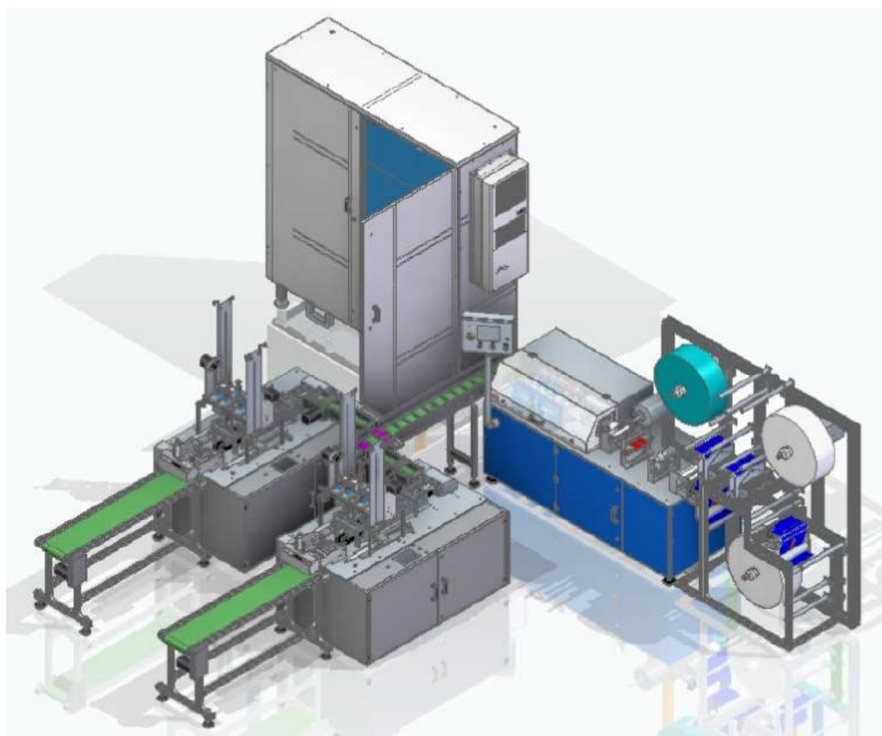
Market research was conducted in January 2020 to understand the domestic, regional, and global supply, demands, and existing and projected shortages of surgical masks due to the COVID-19 pandemic and reduced production in China. Due to changes in surgical mask demand, supplies, and uses across the East Africa region since January 2020, the market research needs to be updated accordingly. This research is partially completed and aims to identify potential purchasers and get approximate information on monthly demands/shortages, demand according to types of surgical mask (3-ply or 4-ply), certification/standards levels, and market prices and use cases according to each mask type/certification level.

Work Package 2: Machine Sourcing, Purchasing, & Factory Modification (as required)

Machine sourcing and securing was conducted in March 2020, however the manufacturers of the initial machines no longer sell non-woven bag machine modification parts or services. This work package will source and obtain proforma invoices from six reputable surgical mask making machine(s) suppliers (3 European and 3 Chinese/Taiwanese) identifying machine qualities, production quantities, transport expectations, and costs.

These machines are semi- or fully-automated machines that compile, cut and merge the three non-woven mask layers and then add the nose clip and earloop pieces after in a sanitary and systematic way. The selected machine(s) will be purchased, shipped and installed in the factory which is modified (as required) to support production. After close collaboration and

inspection from the international/German consultant expert the team will be positioned to understand if the factory needs to be upgraded or if it is sufficient to meet quality surgical mask production to be certified.



Work Package 3: Material Purchase and Import

Surgical masks are made of five consumable materials. This work package will purchase 4 months' of surgical mask production materials to initiate and sustain the manufacturing process by purchasing 4 tons of each of the outer and inner non-woven mask layers made in Tanzania

and purchase and import 4 tons of the melt blown virus protection mask layer, 2 tons of the earloop material and 2 tons of the nose clip material all from China.

Work Package 4: Local and International Certification and Registration

Work package 4 focuses on obtaining the required national and international certifications in order to produce and sell the masks on the selected markets. This work package is partially complete, as local manufacturing registration is underway but requires surgical mask samples produced for finalization.

Local certification and verification include from the Tanzania Medicines and Medical Devices Authority (TMDA), Tanzania Bureau of Standards (TBS), Ministry of Industry and Trade, Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDEC) and more. GIZ Health programme in Tanzania and an international consultant will be critical partners in supporting the government liaison.

This work package will require the support of an external international expert to ensure factory and production standards are met and to train staff. Full product certification will be complete once the factory is running and the surgical masks can be shipped for testing to potential certifiers such as SGS Hong Kong.

Work Package 5: Recruitment and Training of Staff

This work package aims to recruit, hire and train new employees to operate the machines, pack the masks and work in the factory according to factory standard operating procedures, occupational safety and health requirements. The project anticipates to directly hire 10 young women who will work in shifts of five at a time and one to two already identified male machine technician(s).

The project anticipates to hire an additional 2-5 women indirectly for marketing, sales, and other related externals tasks on an on-demand basis. The team will be trained twice from the machine manufacturer technician on manufacturing Standard Operating Procedures (SOPs), once at start-up and once a few months after production is running in order to ensure the standard is met. The full team will be trained continuously on sanitary mask production and factory cleaning requirements.

The machine technician and selected team members will be trained on machine maintenance and repair. The full team will be trained on Occupational Safety and Health Authority (OSHA), National Environmental Management Council (NEMC) and other external authorities as is required to ensure full sanitary production, safety, compliance and certification

Work Package 6: Government Liaison

This work package aims to sensitize with relevant ministries, national and local government authorities on the project and to develop strategic partnerships and collaboration accordingly to ensure local offtake of the masks. In order to achieve this, meetings, factory tours, and a project launch event will be held with relevant government stakeholders with the support and participation of GIZ Health Programme. Furthermore, Aleka intends to donate at least 50,000 surgical masks to government hospitals (10,000 to each regional hospital) in 2021.

Work Package 7: Production and Distribution

The project aims to produce a minimum of 10,000,000 surgical masks in 2021 in order to sell and distribute them to the Tanzania government MSD. Aleka Holdings is currently trying to secure a letter of intent for mask purchase from various stakeholders. The sales price of the certified surgical masks produced will match wholesale (non-)certified surgical mask prices, which currently ranges between \$0.17-0.20 US cents/mask and is less than half of the current resale price of \$0.47 US cents/mask as of September 2020.

Upon start-up, progress reports will be provided bi-weekly for the first two months, monthly for the subsequent four months.

Sustainability

The project intends to support the East African medical sector, first aiming to support Tanzania and secondarily Uganda, with the long-term aim being to provide a regular, reliable, and cost-effective supply of surgical masks to the medical sector. Given the sensitive nature of the COVID-19 pandemic in Tanzania in particular, the team will conduct extensive government liaison work with relevant Tanzanian ministries, national medical supply authorities and certification bodies, local authorities, and others to emphasize the projects’ aim. The project will target three direct avenues for surgical mask sales, offtake and distribution namely; national medical stores/departments, non-profit organizations/hospitals/associations, and private medical distributors.

The first target is the national government medical stores/departments to ensure direct improvements in the medical supply sector, however the other two avenues will be researched and explored in parallel. The project is currently trying to obtain letters of intent and/or contracts for offtakers. In parallel, the project will work in Uganda to establish government and market connections to also provide cost effective surgical masks to both the medical sector and general public.

Project management

Aleka Holdings is a majority Tanzanian owned and run business with interests in technology advisory, manufacturing and retail franchising. Its investors are championing the project and injecting initial finances to secure machines and supplies for a baseline production of surgical masks. The company’s executive team consisting of a CEO/Executive Director, CFO/Director, CSO and COO are managing the investments, financial, technical and implementation viability of the project given all related COVID-19 challenges.

The Executive Director and Director have worked across Europe, Asia-Pacific, South East Asia and Africa. has worked with a few world-renowned technology giants such as Google, Microsoft, Amazon and more recently with Uber. Prior to Uber, he worked with JP Morgan Chase as well as Generali Group, playing key roles in both firms’ successful expansion into the technology space, mainly in Europe and Sub-Saharan Africa. In collaboration with the company’s executive team, Alfred is responsible for financial oversight, investor management, and manufacturing oversight.

The CSO is responsible for project strategy, additional funding acquisition and partnership management and has 8 years of donor relations experience including previous work with GIZ, The World Bank, DFID, HDIF and more.

The COO, working with local and internationally based technical experts, has evaluated the ability to transition the factory to produce surgical masks inclusive of the most rapid timeline for implementation and production start.

2.3 Risk analysis

Risk	Probability	Mitigation strategy
Middle Virus Protection Layer- New price increase in layer, masks unaffordable	Medium	Middle-term mitigation strategy- the initial machine and material subsidy will allow a buffer within the business and to keep the market price the same.
Mask approval delay/denied by Ministry of Health and/or TBS	Low	Delay- immediate dialogue with stakeholders for approval.

		Denial- Seek international technical support and certification. Sell masks in the Region.
Surgical Mask Market/Sales Uncertain	Medium - High	Extensive liaison work with government authorities including the Ministry of Industry and Trade to support local industrialization and MSD for sales. Extensive engagement with Tanzania-based and regional medical supply distributors to secure a letter of intent or sales contract. Extensive engagement with the development partner community to secure a letter of intent or sales contract.
Supply chain delays, stalls, and shortfalls for imported materials	Low	Purchase 4 months' supply, secure contracts for all materials. Work with the local non-woven manufacturer to support producing middle virus protection layer if deemed technical feasible.
Staff COVID-19 Safety	Low - Medium	Safety- Shifts of max 5-7 workers in a 700m ² factory, teams of max 2 people, maximized working/social distancing. Hiring youth, statistically less impacted by the virus. PPE provided and worn by all workers, monitoring sanitation, offering individual transport to and from work.