

GRANT AGREEMENT

BETWEEN

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

INTOSAI DEVELOPMENT INITIATIVE (IDI)

REGARDING

SSD-19/0006, NATIONAL AUDIT CHAMBER  
STRATEGIC CHANGE PROJECT

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# PART I: SPECIFIC CONDITIONS

This grant agreement (the Agreement) has been entered into between:

- (1) The Norwegian Ministry of Foreign Affairs (MFA), represented by the Royal Norwegian Embassy in Juba (the Embassy), and
  - (2) INTOSAI Development Initiative (IDI), a Norwegian foundation duly established in Norway under the registration number **980997278** (the Grant Recipient),
- jointly referred to as the Parties.

## 1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted a project document to MFA dated 1<sup>st</sup> October 2019 with final updates dated 28 September 2020 and 06 October 2020 respectively (the Application) regarding financial support to the project titled National Audit Chamber Strategic Change project, SSD-19/0006 (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A to this Agreement.
- 1.2 MFA has decided to award a grant to be used exclusively for the implementation of the Project (the Grant). The Parties expect the Project to be implemented during the period from January 2020 to December 2023 (the Support Period).
- 1.3 The Parties have agreed to enter into an Agreement, consisting of this part I; Specific Conditions, part II; General Conditions, and part III; Procurement Provisions, all of which form an integral part of this Agreement. In the event of discrepancies between the Specific Conditions and the General Conditions or Procurement Provisions, the Specific Conditions shall prevail.
- 1.4 The Grant Recipient and the National Audit Chamber (NAC) in South Sudan has signed a Cooperation Agreement 2020-2024 related to NAC's Strategic Plan 2019-2024. Other cooperating partners in the Project are the African Organisation of English-speaking Supreme Audit Institutions and the Office of the Auditor General, Kenya.

## 2 OBJECTIVES OF THE PROJECT

- 2.1 The expected results of the Project are as follows:

**Impact:** *Better compliance with laws and regulations and stronger public financial management in South Sudan.*

**Outcome:**

1. *Public Accounts Committee follow-up on the audits.*
2. *Executive follow-up of audit findings.*
3. *Central government financial statements issued on time.*
4. *Central Bank and government owned companies issued their financial statements on time.*

5. *State government financial statements issued on time.*

**Outputs:**

1. *Annual Financial and Compliance Audit reports issued for Central Government including recommendations for compliance with key rules and regulations.*
2. *Audit reports of the Central Bank and government owned companies issued annually.*
3. *Audit reports covering the States and local Governments, including recommendations for issuing of financial statements and compliance with key rules and regulations.*
4. *Performance audit reports issued for the main sectors.*
5. *Special audit reports of donor funded projects.*
6. *Investigative audit reports in selected areas.*
7. *Annual NAC Activity report.*
8. *Annual seminar for the PAC presenting the main findings and status of previous year's recommendations all issued and carried out.*

**The NAC focus area objectives:**

1. *NAC independence strengthened*
2. *Enhanced quality and Impact of Audit Services,*
3. *Internal Governance System and Structures strengthened,*
4. *Improved human resources development, and*
5. *Advocacy and stakeholders' engagement strengthened.*

**Target Group:** The main target group of the project are NAC's managers and auditors, key stakeholders of the NAC including, the parliament, government, development partners as well as the citizens.

2.2 The full results framework is included as Annex B to this Agreement.

### **3 IMPLEMENTATION OF THE PROJECT**

- 3.1 The Project shall be implemented in accordance with the Agreement, including all annexes, and the latest approved Application, including implementation plan and budget.
- 3.2 During the implementation of the Project, the Grant Recipient shall exercise the necessary diligence, efficiency and transparency in line with sound financial management and best practise principles.
- 3.3 The Grant Recipient shall continuously identify, assess and mitigate any relevant risks associated with the implementation of the Project. The risk of potential negative effects of the Project in the following cases (Cross-Cutting Issues) shall always be included in the risk management of the Project:
  - anti-corruption
  - climate and environment,
  - women's rights and gender equality, and
  - human rights (with a particular focus on participation, accountability and non-discrimination)

- 3.4 The Grant Recipient shall immediately inform MFA of any circumstances likely to hamper or delay the successful implementation of the Project.

#### **4 THE GRANT**

- 4.1 The Grant shall amount to maximum **NOK 15 224 000** (Norwegian Kroner Fifteen million Two Hundred - Twenty Four Thousand).
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the Parliament's annual allocation to the relevant budget line may lead to a reduction in annual Grant allocations and/or in the total Grant amount. The annual Grant allocations must be confirmed by MFA following the Parliament's approval of the state budget for the relevant budget year. If the Grant amount is reduced, the Grant Recipient must revise the implementation plan, budget and results framework correspondingly.
- 4.3 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.4 The Grant may be used to cover overheads/indirect costs up to a maximum of 6% of actual/direct costs of the Project.
- 4.5 The Grant Recipient is responsible for obtaining any additional resources, which may be required to duly implement the Project.

#### **5 DISBURSEMENT**

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Project for the upcoming period, which shall not exceed six months. The disbursements shall be made upon MFA's receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question. The first disbursement shall include approved Project expenses incurred prior to the signing of this Agreement.
- 5.2 Financial need refers to the budgeted expenditure for the upcoming period, minus any funds available to the Project from all other sources during the same period.
- 5.3 The financial need shall be documented through an updated financial statement for the Project and a reference to the latest approved implementation plan and budget.
- 5.4 The disbursement requests shall be signed by the chief financial officer or an authorised representative of the Grant Recipient. A confirmation that the Project is being implemented in accordance with the Agreement shall be included in the disbursement request.
- 5.5 All disbursements are conditional upon the Grant Recipient's continued compliance with the requirements of the Agreement, including the timely fulfilment of reporting obligations. MFA may withhold disbursements in accordance with article 17 of the General Conditions if it finds that the requirements of the Agreement have not been met. Except for the Project's first year, the first disbursement each year is subject to MFA's receipt and approval of the progress report and financial report.

- 5.6 The Grant Recipient shall have a separate bank account exclusively for grants from MFA. All disbursements will be made to the following bank account:

Name of the account: **Stiftelsen  
INTOSAI Development Initiative (IDI).**  
Account no.: **60345678134**  
IBAN no.: **NO5060345678134**  
Name and address of the bank: **Nordea  
Bank Norge ASA, PB 1166 Sentrum,  
0171 Oslo, Norway.**  
Swift/BIC code: **NDEANOKK**  
Currency of the account: **NOK**

- 5.7 The Grant Recipient shall immediately acknowledge receipt of the funds in writing. The amount received shall be stated, as well as the date of receipt and the exchange rate applied.

## 6 REPORTING AND OTHER DOCUMENTATION

- 6.1 The following shall be submitted by the Grant Recipient to MFA:

- a) A **progress report** covering the period from **January** to **December** shall be submitted to MFA by **31 March** each year. The progress report shall include the content specified in article 2 of the General Conditions. MFA's standard reporting format shall be used.
- b) A **financial report** covering the period from **January** to **December** shall be submitted to MFA by **31 March** each year. The financial report shall include the content specified in article 3 of the General Conditions. The final financial report shall cover the entire Support Period and shall be submitted along with the final report referred to in article 6.1 f) of the Specific Conditions.
- c) By **30 April** each year, The Grant Recipient shall submit to MFA an all-inclusive (organizational) annual audit. The audit report shall comply with the requirements set out in article 7 of the Specific Conditions and article 5 of the General Conditions. The management letter (matters for governance attention) shall be attached to the audit report.
- d) An updated **implementation plan and budget** covering the period from January to December shall be submitted to MFA by **November** each year. The implementation plan and budget shall include the content listed in article 1 of the General Conditions.
- e) A **final report** for the Support Period shall be submitted to MFA no later than **6** months after the end of the Support Period. The final report shall include the content listed in article 4 of the General Conditions. MFA's standard reporting format shall be used.

- 6.2 If the Grant Recipient is unable to meet the deadlines set out above, MFA shall be informed immediately.

- 6.3 All implementation plans, budgets and reports shall be approved in writing by MFA unless otherwise agreed by the Parties.

## **7 AUDIT**

- 7.1 The annual financial statements of the Project shall be audited in accordance with International Standards of Auditing (ISA). The auditor shall comply with all ISAs relevant to the audit, ref. ISA 200 (Overall objectives of the independent auditor and the conduct of an audit in accordance with international standards on auditing), paragraphs 18 and 20. Of Particular relevance is ISA 240 (The Auditor's responsibility to Consider Fraud and Error in an Audit of Financial Statements), and ISA 800 ("Special Considerations audits of single financial statements and specific elements, accounts or items of a financial statement").
- 7.2 Additional requirements applicable to the auditor and the audit report are included in article 5 of the General Conditions.
- 7.3 The Grant Recipient is responsible for submitting the audit report to MFA within the deadline indicated in article 6 of the Specific Conditions.

## **8 FORMAL MEETINGS**

- 8.1 The Parties shall hold formal meetings once per year, tentatively in **May** in order to discuss i.a. the results achieved by the Project during the Support Period. The meetings shall be called and chaired by the Grant Recipient.
- 8.2 Unless otherwise agreed, the Parties shall discuss the latest progress report and financial report, as well as the implementation plan and budget for the upcoming period.
- 8.3 The Grant Recipient shall record main issues discussed, points of view expressed and decisions made, in minutes from the meeting. The Grant Recipient shall submit the minutes to MFA no later than two weeks after the meeting for comments. The agreed minutes shall be signed by both Parties.
- 8.4 The Parties shall hold formal meetings when requested by MFA. The Parties will agree upon details regarding agenda and procedures.

## **9 REVIEWS AND OTHER FOLLOW-UP MEASURES**

- 9.1 A mid-term review focusing on results achieved by the project shall be carried out by **1 May 2022**. The Grant Recipient shall draft the terms of reference for the review and submit them to the Embassy for approval. The costs of the review shall be included in the Project budget.
- 9.2 An end-term review focusing on results achieved by the Project shall be carried out by **1 May 2024**. The Grant Recipient shall draft the terms of reference for the review and submit them to the Embassy for approval. The costs of the review shall be included in the Project budget.
- 9.3 If the Grant Recipient or another interested party initiates a review or evaluation of activities wholly or partly funded by the Grant, MFA shall be informed. The Grant Recipient shall forward a copy of the report of any such review or evaluation to MFA without undue delay.

## 10 PROCUREMENT

- 10.1 All procurement under the Project shall be completed in accordance with the Procurement Provisions in Part III of this Agreement.

## 11 REPAYMENT OF INTEREST AND UNUSED FUNDS

- 11.1 Upon the end of the Support Period or upon termination of this Agreement, any unused funds that total NOK 500 or more shall in its entirety be repaid to MFA as soon as possible and at the latest within 6 months. The repayment shall include any interest, which have not been used for Project purposes, and other financial gain accrued on the Grant.

- 11.2 Repayments shall be made to the following bank account:

Name of the account: **Royal Norwegian Embassy**  
Account no.: **76940514491**  
IBAN no.: **NO497940514491**  
Name and address of the bank: **DnB ASA, 0021 Oslo, Norway**  
Swift/BIC code: **DNBANOKKXXX**

- 11.3 The transaction shall be clearly marked: "Unused funds". The name of the Grant Recipient shall be stated, along with MFA's agreement number and agreement title.

## 12 NOTICES

- 12.1 All communication to MFA concerning the Agreement shall be directed to the Embassy in Juba at the following e-mail address: [emb.juba@mfa.no](mailto:emb.juba@mfa.no)
- 12.2 All communication to the Grant Recipient concerning the Agreement to INTOSAI Development Initiative (IDI) shall be directed at the following e-mail address: [jostein.tellnes@idi.no](mailto:jostein.tellnes@idi.no)
- 12.3 MFA's agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

## 13 SIGNATURES

- 13.1 By signing part I of the Agreement, the Parties also confirm receipt and approval of part II; General Conditions, and part III; Procurement Provisions, which all form an integral part of the Agreement.
- 13.2 This Agreement has been signed in two -2- original copies in the English language. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.



Place: **Juba, South Sudan**

Date: 26.10.2020



for the Norwegian Ministry of Foreign Affairs,

Siv Kaspersen

Ambassador

Royal Norwegian Embassy in Juba



Attachments:

**Annex A: Approved budget for the Project**

**Annex B: Results framework**

**Oslo, Norway.**

29.10.2020



for INTOSAI Development Initiative (IDI),

Einar Gørrissen

Director General

INTOSAI Development Initiative



