

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 Gosner (Chair)
Ingrid-Gabriela Hoven
Thorsten Schäfer-Gümbel

Commerzbank AG Frankfurt am Main
BIC (SWIFT): COBADE33XXX
IBAN: DE45 5004 0000 0508 0555 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: 01/03/2021


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

Aleka Holdings Limited

 i.V. Winkler

i.V. Christina Schatz
Contract Management E2B0

i.V. Susanne Winkler
Contract Management E2B0


Alfred Msimu, Director/CEO

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

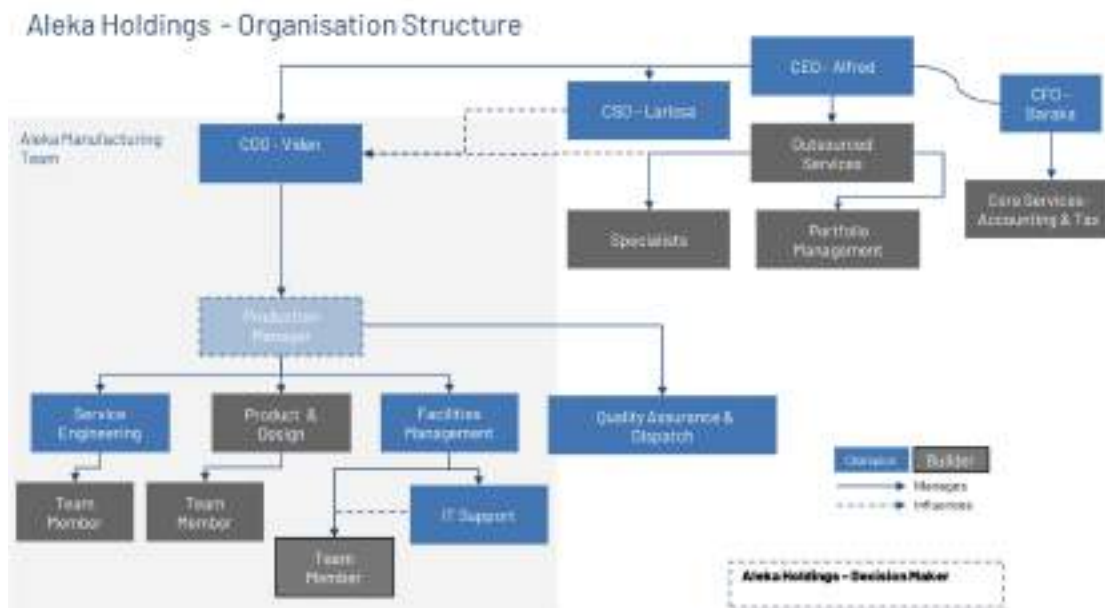
1.2 Financial data and number of staff of the applicant (no group figures)		
	2018	2019
Annual turnover in euros	142,319.49	183,942.26
Profit for the year in euros	48,729.19	65,481.53
Operating cash flow in euros	17,529.25	39,457.22
Equity in euros	69,153.00	72,459.00
Total assets in euros	98,117.00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



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

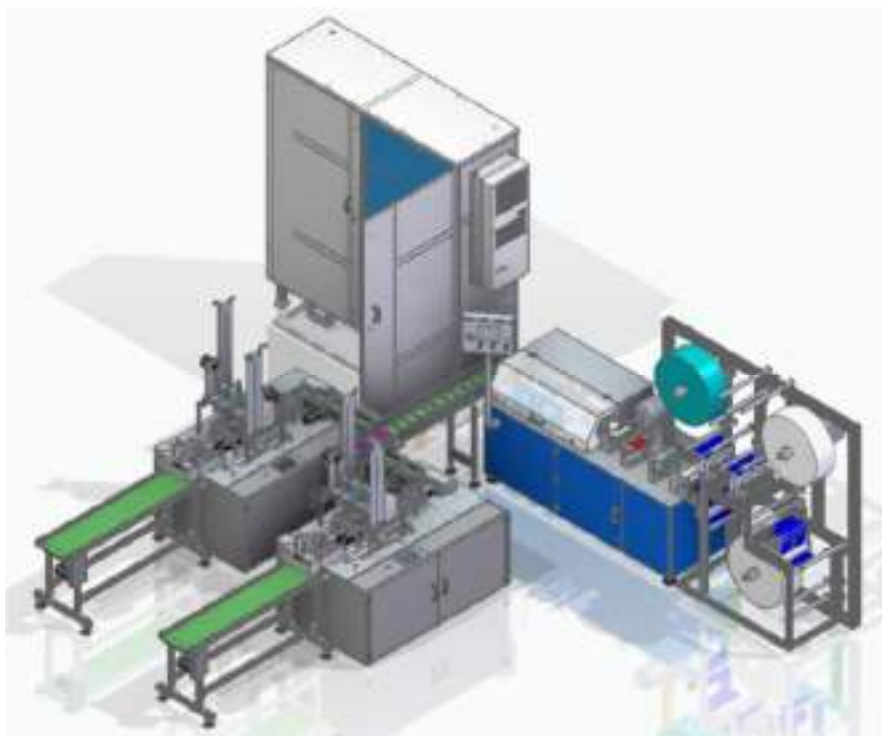
Market research was conducted in January 2020 to understand the domestic, regional, and global supply, demands, and existing and projected shortages of surgical masks due to the COVID-19 pandemic and reduced production in China. Due to changes in surgical mask demand, supplies, and uses across the East 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 external 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.

Supplement to the Grant Agreement



giz Postfach 5180 • 65726 Eschborn

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

Your reference		Telephone	+ 49 6196 79 - 4273
Our reference	E2B0 - VA	Fax	+ 49 6196 79 - 80 - 4273
Email	Vivien.Ahmels@giz.de	Date	14.07.2022

1. Supplement to the Grant Agreement

Agreement number: 81266202
Project processing number: 12.1003.8-024.58
Project Title: Development with public private partnership (EPW) – develoPPP.de
Country: Global, here: Tanzania

Deutsche Gesellschaft für
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Chairman of the Supervisory Board
Jochen Flasbarth, State Secretary

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

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

Dear Sir/Madam,

The following provisions of the Grant Agreement (hereinafter referred to as the 'Agreement') dated 01.03.2021 are to be amended and shall be worded as follows:

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 299,999.17

This is equivalent to an increase not exceeding EUR 19,356.17 by comparison with the original Agreement.

Details are laid down in the budget lines mentioned in Article 1.2

and in the enclosed Estimated Budget (**Annex 1**), which substitutes the budget of the above-mentioned contract.

1.2 The budget lines will be changed as follows:

The Recipient shall use the grant exclusively for actual costs incurred within the scope of the Project described in Article 2 of the above-mentioned contract according to the budget lines below and the estimated budget, which sets out details of the Project costs. 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	21,596.52
3.	Transportation	up to	EUR	2,700.00
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 (10.00%)	up to	EUR	27,272.65

1.3 The grant is made available for the period from **18.01.2021** to **31.12.2022**. 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 28.02.2023.

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	32.13 %
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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 are 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

- 2.2 In order to achieve this objective, the Recipient will carry out the following measures mentioned in the Project Proposal dated July 2022, which is attached hereto (**Annex 2**) and forms an integral part of the Agreement (hereinafter referred to as 'Project Proposal'). **Annex 2** substitutes the project proposal of the above-mentioned contract.

Article 3

Financial management of the grant and disbursement procedure

- 3.12 The amount of **EUR 30,000.00** 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 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 period to be covered by the audit is as follow:

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

1. Audit period: 18.01.2021 up to 17.01.2022

2. Audit period: 18.01.2022 up to 31.12.2022

The Recipient must permit GIZ and/or the certified 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 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.

All other provisions of the above Grant Agreement shall remain valid without modification.

We would be grateful if you would confirm that you agree to the proposed Supplement to the Agreement by signing the attached duplicate of this letter in a legally binding form and returning the duplicate to the GIZ.

We wish you every success for the implementation of your Project.

Yours sincerely,

Agreed:

Eschborn, Date: 14.07.2022

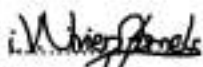
Dar-es-Salam, Date:

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

Aleka Holdings Limited



i.V. Roman Henkel
Senior Contract Manager
E2B0



i.V. Vivien Ahmels
Contract Manager
E2B0



Alfred Msemu
Managing Director

Annexes

- Annex 1: Estimated Budget of July 2022
- Annex 2: Project Proposal of July 2022

Annex 1 - Estimated Budget

Date: July 2022

Name of the Recipient: ALEKA HOLDINGS LIMITED

Contract n°81266202 (1. VE)

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) (Note: This budget line will be settled against payslips and, if partially financed, against payslips and time sheets.)						14.226,00	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.	14.226,00
Factory Manager (COO)	10,00%	person	12	months	1.275,00	1.530,00		1.530,00
Machine Technician	100,00%	person	12	months	255,00	3.060,00		3.060,00
Factory Operators (10 women)	100,00%	person	12	months	803,00	9.636,00		9.636,00
2. External Experts / Consultant (Job Title)						21.596,52		21.596,52
Consultant (Tanzanian) /documentation Support, local standards & follow up (15 days)	1	person	1	unit	1.000,00	1.000,00		1.000,00
Consultants (regional , international) / TA Factory and process optimization, support to certification	1	person	1	Contract	20.596,52	20.596,52		20.596,52
3. Transportation / Travel Costs						2.700,00		2.700,00
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	-	-		-
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	-	-	-	
4. Training costs						5.000,00	5.000,00	
Trainings and capaity building workshops for Aleka 's team (basic operations, production standars, maintenance of machines, ect)	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 produktion Machine (including packaging machine, print mark sensor) + 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						272.726,52	272.726,52	
7. Supporting cost / Administration costs						27.272,65	27.272,65	
Administration costs	10,00%	unit	1	unit	272.726,52	27.272,65	27.272,65	
Subtotal - Funding by GIZ (direct costs + Administration Costs + Forwarding of Funds)			67,87%	financing		299.999,17	299.999,17	
8. Own funds / third party financing							142.000,00	142.000,00
Aleka Holdings Limited	1	unit	32,13%	financing	142.000,00		142.000,00	142.000,00
Grand Total in EUR (up to - against evidence)*						299.999,17	142.000,00	441.999,17

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

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

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



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

1. General Information

1.1 Company information	
Company name	Aleka Holdings Limited
Address	104 Killimani 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

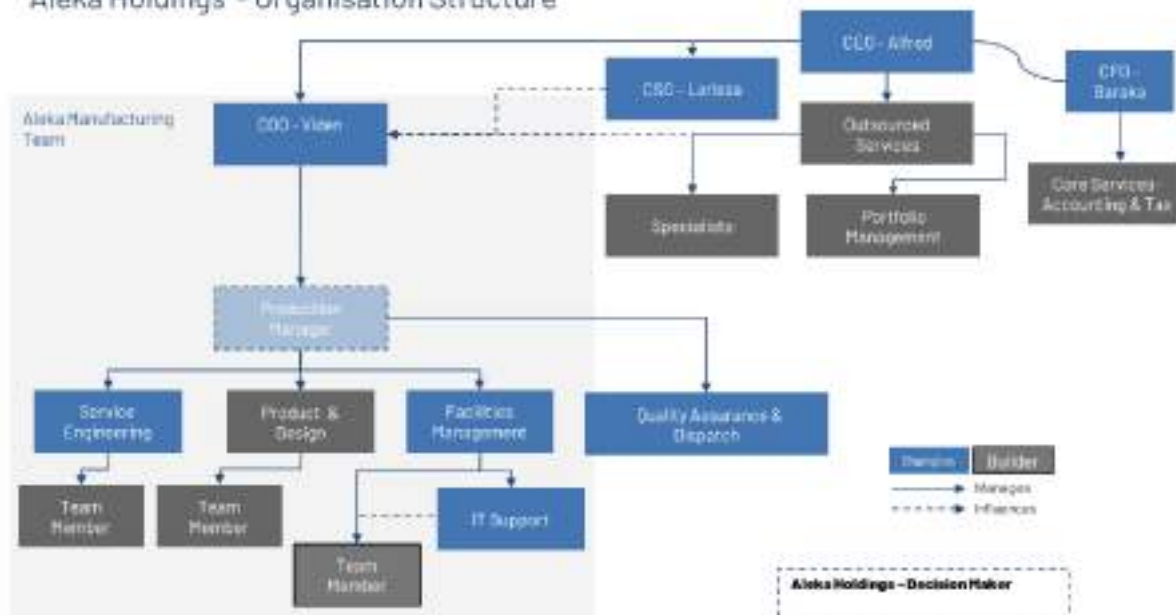
1.3 Short description of the company

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
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 are 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 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

- b) 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

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

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:

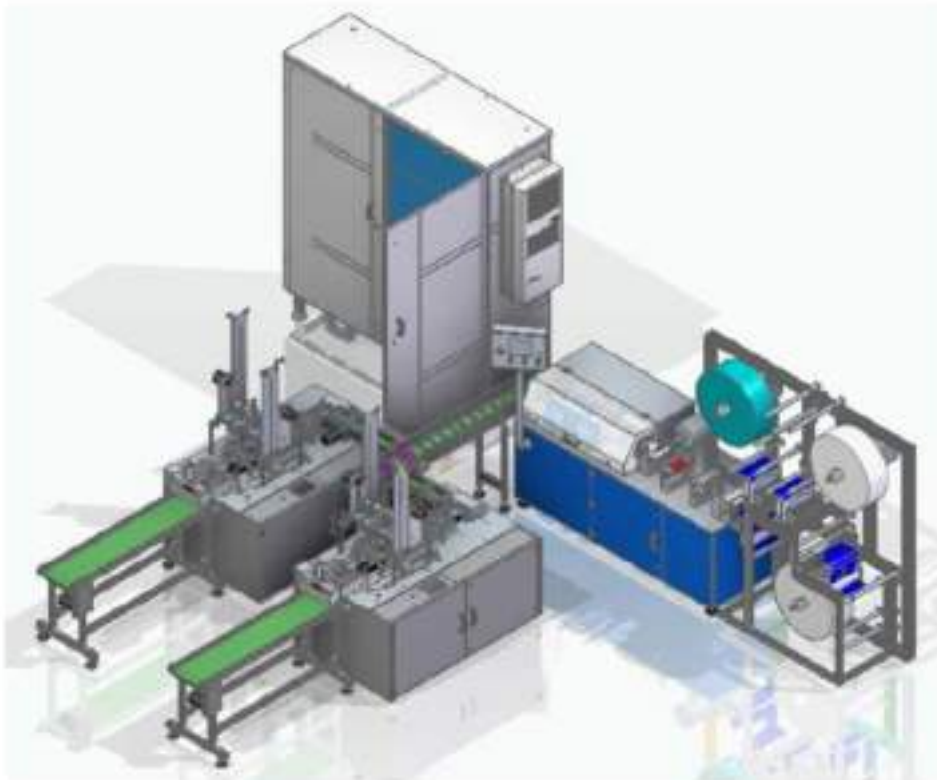
Work Package 1: Market Fit Research Updated

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 external 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) **until the end of the project.**

Work Package 7: Production and Distribution

The project aims to produce a minimum of 10,000,000 surgical masks 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. **The CEO** 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.

3. Project plan

Project objective:	Rating (A-D)	After finishing the project please specify measure and achievement level.
The safety of the medical community against infectious diseases is improved in the East African Region		
Indicators:	Rating (A-D)	After achieving an indicator, please give a brief description of how you managed to do so. If you were not able to achieve the indicator, please state the problems that occurred.
<p>1. 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)</p> <p>Baseline: 0 mask produced Target line: 10,000,000 masks produced Source of verification: Warehousing inventory, receipt slips from parties that received and used the masks in all regions and cities</p>		
<p>2. 10 additional staff are hired, and full time employed for surgical masks production and 3 existing jobs are secured</p> <p>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</p>		

Work package 1:	Update of the Market Fit Research	Contribution to indicator(s)	R2		
Monitoring: milestone or predetermined break-point (project cancellation)	Activities	Responsibility	Schedule (planned by)	Comment	
Market Fit Research on Mask Type and Demand Complete (Tanzania)	Identify and approach Tanzania-based potential surgical mask purchasers, identify preferred/required standards and certification levels, monthly demands, market prices, and letters of intent if possible	Aleka Holdings Ltd.	12/2020	Currently underway, anticipated baseline information to be obtained by mid-Nov 2020	
International Surgical Mask Expert Consultation on Mask Quality, Certifications, and more (initial consultation)	Consultation and if possible one trip by an international/German consultant to review and provide recommendations on: the factory space and modification requirements (if any), production line and standards, and mask certification standards required and options, and develop/adapt SOPs (draft) sent by the Machine Technician	Aleka Holdings Ltd. and International Consultant	01/2021	Ideally the consultant should come for one trip by December 2020, however if not possible remote consultation should be done before January 2021	
Product Awareness Raising and Marketing in Regions Outside Dodoma and Dar es Salaam	Identify and approach potential surgical mask purchasers in Arusha, Moshi, Mwanza, Iringa, Mbeya, Kigoma and other smaller cities, identify preferred/required standards and certification levels, monthly demands, market prices, and letters of intent if possible and showcase existing masks	Aleka Holdings Ltd.	07/2021	Post-production trip to have samples to bring	
Market Fit Research on Mask Type and Demand Complete (Congo)	Identify and approach Congo-based potential surgical mask purchasers, identify preferred/required standards and certification levels, monthly demands,	Aleka Holdings Ltd.	08, 2022	Post-production trip to have samples to bring	

	market prices, and letters of intent if possible. Travel if possible, for this.			
Market Fit Research on Mask Type and Demand Complete (1 other East/Southern African Country)	Identify and approach another East African-based potential surgical mask purchasers, identify preferred/required standards and certification levels, monthly demands, market prices, and letters of intent if possible. Travel if possible, for this.	Aleka Holdings Ltd.	09/2022	Post-production trip to have samples to bring

Work package 2:	Machine Sourcing, Purchasing, & Factory Modification	Contribution to indicator(s)	R1&R2		
Monitoring: milestone or predetermined break-point (project cancellation)	Activities	Responsibility	Schedule (planned by)	Comment	
Machines Sourced and Selected	Identify 3 European and 3 Chinese/Taiwanese machine providers, and select one surgical mask machine suppliers with capacities to produce ~100 masks/minute according to market demand production specifications, quality and certification standards, and warranty/guarantees	Aleka Holdings Ltd.	03/2021	Identifying both European and Chinese/Taiwanese machines to see most cost-effective options (i.e. best quality, warranty, production rate, etc. for the price)	
Secure Machines	Secure surgical mask manufacturing machine(s) from the selected supplier	Aleka Holdings Ltd.	04/2021		
Factory Modification Complete (if required)	Research on and finalization of factory upgrading as is required to meet international certification	Aleka Holdings Ltd. and International/	06/2021	To be done only as required	

	standards for cleanroom/sterilized surgical mask production (i.e. ISO 9000 or ISO 13485 or other)	German Consultant		
Surgical Mask Machine(s) Purchased and Starting Shipment	Finalize purchase surgical mask machine(s) purchasing, shipping agreements, shipping commenced	Aleka Holdings Ltd.	05/2021	Most quotes state 60 days to make and receive the machines.
Surgical Mask Machine(s) Received and Cleared from Port	Shipment received, machine(s) cleared from the Dar es Salaam port	Aleka Holdings Ltd.	08/2021	
Machine(s) Installed and Operational, SOPs Established	Technician brought in to install and test the machine(s) installed, develop/adapt SOPs (, SOPs translated to Swahili, machine(s) operating to standard	Aleka Holdings Ltd., Machine Expert Technician	10/2021	

Work package 3:	Material Purchase and Import	Contribution to indicator(s)	R1&R2		
Monitoring: milestone or predetermined break-point (project cancellation)	Activities	Responsibility	Schedule (planned by)	Comment	
4 months' of Surgical Mask Production Materials Purchased	4 months' of surgical mask production materials purchased- Tanzania: 4 tons of each of layer 1 and layer 3 non-woven fabric; China: 4 tons of layer 2 melt blown filter layer, 2 tons each of earloop and nose clip materials	Aleka Holdings Ltd.	07/2021		

4 months' of Surgical Mask Production Materials Purchased	Material stated in the line above from China imported.	Aleka Holdings Ltd.	08/2021	This process takes a minimum of 28 days. If machine(s) are purchased from China, the materials will be imported in the same container as the machine(s)
Packaging Materials Purchased and Imported (as required)	Purchase stock of packaging materials for the surgical masks and import these materials as is required.	Aleka Holdings Ltd.	07/2021	Packaging material can be found in Tanzania however it may be more economical to import in bulk.

Work package 4:	Local and International Certification and Registration	Contribution to indicator(s)	R1&R2		
Monitoring: milestone or predetermined break-point (project cancellation)	Activities	Responsibility	Schedule (planned by)	Comment	
Surgical Mask Production Registered with TIC	Add an additional manufacturing product and process to the existing TIC registration for Aleka Holdings Ltd.	Aleka Holdings Ltd.	06/2021		
TMDA License to Manufacture Surgical Masks	TMDA (Tanzanian Medicines & Medical Devices Authority) reviews site layout documents, visits factory, and provides license	Aleka Holdings Ltd.	11/2021		

Tanzania EPZA Registration	Register the factory and production line with the Tanzania Export Processing Zone Authority (EPZA) to ensure ability to export, import tax reductions, simpler consumable material import and management etc.	Aleka Holdings Ltd.	11/2021	Once TMDA process is finished this one will start
TBS Certifies the Surgical Mask Factory Space	TBS (Tanzania Bureau of Standards) reviews the site layout, visits the factory, and provides the license	Aleka Holdings Ltd.	11/2021	
National Environmental Management Council (NEMC) Registration	Register the new production line with NEMC	Aleka Holdings Ltd.	11/2021	May require seeing new equipment installed and operating
International Surgical Mask Expert Consultation on Mask Quality, Certifications, and more (second consultation)	Consultation and if possible second trip by an international/German consultant to review the final factory space and production line, inclusive of production and mask standards, and finalize SOPs sent by the Machine Technician	Aleka Holdings Ltd. and International Consultant	09/2022	Post-production trip before awareness raising is conducted outside of Dar es Salaam, Tanzania
SGS International/Other Certifies the Surgical Masks	Source accredited international certification body, send sample and get certified	Aleka Holdings Ltd.	11/2022	Text

Work package 5:	Recruitment and Training of Staff	Contribution to indicator(s)	R1		
Monitoring: milestone or predetermined break-point (project cancellation)	Activities	Responsibility	Schedule (planned by)	Comment	

Machine Technician Hired	Hire one-two machine technician(s)	Aleka Holdings Ltd.	01/2021	One technician with previous machine maintenance and management experience identified (Oct. 2020)
Workers (young women) Hired	Hire new employees- 10 youth (aim- all women) to run factory for two shifts/day	Aleka Holdings Ltd.	01/2021	
Employees Trained on Machine(s) by Technician	Select employees (COO, machine technician(s) and maybe some factory workers) engaged in machine installation, trained on SOPs of machine operations, basic repairs, troubleshooting, etc.	Aleka Holdings Ltd.	01/2021	
Factory Worker Employees and Cleaner Trained on Surgical Mask Production	Employees are trained on basic SOPs for surgical mask production and packaging, OSHA (Occupational Safety and Health Administration) requirements, sanitary mask production, factory cleaning (SOPs), and more	Aleka Holdings Ltd. and International/German Consultant (if available)	11/2021	The aim is that all employees are trained on factory cleanliness requirements to ensure optimal hygiene practices

Work package 6:	Government Liaison	Contribution to indicator(s)	R2		
Monitoring: milestone or predetermined break-point (project cancellation)	Activities	Responsibility	Schedule (planned by)	Comment	

Government Liaison Meetings in Dar es Salaam	Initial government liaison meetings with the Ministry of Industry and Trade	Aleka Holdings Ltd.	10/2020	Initial meetings already conducted
Meeting with Tanzania Medical Stores Department (MSD)	Initial meeting about the project with the Tanzania MSD to bring awareness about the product, production rates, understand preferred standards, packaging options, and more	Aleka Holdings Ltd.	12/2020	Begin conducting meetings as soon as project concept finalized and machines ordered
Government Liaison Meetings and Factory Tours	Local Dar es Salaam government awareness raising meetings and factory tours.	Aleka Holdings Ltd.	11/2021	Ongoing process until the official project launch
Project Launch and Awareness Raising Event	Conduct a project launch event with relevant government stakeholders and GIZ to create awareness on the project, showcase the final surgical masks, and donate 50,000 masks to the government (10,000/to each region hospital)	Aleka Holdings Ltd.	12/2021	Post production and certification
Uganda Government and Medical Sector Stakeholders Aware of Project	Conduct a project awareness raising trip to Kampala, Uganda, to showcase and discuss the final certified surgical masks with the Ugandan government and relevant sector stakeholders.	Aleka Holdings Ltd.	11/2022	Post-production and certification

Work package 7:	Production and Distribution	Contribution to indicator(s)	R1&R2
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Monitoring: milestone or predetermined break-point (project cancellation)	Activities	Responsibility	Schedule (planned by)	Comment
Initiate Surgical Mask Production	Begin producing surgical masks following all SOPs	Aleka Holdings Ltd.	12/2021	
Production reaches 1 million surgical masks/month	Production is optimized to reach 1 million surgical masks per month	Aleka Holdings Ltd.	12/2021	
Surgical Mask Distribution	Begin distributing certified surgical masks to select clients/purchasers	Aleka Holdings Ltd.	01/2022	Post mask certification

4. Table key figures

Target Group	Dropdown/ Specification	Comment	PLAN for Project period ¹		MM/YY		MM/YY		MM/YY		MM/YY		ACTUAL at project end ¹	
			Total		Total		Total		Total		Total		Total	
			F ²	Y ³	F	Y	F	Y	F	Y	F	Y	F	Y
	Total number of people reached by the project	Employees	13											
	Overarching programme objectives	Project key figures												
1	Creating and securing decent employment for employees SDG 8	1 a. Number of employees whose employment situation has improved through improved quality of work 1 b. Number of local jobs directly created (with local companies and suppliers, in the distribution network, etc.)												
2	Increase and/or diversification of available local income and/or resources. SDG 1	2 Number of people in the target group whose annual income rose (or costs were reduced) by at least 10% (adjusted for inflation)												
3	Improved access to resources, services and products	3 Number of beneficiaries/consumers reached whose access was improved												

¹ Enter only numbers here: PLAN – Number of persons planned to reach, ACTUAL – Persons reached until that moment.

² If possible, indicate how many persons of the total number are female.

³ If possible, indicate how many persons of the total number are young (15-24 years old).

Target Group	Dropdown/ Specification	Comment	PLAN for Project period ¹		MM/YY	MM/YY	MM/YY	MM/YY	MM/YY	MM/YY	ACTUAL at project end ¹	
			Total		Total	Total	Total	Total	Total	Total		
			F ²	Y ³	F	Y	F	Y	F	Y	F	Y
relevant to development SDG 6 + 7												
4 Protection of natural resources SDG 12 + 15	4 a. Savings of tones of CO ₂											
	4 b. Savings/treatment of liters of water											
	4 c. Quantity of renewable energy produced/used (MWh)											
	4 d. Recycled materials in tones											
	4 e. Sustainably used area in hectares (forest, protected areas, organic farming, etc.)											
5 Structure building and awareness raising for local companies, institutions, politicians and professional experts SDG 17	5 Number of local actors (ministries, educational institutions, companies, NGOs, associations, etc.) cooperated with/who were provided with content											
Subgoals by project type												
6 Increase in employability and	6 a. Number of people qualified in training courses											
		10										

Target Group	Dropdown/ Specification	Comment	PLAN for Project period ¹		MM/YY		MM/YY		MM/YY		MM/YY		ACTUAL at project end ¹		
			Total		Total		Total		Total		Total		Total		
			F ²	Y ³	F	Y	F	Y	F	Y	F	Y	F	Y	F
qualification Basic and further training SDG 4	with a duration of less than 3 months ⁴														
	6 b. Number of people qualified in training courses with a duration of 3-12 months														
	6 c. Number of people qualified in training courses with a duration of more than 12 months ⁵														
	6 d. Number of trainers and multipliers successfully trained														
	6 e. Number of training institutions which have adopted the developed formats														
	6 f. Number of training courses developed ⁶														
	6 g. Number of training curricula developed ⁶														
7 Increase in local added value SDG 2	7 a. Number of qualified people integrated into the value chain (e.g. smallholder farmers, wild collectors, waste collectors etc.)														

⁴ The duration refers to the total number of training days.

⁵ Short courses and training programmes, promoting professional qualification, not vocational training.

⁶ Training measures leading to a vocational qualification.

Target Group	Dropdown/ Specification	Comment	PLAN for Project period ¹		MM/YY	MM/YY	MM/YY	MM/YY	MM/YY	MM/YY	ACTUAL at project end ¹
			Total		Total	Total	Total	Total	Total	Total	
			F ²	Y ³	F	Y	F	Y	F	Y	F
	7 b. Number of locally processed products (where additional processing steps take place locally)										
8	Dissemination of products and services promoting development SDGs 6 + 7	8 Number of people reached by awareness raising measures and user training									
9	Transfer of (environmentally friendly, development-promoting) technology and processes to companies and institutions SDG 12	9 a. Number of technologies and processes transferred									
		9 b. Number of local companies where new processes were successfully piloted									
		9 c. Number of laws, standards and certification systems developed promoting the diffusion of environmentally friendly/development-promoting technologies and processes									
10	Increase in environmental and social standards in production and/or the supply chain	10 a. Number of companies where environmental or social standards were improved									
		10 b. Number of people qualified in issues of standards/certification									

	Target Group	Dropdown/ Specification	Comment	PLAN for Project period ¹		MM/YY		MM/YY		MM/YY		MM/YY		ACTUAL at project end ¹	
				Total		Total		Total		Total		Total		Total	
				F ²	Y ³	F	Y	F	Y	F	Y	F	Y	F	Y
	SDG 8	10 c. Number of successful certifications			2										
11	For objectives 1-10 (state which)	11 Further project-specific key figures (please define, where relevant)	Production of 10,000,000 masks		10,000,000										

Grant Agreement with non-German recipients

The

**Aleka Holdings Limited
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 GIZ project:

CESARE programme Joint Action SIPS

Country: SADC/Botswana

Communication details (must be quoted in all correspondence)

Agreement number: 81291949
Project processing number: 17.2034.1-011.00

Unit responsible for the budget

Organisational unit: 1300
Responsible officer: Ronny.Bechmann@giz.de

Procurement and Contracting

Organisational unit: E2B0
Responsible officer: Raffaele.Terlizzi@giz.de

Financial management of the contract

Organisational unit: 5730
Responsible officer: Walter.Michaele@giz.de

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

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F +49 6195 79-1115

E info@giz.de
I www.giz.de

Registered at
Local court (Amtsgericht)
Bonn, Germany
Registration no. HRB 18384
Local court (Amtsgericht)
Frankfurt am Main, Germany
Registration no. HRB 12394
VAT no. DE 113881176
Tax no. 040 250 58973

Chairperson of the Supervisory Board
Jochen Flasbarth, State Secretary

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

Commerzbank AG Frankfurt am Main
BIC (SWIFT): COBADE33XXX
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 'Commissioning Party') dated 14.11.2019. GIZ shall provide the Grant pursuant to this Agreement exclusively on behalf of and for the account of the Commissioning Party.

The commission of the commissioning party is cofinanced by the European Commission (hereinafter referred to as 'third-party funder').

1 Grant amount and term

1.1 GIZ shall provide the Recipient with a Grant amounting to

up to EUR 163,130.00

1.2 The Recipient shall use the Grant exclusively for the agreed purpose within the framework of the project specified under Section 2 and on the basis of the Recipient's Estimated Budget (**Annex 1**) submitted by cost category to meet the costs of the following budget lines:

1. External services	up to	EUR	1,000.00
2. Transport cost/travel expenses	up to	EUR	8,500.00
3. Training costs	up to	EUR	2,000.00
4. Procurement of materials and equipment	up to	EUR	54,801.00
5. Other costs/consumables	up to	EUR	81,999.00
6. Administration costs (10% on budget line 1 -5)	up to	EUR	14,830.00

The Recipient must ensure the efficient and economical use of funds.

Double financing of the actual costs from other grants or long-term loans is not permitted. The amount referred to in Section 1.1 is the maximum amount of the Grant.

1.3 The Grant is made available for the period from **01.12.2022** to **30.11.2023** (Grant period). Costs that do not fall within the Grant period are not eligible.

1.4 Reallocations within the contractually agreed sub-budget lines and between budget lines (cf. **Annex 1** and Section 1.2) are generally permissible. Reallocations between budget lines may amount to 20% and any excess of one budget line must be offset by corresponding savings in other budget lines. Reallocation is not permitted for the budget lines 'administration costs', 'pro-rata local project costs (%)' and 'forwarding of funds to third party recipients' (if so agreed). The Recipient shall inform GIZ about reallocation between budget lines when submitting the financial report.

1.5 The Grant is provided as apartial financing.

The project its cofinanced by the following parties (Recipient and/or third parties) through own contributions with totals up to:

1. Aleka Holdings Limited	up to EUR 62,000.00	equivalent to	27.54%
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The distribution to the estimated project costs can be found in the Estimated Budget (**Annex 1**).

The Grant provided by GIZ is subject to the provision of the above-mentioned contributions by the Recipient or third parties.

If the actual contributions of the above-mentioned parties are less than those estimated according to the Estimated Budget, GIZ shall be entitled to reduce its Grant in the same proportion.

2 Project

2.1 The objective of the project Medical Plasters (hereinafter referred to as 'Project'), which is financed by this Grant, is:the manufacturing of medical plasters for Covid-19 vaccine administration . GIZ has no entitlement to performance by the Recipient as part of this Grant.

2.2 In order to achieve this objective, the Recipient intends to implement the measures listed in the Recipient's proposal for project implementation (hereinafter referred to as 'Project Proposal', see **Annex 2**) on its own responsibility.

3 Disbursement and settlement of the Grant

3.1 The Recipient shall observe the principles of proper accounting in the implementation of the Project and ensure project-specific account settlement and documentation. The Recipient shall comply with the guidelines on financial processing (**Annex 3a**).

3.2 At the time of the first request for disbursement (**Annex 3c**) at the latest, the Recipient shall submit a schedule of funding requirements for 12 months (**Annex 3b**) starting as soon as this Agreement has entered into force.

Within the framework of the schedule of funding requirements, the Recipient shall request disbursements for each three-month period. The **first disbursement** is made for **two periods**, i.e. for six months, and thereafter all subsequent (further) disbursements are made for periods of three months, each for the amount of the anticipated funding requirements, taking into account any funds still available. In order to minimise repayment risk, the Recipient shall monitor the effective balance of funds before requesting any further disbursement.

3.3 All funds made available under this Agreement shall be accounted separately from other funds of the Recipient.

The Recipient shall open a separate sub-account at its bank or a separate cost unit in its own accounting system to handle the financial transactions relating to this Agreement and shall confirm this with GIZ when submitting its first request for disbursement.

At the latest, by the time of the first request for disbursement and in case a different account is used, the Recipient must submit a confirmation from the bank to legitimise the account.

All disbursements under this Agreement shall be transferred by GIZ to the aforementioned account of the Recipient.

All contributions paid by GIZ shall remain as trust funds in the aforementioned account they are used as contractually agreed.

3.4 The amounts paid by GIZ into the aforementioned account will, as far as possible, accrue interest.

GIZ may at any time request that the Recipient immediately submits a copy of the interest agreement and/or interest calculation by the bank or a confirmation by the bank that no interest can be paid for the credit balance on the account.

Any income, interest or profits from the Grant received by the Recipient under this Agreement ('Earnings'), as well as any funds returned to the Recipient, including reimbursements or repayments ('Returned Funds'), shall be used by the Recipient for the Project and shall be identified as such when submitting the financial report, indicating the relevant budget line.

GIZ reserves the right to deduct all Earnings and Returned Funds from the agreed Grant amount, insofar as appropriate use cannot be proven.

3.5 In the Recipient's accounting records for this Grant, all vouchers, expenses, actual costs as well as all Earnings and Returned Funds relating to the Grant and the financing plan shall be recorded in chronological order and in compliance with the rules of proper accounting. These vouchers shall be divided into the categories of budget lines referred to in Section 1.2 and both the documents and record shall contain, as a minimum, the following items:

- a) Internal entry number
- b) Date
- c) Recipient/origin of voucher
- d) Amount
- e) Content of voucher

The Recipient shall ensure that lump sums budgeted economically for project implementation in Section 1.2 for administration costs and pro rata local project costs (%), if agreed, are documented in the Recipient's accounting records and meet the requirements of proper accounting.

- 3.6 The Recipient shall complete and submit the financial overview (use of instalments already paid) (see template in **Annex 3c**) for each subsequent request for disbursement.

The Recipient shall submit the financial report (see template in **Annex 3d-f**) for every six months. Together with the financial report, the Recipient shall submit confirmation of the contributions to project implementation agreed in Section 1.5 (if applicable) for the same period as well as the inventory lists (**Annex 3g1**) pursuant to Section 6.4. The financial report shall be submitted to GIZ no later than two months after the respective accounting periods, even if no further payment is requested.

No later than two months after the end of the Grant period or in the event of early termination of this Agreement, the Recipient shall additionally submit to GIZ a final financial report (see template in **Annex 3d-f**). The final narrative report pursuant to Section 4.5 shall be submitted along with the final financial report. If the aforementioned documents are not submitted in time, GIZ may refuse to make further disbursements.

- 3.7 The financial report must show Earnings and costs in chronological order and separately from each other, in accordance with the structure of the Estimated Budget (pursuant to Section 1.2). The evidence shall include all Earnings (grants, third-party services, own funds) and costs relating to the purpose of the Grant.

Each financial report must be accompanied by a tabular overview of vouchers, listing costs separately by type and in chronological order (list of vouchers). The list of vouchers must show the date, recipient/payer and the reason for and individual amount of each payment.

In the financial report, the actual costs must be entered in the voucher currency, converted and shown in EUR.

Payments made to third parties shall be reported separately in the financial report and the schedule of funding requirements. Receipt of the counter performance must be documented at the appropriate time – but at the latest in the final financial report – and the actual costs must be recorded.

Remaining funds, which are still available to the Recipient as shown in the financial overview (included in **Annex 3c**) or the financial report, will be offset against the next payment, considering the schedule of funding requirements.

At the request of GIZ and from the date of receipt of payment, the Recipient shall pay interest at the 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 funding requirements for the Project.

- 3.8 If the budget lines set out in Section 1.2 include pro rata local project costs (%) and/or administration costs, these shall be charged separately as a flat-rate percentage.

All other budget lines listed under Section 1.2 will be settled against evidence.

- 3.9 Voucher copies are not to be attached to the financial reports. However, GIZ is entitled to request voucher copies.

The Recipient shall submit all financial reports, voucher copies and other documents required for accounting purposes either in German, English, French or Spanish or attach a translation in one of these languages.

- 3.10 The amount of **EUR 17,000.00** shall be retained from the Grant as security.

The final payment shall be disbursed as soon as all contractual obligations by the Recipient arising from the Agreement have been met and to the extent that the respective amount has been used for the agreed purpose. GIZ reserves the right to retain 20% of the security retention amount until the external audit report has been handed over to GIZ.

- 3.11 The request for disbursement submitted by the Recipient will become due for payment after a verification period of 15 days. Disbursement shall be made by GIZ no later than 30 days after the due date of the disbursement request for the amount determined and, if necessary, adjusted by GIZ. Disbursements by GIZ do not constitute an acknowledgement by GIZ of the validity of the financial reports.

3.12 If the Recipient transfers the Grant to an account in a foreign currency, proof of receipt on the account in local currency must be submitted with the next financial report. The exchange rate in each case is calculated from the underlying amount in EUR and the local currency received.

If it is not possible to determine the exchange rate via the bank voucher, the Recipient may, with the consent of GIZ, convert the national currency on the basis of the EU currency converter InforEuro or, alternatively, use its own conversion system, provided that the latter is auditable and meets standards comparable to those of InforEuro.

3.13 If the Recipient fails to submit a financial report (**Annex 3d-f**), a disbursement request (**Annex 3c**), a status report (pursuant to Sections 4.4 - 4.5) or an inventory list (**Annex 3g1**) by the contractually agreed due date or in the contractually agreed form, GIZ shall be entitled to suspend payments until the correct financial report, disbursement request, status report or inventory list has been submitted.

3.14 All funds, which are still remaining with the Recipient and are not used after the end of the Grant period or after a premature termination of the contract, including Earnings and Returned Funds, shall be repaid by the Recipient directly to GIZ in EUR without delay and without being prompted to do so.

3.15 A confirmation must be included in the final financial report at the latest, stating the total amount of contributions due and referred to in Section 1.5 that have been made available to other parties (recipients and/or third parties).

3.16 GIZ has the right to verify compliance with the Agreement itself and/or by commissioning external auditors at its own expense. The audit shall in particular cover compliance with the principles of proper accounting, the proper use of the Grant and the proper award of contracts for supplies and services in accordance with the provisions of this Agreement.

The anticipated audit period is as follows:

Audit period: 01.12.2022 to 30.11.2023

On completion of the audit report, GIZ shall inform the Recipient of the main findings. The Recipient shall implement GIZ's recommendations and the auditor's recommendations made

on the basis of the results of the audit report without delay and shall provide evidence thereof at the request of GIZ.

- 3.17 The Recipient shall declare whether or not invoiced VAT amounts resulting from the purchase of goods and services in connection with the use of the Grant are generally deductible for the Recipient.

The Recipient shall establish the formal requirements for an input VAT deduction, as far as legally possible.

VAT amounts can only be reimbursed to the Recipient under the following conditions:

- a) the Recipient provides an invoice document with VAT amounts clearly shown;
- b) the invoice is addressed to the Recipient;
- c) the supply of goods or services underlying the invoice is subject to VAT in accordance with the legal regulations;
- d) the Recipient is not entitled to deduct the VAT amounts in connection with the use of the Grant.

However, VAT amounts are not reimbursed if the Recipient is generally entitled to deduct input VAT amounts in connection with the use of the Grant but the requirements for an input VAT deduction have not been established by the Recipient. In case of doubt, contacting a tax advisor is recommended.

4 Project implementation, duty to supply information and reporting

4.1 The Recipient undertakes to

- a) implement the Project with due diligence, efficiency and on the basis of sound administrative, technical, financial and development policy principles and in accordance with the provisions of this Agreement;

- b) ensure the full financing of the Project and provide GIZ, upon request, with evidence that all actual costs not financed by this Grant are covered;
- c) obtain all necessary licences, permits and consents to implement the Project and also ensure that other parties involved in implementation of the Project also obtain the necessary licences, permits and consents;
- d) include in its contracts with third parties involved in project implementation necessary and appropriate contractual sanctions for non-fulfilment or non-performance by the respective contracting partner;
- e) require its contracting partners to repay any funds that have been improperly or illegally used or are contrary to this Agreement or the laws of the country in which the Project is implemented;
- f) keep all books, records, award documentation, agreements and the originals of vouchers for ten years after submission of the final financial report and submit or hand them over to GIZ on request, clearly showing all actual costs for services and supplies financed by the Grant;
- g) enable GIZ or a third party commissioned by GIZ, as well as GIZ's Commissioning Party or the Bundesrechnungshof (Germany's supreme audit institution) or GIZ's third-party funder (if such exists) to inspect the books and all other records and documents relevant to implementation of the Project and the audit of the proper use of funds at any time and to visit the facilities required for this purpose.

4.2 Publications:

In all publications and brief references on the Project, the Recipient shall express in an appropriate manner that it is carrying out or has carried out its activities as part of a project financed by GIZ commissioned by the Government of the Federal Republic of Germany and cofinanced by the third-party funder (if such exists).

Prior to publication of project-related press releases or public statements by the Recipient that go beyond brief references (e.g. on the Recipient's website), the Recipient shall in good time inform GIZ (represented by the unit responsible for the budget in accordance with the contract cover sheet and via presse@giz.de) of the content of the publication in German, English, French or Spanish and shall take into account any instructions from GIZ.

The Recipient shall ensure that all activities involving publications, communications and/or visibility comply with **Annex 5** of this Agreement.

The Recipient shall immediately inform GIZ of and make every effort to remedy without delay any deficiencies when implementing requirements for publications, communications and visibility set out in the document 'Communication and Visibility Plan' (**Annex 5**).

The 'Communication and Visibility Plan' can be adapted during the Grant period. GIZ will inform the Recipient immediately of any changes.

- 4.3 The Recipient undertakes to inform GIZ immediately in text form of any circumstances which may seriously impair or jeopardise the achievement of the Project's objectives or which may significantly impede the performance of the Recipient's material obligations under this Agreement or the implementation of the Project as soon as the Recipient becomes aware of such circumstances.

This duty to supply information also exists, in particular, should there be significant changes to the Project's risk assessment, an imminent adverse impact on human rights, the environment, climate or gender equality, or other substantial temporal, financial, technical or development policy changes to the Project during the Grant period or risks to the safety or health of the staff deployed.

- 4.4 The Recipient shall prepare status reports on the progress of the Project (**progress report**) **every six months**. These progress reports are to be submitted as an electronic file to GIZ, represented by the unit responsible for the budget (in accordance with the contract cover sheet), no later than two months after the end of the respective reporting period. Each progress report shall address the main items of the numerical evidence and explain the necessity and appropriateness of the activities undertaken.

- 4.5 The Recipient shall prepare a **final report** describing the implementation and results of the Project with regards to the contractually agreed objectives and submit this report as an electronic file to GIZ, represented by the unit responsible for the budget (in line with the contract cover sheet), no later than two months after the end of the Grant period or following early termination of this Agreement.
- 4.6 Furthermore, the Recipient must comply with the data requirements from GIZ to guarantee a comprehensive monitoring process of the grant and project implementation, which includes Key Performance Indicators (KPIs), on-site visits, employers' surveys and other information to ensure and measure results.

The monitoring process will require data but not exclusively on the recipient key performance indicators covering financial, productivity, processes, customers, commercial relations and innovation indicators; as well as indicators covering indicators related to the terms of employment, performance management, training and skills. Indicators about employees working time, remuneration, overtime and the working conditions shall be provided

5 Forwarding of funds to third-party recipients and funds for direct support of third-party beneficiaries

- 5.1 If, in accordance with the Estimated Budget (Section 1.2 and **Annex 1**) and the Project Proposal (**Annex 2**), the Recipient is entitled to forward parts of the Grant to third parties involved in joint implementation with the Recipient (third-party recipients) the Recipient shall ensure when forwarding the funds that:
- a) the Grant awarded to the third-party recipient does not violate EU rules on state aid;
 - b) the essential terms of this Agreement, in particular provisions on use of the Grant and the rules on disbursement and reporting procedures, apply to the contractual relationship between the Recipient and third-party recipients;

- c) GIZ, external auditors commissioned by GIZ and the Bundesrechnungshof (Germany's supreme audit institution) and GIZ's third-party funder (if such exists) may take random samples to verify the accuracy of information provided by third-party recipients;
- d) third-party recipients do not forward the funds received or parts thereof to other recipients.

5.2 Prior to the first forwarding of funds to the respective third-party recipient, the Recipient shall conduct a one-time, appropriate due diligence assessment of the integrity and suitability of each third-party recipient, taking into consideration the public-benefit purpose of the Project. A positive assessment of the integrity and suitability of the respective third-party recipient to implement the corresponding project measures is a prerequisite for forwarding funds. The Recipient must document the assessment of third-party recipients in a transparent manner and make documentation available to GIZ upon request.

If third-party recipients have not yet been determined at the time of the Agreement being signed, the Recipient shall submit a written list of potential third-party recipients, including their financing plans, to GIZ for approval as part of an amendment to this Agreement before forwarding funds to them.

5.3 The Recipient shall demonstrate the proper use of the funds forwarded under this Section 5 by submitting appropriate financial reports and, upon request by GIZ, copies of vouchers.

Disbursements by the Recipient to third-party recipients are to be shown separately in the financial report. The Recipient shall request proof of costs for these disbursements from the third-party recipient, check and document them in the financial reports to be submitted by the Recipient to GIZ in accordance with Section 3.

In addition, the Recipient undertakes to verify the financial report submitted by the third-party recipient in accordance with the terms of this Agreement and to submit this financial report to GIZ together with the findings of its own assessments.

- 5.4 If the Estimated Budget (Section 1.2 and **Annex 1**) and Project Proposal (**Annex 2**) provide for payments by the Recipient to third parties as end recipients (third-party beneficiaries), the Recipient must ensure that:
- a) the cost effectiveness and appropriateness of the payment amount are verified and documented;
 - b) the criteria for selection are established prior to the selection process and the criteria of equal opportunities, transparency and freedom from any form of discrimination are taken into account;
 - c) selection of third-party beneficiaries is made in accordance with the criteria set out under Section 5.4 (a) and (b). The selection shall be justified and documented accordingly;
 - d) for cash payments to third-party beneficiaries, the payment by the Recipient and receipt of payment by the third-party beneficiary must be documented in text form. If receipt of payment is subject to a condition, e.g. participation in an event, business trip, cash for work measure, further training or similar, the occurrence of the condition must also be appropriately documented in text form. Specific obligations of third-party beneficiaries to provide evidence can be found in the financing plan (**Annex 1**).

6 Procurement of materials and equipment, construction services and other services

- 6.1 For the award and procurement of materials and equipment, construction services or other services ('Procurements') to be financed in whole or in part by the Grant, the Recipient shall comply with the provisions on procurement procedures in **Annex 4a** (Procurement guidelines). The Recipient shall document all Procurements in writing in compliance with the 'Award documentation' template in **Annex 4b**.

6.2 If the Recipient has violated any of the provisions referred to in Section 6.1, GIZ shall be entitled to deduct from the Grant an amount equal to 20% of the respective remuneration, including VAT. Unless the Recipient can prove that the actual additional costs are less than 20% above market price, only these costs are to be deducted from the Grant. Insofar as GIZ can prove that the actual additional costs are higher, it may deduct all additional costs from the Grant.

The rights of GIZ under Section 13 of this Agreement remain unaffected.

6.3 When concluding contracts for Procurements financed by the Grant, the Recipient must ensure that

- a) the prices and terms of payment for these Procurements are within the normal market range;
- b) all Procurements made within the framework of this Agreement are used exclusively for the purposes of the Project, and all facilities relevant to the Project are properly operated and maintained at all times;
- c) relevant sustainability standards are considered appropriately;
- d) appropriate insurance policies are concluded which are customary for the sector;
- e) import duties are indicated separately in the invoices;
- f) reimbursement, insurance, security, guarantee or similar payments which may be claimed on the basis of these contracts are transferred to the account specified in Section 3.3 and submitted to the Project again. The Recipient must inform GIZ about the amount of the payments received as part of the financial report.

6.4 If items with a procurement or production value of more than EUR 800.00 (excluding VAT) are procured or produced from the Grant funds, these items must be inventoried ('Inventoried Items'). The Recipient undertakes to submit up-to-date inventory lists with each interim financial report as well as with the final financial report.

Any loss of Inventoried Items must be reported to GIZ without delay. In the event of theft, a report certified by the local police must be attached.

- 6.5 In respect of Inventoried Items, GIZ shall be entitled to determine and decide at its sole discretion, after completion of the measures or after termination of this Agreement, what steps are to be taken in respect of such items in the interest of the Project's purpose.

Any transfer of ownership resulting from such a decision shall be recorded on the corresponding handover record in accordance with the template contained in **Annex 3g2**, which shall be submitted together with the final financial report.

7 Rights of use

- 7.1 The Recipient hereby grants GIZ, free of charge, an irrevocable, simple, worldwide transferable right of use to all work results which are created or procured in connection with implementation of the Project and financed wholly or partially out of the Grant, with particular regard to the reports produced pursuant to Sections 3 and 4, studies and documents; GIZ is entitled to exercise this right of use without restrictions on time or content in fulfilment of its public-benefit purpose as stated in its articles of association. At the request of GIZ, the Recipient shall provide GIZ with a copy of the materials available. GIZ is entitled to grant third parties simple sub-rights of use free of charge in fulfilment of its public-benefit purpose as stated in its articles of association.

7.2 The Recipient shall ensure that the work results provided to GIZ during the course of implementing the Project are not subject to any copyrights or other rights of third parties which would impair their use within the scope set out in Section 7.1. The Recipient shall indemnify GIZ against all claims of third parties arising from the granting of rights under Section 7.1 and shall reimburse GIZ for all reasonable costs incurred by GIZ in a legal defence against such claims.

8 Data privacy policy

8.1 GIZ may process personal data in connection with this Agreement solely in accordance with the General Data Protection Regulation of the European Union (GDPR). Any processing of the data shall be carried out solely for the purpose of the performance, administration and supervision of this Agreement or for the protection of the financial interests of the principal and/or third-party funder (if such exists) of GIZ, including any checks, audits and investigations. Where permitted by law, the Recipient has the right to view, erase or correct its personal data and may contact GIZ (datenschutzbeauftragter@giz.de) or the government bodies responsible for such matters in order to assert its rights.

8.2 The Recipient shall ensure adequate protection of personal data in accordance with the rules and procedures applicable to the Recipient. In all cases, personal data must be:

- a) processed lawfully, fairly and in a way that is comprehensible to the data subject;
- b) collected for specified, explicit and legitimate purposes and must not be further processed in a way incompatible with these purposes;
- c) adequate and relevant to the purpose and limited to what is necessary for the purposes of the processing;
- d) factually accurate and, where necessary, up to date;
- e) kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data is processed;

- f) processed in a manner that ensures appropriate security of the personal data.

9 Compliance with legal requirements and environmental and social standards; avoidance of unintended negative environmental and social impacts

- 9.1 When implementing the Project, the Recipient must respect the local conditions in the relevant country as well as the legal provisions, ordinances and official regulations, comply with all relevant tax law requirements and take into account the related general, specific and social impacts of the Project.
- 9.2 The Recipient is obliged to use the funds in compliance with international standards and multilateral agreements, in particular international human rights agreements and the core labour standards of the International Labour Organization (ILO), and to ensure the protection of children; the prevention of violence, abuse and exploitation of any kind; non-discrimination, in particular with regard to origin, ethnicity, religion, age, gender identity, sexual orientation or disability; and the promotion of equal opportunities for all genders in the use of funds.

The Recipient uses the funds provided in compliance with applicable national and international environmental laws, minimises greenhouse gas emissions and avoids all actions that could increase the vulnerability of the population and/or ecosystems.

The Recipient is also required to use funds in a manner that seeks to avoid or minimise unintended negative impacts on the environment, climate change mitigation, climate change adaptation, human rights, fragile contexts and contexts affected by conflict and violence as well as gender equality by implementing attributable mitigation actions. With regard to gender equality, the Recipient also undertakes to use any potential for promoting gender equality.

- 9.3 The Recipient shall take reasonable measures to prevent sexual harassment in the professional context and shall refrain from inciting violence or hatred and from unjustifiable discrimination against any person or group of people.

10 Conflict of interest

- 10.1 The Recipient shall avoid conflicts of interest in connection with this Agreement. The Recipient shall also take appropriate precautions regarding the handling of conflicts of interest. A conflict of interest may arise especially for reasons involving economic interests, political affinities or national ties, family or friend relationships or any other interests.
- 10.2 In connection with implementation of the Project, the Recipient shall not enter into any agreement where a conflict of interest is to be expected due to the nature of the agreement or due to personal or financial connections between the Recipient and a third party.
- 10.3 The Recipient shall disclose without delay to GIZ any circumstances which could lead to such. All further steps must be agreed with GIZ.

11 Combating money laundering, funding of terrorism and bribery, and upholding embargoes

- 11.1 The Recipient shall not support measures of any kind that are conducive to money laundering, the funding of terrorist activities or corruption.
- 11.2 The Recipient shall not make available, either directly or indirectly, any funds or other economic resources from the Grant provided by GIZ to third parties that are on a sanctions list of the United Nations and/or the EU. In the framework of this Project specified under Section 2, the Recipient may enter into contractual or business relations and maintain such relations only 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 the Federal Republic of Germany in the framework of implementation of this Project.

- 11.3 The Recipient shall notify GIZ without delay and on its own initiative if an event occurs that results in the inclusion of the Recipient, a member of its staff, its official managing body and/or other administrative bodies, its shareholders and/or a contracting partner of the Recipient on a sanctions list issued by the United Nations Security Council, the EU or the Federal Republic of Germany. The same shall apply if the Recipient becomes aware that they or one of the aforementioned persons is on such a sanctions list.
- 11.4 Corruption in any form is prohibited. The Recipient must not, either directly or via a third party, offer or grant any gifts or advantages, or accept or request such gifts or advantages for itself or a third party, in connection with implementation of the Agreement. The Recipient must also establish appropriate and reasonable measures to prevent and tackle corruption.
- 11.5 The Recipient shall require all parties it involves in implementing the Project to comply with the provisions referred to in this Section 11, both during project development and with regards to its implementation.
- 11.6 The Recipient shall notify GIZ without delay of the occurrence of a breach of any provision of this Section 11. The rights of GIZ under Section 13 remain unaffected.

12 Force majeure

- 12.1 Force majeure is an unavoidable event (e.g. natural disaster, outbreak of a disease or epidemic, serious unrest, war or terrorism) that no human foresight or experience could anticipate, that cannot be evaded or overcome applying economically reasonable efforts and utmost care and that constitutes an impediment to GIZ and/or the Recipient fulfilling their contractual obligations. If an event originates from the sphere of responsibility of one of the parties to the Agreement, this shall not constitute force majeure.

-
- 12.2 The Recipient shall inform GIZ without delay of a force majeure event in accordance with Section 12.1, stating the nature, expected duration and expected effects, and shall consult with GIZ on further course of action. If GIZ or the Recipient is of the opinion that implementation of the Project or fulfilment of obligations assumed by the Recipient under this Agreement is jeopardised or precluded, they shall consult the respective other party regarding further course of action.
- 12.3 It shall not constitute a breach of obligations under this contract if GIZ or the Recipient are prevented from complying with them due to force majeure. As long as force majeure makes the implementation of measures impossible, the Recipient may suspend implementation. The Recipient shall endeavour to keep any adverse effects on the Project to a minimum.

13 Suspension of payments, termination of the Agreement, repayment

- 13.1 GIZ is entitled to suspend payments in part or in full if an event occurs that is detrimental to the Agreement. In particular, it constitutes such an event when:
- a) the Recipient is unable to provide evidence of the use of the Grant for the purpose laid down in this Agreement;
 - b) the Recipient fails to use or no longer uses items purchased for the Project and financed from the Grant for the purposes of this Agreement;
 - c) the Recipient has breached any material provision of this Agreement;
 - d) the Recipient has made false statements or withheld relevant information prior to conclusion of the Agreement or during implementation of the Project, if and to the extent that GIZ would not have awarded the Grant or would not have made one or more disbursements if the statements had been correct or the relevant information had been received;
 - e) exceptional circumstances (e.g. force majeure as defined under Section 12.1) arise that seriously jeopardise or preclude the achievement of the purpose of the Grant, implementation of the Project or fulfilment of the obligations entered into in this Agreement by the Recipient; or

f) the Government of the Federal Republic of Germany and/or the third-party funder (if such exists) terminates, suspends or modifies the relevant agreement with GIZ that forms the basis for this Agreement.

13.2 GIZ is furthermore entitled to terminate this Agreement in part or in full and with immediate effect if any of the events set out in Section 13.1 a) to f) occur. If any of the events set out in Section 13.1 a) to d) occur, GIZ is entitled to terminate the Agreement with immediate effect if the situation is not corrected within a period to be defined by GIZ; this period may not be less than 30 days. If the events set out in Section 13.1 e) or 13.1 f) occur, there is no requirement for such a period to be set by GIZ.

13.3 Upon termination of this Agreement and at GIZ's first request, the Recipient must immediately repay to GIZ the remaining funds from the Grant for which there are no further liabilities of the Recipient within the meaning of this Agreement. This also includes all Earnings and Returned Funds.

The Recipient undertakes to demand repayment of funds that were paid or committed on a legally binding basis to third parties in good faith and within the meaning of this Agreement prior to the termination and to repay these to GIZ. Repayment is limited to the amount that the Recipient receives from the third party in question after carrying out all reasonable measures including legal action. The Recipient must give immediate notice to terminate existing obligations to third parties (e.g. employment contracts, rental contracts, loans).

If the event set out in Section 13.1 a) occurs, the Recipient must repay not only the unused funds from the Grant but also such funds as have not demonstrably been used correctly by it for the purpose set out in the Agreement.

If the event set out in Section 13.1 b) occurs, the Recipient must repay not only the unused funds from the Grant but also those funds that have been used for the items in question.

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 Section 13.1 a) to d).

14 Other provisions

- 14.1 Should individual provisions of this Agreement be or become invalid, this shall not affect the validity of all other provisions under the Agreement. In this event, GIZ and the Recipient shall replace any such invalid provision with a valid provision that best reflects the meaning and purpose of the invalid provision and that can be assumed to be what GIZ and the Recipient would have agreed upon when the Agreement was signed had they been aware of or foreseen that the provision could be or become ineffective or null and void. The same applies to any gaps in this Agreement.
- 14.2 The Recipient may not assign, transfer or encumber any rights under this Agreement.
- 14.3 This Agreement is governed by German law.
- 14.4 The place of performance for payments is Frankfurt am Main.
- 14.5 The place of jurisdiction is Frankfurt am Main if the Recipient is a merchant, a legal entity under public law or a special fund under public law or does not have a general place of jurisdiction in the Federal Republic of Germany. GIZ may also bring legal action against the Recipient before the competent court at the location of the Recipient's registered office.
- 14.6 Material amendments to this Agreement are valid only when made in writing, in the form of an amendment to the Agreement signed by both contracting parties. In particular, a change is considered to be 'material' if a change in scope, structure, concept, cost category or objective of the Project results in the purpose or benefit of the Project being fundamentally affected.
- 14.7 GIZ's whistleblower system can be accessed via the whistleblower portal (bkms-system.com), the GIZ Compliance and Integrity Advisory Service (compliance-mailbox@giz.de) or the external ombudsman, who can be reached at www.giz.de • About GIZ • Compliance • Whistleblowing ([Whistleblowing \(giz.de\)](https://www.giz.de/Whistleblowing)).

15 Annexes to the Agreement

The following annexes to the Agreement shall constitute components of this Agreement.

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

Annex 1: Estimated Budget of 20.04.2022

Annex 2: Project Proposal of 25.04.2022

Annex 3a: Guidelines on financial processing (10/2022)

Annex 3b: Schedule of funding requirements

Annex 3c: Request for Disbursement

Annex 3d: Financial Report

Annex 3e: Financial Report-Breakdown of actual costs

Annex 3f: Financial Report-Totals per category

Annex 3g1: Financial report Inventory list

Annex 3g2: Record of surrender of equipment and material

Annex 3h: Confirmation of bank details

Annex 3i: Calculation of salary costs

Annex 3j: Time sheet

Annex 4a: Procurement guidelines (10/2022)

Annex 4b: Procurement documentation template

Annex5: Communication and Visibility Plan (Annex VI Contribution Agreement between EU Commission and

Eschborn, date: 06.12.2022

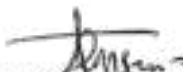
Dar es Salaam, Tanzania ,
date:

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

Aleka Holdings Limited


.....
Serhiy Briukhovetskyi
Contract manager, E2B0


.....
Raffaele Terlizzi
Contract manager, E2B02


.....

Estimated Budget - Annex 1

Date: 20/04/2022

Name of the Recipient: Aleka Holdings Limited

Description	Quantity (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>						0,00 €		0,00 €
						0,00 €		0,00 €
						0,00 €		0,00 €
2. External Experts / Consultant (Job Title)						1.000,00 €		1.000,00 €
Local Technical Support Consultant	1	person	1	month	1.000,00 €	1.000,00 €		1.000,00 €
						0,00 €		0,00 €
3. Transportation / Travel Costs						8.500,00 €		8.500,00 €
Machine & Material Shipping (consolidated together)	1	40ft container	1	order	8.500,00 €	8.500,00 €		8.500,00 €
						0,00 €		0,00 €
4. Training costs						2.000,00 €		2.000,00 €
Machine Technician & Operator Training and Capacity Building	1	unit	1	unit	2.000,00 €	2.000,00 €		2.000,00 €
						0,00 €		0,00 €
5. Procurement of Goods						54.801,00 €		54.801,00 €
Plaster Making and Packaging Machine- KC-2000-B	1	machine	1	machine	37.800,00 €	37.800,00 €		37.800,00 €
Warehousing shelving/storage equipment	1	shelves set	1	order	17.001,00 €	17.001,00 €		17.001,00 €
6. Other costs / Consumables						81.999,00 €		81.999,00 €
Plaster Production Raw Materials and Packaging	1	plaster and packaging	3	months	27.333,00 €	81.999,00 €		81.999,00 €
						0,00 €		0,00 €
						0,00 €		0,00 €
Subtotal - direct costs						148.300,00 €		148.300,00 €
7. Supporting cost / Administration costs						14.830,00 €		14.830,00 €
Administration costs	10%	unit	1	unit	148.300,00 €	14.830,00 €		14.830,00 €
8. Forwarding of Funds (Sub-grants to final recipients)						0,00 €		0,00 €
XYZ (name of the final recipient)	0	unit	0	unit	0,00 €	0,00 €		0,00 €
XYZ (name of the final recipient)	0	unit	0	unit	0,00 €	0,00 €		0,00 €
XYZ (name of the final recipient)	0	unit	0	unit	0,00 €	0,00 €		0,00 €
Subtotal - Funding by GIZ <i>(up to - against evidence)*</i> <i>(direct costs + Administration Costs + Forwarding of Funds)</i>			72,46%	financing		163.130,00 €		163.130,00 €
9. Own funds / third party financing							62.000,00	62.000,00 €
Aleka Holdings Limited	1	unit	27,54%	financing	62.000,00 €		62.000,00	62.000,00 €
							-	0,00 €
Grand Total						163.130,00 €	62.000,00	225.130,00 €

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.

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

No income may be generated from the funds provided! For example, where the recipient provides rooms for training, etc., the costs may not be settled under this contract.

For contract supplements: Please adjust the budget based on the most recently agreed budget and highlight any changes in a different colour. GIZ cannot bear costs that arise as a result of currency fluctuations.



Project Funding Full Proposal
For
Aleka Holdings Limited
[Commercial Registry Number: 137644169]

Project Title:
Medical Plasters for COVID-19 Vaccine Administration

Physical Address: 104 Kilimani Road,
Ada Estates, Kinondoni
Dar es Salaam, Tanzania

Postal Address: P.O. Box 6189 Dar es Salaam, Tanzania

Website: <https://aleka.co.tz/>

Name and job title of the person submitting the proposal: Larissa Duma (Chief Strategy Officer)
MSc. Sustainable Resource Management



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List of Abbreviations

Aleka	Aleka Holdings Limited
BMZ	German Federal Ministry for Economic Cooperation and Development
BRELA	Business Registrations and Licensing Agency
DFID	Department for International Development (UK, currently known as Foreign, Commonwealth and Development Office)
CE	European Health & Safety Product Label
CMPP	COVID-19 related Medical and Pharmaceutical Products
COVID-19	Corona Virus Disease 2019
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
HDIF	Homeland Development Initiative Foundation
IFRS	International Financial Reporting Standards
Kikela	Kikela Limited
MPP	Medical Plasters for COVID-19 Vaccine Administration Project
NEMC	National Environmental Management Council
OSHA	Occupational Safety and Health Authority
SADC	Southern African Development Community (SADC) countries
SDG	Sustainable Development Goal
SIPS	Joint Action Support towards Industrialization and the Productive Sectors
TIC	Tanzania Investment Centre
TFRS	Tanzania Financial Reporting Standards
TMDA	Tanzania Medicines and Medical Devices Authority
TZS	Tanzanian Shillings
WHO	World Health Organization



1 Executive Summary

Aleka Holdings Limited (Aleka), is a Tanzanian-based company focused on manufacturing high-quality medical supplies, among other business lines, in Dar es Salaam. Since 2020, Aleka Holdings and associated partners have invested over 500,000 USD (over €463,000) to establish a high-quality, commercially viable medical manufacturing facility, to support the COVID-19 response and the general medical sector. The facility manufactures locally and internationally certified surgical masks (ISO 13485, 9001, and EN 14683 certified) in an ISO 8 Cleanroom¹ with a 95% female youth team. Aleka wishes to further contribute to supporting the COVID-19 vaccine administration across the SADC region and the general medical sector by producing locally and internationally certified medical grade plasters through the Medical Plaster for COVID-19 Vaccine Administration Project (MPP).

The MPP aims to increase access to quality, affordable, and cost-competitive certified medical plasters commencing with the most common, size 19x76mm, and enhance regional manufacturing capacities to reduce the reliance on poor quality, uncertified, and expensive medical products. Pre-project actions have been completed, allowing for immediate commencement of the project upon securing financing. The project's main activities and milestones are coherent and objectively measurable, starting with the procurement of a plaster-making machine and raw materials, to a fully operational plaster production line, with product sales. Overall sales revenues for the Aleka medical product lines for surgical masks and the newly included plaster product, are projected to increase by 25% as a result of joint marketing and sales opportunities.

To commence basic production for one year, the MPP will cost a total of €225,130. Aleka is requesting a €163,130 contribution from Joint Action SIPS (72.5%), without which the project would not be possible within the proposed timeline. Aleka will provide €62,000 co-financing (27.5%), in direct and in-kind contributions to ensure project viability and sustainability. As growing players in Tanzanian medical manufacturing, Aleka is committed to project and business success and will source additional finances as is required to ensure sustainability during and beyond the stated project period. The Joint Action SIPS will contribute a total of €163,130 to cover the procurement of a KC-2000-B Plaster Making and Packing Machine (€37,800), three months of Plaster Raw Materials and Packaging Materials for part-time production of 12 days/month (€81,999), warehousing shelving/storage solutions (€17,001), Shipping (€8,500), Machine Installation and Training (€2,000), and Local Technical Support Consultant (€1000). An additional 10% of the entire budget totalling €14,830 will cover administration costs.

¹ An ISO 8 Cleanroom needs less than 3,520,000 of ≥ 0.5 micron sized particles per cubic meter of air. The HEPA air filters on top of the cleanroom unit filter for this particle size, however, we did not get the full backend filtration unit that manages the exact particles per cubic meter of air. With external technicians, we designed our cleanroom to focus on ensuring a positive pressure environment so that germs or contaminants are unable to be in the room and on our products.



Aleka, intends to take advantage of being situated within their desired market valued at approximate 4.8 Billion TZS per annum, especially in comparison to alternatives which tend to be imported products. Wholesale market prices average around TZS 6,450.00 per box of 100 fabric plasters of 19x76mm size. Aleka intends to sell primarily in the wholesale market at TZS 4,500.00 per box of 100 fabric 19x76mm plasters, which is 6% below the current market price. Aleka also aims to support and build the capacities of the local workforce, starting first with Tanzania, and eventually, East and Southern Africa, and the rest of the continent. Through the project, a total of 6 new jobs will be created as soon as production and sales volumes are stable. The MPP will also introduce a new technology to Aleka's production range, forming the basis of a new production line. The operationalisation of this technological innovation will build on existing capacities and expertise within the organization (i.e. the manufacturing of medical masks, supported by a developppp grant). The machine selected (KC-2000-B) is fully automated, producing plasters and packaging them at the same time, and was selected as an overall cost-effective and flexible machine, allowing for a wide variety of plaster shapes and sizes to be produced and packaged pending mould replacement.

Aleka will continue to take extensive COVID-19 precautions in their manufacturing facility to ensure it is fully operational. Employees wear full PPE during production to ensure high-quality medical manufacturing standards are met and to limit the spread of COVID-19. Tanzania has not placed any restrictions on working, manufacturing or otherwise, that would inhibit the operations of the manufacturing line or import of materials. The main project risks are associated with project delays due to either the manufacturing of and/or the shipping and importation of the machine and raw materials. To reduce these risks, Aleka is already in contact with potential suppliers and has identified prices, technical specifications, suitability options, and other criteria that will ensure rapid procurement. Further risks are associated with marketing and sales of the final finished product(s) and establishing a significant market share. Aleka intends to commence marketing and sales, and secure supply contracts, once the project has been initiated as operational. Aleka also intends to work closely with the Joint Action SIPS to ensure adequate supply and delivery to facilities in need and to obtain trade-related support for regional product sales and distribution.



Figure 1: Potential medical plaster making and packaging machine and three variations of potential final products.

2 Description of the proposed project:

2.1 Description of the product / service provided

The Medical Plaster for COVID-19 Vaccine Administration Project (MPP) intends to support COVID-19 vaccine administration across the SADC region by producing locally and internationally certified medical grade plasters. Aleka Holdings Limited intends to expand its medical manufacturing production to further support regional COVID-19 response by manufacturing certified medical plasters in their ISO 8 Cleanroom and manufacturing facility in Dar es Salaam, Tanzania. Aleka is a Tanzanian-based company currently manufacturing locally and internationally certified surgical masks (ISO 13485, 9001, and EN 14683 certified) in an ISO 8 Cleanroom with a 95% female youth team, in partnership with another Tanzanian company Kikela Limited, in Dar es Salaam, Tanzania.

The MPP intends to expand Aleka's COVID-19 response support to the wider Southern and Eastern African medical community through increasing access to quality, affordable, and cost-competitive certified medical plasters and enhancing regional manufacturing capacities to reduce the reliance on poor quality,



uncertified, and expensive medical products. Medical plasters, like most other imported medical supplies, come in a variety of quality standards, prices, shapes, sizes, and colours. Unfortunately, quality control on imported medical products inclusive of plasters can be limited in the region, especially due to client financial constraints. Therefore, the project aims to reduce some of these constraints to ensure that medical facilities and individuals can access high-quality affordable plasters to ensure safe and clean vaccine delivery and other medical procedures. Among other factors, this will improve public health by reducing the potential for post-vaccination infections.

The MPP will diversify and increase Aleka's medical manufacturing capacity by adding a new production line, creating a more cost-effective utilization of the existing manufacturing space, increasing existing manufacturing skills and capacities, overall profits, brand visibility and reputation, and regional customer options for quality medical supplies. The project is anticipated to increase Aleka's capacity utilization in a sustainable manner, by approximately 20% and sales percentage by approximately 25%, depending on market access during the one-year project period.

Since 2020, Aleka Holdings and associated partners have invested over 500,000 USD (over €463,000) to establish a high-quality medical manufacturing facility in Dar es Salaam, Tanzania, to support COVID-19 response commencing with manufacturing certified surgical masks. The overall vision is to manufacture locally and internationally certified medical products that compete on the global scale to ensure improved medical supply access for Southern and Eastern Africa and reduce reliance on poor value-chains, quality, and expensive supplies. As a result of the high investment costs which included the construction, procurement, and upgrading of several fixed factory assets to meet international standards, co-financing is required to ensure the sustainable implementation of the MPP. This grant is required for the MPP project only, since facility upgrades, basic certifications, and other related activities are unrequired at this time.

Aleka and partners primarily require financial support to procure and ship the machinery and an initial set of raw materials, lasting for up to 3 months of full-time production to avoid logistic and supply chain challenges, to initiate medical plaster production and reduce startup risks. This grant is essential for starting Aleka's medical plaster manufacturing line, and it would reduce CAPEX expenses and general MPP initiation risks, enabling us to focus on quality production and divert financing to access hard to reach hospitals, clinics, and clients. Additionally, grant financing for technical assistance for machine installation, machine technician and operator training, local technical backstopping while team operational capacities build, and trade-related support for regional product sales and distribution would be invaluable to ensure broad-reaching access should this be available. Aleka will manage and finance all required local and agreed international certifications, team growth including the hiring of a new all-women manufacturing team, and all other ongoing and new financial requirements to ensure sustainable MPP implementation.

In preparation for the MPP, cumulative investments valued at over €85,000 in direct costs were used for facility upgrades (not directly associated with the surgical mask production line project), which include the following: i) installing factory and warehouse partitions and doors; ii) installing three-phase electrical systems; iii) installing epoxy floors; iv) construction of changing rooms, gowning rooms, and flow through walking process partitions for medical supply manufacturing; v) ISO 8 cleanroom (with ACs) procurement and installation; vi) low-scale facility upgrades such as improved sanitation facilities; and vii) other basic factory upgrades. The direct costs (solely used for the procurement and installation of facility upgrades),



do not include factory space rental, staff costs, factory registration and compliance costs, legal fees, and any other startup costs. As such, additional investments of approximately €125,000 have been used for the aforementioned costs. In-kind additional staff (other than COO and factory team members) and investor costs are not included in any of the stated financial figures. Furthermore, Aleka has utilized previous financing in the form of a develoPPP grant, to support their medical mask production line, thereby demonstrating strong capacities to manage a grant of this nature.

Aleka is requesting €163,130 financial, technical and trade-related support from the SIPS Joint Action. No other applications have been made to any other institutions/funds and/or organizations to support the MPP. Aleka is currently involved in the manufacture of surgical masks and has enough capacity for set-up, technical input into the project and business development.

Aleka began building their manufacturing facilities in September 2019, by converting existing warehouse space. In April 2020, to support the COVID-19 response, Aleka and partners began investing further capital to upgrade the facility for the production of international quality medical supplies and PPE, commencing with surgical mask production.

Current Aleka's existing registrations, factory space, and partnerships and regulatory relationships will be directly applicable to and support the MPP. Aleka is registered with the Tanzanian Business Registration and Licencing Authority (BRELA) and the Tanzania Investment Centre (TIC). The manufacturing unit is locally certified by the Tanzania Medicines and Medical Devices Authority (TMDA), Occupational Safety and Health Authority (OSHA), the National Environmental Management Council (NEMC), and has all required fire permits many of which will be directly applicable to the MPP or to rapidly obtaining new MPP specific certifications. Further, Aleka obtained the legally accessible VAT tax exemption for medical manufacturing machines for the import of the surgical mask manufacturing machine which it will apply for again for the KC-2000-B Plaster Making and Packaging Machine. The MPP will also share the same factory facilities including the ISO 8 Cleanroom used for the existing surgical mask production line, some of the same factory registrations and certifications, and local customers. Further, Aleka has internal quality control mechanisms and standard operating procedures that supersede current local sector standards and requirements which will be transferred to the new production line. Existing relationships with Tanzanian regulatory authorities will support smooth compliance processes for the MPP where new certifications/registrations are required.

Please see below (Figures 2,3,4, 5 and 6) for pictures of Aleka's current locally and internationally certified surgical mask production line, products and technical production log data sheets, that will be adapted for the MPP.



Figure 2: Photo of cleanroom air shower entrance



Figure 3: Photo of production line in the cleanroom, taken from the door entering the cleanroom



Figure 4: Photo of women-led production line in full PPE



Figure 5: Photo of Aleka's medical mask, final product



2.2 Project Feasibility

Aleka and partners conducted several technical, financial, and optimization-based analyses to understand opportunities for cost-effective manufacturing expansion, as summarized below:

1) Feasibility Analysis (General)- Production Opportunities and Overall Expansion Capacity

- *New Production Opportunities*-Aleka undertook an investigation to identify suitable new production line opportunities, which can build on existing skills and capacities, based on ongoing work with non-woven medical manufacturing, thereby ensuring sustainable and reliable diversification. This analysis concluded that the production of medical pasters was a suitable fit.
- *Technical Team Skills & Experience*-An analysis of existing technical skills and experience concluded that the existing team has sufficient experience in operating, troubleshooting, maintaining: i) rotary motor medical manufacturing; ii) plastic packaging machines; iii) working with non-woven fabrics, melt-blown fabrics, and automatic packaging materials; and iv) boxing finished products. The suggested Plaster Making and Packaging Machine (KC-2000-BC) uses similar rotary components, technical dashboards, and manufacturing materials, which we anticipate will allow for easier establishment of a functioning new production line with cross-team support.
- *Production & Storage Space Capacity & Optimal Use*-A comprehensive factory analysis was undertaken to determine the potential to incorporate an additional non-woven manufacturing line, in terms of the spatial dimensions of the existing facility as well as the remaining space within the cleanroom. The conclusion was that the existing ISO 8 Cleanroom has space for an additional manufacturing line and fits the suggested KC-2000-B Plaster Making and Packaging Machine. The factory analysis also found sufficient factory space for raw material and finished product storage for the new production line.
- *Financial Feasibility Analysis*- a general analysis financial analysis was conducted to determine MPP viability, given existing experiences and constraints with and without the grant financing. With grant financing, Aleka and partners can safely invest and, where required, acquire additional financing to immediately implement the MPP. Without grant financing, the potential to diversify and install a new production line is critically reduced, given existing expenses and production dynamics with the surgical mask manufacturing project. The earliest projections for implementing a new production line for plasters is approximately a year from now, thereby hindering Aleka's potential to contribute to local employment, Tanzanian manufacturing sector enhancement, and affordable and high-quality products to address the COVID-19 pandemic in SADC Member States.


2) In-Depth Financial Analysis

- *Cost-Benefit Analysis*- A cost-benefit analysis concluded that an additional production line in the existing factory space (both within the cleanroom and outside) will enhance the overall cost-effectiveness of Aleka's manufacturing. This is principally because Aleka's existing operations have



high fixed costs, which can be significantly optimized and reduced with an additional production line.

- *Payback Period Analysis*- Basic analysis of the financial models for payback, with and without the grant financing, show that the financial feasibility of the business is highest with grant financing and the overall payback period is significantly shorter according to current cost estimates. Without grant financing, the addition of a plaster-making production line is not feasible for the proposed timeline of the MPP.
- *Estimated Costs/Pricing*: Aleka has analyzed current costs and trends to estimate the fixed operating expenses of the MPP (please see figure 9 below for details). One quarter of the raw materials will be procured in Tanzania, with the remainder being procured outside. Initial analysis has identified China as the most suitable raw material provider for the plasters. However, pending application acceptance the team will analyze regional procurement opportunities, especially for South Africa where there may be access to some of the materials. Several costs were analyzed, please see examples in Figures 7 and 8 for examples of the most used plaster size (which Aleka intends to produce to support COVID-19 vaccination efforts under MPP).



Product size: 19x76mm 2.5Million pcs Qty

	elastic fabric	flat	weight (gsm)	Width mm	length/ roll (meters)	Rolls needed	Need Qty m2	unit price (m2) EXW Factory	Total price (m2) EXW Factory
1 Glued materials (Optional)	absorbent pad		100g fabric+55g glue	78mm	350	136	3903	\$0.972	\$3,793.72
2 Pad	silicon paper		115g	30mm	200	150	900	\$0.700	\$630.00
3 Liner	cold sealing paper		65g	45mm	1000	96	4320	\$0.216	\$933.12
4 Packing	elastic fabric	flat	40gsm	95mm	1000	150	14250	\$0.140	\$1,995.00
Total EXW Factory									\$7,351.84
Unit pcs cost (EXW Factory)									\$0.002941

Figure 7: Example 1 of cost analysis for plasters sized 19x76mm

									
Product size: 19x76mm 2.5Million pcs Qty									
		materials name	weight (gsm)	Width mm	length/ roll (meters)	Rolls needed	Need Qty m2	unit price (m2) EXW Factory	Total price (m2) EXW Factory
1	Glued materials (Optional)	adhesive elastic fabric	110g fabric+65g glue	82mm	300	160	3936	\$1.350	\$5,313.60
2	Pad	absorbent pad	115g	30mm	200	150	900	\$0.700	\$630.00
3	Liner	silicon paper	65g	45mm	1000	96	4320	\$0.216	\$933.12
4	Packing	cold sealing paper	40gsm	95mm	1000	150	14250	\$0.140	\$1,995.00
Total EXW Factory									\$8,871.72
Unit pcs cost (EXW Factory)									\$0.003549

Figure 8: Example 1 of cost analysis for plasters sized 19x76mm



More information on reducing risks of imports can be found in the risk section below, however, to reduce overall risks bulk material purchasing will take place and will ideally coordinate with surgical mask materials to be consolidated into one shipment. Given the small size of the rolls of raw materials required for this production line, compared to surgical mask production, the team does not anticipate serious procurement issues as a significant amount of materials can fit in any given shipping container.



Table 1: Fixed operational expenses of the MPP and production costs per plaster. (NB: These estimates will be reassessed, if needed, to ensure they are reflective of up-to-date costs)

Production Costs Per Plaster	Costs
Raw Material	
-Glued materials (adhesive elastic fabric)	TZS7.59
-Pad (absorbent pad)	TZS1.26
-Upper Liner (silicon paper)	TZS1.39
-Lower Liner (silicon paper)	TZS1.20
-Packing wrap (cold sealing paper)	TZS4.25
-Large Packing box	TZS0.63
-Small packing box	TZS0.42
Total Costs to produce 1 Plaster	TZS16.73

Fixed Expenses (1 Month)	Costs
Administrative Expenses	
Security	TZS268,450.00
Warehouse Rent	TZS1,140,975.00
Machine Repair & Maintenance (1%)	TZS900,404.50
Cleaning Supplies (incl. Machine chem)	TZS41,500.00
Office Transport	TZS100,000.00
Accounting Services	TZS1,500,000.00
Utilities	
Electricity (General)	TZS910,000.00
Machine Insurance (thft)	TZS221,172.34
Machine Insurance (fire)	TZS73,724.11
PPE for Staff (once off)	TZS21,390.00
PPE for Staff (consumables)	TZS250,000.00



Payroll & Benefits

COO	TZS1,511,968.93
Sales (maybe in future)	
Labor Broker Fee	TZS78,000.00
Machine Technician (1)	TZS600,000.00
Operators Salary (4 Operators and Packers)	TZS960,000.00

Compliance costs (yearly)

NEMC Costs	TZS2,500,000.00
TIC Costs	TZS3,054,477.20
ISO & EN Costs	TZS15,559,088.40
TMDA Costs*	TZS1,856,955.00
OSHA Costs*	TZS6,500,000.00

Table 2: Financial snapshot indicating a payback period of approximately 1.5-2 years with grant financial support and approximately 2.5-3 years without.

		Year 1	Year 2	Year 3
		(TZS)	(TZS)	(TZS)
Revenue				
Sales				
Wholesale	0	1,379,820,110	1,750,242,678	
Retail	0	0	0	
Total Revenue	0	1,379,820,110	1,750,242,678	
Cost of Good Sold (Variable Expenses)				
Plaster Making Machine (no shipping and clearing)	90,040,450	0	0	
Raw materials				



-Glued materials (adhesive elastic fabric)	109,915,009	393,116,289	451,877,037
-Pad (absorbent pad)	13,539,580	65,148,702	74,886,753
-Upper Liner (silicon paper)	8,627,881	72,036,549	82,804,156
-Lower Liner (silicon paper)	7,450,370	62,189,827	71,485,602
-Packing wrap (cold sealing paper)	17,839,116	220,309,620	253,240,227
-Large Packing box	9,153,621	32,649,659	37,529,941
-Small packing box	25,664,369	21,784,189	25,040,364
Shipping and Clearing	28,584,270	28,584,270	28,584,270
Electricity			
- Plaster Machine + Cleanroom + Compressor Electricity	4,550,000	10,920,000	10,920,000
Total Cost of Goods Sold	315,364,665	906,739,105	1,036,368,349
Gross Profit (Contribution)	-315,364,665	473,081,005	713,874,329
Contribution per unit	0	881	1,285
Gross Profit Margin	0.00%	34.29%	40.79%

Indirect/Fixed Expenses	(TZS)	(TZS)	(TZS)
Administrative Expenses			
Security	3,221,400	3,221,400	3,221,400
Warehouse Rent	13,691,700	13,691,700	13,691,700
Machine Repair & Maintenance (1%, 2%, 5%)	900,405	1,800,809	4,502,023
Cleaning Supplies (incl. Machine chem)	498,000	498,000	498,000
Office Transport	1,200,000	1,200,000	1,200,000
Accounting Services	7,500,000	18,000,000	18,000,000
Utilities			
Depreciation of equipment	0.00	11,023,425	11,023,425
Electricity (General)	4,550,000	4,550,000	1,320,000



Machine Insurance (theft)	221,172	221,172	221,172
Machine Insurance (fire)	73,724	73,724	73,724
PPE for Staff	1,356,950	3,000,000	3,000,000
Payroll & Benefits			
COO	18,143,627.15	18,143,627.15	18,143,627.15
Sales	0	0	0
Machine Technician (1)	3,000,000.00	7,200,000.00	7,200,000.00
Operators Salary (4 Operators and Packers)	5,000,000.00	18,000,000.00	18,000,000.00
Cleaner	3,600,000	3,600,000	3,600,000
Other (Incl licensing costs)			
NEMC Costs	2,500,000	2,500,000	2,500,000
TIC Costs	3,054,477	3,054,477	3,054,477
ISO & EN Costs	15,559,088	1,492,807.73	1,492,808
TMDA Costs*	1,856,955	1,856,955	1,856,955
OSHA Costs*	6,500,000	3,000,000	3,000,000
Other Expenses (Total)	92,427,499	116,128,098	115,599,311
Total Expenses	407,792,164	1,022,867,202	1,151,967,660
Operating Profit (EBIT)	-407,792,164	356,952,908	598,275,018
Corporate Tax (30%)	0	107,085,872	179,482,505
Net Profit	-407,792,164	249,867,035	418,792,513
Net Profit Margin	0.00%	18.11%	23.93%
SIPS Grant (approx. in TZS)	351,586,522	39,065,169	
Net Profit with Grant Support	-56,205,642	288,932,205	418,792,513
Payback Period with Grant Support	-56,205,642	232,726,563	
Payback Period without Grant Support	-407,792,164	-157,925,128	260,867,384



3) Market Analysis

The estimated Total Available Market (TAM) for medical plasters is currently approximately TZS 4.8 billion per year (2021, Tanzania Revenue Authority) with an anticipated consumption increase of ~5% YOY based on existing population growth rates. This has an assumed net weight volume of about 250 Tonnes, equivalent to 4 Million Boxes imported annually (assuming a net weight of 57.44 grams per box of 100 pieces). Due to the absence of any manufacturers, this data point captures the valuation/demand for the entire market. Fabric plasters of the size and material intended to be produced by this project constitutes about 87.1% of the total imports (2021, Tanzania Revenue Authority) which is worth approximately TZS 4 Billion per year. The remaining 12.9% of plasters are a variety of types and sizes used for various purposes from surgical applications to dialysis bands.

A basic market analysis highlights that Aleka's expected market and customers has identified domestic and regional market options as: i) national medical supply support facilities (such as MSD in Tanzania), ii) hospitals, iii) health clinics, and iv) pharmacies reached either through existing direct contracts and distributors/wholesalers or new partnerships and contracts. There are a total of 10,317 healthcare centers as of July, 2022 of which 6,322 (60%) are publicly owned and 3,995 (40%) privately owned. Publicly owned facilities are mandated by law to procure medical devices and diagnostics from MSD. Aleka is currently working on securing contracts and partnership with MSD which would provide access to over 50% of the market. Geospatially, our market research found that private health care facilities are significantly located around Dar es Salaam, our production location.

If the contract is awarded, Aleka would immediately commence marketing to seek supply agreements. Anecdotal evidence from discussions with health practitioners within the last month in Dar es Salaam, Tanzania, suggests that there are further increased supply chain challenges for accessing basic medical supplies, including plasters and bandaging adhesives, due to the joint COVID-19 pandemic issues and the recent oil crisis. Aleka is committed to ensuring the financial stability and success of this project, and has therefore conducted a brief market assessment to ensure financial viability with and without grant financing. The grant will allow for long-term sector engagement and ensuring overall project stability while all aspects of the new production and business line are established. Further details on this analysis can be found in Annex I- Aleka Market Insights Report- TZ Medical Plaster Market.

Based on estimated costs (see figure 7 for more details), the following pricing plan is suggested:

Pricing

*We plan to set a price that is 10% lower than market price

	Wholesale	Retail
[Aleka] Proposed Price per Box of Plaster	TZS 4,500.00	TZS 7,500.00
[Local Tanzania] Market Price per Box of Plaster	TZS 6,450.00	TZS 10,000.00

Currently, Aleka and partners are unaware of any existing local manufacturing of plasters in Tanzania. All competition for plasters, therefore, comes from importations. Given the existing regulatory framework in



Tanzania, in support of industrialization and manufacturing, Aleka hopes to gain a future cost advantage for local production through tax incentives.

Aleka understands that the primary sales and distribution channels for products such as medical plasters are through external wholesalers and distributors, importing bulk quantities of plasters and reselling them along existing sales channels. The aim is to utilize these existing external sales channels and obtain contracts to replace import requirements with high-quality, locally manufactured products. Dar es Salaam is a strategic regional import hub for many of the neighboring land-locked countries that rely on the Dar es Salaam port for all major imports. This creates a competitive advantage for Aleka to sell the plasters in Tanzania and also export to countries that regularly rely on imports through the Dar es Salaam port (e.g. Democratic Republic of Congo, Zambia, and Malawi). Transportation networks and routes are particularly favorable to Zambia and Malawi, providing easier regional market access. Future further and more detailed market analyses will highlight expected domestic and regional sales volumes.

2.3 Impact on Company

This grant would enable Aleka to reduce CAPEX expenses, allowing them to focus on quality production, diverting financing to access hard-to-reach hospitals, clinics, and clients. Though there has been significant investment into Aleka's production facilities to ensure the project is financially justifiable, without this grant, the commencement of the production of medical plasters is not feasible for at least 12 months, thereby limiting support to the COVID-19 vaccination efforts in the country and region. The estimated impact of the MPP on Aleka's sales percentage is an increase of 25%, and capacity utilization at 20%.

2.4 Impact on Job Creation

The project will directly create six new full-time positions once production is in full swing and at maximum capacity. The four to six positions are anticipated to be within the production department and will include up to two employed machine technicians and four contract machine operators, who will also support product packaging. Building on Aleka's track record of supporting women's empowerment, where possible, all positions will be filled by women. A further part-time temporary local technical expert consultant position may be established to support longer-term periodic capacity building and machine maintenance.

Pending market access agreements, Aleka may establish a role for marketing, sales and distribution. Further, as capacity expands, Aleka may hire a full-time General Manager (GM) to manage both production lines. These two additional roles may make up the 6 full-time employed roles. All other existing positions held within the manufacturing arm of Aleka will remain as they are with added roles and responsibilities.

2.5 Societal Benefits

The proposed project will contribute to Aleka's ongoing commitment to positive and sustainable social impact. At inception, Aleka's manufacturing focused on reducing plastic bag pollution in Tanzania through the production of non-woven bags. When the WHO declared a global pandemic, Aleka, with grant support



from developpp, pivoted production to support COVID-19 prevention and response in Tanzania through manufacturing certified medical masks. Now, Aleka is committed to further contributing to COVID-19 prevention and improved medical sector access to high quality internationally certified medial products through the production of medical plasters. In the short term, the societal benefits of this project are broad-reaching, from contributing to good health and wellbeing (SDG 3), by ensuring access to essential medical supplies to assist COVID-19 vaccination efforts; to providing decent work for women and youth in manufacturing (SDG 5 and 8, see Section 4.3 for more details). This project will directly contribute to Tanzanians having access to high-quality, affordable plasters, enabling safe and clean vaccine delivery, as well as other medical procedures. Presently, the supply of medical plasters is reliant on expensive imports of unreliable quality, which can result in high levels of (preventable) post-procedure infections. Even when supply is available, it is often too expensive. Though the current focus will be on ensuring sufficient supply of high-quality, certified medical plasters for COVID-19 vaccination measures, in the medium term, Aleka will be ideally positioned to respond to the needs of hospitals and clinics across Tanzania (and the region) in terms of supplying plasters of different shapes and materials, preventing further damage and infection in different types of wounds. In the longer-term, this project will provide additional societal benefits through increased plaster access for wounds, accidents, other vaccinations, and clinical and household needs.

In the long term, Aleka strives to become a leader in locally and internationally certified medical supply manufacturing for Southern and Eastern Africa, aiming to improve the quality and quantity of locally-produced medical supplies. The localization of medical manufacturing value-chains offers immense long-term social benefits. Not only will this improve the quality and quantity of medical supplies available locally, but it will also provide decent employment, reduce imports and improve regional independence (SDG 3, 8, 10). Aleka aims to act as a buffer between local clinics and global supply-chain issues, price fluctuations, and logistical challenges, thereby ensuring all people, regardless of their economic status, can reliably access high-quality medical supplies.

2.6 Environmental Impact

The environmental impact of the MPP will be carefully monitored and will be fully compliant with Tanzanian regulations and environmental requirements. Aleka has already obtained a NEMC certificate (Application Ref: 10597, Registration: EC/EIA/2020/0815) and has existing environmental measures in place that are applicable to the MPP production line. These measures are primarily grounded in the theory that waste reduction is better than waste recycling. As observed in Aleka's surgical mask production line; higher operating standards result in less waste. Aleka, therefore, optimizes machine operations and ensures year-round high standards of machine maintenance, thereby reducing material waste and electricity consumption. Product quality checks are undertaken daily, and machines are stopped immediately if standards drop, to ensure minimal waste. Currently, any faulty medical masks are recycled and used by Aleka employees, where appropriate. Aleka intends to explore contextually appropriate



recycling options for faulty medical plasters, for example, through partnering with facilities that can use them for training purposes.

In the longer term, Aleka's vision to support a localized medical manufacturing value chain will minimize the need for international shipping, significantly reducing the carbon footprint of medical supplies in the SADC region.

2.7 Projects' Innovative Features

The MPP will introduce a new technology to Aleka's production range, forming the basis of a new production line. The operationalization of this technological innovation will build on existing capacities and expertise within the organization (i.e. the manufacturing of medical masks, supported by a previous development grant). €3,500 has been budgeted to support technical assistance for the installation and operations of the plaster-making machine. The machine selected (KC-2000-B) is fully automated, producing plasters and packaging them at the same time.

Furthermore, the KC-2000-B offers increased flexibility in terms of the specific plasters being produced. The immediate focus will be on plasters appropriate for supporting vaccination roll-out (i.e. traditional island plasters, with release papers, measuring 76x19mm). If needed, however, Aleka can change the moulds on the KC-2000-BC to produce three different types of plasters, of various sizes and shapes. This would enable Aleka to meet the demands of local and international clinics for larger medical applications, such as full pad plasters for wounds requiring larger absorption.

2.8 Technical Assistance

Aleka currently works closely with Tanzania Medicines and Medical Devices Authority (TMDA), Tanzania Investment Center (TIC), National Environmental Management Council (NEMC) Tanzania, and other Tanzanian regulatory authorities to obtain certifications and registrations. For example, we have gained ISO 13485, 9001, and EN 14683 certification for our ongoing production of medical masks. Aleka will continue to receive technical guidance and support from TMDA, with regard to ensuring medical standards are met during the MPP. Aleka will also seek guidance and technical assistance from the KC-2000-B machine manufacturer for machine installation, operations, and maintenance. Based on previous experience, Aleka will ensure there is stand-by support for ad-hoc operational needs. Furthermore, Aleka will seek trade-related support for regional product sales and distribution.

The grant will cover the initial machine installation, operations, and maintenance training for machine technicians and operators. Furthermore, the grant will finance a local technical support consultant who will provide ongoing long-term support to ensure capacity development and full operations. All other costs, as required, will be covered by Aleka. As noted in section 4.5, regular reviews will highlight any key capacity gaps.



2.9 Product and Services Certification

Aleka has worked, and will continue to work, with a range of bodies including the Tanzania Medicines and Medical Devices Authority (TMDA), Tanzania Investment Center (TIC), National Environmental Management Council (NEMC) Tanzania, other Tanzanian regulatory authorities, and international certifying agents to obtain relevant certifications and registrations.

A summarized outline of relevant certificates and registrations is provided below. As a fully operational company, Aleka has existing relationships with authorities and certifying bodies, and demonstratable experience gaining and complying with relevant certifications and authorizations.

- 1) The Certificate of Incentives from the Tanzania Investment Centre (under authority of Part III, Section 17 (1-8) of Tanzania Investment Act, 1997). Aleka currently holds a Certificate of Incentives (Ref No. 025506).
- 2) Aleka also currently holds a Tax Exemption Certificate (Ref: CA/348/650/01) relating to import duties and VAT exemption for raw materials and machines for manufacturing surgical masks.
- 3) Industrial License from Ministry of Industry and Trade, Tanzania All investment costs that exceed Tsh 100,000,000 are required to be submitted to the Industrial Licensing Board for approval.
- 4) Environmental Impact Assessment Certificate, authorized by NEMC (National Environment Management Council)

As stipulated in the 3rd Schedule of the Act and detailed in the 1st Schedule of the EIA and Audit Regulations of 2005, Aleka was required to undertake an Environmental Impact Assessment and currently holds a NEMC certificate (Application Ref: 10597, Registration: EC/EIA/2020/0815).

- 5) Medical Devices Certificates, authorized by Tanzania Medicines and Medical Devices Authority (TMDA)

- a. Premises Registration

In order to import capital goods into the facility, a premises registration is required under Section 18 of the Tanzania Medicines and Medical Devices Act, Cap 219. Business permit for domestic manufacturers;

- b. Marketing Authorization of Medical Devices and In-vitro Diagnostic Devices;

TMDA is mandated to authorize the marketing of medical devices (MD) and in-vitro diagnostic devices (IVDDs) under Section 51 of the Tanzania Medicines and Medical Devices Act on an annual basis. The Authority has established two procedures for marketing authorizations depending on the risk associated with the MD or IVDD. According to The Tanzania Medicines and Medical devices (Control of Medical Devices) Regulations, 2015, all class A, B, C and D



devices get market approval through registration while a selected class A device attain market approval through notification. The timeframe for authorization is up to 4 weeks following submission of samples and conformity tests. The fee is based on project capital, within statutory ranges.

6) ISO & EN (CE EU, ANSI Z308:1-2015, ISO 13485)

Aleka currently holds nationally and internationally recognized certifications for medical mask production, thereby demonstrating capacities to produce high-quality medical goods.

7) Fire Safety Certificate, authorized by Ministry of Home Affairs, Tanzania

Aleka holds a valid fire safety certificate, as mandated by Tanzanian Law. As per regulations, Aleka's workforce has been trained on fire safety and accident response methods. The facility itself has met all fire safety requirements. Upon installation of the KC-2000-B, a new certificate will be obtained by Akela.

8) Occupational Safety And Health Certificates certified by Occupational Safety And Health Authority, Tanzania (OSHA)

As per the Occupational Health and Safety Act No. 5 of 2003, Aleka ensures that employees work in a safe and healthy environment in accordance with the procedures set out in preventing accidents and occupational diseases. Aleka holds this certificate (Ref No. 203 102 038), allowing for immediate implementation of MPP, if granted. National Security Fund (NSS)F & Workers Compensation Fund (WCF) Registration

a. National Social Security Fund

Aleka is registered for the National Social Security Fund was established under the National Social Security Fund Act [Cap. 50 R.E 2018] to provide social security services to members from private and informal sectors. The contribution payable by the employer is twenty per centum (20%) of the employee's monthly wages. Employee's contribute a minimum 10%, employers contribute a minimum of 10%.

b. Workers Compensation Fund (WCF)

As mandated by law, as an employer on Mainland Tanzania, Aleka has registered for the Workers Compensation Fund (WCF), a social security scheme established in accordance with Section 5 of the Workers Compensation Act [Cap.263 Revised Edition of 2015].

2.10 Project's Financing

Kindly find attached the excel document with a detailed financial breakdown of project costs associated with the grant acquisition. Please note that based on previous develoPPP grant application and



management experiences with GIZ, Aleka does not show detailed cost breakdowns for areas covered by their own finances in the MPP. Also note that any expenses that are over-budget, missing, or are unexpected at project inception will be covered by Aleka and partners during implementation. The following MPP project financial contributions are noted in the figure below (Figure 10):

Based on calculations of Aleka Holdings Limited, the Figure 11 shows the total budget of the project, the own contribution of the company and the amount requested for funding from the Joint Action SIPS. The contribution made by Aleka Holdings Limited amounts to 27.5% of the total budget, funding request amounts to 72.5% of total budget.

Figure 11: Total Budget of the Project

DESCRIPTION	AMOUNT IN EURO
Total Project cost as calculated by Aleka Holdings Limited	225,130
Contribution by Aleka Holdings Limited	62,000
Funding request from the Joint Action SIPS	163,130

2.11 Project’s Procurement and Consultant Recruitment Procedures

All MPP procurement will align with Aleka’s procurement policy and GIZ guidelines. As Aleka’s policy is to distinguish between items costing above and below 10,000,000 TZS, the MPP will follow GIZ procedures, which distinguishes between services/contracts valued at up to €1,000, between €1,000-€200,000, and over €200,000 (as outlined below). As such, for large items within the MPP (i.e. the KC-2000-B and raw materials), Aleka has launched a restricted, competitive tender process, with trusted manufacturers from China. Two quotes have already been received, with a third pending. A non-competitive contract will be used for contracting the machine installation and operations training, as this must be completed by the selected machine supplier.

CONTRACT AWARD PROCEDURE for Suppliers*

Value from	Procedure	Documentation of Contract Awards
Up to EUR 1,000.00	Contract award without competition (written tenders need to be obtained)	Generally written orders need not be obtained; a memorandum is to be kept on file for telephone offers.
From EUR 1,000.00 to EUR 200,000.00	Obtain at least three offers for comparison Purposes. From EUR 20,000.00 upwards, public or restricted invitation to tender .	According to the documentation of contract awards. The documents are to be kept on file with the project documents.



Over EUR 200,000.00	Public tender or restricted tender subsequent to a public prequalification round.	The documents are to be kept on file by the partner with the project documents. The decision on the contract award is to be recorded on the documentation of contract awards
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The discretionary award procedure may be used without competitive tendering only in justified exceptional circumstances, e.g. if only one contractor is capable of providing the services specified in the terms of the contract (unique selling point). The Recipient must justify and document the criteria used whenever a contract is awarded directly in writing.

2.12 Project Schedule and Milestones

All necessary preparation for the project has already been undertaken by Aleka and partners, through gaining appropriate approvals, certifications, and the investment of approximately 500,000 USD in the factory space and current surgical mask production line needed for medical manufacturing. If approved, the project will commence immediately, upon receiving financing, as per the table below. Activities listed are coherent and realistic and are objectively measurable through the monitoring plan outlined in Section 4.5.

Table 3: Project activities and milestones timeline.

Main Activities and Milestones	Project Duration: 12 Months												
	1	2	3	4	5	6	7	8	9	10	11	12	
Main Activity 1: Secure and procure plaster-making and packaging machine, and raw materials (Initial payment to be made within first week of securing financing)	█	█	█										
Main Activity 2: Shipping of plaster-making machine and raw materials (minimum 3 months, maximum 4)		█	█	█	█	█							
Milestone 1: Arrival of machinery and raw materials in Tanzania							●						
Main Activity 3: Commencement marketing and sales, securing supply contracts					█	█	█	█					
Main Activity 4: Design and order small and large packaging boxes	█	█	█	█									
Main Activity 5: Establish, procure, and prepare distinct storage spaces for raw materials and finished products within existing factory			█	█	█								
Main Activity 6: Clear machine and raw materials through port and transport to factory (within two weeks from arrival at port)							█	█					
Main Activity 7: Machine installation (one week)							█	█					
Main Activity 8: Operator Training (one week)								█	█				



<p>- Opportunity to expand positive social impact through increased job creation for women and youth</p>	
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Risk Analysis and Mitigation Strategies:

RISK DESCRIPTION	PROBABILITY	CONSEQUENCE/ IMPACT LEVEL	MITIGATION STRATEGY + IMPACT TO MANAGE LIKELIHOOD	ACTIONS IN PLACE + IMPACT TO MANAGE CONSEQUENCE
Delays, Stalls and Shortfalls in Supply chain (specifically related to accessibility to machinery and materials)	Medium	High	<ul style="list-style-type: none"> i) Machine and material sourcing is complete to reduce chance of delays to installation and stalling of production; ii) Procure items immediately when finances are obtained, reducing delays to production; iii) Procure a minimum of 3 months' worth of raw materials initially, to ensure sufficient lead time for importing the next batch of materials; iv) Use only individual shipping containers (not consolidated cargo, as these are seeing large delays) to ensure direct transport 	<ul style="list-style-type: none"> i) Positive working relationships with Tanzanian Revenue officials to ensure transparency with regards to shipping delays ii) Shipping insurance
Increase in shipping costs	Low	Medium	<ul style="list-style-type: none"> i) Secure shipping date and prices upon project being awarded 	N/A (as prices will be fixed upon the signing of contracts. Further, shippers' costs are currently stabilizing despite oil crisis)
Impact of COVID-19 on Staff Safety	Low	Medium	<ul style="list-style-type: none"> i) Maximum 8- 10 workers inside the Cleanroom at one time during a shift to give more space for social distancing. The facility size is small, hence probability is low. 	<ul style="list-style-type: none"> i) All staff will wear full PPE (including masks) while working in alignment with current requirements ii) Existing team of highly trained and qualified individuals able to move from one production line to another, if needed.
Delays to Plaster Certification Process	Low	High	<ul style="list-style-type: none"> i) Inform Tanzanian Authorities as soon as project is approved (through existing working 	<ul style="list-style-type: none"> i) Invite Tanzanian Authorities to the facility to finalize certification



			relationships) to commence approval process	
Unpredictable access to domestic and regional plaster sales/markets	Medium	Medium	i) Work closely with project provided trade-related support; ii) Work with existing distributors for surgical masks; and iii) Extensive engagement with Tanzania-based and regional medical supply distributors	

2.14 Project advanced actions: Financing, Procurement and Recruitment

Where possible, project advanced actions (e.g. financing, procurement, and recruitment), have already been undertaken. Building on previous support through a developpp grant, Aleka and partners have made significant investments into their medical manufacturing facility, of approximately 500,000 USD. As such, Aleka has a high-quality ISO 8 Cleanroom, appropriate for the manufacturing of medical plasters. Furthermore, their strong, established and experienced management team will build on their experience in manufacturing medical masks to ensure all new staff has sufficient training and support. In line with GIZ's guidance on procurement, Aleka ensures that three quotations have been requested for the main items, such as the plaster-making and packaging machine and raw materials (for more details, please refer to section 3.1.1.). Upon securing financing, Aleka will be ready to mobilize, aiming to secure and procure the plaster-making and packaging machine, and raw materials, within the first week.

3 Description of the Company²

3.1 Legal Personality and Governance

Aleka Holdings Limited was founded on 18th September 2018. Its Commercial Registry number is 137644169. The company is registered with BRELA & Tanzania Investment Centre (TIC). It is certified by Occupational Safety and Health Authority (OSHA) and the National Environmental Management Council (NEMC).

Aleka Holdings Limited, is 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. At the onset of the COVID-19 pandemic, Aleka began manufacturing and distributing EN 14683 Certified Surgical Masks (ISO 13485, ISO 9001).

² The term "Company" is used to refer to any entity or corporation, including: private, public, for profit, not for profit, academic institution, research centre.



Since 2020, Aleka and partners have made significant strategic investments in fixed assets which enable the introduction of an additional medical manufacturing production line.

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 medical plasters. The company's executive team consists of a CEO, CSO, and COO who manage the investments, financial, technical, and implementation to ensure sustainable results of the MPP.

The Executives Directors have worked across Europe, Asia-Pacific, South East Asia, and Africa. The CEO worked with several world-renowned technology giants such as Google, Microsoft, Amazon, and more recently with Uber. Prior to Uber, they 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.

The CEO 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 The World Bank, DFID, HDIF, and more. The COO, working with locally-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.

Please refer to Figure 11 for an overview of Aleka's organizational structure.

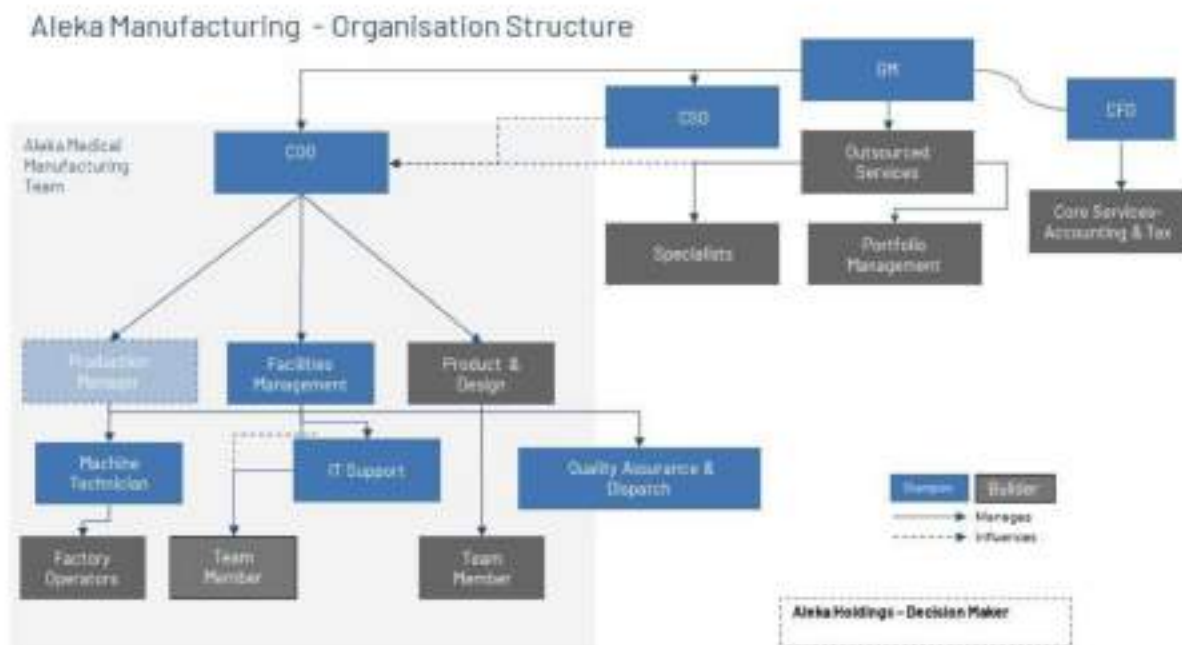




Figure 11: Overview of Aleka Manufacturing Organizational Structure.

3.2 Products Manufactured/Services Provided Currently by the Company

Aleka currently manufactures products related to COVID-19, producing Surgical Masks (ISO 13485, ISO 9001, and EN 14683 Certified). In the fiscal year 2021, total revenues amounted to TZS 1,309,347,247, with net revenues of TZS 658,417,013. The cost of goods sold equaled TZS 185,394,384, with operational costs amounting to TZS 465,535,849. In 2021, total assets and liabilities were equal at TZS 1,297,782,459. Between 2018-2020, Aleka's annual turnover/revenue was steady (TZS 356,990,076 in 2018; TZS 461,395,423 in 2019; TZS 385,400,000 in 2020). Turnover significantly increased in 2021 (TZS 1,309,347,247), following the developppp grant, which supported the manufacturing of medical-grade masks. The total cost of goods sold in 2021 was TZS 185,394,384 We currently supply masks to the medical facilities around Tanzania, with a potential export contract to Mozambique currently being explored.

3.3 Employment

As a proudly Tanzanian company, Aleka has a strong track record in building local manufacturing skills and aptitude. Aleka currently has 21 full-time equivalent positions and 5 part-time positions, some of which are permanently employed and others are fixed-term contracts. Aleka is committed to providing an empowering environment for women, with over 90% of our technician and production team being women. We employ both skilled and unskilled workers. We are proud to be capacitating and supporting the next generation of Tanzanian women in technology, hence have a strong focus on building skills for professional development. Aleka maintains high standards of working conditions, ensuring a clean and safe workplace, with regular breaks.

3.4 Company's Policies and Procedures

Aleka ensures their company policies and procedures are up to date, and compliant with national and international requirements, through regular reviews. Examples of Aleka's Human Resources, Procurement and Quality Assurance policies are attached to the questionnaire.

3.4.1 Employment and Gender Policies

Aleka's HR manual outlines human capital management guidelines. It outlines the duties and obligations of both employer and employees. It elaborates the measures taken to ensure effective recruitment, which is based on a candidate's ability and acquired competencies to meet the requirements of the vacant position. All job descriptions are reviewed to ensure no direct or indirect discriminatory clauses or language.

Open and competitive recruitment processes are undertaken, with vacancies publicly advertised on multiple platforms. Multiple representatives from Aleka are involved in each stage of the selection and recruitment process and reasons for selection/rejection of applicants are recorded, to ensure no



discrimination and equal employment opportunities. Aleka periodically reviews their selection criteria and procedures to maintain a system where individuals are selected, promoted, and treated solely based on their relevant merits and abilities.

Aleka actively supports the employment and capacity-development of marginalized groups, hence ensures their factory is an empowering environment for women and young people. Workplace safety and staff wellbeing is supported and maintained through a thorough induction process and regular reviews, in an outlined performance management review system, to discuss employee progress, support and training needs. Appraisal forms are used and provide the basis for identifying training needs and professional development opportunities. Workplace conditions comply with all national regulations. The size of Aleka means that a software-based payroll system is not required for HR management, as current manual systems are sufficient to precisely monitor and calculate payroll and number of person-months employed by the company.

3.4.2 Environment Safeguards Policies

Aleka has a strong track record in environmental safeguarding. A full environmental impact assessment for their manufacturing plant was undertaken and approved by Tanzanian authorities, as demonstrated by their NEMC certificate (Application Ref: 10597, Registration: EC/EIA/2020/0815). The impact assessment outlines all necessary steps taken to reduce their environmental impact. This includes optimizing production to ensure minimal waste and pollution, which is monitored on a daily basis. Any waste that is produced is recycled/reused, where possible, and disposed of in a safe manner when recycling is not possible. Commitment to environmental sustainability is driven by management, who take the responsibility to review and improve safeguarding measures on an ongoing basis.

3.4.3 Current Corporate Social Responsibility Activities

Aleka is committed to playing a positive role in their community, by considering the environmental and social impact of their business decisions. As such, Aleka has adopted a holistic approach to CSR, ensuring operational initiatives intentionally consider their social impact. As noted above, from an environmental perspective, Aleka undertakes daily reviews to ensure operational efficiency, thereby reducing waste and ensuring minimal environmental impacts. Where appropriate, waste is recycled/reused. For example, faulty medical masks are reused by employees. Furthermore, Aleka ensures a safe and inclusive workspace for all employees and is committed to supporting gender equality and women's empowerment, as demonstrated by their manufacturing team consisting of over 90% women. When Aleka's medical manufacturing sales are established, company management intends to set additional and specific CSR targets, in consultation with employees and local communities.

3.4.4 Accounting Policy and Procedures

Aleka's in-place accounting system is designed to ensure compliance with Tanzania Financial Reporting Standards (TFRS) and International Financial Reporting Standards for SMEs (IFRS for SMEs). Purchase orders are obtained and cheques to vendors are prepared when payment is due. Each payment requires the approval of two directors before such payment is made. This applies to both cash and credit purchases, with cheques also being authorized by two directors. Where supplies can be made on credit, credit limits are established and continuously monitored to ensure no limit breaches. Monthly financial reports are



sent to directors, outlining Aleka's performance. The system is accrual-based, using Xero Accounting software. The company uses a Risks and Controls tracker to manage and monitor risks and ensure compliance with laws and regulations. Key business risks are highlighted with tolerance levels set. A regulatory tracker is set up to ensure that all laws are complied with. The tracker summarizes all filings and returns that the company must meet, and the respective due dates. A review of both trackers is done monthly, ensuring any regulatory reporting, or filing requirements are met.

3.4.5 Internal³ and External⁴ Control

Aleka's controls are designed around three key pillars: i) Processes; ii) People; and iii) Technology. People are regarded as the most important pillar with the focus being on ensuring that management and employees act with integrity and respect with both internal and external stakeholders, ensuring processes and policies are adhered to. The company has designed robust and transparent controls to ensure the business continues most effectively. Controls are adapted to ensure that the risk is mitigated without negatively impacting business effectiveness, through cross-checking with multiple parties, including directors and Aleka's external auditors, who are recognized by the National Board of Accountants and Auditors. Whenever lapses in controls are noticed, the root cause is established, and actions are undertaken to mitigate the weakness. This is a proactive process that focuses on addressing the lapse. Aleka's model understands the cause as either process, people, or technology. During investigations, confidentiality is maintained and staff is provided only with the information they need to perform their work. Aleka also ensures that key tasks and functions are separated and not performed by one and the same person. For example, the finance team will load a purchasing order, and two directors are required for sign-off.

3.4.6 Financial Audit

Aleka's financial statements are subject to statutory audit, with annual audit reports produced. In Tanzania, the National Board of Accountants and Auditors (NBAA) is the regulatory authority overseeing external auditors. Aleka has engaged an external auditor recognized by NBAA to perform the annual audits. Aleka is required to submit audited financials with Tanzania Revenue Authority for each financial year, as part of the annual tax filings. The procedures used by Aleka to prepare the financial statement are as follows: i) The chief accountant reviews bank, receivable, payable, and revenue reconciliations to ensure that the company general ledger at year-end is complete and accurate; ii) The management accounts are shared with the executive team, and any material provisions or accruals to be carried forward are estimated and confirmed by the executive team; iii) Upon confirmation of financials by the management team, the auditor is contacted and timelines for the audit are confirmed. Aleka complies with nationally established standards, with both TFRS and IFRS for SMEs.

³ **Internal control** is a process for assuring achievement of an organisation's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.

⁴ **External control** is an auditing procedure in which external auditing firms examine the quality assurance systems of auditees.



3.4.7 Procurement and Contract Award Procedures

As outlined in Aleka's Procurement and Procedures (attached to the application form), to obtain the best value, quantity, and services, it is Aleka's policy to encourage the most competitive and able suppliers to tender for contracts. In doing so, Aleka staff apply procurement procedures with fairness, integrity, and transparency and shall be responsible to prepare standard conditions of the contract.

For low-value quotations (of 10,000,000 TZS or less), staff from the ordering department fill a Purchase Request Form. The procurement and logistics staff then search for quotations from different suppliers who can meet the following requirements, provide proforma Invoices and TRA Receipts, and accepts bank transfer or cheque payment. Payment by bank transfer or cheque is encouraged to be used for as many payments as possible, for managing internal control systems.

For goods and services over 10,000,000 TZS, Aleka employs a competitive tendering approach, through an invitation to bid or a request for proposals. At a minimum, three suppliers are considered by the tender committee, which is divided into the technical evaluation committee and the financial evaluation committee as per the agreed evaluation criteria. An evaluation report is prepared and approved by a Managing Director before the contract is awarded.

Aleka staff are not permitted to disclose any privileged information about any project requirements or deprive other vendors of such information that puts another vendor in a more advantageous position over another. This includes revealing the other bids/ quotations prices, terms, and conditions, etc. All information received from vendors is treated confidentially.

To avoid any conflicts of interest, Aleka staff involved in any procurement functions who have a direct or indirect conflict of interest, s/he must declare to the management, and such contracts under exceptional circumstances, with the prior written approval from the management, may be concluded. Failure to make such a declaration is grounds to invoke disciplinary action. Acceptance of offer, payment, solicitation, and/or any form of bribe, commissions, gratuities, or gifts, are unacceptable and subject to disciplinary measures.

The above steps are considered critical to ensuring diversified, fair, and transparent procurement.

3.4.8 Quality Assurance Procedure

As outlined in Aleka's Quality Assurance Policies and Procedures (attached to the application form), Aleka upholds a quality-focused culture to ensure the safety of our customers. Aleka hence prioritizes the safety, efficacy, and quality of their products. Their quality assurance policy is based on six fundamental elements outlined below:

1. Customer needs and expectations are the driving force and must be met to succeed.
2. At Aleka Holdings, quality is all encompassing and applies to everything we do.
3. Each person, at Aleka Holdings, is accountable for ensuring product/service quality, performance, and safety.



4. People are the key to the quality of the organization and that is why all Aleka Holdings employees have the appropriate training, education, skills, and experience to carry out their work competently.
5. We are committed to continuously improving the Quality of our products and services. Our continuous improvement journey is part of Aleka Holdings operational excellence program.
6. The attainment of our Quality Objectives is the responsibility of senior management and requires the active participation of each employee of the company, in compliance with the ethical principles and values at Aleka Holdings.

Quality and Site Management is responsible for establishing and maintaining a system for the control of all measuring and test equipment used by each site in all phases of product development, inspection, testing, installation, servicing, and product acceptance. Designated instruments and equipment are calibrated and traceable to recognized standards. The effectiveness of the quality management system and the overall quality performance of manufacturing, distribution, and development operations is monitored and assessed on an ongoing basis to ensure the highest quality outputs.

3.4.9 Current or Past External Support from External Organizations

Aleka has previously received financial support in the form of develoPPP grant financing, with a value of €300,000. This support was used to manufacture medical masks, to support COVID-19 prevention measures in the region. See below for associated brochure:



Surgical mask
3 Ply Medical Masks



Why should you select Aleka Surgical masks?

Internationally and locally certified with ISO 9001: 2015, ISO 13485: 2016 and EN 14683: 2019 certifications.

BFE Filter Efficiency >99% & PFE > 94% - Protects against 99% of bacteria and 94% of particles larger than 0.1 µm.

Quality Manufacturing - Manufactured in a cleanroom for maximum quality standards.

Fluid Resistant - Protects nose and mouth against fluids, at a pressure of 160 mmHg.

Reliable. Protective

- Aleka Surgical masks are soft and skin-friendly, a safe partner in your daily life.
- Aleka Surgical masks contain three layers of high filtration non-woven fabric.
- The inner and outer layers are 100% Spun Bond non-woven hydrophobic fabric. The middle layer is a melt-blown material that acts as a filter and achieves over 99.99% particle filtration efficiency (PFE) at 0.1µm, and 99% bacterial filtration efficiency (BFE) at 1µm.
- Our masks provide a physical barrier that protects both the wearer and others from the transfer of respiratory secretions, fluids, or other debris, and avoids the contamination of surfaces or objects present in the use and after.

Aleka
PLOT 44, BLOCK D
WILLOWDALE RD, MIDRAND
2008 JOHANNESBURG
South Africa
Email: sales@aleka.com

Our surgical masks are manufactured in a state-of-the-art ISO cleanroom facility following global manufacturing best practices.

Machines:
Aleka uses German machines with unique automation technology and automatic packaging. We are dedicated to making quality production simpler, faster and safer.

Proudly by Tanzanian
Aleka is a local manufacturer producing export quality surgical masks. We pride ourselves in empowering the nation through enhancing local manufacturing skills and technology adoption.

Empowering Women
Active at every stage of the value chain, we are uniquely invested in raising the manufacturing capacities and maximizing the value increase for Tanzanian women. Our machine technicians and production team proactively benefit raising the next generation of sector leaders.

Aleka Surgical Masks
manufactured and packed in an ISO Class 8 Clean environment.

Aleka Value Proposition
- settings
- pharmaceuticals
- food industries
- residential and public buildings
- hospitals
- clinics
- construction sites
- airports
- schools

We enhance the quality of life for all people by manufacturing and supplying high quality, safe medical devices.

We aggressively pursue excellence by continually fine-tuning, monitoring and honing our processes, which ensures that we are exceeding the industry standards and, by doing so, consistently producing a superior product.

Figure 12: Aleka's medical mask manufacturing brochure

Aleka, therefore, has a strong track record in managing a grant of this nature. Through the previous grant, Aleka has demonstrated sustainable results which benefit the community and country, through improving access to high-quality medical goods at lower prices, whilst providing secure and decent employment to women. Furthermore, this was done in a commercially justifiable manner, with objectively measurable results.



3.5 Project Implementation Monitoring

The MPP will be carefully monitored on an ongoing basis, through key indicators to ensure the project milestones noted above are achieved and results are sustainable. Milestones 1-4 will be monitored and measured according to their completion as per the timeline provided in section 3.1.2. In addition, for Milestone 5, to ensure operational efficiency and compliance, Aleka will undertake thorough reviews, on an ongoing basis, of the medical plaster production line, documenting any deviations from GIZ, national and international regulations.

Aleka will continue to use daily digital production records which assess any maintenance needs, as well as the quality and efficiency of the production line. After a stabilization period of approximately three months, daily, weekly, and monthly production targets will be set and monitored (mirroring current processes in place for the production of medical masks). These targets will be realistic and are objectively measurable throughout the duration of the project. Reviews will also include an assessment of technical capacities and gaps, which will also be documented and shared, in the event that GIZ may cover any additional needs.

As per GIZ regulations, Milestones 6 and 7 will be achieved via the completion of quarterly reporting and a final audit. Aleka will continue to foster the organization's ongoing commitment to monitoring, ensuring clarity in all requirements, and providing accurate and valid data in a timely manner. Aleka's dedicated focal person for monitoring is: Viden Remi (COO, vremi@aleka.tech).

4 Signatures

For the Company

Larissa Duma

25th April 2022

Dar es Salaam, Tanzania

For GIZ

Dr. Jan Peter Böttcher

20th September 2022

Gaborone, Botswana



**Annex VI to the Contribution Agreement
CRIS No. FED/2019/408-127**

**Communication and Visibility Plan
SIPS Component 2**

**Support towards Industrialisation and the Productive Sectors
(SIPS) in the SADC region**

Component 2: Private Sector Development

Result 2: Private Sector Participation in Regional Anti-Retroviral Value Chain enhanced

Result 3: Private Sector Participation in Regional Leather Value Chain enhanced

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1. Background

1.1. Introduction

The purpose of this Communication and Visibility Plan (CVP) outlines communication objectives and it identifies target audiences as well as approaches and implementation partner's roles. It ensures effective and efficient communication on the Action's goals and its impacts throughout the implementation. The CVP shall clearly reflect the role of the EU and the German Federal Ministry of Economic Cooperation and Development (BMZ) as funding parties in this Multi-donor Action, and GIZ as its implementation agency. Also, the role of the SADC Secretariat being responsible for the overall steering of the SIPS Programme and the implementation of Component 1 as well as the communication and visibility for all EU support to SADC is specified.

This Annex VI to the Contribution Agreement is indicative and it reflects the need for continuous, coordinated and harmonised communication between all implementing partners as well as with the Contracting Authority. It will be further elaborated and detailed during the Inception Phase, in order to provide guidance on effective communication about this Action and to identify appropriate tools, channels and tactics to achieve the Action's communication objectives. An updated version will be submitted in the context of the Inception Report, and GIZ may refine it further during the implementation of the Action.

2. Communication and Visibility Objectives, Measures/Activities

Communication occurs throughout the project cycle. Communication and visibility actions and products must be carefully sequenced to achieve maximum impact. Communication and visibility activities seek to inform the beneficiary population and other stakeholders about the Action, its results and impacts, the role of the partner as well as the EU's and the BMZ's support and funding to the project. Beneficiaries and stakeholders will be addressed through appropriate and accessible informative tools and instruments, using modern and innovative channels of communication.

2.1. Objectives of the Communication and Visibility Plan

The *SADC Communication and Promotional Strategy 2016-2020* and its accompanying implementation plan as well as the *EU Communication and Visibility Manual for External Actions* will be consulted as guiding documents and substantiated further by agreements between the EU, SADC and BMZ.

It will be assured that all communication and visibility activities are guided by Article 8 of Annex II as well as the applicable version of the Communication and Visibility Requirements for EU External Actions, while at the same time reflect the multi-donor nature of this Action. GIZ will ensure that all its implementing partners are aware of the EU's visibility requirements.

However, in cases where the provisions of the requirements under the applicable Communication and Visibility Manual for EU External Actions are contradicted by, or otherwise deviate from, the relevant provisions of this Contribution Agreement signed between the EU and GIZ as a pillar-assessed entity, the latter shall take precedence. In accordance with Chapter 5.5 of the Communication and Visibility Requirements for EU External Actions and the Financial Framework Partnership Arrangement between the European Commission and GIZ, signed on

20 May 2019, the European Commission and GIZ will make best efforts to conciliate the visibility interests of both the European Commission and Germany.

The overall objective of the Action's CVP is to highlight the impact of the Action's interventions and activities. The CVP provides guidance that will ensure wide and timely information dissemination to relevant stakeholders and publicity of the Action's activities, progress, results and impacts.

2.2. Target Groups

The communication and visibility activities target the following beneficiaries and stakeholders of the project:

I. Within SADC and SADC Member States:

- Private sector: enterprises, in particular but not only small and medium enterprise (SME) clusters
- Management and employees of pharmaceutical and leather producing companies and associated businesses
- Sector-related business associations for the respective value chains
- The inclusive platform of SADC's private sector, the *SADC Business Council* representing private sector interests towards SADC which is another coordination and engagement platform for public-private development activities within the SADC region to enhance regional industrialisation.
- The *Association of SADC Chambers of Commerce and Industry* (ASCCI).
- Other relevant national and regional associations such as business, investment and trade support organisations, quality institutions, professional associations and Pharmacy Councils, research centres (e.g. pharmaceutical and chemical research facilities) and tertiary and vocational training institutions.
- Related line ministries and policy makers of SADC Member States
- SADC National Media Coordinators
- Media representatives
- The SADC general public

II. Within the EU:

- The European Union Delegations in SADC Member States
- Embassies of EU Member States
- Federal German Ministry for Economic Cooperation and Development (BMZ) as one funding party of the Action
- The European Commission, Parliament, and Council
- EU Member States and tax payers
- European media (following EU Delegation suggestions of concrete outlets)

The main target groups of this CVP will be addressed through adequate and accessible informative tools and instruments. The characteristics and information need of these groups will guide the design and implementation of the Action's communication and visibility activities and materials. Objectives for each target group related to the Action's specific objective will be developed during the inception phase. The Action will promote **innovative and modern** ways of communication and information sharing.

3. Communication Activities

The listing of communication activities will be specified further during the inception phase at the beginning of the Action. The Action will encourage, the respective Member State's structure to involve, among others, the *SADC National Media Coordinator* where it deemed appropriate.

3.1 Communication tools and channels identified

For implementing the multi-country SIPS Programme, the following tools and channels may be used as appropriate:

- I. Online communication and visibility; audio-visual material
Fact Sheets, standard presentation, short movie, success stories, website, Facebook page
- II. Information campaigns, events, visits, stakeholder meetings
Kick off in Gaborone; workshops; conference; closing event
- III. Press and media
Regular press releases (where possible in cooperation with SADC Secretariat)
- IV. Communication and visibility in print
Contributions to SADC newsletters; leaflets/fact-sheets; main reports
- V. Displays
Roll-Ups, Poster
- VI. Vehicles, supplies and equipment
For all equipment, vehicles and major supplies which are purchased by the Action's funds, GIZ will show appropriate acknowledgement to the EU by featuring the EU flag next to the German Cooperation flag on the respective equipment and the phrase "Provided with the financial support of the European Union and BMZ."
- VII. Advertising and branding; stationery (e.g. business cards, letterheads)
Pens, bags, folders

Wherever possible, the Action will be using existing media and communication channels (e.g. newsletters published by the SADC Secretariat, EU Delegations and German Embassies, GIZ Country Offices and Member States' structures) to avoid an unnecessary replication of efforts. The Action will particularly endeavour to contribute to the SADC Secretariat's "*Inside SADC*" newsletter.

The languages of communication should be appropriate to the target group. With this in mind, visibility materials should be written in an accessible, easily understandable style, and be available in English.

3.2 Indicative Activities

Communication and visibility activities will be tailored to the specific stages of the Action vis-à-vis the target population. The following are indicative anticipated activities of the CVP.

No.	Indicative activity	Target Group	Responsibility	Location, Timing
1.	Launch of the Action together with SADC Secretariat (SIPS Component 1) to disseminate information about the SIPS Programme and raise awareness about the SIPS objectives (Launching event to be initiated and coordinated by SADC)	Project stakeholders Potential implementation partners Development partners and embassies	GIZ, SADC Secretariat's Programmes Management Committee (PMC), EU Delegation; responsibility with GIZ for Component 2; ca. 50%/50% cost-sharing with SIPS Component 1	Launching event in Gaborone (Botswana) within the first 3 months of implementation
2.	Regular dissemination of information about intended activities, implementation progress made and results of stakeholder meetings	All	GIZ in terms of content; coordinated action wherever feasible with SADC Secretariat's Programmes Management Committee (PMC); overall responsibility and cost-bearing with GIZ	SADC Member States, EU
3.	Dissemination about mid-term evaluation results of the SIPS Programme (Component 1 and 2; achievements and results)	All	GIZ in terms of content; coordinated action wherever feasible with SADC Secretariat's Programmes Management Committee (PMC); responsibility GIZ for Component 2; ca. 50%/50% cost-sharing with SIPS Component 1	Within 3 months after the end of the mid-term evaluation in selected SADC Member States
4.	Promotional campaign about economic benefits of regional value chains for SADC	All	GIZ, SADC Secretariat's Programmes Management Committee (PMC), EUD; responsibility GIZ for Component 2; ca. 50%/50% cost-sharing with SIPS Component 1	2019 and 2020 in selected SADC Member States
5.	Closing Conference (closing conference to be initiated and coordinated by SADC)	Stakeholder, Partners, Development Partners, Embassies, media	GIZ, SADC Secretariat's Programmes Management Committee (PMC), EU Delegation; responsibility and cost-bearing with GIZ for Component 2	Gaborone (Botswana) within the last 3 months of implementation

4. General Communication and Visibility Principles

4.1. Design and Layout

The design and layout of communication material (e. g. factsheets, banners, etc.) may be developed by a contracted graphic designer during the first three months of the Implementation Period and will take into account SADCs, the EU's and GIZ's corporate design principles.

This entails that equal importance will be attached to the SADC logo, EU flag and the German Cooperation logo. As guiding principle, the SADC logo shall be positioned at the upper left corner, the European Flag in the middle and the German cooperation logo at the upper right;



Furthermore, the Action's publications, in whatever form and medium, will carry the following disclaimer:

"This document was produced with the financial assistance of the European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (BMZ). The content and views expressed herein can in no way be taken to reflect the official views of the EU or BMZ. The programme management team of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is responsible for the content of this document".

4.2. Coordination with SIPS Programme Component 1

The SADC Secretariat will steer and coordinate the overall SIPS Programme. It includes the communication and visibility of the whole SIPS programme as well as the overall communication and visibility for all EU support to SADC. The Secretariat will also be responsible for the implementation of Component 1, working with Member States on the necessary harmonisation of legislation and an enhanced policy and regulatory business environment. Thus, GIZ will seek to coordinate the implementation of the Action's communication and visibility activities and materials within the governance set-up of the SIPS Programme as outlined in Annex I, in particular with:

- The overall steering structure SADC Secretariat's Programmes Management Committee (PMC) being responsible for the strategic guidance and oversight of the implementation of the whole SIPS Programme (including this Action).
- The PMC SIPS Sub-Committee in order to ensure the ability of the PMC to deal with the SIPS Programme issues on an effective and efficient basis.
- The Public Relation Division in charge of the whole EU-SADC communication and visibility activities.

All three bodies will be notified ahead of time of national and regional communication and visibility activities. In general, communication with SADC Member States' government structures will be done through the SADC Secretariat. Where the SADC Secretariat's approval is

stipulated for the content and/or graphic design of communication and visibility materials, it will be considered given if no objection is expressed by SIPS Coordinator at the SADC Secretariat within five working days.

The EU Delegation to Botswana and SADC will be notified ahead of time and given an opportunity to request involvement in the conceptualisation and implementation of regional and national communication and visibility activities and events. It will share the information with the respective EU Delegations in SADC Member States as it deems fit.

The Development Counsellor at the German Embassy in Gaborone will be notified ahead of time of regional and national communication and visibility activities and events and will share the information with German Embassies in other SADC Member States as they deem fit.

GIZ will notify GIZ Country Offices in Member States, through the GIZ Country Office in Gaborone, ahead of time of regional and national visibility and communication events and activities as needed.

Intellectual Property Rights

Where it is not stated otherwise, intellectual property vests in GIZ and will not be subject to joint or co-ownership with the Contracting Authority as laid out in Art. 9.1 of Annex II. The Contracting Authority (and the European Commission where it is not the Contracting Authority) is not prevented from using deliverables produced in the course of the Action by any contractual or legal copyright constraint.

5. Implementation

5.1. Human Resources

It is planned that one GIZ staff member of the Action will be responsible for coordination of the implementation of communication and visibility activities and materials and the further development of the CVP in close cooperation with the management of SIPS Component 1. One staff will serve as communication focal point during implementation. All project staff to the Action will be regularly involved in communication and visibility activities as described above.

The Action's staff capacities will be supported by using contractors (e.g. for graphic and web design, photography, videography, public relation management) as required for specific activities and materials. GIZ will endeavour to procure the service providers operating in SADC Member States if possible and permissible under applicable legislation as well as SADC and GIZ rules and regulations.

5.2. Timeframe

The CVP covers the implementation period of the Action as stipulated in the Contribution Agreement. It is flexible, it will be monitored at regular intervals, and adjusted to ensure maximum impact. The steering structure designated in Annex I will be involved in the planning and implementation of the Action's communication and visibility activities and materials, wherever possible.

5.3. Reporting

GIZ will ensure to keep the EU up to date on the progress and the outputs of the communication activities in its narrative and financial reporting for every reporting period. Relevant information on such activities will be shared with SADC and BMZ.

6. Financial Resources

An estimated budget of up to 70,000 Euro (exclusive of personnel costs) is assigned for communication and visibility activities. The costs for these activities are allocated under various budget lines of Annex III.