

AGREEMENT

between

the Ministry for Foreign Affairs Of Finland ("the Ministry")

and

[*The official name of the INGO*] ("the Agency")

on the Government Grant for core support to [*The official name of the INGO*] for the years
[*time of use of the Grant*] ("the Activities")

Name of the Agency:

Full address:

Telephone no:

E-mail:

Bank information

Bank name, address Bank name, address:

Account number:

Account holders name:

Sort code:

Swift:

IBAN:

The following provisions shall be applied in respect of the implementation of this Agreement:

1. Grant

- 1.1. The Ministry shall, subject to annual parliamentary approval in Finland, contribute funds (the Grant) up to a maximum of [*the amount of the grant in letters*] euros [(€ *the amount of the grant in numbers*)] for the carrying out of the Activities during [*time of use of the Grant*] .
- 1.2. The Grant is core funding for the activities of the Agency as outlined in Application form, multi-year budget, results framework and risk matrix ("Approved application") (Annex 2).
- 1.3. The first installment of the Grant [(*the amount of the first instalment in numbers*)] shall be paid to the Agency against a written request submitted to the Ministry, after the Agreement has come into force.
- 1.4. Subsequent disbursement requests [(*XX euros in 20XX and XX euros in 20XX*)] must be preceded by a progress report of the Activities, a report on the use of the contribution, as set in para 4 of the Agreement, and as well as a written payment request. The Ministry shall formally accept the reports prior to the disbursements.

2. Annexes and the Government Grant Decision

- 2.1. General Terms and Conditions and the ethical code of conduct for the Grant are set out in Annex 1.
- 2.2. Application form, multi-year budget, results framework and risk matrix are set out in Annex 2.
- 2.3. Reporting Instructions are set out in Annex 3.
- 2.4. The Agency shall in all respects - when using the Grant and in its relation to the Ministry - comply with the Government Grant Decision concerning the grant and the provisions of this Agreement and Annexes 1-3.

3. Specific Terms

- 3.1. Acceptable costs of the Activities to be paid from the Grant are those outlined in the Approved application (Annex 2) and the General Terms and Conditions for the Government Grant (Annex 1).
- 3.2. The maximum share the Grant represents of the total costs incurred from the Activities may not cover the full amount of the total costs incurred from the Activities in question.
- 3.3. In case the Agency receives income from other sources, either public or private, or income generated by the Activities this income may be used to cover the costs of the Activities together with the Grant without effecting the Grant or the disbursements as stated in this Agreement. However, the Grant, together with other public aid, may not exceed the maximum amount of State or other public assistance laid down in European Union or Finnish law.

- 3.4. The Grant shall be used for costs incurred during the period of [*time of use of the Grant*]. The annual instalments must be expended during the year for which they are allocated. Any leftover funds may be carried forward onto the following year based on an application of the Agency and upon approval thereof by the Ministry. Where possible, the application for carryover of funds should be received by the Ministry by October of the preceding year. Expired funds may not be carried forward.
- 3.5. In case the Agency transfers any part of the Grant to a third party in accordance with the Approved application or as otherwise agreed with the Ministry, the Agency must enter into an agreement on the use and the supervision of its use and the terms of supervision with said third party. With respect to the Ministry, the Agency is fully responsible also for the part of the Grant it has transferred.

4. Reporting and Audit

- 4.1. The Agency shall, in accordance with the Ministry's instructions (Annex 3), provide the Ministry with a Annual progress report on the implementation of the Activities and the use of the Grant including audited financial statements. The reports shall also include an external auditor's report on the use of the contribution. The auditor must meet the requirements set by the authorities of the country of the Agency.
- 4.2. The annual reports must be submitted to the Ministry by the end of May of the year following the year for which grant has been awarded and/or in which the grant has been used. Any delay or failure to report will lead to suspension of disbursements and a possible denial of continued support.
- 4.3. The Agency is responsible for the funds granted by the Ministry. The funds reported are subject to an annual audit by an external, independent, and qualified auditor. The annual audit shall be conducted in accordance with *International Standards on Auditing*. The Agency's ordinary organisational statutory audit will be accepted if it is an assurance audit and the process for audit (handling of audit reports, management response, follow-up of recommendations etc.) is conducted acceptably, and if the Ministry's funds received and used are presented separately.
- 4.4. The Agency is responsible for submitting an annual audited financial report to the Ministry as part of the annual reports. The auditor shall issue an audit report with the final opinion.
- 4.5. The auditor shall submit an audit management letter, which shall contain the audit findings made during the audit process. It shall also state which measures have been taken as a result of previous audits and whether measures taken have been adequate to deal with reported issues.
- 4.6. A documented management response, including an action plan regarding any findings, shall be produced by the Agency and submitted to the Ministry together with the audited financial report and the audit management letter.
- 4.7. The Agency shall, on request, give the Ministry an opportunity to audit how the contribution has been used by the Agency and thereby supply information necessary for the audit. The Agency shall also furnish the Ministry with any other information on the Activities and the use of the Grant that the Ministry deems necessary or as may

be reasonably requested from time to time for public information, dissemination or other purposes.

5. Carrying out of Activities

- 5.1. The Agency shall carry out the Activities in accordance with the Approved application attached hereto as Annex 2 or as may be otherwise agreed in writing between the Ministry and the Agency. The Activities must be in harmony with the official principles regulating the development cooperation of the Government of Finland.
- 5.2. The Agency shall exercise all professional skill, care and diligence in the discharge of its duties under this Agreement as well as carry out all its responsibilities in accordance with professional administrative, accounting, auditing and other financial standards and practices, such as International Financial Reporting Standards. The Agency shall also ensure that no illegal or corrupt practices are connected with the use of the Grant. The prohibition of aforementioned practices applies also to the Agency's subcontractors and any other third party to which the Grant or part of the Grant is forwarded to.
- 5.3. The Agency shall treat participants and other suppliers involved in a procurement procedure in an equitable and non-discriminatory manner, and shall act transparently, having regard to the requirements of proportionality. Invitations to tender as well as procurement contracts shall include a clause on the possibility of the tender being rejected and the contract being cancelled, in case any illegal or corrupt practices have been connected with the award or the execution of the contract.
- 5.4. No offer, gift, payment or benefit of any kind, which would or could be construed as an illegal or corrupt practice, shall be accepted, either directly or indirectly, as an inducement or reward for the award or execution of procurement contracts.

6. Sanctions and Prevention of Misconduct

- 6.1. Consistent with UN Security Council Resolutions relating to terrorism, including UN Security Council Resolution 1373 (2001) and 1267 (1999) and related resolutions, the Ministry and the Agency are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. The Ministry and the Agency are also committed to full compliance with other sanctions regimes, including targeted financial sanctions and other measures, adopted by the Security Council under Article 41, Chapter VII of the United Nations Charter and economic and financial restrictive measures in force in the European Union, adopted under article 215 of the Treaty on the Functioning of the European Union.

It is the policy of the Ministry to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities designated by the UN or the EU as being subject to sanctions. To those ends, the Agency is committed to taking appropriate steps to ensure that funding provided by the Ministry to support the Agency is not provided to, or otherwise used to provide financial assistance or support to, persons or entities, terrorists or terrorist organizations, or any other legal person or government agency listed on the Consolidated United Nations Security Council Sanctions List or EU sanctions regulations (as amended from time to time), and shall

inform the Ministry immediately if, during the course of this Agreement, the Agency determines that any such funds have been so used.

6.2. The Agency shall implement zero-tolerance policy towards sexual exploitation and abuse and sexual harassment as well as discrimination and abuse of authority. Such zero-tolerance policy shall also apply to cooperative arrangements with non-Agency entities and individuals. The Agency shall take robust and prompt action in response to any such allegations. In case any allegations arise, the Agency shall immediately inform the Ministry.

6.3. The Agency affirms that it has not been convicted for a crime. The Agency also affirms that it has not been declared bankrupt and that it has fulfilled its mandatory payments including, but not limited to, taxes and insurance payments. The Agency also affirms that it is not under any other severe financial difficulties.

7. Information sharing and amendments

7.1. The Agency and the Ministry shall promptly inform each other of any event or situation which might affect the implementation of the Activities and which may necessitate an agreement on a modification or an amendment in the scope or execution thereof, in the agreed budget or in other aspects of this Agreement. A modification or amendment of this Agreement is subject to a modification or amendment of the Government Grant Decision.

7.2. The Ministry may, on written application, amend the terms of the Government Grant Decision concerning the time of use of the Grant or the use of the Grant. An application for amendment is necessary when changes in the Activities bring on a need to alternate the types of expenses that have been presented in the Approved application, and the alternations together represent 15 percent or more of the budget of the Activities. Using the Grant for a type of expense that has not been presented in the Approved application always requires an application for amendment of the Grant Decision regardless of the amount of money used on the new type of expense.

An amendment of the Government Grant Decision requires special grounds that should be stated in the application for amendment. The amendment may not be carried out before a favorable decision has been given. Accepting the amendment is at the discretion of the Ministry. If the Grant has expired the time of use can no longer be prolonged on application.

7.3. The Agency shall, when requested by the Ministry, facilitate the participation of the officials or designated representatives of the Ministry in any preparation, review, evaluation or other meetings or missions concerning the implementation of this Agreement.

7.4. The Agency shall, in all its publications and reports concerning the Activities, specifically state that the Ministry has made available financial resources therefore.

8. Special Provisions

- 8.1. The Ministry shall not accept any responsibility or liability for any claims, debts, demands, damage or loss that may be made against the Agency as a result of the implementation of this Agreement.
- 8.2. This Agreement and the rights and obligations of the Ministry and the Agency shall be governed by the laws and regulations in force in Finland.
- 8.3. The Ministry and the Agency shall seek amicably to solve any dispute arising out of or in connection with the implementation of this Agreement. Failing such an amicable solution, the dispute shall be submitted to the District Court of Helsinki.

9. Entry Into Force and termination

- 9.1. This Agreement shall enter into force upon signature by the Ministry and the Agency and remain valid until all the obligations have been duly fulfilled by the Ministry and the Agency. In case the Agency fails to comply with the terms and conditions set out in the Government Grant Decision or this Agreement, the Ministry has the right to terminate the Agreement earlier by giving a written notice to the Agency three months prior to the termination.

This Agreement is made in two originals in the English language and duly signed by the authorized representatives of the Ministry and the Agency.

Place and date

Place and date

On behalf of the Ministry
for Foreign Affairs of Finland

On behalf of the Agency

ANNEXES

1. General Terms and Conditions for the Government Grant and the ethical code of conduct
2. Application form, multi-year budget, results framework and risk matrix
3. Reporting Instructions