# Appendix

# CEPF Flow-Down Clauses

1. USE OF FUNDS AND RESOURCES.
   1. This is a Cost Reimbursement Grant under which **[Name of your organization]** (‘Project Owner’)agrees to reimburse the Grantee for actual costs incurred in the performance of approved Project activities up to the total amount specified in the Grant. Accountability is based on technical progress, financial accounting and fiscal reporting. All funds (including any interest thereon), equipment, property and/or any other thing of value provided under this Grant, any credits or refunds received from sub-recipients, sub-contractors, vendors/suppliers under the Project shall be used solely for Project activities. Only expenditures for reasonable, approved, and documented costs as identified in Project Proposal and Project Budget are allowable. All expenses, including salary costs, funded by the Project must be supported by adequate documentation. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
   2. Grantee is responsible for the implementation and monitoring of any required safeguard instrument or other required measures to address social and environmental safeguard policies, as described at [https://www.cepf.net/grants/before-you-apply/safeguards.](https://www.cepf.net/grants/before-you-apply/safeguards) Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub- awards issued under this Agreement.
   3. Grantee may allocate up to 15% of the total Grant between direct cost line items, not to exceed the approved total. Grantee shall request and receive written approval from Project Owner prior to making any changes to the indirect costs line item, other changes to the budget or to the objectives, target areas, methodology, or timeline of the Project. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub- awards issued under this Agreement.
   4. Any funds (including any interest thereon) remaining with Grantee at the termination or expiration of the Grant term shall be returned to Project Owner and Grantee shall reimburse Project Owner for any disallowed expenditures. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
   5. All funds provided under this Grant in U.S. Dollars that are exchanged to local currency must be exchanged at the best available rate through the channels authorized by applicable laws and regulations. Transactions must be verified through bank receipts or other documents or publications sufficient to demonstrate the legality of such transactions. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
   6. Grant funds (including any interest thereon) shall not be expended to carry on propaganda or otherwise attempt to influence legislation or any public election. Funds may only be used to engage in activities that are for charitable, scientific, literary or educational purposes. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
   7. Grant funds shall not be expended for land acquisition, and no expenditures shall be made for activities resulting in the physical relocation of people. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
   8. Grant funds shall not be expended (i) for any payment to persons or entities listed on any financial sanction list maintained by the United Nations, European Union, France and the United States of America or other jurisdiction where Project activities are carried out, (ii) for any payment to purchase, supply, finance any supplies, services or sectors which are subject to an embargo by the United Nations, the European Union, France, United States or other jurisdiction where Project activities are carried out, or (iii) for penalties on late payments imposed by suppliers except if such penalties were incurred in connection with a disputed payment which was under arbitration or litigation. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
   9. Grant funds (including any interest thereon) shall not be expended for payments that are, or give the appearance of, a conflict of interest. A conflict of interest exists when the impartial and objective exercise of the functions of any person implementing the Agreement is compromised and includes transactions in which an individual’s personal or financial interests conflict or appear to conflict with his/her official responsibility. Examples include, but are not limited to, such transactions as payments to the business partner(s) of the project director, co-project director, or members of their immediate families for salaries, expense reimbursement, or any other type of compensation, or payments to organizations in which the project director, co-project director, or member(s) of their immediate families have a financial interest. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
   10. Grantee hereby certifies that no assistance, payments, or anything of value (monetary or non-monetary), shall be made, promised, offered to or accepted by any government employee or official (1) in contravention of any U.S. law (including the U.S. Foreign Corrupt Practices Act) or other applicable law or regulation in the jurisdiction of Grantee’s incorporation or the jurisdiction of any country where Project activities are carried out; (2) without the express consent of the government for which the employee or official works; and (3) that is not reasonable, bona fide, and directly related to the activities funded under this Grant. It is Grantee's responsibility to ensure compliance with this clause, and to maintain, and provide at CI or Project Owner's request, documentation demonstrating such compliance. Grantee hereby certifies that no payments or other form of assistance shall be accepted by or made to any government employee or official, including Grantee, (a) to influence any official government act or decision, (b) to induce any government employee or official to do or omit to do any act in

violation of his or her lawful duty, or (c) to obtain or retain business for, or direct business to any individual or entity. If Grantee is a government official or employee, Grantee shall recuse himself or herself from any governmental act or decision affecting CI or Project Owner and shall not influence any governmental act or decision affecting CI or Project Owner. Under no circumstances shall any payments or anything of value be made, promised, or offered to any U.S. Federal, State or local employee or official. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

* 1. Grantee shall use its best efforts to minimize the financing of any taxes on goods and services, or the importation, manufacture, procurement or supply thereof. If Grantee is eligible to apply for refunds on taxes paid, Grantee shall do so. All such reimbursements received by Grantee for taxes paid under this Grant shall be used for Project purposes. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub- awards issued under this Agreement.

1. PROJECT MONITORING.
   1. Record Keeping and Required Documentation. Grantee shall segregate funds received and expenses incurred under this Grant from other sources of funding, including other Project Owner grants. Grantee shall keep all pertinent records, both financial and technical, relating to this Grant in its original form (electronic as the case may be) for a period of 7 (seven) years following the termination or expiration of this Grant. Project Owner, CI, its representatives, assignees, and representatives from each of the Funding Sources reserve the right to inspect, review or audit any and all records relating to this Grant and to conduct random inspections.

All reported expenditures and financial transactions must reflect actual costs incurred. Accounting records shall trace back to and be documented by source documentation (e.g., canceled checks, paid bills, canceled invoices, packing slips, payroll documents, time and attendance records, and sub-grants/sub-contract agreements). Documentation shall demonstrate that costs are (i) reasonable, allocable, and allowable, (ii) incurred in accordance with all Funding Terms and Conditions, (iii) treated consistently, (iv) and determined in accordance with International Accounting Standards (IAS).

* 1. Desk Reviews and Site Visits. CI and Project Owner regards monitoring of project activities as essential to effective grant making. CI, Project Owner, its representatives and assignees, and representatives from each of the Funding Sources, may conduct desk reviews and/or site visits to review project progress and results. Grantee will provide proof of asset acquisition as requested by Project Owner. To the extent possible, Project Owner shall advise Grantee of any site visit in reasonable advance.
  2. AUDIT. Project Owner reserves the right to require a project or organizational audit of expenses incurred under this Grant. Grantee agrees to reimburse Project Owner, at Grantee’s sole expense, the amount of any expenditure disallowed by auditors, through an audit exception or other

appropriate means based upon a finding that such expenditures failed to comply with a provision of this Grant.

* 1. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

1. ACTS OF CORRUPTION, FRAUD OR ANTI-COMPETITIVE PRACTICE; FUND FROM ILLICIT ORIGIN.
   1. Act of Corruption means any of the following:
      1. the act of promising, offering or giving, directly or indirectly, to a Public Official or to any person who directs or works, in any capacity, for a private sector entity, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity; or
      2. the act of a Public Official or any person who directs or works, in any capacity, for a private sector entity, soliciting or accepting, directly or indirectly, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity.
   2. Anti-Competitive Practices means:
      1. any concerted or implicit action having as its object and/or as its effects to impede, restrict or distort fair competition in a market, including without limitation when it tends to: (i) limit market access or the free exercise of competition by other companies; (ii) prevent price setting by the free play of markets by artificially favoring the increase or decrease of such prices; (iii) limit or control any production, markets, investment or technical progress; or (iv) share out markets or sources of supply;
      2. any abuse by a company or group of companies of a dominant position within a domestic market or in a substantial part thereof; or
      3. any bid or predatory pricing having as its object and/or its effect to eliminate from a market, or to prevent a company or one of its products from accessing the market.
   3. Fraud means any unfair practice (acts or omissions) deliberately intended to mislead others, to intentionally conceal elements there from, or to betray or vitiate his/her consent, to circumvent any legal or regulatory requirements and/or to violate internal rules and procedures of the Beneficiary or a third party in order to obtain an illegitimate benefit.
   4. Fraud against the Financial Interests of the European Community means: any intentional act or omission intended to damage the European Union budget and involving (i) the use or presentation of false, inaccurate or incomplete statements or documents, which has as

it effect the misappropriation or wrongful retention of funds or in any illegal reduction in resources of the general budget of the European Union; (ii) the non-disclosure of information with the same effect; and (iii) misappropriation of such funds for purposes other than those for which such funds were originally granted.

* 1. Illicit Origin means funds obtained through:
     1. the commission of any designated categories of offences under [FATF 40](https://www.fatf-gafi.org/media/fatf/documents/FATF%20Standards%20-%2040%20Recommendations%20rc.pdf) ([https://www.fatf-gafi.org/media/fatf/documents/FATF%20Standards%20-](https://www.fatf-gafi.org/media/fatf/documents/FATF%20Standards%20-%2040%20Recommendations%20rc.pdf)

[%2040%20Recommendations%20rc.pdf](https://www.fatf-gafi.org/media/fatf/documents/FATF%20Standards%20-%2040%20Recommendations%20rc.pdf))

* + 1. any Act of Corruption; or
    2. any Fraud against the Financial Interests of the European Community, if or when applicable.
  1. Grantee shall (i) use its best efforts ensure that its assets and all third-party funds invested in the Project will not come from Illicit Origin the Project, (ii) ensure that the Project (in particular during the negotiation, entry into and performance of any sub-grants or sub- contracts financed by the Grant) shall not give rise to any Act of Corruption, Fraud or Anti- Competitive Practice, (iii) inform Project Owner with immediately upon becoming aware of or suspecting any Act of Corruption, Fraud or Anti- Competitive Practice, (iv) take all necessary measures to remedy the situation in a manner satisfactory to Project Owner , CI and the Funding Sources and within the time period determined by Project Owner , CI and/or the Funding Sources, and notify Project Owner immediately of any information which leads to suspect the Illicit Origin of funds invested in the Project. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
  2. If Project Owner or CI determines that Grantee has engaged in an Act of Corruption, Fraud or Anti-Competitive Practice in competing for or in executing this Agreement, then Project Owner may suspend payments and terminate this Agreement for cause in accordance with Section 17 [NOTE TO GRANTEE: ADJUST SECTION NUMBER AS APPROPRIATE].
  3. Further, if Project Owner or CI determines that Grantee has engaged in Act of Corruption, Fraud or Anti-Competitive Practice in competing for or in executing this Agreement, the Grantee shall reimburse CI for the amount of the Grant with respect to which an Act of Corruption, Fraud or Anti-Competitive Practice has occurred.
  4. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

1. INSTRUCTIONS, INSPECTIONS AND AUDITS. The Grantee shall permit each of the Funding Sources to inspect the site and/or the accounts and records of the Grantee relating to the performance of the Grant, and to have such accounts and records audited by auditors appointed by any of the Funding

Sources, if requested by any Funding Source. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.

1. PROCUREMENT OF GOODS AND SERVICES.
   1. Grantee shall comply with the Procurement Policies and Procedures. All procurement processes shall be undertaken with transparency, fairness, economy and efficiency. Procurement records shall be made available to Project Owner, CI, its representatives and assignees, upon request for a period of 10 years. Notwithstanding the foregoing, Grantee is authorized to purchase goods and services with a total cost equal to or in excess of US$5,000 only with the specific, prior, written approval of Project Owner. This approval shall be deemed to be given if the goods or services are clearly identified in Project Proposal and Project Budget. For all purchases of goods and services in excess of US$5,000 not set forth in Project Proposal and Project Budget. Grantee must submit a written request to the Project Owner, describing the proposed item, its cost, and the programmatic justification for such purchase. No purchases with total cost in excess of US$5,000 are authorized without written approval from the Project Owner.
   2. Title to any equipment and other property purchased with Grant funds (including any interest thereon) shall be in the name of Grantee until Project Owner provides permanent disposition instructions at the expiration or other termination of this Grant. Grantee agrees to provide adequate insurance for motorized vehicles and for all equipment with a unit cost equal to or greater than five thousand U.S. Dollars (US$5,000) purchased with Grant funds. Grantee shall notify Project Owners prior to purchasing any such vehicles or equipment if adequate insurance cannot be procured. In addition, Grantee agrees to properly maintain all equipment and other property purchased with Grant funds.
   3. Unless otherwise agreed in writing by Project Owner, goods and services shall be dedicated solely to achieve the objectives contemplated by the parties hereunder.
   4. Grantee undertakes to require from all bidders and selected suppliers or contractors the duly signed Statement of Integrity as required in Attachment 2.
   5. [ONLY FOR MCA AND MED II HOTSPOT, OTHERWISE DELETE (e)] Ex-post publication of information on contractors:
      1. The Grantee shall publish, on an annual basis, on its internet site or other public forum, the following information on procurement contracts exceeding fifteen thousand United States Dollars (USD 15,000): title of the contract/project, nature and purpose of the contract/project, name and locality of the contractor and amount of the contract/project. The term “locality” shall mean the address for legal persons and the subnational region for natural persons. This information shall not be published for scholarships paid to natural persons and other direct support paid to natural persons in most need. This information shall be published with due observance of the requirements of confidentiality, security, and in particular the protection of personal data.
      2. The Grantee shall provide to Project Owner the address of the internet site where the aforementioned information is published and authorizes the publication of such address on the internet sites of Project Owner and the Funding Sources
   6. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement
2. COMPLIANCE.
   1. Grantee represents and warrants compliance today and throughout the Grant Term, with all U.S. export, trade control, and sanctions laws, anti-terrorism laws, and anti-money laundering laws, including but not limited to the USA PATRIOT Act, the laws administered by the United States Treasury Department’s Office of Foreign Asset Control, Executive Order 13224 as if such aforementioned laws and regulations directly reached the activities of the Grantee.
   2. Grantee represents and warrants compliance today and throughout the Grant Term with any laws that apply in the jurisdiction in which Grantee is operating or carrying out Project related activities, including, but not limited to, anti-bribery laws, safety, labor and employment laws (including conventions of the International Labour Organization), tax laws, laws that pertain to the publication of information encouraging tax transparency, data protection and privacy laws, laws pertaining to ethics, protection of indigenous peoples and human subject data research, and environmental protection, and international environmental conventions with respect to environmental protection which are not conflicting with applicable law and commits to include in the competitive bid documentation and procurement contracts a clause whereby each contractor undertakes and procures that its sub-contractors (if any) undertake, to comply with such international standards in accordance with the applicable laws and regulations of the country in which the Project is being implemented.
   3. Grantee represents and warrants that it is legally registered, authorized to do business and/or has procured any necessary permits or licenses required to carry out Project related activities in the jurisdiction of Project implementation and to grant Project Owner the rights described in Section 6.
   4. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in any competitive bid documentation as well as sub-contracts and sub- awards issued under this Agreement.
3. INDEMNIFICATION; NO LIABILITY.
   1. To the extent permitted by law, Grantee agrees to indemnify and hold harmless Project Owner, CI, any Funding Source identified in this grant agreement, and their respective trustees, officers, directors, agents, and employees,

including the cost of defense, for any claim made against them arising out of Grantee’s

performance under this Grant.

* 1. Neither Project Owner, CI nor any Funding Source shall be liable for losses, damages, claims, or other liabilities arising out of or related to Grantee's activities. Grantee assumes the risk for carrying out the Project activities and specifically releases Project Owner, CI and all Funding Sources from any such losses, damages, claims, or other liabilities, whether direct or indirect, special or consequential.
  2. Employees of the Grantee, its contractors or other third parties working for the Grantee in the execution of the Project or otherwise, are not employees of Project Owner CI. Neither Project Owner, CI nor any Funding Source will be liable for any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by the Grantee’s employees, contractors or other third parties working for the Grantee in the execution of the Project or otherwise.
  3. Grantee shall carry worker’s compensation insurance with statutorily required limits, as

well as hazard and liability insurance coverage with appropriate limits.

* 1. It is expressly understood that Project Owner, by making this Grant, has no obligation to provide other or additional support to Grantee for the purposes of this Project or any other purposes.

f.

Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.