GRANT AGREEMENT

BETWEEN

THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

AND

WORLD CUSTOMS ORGANIZATION (WCO)

REGARDING

QZA-17/0387 – ANTI-CORRUPTION AND INTEGRITY PROMOTION (A-CIP) PROGRAM FOR CUSTOMS
# TABLE OF CONTENTS

1. SCOPE AND OBJECTIVES ................................................................. 3
2. REPRESENTATION AND COMMUNICATION ........................................... 4
3. PROJECT IMPLEMENTATION ............................................................. 4
4. THE GRANT .................................................................................. 5
5. DISBURSEMENTS .......................................................................... 5
6. IMPLEMENTATION PLAN AND BUDGET ............................................ 6
7. REPORTING ON RESULTS ............................................................... 6
8. FINANCIAL REPORTS ..................................................................... 7
9. AUDIT ......................................................................................... 7
10. FINAL REPORT ............................................................................. 8
11. FORMAL MEETINGS ....................................................................... 8
12. REVIEWS AND OTHER FOLLOW-UP MEASURES ............................... 9
13. PROCUREMENT ............................................................................ 9
14. PROJECT ASSETS ......................................................................... 9
15. CONFLICT OF INTEREST .................................................................. 10
16. FINANCIAL IRREGULARITIES ......................................................... 10
17. TRANSPARENCY ........................................................................... 11
18. VERIFICATION ............................................................................. 11
19. RESERVATIONS .......................................................................... 12
20. LIABILITY ....................................................................................... 12
21. PRIVILEGES AND IMMUNITIES ...................................................... 12
22. DURATION, AMENDMENT AND TERMINATION .............................. 13
23. RETURN OF INTEREST AND UNUSED FUNDS ................................. 13
24. DISPUTE RESOLUTION .................................................................... 13
This grant agreement (the Agreement) has been entered into between the Norwegian Agency for Development Cooperation (Norad) and The World Customs Organization (Established as the Customs Co-operation Council in 1952, hereafter WCO or the Organisation), (jointly referred to as the Parties),

WHEREAS Norad has provided financial support to Customs Capacity Building for WCO Members through agreement dated 28 September 2012,

WHEREAS the Organisation has submitted a programme document to Norad dated 26 March 2018 (the Project Document) regarding financial support to the programme titled QZA-17/0387 – Anti-Corruption and Integrity Promotion (A-Cip) Program For Customs (the Project); and

WHEREAS Norad has decided to comply with the request;

NOW THEREFORE the Parties have agreed as follows:

1 SCOPE AND OBJECTIVES

1.1 This Agreement, including all annexes, sets forth the terms and procedures for Norad’s financial support to the Project. The estimated costs of the Project are indicated in the budget attached as Annex A.

1.2 The Parties expect the Project to be implemented between October, 2018 and 1 November, 2023 (the Support Period).

1.3 The expected results of the Project are as follows:

The planned effect on society (Impact) is: Business environment for cross-border trade improved for selected WCO member countries.

The planned effects for the target group of the Project (Outcomes) are:

Long-term outcome – Governance and integrity in customs improved for selected WCO member countries;

Short-term outcome – A select number of WCO Members have implemented new measures to combat corruption and promote integrity in accordance with the Revised Arusha Declaration.

The main planned products and/or services of the Project (Outputs) are: Component A: Improved capacity and utilization of (1) performance measurement, (2) collective action, as well as (3) the implementation of specific customs modernization efforts that combat corruption and promote integrity. Component B: Improved regional and WCO tools and instruments on integrity to support customs administrations in target countries in the fight against corruption.

1.4 The Project has a one-year inception phase. For the Project to continue after the inception phase, Norad must approve the inception phase deliverables. The inception phase deliverables for component A includes the following on the individual country level: 1) project plans for the implementation phase, 2) results frameworks with indicators and baseline data, 3) budgets for the implementation phase, 4) risk analysis with mitigating actions, and 5) donor-coordination strategies. The Organisation shall also submit a revised budget for the entire Project for approval. The deliverables must be submitted for approval within 15 months after the Agreement has entered into force. If the first submission is not approved by Norad, WCO must submit revised
documents that fully address Norad’s comments within two months after receiving these comments. Norad may terminate the Project, in accordance with article 22 of this Agreement, if these requirements have not been met within the mentioned time limit.

1.5 The full results framework is as set out in Annex B.

1.6 Any significant deviations from or changes to the Project Document or approved implementation plans or budgets are subject to written agreement between the Parties.

2 REPRESENTATION AND COMMUNICATION

2.1 Norad’s Section for Private Sector Development is competent to act on behalf of Norad. All communication to Norad regarding this Agreement shall be directed to: Norad, Postboks 1303 Vika, 0112 Oslo, Norway and/or post-naering@norad.no

2.2 WCO Capacity Building Directorate is competent to act on behalf of the Organisation. All communication to the Organisation regarding this Agreement shall be directed to:

2.3 The Director of Capacity Building, World Customs Organization, Rue du Marché 30, B-1210 Brussels, Belgium and/or capacity.building@wcoomd.org

2.4 The Parties may give written notice of other contact information to replace the above.

2.5 Norad’s agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

3 PROJECT IMPLEMENTATION

3.1 The Parties shall cooperate to ensure achievement of Project objectives. The Parties shall immediately inform each other of any circumstances likely to hamper or delay the implementation of the Project.

3.2 The Organisation shall have the overall responsibility for planning, implementing, reporting and monitoring of the Project, and shall:

a) receive and administer the Grant in accordance with its financial rules and applicable policies and procedures, as decided by its governing body
b) implement the Project in accordance with the Agreement and the latest agreed Project Document, including implementation plan and budget;
c) exercise the necessary diligence, efficiency and transparency in line with best practise principles;
d) ensure sound financial management of the Project, including that all Project funds are satisfactorily accounted for;
e) keep Norad informed of any major organisational changes within the Organisation;
f) 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;

3.3 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 partner is required to cooperate with the Organisation to ensure that it is able to fulfil its obligations hereunder. The agreement
shall have provisions related to i.a. reporting, audit, procurement and measures to prevent financial irregularities. The agreement shall explicitly state that representatives of Norway shall have the same access to undertake the control measures related to the cooperating partner’s use of the Grant as described in article 18.

4 THE GRANT

4.1 Norad shall provide a financial grant of maximum NOK 49 500 000 (Norwegian Kroner forty-nine million, five hundred thousand) (the Grant).

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 Norad following the Parliament’s approval of the state budget for the relevant budget year. If the Grant amount is reduced the Organisation 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 7% of the actual costs of the Project.

4.5 The Organisation is responsible for obtaining any additional resources which may be required to duly implement the Project.

4.6 The Organisation shall acknowledge Norad’s support to the Project in all publications and other materials issued in relation to the Project. Norad’s logo type will be provided by Norad upon request. All use of Norad’s logo type must be approved by Norad.

5 DISBURSEMENTS

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 twelve months. The disbursements shall be made upon Norad’s receipt of written disbursement requests from the Organisation describing the financial need for the period in question.

5.2 Financial need refers to the budgeted expenditures for the upcoming period, less 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 an authorised representative of the Organisation. A confirmation that the Project is being implemented in accordance with the Agreement shall be included in the disbursement requests.

5.5 All disbursements are conditional upon the Organisation’s continued compliance with the requirements of the Agreement, including the timely fulfilment of reporting obligations. Except
for the Project’s first year, the annual disbursement is subject to Norad’s receipt and approval of the progress report and financial report.

5.6 All disbursements will be made in NOK to the following bank account:

Name of the account: Conseil de Coopération Douanière
Account no.: 001849533049
IBAN no.: BE97001849533049
Name and Address of the bank: BNP Paribas Fortis, Montagne du Parc 3, 1000 Brussels
SWIFT/BIC Code: GEBABEBB
Currency of the account: EURO

5.7 The Organisation 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.

5.8 The Organisation will record in a separate account, established for the Project, the value of the Grant in euro at the rate of exchange prevailing at the time of receipt of the Grant. All accounting operations will be recorded in euro. All expenditures exposed in foreign currencies for the object of the Project will be converted immediately in euro.

6 IMPLEMENTATION PLAN AND BUDGET

6.1 An updated implementation plan and budget covering the period from July to June shall be submitted to Norad for approval by 1 May each year. The implementation plan and budget shall be signed by an authorised representative of the Organisation.

6.2 The implementation plan shall be directly related to the results framework and shall specify planned activities and outputs as well as time schedules for the upcoming reporting period.

6.3 The updated budget shall be based on the approved budget and include estimated income to the Project from all sources as well as planned expenditures for the upcoming period. The estimated financial need of the Project in the next reporting period shall be clearly stated.

7 REPORTING ON RESULTS

7.1 A progress report covering the period from July to June shall be submitted to Norad for approval by 15 September each year. The progress reports shall describe the results achieved by the Project during the reporting period and shall be set up in a way that allows for direct comparison with the latest approved Project Document, implementation plan and budget. It shall be signed by an authorised representative of the Organisation.

7.2 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 any deviations from the latest approved implementation plan and Project Document;

c) an assessment of how efficiently Project resources have been turned into outputs;
d) a brief account of materialised risk factors to the Project and how they were handled in the reporting period and/or will be handled going forward. Identified risks related to the climate and environment, gender equality, corruption and other financial mismanagement and human rights shall always be accounted for.

8 FINANCIAL REPORTS

8.1 A financial report in euro (converted to NOK at current rates) covering the period from July to June shall be submitted to Norad for approval by 15 September each year. The final financial report shall cover the entire Support Period and shall be submitted along with the final report referred to in article 10.

8.2 The financial reports shall comprise financial statements with a comparison to the latest approved budget for the reporting period, as well as an explanation of any deviations from the budget as per clause 8.4 below. It shall be certified by the financial controller as well as by an authorised representative of the Organisation.

8.3 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;
- f) overhead/indirect costs to be covered by the Grant in accordance with article 4 above;
- 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.

8.4 Deviations from the approved budget shall be highlighted with information on both nominal amounts and percentage of each deviation. The Organisation shall include a written explanation of any deviations amounting to more than 10% from a budget line.

9 AUDIT

9.1 The Project’s annual financial statements shall be audited, and the audit report shall be submitted to Norad within 1 December each year. Any other document from the auditor significant to the implementation of the Project, as well as the Organisation’s comments thereto, shall be submitted to Norad within the same deadline.

9.2 The audit shall be carried out by an independent chartered/certified public accountant acceptable to Norad. International audit standards such as International Standards of Auditing (ISA) 800, ISA 805, or equivalent shall be applied.

9.3 The auditor shall form an opinion on whether the 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 Organisation, and;
- b) requirements of article 8 clause 3.
9.4 The audit report shall include:
   a) identification of the Project’s total expenses and total income;
   b) the subject of the audit;
   c) the financial reporting framework applied;
   d) the auditing standards applied;
   e) a statement that the auditor has obtained reasonable assurance about whether the financial
      statements as a whole are free from material misstatement;
   f) the auditor’s opinion.

9.5 The costs of the audit shall be included in the Project budget.

9.6 The audit requirements stated in this Agreement shall apply to the total Grant including any part
   of the Grant transferred to other entities. 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
   partners and the consolidation process.

9.7 Norad may request additional information from the auditor at any time. Such information shall
   be provided within 30 days of the request.

10 FINAL REPORT

10.1 A final report for the Support Period shall be submitted to Norad for approval within three months
    after the end of the Support Period. The final report shall be set up in a way that allows for a direct
    comparison with the Project Document and shall be signed by an authorised representative of the
    Organisation.

10.2 The final report shall, as a minimum, include:
   a) the items listed for the progress reports described in article 7 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.

11 FORMAL MEETINGS

11.1 The Parties shall hold formal meetings twice per year, tentatively in April-May and September-
     October, 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 Organisation. One of the meetings may be held as a
     telephone conference, if agreed by the Parties.

11.2 In the first meeting of the calendar year, the Parties shall discuss the implementation plan and
     budget for the upcoming period, unless otherwise agreed. In the event that such reports have not
     been received at least three weeks before the meeting, the Parties shall agree upon a new date to
     hold the meeting.

11.3 In the second meeting of the calendar year, the Parties shall discuss the latest progress report and
     financial report, unless otherwise agreed. In the event that such reports have not been received at
     least three weeks before the meeting, the Parties shall agree upon a new date to hold the meeting.
11.4 The Organisation shall record main issues discussed, points of view expressed and decisions made, in minutes from the meetings. The Organisation shall draft the minutes and submit them to Norad no later than two weeks after the meetings for any comments. The agreed minutes shall be signed by both Parties.

11.5 The Parties may invite others to participate as observers or advisers to their delegations. The Parties shall notify each other in advance of any external participants and their role in the meetings.

12 REVIEWS AND OTHER FOLLOW-UP MEASURES

12.1 A mid-term review focusing on progress to date and sustainability shall be carried out by the end of year 3 of the Project. The Organisation 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 included in the Project budget.

12.2 An end review focusing on results achieved by the Project shall be carried out by July 2023. The Organisation 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 included in the Project budget.

12.3 If the Organisation or another interested party initiates a review or evaluation of activities wholly or partly funded by the Grant, Norad shall be informed. The Organisation shall forward a copy of the report of any such review or evaluation to Norad without undue delay.

13 PROCUREMENT

13.1 All procurement shall be completed in accordance with the Organisation’s rules and regulations related to procurement.

14 PROJECT ASSETS

14.1 The Organisation shall have full ownership to all equipment, consumables and intellectual property rights procured or developed by use of the Grant, unless otherwise described in the Project Document. Norad shall have a non-exclusive and royalty-free license to use all intellectual property rights procured or developed by use of the Grant.

14.2 Ownership, and transfer of such ownership, to all equipment, consumables and intellectual property rights procured or developed by use of the Grant shall be determined as provided for in the Organization’s rules and regulations.

14.3 All matters associated with equipment, consumables and intellectual property rights are the exclusive responsibility of the Organisation. However, significant use of such equipment, consumables and intellectual property rights for purposes outside the Project shall be subject to Norad’s prior approval.

14.4 Transfer of ownership of any equipment, consumables and/or intellectual property rights during the Support Period shall be executed in accordance with the rules and regulations of the Organisation and be made at market terms. Ownership may not be transferred to an employee of the Organisation or its cooperating partner, or anyone related to or connected with an employee, if such a relation could lead to a conflict of interest as described in article 15 clause 2.
14.5 Before a transfer is decided, the Organisation 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.

14.6 The Organisation shall prepare records of transfer of ownership for any equipment, consumables and intellectual property rights. The records shall comprise information on the object of transfer, the original purchase price paid by the Organisation, price offered 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.

14.7 If the activities of the Project do not continue after the end of the Support Period or after termination of the Agreement, the Organisation shall inform Norad about the remaining equipment and goods that have been purchased by use of the Grant. 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.

14.8 The Grant may not be used to purchase or construct real property (land or buildings) unless specifically agreed upon between the Parties in writing.

15 CONFLICT OF INTEREST

15.1 The Parties shall take all necessary precautions to avoid any conflicts of interest in all matters related to the Project.

15.2 Conflict of interest refers to any situation where the impartial and objective exercise of the functions of anyone acting on behalf of the Parties 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.

15.3 If a conflict of interest occurs, the affected Party 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.

15.4 If the conflict of interest cannot be resolved and if it relates to a decision or transaction of significance to the Project, the affected Party shall immediately notify the other Party. The Parties shall discuss in order to reach an understanding on the appropriate measures to be taken.

16 FINANCIAL IRREGULARITIES

16.1 The Parties shall practise zero tolerance towards any financial irregularities within and related to the Project. The zero tolerance policy applies to all staff members, consultants and other non-staff personnel, contractor, implementing partners and beneficiaries of the Grant.

16.2 “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 not in accordance with the latest agreed Project Document, implementation plan and budget.
16.3 The Parties are firmly committed to prevent, detect and manage financial irregularities and shall therefore:

a) organise their operations and internal control systems in a way that financial irregularities are prevented and detected;
b) cooperate fully to prevent, stop and handle 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.

16.4 The Parties shall immediately inform each other of any indication of financial irregularities and of the measures initiated to handle the situation.

16.5 The Parties shall cooperate fully in the investigations of such events, whether the investigation is led by Norad or the Organisation.

16.6 The Parties shall consider prosecution and/or other reasonable sanctions towards any person and/or legal entity suspected of financial irregularities within or in relation to the Project.

16.7 Norad may apply any measure as referred to in article 19 clauses 1 and 2, with immediate effect and irrespective of article 19 clause 3, if Norad determines that any financial irregularities have occurred. Any repayment claim may also include interest, investment income or any other financial gain obtained as a result of the financial irregularity.

17 TRANSPARENCY

17.1 The Organisation shall publish the following in a dedicated and easily accessible place of its internet site:

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

17.2 If internet publication is impossible, all the information in this clause shall be published by other appropriate means. The Organisation shall give Norad precise information on where the publication is made.

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

17.4 Any deviations from this clause shall be agreed by the Parties in writing.

17.5 The Parties shall make other project documentation, including the Project Document and all agreed reports, available to anyone upon request. Requests for disclosure may be denied if such disclosure is prohibited by national legislation.

18 VERIFICATION

18.1 Representatives of Norway may at all times carry out independent reviews, field visits, evaluations and other control measures to verify that the Grant has been used in accordance with the Agreement.
18.2 The Organisation shall facilitate such control measures by providing all information and documents necessary to carry out the relevant initiative, as well as ensuring the unrestricted access of such representatives to any premises, records, goods and documents requested.

18.3 The Organisation shall ensure that the representatives have access to the auditor of the Project, as well as to the auditor’s assessments of all relevant information pertaining to the Project. The Organisation shall release the auditor from any confidentiality obligations in order to facilitate such access.

18.4 The rights and obligations of this article shall remain in force for five years following the end of the Support Period or termination of the Agreement, whichever occurs later.

19 RESERVATIONS

19.1 Norad reserves the right to withhold disbursements at any time in case the Organisation fails to fulfil its obligations under this Agreement and/or if there is suspicion of financial irregularities.

19.2 Norad reserves the right to terminate the Agreement with immediate effect and/or claim repayment of all or parts of the Grant in the event of material breach of this Agreement by the Organisation. Material breach of the Agreement shall include, without limitation, the following:

   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 use of the Grant has not been satisfactorily accounted for,
   c) the Organisation has, after having been granted an extended deadline, failed to provide the agreed reports,
   d) financial irregularities, grave professional misconduct or illegal activity of any form have taken place within the Project,
   e) the Organisation has failed to inform Norad of indication of financial irregularities within the Project in accordance with article 16 above.

19.3 Before withholding disbursements, claiming repayment or terminating this Agreement, the Parties shall consult with a view to reaching a solution on the matter.

20 LIABILITY

20.1 Norad shall not be held liable for damage, injury or loss of income sustained by the Organisation or its agencies, staff or property as a direct or indirect consequence of the Project. No claim for compensation or increases in payment in connection with such damage, injury or loss of income will be accepted.

20.2 The Organisation 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 Organisation shall indemnify Norad against any claim or action from the Organisation’s employees or third parties in relation to the Project.

21 PRIVILEGES AND IMMUNITIES

21.1 Nothing in this Agreement or any document related to the Agreement shall imply a waiver, express or implied, by Norad, the Government of Norway, nor the Organisation, or any of either's officials of any privileges or immunity enjoyed by them.
22 DURATION, AMENDMENT AND TERMINATION

22.1 The Agreement shall enter into force on 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 this article. Whether the obligations shall be considered fulfilled, will be determined through consultations between the Parties and confirmed by Norad in a completion letter.

22.2 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.

22.3 Each Party may terminate the Agreement upon three months written notice. If the Project cannot continue without the financial support of Norad, the Organisation shall exert its best efforts to discontinue or scale down the Project promptly and in an orderly and financially sound manner.

22.4 Before a decision to terminate the Agreement is made, there shall be consultations between the Parties.

23 RETURN OF INTEREST AND UNUSED FUNDS

23.1 Upon completion 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 has not been used for Project purposes, and other financial gain accrued on the Grant. This does not apply in case of termination where such funds have been irrevocably committed by the Organisation in a legally binding agreement entered into with any third parties prior to the receipt of the notice of termination.

23.2 Repayments shall be made to the following bank account:

<table>
<thead>
<tr>
<th>Name of the account:</th>
<th>Direktoratet for utviklings-samarbeid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account no.:</td>
<td>7694.05.14815</td>
</tr>
<tr>
<td>IBAN no.:</td>
<td>NO31 7694 0514 815</td>
</tr>
<tr>
<td>Name and address of the bank:</td>
<td>DNB BANK ASA, 0021 Oslo, Norway</td>
</tr>
<tr>
<td>Swift/BIC code:</td>
<td>DNBANOK</td>
</tr>
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</table>

23.3 The transaction shall be clearly marked: “Unused funds”. The name of the Organisation shall be stated, along with the Norad’s agreement number and agreement title.

24 DISPUTE RESOLUTION

24.1 Any dispute concerning this Agreement shall be settled by consultations between the Parties.

***
IN WITNESS WHEREOF the undersigned, acting on behalf of their respective Party, have signed the Agreement in two -2- originals in the English language, whereof the Parties keep one each. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

Place: Oslo
Date: Nov. 14, 2018

Paul Wade
Assistant Director
Section for Private Sector Development

for the Norwegian Agency for Development Cooperation,

Hans Pieters
Head of Administration and Personnel
Division of Administration and Personnel

Attachments:
Annex A: Approved budget for the Project
Annex B: Results framework
Annex A: Approved budget for the Project

<table>
<thead>
<tr>
<th>Item</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Post</th>
<th>Total</th>
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<td>€ 330,000</td>
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<td>Multilateral Component B</td>
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<td>€ 250,050</td>
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<td>Sub-total</td>
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<td>€ 1,038,050</td>
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<td>7% Management Fee</td>
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<td>€ 66,154</td>
<td>€ 54,604</td>
<td>€ 72,664</td>
<td>€ 3,255</td>
<td>€ 326,225</td>
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<td>Totals by Year</td>
<td>€ 1,145,579</td>
<td>€ 834,654</td>
<td>€ 1,011,204</td>
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<td>€ 1,110,714</td>
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</tbody>
</table>

(The budget has been converted from EUR to NOK using the exchange rate at the time of writing (9.75).) In addition, NOK 881 059 will be set aside for a mid-term review and an end-review, to be managed by Norad. The total grant is therefore NOK 49 500 000.)
Annex B: Results framework

<table>
<thead>
<tr>
<th>Logic</th>
<th>Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Objective (Impact): Business environment for cross-border trade improved for selected WCO member countries.</td>
<td>(a) Improved private sector perceptions of the level of corruption and integrity in customs (b) Improvements in customs clearance times/costs Year 1 to establish quantifiable % from baselines measured at beginning and end of project.</td>
<td>(a) Integrity Perceptions Surveys collected at beginning and end of Program. (b) Time Release Studies (where available) and/or data extracted from automated customs clearance systems</td>
<td>- Effective communication with private sector stakeholders in participating WCO Members</td>
</tr>
<tr>
<td>Project Purpose (Outcomes): Long-term outcome – Governance and integrity in customs improved for selected WCO member countries; Short-term outcome – A select number of WCO Members have implemented new measures to combat corruption and promote integrity in accordance with the Revised Arusha Declaration.</td>
<td>Number of select countries implementing new measures identified. Year 1 to establish quantifiable % from baselines measured at beginning and end of project.</td>
<td>Program reports Mid-term reviews External evaluations</td>
<td>- Country Project Plans are realistic and there is sufficient local buy-in.</td>
</tr>
<tr>
<td>Results (Output): Component A: Improved capacity and utilization of (1) performance measurement, (2) collective action, as well as (3) the implementation of specific customs modernization efforts that combat corruption and promote integrity.</td>
<td>KPIs to be established during Year 1 preparation of Country Project Plans and Baseline Data Collection*</td>
<td>Sources identified during Year 1 preparation of Country Project Plans and Baseline Data Collection.</td>
<td>- Social, economic and other drivers of corruption outside the scope of A-CIP to address will not negate results.</td>
</tr>
<tr>
<td>Component B: Improved regional and WCO tools and instruments on integrity to support customs administrations in target countries in the fight against corruption.</td>
<td>Number of initiatives, tools and instruments delivered which can be directly linked to supporting Component A and achieving Project Purpose</td>
<td>Agreed project plans, program reports, published tools and instruments, etc.</td>
<td>- Partner administrations will select appropriate counterparts to work on A-CIP.</td>
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<td>- All relevant stakeholders will be willing to cooperate and share information where necessary (e.g. customs, other government agencies, private sector, other international actors).</td>
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</tbody>
</table>