

Grant Agreement

between

Ministry of Foreign Affairs Iceland (MFA Iceland)

and

INTOSAI Development Initiative (IDI)

Regarding

Funding for the Accelerated Peer-Support Partnership programme (PAP-APP) from MFA Iceland to the IDI

Whereas, the Ministry of Foreign Affairs of Iceland (hereinafter MFA Iceland) intends to enter into a funding partnership with INTOSAI Development Initiative (IDI) to strengthen the performance of Supreme Audit Institutions in Africa, specifically to empower SAIs in politically unstable and challenging environments to enhance their capacity and to improve their performance, to be able to make a difference to the lives of the citizens in their countries in line with ISSAI 12.

NOW THEREFORE MFA Iceland and IDI (the Parties) have reached the following understanding which shall constitute a Grant Agreement (the Agreement) between the Parties:

1. Scope and objectives

1.1 This Agreement sets forth the terms and procedures for the cooperation between MFA Iceland and IDI regarding funding for the **Accelerated Peer-Support Partnership programme (PAP-APP) Programme**. The objective of this grant is to contribute to strengthening the performance of Supreme Audit Institutions in Africa, specifically:

- Strengthening the accountability, transparency and integrity of government and public sector entities in AFROSAI-E members states
- Demonstrating ongoing relevance to citizens, Parliament and other stakeholders in the AFROSAI-E member states
- Being a model organisation through leading by example

The duration of the Agreement is from date of signing until 31 December 2020.

2. The Grant

2.1 MFA Iceland shall transfer to the IDI an annual amount of 100,000 US dollars per year during 2018, 2019 and 2020, to be used exclusively to finance programme and staff costs directly related to **the Accelerated Peer-Support Partnership programme (PAP-APP).**

2.2 Payment of the grant beyond the first calendar year will be subject to Parliamentary appropriations received by MFA Iceland.

The disbursement schedule and procedures for disbursement are described in section 4.

3. The IDI's Implementation

3.1 The IDI shall make use of the grant in accordance with this Agreement and the IDI approved annual budget and plans and any agreed adjustments.

3.2 The IDI shall include all income and expenditure of the grant in its financial statements, and shall administer the grant in accordance with applicable legislation and current standards as well as the IDI's procedures for financial management and internal control.

3.3 The IDI shall notify MFA Iceland without undue delay of any significant breaches of the IDI's code of Ethics in implementing this agreement.

4. Disbursements

4.1 The Grant will be disbursed through annual instalments, tentatively in June each year. MFA Iceland may make disbursements more frequently or at other times.

4.2 The first disbursement will be made upon signing of this grant agreement. Subsequent disbursements will be made following written disbursement requests from IDI.

4.3 The IDI shall deposit the Grant in a separate bank account for grants.

The Grant shall be disbursed to INTOSAI Development Initiative (IDI).

Account number: 6026.05.27439

IBAN number: NO3560260527439

SWIFT number: NDEANOKK

Name of the bank: Nordea Bank Norge ASA

Address of the bank: PB 1166 Sentrum, 0107 Oslo, Norway

4.4 The IDI shall immediately, in writing, acknowledge receipt of the funds.

5. Reporting and annual plan and budget

5.1 General provisions

- 5.1.1 The IDI shall submit to MFA Iceland the plans and reports specified below. Separate reports are not required to be prepared for MFA Iceland specifically as long as the below-mentioned requirements as to content are met in the IDI's reporting to other donors or in the general reporting.
- 5.1.2 If a deadline for a report cannot be met, the IDI shall notify MFA Iceland immediately.

5.2 Annual plan and budget

- 5.2.1 By 30.11 each year the IDI shall submit to MFA Iceland the IDI Operational Plan and budget for the following year January - December.
- 5.2.2 The annual budget shall contain all expected expenditure and income for the following year.

5.3 Annual report

- 5.3.1 By 31.05 each year the IDI shall submit to MFA Iceland the IDI annual Performance and Accountability Report for the previous calendar year, describing the IDI's performance against the Operational Plan for the previous year.
- 5.3.2 The report shall include the following information:
 - a description of achieved results (output and outcome) compared to the Programme document and Budget
 - an assessment of the management of internal and external risks that may affect the success of the implementation of the programme
 - an assessment of the need for adjustments to agreed plans, including actions for risk mitigation
 - a summary of main lessons learned

5.4 Financial statements and audit

- 5.4.1 By 31.05 each year the IDI shall submit to MFA Iceland audited financial statements for the previous calendar year.
- 5.4.2 The financial statements shall show all use of the Grant as well as total expenditure and income of the IDI, including accrued interest.
- 5.4.3 The audit shall be performed by an independent and state authorized or registered public accountant, in accordance with the relevant International Auditing Standards. The audit conclusion must be expressed with reasonable assurance.

6 Other follow-up measures

- 6.1 MFA Iceland will be invited for the annual meeting of the programme. MFA Iceland may also call for other meetings to discuss implementation of the grant. The purpose of these meetings is to provide further information on progress on **the Accelerated Peer-Support Partnership programme (PAP-APP)**, and provide MFA Iceland with the opportunity to review progress and discuss future plans.
- 6.2 The Program Document foresees an evaluation of Phase 1 of the Programme in 1st quarter of 2020. MFA Iceland may at any time conduct reviews, evaluations and inspections of the use of the Grant. The costs of such reviews, evaluations and inspections will be covered by MFA Iceland over and above the Grant.
- 6.3 MFA Iceland shall have the right to undertake any control measures, including reviews and audits, to verify that the Grant has been used in accordance with this Agreement, and shall be given permission to visit and have access to any required documents, records and goods.
- 6.4 Any reports or summaries of external reviews and evaluations of the IDI shall be published and shared with MFA Iceland without delay.

6.5 Reimbursement of unspent grant funds/accrued interest

- 6.5.1 Unspent funds at the end of each calendar year may be carried forward for use for the same purpose in the following calendar year, up to the end of the period of the grant agreement, and shall be shown as such in IDI's Financial Statements.
- 6.5.2 Accrued interest of the fund can be used by IDI without an application to MFA Iceland.
- 6.5.3 Unspent funds exceeding a total of 1 000 US dollars at the end of the period of the grant agreement shall be reimbursed by 01.04 of the following calendar year. The reimbursement shall be marked **"agreement for the Accelerated Peer-Support Partnership programme (PAP-APP)"**.

Reimbursements shall be made to the following account:

Account holder:	Ministry for Foreign Affairs Rauðarárstíg 25, 105 Reykjavík, Iceland
Bank:	Landsbankinn hf.
Account no:	0001-26-025017
SWIFT:	NBIIISRE

7. Corruption and other financial irregularities

- 7.1 The IDI shall organize its activities and internal control in a way that prevents corruption and other financial irregularities, including theft, embezzlement, fraud and misappropriation of funds. Furthermore, the IDI shall not at any time request, receive, accept, offer or provide any form of gift, payment or advantage that may be construed as corruption or constitute breach of applicable law.
- 7.2 The IDI shall notify MFA Iceland without delay of any suspicion of corruption and/or other financial irregularities of which the IDI becomes aware during implementation of the its operational plans. MFA Iceland shall be notified of any assessments and decisions in such cases.

8. Breach of Agreement

- 8.1 If the IDI fails to fulfil its obligations under the terms of this Agreement and/or if there is suspicion of corruption and/or other financial irregularities, MFA Iceland may withhold all or part of the Grant.
- 8.2 In the event of a serious breach of this Agreement, including if evidence is provided that all or part of the Grant has not been used in accordance with the Agreement, that a satisfactory account of the use of the funds has not been provided and/or that corruption and/or other financial irregularities have taken place, MFA Iceland may after consultation with the other party cancel the Agreement and/or claim repayment of all or part of the Grant.

9. Resolution of disputes

- 9.1 An attempt shall be made to resolve amicably any dispute associated with interpretation or fulfilment of the Agreement. If the dispute cannot be resolved amicably, it shall be referred to the ordinary courts of law and resolved pursuant to Norwegian law. The venue shall be Oslo District Court (Oslo Tingrett).

10. Entry into force - termination

- 10.1 This Agreement shall enter into force when it has been signed by both parties, and shall remain in force until both parties have fulfilled all obligations arising from it. The obligations pursuant to the Agreement shall be deemed fulfilled when so decided in consultation between the parties.
- 10.2 Each of the parties may terminate the Agreement upon three months' written notice. The parts of the Grant that are unspent when the Agreement is terminated shall be repaid to MFA Iceland without undue delay.

This Agreement is drawn in duplicate with one copy for MFA Iceland and one copy for the IDI.

Place: *Reykjavik*

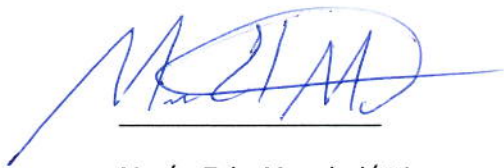
Place: Oslo

Date: *31 August 2018*

Date: 6 July 2018

For MFA Iceland

For IDI



María Erla Marelsdóttir

Director General, Directorate for

International Development Cooperation



Einar Gørrissen

Director General