



## Terms of Reference

**Engaging an NGO/CSO as Responsible Party for managing small grants programme on the issues of community development and security initiatives, social cohesion, social integration, conflict prevention and peacebuilding, gender equality and GBV prevention, community policing, promotion of participatory budgets, civil society peer-to-peer support programmes, CSO mentoring system, inter-municipal cooperation, support to women-led CSOs in the target hromadas of Donetsk, Luhansk, Zaporizhzhia, Kherson, Mykolaiv, Sumy and Chernihiv oblasts.**

**Project name:** UN Recovery and Peacebuilding Programme, Community Security and Social Cohesion Component

**Country/place of implementation:** Ukraine / Donetsk (government-controlled areas - GCAs), Luhansk (government-controlled areas - GCAs), Zaporizhzhia, Kherson, Mykolaiv, Sumy and Chernihiv oblasts.

**Type of Contract:** Responsible Party Agreement

### I. BACKGROUND

The ongoing conflict in eastern Ukraine has had a direct and profoundly negative impact on social cohesion, resilience, livelihoods, community security, and the rule of law. Recognising the need to urgently address reconstruction, economic recovery and peacebuilding needs in areas affected both directly and indirectly by the conflict, in late 2014 the Government of Ukraine requested technical assistance and financial support from the international community to assess priority recovery needs. In late 2014, the United Nations, the World Bank and the European Union conducted a Recovery and Peacebuilding Assessment, which was endorsed by the Cabinet of Ministers in mid-2015.

UNDP has been active and present in eastern Ukraine for the past decade, prior to the conflict, with a focus on community development, civil society development, and environmental protection. Work on addressing the specific conflict-related development challenges discussed above built on this earlier engagement and established partnerships and started in 2015 through the United Nations Recovery and Peacebuilding Programme (UN RPP), a multi-donor funded framework programme jointly implemented by four United Nations partnering agencies: the United Nations Development Programme (UNDP), the UN Entity for Gender Equality and the Empowerment of Women (UN Women), the United Nations Population Fund (UNFPA) and the Food and Agriculture Organisation of the United Nations (FAO).

The UN RPP was designed to respond to and mitigate the causes and effects of the conflict. It is based on findings of the Recovery and Peacebuilding Assessment (RPA). It is aligned to the State Target Programme for

Recovery as well as to the two oblasts development strategies up to 2020. The UN RPP involves three pillars for action: 1) restoration of infrastructure and economic recovery; 2) support to local governance and related capacity building; and 3) social resilience and peacebuilding. It is an integral component of the UNDP Country Programme and is therefore fully aligned with the United Nations Partnership Framework (UNPF). It is closely interlinked with the Democratic Governance and Reform Programme, operating nationally and in all of Ukraine's regions and is consistent with the SDGs, in particular, SDG 16 (Peace, Justice and Strong institutions).

As an area-based programme specifically developed for the conflict-affected areas of eastern Ukraine, the UN RPP addresses the key stabilisation, peacebuilding, economic and governance priority needs in the east of Ukraine following the start of the conflict. It considers the opportunities that have arisen from the Minsk Protocol of September 2014 and the renewal of its cease-fire provisions (the latest cease-fire having been agreed in March 2018) and is also fully adjusted to the humanitarian-development nexus.

The Programme's interventions are grouped under the following key Programme components, which reflect the region's priority needs:

Component I: Economic Recovery and Restoration of Critical Infrastructure

Component II: Local Governance and Decentralisation Reform

Component III: Community Security and Social Cohesion (CSSC).

The Programme, which operates based on a pooled funding arrangement, follows a multi-sectoral programme-based approach and is implemented using an area-based methodology. With the current project, it is a unifying interventions framework for twelve projects funded by twelve international partners.

Component III of UN RPP «Community Security and Social Cohesion» (CSSC) aims to reach some of its goals through small grants fund establishment. This includes implementation support of the projects on the issues of community development and security initiatives, social cohesion, social integration, conflict prevention and peacebuilding, gender equality and GBV prevention, community policing, promotion of participatory budgets, civil society peer-to-peer support programmes, CSO mentoring system, inter-municipal cooperation, support to women-led CSOs. The financial administration of Small Grants Programme lies with United Nations Development Programme (UNDP).

For this purpose, UNDP is seeking an NGO/CSO as responsible party that will manage the Small Grants Programme (SGP) on the issues of community development and security initiatives, social cohesion, social integration, conflict prevention and peacebuilding, gender equality and GBV prevention, community policing, promotion of participatory budgets, civil society peer-to-peer support programmes, CSO mentoring system, inter-municipal cooperation, support to women-led CSOs.

The funding for this Small Grants Programme will be provided with support from the European Union. The Responsible Party will administer SGP in the target hromadas, provide support and ensure implementation process for provision on a competitive basis of small grants to local NGO-grantees in Donetsk (government-controlled areas - GCAs), Luhansk (government-controlled areas - GCAs), Zaporizhzhia, Kherson, Mykolaiv, Sumy and Chernihiv oblasts.

## **II. MAIN OBJECTIVES OF THE ASSIGNMENT**

The overall objective of this assignment is to establish a competitive mechanism and manage the process of allocation of small grants to NGOs/CSOs on the issues of community development and security initiatives, social cohesion, social integration, conflict prevention and peacebuilding, gender equality and GBV prevention, community policing, promotion of participatory budgets, civil society peer-to-peer support programmes, CSO mentoring system, inter-municipal cooperation, support to women-led CSOs in the target hromadas of Donetsk, Luhansk, Zaporizhzhia, Kherson, Mykolaiv, Sumy and Chernihiv oblasts. The list of target hromadas for each oblast will be provided to the Responsible Party selected.

Specifically, the Responsible Party shall implement the following:

- Develop and agree with UNDP the detailed plan and schedule for implementation of the objectives, evaluation methodology for applications, monitoring and evaluation methodology for effective implementation of the supported projects;
- Develop the application documents package for the small grants programme;
- Announce, advertise and manage at least 3 Calls for proposals covering multiple thematic areas agreed by UNDP under the small grants programme. It is expected that Calls will be announced one after another in three waves and cover all designated oblasts.
- Ensure broad dissemination of information about the small grants programme among key stakeholders and public;
- Arrange the review and evaluation of project proposals by Evaluation Committees in each of the areas announced;
- Sign grant agreements with beneficiaries and provide funding/grant (template of grant agreement should be agreed with UNDP);
- Monitor implementation of grant projects by each grantee (up to 100% of grants monitored);
- Develop a procedure for return of the grant funds in case of non-compliance of the grantee's activities with the terms of a grant agreement;
- Organize audit of a sample (up to 15%) of grants supported within SGP by an independent audit company;
- Organize audit of activities under RPA by an independent audit company;
- Conduct trainings / webinars for grantees on the issues of project implementation, project management, communications, procurement, financial administration of grants and reporting;
- Coordinate activities with other UNDP activities on project management for the grantees.

## **III. SCOPE OF WORK AND EXPECTED OUTPUTS**

The Responsible Party shall perform the following tasks to UNDP's satisfaction:

### **SMALL GRANTS PROGRAMME IMPLEMENTATION**

**1. Initial stage. Development of an action plan to implement the small grants programme and its implementation schedule.**

**Output:**

- A detailed action plan and a weekly schedule of activities for implementation of the small grants programme have been developed and approved by UNDP;
- The schedule and reporting forms the Responsible Party should provide to UNDP under the programme have been developed and agreed with UNDP;
- The designated personnel, responsible for implementation, from the Responsible Party's and UNDP sides have been determined, assigned and the rules and formats of written and oral communications between the parties have been approved;
- The procedure for grant funds return has been developed and approved for potential cases where a grantee violates or does not fully comply with the terms of the grant agreement;
- The procedure of reallocation of returned equipment or funds to other applicants has been developed and approved by UNDP.

*Expected execution timeframe 15 calendar days after the Agreement starting date.*

**2. Development of the application package and programme advertising package.**

**Output:**

- A text of the Call for proposals has been developed and approved by UNDP for each separate Call for proposals;
- An online application and evaluation tool able to manage (receive and ensure automatic technical screening against the evaluation criteria) up to 100 applications during one call for proposals has been established and approved by UNDP. The application registration tool should ensure prompt registration, identification of repeated applications, a possibility of automatic granting the status of each application (in processing, registered, etc.), possibility of automatic responses to participants and automatic dissemination of the contest information, possibility to generate automatically various statistical reports, possibility to download applications with supporting materials in separate packages for one grantee, in one package for each area and in one full package.
  - An online application form has been developed for each separate Call for proposals and approved by UNDP;
  - Manuals for the candidates applying for each separate Call for proposals have been developed. The manuals should include a detailed description of the Contest, its goals and objectives, eligibility and selection criteria, priority areas, sample forms and templates, reporting, monitoring and evaluation requirements for the projects, etc. The format and content of the documents have been agreed with UNDP before the announcements for each Call for Proposals.

*Expected execution timeframe 30 calendar days after the Agreement starting date.*

**3. The announcement of at least three (3) Calls for proposals (covering multiple thematic areas) for the small grants programme, accepting and managing applications from the NGO/CSO applicants.**

**Output:**

- The small grants programme has been publicly announced via the relevant channels agreed with UNDP (Internet resources, social networks);
- A separate web page is created, and full contest document package is available on this web page and other online resources agreed with UNDP;
- A system of communication with applicants to ensure timely responses to questions has been developed and launched. The system can handle communication through various channels, including the mandatory telephone "hotline" that must work for the duration of the small grants programme;
- The applications from NGOs/CSOs have been received and registered according to the schedule and prepared for evaluation;
- Reannouncement of all or some of Calls for Proposals in case sufficient number of project proposals has not been received.

*Expected execution timeframe – 3 weeks upon receipt of the formal permission to launch each Call for proposals from UNDP.*

#### **4. Organization of the applications evaluation process.**

The process of evaluation of applications should have following stages for each Call for Proposals:

- 1) At the first stage of registration, the applications shall be technically screened against the pre-determined criteria (participation eligibility, compliance with the contest requirements). Applicants whose project proposals were rejected at this stage should be promptly notified of the rejection of their projects.
- 2) At the second stage, the applications will be evaluated by the Selection Committee that will consist of representatives of the UN Recovery and Peacebuilding Programme specialists in their thematic areas and other relevant counterparts. The final list of the members of the Evaluation Committee will be defined and approved by UNDP. Each Evaluation Committee should consist of at least 7 members. Evaluation committee should assess the NGO/CSO project proposal according to the defined criteria and assign the respective points to each application. Evaluation committee members should provide their comments to applications reviewed and the Responsible Party should make a summarized list of recommendations to each of the project proposals.

#### **Output:**

- All applications have been technically screened at the first stage. The lists of applications rejected at this stage have been formed, all the applicants on the list have been notified on rejection of their projects;
- Evaluation committees have been formed for each Call for Proposals. The committee membership has been agreed and approved by UNDP. The guidelines for members of the Evaluation Committees, containing detailed information on the evaluation criteria, the procedure for assignment of points for each criterion and other details have been developed. Evaluation committee meetings have been organized for each Call for Proposals (with possibility for Evaluation Committees members to participate over ZOOM);
- Based on the results of the meeting of the Evaluation Committees, the Evaluation Committee minutes have been prepared and a list of NGO/CSO project proposals recommended for funding, not

recommended for funding and waiting list of project proposals have been generated for each Call for Proposals;

- All participants were informed of the results of their application review within 10 days of the committee meeting via e-mail and over the telephone;
- The results of each Call for proposals have been published on a web page created for each Call for proposals and disseminated through other online resources agreed with UNDP within 5 days after formal finalization of the contest results;

*Expected execution timeframe – 6 weeks upon receipt of the formal permission to launch each Call for proposals from UNDP.*

## **5. Signing grant agreements with beneficiaries and disbursement of grant funds.**

Funds should be transferred from the Responsible Party to grantees under the schedule of payments specified in the grant agreement. The mechanism of receiving the grant shall not entail excessive tax liabilities in crediting of funds neither for the Responsible Party nor for the recipients. Each grant should be disbursed in three tranches – first tranche upon signing the grant agreement, second tranche - upon approval of the grantee's interim financial and narrative reports, third tranche – upon completion of all activities under the project and provision of final financial and narrative reports. The preliminary schedule of transferring grants pool from UNDP to the Responsible Party shall be agreed upon signing of the Responsible Party Agreement. The amount of grants pool transferred from UNDP to the Responsible Party accounts shall correspond to the total value of the grant agreements signed by the Responsible Party.

### **Output:**

- The grant agreement text and form developed by Responsible Party and approved by UNDP. It should include a schedule of payments, requirements and reporting procedures, duration of the project, requirements for monitoring, communications, detailed budget, monitoring log frame and other information necessary for the effective use of the grant;
- The agreements with each grantee have been prepared and signed;
- The grant funds have been transferred to beneficiaries in line with the signed agreements;
- The Responsible Party has submitted to UNDP the copies of agreements with grantees and the documents confirming the transfer of funds to the grantees' bank accounts.

*Expected execution timeframe – up to 3 months upon receipt of the formal permission to launch each Call for proposals from UNDP.*

## **6. Providing technical and operational administration of the small grants programme. Monitoring of the projects' implementation.**

### **Output:**

- The grantees' interim and final reports have been received, verified and approved by the Responsible Party according to the schedule;

- Advice on operational reporting is promptly provided through various channels (email, telephone hotline);
- Implementation of projects has been monitored through inspection reports, based on the field visits to grantees and remote communications. The schedule of monitoring visits has been coordinated with UNDP;
- The reports of grantees and Responsible Party's reports on results of monitoring of grantees performance have been submitted to and accepted by UNDP.

*Expected execution timeframe – up to 9 months upon receipt of the formal permission to launch each Call for proposals from UNDP*

## **OTHER DUTIES**

**Support of the grant funds returning procedure in case a grantee violates or does not fully comply with scope and the terms of the grant agreement.**

### **Output:**

- In case of the grantee's non-compliance with the grant agreement terms, the grant aid in the form of funds or equipment shall be returned to the Responsible Party and shall be re-distributed. For this purpose, a separate formal decision shall be proposed by the Responsible Party and approved by UNDP to assign a grant to one of the applicants previously included to the waiting list for the respective area;
- Initiating and conducting lawsuits against the grantees who do not comply with the grant agreements terms in order to return the grant funds in the form of cash and/or equipment purchased for the grant funds. Such liability, as well as the responsibility to re-distribute the grant funds among the other winners of the respective Call for Proposal or to return it to UNDP in case of impossibility of such re-distribution, shall not be limited by the timeframe of the Contract.

*Expected execution timeframe – within the full duration of the Agreement*

**Organization of the audit assessment of activities under RPA and audit assessment of the selected number of projects (up to 15%) implemented by the grantees by an independent audit company upon closure of project activities. The audit company should be selected through the open tender.**

### **Output:**

The audit work should include the review of work plans, project resources, project budgets, project expenses and disposal or transfer of assets. To this effect, the scope of the audit shall cover the following areas as they are performed at the level of the project:

#### **1) Finance**

The audit work shall cover the adequacy of the accounting and financial operations and reporting systems. These include budget control, cash management, certification and approving authority, receipt of funds, disbursement of funds, recording of all financial transactions in expense reports, records maintenance and control.

#### **2) Procurement**

The audit work shall cover the competitiveness, transparency and effectiveness of the procurement activities of the project in order to ensure that the goods and services (including equipment, construction works, trainers` and experts` services etc.) purchased meet the requirement of Ukrainian legislation and UNDP.

### 3) Asset Management

The audit work shall cover both equipment purchased for use of the project and equipment transferred to the final asset holders, as well as buildings reconstructed. The procedures for receipt, storage, and disposal shall also be reviewed.

### 4) General Administration

The audit work shall cover travel activities and transport services, bank and post services and other activities related to general administration.

As part of the general review the audit should include assessment of corruption risks, which means detection of vulnerabilities within the organization that took place or may present opportunities for corruption or conflict of interest to occur.

Expected execution timeframe – up to 1,5 months upon closure of activities under the projects of selected NGO projects and up to 2 weeks upon closure of activities under RPA.

**Coordination of activities with other UNDP partners and contractors to achieve effective cooperation whenever possible.**

**Ensuring visibility and information reference to UNDP and the governments supporting the programme on all products created under the contract implementation. Ensuring visibility of UNDP and Governments of the countries that finance the Small grants programme by placing visual materials on equipment purchased by the grantees.**

## **GENERAL TERMS FOR THE SMALL GRANTS PROGRAMME**

It is assumed that small grants funded under the SGP should be focused on the issues of community development and security initiatives, social cohesion, social integration, conflict prevention and peacebuilding, gender equality and GBV prevention, community policing, promotion of participatory budgets, civil society peer-to-peer support programmes, CSO mentoring system, inter-municipal cooperation, support to women-led CSOs.

Projects within the small grants programme may be dealing with the following types of expenses to cover (the list is non-exhaustive and shall be agreed with the UNDP representatives upon its launch):

- the work of the staff of the organization and the experts involved;
- goods and services necessary for the implementation of project activities;
- communication and information services;
- consulting services necessary to achieve the project objectives;
- lease of premises (for training, group work, etc.), maintenance of events, and other services provided by project activity;
- printing and copying services;
- supplies and stationery;



- transportation and other costs associated with project activities.

The following expenses will be unacceptable within implementation of small grants programme:

- preparing a project proposal for participation in the competition;
- payment of debts;
- recovery of expenses related to exchange rate fluctuations;
- international business trips;
- office rental and utilities;
- VAT payments in the structure of payments made.

Conditions and requirements to applicants:

- NGO/CSO should be officially registered on the territory of Ukraine with the status of “non-profit” or “charitable” ((non-profit codes 0032, 0034, 0036, 0038, 0039 or 0048);
- NGO should operate on the territory of the respective target hromada in Donetsk, Luhansk, Zaporizhzhia, Kherson, Mykolaiv, Sumy and Chernihiv oblasts;
- Proven experience of project implementation (at least two projects) for application with the budget exceeding USD 6,000;
- At least one year of experience in accordance with competition thematic area for applications with budget exceeding USD 6,000;
- NGO should have a capacity to implement small grant (management, staff, etc.);
- Grant applicants may submit more than one application but may only receive one grant at time;
- Grant applicants having direct grant agreement with UNDP Component 3 Community Security and Social Cohesion on the date of Call for Proposals posting may apply for small grant programme however will receive funding only in case if sufficient number of applicants has not been identified for the funding available.

#### **IV. BUDGET SIZE AND DURATION**

The estimated total funds allocated for the provision of the small grants on the issues of community development and security initiatives, social cohesion, social integration, conflict prevention and peacebuilding, gender equality and GBV prevention, community policing, promotion of participatory budgets, civil society peer-to-peer support programmes, CSO mentoring system, inter-municipal cooperation, support to women-led CSOs amounts to 615,000.00 US dollars. The small grants programme must be implemented through at least three calls for proposals covering multiple thematic areas – 1 Call for proposals for small grants (up to 6,000 US dollars) and two Calls for proposals for medium grants (6,001-18,000 US dollars).

The amounts of grants will depend on the value of financial proposals. It is expected that the maximum amount of one small grant provided by the Responsible Party to NGO/CSO will not exceed 6,000.00 USD and one medium grant will not exceed 18,000 USD. Previous experience in project implementation will allow NGOs/CSOs to apply for medium grants while little experience or its absence will allow NGOs/CSOs to apply for small grants. The maximum amount for a grant can be revised upon prior written approval with UNDP.

The total number of grant recipients will be determined based on the requested amount of submitted proposals upon completion of an evaluation process for each Call for Proposals. It is expected to support about 80 projects in total during the period of Agreement.

Grant amount	Planned number of grants	Total amount
3,000	30	90,000
6,000	15	90,000
8,000	10	80,000
12,000	10	120,000
15,000	12	180,000
18,000	3	54,000
	85	615,000

It is planned that the small grants fund will be distributed between the target regions hromadas as per following quota:

Region	Planned funding
Zaporizhzhia and Donetsk oblasts (Azov coastline)	325,000
Donetsk oblast	100,000
Luhansk oblast	100,000
Kherson oblast	30,000
Mykolaiv oblast	20,000
Sumy oblast	20,000
Chernihiv oblast	20,000
	615,000

The administrative costs related to the implementation of the small grants programme under this TOR must not exceed the total allocated amount of 92,250.00 USD. The amount requested in the proposal should be commensurate with the organization's administrative and financial management capabilities.

All activities are expected to be delivered till March 1, 2022. The anticipated implementation period is January 2021 – February 2022. The organizations are requested to submit a clear dynamic plan for each deliverable within the foreseen timeframe.

## **V. MONITORING/REPORTING REQUIREMENTS**

The Responsible Party shall submit the following reports according to UNDP's format and guidelines. The format of reports shall be agreed at the first stage of the contract implementation programme, but UNDP reserves the right to make further changes and clarifications in the report form.

Types of reports:

- 1) Interim reports, including reports on the work accomplished, results, monitoring, and financial indicators for each Call for Proposals.
- 2) Weekly operational email reports on current results, implementation and issues of the small grants programme;
- 3) Brief reports periodically submitted upon request of UNDP in cases where it is required to get information on the progress of the programme in between reporting periods;
- 4) Financial statements, that act as the basis for future transfers of the grant pool funds to the Responsible Party;
- 5) Completion report at the end of the project implementation including a summary of activities and results, lessons learned and conclusions, end-of-project financial report– till 7 March 2022;
- 6) Final narrative report including a summary of activities and results, lessons learned and conclusions, as well as the final financial report reflecting the whole period for each Call for Proposals. Data should be disaggregated by thematic area, final beneficiaries' gender and age groups and other categories as required by UNDP;
- 7) Audit reports on activities under RPA and audit reports of the selected number of grants issued by the RP.

Payments to cover Administrative (management and operational) costs shall be made in several installments as per the schedule agreed with UNDP upon the Agreement signing.

The Responsible Party shall comply with the system of monitoring, evaluation and quality control introduced by UNDP, and provide the necessary information, reports and statistical data according to the predetermined schedule *or as soon as possible (within a reasonable time)*.

The Interim reports, completion reports, and the final report shall follow the pre-set template agreed with UNDP that includes both substantial and financial parts and shall be shared with the respective official.

As a quality assurance measure, UNDP reserves the right to initiate spot-checks of grantees to conduct interviews and receive feedback on the quality of the Responsible Party's work. The Responsible Party shall facilitate the process by presenting UNDP with all necessary contacts of the grantees and shall refrain from influencing the impartiality of the assessment procedures.

## **VI. INSTITUTIONAL ARRANGEMENT**

### ***Roles and Responsibilities of the Engaged Responsible Party:***

- Allocate the proper and needed skilled personnel to carry out the project's outputs;
- Be responsible of all logistics related to the completion of this assignment including remuneration of staff /experts / administrative issues related to implementation of activities; all materials and tools required for activities completion; transportation; rental; communication; allowances; etc.;
- Ensure proper reach out to beneficiaries;
- Implement and constantly monitor the activities;
- Provide required and ad-hoc comprehensive reports on a timely manner (focusing as well on the outcome).

### ***Role of UNDP***

- Provide field supervision and quality assurance by UNDP's personnel;
- Follow up, monitor and evaluate the progress of implementation of activities and manage/mitigate potential risks;
- Approve progress/final reports;

## **VII. EXPERIENCE AND QUALIFICATION REQUIREMENTS**

- Non-governmental, public, charitable, non-profit organization officially registered in Ukraine for at least 3 years;
- Experience in the management of grant programmes (at least two grant programmes with a total number of recipients over 40);
- Experience in project implementation or execution of contracts for the provision of professional services in the area of grant programmes management with a total budget of projects/contracts from USD 100,000.00;
- Legal status of the organization should enable it to receive grants pool from UNDP without the Responsible Party's incurring in tax liabilities;

The Responsible Party must have a team of at least six members with following roles and required qualifications:

### **Team Leader/Manager:**

- Master's (or equivalent) degree in Economy, Public Administration, Law, Management or related field;
- Minimum 3 years of professional experience in project management,
- Minimum 2 years of experience in implementing projects/programmes/provision of grants to NGOs/CSOs;
- Excellent knowledge of Ukrainian and Russian. Working knowledge of English would be considered as an asset.

### **Grants Administrator (2 positions):**

- Bachelor's (or higher) degree in economics, law, management, public administration or related field;
- Minimum 2 years of experience in management/implementation of small grants;
- Experience in the evaluation of local initiative projects as part of the grant programmes (participation in at least two programmes) (references should be provided);
- Fluency in Ukrainian and Russian is required.

### **M&E and Communications Associate (two separate positions with partial employment will be also considered, but each candidate should has required qualifications):**

- Bachelor's (or higher) degree in economics, law, management, public administration or related field;
- Minimum 1 year of experience in development of M&E frameworks for projects;
- Minimum 2 year of experience of communication about the project / programme (preparation of press releases, communication in the media);
- Experience with international donors programmes will be considered an advantage;
- Fluency in Ukrainian and Russian is required.

**Finance Associate (2 positions):**

- Bachelor's (or higher) degree in Finance, Accounting and Audit or other related fields relevant to the financial administration of the small grants scheme;
- Minimum 2 years of experience of financial management in implementing projects/programmes/provision of grants;
- Minimum 1 year of experience in providing financial / accounting to international technical assistance organizations or other donors/customers;
- Excellent knowledge of Ukrainian and Russian.

**VIII. DOCUMENTS TO BE SUBMITTED IN A TECHNICAL PROPOSAL AND A FINANCE PROPOSAL:**

Technical Proposal should provide among others a contextual analysis/background information, proposed methodology and approach, including objectives and clear outputs that will be achieved within the lifecycle of each suggested activity.

- ☒ A letter of interest / letter of offer, which outlines previous experience in implementing similar programmes and competitive advantages of the applicant company;
- ☒ A work plan with the proposed work schedule indicating the persons responsible for each area of activity;
- ☒ Description of the management methodology and implementation of the small grants programme, which should include the following:
  - Communication strategy and plan for dissemination of information about the contest, placement of information via online resources and social networks;
  - Description of the online application system with a timeframe for its launch if not developed yet;
  - Description of organization of all stages of the project proposals evaluation process with proposed criteria for evaluating project proposals and evaluation procedures;
  - Description of the mechanism of transferring funds to grantees, a prerequisite of which is that no or minimal tax obligations of the grantees shall arise in connection with the grant funds receipt;
  - Procedure for monitoring and evaluation of the projects, including the admission procedures and inspection reports description, quality control methods;
  - Description of communication tools available for interaction with applicants and grantees, which should include but not limited to a telephone hotline;
  - Description of the grant funds returning procedure and brief on raised lawsuits within the previous projects and their results;
  - Copy of the Statute/Charter of applicant.
  - Copy of a certificate/excerpt from the Unified State Registry of Legal Entities and Private Entrepreneurs.
  - Copy of a certificate proving that the organisation is non-profit (if available).
  - Personal CVs of Project Team, including information about experience in similar projects / assignments;
  - Quality assurance plan;
  - At least 2 reference letters from the previous customers/clients/partners reflecting the nature of projects implemented, their results and the role of the applicant.

The financial proposal is expected to provide a clear budget, with itemized costs, for designing and implementing activities. The financial proposal should indicate the all-inclusive fixed total contract price, supported by a breakdown of costs for each activity.

Budget allocation would include, for example, but to be limited to: Remuneration of Staff / Experts; all materials and tools required for activities completion; all logistical fees; transportation; management fees; rental; communication; accommodation; allowances; etc.

#### **IX. PROPOSED PAYMENT SCHEDULE:**

The schedule of payments for the grants' administration services will be agreed with the Responsible Party before the start of the assignment. Payments to the Responsible Party to cover Administrative (management and operational) costs will be performed on a monthly basis and will be linked to deliverables and executed upon submission and acceptance of the Final Report (including Final Financial Report and final list of beneficiaries).

Upon completion of each of three (3) Calls for Proposals and acceptance of the Final Report for each competition the Responsible Party receives the payment envisaged in the proposal but not exceeding the maximum allocation provided by the donor.

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#### **Approved by:**

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*Manal Fouani*

**Evaluation criteria**

*(The companies/organizations that are compliant with minimum evaluation criteria will be passed to technical evaluation)*

1. Non-governmental, public, charitable, non-profit organization officially registered in Ukraine for at least 3 years;
2. Experience in the management of grant programmes (at least two grant programmes with a total number of recipients over 40);
3. Experience in project implementation or execution of contracts for the provision of professional services in the area of grant programmes management with a total budget of projects/contracts from USD 100,000.00;

**Technical criteria:**

Summary of Technical Proposal Evaluation Form	Score Weight	Max Points obtainable
Expertise of Firm/Organization	36%	360
Proposed Methodology, Approach and Implementation Plan	36%	360
Personnel	28%	280
<b>Total</b>	<b>100%</b>	<b>1000</b>

Forms of assessment of technical proposals are given in the next two pages. The maximum score that may be received for each assessment criterion indicates the relative significance or part of such a criterion in the overall assessment process.

Assessment of technical proposal		Maximum score	NGO/ CSO		
Form 1			A	B	C
Experience of the company / organization submitting the proposal					
1.1	Officially registered organization (non-governmental, public, charitable, non-profit) (minimum 3 years – 50 points, 4-5 years – 60 points, 6-7 years- 70 points, 8 years or more – 80 points).	80			
1.2	Experience in the management of grant programmes: <ul style="list-style-type: none"><li>- number of successfully implemented programmes: 2 programmes – 50 points, 3 programmes – 60 points, 4 programmes and more – 70 points);</li><li>- total number of recipients under the implemented programmes: 40-99 people/entities – 50 points, 100-199 people/entities – 60 points, 200 people/entities or more – 70 points.</li></ul>	140			
1.3	Experience in project implementation or execution of contracts for provision of professional services in the area	140			

	of grant programmes management with a total budget of projects / contracts: <ul style="list-style-type: none"> <li>- \$100,000.00–150,000.00 – 80 points;</li> <li>- \$150,001.00–300,000.00 – 100 points;</li> <li>- \$300,001.00–450,000.00 – 120 points;</li> <li>- \$450,001.00 or more – 140 points.</li> </ul>				
Overall score on Form 1		360			

Assessment of technical proposal  Form 2		Maximum score	Company / Other organization		
			A	B	C
Proposed work plan, methodology and approach					
2.1	How well-elaborated and is the communication strategy to promote the small grants programme implementation? <ul style="list-style-type: none"><li>- The proposed communication channels include Contest web page and at least two additional resources – up to 10 points;</li><li>- Proposed system for response to inquiries from potential applicants oriented to provide prompt feedback and processing of all inquiries – up to 10 points.</li></ul>	20			
2.2	How well developed is a system of feedback and communication with applicants and grantees? <ul style="list-style-type: none"><li>- The approach provides for a telephone hotline and details its method, the schedule and features of its operation – up to 20 points;</li><li>- The tool for registration of applications provides online format and prompt registration, identification of repeated applications, granting the status of each application, the possibility of automatic responses to participants and creation of a database and mailing list (the platform is well described however needs elaboration – 10; the platform is available for immediate use – up to 30 points).</li></ul>	50			
2.3	How well-developed is a proposed approach to the process of evaluation of applications? <ul style="list-style-type: none"><li>- The suggested evaluation system provides two steps described in the specifications and contains a detailed description of the methodology at each stage – up to 20 points;</li></ul>	60			



	<ul style="list-style-type: none"> <li>- The methodology for applications evaluation is reasonable and realistic, complies with the competition objectives and allows to assess the potential application – 20 points;</li> <li>- The process of evaluating applications is transparent and impartial, it envisages the involvement of the independent evaluation committee at a final stage (specified composition and ways of attracting committee members, spelled assessment methodology and operational procedure of the evaluation committee) – 20 points;</li> </ul>				
2.4	<p>How well-developed and robust is the methodology for monitoring and evaluation of implementation of projects having received grants?</p> <ul style="list-style-type: none"> <li>- The proposed monitoring implementation plan has realistic timeframe and logistics arrangements – up to 20 points;</li> <li>- The monitoring and evaluation methodology suggested is realistic, unified for all grantees and can analyze progress of grants implementation based on clear evaluation method – up to 20 points;</li> <li>- The proposed monitoring and reporting mechanisms show sufficient capacity of the Responsible Party to provide counseling on reporting issues to grantees – up to 20 points.</li> </ul>	60			
2.5	<p>How well developed and realistic is the mechanism of funds provision to grantors?</p> <ul style="list-style-type: none"> <li>- The mechanism involves the development and signing of agreements with grantors – up to 20 points;</li> <li>- The mechanism includes a detailed list and description of the conditions under which funds are allocated to grantors (legal registration, existence of a bank account, etc.) – up to 20 points.</li> <li>- The mechanism of providing and receiving the grant does not entail tax liabilities in crediting of funds Responsible Party and entails no or minimal tax liabilities for the recipients<sup>1</sup> – up to 20 points</li> </ul>	60			
2.6	<p>How well-developed and realistic is the proposed grant funds returning procedure in case where a grantee violates or does not implement in full scope the terms of the agreement?</p>	50			

<sup>1</sup> The proposed mechanism should be in line with the applicable Ukrainian legislation

	<ul style="list-style-type: none"> <li>- The proposed procedure ensures monitoring and timely identification of risks of grantees undue performance – up to 20 points;</li> <li>- The mechanism for withdrawal of funds is realistic, based on the legislation of Ukraine and contains references to specific laws, etc. – up to 15 points;</li> <li>- The proposed procedure includes mechanism of reallocation of withdrawn funds/assets to other applicants – up to 15 points.</li> </ul>				
2.7	<p>How well-elaborated is the proposed plan of work and suggested timeline?</p> <ul style="list-style-type: none"> <li>- Weekly detailed elaboration of a work plan – 20 points</li> <li>- Daily detailed elaboration of a work plan – 20 points;</li> <li>- The schedule is realistic and meets the assignment timeframe – 20 points.</li> </ul>	60			
Overall score on Form 2		360			

Assessment of technical proposal Form 3		Maximum score	Company / Other organization		
			A	B	C
<b>Personnel</b>					
	<b>Team Leader/Manager</b>				
3.1	Experience in project management (3 years – 5 points, 4–5 years – 10 points, 6 years and more – 15 points).	15			
3.2	Experience in the implementation of projects / programmes / provision of grants to NGOs/CSOs (2 years – 10 points, 3–4 years – 15 points, 5 years and more – 20 points).	20			
3.3	Higher education in Economy, Public Administration, Law, Management or related field (Master's (or equivalent) – 5 points, PhD or higher – 10 points).	10			
3.4	Language command (Ukrainian, Russian) – 5 points, Ukrainian, Russian and English (working level) – 10 points).	10			
Interim score according to criteria 3.1–3.4		55			
	<b>Grants Administrator (1<sup>st</sup> position)</b>				
3.5	Experience in management / implementation of small grants (2 years – 5 points, 3–4 years – 10 points, 5 years or more – 15 points).	15			
3.6	Experience in the evaluation of local initiative projects as a part of the grant programmes (1 programme – 5 points, 2 programmes – 10 points, 3 programmes and more – 15 points).	15			
3.7	Education in Economy, Law, Management, Public Administration or related field (Bachelor's degree or equivalent – 3 points, Master's – 5 points, PhD or higher – 10 points).	10			
3.8	Language command (Ukrainian, Russian) – 5 points.	5			
Interim score according to criteria 3.5–3.8		45			
	<b>Grants Administrator (2<sup>nd</sup> position)</b>				
3.9	Experience in management / implementation of small grants (2 years – 5 points, 3–4 years – 10 points, 5 years or more – 15 points).	15			
3.10	Experience in the evaluation of local initiative projects as a part of the grant programmes (1 programme – 5 points, 2 programmes – 10 points, 3 programmes and more – 15 points).	15			

3.11	Education in Economy, Law, Management, Public Administration or related field (Bachelor's degree or equivalent – 3 points, Master's – 5 points, PhD or higher – 10 points).	10			
3.12	Language command (Ukrainian, Russian) – 5 points.	5			
	Interim score according to criteria 3.9–3.12	45			
	<b>M&amp;E and Communications Associate</b>				
3.13	Experience of development of M&E frameworks (1 year – 5 points, 2–3 years – 10 points, 4 years and more – 15 points).	15			
3.14	Experience of communication about the project / programme (2 years – 5 points, 3–4 years – 10 points, 5 years or more – 15 points).	15			
3.14	Higher education in economics, law, management, public administration or other related field (Bachelor's degree or equivalent – 3 points, Master's – 5 points, PhD or higher – 10 points).	10			
3.15	Language command (Ukrainian, Russian) – 5 points	5			
	Interim score according to criteria 3.13–3.15	45			
	<b>Finance Associate (1<sup>st</sup> position)</b>				
3.16	Experience in financial management in implementing projects / programmes / provision of grants or credit loans (2 years – 5 points, 3–4 years – 10 points, 5 years and more – 15 points).	15			
3.17	Experience in providing financial / accounting to international technical assistance organizations or other donors / customers (1 years – 5 points, 2–4 years – 10 points, 5 years or more – 15 points).	15			
3.18	Higher education in Finance, Accounting and Audit or other related field relevant to financial administration of the small grants scheme (Bachelor's degree or equivalent – 3 points, Master's – 5 points, PhD or higher – 10 points).	10			
3.19	Language command (Ukrainian, Russian) – 5 points	5			
	Interim score according to criteria 3.16–3.19	45			
	<b>Finance Associate (2<sup>nd</sup> position)</b>				
3.20	Experience in financial management in implementing projects / programmes / provision of grants or credit	15			

	loans (2 years – 5 points, 3–4 years – 10 points, 5 years and more – 15 points).				
3.21	Experience in providing financial / accounting to international technical assistance organizations or other donors / customers (1 years – 5 points, 2–4 years – 10 points, 5 years or more – 15 points).	15			
3.22	Higher education in Finance, Accounting and Audit or other related field relevant to financial administration of the small grants scheme (Bachelor's degree or equivalent – 3 points, Master's – 5 points, PhD or higher – 10 points).	10			
3.23	Language command (Ukrainian, Russian) – 5 points	5			
	Interim score according to criteria 3.20–3.23	45			
Overall score on Form 3		280			

## Annex II – Capacity Assessment Checklist for CSO/NGO

Interested NGOs are requested to fill out the below questionnaire, attaching supporting documentation as much as possible.

**If you are an international NGO, please provide information relating to your local presence in this country only.**

**Please note that attachments should be provided to support each answer. Extraneous information not directly responding to the questions will constrain the ability of UNDP to positively assess the NGOs alignment with UNDP requirements.**

Topic	Areas of Inquiry Please Attach Supporting Documentation for Each Question	Response
1. Proscribed organizations	a. Is the NGO listed in the UN's list of proscribed organizations, UNDP Vendor Sanctions List, or indicted by the International Criminal Court?	
	b. Is the NGO banned by any other institution? If, yes, please provide information regarding the institution and reasons.	
2. Funding Sources	a. Who are the CSO/NGO's key donors?	
	b. How much percentage share was contributed by each donor during the last 2 years?	
	c. How many projects has each donor funded since the CSO/NGO's inception?	
	d. How much cumulative financial contribution was provided for each project by each donor?	
	e. How is the CSO/NGO's management cost funded?	
3. Audit	a. Did the CSO/NGO have an audit within the last two years?	
	b. Are the audits conducted by an officially accredited independent entity? If yes, provide name.	
4. Leadership and Governance Capacities	a. What is the structure of the CSO/NGO's governing body? Please provide Organigramme.	
	b. Does the CSO/NGO have a formal oversight mechanism in place?	
	c. Does the CSO/NGO have formally established internal procedures in the area of: <ul style="list-style-type: none"> <li>• Project Planning and Budgeting</li> <li>• Financial Management and Internal Control Framework</li> <li>• Procurement</li> <li>• Human Resources</li> <li>• Reporting</li> <li>• Monitoring and Evaluation</li> </ul>	

	d. Asset and Inventory Management	
	e. Other	
	f. What is the CSO/NGO's mechanism for handling legal affairs?	
	g. Ability to work (prepare proposals) and report in English	
5. Personnel Capacities	a. What are the positions in the CSO/NGO that are empowered to make key corporate decisions? Please provide CVs of these staff	
	b. Which positions in the CSO/NGO lead the areas of project management, finance, procurement, and human resources? Please provide CVs of these staff	
6. Infrastructure and Equipment Capacities	a. Where does the CSO/NGO have an official presence? Please provide details on duration and type of presence (e.g. field offices, laboratories, equipment, software, technical data bases, etc.)	
	b. What resources and mechanisms are available by the CSO/NGO for transporting people and materials?	
7. Quality Assurance	a. Please provide references who may be contacted for feedback on the CSO/NGO's performance regarding: <ul style="list-style-type: none"> <li>• Delivery compared to original planning</li> <li>• Expenditure compared to budget</li> <li>• Timeliness of implementation</li> <li>• Timeliness and quality of reports</li> <li>• Quality of Results</li> </ul>	

## Annex III Financial Proposal

### Cost Breakdown by Cost Component:

The Proposers are requested to provide the cost breakdown based on the following format. UNDP shall use the cost breakdown for the price reasonability assessment purposes.

Cost breakdown for base case scenario (number of grants allocated and managed equals up to 85 grants).

The bidders are requested not to modify/alter line 1 (Grant Funds Pool) but keep it in their financial proposal.

Important! Payment of expenses in the organisation of Evaluation Committees associated with the lease of premises, organisation of coffee breaks and reimbursement for travel of the grant competition participants will be made by the UNDP contractor – organising company. These costs will NOT be included in the financial proposal.

NO.	Activity / expenses	Quantity / duration	Description of expenses	Cost per unit	Total
1	Grant funds pool				615,000.00
2	Personnel				
	Team Leader/Manager		month		
	Grants Administrator		month		
	Grants Administrator		month		
	M&E and Communications Associate		month		
	Finance Associate		month		
	Finance Associate				
	Other specialists (if any)				
	...				
3	Grant funds administration (transfer of funds, monitoring of projects, etc.)		USD		
	Other costs (please indicate if any)				
	...				
4	Organization of application process				
	Design/update and launch of the online application tool		Item		
	Maintenance of the online application tool		month		
	Other costs (please indicate if any)				
	...				
5	Dissemination of information about the grants contest				
	Development of a webpage for each Call for Proposals		item		
	Design and printing of info materials (if necessary)				
	Advertising campaign				
	Other (if applicable)				
	...				



6	Office costs				
	Rent (if applicable)		month		
	Communication charges (telephone)		month		
	Internet		month		
	Consumables for office				
	Printing (if applicable)				
	Postal charges		item		
	...				
7	Business trips				
	Travel		one travel		
	Accommodation		day		
	Daily allowance		day		
8	Overhead costs (if any – outline activities / expenses)				
9	Audit of activities under the project				
	Audit of grantees				
10	...				
	Total				

The total amount of administrative costs related to the implementation of the small business grants programme must not exceed 92,250.00 USD

**Annex IV – Responsible Party Agreement Template****RESPONSIBLE PARTY AGREEMENT****[Reference No. insert reference number, if any; if none, delete bracketed text]**

1. Country: [Click <b>here</b> and enter Host Country name]	
2. Name of Civil Society Organization (CSO): "[Click here and enter full name of CSO]" incorporated under the laws of "[Click here and enter jurisdiction of incorporation]" with address at "[Click here and enter full address of CSO]"	
3. Project Number and Title: "[Click here and enter Project number (if any) and title]"	
4. Implementation Period: From [Click <b>here</b> and enter date] to [Click <b>here</b> and enter date]	
5. Budget: Up to the amount of US\$ [Click <b>here</b> and enter amount] ([Click <b>here</b> and amount in words] United States Dollars)	
6. Information for CSO Bank Account into Which Funds Will Be Disbursed: Account Name: [Click <b>here</b> and enter Owner of Bank Account] Account Title: [Click <b>here</b> and enter Account Title] Account Number: [Click <b>here</b> and enter Account Number] Bank Name: [Click <b>here</b> and enter Bank name] Bank Address: [Click <b>here</b> and enter Bank Address] Bank SWIFT Code: [Click <b>here</b> and enter Bank SWIFT Code] Bank Code: [Click <b>here</b> and enter Bank Code] Routing instructions for disbursements: [Click <b>here</b> and enter any additional instructions]	
7. Notices to CSO: Name: Address:  Tel: Fax: Email:	8. Notices to UNDP: Name: Address:  Tel: Fax: Email:
9. Signed for "[Click here and enter CSO name]" by its Authorized Representative  Date: _____ Signature: _____	
10. Signed for the <b>United Nations Development Programme</b> by its Authorized Representative  Date: _____ Signature: _____	

**The following documents constitute the entire Agreement (the “Agreement”) between the Parties and supersedes all prior agreements, understandings, communications and representations concerning the subject matter: this face sheet (“Face Sheet”)**

**[Special Conditions] *[delete if no Special Conditions are identified]***

**Standard Terms and Conditions**

**Annex A – Project Document (including the Work Plan)**

**Annex B – CSO Technical and Financial Proposals**

**Annex C – Financial Reporting format**

**If there is inconsistency between any of the documents forming part of this Agreement, the Agreement will be interpreted in the above order of priority.**

## **STANDARD TERMS AND CONDITIONS**

WHEREAS the Government of the Host Country indicated in block 1 of the Face Sheet and the United Nations Development Programme, a subsidiary organ of the United Nations established by the General Assembly of the United Nations (hereinafter “UNDP”) concluded a project document (hereinafter the “Project Document”) for the project named in block 3 of the Face Sheet (hereinafter the “Project”);

WHEREAS, pursuant to the Project Document, UNDP serves as an implementing partner under the Project;

WHEREAS in its capacity as an implementing partner, UNDP has selected the civil society organization named in block 2 of the Face Sheet (hereinafter the “CSO”), as a responsible party to implement activities (hereinafter the “Activities”) and achieve deliverables (hereinafter the “Deliverables”) within the time frames and pursuant to the budget set forth in the Work Plan which forms part of the Project Document (hereinafter the “Work Plan”);

WHEREAS UNDP and the CSO (together referred to as the “Parties” or, individually, a “Party”), pursuant to their respective mandates and policies, share a common aim in the furtherance of sustainable development; and

WHEREAS the CSO understands and agrees that the overall goal of this Agreement is to contribute to producing the outputs and achieving the outcomes set forth in the Project Document.

NOW, THEREFORE, on the basis of mutual trust and in the spirit of cooperation, the Parties have entered into this Agreement under the terms and conditions set forth herein.

### **1.0 Objectives and General Responsibilities of the Parties**

1.1 The Parties agree that the main objective of this Agreement is to further the goals of the Project through the successful implementation of the Activities and achievement of the Deliverables.

1.2 Consistent with this objective, the CSO shall commence and implement the Activities and achieve the Deliverables with due diligence and efficiency, pursuant to the schedule set forth in the Work Plan, and in accordance with the terms and conditions of this Agreement. The Activities must be consistent with the regulations, rules, policies and procedures of UNDP.

1.3 All deadlines and time limits contained in this Agreement shall be deemed to be of the essence in respect of the implementation of the Activities and achievement of the Deliverables under this Agreement.

1.4 Any information or data provided by the CSO to UNDP for the purpose of entering into this Agreement, as well as the quality of the Activities, Deliverables and reports foreseen under this Agreement, will conform to the highest professional standards.

1.5 The Parties shall on a regular basis keep each other informed of, and consult on matters pertaining to the implementation of the Activities and achievement of the Deliverables under this Agreement.

### **2.0 Financial Arrangements**

2.1 Pursuant to the budget contained in the Work Plan, UNDP shall make available to the CSO funds up to the maximum amount indicated in block 5 of the Face Sheet upon timely achievement of the Deliverables and in accordance with the schedule set forth in the Work Plan.

2.2 The amounts stated above shall not be subject to any adjustment or revision because of price or currency fluctuations, or the actual costs incurred by the CSO in the implementation of the Activities.

2.3 All payments shall be made by UNDP to the CSO bank account indicated in block 6 of the Face Sheet.

2.4 Payments effected by UNDP to the CSO shall be deemed neither to relieve the CSO of its obligations under this Agreement nor as acceptance by UNDP of the CSO’s performance of the Activities.

2.5 The CSO shall notify UNDP about any expected budget variations. The CSO shall be authorized to make variations not exceeding twenty (20) per cent on any one budget line item in the Work Plan, provided

that the maximum amount allocated by UNDP pursuant to paragraph 2.1 above, is not exceeded. Any variations exceeding twenty (20) per cent on any one budget line item that may be necessary for the proper and successful implementation of the Activities under this Agreement shall be subject to prior consultations with, and written approval by, UNDP.

2.6 UNDP shall not be liable for the payment of any expenses, fees, tolls, or any other costs not expressly provided for in the Work Plan, not authorized by UNDP pursuant to the preceding paragraph, or exceeding the maximum amount referred to in paragraph 2.1 above.

2.7 Unless otherwise agreed in writing by UNDP, the CSO shall return all unspent funds and income (including interest) to UNDP within one (1) month of completion of the Activities or termination of this Agreement, whichever is earlier.

### **3.0 Refund**

3.1 The CSO shall disburse the funds made available to it by UNDP and incur expenditures in connection with the Activities on the terms and conditions set forth in this Agreement and the Work Plan. In the event that the CSO disburses the funds or incurs expenditures in violation of this Agreement and/or the Work Plan, notwithstanding the availability or exercise of any other remedies under this Agreement, the CSO shall refund the amounts to UNDP not later than thirty (30) days after the CSO receives a written request for such refund from UNDP. Failing that, UNDP may deduct the amount of the requested refund from any payments due to the CSO under this Agreement.

### **4.0 The CSO Personnel**

4.1 The CSO shall be fully responsible and liable for all persons engaged by it in connection with the Activities, including employees, consultants, agents, accountants, advisers, and contractors (hereinafter the "CSO Personnel"). The CSO shall ensure that the CSO Personnel meet the highest standards of professional qualifications and competence necessary for the implementation of the Activities and achievement of the Deliverables under this Agreement, are free from any conflicts of interest related to the Activities, respect the local laws and customs, and conform to the highest standards of moral and ethical conduct.

4.2 The CSO Personnel shall not be considered in any respect as being the officials, personnel, employees, staff or agents of UNDP or the United Nations.

4.3 The CSO agrees and shall ensure that the CSO Personnel performing the Activities under this Agreement:

- a) Shall not seek nor accept instructions regarding the Project from any Government or other authority external to the CSO or UNDP;
- b) Shall refrain from any conduct that would adversely reflect on UNDP or the United Nations, and shall not engage in any activity that is incompatible with the aims, objectives or mandate of UNDP or the United Nations; and
- c) Shall not use information that is considered confidential without the prior written authorization of UNDP, as required by Article 12.0 below.

4.4 The CSO's decisions related to the CSO Personnel, including employment or dismissal, shall be free of discrimination on the basis of race, religion or creed, ethnicity or national origin, gender, sexual orientation, handicapped status, or other similar factors.

### **5.0 Assignment**

5.1 The CSO shall not assign, transfer, pledge or make other disposition of this Agreement or any part thereof, or any of the CSO's rights, claims or obligations under this Agreement except with the prior written consent of UNDP.

## **6.0 Contracting**

6.1 In the event the CSO requires the services of contractors, the CSO shall remain responsible for their acts and omissions in relation to the Activities as if they were the acts and omissions of the CSO. The terms of any contract with any such contractor shall be subject to and conform to the provisions of this Agreement.

## **7.0 Procurement**

7.1 Procurement of goods, services and technical assistance required under the Work Plan will be conducted by the CSO in accordance with the principles of highest quality, transparency, economy and efficiency. Such procurement will be based on the assessment of competitive quotations, bids, or other proposals, unless otherwise agreed in writing by UNDP.

## **8.0 Equipment**

8.1 Any non-consumable supplies, equipment, vehicles and materials financed by UNDP or furnished by UNDP to the CSO under this Agreement (hereinafter the "Equipment") shall remain the property of UNDP.

8.2 The CSO shall be responsible for the proper custody, maintenance and care of the Equipment. It shall also maintain complete and accurate records of the Equipment, and shall regularly verify the inventory thereof. In addition, it shall purchase and maintain appropriate insurance for the Equipment in the amounts agreed upon between the Parties and incorporated in the budget contained in the Work Plan.

8.3 UNDP shall provide reasonable assistance to the CSO in connection with clearing the Equipment through customs at ports of entry into the country where the Activities are to be implemented.

8.4 In the event of damage, theft, loss or other forfeiture of the Equipment, the CSO shall provide UNDP with a complete written report supported, where appropriate, by a police report and any other evidence, giving full particulars of the events leading to the loss of, or damage to the Equipment.

8.5 The CSO shall return the Equipment to UNDP within thirty (30) days upon completion of the Activities or termination of this Agreement, whichever is earlier, or when no longer needed by the CSO. When returned to UNDP, the Equipment shall be in the same condition as when furnished to the CSO, subject to normal wear and tear.

8.6 UNDP may request compensation for the damaged, stolen, lost or otherwise forfeited Equipment, or the Equipment determined by UNDP to be degraded beyond normal wear and tear. If the CSO fails to compensate UNDP within thirty (30) days of UNDP's request, UNDP may deduct the amount thereof from any payments due to the CSO under this Agreement.

## **9.0 Copyrights, Patents, and Other Proprietary Rights**

9.1 Except as may be otherwise agreed by the Parties in this Agreement, UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the CSO has developed for UNDP under this Agreement and which bear a direct relation to, or are produced, prepared or collected in consequence of, or during the course of, the performance of this Agreement. The CSO acknowledges and agrees that such products, documents and other materials constitute works made for hire for UNDP.

9.2 The CSO shall be responsible for obtaining any licenses and permits required by national laws in connection with the Activities. UNDP shall cooperate as appropriate and necessary.

## **10.0 Reporting**

10.1 The CSO shall report to UNDP on the implementation of the Activities and achievement of the Deliverables under this Agreement.

10.2 The CSO shall provide UNDP with (a) quarterly reports, due within thirty (30) days after the end of each quarter; (b) if the duration of this Agreement exceeds one (1) year, annual reports, due within sixty (60) days after the end of each year; and (c) a final report, due within sixty (60) days after the completion of the Activities or expiration or prior termination of this Agreement.

10.3 Each report must be written in the English language and must, *inter alia*, contain information on:

- a) Activities carried out under the Agreement during the reported period;
- b) Progress towards achieving the Deliverables during the reported period;
- c) Corresponding indicators, baselines, sources of data, and data collection methods;
- d) Any new issues, risks, challenges and opportunities that should be considered in implementing the Activities;
- e) Financial data, including cash receipts and disbursements incurred by the CSO, reconciliation of outstanding advances and foreign exchange loss or gain during the reported period, if applicable; and
- f) Cumulative financial data, showing satisfactory management and use of UNDP resources.

10.4 In addition, the annual report and final reports, referred to in paragraph 10.2 above, must contain audited financial statements and records related to the Activities.

10.5 The CSO shall provide such additional reports related to the Activities as may be reasonably required by UNDP under its regulations, rules, policies and procedures.

#### **11.0 Maintenance of Records**

11.1 The CSO shall keep accurate and up-to-date records and documents, including original invoices, bills, and receipts pertinent to each transaction related to the Activities under this Agreement.

11.2 The CSO shall promptly disclose to UNDP any income, including interest, arising from the Activities. Such income shall be reflected in a revised Work Plan and recorded as accrued income to UNDP, unless otherwise agreed by the Parties.

11.3 Upon completion of the Activities, or the termination of this Agreement, the CSO shall maintain the records for a period of at least five (5) years, unless otherwise agreed by the Parties.

#### **12.0 Confidentiality**

12.1 Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party to the other Party during the term of this Agreement shall be considered confidential and shall be handled pursuant to the UNDP Information Disclosure Policy, not attached hereto but known to and in the possession of the Parties.

12.2 The CSO may disclose information to the extent required by law, provided that and without any waiver of the privileges and immunities of the United Nations, the CSO will give UNDP sufficient prior notice of a request for the disclosure of information in order to allow UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

12.3 UNDP may disclose information to the extent required pursuant to the Charter of the United Nations, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General of the United Nations.

12.4 These obligations shall not lapse upon completion of the Activities or termination of this Agreement, whichever is earlier.

**13.0 Insurance and Liabilities to Third Parties**

13.1 The CSO shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used in connection with the Activities under this Agreement.

13.2 The CSO shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to the CSO Personnel to cover claims for personal injury or death in connection with this Agreement.

13.3 The CSO shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the Activities, as well as the use of the Equipment owned or leased by the CSO or the CSO Personnel, or furnished or financed by UNDP pursuant to Article 8.0 above.

**14.0 Indemnity**

14.1 The CSO shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials and persons performing services for UNDP from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) or relating to acts or omissions of the CSO, including the CSO Personnel, under this Agreement. This provision shall extend, *inter alia*, to claims and liability in the nature of workmen's compensation, damage to property or other hazards that may be suffered by the CSO Personnel as a result of their services pertaining to the Activities, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the CSO or the CSO Personnel.

**15.0 Tax Exemptions**

15.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, *inter alia*, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations' exemption from such taxes, duties or charges, the CSO shall immediately consult with UNDP to determine a mutually acceptable solution.

15.2 Accordingly, the CSO authorizes UNDP to deduct from the CSO's invoice any amount representing such taxes, duties or charges, unless the CSO has consulted with UNDP before the payment thereof and UNDP has, in each instance, specifically provided written authorization to the CSO to pay such taxes, duties or charges under protest. In that event, the CSO shall provide UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

**16.0 Security and Anti-Terrorism**

16.1 The responsibility for the safety and security of the CSO and the CSO Personnel and property, as well as of the Equipment and other UNDP property in the CSO's custody, shall rest with the CSO.

16.2 UNDP reserves the right to verify whether the necessary security arrangements are in place, and to suggest modifications thereto when necessary. 16.3 The CSO agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received under this Agreement are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/sc/committees/1267/1267.htm>. This provision must be included in all contracts entered into under this Agreement.

**17.0 Audit and Investigations**



17.1 All payments made by UNDP under this Agreement shall be subject to a post-payment audit by auditors, whether internal or external, of UNDP or by other authorized and qualified agents of UNDP at any time during the term of this Agreement and for a period of five (5) years following the completion of the Activities or the termination of this Agreement.

17.2 The CSO acknowledges and agrees that, from time to time, UNDP may conduct investigations relating to any aspect of this Agreement or the selection of the CSO as a responsible party, the obligations performed under this Agreement, and the operations of the CSO generally relating to the performance of this Agreement. The right of UNDP to conduct an investigation and the CSO's obligation to comply with such an investigation shall not lapse upon completion of the Activities or the termination of this Agreement, whichever is earlier.

17.3 The CSO shall provide its full and timely cooperation with any post-payment audits or investigations. Such cooperation shall include, but shall not be limited to, the CSO's obligation to make available the CSO Personnel and any relevant documentation for such purposes at reasonable times and on reasonable conditions, and to grant to UNDP access to the CSO's premises at reasonable times and on reasonable conditions. The CSO shall cause the CSO Personnel to reasonably cooperate with any post-payment audits or investigations carried out by UNDP hereunder.

17.4 UNDP shall be entitled to a refund from the CSO for any amounts shown by audits and investigations to have been paid by UNDP other than in accordance with the terms and conditions of this Agreement.

#### **18.0 Force Majeure**

18.1 In the event of, and as soon as possible after, the occurrence of any cause constituting *force majeure*, the Party affected by it shall give the other Party notice and full particulars in writing of such occurrence. If the affected Party is thereby rendered unable, in whole or in part, to perform its obligations or meet its responsibilities under this Agreement, the Parties shall consult on the appropriate action to be taken, which may include termination of this Agreement by UNDP pursuant to Article 28.0, or termination of this Agreement by the CSO with at least seven (7) days written notice of such termination.

18.2 In the event that this Agreement is terminated owing to causes constituting *force majeure*, the provisions of Article 28.0 below, shall apply.

18.3 *Force majeure* as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, or any other acts of a similar nature or force, provided that such acts arise from causes beyond the control and without the fault or negligence of the Party invoking *force majeure*. The CSO acknowledges and agrees that, with respect to any obligations under this Agreement that the CSO must perform in areas in which the United Nations is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas, or to any incidents of civil unrest occurring in such areas, shall not, in and of itself, constitute *force majeure* under this Agreement.

#### **19.0 Use of the Name, Emblem and Official Seal of UNDP**

19.1 The CSO shall only use the name (including abbreviations), emblem or official seal of the United Nations or UNDP in direct connection with the Activities under this Agreement and upon receiving prior written consent of UNDP. Under no circumstances shall such consent be provided in connection with the use of the name (including abbreviations), emblem or official seal of the United Nations or UNDP for commercial purposes or goodwill.

19.2 The Parties shall cooperate in any public relations or publicity exercises when UNDP deems these appropriate or useful.

**20.0 Privileges and Immunities**

20.1 Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and UNDP.

**21.0 Officials Not to Benefit**

21.1 The CSO represents and warrants that it has not and shall not offer any direct or indirect benefit arising from or related to the performance of the Agreement or the award thereof, to any representative, official, employee, or other agent of UNDP.

**22.0 Observance of the Law**

22.1 The CSO shall comply with all laws, ordinances, rules, and regulations applicable to the performance of its obligations under this Agreement.

**23.0 Child Labor**

23.1 The CSO represents and warrants that neither it, its parent entities (if any), any of the CSO's subsidiary or affiliated entities (if any) nor the CSO Personnel are engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, *inter alia*, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

**24.0 Mines**

24.1 The CSO represents and warrants that neither it, its parent entities (if any), any of the CSO's subsidiaries or affiliated entities (if any) nor any CSO Personnel is engaged in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

**25.0 Sexual Exploitation**

25.1 In the performance of this Agreement, the CSO shall comply with the Standards of Conduct set forth in the Secretary-General's bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse." In particular, the CSO shall not engage in any conduct that would constitute sexual exploitation or sexual abuse, as defined in that bulletin.

25.2 The CSO shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by the CSO Personnel. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the CSO shall refrain from, and shall take all reasonable and appropriate measures to prohibit the CSO Personnel or any other persons engaged and controlled by it from exchanging any money, goods, services, or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The CSO acknowledges and agrees that the provisions of this Article 25.0 constitute an essential term of the Agreement and that any breach of these provisions shall entitle UNDP to terminate the Agreement immediately upon notice to the CSO, without any liability for termination charges or any other liability of any kind.

25.3 UNDP shall not apply the foregoing standard relating to age in any case in which the CSO Personnel is married to the person less than the age of eighteen years with whom sexual activity has

occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such CSO Personnel.

## **26.0 Conflicts of Interest; Anti-Corruption**

26.1 The Parties agree that it is important that all necessary precautions are taken to avoid conflicts of interest and corrupt practices. To this end, the CSO shall maintain standards of conflict that govern the performance of the CSO Personnel, including the prohibition of conflicts of interest and corrupt practices in connection with the award and administration of contracts, grants, or other benefits.

26.2 The CSO and persons affiliated with it, including the CSO Personnel, shall not engage in the following practices:

- a) participating in the selection, award, or administration of a contract, grant or other benefit or transaction funded by UNDP, in which the person, members of the person's immediate family or his or her business partners, or organizations controlled by or substantially involving such person, has or have a financial interest;
- b) participating in such transactions involving organizations or entities with which or whom that person is negotiating or has any arrangement concerning prospective employment;
- c) offering, giving, soliciting or receiving gratuities, favors, gifts or anything else of value to influence the action of any person involvement in a procurement process or contract execution;
- d) misrepresenting or omitting facts in order to influence the procurement process or the execution of a contract;
- e) engaging in a scheme or arrangement between two or more bidders, with or without the knowledge of the CSP, designed to establish bid prices at artificial, non-competitive levels; or
- f) participating in any other practice that is or could be construed as an illegal or corrupt practice under domestic law.

26.3 If the CSO has knowledge or becomes aware of any of the practices outlined in paragraph 2 of this Article 26 undertaken by anyone affiliated with the CSO, the CSO shall immediately disclose the existence of such practices to UNDP.

26.4 The CSO acknowledges and agrees that each of the provisions in Articles 21 to 26 hereof constitutes an essential term of the Agreement and that any breach of any of these provisions shall entitle UNDP to terminate the Agreement or any other contract with UNDP immediately upon notice to the CSO, without any liability for termination charges or any other liability of any kind. In addition, nothing herein shall limit the right of UNDP to refer any alleged breach of the said essential terms to the relevant national authorities for appropriate legal action.

## **27.0 Dispute Settlement**

27.1 The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Agreement, or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the Conciliation Rules then obtaining of the United Nations Commission on International Trade Law ("UNCITRAL"), or according to such other procedure as may be agreed between the Parties in writing.

27.2 If such dispute, controversy or claim between the Parties is not settled amicably under the preceding paragraph within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, it shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim measures") and Article 34 ("Form and effect of the award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

## **28.0 Termination of this Agreement**

28.1 The Parties recognize that successful implementation and completion of the Activities and achievement of the Deliverables are of paramount importance, and that UNDP may find it necessary to terminate or to modify the Activities, should circumstances arise that jeopardize successful completion of the Project. The provisions of the present Article shall apply to any such situation.

28.2 UNDP shall consult with the CSO if any circumstances arise that, in the judgment of UNDP, interfere or threaten to interfere with the successful implementation or completion of the Activities, or achievement of the Deliverables. For its part, the CSO shall promptly inform UNDP of any such circumstances that might come to its attention. The Parties shall cooperate towards the rectification or elimination of the circumstances in question and shall exert all reasonable efforts to that end, including prompt corrective steps by the CSO, where such circumstances are attributable to it or within its responsibility or control. The Parties shall also cooperate in assessing the consequences of possible termination of this Agreement on the beneficiaries of the Project.

28.3 UNDP may, at any time after occurrence of the circumstances in question, and after appropriate consultations with the CSO, suspend or terminate this Agreement by written notice to the CSO, without prejudice to the initiation or continuation of any of the measures envisaged in the preceding paragraph.

28.4 Upon receipt of a notice of termination by UNDP under the present Article, the CSO shall take immediate steps to terminate the Activities under this Agreement, in a prompt and orderly manner, so as to minimize losses and further expenditures. The CSO shall undertake no forward commitments and shall return to UNDP, within thirty (30) days, all unspent funds made available to it by UNDP under Article 2.0, and the Equipment financed by UNDP or furnished to it by UNDP pursuant to Article 8.0.

28.5 In the event of termination by UNDP under this Article 28.0, UNDP shall only reimburse the CSO the costs incurred in connection with the Activities carried out in accordance with the terms and conditions of this Agreement. Such reimbursement, when added to the amounts previously made available to the CSO by UNDP in accordance with Article 2.0 above, shall not exceed the maximum amount of funds referred to in paragraph 2.1 of that Article. 28.6 Following the termination, in the event UNDP decides to transfer the responsibilities of the CSO for the Activities to another entity, the CSO shall cooperate with UNDP and the other entity to ensure the orderly transfer of such responsibilities.

28.7 Notwithstanding anything in this Agreement to the contrary, UNDP may terminate this Agreement at any time without having to provide any justification therefor upon sixty (60) days' advance written notice to the CSO.

**29.0 Notices**

29.1 Any notice, request, document, report, or other communication submitted by either the CSO or UNDP shall be in writing and sent to the other party at the address information set forth in block 7 or block 8 of the Face Sheet, as appropriate.

**30.0 Survival**

30.1 The provisions of Article 3.0 (Refund), Article 4.0 (The CSO Personnel), Article 7.0 (Procurement), Article 8.0 (Equipment), Article 9.0 (Copyrights, Patents, and Other Proprietary Rights), Article 10.0 (Reporting), Article 11.0 (Maintenance of Records), Article 12.0 (Confidentiality), Article 14.0 (Indemnity), Article 17.0 (Audit and Investigations), Article 20.0 (Privileges and Immunities), and Article 27.0 (Dispute Settlement) shall survive and remain in full force and effect regardless of the expiry of the Project term or the termination of this Agreement.

**31.0 Other CSO Representations and Warranties**

31.1 The CSO represents and warrants that: (a) it is a legal entity validly existing under the laws of the jurisdiction in which it was formed and it has all the necessary powers, authority and legal capacity to: (i) own its assets, (ii) conduct Project activities, and (iii) enter into this Agreement; and (b) this Agreement has been duly executed and delivered by the CSO and is enforceable against it in accordance with its terms.

**32. Entry into Force, Duration, Extension and Modification of this Agreement**

32.1 This Agreement shall enter into force on the date of its signature by both the CSO and UNDP, acting through their duly Authorized Representatives identified in blocks 9 and 10 of the Face Sheet, and terminate on the Implementation Period end date indicated in block 4 of the Face Sheet.

32.2 Should it become evident to the CSO during the implementation of the Activities that an extension beyond the Implementation Period end date set forth in block 4 of the Face Sheet will be necessary to achieve the Deliverables, the CSO shall, without delay, inform UNDP and give full particulars. UNDP shall take such action as, in its sole discretion, it considers appropriate or necessary under the circumstances, including the granting to the CSO of a reasonable extension of time in which to perform its obligations under this Agreement.

32.3 This Agreement, including its Annexes, may be modified or amended only by written agreement between the Parties.

32.4 Failure by either Party to exercise any rights available to it, whether under this Agreement or otherwise, shall not be deemed for any purposes to constitute a waiver by the other Party of any such right or any remedy associated therewith, and shall not relieve the Parties of any of their obligations under the Agreement.

## **ANNEX to Responsible Party Agreement Template**

### **On-Granting Provisions Applicable to the Implementing Partner**

Whereas the Implementing Partner (“IP”) has been selected by UNDP and the Government to undertake grant-making activities under the Agreement in accordance with the Project Document (Annex A), the IP agrees to be bound by the following additional provisions:

#### **1. Grant Award Process**

- 1.1 The IP shall be fully accountable for the completion of all grant making activities in accordance with its financial regulations, rules and policies, to the extent that they are consistent with UNDP’s grant policies and Financial Regulations and Rules. If they are not consistent, UNDP’s grant policies and Financial Regulations and Rules must be followed.
- 1.2 The IP shall conduct an assessment of grant recipient proposal(s) against set selection criteria established in the Project Document or in the call for proposals, and shall submit eligible grant proposal(s) to the Project Board or designated grant selection committee for consideration and final selection.
- 1.3 The IP shall ensure that:
  - a. the grant award process is organized in a fully transparent manner that guarantees impartiality and equal treatment to all applicants;
  - b. all stages of the grant award process are formally documented through standardized checklists and forms;
  - c. grants are awarded in accordance with formal rules of procedure, including adequate due diligence policies and processes;
  - d. the evaluation process is based solely on the established criteria for eligibility, selection and exclusion as indicated in the call for proposals;
  - e. the grant recipient is duly organized and in good standing in its state/country of organization, as well as the eligibility of activities to be carried out with the grant award;
  - f. all applicants are notified in writing of the grant award outcome;
  - g. the grant award decision is made public within a reasonable timeframe following its issuance;
  - h. grant funds are channeled transparently and effectively to grant recipients;
  - i. no grant is awarded retroactively for activities already started or completed at the time of the application; and
  - j. procedures are in place (and set forth in any agreements the IP enters into with grant recipients pursuant to this Agreement) to:

- i. recover grant funds unduly paid, and/or to prevent and address irregularities and fraud by the grant recipient; and
- ii. suspend, reduce or terminate the grant if the grant recipient fails to comply with its obligations.

1.4 Funding provided by the IP to any individual grant recipient shall not exceed \$150,000 per individual grant and \$300,000 on a cumulative basis within the same programme period.

## 2. Managing and Monitoring Performance of Grant Recipient(s)

2.1 The IP shall supervise and monitor the grant recipient's activities and its achievement of specified results pursuant to the grant proposal selected by the Project Board or designated grant selection committee, including the schedules set forth therein.

2.2 The IP shall measure the grant recipient's performance based on results achieved against agreed performance targets in the grant agreement. Performance shall be monitored and assessed through the progress narrative and financial reports specified in Section 3 below.

2.3 The IP shall ensure that each deliverable for which a grant recipient is responsible for achieving has an effective performance target against which the grant recipient must report periodically and which the IP will monitor through regular reporting, at least on an annual basis.

2.4 UNDP may, during the term of the Agreement, undertake various independent assurance measures (such as spot checks or audits) regarding the IP's activities that are the subject of this Agreement, including monitoring and oversight, as well as independent assurance measures of the Responsible Party (where applicable) and grant recipients' programmatic and financial activities.

## 3. Reporting and Audit

3.1 The IP shall have in place its own systems to assess and monitor the grant recipient's activities and use of grant funds, including reporting and audit requirements.

3.2 The IP shall ensure the timeliness and accuracy of the grant recipient's reporting in relation to the grant and shall be responsible for the management of the grant recipient's audits. The IP shall determine the frequency of audits of grant recipient(s), evaluate audit quality, and monitor audit findings and any corrective measures to ensure resolution. Notwithstanding the above, UNDP shall have the right to audit or review the IP's and the grant recipient's related books and records as it may require.

3.3 The IP shall consolidate the reporting from grant recipient(s) and submit **annual financial and narrative progress reports** to UNDP no later than 30 days after the end of the year. In the event that the IP engages a Responsible Party to undertake its grant-making obligations and responsibilities (as further described in Section 5 below), the IP shall cause the RP to consolidate the **annual financial and narrative progress reports** from grant recipient(s) and submit the aforementioned to the IP no later than 30 days after the end of the year. The IP will in turn

review and submit the consolidated reports to UNDP no later than 45 days after the end of each year.

- 3.4 The IP shall provide progress reports (“Performance Reports”) including financial and narrative information, to UNDP at least 30 days before the expected release of the next tranche or at least annually within 30 days after the end of each year until the activities have been completed. In the event disbursement of funds from UNDP to the IP is to be made quarterly, Performance Reports should be submitted to UNDP on a quarterly basis. The Performance Reports should include a dated certification by the IP’s representative with institutional responsibility for financial reporting.
- 3.5 The IP shall ensure that the grant recipient(s) are audited in accordance with the terms of the relevant agreements. Upon request, the IP shall furnish or cause to be furnished to UNDP a copy of audit reports of the grant recipient(s).

#### **4. Responsibility of the IP**

- 4.1 The IP shall be solely liable for claims by third parties arising from the grant recipient’s acts and/or omissions in the course of performing activities under the agreement entered into with the IP pursuant to this Agreement. UNDP shall assume no responsibility for the actions of grant recipients and shall in no way be held liable for third party claims arising therefrom.

#### **5. Engagement of a Responsible Party to Undertake the IP’s Grant-Making Responsibilities and Obligations**

In the event that the IP engages a Responsible Party (“RP”) to undertake its grant-making responsibilities, the IP agrees to the following additional provisions:

- 5.1 In selecting an RP to undertake the grant-making activities, the IP shall use the same capacity assessment process and due diligence standards applied by UNDP to assess the IP’s financial and grant management skills prior to signing this Agreement.<sup>2</sup> The IP shall select the RP in consultation with the Project Board, as such term is defined in the Project Document, and which includes UNDP and the IP.
- 5.2 The IP shall sign an agreement with the RP, the terms of which shall be subject to, and construed in a manner that is fully in accordance with, all of the provisions of this Agreement. The IP shall remain responsible for the acts and omissions of the RP in relation to the on-granting activities as if they were the acts and omissions of the IP.

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<sup>2</sup> The UNDP Partner’s Capacity Assessment tool is available here - [Partner Capacity Assessment](#).



- 5.3 The IP shall ensure that all provisions, commitments and performance standards that apply to the IP in Paragraphs 1 – 3 above shall apply to the RP unless otherwise agreed by UNDP.
- 5.4 The IP shall ensure that each responsibility contracted to the RP has an effective performance indicator against which the RP must report periodically and which the IP will monitor through regular reporting and spot-checking, at least on an annual basis.
- 5.5 Funding provided by the RP to any individual grant recipient shall not exceed \$60,000 per individual grant and \$120,000 on a cumulative basis within the same programme period.
- 5.6 The disbursement of grant-making funds from UNDP to the IP shall be made quarterly and in arrears upon submission to and acceptance by UNDP of the quarterly narrative and financial reports provided in Paragraph 3.4 above.
- 5.7 Payments from the IP to the RP must be made as Performance-Based Payments and contingent solely upon or subject to the achievement of specific results. The RP shall self-finance all or a significant portion of the grant funds necessary to achieve the required measurable results until the pre-agreed performance measures are achieved by the RP and the grant recipients, as measured and approved by UNDP.
- 5.8 The IP shall ensure that the RP is audited in accordance with the terms of the relevant agreements. Upon request, the IP shall furnish or cause to be furnished to UNDP a copy of audit reports of the RP.
- 5.9 Any attempted or purported assignment, delegation or other transfer of obligations of the IP set forth in the above on-granting Provisions shall be void and have no effect, except with the prior written consent of UNDP.



## INSTRUCTION FOR FILLING FACE FORM

**Funding Authorization and Certificate of Expenditures (FACE)** form is designed to request Direct Cash Transfers (DCT) and reflect expenditures accumulated by quarter.

Requests for the Direct Cash Transfer (DCT) should be prepared in line with the project or annual work plan, and must be signed by the implementing partner. The Cash transferred to the project are under the total responsibility of the implementing partner and must only be used for the activities and inputs stated in the annual work plan, and following UNDP's policies and procedures as referred to in the project document. The implementing partner/project must have a good system of accounting recording and appropriate filing of financial documentation on the project (in order to maintain records of all payments made with advances and original expenditure backup documentation). All these requirements and information will be reviewed at the project site during the project audit.

In order to receive the funds transferred by UNDP, the implementing partner for the project may open a bank account to be used only for receiving UNDP cash transfers and to make payments of the project. The bank account should be opened under the name of the project. This bank account should not be used for purposes other than receiving UNDP advances and making payments with these advances. This account must not have access to any credit nor be used for investments. If the project needs advances to make payments in local currency and non-local currency, then two bank accounts should be opened, or one bank account with two separate controls of currency.

At the finalization of the project, it is the responsibility of the implementing partner to close this/these account(s) and reimburse any remaining balances to UNDP.

The implementing partner must maintain strict control of such bank accounts, making bank reconciliations at least quarterly (monthly is advisable), and must keep on file all documentation related to account transactions. Any interest earned on the project bank account from the advances must be included by the implementing partner in the Funding Authorization and Certificate of Expenditures (FACE) and credited to the project, recording it as miscellaneous income. Bank statements must be filed by the project and a copy should be submitted to the country office with the FACES.

Together with the signed FACE form, the project has to send a copy of the bank statement as up to the date of the end of the period reported, to enable the country office to compare bank balances with FACE balances (UNDP will not make reconciliation between bank statements and expenditures reported in the Financial Report or FACE. This is the responsibility of the implementing partner and correctness of this reconciliation will be determined by the audit exercise.). The following main instructions apply:

- The normal disbursement cycle for the FACE is quarterly. More frequent reporting is encouraged if agreed to by the UNDP country office and the implementing partner
- Advances shall only be made in non-local currency in those instances where all payments arising out of such will also be in the same non-local currency. If the project has received advances in more than one currency, a separate financial report or FACE must be submitted for each currency received;
- The approval of a request for cash transfer for a particular project is subject to the verification by the CO that at least 80% of the previous advance given and 100% of all earlier advances have been liquidated.
- The implementing partner must submit the corresponding FACES every time the project needs more funds **and** at the end of each quarter, within the period of up to **30 days** of the following quarter. The FACE must

include detailed information on payment instructions (bank account where advances should be deposited).

The FACE supports several important functions:

- Request for funding authorization: The section “Requests / Authorizations” will be used by the implementing partner to enter the amount of funds to be disbursed for use in the new reporting period. The country office can accept, reject or modify the amount approved;
- Reporting of expenditures: The section “Reporting” will be used by the implementing partner to report to the country office the expenditures incurred in the reporting period. The country office can accept, reject or request an amendment to the expenditures reported;
- Certification of expenditures: The section “Certification” will be used by the designated official from the implementing partner to certify the accuracy of the data and information provided.

In the process of certification, the designated official attests to one or both of the following statements:

- That the funding request shown represents estimated planned expenditures as per the Annual Work Plan (AWP)/Budget and that itemized cost estimates have been attached and/or;
- That the actual expenditures for the reported period have been disbursed in accordance with the annual work plan and previously approved itemized cost estimates. Further, the designated official attests that the supporting accounting documentation will be made available, upon request, for a period of five years.

#### **FACE: Overall Approach and Guiding Principles**

The FACE is intended to use by partners for requesting funds and reporting expenditure. Not all sections of the form will be used at all times. For instance, for an initial disbursement, only the request section of the form will be completed. For a final payment upon AWP completion, only the reporting section will be used. The following guiding principles apply:

- No FACE will be processed without the appropriate signature from the designated implementing partner official;
- The FACE is aligned with the annual work plan/budget. The activities for which funds authorization is requested, or for which expenditure is reported, will be the activities specified in the annual work plan;
- The FACE is normally certified by the designated official who signs the annual work plan. In all other circumstances, the annual work plan will specify any other official authorized to certify the FACE. For instance, the designated official signing the annual work plan may be from the central Ministry of Health while the actual expenditures may be incurred by a regional health office. In such cases, the annual work plan should specify whether the central authority will process and sign a consolidated FACE or whether individual FACE forms will be processed by other authorized officials from the subordinate offices and implementing partners. The respective reporting relationship must be specified in the annual work plan;
- A request for funding included in the FACE must be accompanied with an itemized cost estimate of the activities to be funded according to UNDP guidelines.

#### **FACE: Header Area**

The header area of the FACE allows the implementing partner to report on the reason and purpose of the funding/reporting request. This data is usually needed for correct coding in financial and management accounting systems. The specific data elements include:

- Name of the agency (UNDP);
- Date of the request;
- Type of request (direct cash transfer, direct payment, reimbursement);
- Country where the program takes place;
- project title and code;
- Responsible officer(s);
- Implementing partner;
- Currency of the request and disbursement.

#### **FACE: Body of the Form**

**Activity Description:** activity ID and Budget Items description as it appears in the annual work plan/budget.

**Coding Column:** The second column is ATLAS chart of accounts: Account, Fund, Donor. This data is required for UNDP's financial accounting system.

#### **Reporting Area**

The FACE is a dynamic form that must balance and reconcile from one reporting period to the next. The first column, column A, on the form repeats the last one, column G, from the previously submitted and authorized FACE form. Note that columns C, D, F and G are shaded. They are blank when the FACE is submitted to the country office. They are filled out by the country office prior to the financial processing of the form. All non-shaded columns are to be completed by the implementing partner.

**Column A – Authorized Amount:** Column A will be blank for the first request from an implementing partner. It should include the date of the most recent previous authorization.

**Column B – Actual Expenditure:** Column B reports the actual expenditures by the implementing partner for the period. The expenditures reported by the implementing partner are, at this point, still subject to review and approval by the country office. The designated official of the implementing partner is certifying that these expenditures are reported in accordance with the provisions of the annual work plan, country programme action plan and/or other related agreements with UNDP.

**Column C – Expenditures Accepted by Agency:** Column C is used by the country office to review and approve, reject or amend to expenditures reported by the implementing partner. If the amounts are accepted as reported, no further adjustments to this part of the FACE or communication with the implementing partner about these expenditure is required. However, if changes are made (e.g., to query or reject a reported expenditure), then the amount recorded by the country office in column C will differ from that reported in column B. In this case, the change needs to be communicated with the implementing partner.

**Column D – Balance:** Column D records the balance of funds authorized for use in the reporting period that remained unspent as of the date of the form. The term 'unspent' can also reflect expenditures which are either known or ongoing as of the date of the FACE, but which cannot be certified by the implementing partner due to timing or internal reporting delays. The outstanding balance of funds authorized by activity can be carried forward, reprogrammed or refunded, depending on the particular circumstances of the signed agreement..

#### **Requests and Authorizations Area**

**Column E – New Request Period and Amount:** Column E determines the period of the new request, which is normally contiguous to the last reporting period. The column contains the requests for the authorization to spend

or receive funds, by activity and for that period. Each time a request for new or additional funds is submitted, it will be accompanied by an itemized list of expenditures in line with the annual work plan. This column can also reflect any balance for an activity in column D, which is requested for reprogramming. This will reduce the total amount of the new disbursement request accordingly.

**Column F – Authorized Amount:** Column F is used by the country office to establish the amount of new funds, by activity, to be disbursed for the new reporting period. This column is filled in by the country office. It can be used to accept, reject or modify the amounts requested in column E. Any credits for reprogramming will be reflected in this column for reconciliation of the amounts.

**Column G – Outstanding Authorized Amount:** Column G is the sum of columns D and F, and indicates the total outstanding authorized amount. For subsequent period reporting, the amount of this column will be carried forward to the column A of the new FACE form

**Certification Area**

The Certification Area is used by the designated official of the implementing partner to request funds and/or to certify expenditures. This area requires a date, the signature of the official and his/her title.

**For Agency Use Only Area Approvals Box:** The “For All Agencies” box in the lower left hand corner of the FACE form should be signed by the appropriate UNDP official. This indicates the review and approval of the request for funds and authorizes the recording of the reported expenditures. The official should sign, date and provide his/her title.

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**Bank accounts**

In order to receive the funds advanced by UNDP, the IP/project may open a bank account to be used only for receiving UNDP advances and to make payments of the project. If local conditions permit, the bank account should be opened under the name of the project. Opening a separate bank account for the project will usually lower risk but may also place an additional administrative burden on the IP.

Alternatively, the IP may use an existing bank account under the IP’s name, but this option may only be used with the agreement of UNDP’s Project Manager. In making this decision, the Project Manager will consider the inherent risk involved, using the assurance mechanisms described in [HACT](#).