GRANT AGREEMENT

(The "Agreement")

The Swedish International Development Cooperation Agency, Sida

Organisation number: 202100-4789

105 25 Stockholm
Sweden,

("Sida")
of the one part,

and

Norwegian Refugee Council (Stiftelsen Flyktninghjelpen)
Private Foundation
977 538 319 (in Brønnøysund Registry Centre, Norway)
Visiting address:
Prinsen gate 2
0152 Oslo

Mail address:
Postboks 148, Sentrum
0102 Oslo

("NRC")
of the other part,

(The "Parties")

have agreed as follows:
Special conditions

ARTICLE 1 – PURPOSE

1.1 The purpose of this Agreement is to finance the implementation of the Norwegian Refugee Council Programme – “Support for refugees and Internally Displaced Persons”, (the "Programme") through a grant, described in the programme application, Annex I (original application), including budget and Results Framework/Performance Assessment Framework (as presented by NRC) and Annex II (amendments to application).

1.2 NRC agrees to implement the Programme on the terms and conditions set out in this Agreement, which consists of these special conditions (the "Special Conditions") and the annexes including Annex III General Conditions, which the Cooperation Partner hereby declares it has noted and accepted.

1.3 NRC hereby accepts the grant and assumes the responsibility of the Programme. NRC is primarily a self-implementing partner but works on a case-by-case basis with local implementing partners. The below table gives an overview of the agreed support to the Programme in 2014-2016. Subject to funds availability, Governmental appropriations and Sida needs assessment, Sida’s intention for 2015 and 2016 is to complement the agreed support through additional decisions and amendments to this Agreement.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Sector/Core Competency</th>
<th>Amount (SEK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>Shelter, Education &amp; WASH</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Shelter, Education, WASH &amp; ICLA</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Myanmar</td>
<td>ICLA, Shelter &amp; Education</td>
<td>4,000,000</td>
</tr>
<tr>
<td>East Africa</td>
<td>WASH, Shelter, ICLA, Education &amp; Food Sec.</td>
<td>37,000,000</td>
</tr>
<tr>
<td>DRC</td>
<td>Em. food assistance, WASH &amp; Ed. in Em.</td>
<td>14,000,000</td>
</tr>
<tr>
<td>Mali</td>
<td>Shelter &amp; Food security</td>
<td>9,000,000</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>Shelter</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Syria Response</td>
<td>Shelter, Education, WASH &amp; ICLA</td>
<td>20,000,000</td>
</tr>
<tr>
<td>oPt</td>
<td>ICLA &amp; Education</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Colombia</td>
<td>Education</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

Thematic Priorities

| ACAPS             | 6,000,000 |
| IDMC              | 3,000,000 |
| Rapid Response Mechanism | 10,000,000 |
| Management & Progr. Quality | 2,000,000 |
| **Total**         | **138,000,000** |

1 Somalia 5,000,000, South Sudan 15,000,000, Kenya 5,000,000, Ethiopia 4,000,000, Yemen 5,000,000, Djibouti 3,000,000
2 Lebanon 10,000,000, Jordan 5,000,000, Iraq 5,000,000.
ARTICLE 2 - ACTIVITY PERIOD OF THE PROGRAMME

2.1 This Agreement shall enter into force on the date upon signature by both parties. The activity period of the Programme is 01.01.2014 – 31.03.2017.

ARTICLE 3 - FINANCING OF THE PROGRAMME AND PROVISIONAL DISBURSEMENT SCHEDULE

3.1 The total cost of the Programme is 158,000,000 SEK of which 138,000,000 in 2014, 10,000,000 in 2015 and 10,000,000 in 2016. Sida undertakes to finance a maximum of 158,000,000 SEK. The final amount of Sida’s contribution shall be established in accordance with Article 16 as well as Article 17 of the General Conditions.

3.2 The Parties foresee the following provisional disbursement schedule:

| YEAR 1          | 138,000,000 SEK upon signature and within quarter 1. |
| YEAR 2          | 10,000,000 SEK                                         |
| YEAR 3          | 10,000,000 SEK                                         |
| Total maximum   | 158,000,000 SEK.                                      |
| contribution    |                                                     |
3.3 The first payment shall be deposited into the designated account listed in NRC's Organisational Capacity Application, upon signature of this Agreement followed by a request in writing.

3.4 The first payment for year 2 shall be based upon:

- The fulfillment of the requirements for final reporting in accordance with the Agreement between Sida and the Norwegian Refugee Council (NRC) on Support for Refugees and Internally Displaced Persons 1 January 2011 – 31 December 2013, and liquidity needs as presented by NRC.

- The signature of an amendment to this Agreement followed by a disbursement request in writing.

The second payment for year 2 shall be based upon the fulfillment of the reporting requirements for 2014 in accordance with this Agreement.

The first payment for year 3 shall be based upon:

- The fulfillment of the reporting requirements for 2014 in accordance with this Agreement, and liquidity needs as presented by NRC.

- The signature of an amendment to this Agreement followed by a disbursement request in writing

The second payment for year 3 shall be based upon the fulfillment of the reporting requirements for 2015 in accordance with this Agreement.

For components already agreed for year 2 and 3 (as per article 1.3), payments can be disbursed from 1st January of each year, upon receipt of a disbursement request in writing. Should the application propose revised amounts however, the signature of an amendment to this Agreement will be required prior to payments being disbursed.

3.5 The disbursement request shall be sent in writing, in one original, to Sida with information on the title of the Programme, the contribution ID and information on the period for which the requested amount shall be used. The contribution ID is 52040470. The request shall be signed by the responsible function of NRC, Head of Donor Support Section.

3.6 Payment shall be made in accordance with the requirements in Article 14 of the General Conditions.

3.7 The financing provided by Sida shall be deposited by the Cooperation Partner in an interest bearing account.

3.8 An agreement must be entered into between the NRC and a third party before any funds can be requested and disbursed from NRC to the third party. NRC is responsible for ensuring that relevant terms and conditions in this Agreement are included in an agreement with a third party. These requirements shall also apply to a third party forwarding funds to a subsequent party.
ARTICLE 4 PROCUREMENT

4.1 NRC's own Procurement Regulations, listed in NRC's Logistics Handbook (20th Nov 2011), as presented to (Annex VI) and approved by Sida together with this Agreement shall apply to the procurement of goods, works and services financed by this Grant Agreement and carried out by the NRC.

4.2 Tender documentation, including all published procurement notices, shall be prepared in the English language (or French, Spanish or Arabic, when this is deemed more appropriate).

4.3 At the request of either of the parties, consultations shall be held on any matter relating to procurement.

Sida may carry out checks on procurements. The check may take the form of a procurement audit. The Cooperation Partner shall provide Sida with all the necessary documentation and information.

ARTICLE 5 REPORTING & RECOVERY

5.1 NRC shall submit copies of NRC's organisational Annual Report compiled according to applicable law in Norway. NRC shall further prepare and submit annual audited financial reports for the Programme no later than the 30th of June following the end of the 12 months period (1st January – 31st December) under which the activities have taken place in 2014 and 2015 and the last 15 months period under which activities have taken place (1st January 2016 – 31st March 2017).

The financial reports shall be signed by the Director Partnership and Policy Department and follow the stipulations in Article 2.2 of the General Conditions.

5.2 NRC shall prepare and submit in writing annual narrative reports for the Programme no later than 30th June following the end of each financial year.

The reports will cover the period from 1st January – 31st December of the respective years 2014 and 2015, and 1st January 2016 – 31st March 2017 for the final 15 month period.

The narrative reports shall be signed by the Director Partnership and Policy Department and follow the stipulations in Article 2.3 of the General Conditions. The narrative reports shall include information on third parties that have received forwarded funds.

5.3 NRC shall no later than 30th November submit a financial report on expenditure per programme as per 30th September of the respective years 2014, 2015 and 2016.
5.4 Sida shall establish the final amount of the contribution upon receipt and approval of the final report(s) (narrative/audited final financial report) of the Programme Funds which have been placed at the Cooperation Partner's disposal and which remain after completion of the Programme shall together with accrued interest be returned to Sida. Sida will inform the Cooperation Partner by issuing a debit note of the amount, based on these reports, to be repaid to Sida as well as the preferred currency and bank details. The repayment shall be transferred to Sida's account within 45 days of the date of the debit note.

**ARTICLE 6 CONSULTATIONS**

6.1 As a minimum, one Annual meeting shall be held between NRC and Sida. Additional thematic seminars/workshops as part of the strategic partnership dialogue will be carried out on a case-by-case basis after mutual agreement and planning. The form, date, and topic for the meeting(s) shall be discussed and decided upon annually between the parties. If deemed relevant by Sida, NRC shall be invited to provide input to policy, strategic and operational discussions in Sida.

6.2 The Parties shall cooperate and regularly communicate with each other on all matters relevant to the implementation of the Programme and this Agreement.

6.3 Additional consultation meetings may be requested by NRC and/or Sida on any subject relevant to the implementation of the Programme.

**ARTICLE 7 AUDIT**

7.1 NRC is responsible for submitting annual audited financial reports of the programme to Sida no later than 30th June.

The audit shall be carried out by an external, independent and qualified auditor. The audit shall be carried out in accordance with international standards issued by International Auditing and Assurance Standards Board (IAASB). If the audit is performed using national audit standards which have been assessed to be equivalent, Sida shall approve the Terms of Reference in advance.

The auditor for this agreement shall be Ernst & Young. Should NRC deem it necessary to change the auditor, prior approval from Sida must be requested.

7.2 The Terms of Reference for the audit are annexed to this agreement (annex V). Any changes in the Terms of Reference or selection of auditor shall be approved by Sida. The cost for the audit shall be paid by NRC and shall be a part of the programme budget.

7.3 The Auditor's report shall express an opinion whether the submitted annual financial report is in accordance with the Cooperation Partner's accounting records and Article 16 of the General Conditions. The auditor shall also include other questions in the audit if requested in the terms of reference.

7.4 The auditor shall submit a Management Letter/Audit Memorandum, which shall contain the audit findings made during the audit process. It shall also state which
measures have been taken as a result of previous audit and whether measures taken have been adequate to deal with reported shortcomings.

7.5 A Management response including an Action plan regarding any findings shall be produced by the NRC and submitted to Sida within one month of the submission of the audited financial report and the management letter, i.e. no later than 31st July.

7.6 Sida reserves the right to require that the auditor shall be replaced if considerations which were unknown when the Agreement was signed cast doubt on the auditor’s independence or professional standards.

7.7 When forwarding funds to a third party, NRC is responsible for the funds being followed up according to this Agreement. These requirements shall be passed on to all subsequent agreements. [If the separate funds do not exceed 270 000 SEK, another form of follow up than audit, may after Sida’s approval be regulated in the agreement between NRC and the third party].

ARTICLE 8 - CONTACT ADDRESSES

Any communication relating to this Agreement must be in writing, state Sida’s contribution number and be sent to the following addresses:

For Sida
Payment requests and attached reports, including requests for changes to bank account arrangements should be sent to:
The Swedish International Development Cooperation Agency, Sida
Department for Asia, North Africa and Humanitarian Assistance
Unit for Humanitarian Assistance
Att: Adam Kahsai-Rudebeck, Programme Officer
105 25 Stockholm
Sweden

For the Cooperation Partner
Norwegian Refugee Council
Arvind Gadgil, Director Partnerships and Policy Department
Postboks 148, Sentrum
0102 Oslo, Norway

ARTICLE 9 - ANNEXES

9.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

Annex I: Programme Application including budget, Results Framework/Performance Assessment Framework (PAF)
Annex II: Amendments to programme application
9.2 In the event of conflict between the provisions of the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of conflict between the provisions of Annex III and those of the other annexes, those of Annex III shall take precedence.

ARTICLE 10 - OTHER SPECIFIC CONDITIONS APPLYING TO THE PROJECT

The General Conditions are supplemented by the following:

10.1 By derogation from Article 5.3 of the General Conditions the ownership of equipment, vehicles and supplies paid for by the Budget for the Programme does not need to be transferred to any local partners of NRC and/or the final beneficiaries of the Programme at the end of the activity period of the Programme. NRC must, however, in the Annual Report submit a list of all equipment and vehicles with a purchase cost of more than SEK 40,000 per item, should ownership have been transferred to a local partner.

10.2 Within the agreement period, unused funds can be transferred to the following year with prior approval by Sida.

10.3 If NRC decides to make any substantial deviation from the plan presented in annex I and II, including a reallocation within or between programmes amounting to more than 10% of the programme budgets, NRC must obtain Sida’s written approval before continuing the programme or before implementing such changes.

10.4 With reference to article 10.1 in the General Conditions NRC may request a no cost extension of the programmes no later than one month before the end of the implementation period.

10.5 With reference to article 11.2 in the General Conditions, NRC shall inform Sida of any instances or substantiated suspicions of fraud and corruption, and of the measures taken.

10.6 The restriction in article 13.2 in the General Conditions – concerning the prohibition of financing purchases of property, land or buildings – does not apply to the
financing of buildings directly related to humanitarian activities such as latrines, storage room, pump house and temporary school buildings.

ARTICLE 11 - APPLICABLE LAW AND DISPUTE SETTLEMENT

Any dispute, controversy or claim arising out of or in connection with this Agreement that cannot be settled amicably shall be definitively resolved by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. A single arbitrator shall be appointed. The place of arbitration shall be Stockholm and the language used in the proceedings shall be English. This Agreement shall be governed by the substantive law of Sweden without regard to its conflict of law rules.

ARTICLE 12 - TERMINATION

This Agreement shall remain valid until 31 December 2017 unless terminated earlier by six months' written notice by either Party. In case of premature termination by the Cooperation Partner, no funds shall be made available for activities after six months of the written notice. All rights and obligations of the Parties pursuant to this Agreement shall continue unimpaired until the return of the remaining funds/fund balance to Sida and fulfillment of the reporting requirements of this Agreement, at which time this Agreement expires.

ARTICLE 13 - ENTRY INTO FORCE

This Agreement shall enter into force upon signature by both Parties.

This Agreement has been drawn up in English in two originals, one original being for Sida and one original being for NRC.

For the Swedish International Development Cooperation Agency, Sida,

Name Peter Lundberg
Title Head of Unit for Humanitarian Assistance
Signature
Date 2014-03-14

For the Norwegian Refugee Council, NRC

Name Jan Egeland
Title Secretary General
Signature
Date 2014-03-17