

Kopimottaker

United States
TSNE MissionWorks
Financial Transparency CoalitionKathryn Entner (TSNE MissionWorks)
Sargon Nissan (FTC)

Arkivkode/ File no:

822.1

Deres/ Dykkar ref./ Your ref.:

Dato/ Date:

19.12.2018

Vår ref./ Our ref.:

1801005-20

Vår saksbeh./ Enquiries:

Ida Hellmark

QZA-0833 QZA-18/0372 Notification of Grant to FTC (TSNE MissionWorks)

Norad refers to your application for the project “Execution of the FTC 2018-2020 Strategy” to the Norad Grant Scheme for Support to Civil Society and Democratization.

Grant

Norad is pleased to inform you that we have decided to offer Financial Transparency Coalition (FTC) a grant not exceeding NOK 12 250 000 for the period 2019-2020.

Norad has decided to support the execution of the FTC 2018-2020 Strategy, with the vision and mission as stated below.

The FTC’s vision is to help eradicate poverty and tackle inequality through the curtailment of illicit financial flows.

The FTC’s mission is to curtail illicit financial flows through the promotion of a fairer, more transparent, accountable and sustainable financial system.

Norad will support the following cost centers in the budget (Annex A to the Agreement):

1. “Coordinating Committee” (which includes the Thematic Areas)
2. “Conference and Meetings”

In addition, maximum 7% of the Norad funds can be used for the cost center “Secretariat” as administrative indirect costs.

The Project audit required by the Norad Agreement (paragraph 6.1 c in Special Conditions) is included in the budget line “Audit” in cost center “Secretariat”. This is a direct project cost and additional to the 7% indirect administrative costs.

The budget line “Currency fluctuation contingency” can only be debited using Norad funding upon a written approval by Norad.

Grants beyond the current calendar year are subject to the decision by the Norwegian Parliament. Annual grants for the years 2019 and 2020 will be confirmed as part of Norad’s approval of the project’s annual plan and budget.

Norad’s decision is in line with the guidance provided in the National budget for 2018 (Prop S1 (2017-2018)), MFA’s 2018 Award letter no 1 to Norad, Norad’s Principles for Civil Society Support (2018) and the Grant Scheme for the Support to Civil Society and Democratization.

In line with what is stated in the attached agreement, the grant recipient is responsible to Norad for the grant to be used in accordance with the conditions set out in the Agreement. This includes zero tolerance for corruption and other financial irregularities. If Financial Transparency Coalition or any of its project partners' staff have any suspicions of financial irregularities, harassments or other misconduct, this should be reported to Norad's Whistleblowing channel or Norad's external reporting channel (www.norad.no/en/front/about-norad/whistleblowing/)

Prerequisites for first disbursement in 2019

- a) The documentation of financial need
- b) The completion of a partner review by Norad
- c) An updated work plan for 2019 that includes Norad funding. The Norad funding can only be used for the work that is specified in the FTC Strategic plan 2018-2020 and the related workplans.
- d) An updated budget that includes Norad funding. This budget must reflect all planned costs including the cost of the project audit. In addition to the overall budget by actor, the budget should include a more detailed budget by Working Group/thematic area
- e) A revised and updated results matrix (the FTC finalized MEL-framework). This must include baseline information and means for analysing change on IFFs and national resource mobilization on impact level.
- f) An updated risk matrix that includes risks, mitigation measures, weighting of probability and consequence for each identified risk.

Audit

Norad requires a project specific audit for Norad funds. As agreed, TSNE and FTC shall make the necessary arrangements/procurements to fulfill this requirement. Please note that paragraph 6c and 6e in the Agreement covers two separate audits. 6c refers to the project specific audit that covers Norad funding, and 6e refers to the annual organizational audit of TSNE MissionWorks.

Sharing of Agreement for signature

We hereby send you a signed Agreement with two attachments, the grant budget (Annex A) and the outcomes and impact statements (Annex B). We welcome your signed scanned version in return (please remember to countersign all pages). We will also send you two original versions by mail. Kindly return one original version to Norad.

First disbursement

Based on the information that FTC has provided regarding financial needs for the first 6 months, Norad will disburse NOK 2 250 000 upon signing of the addendum. Please confirm in writing when the transaction was successful, and please specify the amount received and the exchange rate applied by the bank.

In addition, we also send you two declaration forms; one concerning ethical guidelines and one concerning safety when travelling in high-risk areas, that requires your signature. Also attached, is an information letter from the Norwegian Ministry of Foreign Affairs in relation to the #MeToo campaign.

We look forward to the collaboration and wish you luck in the implementation of the project!

Sincerely,

Inger Brodal
Assistant Director

Ida Hellmark

Dato/ Date.

Vår ref./ Our ref.:

19.12.2018

1801005-20

Civil Society Department

Senior Advisor

This document has been electronically approved and requires no signature.

Liste over mottakere/ Recipients:

Financial Transparency Coalition

TSNE MissionWorks

Financial Transparency Coalition - Sargon Nissan

Liste over kopimottakere/ Recipient(s) in copy:

Inger Brodal

TSNE MissionWorks - Kathryn Entner

Financial Transparency Coalition - Holden Healy



**ROYAL NORWEGIAN
MINISTRY OF FOREIGN AFFAIRS**

*Minister of Foreign Affairs
Minister of International Development*

Oslo, 16 February 2018

Dear partner

The #MeToo campaign has shown that sexual harassment, exploitation and abuse are widespread, and that the field of international aid and development assistance is no exception.

Norway is a significant actor in the field of international development. We attach great importance to doing our share to fight the negative culture highlighted by the #MeToo campaign.

First and foremost, we want to convey a clear message that sexual harassment, exploitation and abuse are completely unacceptable.

We expect all our partners to endorse this message. We also expect our partners to take their responsibility as employers seriously, and implement measures to combat the problem where necessary.

In concrete terms, this means that we expect all organisations that receive funding from the Ministry of Foreign Affairs and Norad to have ethical guidelines and good systems in place for preventing, reporting, and dealing with matters such as sexual harassment, sexual exploitation, sexual abuse and gender-based violence. These systems and guidelines must apply to the organisations' own employees. The organisations have a responsibility as employers that they must uphold, and addressing this issue is an important part of this responsibility. The organisations also have a responsibility in relation to their partners and the local communities in which they are working.

At the Ministry of Foreign Affairs, we will put this issue even higher on the agenda when we meet our partners, whether they are NGOs, the UN, or other actors. This will be done at political level and at senior official level. This will build on the work we have been doing for many years. We have made it clear that the organisations we support must have guidelines and easily accessible channels for reporting concerns, which ensure that those who report concerns are followed up properly and impartially. We will now intensify our efforts in this area.

We look forward to continuing our dialogue on how we can best follow up this issue, so that we can work together to fight sexual harassment, abuse and violence.

Ine Eriksen Søreide

Nikolai Astrup



Norad

Declaration concerning ethical guidelines

According to Norad's guidelines, grant applicants shall confirm that the company/organisation/institution has ethical guidelines. As a minimum, the guidelines shall include the provisions and requirements listed in "Ethical guidelines - Guide for Norad's grant recipients", March 2014.

This declaration is valid for

Company/organisation /institution	TSNE MissionWorks	Organisation number	071721328
Address	89 South Street Boston, MA, USA	Postal code	02111
Place			

I am familiar with Norad's ethical guidelines, and hereby confirm that TSNE MissionWorks
(name of company/organisation/institution):

- has ethical guidelines that as a minimum, contain the provisions and requirements listed in "Ethical guidelines - Guide for Norad's grant recipients"
- will strive to ensure compliance with these guidelines in the entire organization at any time
- will grant Norad access to the guidelines as well as information about the work undertaken to ensure compliance with these, upon request.

12/18/2018

Date

General Manager



Norad

Declaration concerning safety when travelling in high-risk areas

According to Norad's guidelines, grant applicants shall, upon application for funds, confirm that the company/organisation/institution undertakes sufficient safety assessments for their employees when travelling or staying in high-risk areas.

This declaration is valid for

Company/organisation /institution	TSNE MissionWorks	Organisation number	071721328
Address	89 South Street Boston, MA, USA	Postal code	02111
Place			

I hereby confirm that TSNE MissionWorks (name of company/organisation/institution):

- will take full responsibility for our employees travelling or staying in high-risk areas in connection with implementation of projects/programmes supported by Norad
- will undertake sufficient safety assessments in this respect
- will ensure that all required safety measures are taken, and that necessary training, equipment, insurance etc, will be provided.

12/18/2018

Date

[Signature]

General Manager

GRANT AGREEMENT

between

The Norwegian Agency for Development Cooperation

and

TSNE MissionWorks
(Fiscal host to Financial Transparency Coalition, FTC)

regarding

QZA-18/0372 Execution of the FTC 2018-2020 Strategy

Part I: Specific Conditions

Part II: General Conditions

Part III: Procurement Provisions

Annex A: Budget

Annex B: Outcome and Impact Statements

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PART I: SPECIFIC CONDITIONS

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

- (1) The Norwegian Agency for Development Cooperation (Norad), represented by the Civil Society Department, and
- (2) Third Sector New England d.b.a. TSNE MissionWorks (fiscal host to Financial Transparency Coalition), registered at The Commonwealth of Massachusetts on 21 May 1959. Federal Identification number 04-2261109. TSNE MissionWorks is registered as a corporation, as defined the specific state of registration, though is recognized as a 501(c)(3) non-profit, operating exclusively for charitable, educational, and scientific purposes.
(the Grant Recipient),

jointly referred to as the Parties.

1 SCOPE AND BACKGROUND

- 1.1 The Grant Recipient has submitted an application to Norad dated 1 October 2018 and the final budget 18 December (the Application) regarding financial support to the Project titled QZA-18/0372 Execution of the FTC 2018-2020 Strategy (the Project). The estimated costs of the Project are indicated in the budget attached as Annex A.
- 1.2 Norad 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 1 January 2019 to April 2021 (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.

2 OBJECTIVES OF THE PROJECT

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

The FTC's vision is to help eradicate poverty and tackle inequality through the curtailment of illicit financial flows.

The FTC's mission: The FTC aims to curtail illicit financial flows through the promotion of a fairer, more transparent, accountable and sustainable financial system.

The Project's planned effect(s) on society is:

The key results sought by the FTC are defined as six Long-Term Impacts which describe a situation regarding civil society and other stakeholders' capacity brought about (or contributed to) by the FTC's work:

- 1) Political commitments to automatic exchange of information (AEOI) for tax purposes are effectively translated into a multilateral agreement that encourages the participation of

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international financial centers and allows for the full and effective participation of developing countries.

- 2) Entrench beneficial ownership transparency as the global standard where governments have established or are committed to establishing public beneficial ownership registers in an open data, machine-readable format.
- 3) Large multinational groups publicly report country-by-country reporting (CBCR) data for all their countries of operations. This information is made available to the public in a highly accessible, machine-readable, open data format, ideally on the corporate website and through a single registry/database.
- 4) An increasing number of international standards benefit developing countries, through effective and increased participation of developing countries in standard-setting and decision-making forums on tax and financial transparency. International practices concerning financial and tax transparency are increasingly linked with human rights conventions, treaties and norms as well as the Sustainable Development Goals (SDGs).
- 5) Expose, and hold legally accountable, those who provide technical and legal help to tax evaders and money launderers, through (i) increased legal accountability for money laundering by those who enable money laundering/tax evasion, illicit financial flows, and (ii) general acceptance of the idea that these gatekeepers should first and foremost operate within the scope of money laundering/tax evasion laws, rather than seeking to circumvent them.
- 6) Civil society actors in targeted developing countries are able to create and contribute to policy debates for the realization of financial and tax transparency and accountability. Coordinating Committee members in the Global South are able to actively engage and provide developing country perspectives in the ongoing international discourse on financial transparency issues, as well as demystify global debates at national levels, thus promoting the development of national and regional rights-based narratives and movements on illicit financial flows and financial transparency in the Global South.

The planned effects for the target group of the Project are listed in Annex B.

- 2.2 The outcome and impact statements are included as Annex B to this Agreement. The Grant Recipient shall submit a revised results framework for approval before the first disbursement of 2019.

3 IMPLEMENTATION OF THE PROJECT

3.1 The Project shall be implemented in accordance with:

- a) the Agreement, including all annexes,
- b) the approved Application
- c) the implementation plan and budget
- d) as well as any later any amendments to the above documents which are approved by Norad.

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 identify, assess and mitigate any relevant risks associated with the implementation of the Project, including the risk of corruption and other financial irregularities, and any potential negative effects that the Project may have on the environment and climate, gender equality and human rights.

4 THE GRANT

- 4.1 The Grant shall amount to maximum NOK 12 250 000 (Norwegian Kroner Twelve Million Two Hundred and Fifty Thousand).
- 4.2 Disbursement after the current calendar year is subject to Norwegian Parliamentary appropriations. Significant reductions in the annual allocation to the relevant budget line may lead to a reduction in annual allocations and/or in the total Grant amount.

- 4.3 The tentative, annual distribution of the Grant will be as follows:

2018: NOK 2 250 000
2019: NOK 5 000 000
2020: Up until remaining amount

The annual allocations must be confirmed by Norad following the Parliament's approval of the state budget for the relevant budget year. Disbursements will be based on the actual financial need of the Project in accordance with article 5 of the Agreement.

- 4.4 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.5 At least 10 % of the Project's total costs shall be covered by funds that do not originate, directly or indirectly, from grants from Norad or another Norwegian public body. This contribution shall be identified in the Project's financial statements.
- 4.6 The Grant may be used to cover overheads/indirect costs up to a maximum of 7 % of Norad's pro rata share of the actual costs of the Project.
- 4.7 The Grant Recipient is responsible for obtaining any additional resources which may be required to duly implement the Project.
- 4.8 The Grant Recipient may apply for additional funding to the Project during the Support Period only upon written invitation from Norad.

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 Norad's receipt of written disbursement requests from the Grant Recipient, describing the financial need for the period in question.
- 5.2 The first disbursement shall be disbursed upon signing of this Addendum. Subsequent disbursements shall be made according to the requirements in the agreement (paragraph 5.1).
- 5.3 The first disbursement of 2019 shall be contingent upon the following:
- a) The documentation of financial need
 - b) The completion of a partner review by Norad

- c) An updated work plan for 2019 that includes Norad funding. The Norad funding can only be used for the work that is specified in the FTC Strategic plan 2018-2020 and the related workplans.
 - d) An updated budget that includes Norad funding. This budget must reflect all planned costs including the cost of the project audit. In addition to the overall budget by actor, the budget should include a more detailed budget by Working Group/thematic area
 - e) A revised and updated results matrix (the FTC finalized MEL-framework). This must include baseline information and means for analysing change on IFFs and national resource mobilization on impact level.
 - f) An updated risk matrix that includes risks, mitigation measures, weighting of probability and consequence for each identified risk.
- 5.4 The second disbursement of 2019 shall be contingent upon:
The receipt of a project implementation update (one to three pages) covering the period from the start of the Support Period until the date of submission of the disbursement request. The update shall include details about any deviations and delays, and/or any other information pertinent to the achievement of the Projects objectives, and the documentation of financial need.
- 5.5 Financial need refers to the budgeted expenditure for the upcoming period, less any funds available to the Project from all other sources during the same period.
- 5.6 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.
- 5.7 The disbursement requests shall be signed by 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.
- 5.8 All disbursements are conditional upon the Grant Recipient's continued compliance with the requirements of the Agreement, including the timely fulfilment of reporting obligations. Norad 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 the Norad's receipt and approval of the updated implementation plan and budget, while the second disbursement each year is subject to Norad's receipt and approval of the latest progress report and financial report.
- 5.9 The Grant Recipient shall have a separate bank account exclusively for grants from Norad. All disbursements will be made to the following bank account:
- Name of the account: Third Sector New England
Account no.: 8254842335
IBAN no.: 211370545
Name and address of the bank: TD Bank 200 State Street, Floor 10 Boston, MA
02109 USA
Swift/BIC code: TDOMCATTTOR
Currency of the account: USD
- 5.10 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 Norad:

- a) A **progress report** shall be submitted to Norad by 31 May 2020. The progress report shall cover the period from the start of the Support Period to 31 December 2019. The progress report shall include the content specified in article 2 of the General Conditions. The Civil Society Department's standard reporting format shall be used, and the following additional requirements shall be met:
 - o The Grant Recipient shall include an annual risk management report, detailing what risks have been assessed and managed since the start of the Support Period
 - o The Grant Recipient shall include information regarding what anti-corruption measures have been undertaken and implemented since the start of the Support Period
 - b) Two **financial reports** shall be submitted to Norad. The first financial report shall be submitted no later than 31 May 2020, and shall cover the period from the start of the Support Period to 31 December 2019. The second and final financial report shall be submitted to Norad no later than six months after the end of the Support Period, 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. Both financial reports shall include the content specified in article 3 of the General Conditions and will show expenditure against the latest approved budget.
 - c) Two **audit reports** covering the financial statements of the Project shall be submitted to Norad. The first financial report shall be submitted no later than 31 May 2020, and shall cover the period from the start of the Support Period to 31 December 2019. The second and final audit report shall be submitted to Norad no later than six months after the end of the Support Period, and shall cover the period from 1 January 2020 to the end of the Support Period. 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 Norad by 1 December each year. The implementation plan and budget shall include the content listed in article 1 of the General Conditions. The Civil Society Department's standard formats shall be used.
 - e) The organizational **annual report and audit report** of the Grant Recipient shall be submitted to Norad by 31 May each year. If the auditor submits a management letter (matters for governance attention) this shall be attached to the audit report.
 - f) A **final report** for the Support Period shall be submitted to Norad no later than six months after the end of the Support Period. The final report shall include the content listed in article 4 of the General Conditions. The Civil Society Department's standard reporting format shall be used.
- 6.2 If the Grant Recipient is unable to meet the deadlines set out above, Norad shall be informed in writing immediately.
- 6.3 All implementation plans, budgets and reports shall be approved in writing by Norad unless otherwise agreed by the Parties.

7 AUDIT

- 7.1 The annual financial statements of the Project shall be audited in accordance with the country's national auditing standards which are equivalent to International Standards of Auditing (ISA) 800 ("Special considerations audits of financial statements prepared in accordance with special purpose frameworks") or ISA 805 ("Special considerations audits of single financial statements and specific elements, accounts or items of a financial statement").
- 7.2 The Grant Recipient is responsible for submitting the audit report to Norad within the deadline indicated in article 6 of the Specific Conditions.

8 FORMAL MEETINGS

- 8.1 The Parties shall hold a formal meeting in 2019 prior to the first disbursement of 2019 to discuss the results of Norad's partner assessment, and progress towards any recommended follow-up from the assessment, as well as to discuss the implementation of the project. The meeting shall be called and chaired by Norad. Details regarding agenda and procedures will be agreed upon by the Parties.
- 8.2 The Parties shall hold additional formal meetings if/when requested by Norad. Details regarding agenda and procedures will be agreed upon by the Parties.

9 REVIEWS AND OTHER FOLLOW-UP MEASURES

- 9.1 A review focusing on results achieved by the Project shall be carried out by the end of 2020. Norad shall draft the terms of reference for the review and submit them to the other Party for approval. The costs of the review shall be covered by Norad over and above the Grant.
- 9.2 If the Grant Recipient or another interested party initiates a review or evaluation of activities that are wholly or partly funded by the Grant, Norad shall be informed. The Grant Recipient shall forward a copy of the report of any such review or evaluation to Norad 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 more than NOK 500 shall be repaid to Norad 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: Norad
Account no.: 7694 05 14815
IBAN no.: NO31 7694 0514 815
Name and address of the bank: DNB BANK, N-0021 Oslo, Norway

Swift/BIC code: DNBANOKKXXX

- 11.3 All transactions shall be clearly marked: "Unused funds" or "Interest". The name of the Grant Recipient shall be stated, along with Norad's agreement number and agreement title.

12 NOTICES

- 12.1 The budget line "Currency fluctuation contingency" in the approved budget (Annex A) can only be debited using Norad funding upon a written approval by Norad.
- 12.2 All communication to Norad concerning the Agreement shall be directed to the Civil Society Department at the following address/e-mail address: SIVSA.NORAD-Post@norad.no.
- 12.3 All communication to the Grant Recipient concerning the Agreement shall be directed to fsgrants@tsne.org.
- 12.4 Norad'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 confirm receipt and approval of part II; General Conditions, and part III; Procurement Provisions, which form an integral part of the Agreement.

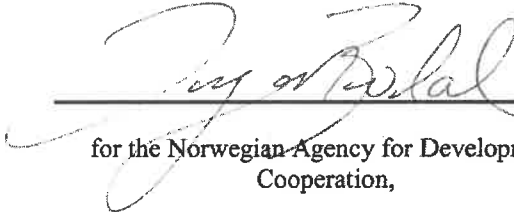
13.2 This Agreement has been signed in two -2- original copies in the English language. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

Place:

Oslo

Date:

19 December 2018


for the Norwegian Agency for Development
Cooperation,

Inger Brodal

Assistant Director

Section for Civil Society, Natural Resource
Management and Financial Flows


for TSNE MissionWorks,

Elaine Ng

Chief Executive Officer

Attachments:

Annex A: Approved budget for the Project

Annex B: Outcome and Impact Statements

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Standard:	Norwegian and Non-Norwegian NGOs	Revision no.:	2
General Conditions	Grant Management Regime I and II	Date:	17.06.2016

PART II: GENERAL CONDITIONS APPLICABLE TO GRANTS FROM THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

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Standard:	Norwegian and Non-Norwegian NGOs	Revision no.:	2
General Conditions	Grant Management Regime I and II	Date:	17.06.2016

1 IMPLEMENTATION PLAN AND BUDGET

- 1.1 Any updated implementation plan to be submitted in accordance with the Specific Conditions shall be directly related to the results framework and shall specify planned activities and outputs and time schedules for the upcoming reporting period.
- 1.2 Any updated budget to be submitted in accordance with the Specific Conditions shall be based on the approved budget in Annex A and include estimated income to the Project from all sources as well as planned expenditures for the upcoming reporting period. The estimated financial need of the Project in the upcoming reporting period shall be clearly stated.
- 1.3 Significant deviations from or changes to the implementation plan and budget is subject to Norad's prior, written approval as outlined in article 12 of the General Conditions.

2 PROGRESS REPORT

- 2.1 Any progress reports to be submitted in accordance with the Specific Conditions shall describe the results achieved by the Project during the reporting period. The report shall be set up in a way that allows direct comparison with the latest approved Application, implementation plan and budget, and shall be signed by an authorised representative of the Grant Recipient.
- 2.2 The progress reports shall, as a minimum, include:
 - a) an account of the results achieved so far by the Project, using the format, indicators and targets of the approved results framework. The overview must:
 - show delivered outputs compared to planned outputs;
 - show the Project's progress towards achieving the Outcome;
 - if possible, describe the likelihood of the Impact being achieved.
 - b) an account and assessment of deviations from the latest approved implementation plan and Application;
 - c) an assessment of how efficiently Project resources have been turned into Outputs;
 - d) a brief account of materialised risk factors to the Project, including how these have been handled in the reporting period and/or will be handled in the future. Identified risks related to the climate and environment, gender equality, corruption and other financial mismanagement and human rights shall always be accounted for.

3 FINANCIAL REPORT

- 3.1 Any financial report to be submitted in accordance with the Specific Conditions shall comprise financial statements with a comparison to the latest approved budget for the reporting period, as well as an identification of any deviations from the budget as per clause 3.3 below. The financial report shall be certified by the financial controller (or equivalent) as well as an authorised representative of the Grant Recipient.
- 3.2 The financial statements shall be set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items. They shall, as a minimum, include:
 - a) the accounting principles applied;
 - b) income from all sources, including bank interest. Norad's contribution shall be specified;
 - c) expenses charged/capitalised in the relevant reporting period;
 - d) expenses charged/capitalised from start-up of the Project to the end of the reporting period;
 - e) unused funds as per the reporting date;

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Standard:	Norwegian and Non-Norwegian NGOs	Revision no.:	2
General Conditions	Grant Management Regime I and II	Date:	17.06.2016

- f) overhead/indirect costs to be covered by the Grant in accordance with article 4 of the Specific Conditions;
 - g) balance sheet, when required in accordance with the accounting principles applied;
 - h) explanatory notes including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the Project.
- 3.3 Deviations between the approved budget and the expenses charged/capitalised shall be highlighted with information on both nominal amounts and percentage of each deviation. The Grant Recipient shall include a written explanation of any deviations amounting to more than 10% from a budget line.

4 FINAL REPORT

- 4.1 The final report to be submitted in accordance with the Specific Conditions shall describe the results achieved by the Project during the Support Period. The report shall be set up in a way that allows for a direct comparison with the Application, and shall be signed by an authorised representative of the Grant Recipient.
- 4.2 The final report shall, as a minimum, include:
- a) the items listed for the progress reports described in article 2 of the General Conditions, covering the entire Support Period;
 - b) an assessment of the Project's effect on society (Impact);
 - c) a description of the main lessons learned from the Project;
 - d) an assessment of the sustainability of the results achieved by the Project.

5 AUDIT

- 5.1 If an audit of the Project's financial statements is required pursuant to the Specific Conditions, the audit shall be carried out by an independent chartered/certified or state-authorised public accountant (auditor).
- 5.2 Norad reserves the right to approve the auditor, and may require that the auditor shall be replaced if Norad finds that the auditor has not performed satisfactorily or if there is any doubt as to the auditor's independence or professional standards.
- 5.3 The auditor shall form an opinion on whether the Project's financial statements fairly reflect the financial position of the Project and whether they are prepared, in all material respects, in accordance with the applicable financial reporting framework, namely:
- a) the accounting principles followed by the Grant Recipient and;
 - b) the requirements of article 3 clause 2 of the General Conditions.
- 5.4 The auditor shall report in accordance with the applicable audit standard, as agreed in the Specific Conditions.
- 5.5 The audit report shall include:
- a) the Project name and agreement number;
 - b) identification of the Project's total expenses and total income;
 - c) the subject of the audit;
 - d) the financial reporting framework applied;
 - e) the auditing standards applied;

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- f) a statement that the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement;
 - g) the auditor's opinion.
- 5.6 In addition to the Project's audit report, the auditor shall submit a management letter (matters for governance attention), which shall contain any findings made during the audit of the Project. It shall also list any measures that have been taken as a result of previous audits and whether such measures have been adequate to deal with reported shortcomings.
- 5.7 If any findings have been reported in the Project's management letter, the Grant Recipient shall prepare a response including an action plan to be submitted to Norad together with the management letter.
- 5.8 The costs of the audit of the Project's financial statements shall be included in the Project's budget.
- 5.9 The audit requirements stated in this Agreement are applicable for the total Grant, including any part of the Grant that has been transferred to a cooperating partner.
- 5.10 The auditor of the Project's consolidated financial statement is responsible for the direction, supervision and performance of the audit of any part of the Grant that has been transferred to a cooperating partner. The auditor shall assure itself that those performing the audit for cooperating partners have the appropriate qualifications, that the audit is in compliance with professional standards, and that the audit report is appropriate under the circumstances.
- 5.11 The auditor of the Project's consolidated financial statement shall express an opinion on whether the statement is prepared, in all material respects, in accordance with the requirements of this Agreement. To this end, the auditor shall obtain sufficient appropriate audit evidence regarding the financial statements of the cooperating partner and the consolidation process.

6 CONTROL MEASURES

- 6.1 Representatives of Norad and the Norwegian Auditor General may at all times carry out independent reviews, audits, field visits or evaluations or other control measures related to the Project. The objective of such control measures may be i.a to verify that the Grant has been used in accordance with the Agreement or to evaluate the achievement of results.
- 6.2 The Grant Recipient shall facilitate such control measures by providing all information and documentation necessary to carry out the relevant initiative, as well as ensuring unrestricted access to any premises, records, goods and documents requested.
- 6.3 The representatives of Norad and the Norwegian Auditor General shall also have access to the Grant Recipient's auditor and the auditor's assessments of all information pertaining to the Grant Recipient and the Project. The Grant Recipient shall release the auditor from any confidentiality obligations in order to facilitate such access.
- 6.4 The rights and obligations of this article 6 shall remain in force for 5 years following expiry or termination of the Agreement.

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7 FINANCIAL MANAGEMENT

- 7.1 The Grant Recipient shall keep accurate accounts of the Project's income and expenditure using an appropriate accounting- and double-entry book-keeping system¹ in accordance with the applicable accounting- and bookkeeping policies in the jurisdiction of the Grant Recipient.
- 7.2 The accounts shall be kept up to date at least on a monthly basis. Bank reconciliations² and cash reconciliations³ shall be completed at least every month, and shall be documented by the Grant Recipient.
- 7.3 Income and expenditures relating to the Project must be easily identifiable and verifiable, either by using separate accounts for the Project or by ensuring that Project expenditure can be easily identified and traced within the general accounting- and bookkeeping systems. The accounts must provide details of bank interest accrued on the Grant.
- 7.4 The Grant Recipient shall keep the Project's accounting records for at least 5 years from the time of Norad's approval of the final report for the Project. This shall include i.a. vouchers, receipts, contracts and bank statements.

8 EXCHANGE RATE FLUCTUATIONS

- 8.1 If the Grant is converted into another currency, the exchange shall be made through a national or commercial bank unless otherwise approved by Norad.
- 8.2 If exchange rate fluctuations decrease the value of the Grant to such an extent that this will have consequences for the implementation of the Project, the Grant Recipient shall inform Norad as soon as possible.
- 8.3 If exchange rate fluctuations increase the value of the Grant, the gain shall be treated as disbursed Grant funds and used for Project purposes. Net surplus from conversion into foreign currency shall be subtracted from future disbursements or repaid as unused funds at the end of the Support Period, unless otherwise agreed between the Parties.

9 EQUIPMENT, CONSUMABLES AND INTELLECTUAL PROPERTY RIGHTS

- 9.1 The right of ownership to equipment, consumables and intellectual property rights procured or developed by use of the Grant shall vest in the Grant Recipient or its cooperating partner, unless otherwise stated in the Application. All matters associated with such equipment, consumables and intellectual property rights are the exclusive responsibility of the Grant Recipient. However, significant use of such equipment, consumables and intellectual property rights for purposes outside the Project shall be subject to the Norad's prior approval, as outlined in Article 12 of the General Conditions.

¹ A double-entry bookkeeping a system is system of bookkeeping where every entry to an account requires a corresponding and opposite entry to a different account.

² Bank reconciliation is a process of verifying whether the sum found in the bank statements at the end of the period correspond with transactions recorded in the accounting system. This is usually done in conjunction with closure of the accounting records.

³ Cash reconciliation is a process of verifying whether the cash at hand at the end of the period corresponds with the amount of cash in the beginning of the period and the registrations of withdrawals and deposits in the period. This is usually done in conjunction with closure of the accounting records.

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- 9.2 Norad shall have a non-exclusive and royalty-free license to use all intellectual property rights procured or developed by the use of the Grant. Norad may assign this right to any individual or organisation at its own discretion.
- 9.3 Transfer of ownership of such equipment, consumables or intellectual property rights during the Support Period shall be made at market terms. Ownership may not be transferred to an employee of the Grant Recipient or its cooperating partner, or to anyone related or connected to an employee, if such relation could lead to a conflict of interest as described in article 16 of the General Conditions.
- 9.4 Before a transfer is decided, the Grant Recipient shall assess whether it may have an impact on the Project and, where appropriate, consult with Norad. Any income from a transfer shall accrue to the Project, and shall be reported in the financial statement of the Project.
- 9.5 The Grant Recipient shall prepare a record of transfer of ownership for any equipment, consumables and intellectual property rights. The record shall comprise information about the object of transfer, the original purchase price paid by the Grant Recipient, price offers received, the final sales price and the name of the purchaser. The record shall be submitted to Norad along with the first progress report due after the sale.
- 9.6 If the activities of the Project do not continue after the end of the Support Period or after termination of the Agreement, the Grant Recipient shall inform Norad about the remaining equipment and goods that have been purchased by use of the Grant. The Norad may require that such assets be sold. Such sale shall be completed in accordance with the procedures described above. Income from the sale shall be repaid to Norad unless otherwise agreed by the Parties.

10 REAL PROPERTY

- 10.1 The Grant may not be used to purchase or construct real property (land or buildings) unless explicitly approved by Norad.
- 10.2 If Norad has approved a purchase or construction of real property, the Grant Recipient and Norad shall agree on the details concerning the ownership and the status of the real property after the end of the Support Period and/or the end of the Project. The agreement may be formalised in the Specific Conditions or in a separate agreement document.
- 10.3 Norad may in such an agreement require i.a. that the real property shall be sold after the end of the Support Period and that the proceeds from the sale shall be repaid to Norad. Norad may also reserve the right to establish security interests in any real property purchased by use of the Grant.

11 TRANSFER OF THE GRANT TO A COOPERATING PARTNER

- 11.1 Transfer of all or part of the Grant including assets to a cooperating partner shall be documented through a written agreement. The agreement shall specify that the cooperating partner is required to comply with the provisions of this Agreement and to cooperate with the Grant Recipient to ensure that the Grant Recipient is able to fulfil its obligations hereunder.
- 11.2 The agreement between the Grant Recipient and the cooperating partner shall have provisions related to i.a. reporting, audit, procurement and measures to prevent financial irregularities. Furthermore, the agreement shall explicitly state that:

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- a) both the Grant Recipient, Norad and the Norwegian Auditor General shall have the same access to undertake the control measures related to the cooperating partner's use of the Grant as described in article 6 of the General Conditions,
- b) the Grant Recipient shall be entitled to claim repayment of the Grant from the cooperating partner in the same instances and to the same extent that Norad is entitled to claim repayment from the Grant Recipient, and the cooperating partner shall accept that Norad has the right to claim repayment directly from the cooperating partner to the same extent as the Grant Recipient,
- c) the cooperating partner shall accept the choice of law and settlement of disputes provisions in article 24 of the General Conditions in relation to any disputes arising between the cooperating partner and Norad.

11.3 The Grant Recipient shall assure itself that the cooperating partner has the necessary competence and internal procedures to meet the requirements of the Agreement and shall follow-up the cooperating partner's compliance with the Agreement throughout the Support Period.

11.4 The Grant may not be transferred to a cooperating partner who has previously been charged or sentenced for any criminal activity unless explicitly approved by Norad.

11.5 The Grant Recipient shall remain fully responsible towards Norad for any part of the Grant, including assets, that has been transferred to a cooperating partner.

12 CHANGES TO THE PROJECT OR THE GRANT RECIPIENT

12.1 Any significant deviations from or changes to the Application or approved implementation plans or budgets are subject to Norad's prior, written approval. The same applies to significant changes to, or circumstances materially affecting, the Grant Recipient's organisation.

12.2 The following deviations/changes shall always be subject to Norad's prior written approval:

- a) any changes to the Project's sources of income,
- b) any changes to the results framework or scope of the Project,
- c) changes to the implementation plan which implies a delay of more than three months of any activity,
- d) changes to the Project's budget that imply reallocation of more than 10% of a budget line.

12.3 Norad may suspend disbursements of the Grant until such changes have been approved.

13 EXTENSION OF THE SUPPORT PERIOD

13.1 The Support Period of the Project is set out in the Specific Conditions. The Grant Recipient must, without delay, inform Norad of any circumstances likely to hamper or delay the implementation of the Project.

13.2 The Grant Recipient may request an extension of the Support Period if this is necessary to complete all planned activities. The request must state the reasons for the delay and supporting documentation must be enclosed. Norad shall approve or decline the request in writing.

14 TRANSPARENCY

14.1 The Grant Recipient shall publish the following in a dedicated and easily accessible place of its internet site:

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- a) a copy of this Agreement;
- b) the title and value of any contracts, cooperation agreements and/or other sub-agreements of more than NOK 500 000 (or the equivalent in local currency) which are to be financed by the Grant;
- c) the names and nationalities of the respective agreement parties and, if relevant, any further sub-grantees or contractors in receipt of Project funds;

Any deviations from this article 14 shall be agreed by the Parties in writing, i.a. in the Specific Conditions.

14.2 Publication shall take place as soon as possible, and at the latest within six months after the contracts, cooperation agreements and/or other sub-agreements were entered into

14.3 The Grant Recipient shall make other project documentation, including the Application and all agreed reports, available to anyone upon request. Requests for disclosure may be denied if such disclosure is prohibited by confidentiality obligations and/or if it may be detrimental to the Grant Recipient's legitimate interests.

15 FINANCIAL IRREGULARITIES

15.1 The Grant Recipient is required to practise zero tolerance against corruption and other financial irregularities within and related to the Project. The zero tolerance policy applies to all staff members, consultants and other non-staff personnel and to cooperating partners and beneficiaries of the Grant.

15.2 Financial irregularities refers to all kinds of:

- a) corruption, including bribery, nepotism and illegal gratuities;
- b) misappropriation of cash, inventory and all other kinds of assets;
- c) financial and non-financial fraudulent statements;
- d) all other use of Project funds which is not in accordance with the implementation plan and budget.

15.3 In order to fulfil the zero tolerance requirement, the Grant Recipient shall:

- a) organise its operations and internal control systems in a way that financial irregularities are prevented and detected;
- b) do its utmost to prevent and stop financial irregularities within and related to the Project;
- c) require that all staff involved in, and any consultants, suppliers and contractors financed under the Project refrain from financial irregularities.

15.4 The Grant Recipient shall inform Norad immediately of any indication of financial irregularities in or related to the Project. The Grant Recipient shall provide Norad with an account of all the known facts and an assessment of how the matter should be followed up, including whether criminal prosecution or other sanctions are considered appropriate.

15.5 The matter will be handled by Norad in accordance with Norad's guidelines for handling suspicion of financial irregularities. The Grant Recipient shall cooperate fully with Norad's investigation and follow-up. If requested by Norad, the Grant Recipient shall initiate prosecution and/or apply other sanctions against persons or entities suspected of financial irregularities.

15.6 Norad may claim repayment of all or parts of the Grant in accordance with article 17 of the General Conditions if it finds that any financial irregularities have taken place in or related to the

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Project. The repayment claim may also include any interest, investment income or any other financial gain obtained as a result of the financial irregularity.

16 CONFLICT OF INTEREST

- 16.1 The Grant Recipient shall take all necessary precautions to avoid any conflicts of interest in all matters related to the Project.
- 16.2 Conflict of interest refers to any situation where the impartial and objective exercise of the functions of anyone acting on behalf of the Grant Recipient is, or may be, compromised for reasons involving family, personal life, political or national affinity, economic interest or any other connection or shared interest with another person.
- 16.3 If a conflict of interest occur, the Grant Recipient shall, without delay, take all necessary measures to resolve the conflict, e.g. by replacing the person in question or by obtaining independent verification of the terms of the proposed decision or transaction.
- 16.4 If the conflict of interest cannot be resolved and/or if it relates to a decision or transaction of special significance to the Project, the decision or transaction may not be concluded without the prior, written approval of Norad.

17 BREACH OF THE AGREEMENT

- 17.1 If the Grant Recipient fails to fulfil its obligations under this Agreement and/or if there is suspicion of financial irregularities, Norad may suspend disbursement of all or part of the Grant.
- 17.2 In the event of material breach of the Agreement, Norad may terminate the Agreement with immediate effect, and/or claim repayment of all or parts of the Grant.
- 17.3 Material breach of the Agreement shall include, without limitation, the following situations:
 - a) all or part of the Grant has not been used in accordance with the Agreement and/or approved implementation plans and budget,
 - b) the Grant Recipient has made false or incomplete statements to obtain the Grant,
 - c) the use of the Grant has not been satisfactorily accounted for,
 - d) the Grant Recipient has, after having been granted an extended deadline, failed to provide the agreed reports, or has knowingly provided reports that do not reflect reality,
 - e) financial irregularities, grave professional misconduct or illegal activity of any form have taken place within the Grant Recipient or its cooperating partners,
 - f) the Grant Recipient has failed to inform Norad of indication of financial irregularities within the Project in accordance with article 15 of the General Conditions,
 - g) the Grant Recipient has changed legal personality without prior notification to Norad,
 - h) the Grant Recipient is bankrupt, being wound up or is having its affairs administered by the courts, or is subject to any analogous or corresponding procedure provided for under national legislation.
- 17.4 The Grant Recipient shall inform Norad immediately of any circumstances that may indicate or lead to a breach of Agreement, and shall provide Norad with any information or documentation it may reasonably require in order to determine if a breach of the Agreement has occurred.
- 17.5 Norad may also suspend disbursements or terminate the Agreement with immediate effect if a material breach of another agreement between Norad and the Grant Recipient has been established.

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18 TERMINATION OF THE AGREEMENT

- 18.1 Each of the Parties may terminate the Agreement upon a written notice.
- 18.2 The Support Period shall end three months after the date of the notice of termination. During these three months, the Grant Recipient may only use the Grant to cover commitments that have been established before the date of the notice of termination.
- 18.3 If the Project cannot continue without the Grant, the Grant Recipient shall use these three months to discontinue or scale down the Project promptly and in an orderly and financially sound manner. Any funds that remain unused at the end of the Support Period shall be repaid to Norad.
- 18.4 The Grant Recipient shall submit a final report to Norad within three months of the end of the Support Period. The final report shall meet the requirements set out in article 4 of the General Conditions and shall also include a financial report and audit report covering the period from the previous financial report until the end of the Support Period.
- 18.5 The Agreement will be considered terminated when the final report has been approved by Norad and any remaining funds have been repaid.

19 WAIVER AND IMMUNITIES

- 19.1 Nothing in the Agreement or any document related to the Agreement shall imply a waiver, express or implied, by Norad, the Government of Norway or any of its officials of any privileges or immunity enjoyed by them or their acceptance of the jurisdiction of the courts of any country over disputes arising thereof. This article 19 will not prevent arbitration or court proceedings in the legal venue of the Grant Recipient pursuant to article 24 of the General Conditions.

20 LIABILITY

- 20.1 Norad shall not under any circumstances or for any reason be held liable for damage, injury or loss of income sustained by the Grant Recipient or its staff or property as a direct or indirect consequence of the Project. Norad will not accept any claim for compensation or increases in payment in connection with such damage, injury or loss of income.
- 20.2 The Grant Recipient shall assume sole liability towards third parties, including liability for damage, injury or loss of income of any kind sustained by them as a direct or indirect consequence of the Project. The Grant Recipient shall indemnify Norad against any claim or action from the Grant Recipient's employees or third parties in relation to the Project.

21 ASSIGNMENT

- 21.1 The Agreement and/or the Grant may not be assigned to a third party without the prior written consent of Norad. This shall not, however, prevent transfer of parts of the Grant to a cooperating partner in accordance with article 11 of the General Conditions.

22 RECOGNITION AND PUBLICATION

- 22.1 The Grant Recipient shall acknowledge Norad's support to the Project in all publications and other materials issued in relation to the Project. Norad's logotype will be provided by Norad upon request. All use of Norad's logotype must be approved by Norad.

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23 ENTRY INTO FORCE, DURATION AND AMENDMENT

- 23.1 The Agreement shall enter into force at the date of the last signature and shall remain in force until all obligations arising from it have been fulfilled, or until it is terminated in accordance with the provisions of the General Conditions. Whether the obligations of the Agreement shall be considered fulfilled, will be determined through consultations between the Parties and confirmed by Norad in a completion letter.
- 23.2 The Agreement may be amended. Any such amendment must be agreed upon in writing between the Parties and shall become an integral part of the Agreement.
- 23.3 Termination or expiry of the Agreement shall not release the Parties from any liability arising from any act or omission that has taken place prior to such termination or expiry.

24 CHOICE OF LAW AND SETTLEMENT OF DISPUTES

- 24.1 The Agreement shall be governed and construed in accordance with Norwegian law.
- 24.2 If any dispute arises relating to the implementation or interpretation of the Agreement, the Parties shall seek to reach an amicable solution.
- 24.3 Any dispute arising out of or in connection with the Agreement that cannot be solved amicably, shall exclusively be settled before the Norwegian courts of law with Oslo District Court as legal venue.
- 24.4 The Grant Recipient accepts that Norad can, at its own sole discretion and as an alternative to the legal venue mentioned above, choose to settle the dispute by
- a) the courts in the legal venue of the Grant Recipient, or
 - b) arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three arbitrators. If the disputed amount is below an amount corresponding to NOK 10 000 000 the arbitral tribunal shall, however, be composed of a sole arbitrator. The seat of arbitration shall be Stockholm, Sweden, and the language to be used in the arbitral proceedings shall be English. The Parties agree that neither the arbitral proceedings nor the award shall be subject to any confidentiality.
- 24.5 The Parties agree that no other courts of law, than as set out in this article 24, shall have jurisdiction over disputes arising out of or in connection with this Agreement.

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PART III: PROCUREMENT IN THE CONTEXT OF PROJECTS FINANCED BY THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

1 INTRODUCTION

- 1.1 This Part III sets out procurement rules and principles which shall be applied by the Grant Recipient when procuring goods, services or works to Projects financed by the Agency for Development Cooperation (Norad). Stricter rules may supplement the compulsory minimum rules set forth in this Part III.
- 1.2 Norad may carry out ex post checks on the Grant Recipient's compliance with the rules set forth in this Part III.
- 1.3 Failure to comply with the rules set forth in this Part III shall render the Project expenditure ineligible for Norad funding and may lead to withholding funds or claim for repayment in accordance with article 17 of the General Conditions (Part II) of this Agreement.
- 1.4 Contracts shall not be split artificially to circumvent the procurement thresholds. All monetary amounts referred to in this Part III are amounts excluding value-added tax (VAT).
- 1.5 The procurement provisions shall also apply to any procurements to be carried out by the Grant Recipient's cooperation partners or others. The Grant Recipient shall be responsible for compliance as per article 11 of the General Conditions (Part II) of this Agreement regardless of whether the procurement is carried out by the Grant Recipient itself or its cooperation partners or others.
- 1.6 Sections 1 to 4 set out rules, which shall apply to all contracts. Sections 5 to 6 contain specific rules for service, supply and works contracts. Section 7 lists the situations where a negotiated procedure without prior publication is permitted.

2 BASIC PRINCIPLES

- 2.1 If a Project requires procurement by the Grant Recipient, the contract must be awarded following a tender procedure to the most economically advantageous tender (i.e. to the tenderer obtaining the best score based on price and quality), or, as appropriate, to the tenderer offering the lowest price. In doing so, the Grant Recipient shall avoid any conflict of interests and respect the following basic principles:

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- a) **Competition:** The procedures applied and the award of contracts shall be based on fair competition.
- b) **Equal treatment and non-discrimination:** Participation in tender procedures shall be open on equal terms to all natural and legal persons. During the entire procurement and the award of contracts, the Grant Recipient shall not discriminate against candidates/tenderers or groups of candidates/tenderers.
- c) **Transparency and ex-ante publicity:** As a general rule, tender procedures shall be based on prior publication. Where the Grant Recipient does not launch an open tender procedure, it shall justify the choice of tenderers that are invited to submit an offer.
- d) **Objective criteria:** The Grant Recipient shall evaluate the offers received against objective criteria, which enable the Grant Recipient to measure the quality of the offers and shall take into account the price (the offer with the lowest price shall be awarded the highest score for the price criterion). The criteria shall be set out beforehand and shall be relevant to the contract in question.
- e) **Notoriety:** The Grant Recipient shall keep sufficient and appropriate records and documentation with regard to the procedure, its evaluation and award.

3 ELIGIBLE TENDERERS

3.1 Tenderers must provide information on their legal form and ownership structure.

3.2 Tenderers shall be excluded from participation in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations. However, tenderers in this situation may be eligible to participate insofar as the Grant Recipient is able to purchase supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a final judgment;
- c) they have been guilty of grave professional misconduct; proven by any means which the Grant Recipient can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which they are established, or with those of the country of the Grant Recipient or those of the country where the contract is to be performed;

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- e) they or persons having powers of representation, decision-making or control over them have been convicted for fraud, corruption, involvement in a criminal organisation or money laundering by a final judgment;
 - f) they make use of child labour or forced labour and/or practise discrimination, and/or do not respect the right to freedom of association and the right to organise and engage in collective bargaining pursuant to the core conventions of the International Labour Organization (ILO).
- 3.3 Tenderers shall confirm in writing that they are not in any of the situations listed above. Even if such confirmation is given by a tenderer, the Grant Recipient shall investigate any of the situations listed above if it has reasonable grounds to doubt the contents of such confirmation.
- 3.4 Contracts shall not be awarded to tenderers which, during the procurement procedure:
- a) are subject to a conflict of interests;
 - b) are guilty of misrepresentation in supplying the information required by the Grant Recipient as a condition of participation in the tender procedure, or fail to supply this information.

4 GENERAL PROCUREMENT RULES

- 4.1 The tender documents shall be drafted in accordance with best international practice. The Grant Recipient may voluntarily use the models published in the Practical Guide on the EuropeAid (EU) website.
- 4.2 The Grant Recipient shall take into account universal design and the potential environmental impact of any planned procurements.
- 4.3 All invitations to submit tenders shall state that offers will be rejected if any illegal or corrupt practises have taken place in connection with the award. All contracts concluded under the Project shall state that the Grant Recipient may terminate the contract if it finds that illegal or corrupt practises have taken place in connection with the contract award or execution.
- 4.4 The time-limits for receipt of tenders and requests to participate must be sufficient to allow interested parties a reasonable and appropriate period to prepare and submit their tenders.
- 4.5 An evaluation committee must be set up to evaluate applications and/or tenders of a value of NOK 500 000 or more on the basis of the exclusion, selection and award criteria. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

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- 4.6 For contracts with a value exceeding NOK 100 000, the Grant Recipient shall compile a written record with documentation of all assessments and decisions during all steps of the procurement process from the planning stage until the signing of the contract. Upon request by Norad, the Grant Recipient shall deliver its written record to Norad and grant Norad access to all relevant information and documentation related to the procurement procedure and practices applied.

5 AWARD OF CONTRACTS

- 5.1 Contracts with a value of less than NOK 500 000 may be awarded by using any procurement procedure established by the Grant Recipient, while respecting the rules and principles laid down in Sections 1 to 4 of this Part III.
- 5.2 Contracts with a value exceeding NOK 500 000 shall be awarded by means of one of the following procurement procedures:
- a) **Open tender procedure:** In open procedures, any interested tenderer may submit a tender in response to a call for competition. The tender shall be accompanied by the information for qualitative selection as requested by the Grant Recipient.
 - b) **Restricted procedure:** In restricted procedures, any tenderer may submit a request to participate in response to a call for competition by providing the information for qualitative selection as requested by the Grant Recipient. Only those tenderers invited to do so by the Grant Recipient following its assessment of the information provided may submit a tender. The Grant Recipient may limit the number of suitable candidates to be invited to participate in the procedure.
 - c) **Competitive procedure with negotiation:** In competitive procedures with negotiation, any tenderer may submit a request to participate or a tender in response to a call for competition by providing the information for qualitative selection as requested by the Grant Recipient. Tenderers may submit an initial tender, which shall be the basis for subsequent negotiations. The minimum requirements and the award criteria shall not be subject to negotiations.
- 5.3 Where the Grant Recipient does not launch an open tender procedure, it shall justify and document in writing the choice of tenderers that are invited to submit an offer.
- 5.4 Deviations from the procedures listed in Section 5.2 are limited to the situations listed in Section 7 of this Part III.

6 PUBLICATION OF PROCUREMENT NOTICE

- 6.1 The following shall apply with respect to publication of the procurement notice:¹

¹ Definitions of different types of contracts and procedures can be found in Directive 2014/24/EU.

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	Grant Management Regime I, II and III	Date:	17.06.2016

- a) **Service and supply contracts from NOK 500 000 to less than NOK 2 500 000 and works contracts from NOK 500 000 to less than NOK 40 000 000**

The prior procurement notice shall be published in all appropriate media, at least in the country in which the Project will be carried out as well as on the Grant Recipient's website.

- b) **Service and supply contracts with a value of NOK 2 500 000 and above and works contracts with a value of NOK 40 000 000 and above**

The prior procurement notice shall be published in all appropriate media, in particular on the Grant Recipient's website, in the international press and the national press of the country in which the Project will be carried out, and in any other relevant specialist periodicals.

7 USE OF NEGOTIATED PROCEDURE WITHOUT PRIOR PUBLICATION

7.1 The Grant Recipient may use a negotiated procedure without prior publication in the following cases:

- a) if any of the circumstances set out in Article 32 of Directive 2014/24/EU are present;
- b) for purposes of humanitarian aid and civil protection operations or for crisis management aid in a crisis that has been formally recognised by and for the time period declared by Norad;
- c) where the services are entrusted to public-sector or non-profit bodies and relate to activities of an institutional nature or are designed to provide assistance to people in the social field;
- d) for contracts declared to be secret, or whose performance must be accompanied by special security measures, or when the protection of the essential interests of the Norad so requires.

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Annex A Budget USD

Expected Income				
Income received	2018	2019	2020	
Fort Foundation 2012-2018 Grant	349 596			
Ministerium Ministry of Foreign Affairs Grant (Q2A-14/04/20)	1 010 805			
Hebrew Foundation 2018-2020 Grant				
Confirmed Income				
Hebrew Foundation 2018-2020 Grant (expires August 2020)	150 000	150 000	200 000	
Open Society Foundations 2019 Grant (expires June 2020)	125 850	174 150	550 000	
Open Society Foundations 2018-2020 Grant (expires end 2019)		309 000		
Novus 2018-2020 Grant (Q2A-18/03/2)		250 000		
Expected Income		888 850	613 000	
Open Society Foundations 2020-2021 Grant			250 000	
Open Society Foundations 2020-2021 Grant (start date Sep 2020)			142 000	
Hebrew Foundation 2020-2021 Grant (start date Jun 2020)			145 000	
Total Income Received, Confirmed & Expected	1 686 351	1 772 000	1 900 000	
Contingency / Cash Reserve	160 000	160 000	160 000	

Expected Expenditure				
Coordinating Committee	2018	2019	2020	
APMAD				
CECA	\$ 65 147	\$ 95 676	\$ 98 241	
Christian Aid	\$ 97 721	\$ 95 676	\$ 98 241	
Eurodad	\$ 78 177	\$ 76 541	\$ 78 593	
Foundation SIS	\$ 78 177	\$ 76 541	\$ 78 593	
GFI	\$ 97 721	\$ 95 676	\$ 98 241	
GW	\$ 78 177	\$ 76 541	\$ 78 593	
Lairfield	\$ 97 721	\$ 95 676	\$ 98 241	
PALL	\$ 97 721	\$ 95 676	\$ 98 241	
TIN	\$ 78 177	\$ 76 541	\$ 78 593	
TIN-A	\$ 97 721	\$ 95 676	\$ 98 241	
Transparency International	\$ 78 177	\$ 76 541	\$ 78 593	
Coordinating Committee Subtotal	\$ 1 022 811	\$ 1 028 300	\$ 1 061 000	
Conferences and Meetings				
CoCom Meeting (April)	\$ 45 000	\$ 50 000	\$ 50 000	
CoCom Meeting (Fall)	\$ 47 500	\$ 50 000	\$ 50 000	
2020 Conference	\$ -	\$ -	\$ 160 000	
2019 Asian PGD**	\$ -	\$ -	\$ -	
2019 Strategic Collaboration Fund**	\$ 35 000	\$ 35 000	\$ 20 000	
CoCom contribution to South South Conference	\$ 50 000	\$ -	\$ -	
Conference and Meetings Subtotal	\$ 177 500	\$ 135 000	\$ 230 000	
Personnel				
Travel (including for fund-raising)	\$ 210 000	\$ 340 000	\$ 340 000	
Meeting	\$ 20 000	\$ 30 000	\$ 30 000	
Staff Development	\$ 2 500	\$ 2 500	\$ 2 500	
Audit*	\$ 2 000	\$ 3 000	\$ 3 000	
Office Expenses (supplies, printing, etc.)	\$ 8 000	\$ 40 000	\$ 40 000	
IT (Internet, subscriptions, telephone, etc.)	\$ 1 740	\$ 1 740	\$ 1 740	
Secretariat Subtotal	\$ 10 984	\$ 11 513	\$ 11 513	
Currents Illustration contingency	\$ 305 224	\$ 428 773	\$ 428 773	
Charge equal to 10 per cent of non-USD income	\$ -	\$ 16 885	\$ 61 300	
19% Admin fee	\$ -	\$ -	\$ -	
Coordinating Committee Disbursements (5%)	\$ 51 141	\$ 51 665	\$ 53 050	
Conference and Meetings (10%)	\$ 17 750	\$ 11 500	\$ 23 000	
Secretariat (10%)	\$ 30 522	\$ 42 877	\$ 42 877	
TSME Admin fee Subtotal	\$ 99 413	\$ 106 042	\$ 118 927	
Total Expected Expenditure	\$ 1 604 948	\$ 1 772 000	\$ 1 900 000	

* Exchange rate of 8.1566 NOK/USD used based on submission of original proposal on 1 October 2018
 ** Renewals contingent on satisfactory completion of existing grants for core funding from Omniair Network (now called Luminate), Hebrew Foundation and Open Society Foundations
 *** Eligible for local allocation which has a 7% administrative fees limit
 **** Amended relative to original submission on 1 October 2018 - no commitment was made during November 2018 Coordinating Committee meeting for a Pan Asian Dialogue conference

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ANNEX A BUDGET NOK

Expected Income		2018	2019	2020
Income received				
Ford Foundation 2017-2018 Grant		2 851 515		
Norwegian Ministry of Foreign Affairs Grant (Q2X-14/04/20)		8 244 732		
Hewlett Foundation 2018-2020 Grant				
Confirmed Income				
Hewlett Foundation 2018-2020 Grant (expires August 2020)		1 223 490	1 223 490	1 631 320
Omidyar Network 2018-2020 Grant (expires June 2020)		1 026 508	1 420 472	4 466 130
Ford Foundation 2019 Grant		0	2 520 389	0
Open Societas Foundation 2018-2019 Grant (expires end 2019)		0	2 039 150	0
Norad 2018-2020 Grant (Q2X-18/03/22)		0	7 250 000	5 000 000
Expected Income				
Open Societas Foundation 2020-2021 Grant				2 039 150
Omidyar Network 2020-2022 Grant (start date Sep 2020)				1 158 237
Hewlett Foundation 2020-2022 Grant (start date July 2020)				1 182 707
Total Income Received, Confirmed & Expected		NOK 13 946 245	NOK 14 453 501	NOK 15 497 544
Contingency / Cash Reserve		NOK 160 000	NOK 160 000	NOK 160 000

Expected Expenditure		2018	2019	2020
Coordinating Committee				
AP/WHO				
CBGA		531 380	780 391	801 311
Christian Aid		797 070	780 391	801 311
Eunord		637 656	624 312	641 049
Fundacion SES		637 656	624 312	641 049
GFI		797 070	780 391	801 311
GW		637 656	624 312	641 049
Laindadd		637 656	624 312	641 049
PALU		797 070	780 391	801 311
TINA		637 656	624 312	641 049
Transparency International		797 070	780 391	801 311
Coordinating Committee Subtotal		637 656	624 312	641 049
Conference and Meetings				
CoCom Meeting (Spring)		367 042	407 830	407 830
CoCom Meeting (Fall)		367 439	407 830	407 830
2020 Conference		0	0	1 305 057
2019 Asian PSD**		0	0	0
2019 Strategic Collaboration Fund***		285 481	122 349	163 132
CoCom contribution to South South Conference		407 830	0	0
Conference and Meetings Subtotal		1 447 797	938 009	1 876 018
Secretariat***				
Personnel		2 120 718	2 773 246	2 773 246
Travel (including for fundraising)		163 132	244 698	244 698
Meetings		20 392	20 392	20 392
Staff Development		16 313	24 470	24 470
Audit*		65 253	326 264	326 264
Office Expenses (supplies, printing, etc.)		14 192	14 192	14 192
IT (Internet, subscriptions, telephone, etc.)		89 592	94 072	94 072
Secretariat Subtotal		2 489 590	3 497 311	3 497 311
Currency fluctuation contingency				
Charge equal to 10 per cent of non USD income		0	725 000	500 000
Coordinating Committee Disbursements (5%)		417 133	421 411	432 708
Conference and Meetings (10%)		144 780	93 801	187 602
Secretariat (10%)		248 959	340 731	349 723
Total Admin Fee Subtotal		610 872	854 945	970 033
Total Expected Expenditure		NOK 13 090 917	NOK 14 453 495	NOK 15 497 540

* Renewal contingent on satisfactory completion of existing grants for cure funding from Omidyar Network (now called Luminae), Hewlett Foundation and Open Society Foundations

** Direct audit to be conducted in 2019 and 2020 of all on-funded activities

*** Eligible for Norad allocation which has a 7% administrative fees limit

**** Amended relative to original submission on 1 October 2018 - no commitment was made during November 2018 Coordinating Committee meeting for a Pan Asian Dialogue conference

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ANNEX B TO THE AGREEMENT

The FTC's vision is to help eradicate poverty and tackle inequality through the curtailment of illicit financial flows.

The FTC's mission: The FTC aims to curtail illicit financial flows through the promotion of a fairer, more transparent, accountable and sustainable financial system.

The Project's planned effect(s) on society (Impact) is:

The key results sought by the FTC are defined as six Long-Term Impacts which describe a situation regarding civil society and other stakeholders' capacity brought about (or contributed to) by the FTC's work:

- 1) Political commitments to automatic exchange of information (AEOI) for tax purposes are effectively translated into a multilateral agreement that encourages the participation of international financial centers and allows for the full and effective participation of developing countries.
- 2) Entrench beneficial ownership transparency as the global standard where governments have established or are committed to establishing public beneficial ownership registers in an open data, machine-readable format.
- 3) Large multinational groups publicly report country-by-country reporting (CBCR) data for all their countries of operations. This information is made available to the public in a highly accessible, machine-readable, open data format, ideally on the corporate website and through a single registry/database.
- 4) An increasing number of international standards benefit developing countries, through effective and increased participation of developing countries in standard-setting and decision-making forums on tax and financial transparency. International practices concerning financial and tax transparency are increasingly linked with human rights conventions, treaties and norms as well as the Sustainable Development Goals (SDGs).
- 5) Expose, and hold legally accountable, those who provide technical and legal help to tax evaders and money launderers, through (i) increased legal accountability for money laundering by those who enable money laundering/tax evasion, illicit financial flows, and (ii) general acceptance of the idea that these gatekeepers should first and foremost operate within the scope of money laundering/tax evasion laws, rather than seeking to circumvent them.
- 6) Civil society actors in targeted developing countries are able to create and contribute to policy debates for the realization of financial and tax transparency and accountability. Coordinating Committee members in the Global South are able to actively engage and provide developing country perspectives in the ongoing international discourse on financial transparency issues, as well as demystify global debates at national levels, thus promoting the development of national and regional rights-based narratives and movements on illicit financial flows and financial transparency in the Global South.

The planned effects for the target group of the Project (Outcome) are (listed for each thematic work stream):

Automatic exchange of information (AEOI):

- 2018-2019: More countries, particularly major financial centers, join the OECD's Common Reporting Standard (CRS).
- 2020: Increased and more effective participation of developing countries in the CRS, especially in terms of receiving information.

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- 2020: Publication of statistics measuring total amounts of wealth held offshore in financial institutions, disaggregated by country of origin, by countries joining the CRS.

Beneficial Ownership:

- 2018: Advance the creation of public beneficial ownership registries in strategic jurisdictions and sectors.
- 2019: Expand high-level advocacy for the creation of public beneficial ownership registries to regional and national regulatory bodies. Push partially compliant countries with FATF standards to establish public beneficial ownership registries.
- 2020: Achieve the adoption and implementation of beneficial ownership registries in at least priority jurisdictions and sectors where the information is made public in an open data format. Raise awareness on the essential value of public beneficial ownership information.

Public country-by-country reporting (CBCR):

- 2018: Increased number of civil society organizations using and analyzing the first data published in country-by-country reports by banks and companies.
- 2019: Legislative progress in jurisdictions in Africa, Asia, and Latin America.
- 2020: Governments of the European Union and the United States adopt legislation that requires all large multinational companies in all sectors to report critical financial data on a country-by-country basis for all of their countries of operation.

International Institutional Architecture (IIA):

- 2018: Increased representation of developing countries in key standard setting forums by ensuring the UN Intergovernmental Tax Body is kept on the UN agenda. Improved alignment between illicit financial flows and the human rights agenda, and progress in addressing IFFs in the SDG follow-up context.
- 2019: The UN is able to effectively input into new areas of work shaping the international tax agenda, including gender and taxation, illicit financial flows, and tax incentives based on a human rights and SDG analysis. Regional bodies are effectively positioning themselves in the debate on IFFs and emerging issues on international tax cooperation.
- 2020: Improved mobilization and collaboration between civil societies in different regions and UN Intergovernmental Tax Body representative at all key advocacy moments. Improve effective representation and participation of developing countries on BIS, FSB, IASB and FATF, based on an increasing alignment of IFF and tax issues with human rights and SDGs.

Gatekeeper Professions and Businesses:

- 2018: Increased media commentary on need to strengthen gatekeeper regulations and enforcement, and policy developments within professional associations and international standard setting bodies.
- 2019: Legislation and regulatory oversight of selected gatekeepers' professions are strengthened in key jurisdictions, with legislation advancing through parliaments.
- 2020: Financial institutions and key non-financial professions and businesses have more effective oversight and increasingly implement due diligence, disclosure and reporting obligations in practice.

Southern Regions Program:

- 2018: The FTC's Southern Regions Program (SRP) will be a platform for southern CoCom organizations to shape the global discourse on illicit financial flows and financial secrecy.
- 2019: The SRP will inform norms and standards on illicit financial flows according to the differentiated realities of developing countries.
- 2020: SRP will support increased engagement with developing countries' governments, civil society organizations, journalists, and academics based in the Global South to create a human rights-based narrative on illicit financial flows, financial and tax transparency.

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