

# Agreement on core support to Integrity Action, 2017-2020

This contribution agreement, hereinafter referred to as the *Agreement*, is entered into between

**The Swedish International Development Cooperation Agency (Sida)**

and

**Integrity Action (IA)**

Contact information to the parties:

Sida

Address: Valhallavägen 199, 105 25 Stockholm  
Dept./Unit: INTEM/DEMO  
Contact Person: Maria Tropp  
Telephone: +46 (0)8 698 5663  
E-mail: maria.tropp@sida.se

Integrity Action

Organization no: Charity Registration number: 1120927  
Address: Studio 12.1.2  
The Leather Market,  
Weston Street London  
London SE1 3ER UK  
Contact Person: Jasmina Haynes, Chief Executive Officer  
E-mail: jasmina.haynes@integrityaction.org

The following appendices are included in the *Agreement*:

<b>Annex I</b>	<b>Application</b>
<b>Annex II</b>	<b>Results Framework</b>
<b>Annex III</b>	<b>Budget</b>
<b>Annex IV</b>	<b>Sida's Procurement Guidelines for Foreign Non-Governmental Partners</b>

## Article 1 – Scope and objectives of the agreement

Integrity Action has applied for a contribution in the form of core support in accordance with the Application, **Annex I**, Results Framework, **Annex II** and Budget, **Annex III**, hereinafter referred to as the *Core Activities*. Sida has decided to support the *Core Activities* under the



conditions specified in this *Agreement*. All modifications to the *Agreement*, including the annexed documents, shall in advance be approved by Sida and documented in a written amendment.

The objectives and expected results of the *Core Activities* are:

- Delivering high-impact, locally-driven, scalable responses to concrete integrity challenges;
- Conduct action learning and supporting policy research;
- Engage with policy makers, citizens and institutional leaders, advocating for new integrity standards;
- Strengthen partners and Integrity Action as vibrant organisations that are fit for purpose and growth.

## Article 2 – Funds allocated by Sida

Sida shall, subject to parliamentary appropriation of funds, allocate a contribution, hereinafter referred to as the *Funds*, of a maximum total amount of twenty-eight million three hundred and fifty thousand Swedish krona, (SEK 28,350,000), to Integrity Action as core support to the *Core Activities*.

## Article 3 – Implementation Period

The *Core Activities* may be financed with *Funds* allocated by Sida during Integrity Action's fiscal years 2017-2020, covering activities from 1 October 2016 to 30 September 2020, hereinafter referred to as the *Implementation Period*.

## Article 4 – Undertakings by Sida

Sida shall monitor the compliance of this *Agreement* with particular focus on the results achieved in Integrity Action's *Core Activities*. The progress of the *Core Activities* will be measured against the current Results Framework, **Annex II**.

As a financier, Sida shall not bear any responsibility towards any third party with regard to the implementation of the *Core Activities*.

## Article 5 – Undertakings by (org)

Integrity Action confirms that the *Funds* shall be used exclusively to cover costs for the *Core Activities*. The *Funds* shall be recorded in and constitute a revenue in Integrity Action's budget. Integrity Action shall be fully responsible for the implementation of the *Core Activities* as described in the Application, Results Framework and Budget, **Annex I-III**, and the **Work Plan**. Integrity Action is responsible for managing *Funds* allocated by Sida, for having adequate financial systems and administrative capacity to properly handle the *Funds*. Integrity Action is also responsible for monitoring of the *Core Activities*.

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**The following special conditions shall apply for the *Funds*:**

- Integrity Action shall to Sida submit an annual register stating third parties receiving funds forwarded from Integrity Action. The register shall also state the respective sub-grant in SEK, agreed or planned to be agreed in the coming year. The register shall be approved annually by Sida.
- Integrity Action shall enter into an agreement with a third party which will be receiving forwarded funds. An agreement must be entered into between Integrity Action and a third party before any funds can be requested and disbursed from Integrity Action to the third party. Integrity Action 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 6 – Conditions for disbursements**

A prerequisite for disbursement is Integrity Action's compliance with the terms of the *Agreement*. Sida's disbursements may only be conducted during the validity of the *Agreement* (Article 21) and for activities undertaken within the *Implementation Period* (Article 3). A prerequisite for disbursement of Funds is Integrity Action's submittal of an annual register of third parties receiving forwarded funds and Sida's approval of the register (Article 5). Disbursements of *Funds* shall be conducted in close correlation to Integrity Action's expenditure of the *Funds*. *After the first disbursement*, a prerequisite for additional disbursement of *Funds* is Integrity Action's account of the use of previously disbursed *Funds* in an audited financial statement, as well as the submittal to and Sida's approval of reports and documents in accordance with this *Agreement* (Article 11).

Disbursements of a maximum amount of twenty-eight million three hundred and fifty thousand Swedish krona, (SEK 28,350,000) to Integrity Action will be made in installments in SEK as follows:

- Maximum SEK 5,000,000 when the agreement has been signed by both parties
- Maximum SEK 2,000,000 when a finalized results framework has been submitted and approved by Sida
- Maximum SEK 3,500,000 in October 2017
- Maximum SEK 3,500,000 in April 2018
- Maximum SEK 3,850,000 in October 2018 (including costs for the evaluation)
- Maximum SEK 3,500,000 in April 2019
- Maximum SEK 3,500,000 in October 2019
- Maximum SEK 3,500,000 in April 2020

A prerequisite for disbursement is Integrity Action's submittal of a request for disbursement, hereinafter referred to as the *Request*, in original to Sida. Authorized to represent Integrity Action and sign the *Request* is Jasmina Haynes, Chief Executive Officer. Integrity Action shall immediately inform Sida in writing of any changes.

**The *Request* shall contain the following information:**

- The word "*Request*" in the title
- Contribution no: 61070128
- Contribution name: Integrity Action Core Support 2017-2020
- Integrity Action's name in full

- Integrity Action's VAT no
- Integrity Action's full address Unit 12.1.2, The Leather Market, Weston Street London SE1 3ER UK
- The request shall also contain information of the beneficiary bank, bank account number, IBAN or BIC-code and SWIFT-address.
- Accounting of the use of previously disbursed *Funds* or reference to the current Annual Report on *Core Activities* or other relevant reports,
- Requested amount in SEK,
- In which currency the requested amount shall be disbursed,
- Maria Tropp, INTEM/DEMO at Sida

The first *Request* shall be accompanied by a letter from the bank with an assurance regarding the following: whether the account is interest bearing, bank account holder, bank account number, IBAN or BIC-code and SWIFT-address as well as currency of the account. Subsequent requests need to be accompanied by a bank letter only if any changes have been made regarding the mentioned bank details.

The *Request* shall, after a previous disbursement, be accompanied by an account of the use of previously disbursed *Funds* by reference to the current Annual Report including an audited financial statement on *Core Activities*.

Sida shall, after receiving the *Request* and after approving the attached documents enforce the disbursement. The receipt of *Funds* shall immediately be confirmed in writing by Integrity Action. The confirmation shall include the amount received in SEK and its equivalent in the currency used in the budget.

## Article 7 – Repayment

*Funds* used in breach of the *Agreement* (Article 18), including accumulated interest, shall be accounted for and repaid to Sida within 30 days of Sida's reclaim of *Funds*. The amount shall be certified by Integrity Action's auditor and stated in the audited financial statement and Annual Report (article 11).

*Funds* not used within the *Implementation Period* (Article 3), including accumulated interest, as stated in the audited – for the Sida *Funds* – final financial statement and Annual Report (Article 11), shall be accounted for and repaid to Sida 28 February 2021 by the latest.

If all *Funds* have been used within the *Implementation Period*, the *Funds* accumulated interest shall not be repaid to Sida. The amounts shall be certified by the Integrity Action's auditor.

Integrity Action shall inform Sida in writing what each paid amount relates to; payment of interest, repayment of unspent *Funds* or *Funds* used in breach of the *Agreement* (Article 18). The respective amounts shall be specified. Payments can be made via SWIFT in any currency.

### Sida Bank account details:

Account holder: Swedish International Development Cooperation Agency (Sida)

Bank: Swedbank AB

Bank address: S-105 34 STOCKHOLM, Sweden

Swift/BIC: SWEDSESS

IBAN: SE8580000890119240551268

(account: 890119240551268 )



Contribution name: Integrity Action Core Support 2017-2020  
Contribution no: 61070128  
Integrity Action's name in full  
Integrity Action's full address Unit 12.1.2, The Leather Market, Weston Street London SE1  
3ER UK  
Maria Tropp, INTEM/DEMO at Sida

## Article 8 – Audit

Integrity Action is responsible for that the *Funds* as stated in the financial statement (Article 11) are subject to an annual audit of an external, independent and qualified auditor. The annual audit shall be conducted in accordance with international standards issued by the International Federation of Accountants, IFAC, or International Organization of Supreme Audit Institutions, INTOSAI, or a national standard deemed equivalent. The cost of the audit shall be included in the budget.

Integrity Action's ordinary audit will be accepted if it is an assurance audit and the process for audit (handling of audit reports, management response, follow-up of recommendations etc.) is conducted acceptably.

### **The auditor shall in the audit report and the management letter comment on;**

- If the attached financial report complies with Integrity Action's accounting records,
- If Integrity Action complies with the Agreement in regards to the sub-granting process.
- Observations made during the review process,
- Recommended actions,
- If Integrity Action has taken appropriate actions according to previous audit recommendations.

Based on the auditor's findings during the review process and the recommended actions as stated in the audit report, Integrity Action shall prepare and submit a response to Sida, including an action plan.

When forwarding funds to a third party, Integrity Action 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 SEK 284 000, Integrity Action may apply the following instead of a specific project audit in their agreements with third parties: Integrity Action shall 1) request and review an organisational audit from the third party showing income received from Integrity Action, and, 2) request and review the third party's annual certified statements for the agreement made between Integrity Action and the third party. The report signed by the responsible third party shall contain income and expenditure against agreed budget. Integrity Action shall conduct sample review of receipts against the expenditure. The review shall include third party's adherence to procurement and anti-corruption procedures explained within this Agreement.

Sida shall be given the opportunity to visit Integrity Action and to inspect property, goods, accounts, other documents etc. Integrity Action shall cooperate with and assist Sida in the process of monitoring, evaluation, review, audit or similar. Sida reserves the right to conduct unannounced inspections. The costs of inspection shall be borne by Sida.



Integrity Action shall, on request, give the Swedish National Audit Office opportunity to audit how the contribution has been used by the recipient and thereby supply information necessary for such audit.

## Article 9 – Provision of information

The Parties shall cooperate and communicate regularly with each other in all matters relevant to the implementation of the *Core Activities* and this *Agreement*.

Integrity Action shall immediately inform Sida if there is a risk that the *Core Activities* will not be successfully implemented, or if other circumstances arise that cause the *Core Activities* to develop unfavorably in any other respect. Integrity Action shall present a proposal to resolve the matter. Integrity Action shall inform Sida about changes, deviations and incidents that may be relevant to Sida's relation to Integrity Action.

## Article 10 – Annual reviews

Integrity Action and Sida shall no later than 31 March annually have consultations to review the implementation of the *Core Activities*. The consultations shall be convened and chaired by Integrity Action. A prerequisite for the annual review is Integrity Action's submittal to Sida of a draft Annual Work Plan with a draft Budget and draft Annual Report prior to the consultation in accordance with this *Agreement* (Article 11). The conclusions of each annual review shall be documented by Integrity Action in Minutes and submitted to Sida according to Article 11. The Minutes shall, with the responsible officer's signature, be approved by Sida (Article 11). Additional consultation meetings may be requested by Integrity Action and / or Sida on all issues relevant to implementation of the *Core Activities*.

## Article 11 – Reports and other documents

Integrity Action shall submit an Annual Work Plan and Budget for the coming year.

Integrity Action shall annually submit its Annual Report to Sida. The Annual Report shall describe achieved results compared to planned results in the Results Framework, and an analysis of the extent to which objectives have been achieved. The report shall analyze any deviations in relation to results framework and provide an assessment of risks that may affect the achievement of the planned results. It shall also include an assessment of the possible need for adjustments in the implementation, including risk management. The Annual Report shall be signed by Kevin Radley, Co-chair of the Board.

Integrity Action shall annually submit its financial statement to Sida. The financial statement shall include all income and shall specifically display all funding sources, including *Funds* allocated by Sida. It shall also contain a comparison of actual costs for *Core Activities* for the current reporting period to budgeted costs for the same period. The financial statement shall include information on interest and / or unspent *Funds*. The financial report shall also include an annual register stating third parties receiving funds forwarded from Integrity Action. The register shall state the respective sub-grant in SEK. The financial statement shall be signed by Kevin Radley, Co-chair of the Board.

**The reports shall be presented in English and submitted to Sida within the following deadlines:**

- Finalised Results Framework no later than 15 July 2017
- Minutes from annual meeting no later than 30 April
- Annual Work Plan with the budget for the coming year, including an update of secured funding and funding expected to be confirmed, no later than 30 September
- Annual Registry of Third Parties for the coming year no later than 30 September
- Annual Report and financial statement for the period October to September no later than 31 January
- Annual Audit Report no later than 31 January
- Management Letter and Management Response, including action plan based on the audit report no later than 31 January

Sida shall within 45 days approve or reject the Minutes / Annual Work Plan with Budget / Annual Report and financial statement, inform Integrity Action of its views or request additional validating documents or information. Integrity Action has, if appropriate, 30 days thereafter to submit new meeting minutes / a new report, additional information or requested documents. This handling will be continued until Sida can approve Minutes / Annual Work Plan with Budget / Report.

## **Article 12 – Preservations of documents**

Integrity Action shall retain all records related to this Agreement until the end of the seventh year after Sida's last payment. They shall be kept in the UK, in orderly condition and in a safe and orderly manner.

## **Article 13 – Evaluation**

Integrity Action shall undertake a mid-term review of the *Core Activities*. Sida shall provide input to the Terms of Reference and the selected evaluator has to be approved by Sida. The cost of the evaluation is included in the budget (the disbursement in October 2018).-

If either party carries out or commissions an evaluation of the *Core Activities*, it shall provide the other Party with a copy of the evaluation report.

## **Article 14 – Procurement**

Integrity Action is responsible for all procurement of Goods and Services for the *Core Activities*. Procurement shall be in accordance with the procurement principles on non-discrimination, equal treatment, transparency (openness and predictability), proportionality and mutual recognition. Procurement shall be conducted in accordance with this *Agreement* and Sida's Procurement Guidelines for Foreign Non-Governmental Partners.

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**The following special conditions shall apply for the procurement:**

- Integrity Action shall procure technical support as part of the contribution. The cost for technical support is included in the budget for the *Core Activities*.
- For procurements above the amount of 500,000 SEK, Sida shall give no-objection before Integrity Action publish Tender Invitation and Terms of Reference and before awarding and signing contract with the winning bidders.

If requested by Sida, Integrity Action shall provide Sida with all necessary information such as relevant documents, decisions and actions taken, including details and copies of awarded contracts. Sida may at any time conduct special procurement audits of conducted procurements in the *Core Activities*. The costs of such control measures shall be borne by Sida.

**Article 15 – Ownership/use of assets**

Ownership of, and title and intellectual and industrial property rights to, the *Core Activities*, reports and other documents relating to it shall be vested in Integrity Action. Notwithstanding this, Integrity Action grants Sida the right to use free and at no charge and as Sida sees fit all documents deriving from the *Core Activities*, whatever their form, provided that Sida's use does not thereby breach existing industrial and intellectual property rights.

Equipment, vehicles and supplies paid for by the *Funds* for the *Core Activities* shall remain in Integrity Action's ownership after the *Implementation Period*. Transfer to a third party of such equipment, vehicles and supplies must be conducted at the latest by the end of the *Implementation Period*. Copies of the proofs of transfers of equipment and vehicles, the purchase cost of which exceeded 10 000 SEK per item, must be attached to the – for the Sida *Funds* – final financial statement. Such proofs must be kept for control in all other cases (Article 12).

**Article 16 – Anti-corruption**

Sida and Integrity Action will cooperate to prevent fraud and counteract corruption during the implementation of the *Core Activities*.

Integrity Action shall work actively to prevent corruption, illegal or improper handling or other form of misuse of *Funds*. When planning and implementing the *Core Activities*, Integrity Action shall take the risk of corruption into account and identify key risks and risk mitigation measures. If a significant risk of corruption is identified, risk mitigating measures shall be adopted to reduce the identified risk. Integrity Action shall require its own staff, organizations to which *Funds* have been forwarded and their staff, consultants, suppliers or others participating in *Core Activities* funded by Sida, to refrain from receiving, to be promised a bribe or any other improper enrichment or benefit.

Integrity Action undertakes to investigate the presence of corruption, identify and take action, including legal actions, against persons who there is reason to suspect of corruption or other improper enrichment. Integrity Action shall immediately inform Sida about suspected corrupt behavior. Integrity Action shall continuously thereafter consult with Sida on the further handling of the matter. Integrity Action shall immediately initiate action to stop the corrupt behavior, investigate and if appropriate take action to prosecute and / or apply other sanctions in accordance with applicable law against any person suspected of misuse of resources, fraud or

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corruption in connection with the *Core Activities*. When the matter has been concluded, Integrity Action shall submit a final report regarding the suspected corruption to Sida.

## Article 17 – Visibility and information

When referring to activities, fully or partly financed in accordance with this Agreement, Integrity Action shall always recognize and make public that the activities are financed through Swedish development aid.

The Sweden logotype shall be used in the production of information materials and in connection with information activities. The production of such materials is fully the responsibility of the project/programme and the liability of the contents lies with the publisher. “Sida” or “Sweden” cannot be used in any way that can be perceived as if Sida or Sweden has participated in the production or support any opinions presented. Sida and other departments of the Swedish administration abroad reserve the right to copy and distribute such materials if required.

## Article 18 – Remedies

Sida has the right to withhold all or part of the *Funds* under this *Agreement* if the *Core Activities* regarding content and / or implementation differ significantly from what has been stated in the Application, Results Framework, Budget, Annex I-III, or otherwise differ from the terms of this *Agreement*. This right also exists when the *Core Activities* are compromised or circumstances come to light which causes the *Core Activities* to develop in an unfavorable way in any other significant respect.

Sida is entitled to reclaim *Funds* used in breach of the *Agreement*, including accumulated interest, if the *Core Activities* of content and implementation differ substantially from what has been stated in the Application, Results Framework, Budget, Annex I-III, or otherwise differ from the terms of this *Agreement*.

## Article 19 – Dispute

Any, dispute, controversy or claim, arising out of / or in connection with the *Agreement*, that cannot be settled amicably shall be definitively resolved by arbitration in accordance with the rules of the arbitration institute of the Stockholm of 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.

The Agreement shall be governed by the substantive law of Sweden without regard to its conflict of law rules.

## Article 20 – Termination of agreement

Either party may by three months' written notice terminate the *Agreement*. Integrity Action may during the notice period use disbursed *Funds* for planned and ongoing *Core Activities* funded by Sida which cannot be cancelled. Integrity Action shall as to the extent possible terminate the *Core Activities* funded by Sida.

In the event of a serious breach of the *Agreement*, Sida is entitled to terminate the *Agreement* immediately.



## Article 21 – Validity of the agreement

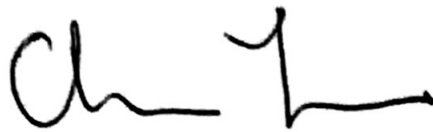
The *Agreement* is valid from the date when the last of the parties signed the *Agreement* and until 30 April 2021 or to the later date when any outstanding repayment or reporting to Sida has been completed. All rights and obligations of the parties pursuant to this Agreement shall continue unimpaired until the return of the remaining Funds to Sida and fulfillment of reporting requirements of this Agreement, at which time this Agreement expires.

Two originals of this Agreement have been signed, of which the parties have taken one each.

Stockholm 27/3/2017

Place and date

On behalf of Sida

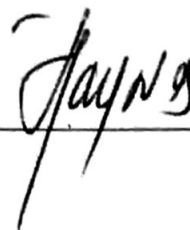


Signature

Christine Johansson, Head of Unit, INTEM/DEMO

Place and date

On behalf of Integrity Action



Signature

Jasmina Haynes, Chief Executive Officer