

**GRANT AGREEMENT
BETWEEN
CONSERVATION INTERNATIONAL FOUNDATION
AND
{OPPORTUNITY_ACCOUNT_NAME* Upper}}**

Grant Number: {OPPORTUNITY_NAME}

Project Title: {OPPORTUNITY_PROJECT_TITLE}

This Grant Agreement ('Grant' or 'Agreement') is made between Conservation International Foundation ('CI'), a nonprofit public benefit corporation organized and existing under the laws of the State of California, USA, with a principal place of business at 2011 Crystal Drive, Suite 600, Arlington, VA 22202, and {OPPORTUNITY_ACCOUNT_NAME}, ('Grantee'), {OPPORTUNITY_ORGANIZATION_STATUS} located at {OPPORTUNITY_MAILING_ADDRESS}. CI and Grantee will be, hereby, collectively designated as "Parties" or "parties".

Funding in support of this Agreement is made available from the Critical Ecosystem Partnership Fund ("CEPF"), a multi-donor fund consisting Conservation International Foundation ("CI"), International Bank for Reconstruction and Development ("IBRD"), the Global Environment Facility through CI as implementing agency ("GEF"), the Government of Japan through IBRD as trustee of grant funds provided by the Ministry of Finance ("Japan"), Agence Française de Développement ("AFD"), and the European Union ("EU") -- hereafter together referred to as "the Funding Sources". CEPF is administered by CI.

1. PURPOSE OF THE GRANT. Grant funds ("Grant Funds" or "Funds") are provided to support the project described in Grantee's grant proposal and budget set forth in Attachment 1, (the "Project"). Funds shall be used solely for the purposes and activities described therein, shall in no case be used for activities in contravention of the Safeguard Policies described in paragraph 7 (b) of this Agreement, and shall in all cases conform to the restrictions and limitations described in this Agreement (including all attachments thereto), jointly referred to as the "Funding Terms and Conditions". Grantee shall be solely responsible for ensuring Grantee's as well as any sub-recipient's and sub-contractor's compliance with the Funding Terms and Conditions.
2. PERIOD OF PERFORMANCE. The performance start date under this Grant is {OPPORTUNITY_START_DATE\@ "MMMM d, yyyy"}. The performance end date is {OPPORTUNITY_END_DATE\@ "MMMM d, yyyy"}, unless otherwise modified, or terminated in accordance with the terms of this Agreement. All project activities will be completed by [X Date—Recommend 2 months prior]. All expenses must be incurred within the Period of Performance. The months of [ADD MONTHS X through Y] shall be exclusively for the purpose compiling, submitting, and revising if necessary final reports due to CI per section 6 of this Agreement.
3. GRANT AMOUNT. CI, as administrator of the CEPF, agrees to make available to the Grantee, grant funds from the CEPF, in a total amount not to exceed

_____ United States Dollars
(US\$ {{OPPORTUNITY_TOTAL_PROJECT_BUDGET_IN_AGR_CURRENCY}}) (the
"Grant") for the purpose and on the terms and conditions set forth in this
Agreement. In all cases the use of the funds shall conform to the restrictions and
limitations described in this Agreement and in the Procurement Policies and
Procedures (Attachment 2).

- a. **[IF FOR A CONDITIONAL GRANT, DELETE IF NOT APPLICABLE]**
The total amount of this grant is _____ United States Dollars (US\$ _____)
as described in detail in the Project budget (Attachment 1), of which
\$ _____ is obligated for the period _____ to _____, ('Obligated
Amount') for the purpose and on the terms and conditions set forth in
this Agreement. In all cases the use of the funds shall conform to the
restrictions and limitations described in this Agreement and in the
Procurement Policies and Procedures (Attachment 2).
 - b. **[IF FOR A CONDITIONAL GRANT, DELETE IF NOT APPLICABLE]**
CI shall not be obligated to make Grant Funds available to the Grantee
in excess of the Obligated Amount. CI and Grantee shall enter into
written amendments, as necessary, to increase the Obligated Amount if
additional funds are made available.
 - c. **[IF FOR A CONDITIONAL GRANT, DELETE IF NOT APPLICABLE]**
In the event of inadequate progress of the Project in CI's and/or Prime
Donor's reasonable judgement, CI may correspondingly reduce the
Obligated Amount by notifying the Grantee in writing of the revised
Obligated Amount. In accordance with CI's and/or the Funding Sources'
instructions, the Grantee will adjust the Project activities and Project
Budget accordingly. The reduced Obligated Amount and revised Project
activities and Project Budget shall be deemed an amendment to this
Grant.
4. **PAYMENT.** Subject to the Funding Terms and conditions contained herein, CI shall
make to the Grantee payments as follows:
- a. An initial payment of up to **US\$[USE CASH FLOW PROJECTION
SUBMITTED BY GRANTEE]** upon signature, provided that (1) the
Grant Term has commenced, and (2) Grantee has submitted to CI a
U.S. Internal Revenue Service W-9 form for U.S. entities, or a U.S.
Internal Revenue Service W-8 form for non-U.S. entities.
 - b. **[IF SEPARATE BANK ACCOUNT IS REQUIRED; DELETE AND RE-
NUMBER IF NOT APPLICABLE]** Grantee shall open and maintain a
separate bank account for this Project. No disbursements will be made
hereunder until the Grantee provides CI with the account opening letter
from the bank in a format satisfactory to CI or a bank statement
validating the account details.
 - (1) **[IF APPLICABLE]** Bank fees associated with the dedicated bank
account incurred prior to the Grant Term will be considered
allowable expenses under the grant.

- c. Quarterly disbursements thereafter on the basis of an acceptable cash flow projection indicating cash on hand and anticipated expenses for the upcoming quarter. Cash flow projections shall be submitted along with acceptable progress reports and financial reports as specified in Section 6.
- d. CI reserves the right to withhold Final disbursement of up to ten percent (10%) of the Grant Amount until the Final Project Report and the Final Financial Report (as defined in Section 6, below) have been received and approved by CI. CI reserves the right to refuse final payment if Grantee fails to comply with the reporting terms outlined in Section 6 below or to provide applicable and/or pertinent records (Section 8 a) requested by CI.
- e. No other funds shall be provided by CI under this Grant.
- f. If the Grantee fails to comply with any Funding Terms and Conditions, CI has the right in its discretion to (i) suspend the Grant or withhold payment, and (ii) to disallow any incurred expenditure including, but not limited to, expenditures in excess of budget line restrictions, expenditures incurred in violation of the applicable procurement provisions, expenditures incurred as a result of a conflict of interest, expenditures related to Impropriety. Grantee shall reimburse CI for all disallowed expenditures.

5. KEY PERSONNEL.

- a. PROJECT DIRECTORS. CI's Project Director for this project is {{OPPORTUNITY_PRIMARY_GRANT_DIRECTOR_FULL_NAME}} (the "CEPF Director"). Grantee's Project Director is _____ [STATE NAME AND TITLE]. All administrative notices, program requests, and deliverables relating to this Grant shall be addressed to these individuals.
- b. Grantee's Key Personnel as listed above are considered to be essential to the Grant and thus require the approval of CI. Grantee shall promptly inform CI if any Key Personnel leave or give notice of intention to leave Grantee's employ. If it is necessary for Grantee to replace Key Personnel, Grantee shall promptly propose to CI replacement personnel of comparable skill, experience, expertise and qualification, and CI may approve or decline the change in Key Personnel. Grantee shall ensure the orderly transition of their responsibilities under the Grant and ensure that the Key Personnel properly perform their roles and responsibilities in accordance with the Funding Terms and Conditions of this Agreement.

6. REPORTING.

- a. Project Reports. The Grantee shall submit the following project reports.

- (1) Progress Reports. Grantee shall submit Progress Reports within thirty (30) days following the end of each **SIX MONTH PERIOD**. These reports shall include an update on progress made against objectives and, where applicable, compliance with social environmental safeguards and shall be submitted in the format specified by CEPF.
 - (2) Final Report. The Grantee shall submit a final report ('Final Project Report') within sixty (60) days following the expiration of this Grant. This document shall include a comprehensive, detailed report of activities undertaken an evaluation of accomplishments/successes under this Grant and include final updates on the impact of the grant. This report shall be submitted in the format specified by CEPF.
- b. Financial Reports.
- (1) Financial Progress Report. The Grantee shall submit financial progress reports within thirty (30) days following the end of each calendar quarter. These reports shall be submitted in the format specified by CEPF.
 - (a) **[IF RECEIPTS ARE REQUIRED TO BE SUBMITTED; DELETE IF NOT APPLICABLE]** Financial progress reports shall be accompanied by copies of expense support documentation for all transactions submitted to CEPF for the first two quarters of the grant term.
 - (b) Copies of procurement records shall be maintained for all purchases of goods and services in accordance with Attachment 2 and provided to CI or any of the funding sources upon request.
 - (2) **[IF DETAILED TRANSACTION REPORTS ARE REQUIRED]** Detailed Transaction Report. Grantee shall provide a quarterly detailed printout of project expenses that accords with the submitted Financial Progress Reports within thirty (30) days following the close of each calendar quarter during the course of this Grant Agreement.
 - (3) **[IF BANK RECOILIATIONS AND/OR STATEMENTS ARE REQUIRED TO BE SUBMITTED; DELETE AND RE-NUMBER IF NOT APPLICABLE]** Bank Statement & Reconciliation. Grantee shall submit bank statement and reconciliations for the separate Project bank account that accords with the Financial Progress Report within thirty (30) days following the end of each calendar quarter during the course of this Grant Agreement.

(4) Final Financial Report. The Grantee shall file a final financial report ('Final Financial Report') within sixty (60) days following the expiration of this Grant. This report shall be submitted in the format specified by CEPF.

c. Annual Audit. **[SELECT OPTION 1 OR OPTION 2 IF REQUIRED IN ACCORDANCE WITH FINANCIAL RISK ASSESSMENT OR PER DONOR REQUIREMENT; DELETE 6.C IF NOT APPLICABLE]**

[OPTION 1: PROJECT SPECIFIC AUDIT]

(1) Grantee shall engage independent auditors approved by CI to audit on an annual basis expenses incurred, and activities carried out in the performance of this Grant. These audits shall be conducted at the place or places where the accounts of Grantee are normally kept and in accordance with the Project Audit Scope set out in Attachment 8 hereto. All books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by Grantee, and necessary to facilitate the audit, shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons. All such books, accounts, records, reports, files, paper, and property of Grantee shall remain in the possession and custody of Grantee.

(2) Should the audit disclose any instances of noncompliance with the Funding Terms and Conditions, including any indication of fraud, abuse or illegal acts, such information shall be included in an audit report ('Audit Report') along with appropriate recommendations and a corrective action plan. The Audit Report for each such independent audit shall be provided to CI. Grantee hereby binds itself to respond to all questions raised by the auditors in the course of the above-described audit in a timely and satisfactory manner and to reimburse CI for all disallowed expenditures.

(3) **[SPECIFY AUDIT DUE DATES]** Grantee shall submit the annual Project Audit within ninety (90) days following the end of the _____ year of the Agreement Term.

(4) Grantee is responsible for ensuring the compliance of its sub-grantees and sub-contractors with the audit provisions of this Grant.

[OPTION 2: ORGANIZATIONAL AUDIT & MANAGEMENT LETTER]

(1) Grantee shall submit to CI copies of its audited annual financial statements and management letter, within one hundred twenty (120) days following the close of grantee's fiscal year.

- (2) **[SPECIFY AUDIT DUE DATES]** Grantee shall submit the annual Organizational Audit: [_____]

7. USE OF FUNDS AND RESOURCES

- a. This is a Cost Reimbursement Grant under which CI 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 Attachment 1 (Project Proposal and Project Budget) are allowable. All expenses, including salary costs, funded by the Project must be supported by adequate documentation.
- b. The 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> .
- c. Grantee may re-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 CI 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.
- d. Any Funds (including any interest thereon) remaining with Grantee at the termination or expiration of the Period of Performance shall be returned to CI and Grantee shall reimburse CI for any disallowed expenditures. CI may take all actions necessary to recover such Grant Funds and disallowed expenditures, at Grantee's expense.
- e. 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.
- f. Grant Funds (including any interest thereon) shall not be expended to carry on propaganda or otherwise attempt to influence legislation of any kind by any governmental body or by means of a public vote influencing legislation includes directly contacting a legislator or any other governmental official or employee for the purpose of influencing specific legislation, encouraging persons to take action for or against specific legislation, or attempting to affect the opinions of the general public

regarding the subject of a ballot initiative, referendum, or similar initiative. This paragraph will be interpreted in accordance with the provisions of Internal Revenue Code section 4945(d)(1). Funds may only be used to engage in activities that are for charitable, scientific, literary, or educational purposes.

- g. Grant funds shall not be expended for land acquisition, and no expenditures shall be made for activities resulting in the physical relocation of people.
- h. 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.
- i. 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 is defined as a transaction in which an employee's personal or financial interests' conflict or appear to conflict with his 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 an interest. Grantee is responsible for the identification and disclosure of any actual or potential conflicts of interest to CI and shall suggest mitigation measures in accordance with Grantee's own conflict of interest policy. Such mitigation measures are subject to approval by CI, and Grantee is required to follow any mitigation instructions provided by CI.
- j. 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. or other applicable law (including, but not limited to the U.S. Foreign Corrupt Practices Act) or regulation; (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'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 and shall not influence any governmental act or decision affecting CI. 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.

- k. 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.

8. PROJECT MONITORING

- a. Record Keeping and Required Documentation. Grantee shall segregate Funds received and expenses incurred under this Grant from other sources of funding, including other CI 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 seven (7) years following the termination or expiration of this Grant. 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.

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).

- b. Desk Reviews and Site Visits. CI regards monitoring of project activities as essential to effective grant making. CI, 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 CI. To the extent possible, CI shall advise Grantee of any site visit in reasonable advance.
- c. AUDIT. CI reserves the right to require a project or organizational audit of expenses incurred under this Grant. Grantee agrees to reimburse CI,

at Grantee's sole expense, the amount of any expenditure disallowed by auditors, based upon a finding that such expenditures failed to comply with the Funding Terms and Conditions. **[DELETE IF AUDIT IS REQUIRED UNDER SECTION 6 C]**

9. FRAUD AND CORRUPTION.

a. For the purposes of this paragraph, the terms set forth below are defined as follows:

- (1) A "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
- (2) A "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- (3) A "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
- (4) A "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- (5) An "obstructive practice" is (i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a World Bank or other Funding Source investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) acts intended to materially impede the exercise of the World Bank's or other Funding Source's rights of audit or access to information described in Section 10.

The above practices, as so defined, are referred to collectively as "fraud and corruption".

b. If CI determines that Grantee has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for or in executing this Agreement, then CI may suspend payments and terminate this Agreement for cause in accordance with Section 17.

c. Further, if CI determines that Grantee has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for or in executing

this Agreement, the Grantee shall reimburse CI for the amount of the Grant with respect to which fraud and corruption has occurred.

- d. 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.

10. 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 of the Funding Sources.

11. PROCUREMENT OF GOODS AND SERVICES

- a. Grantee shall comply with the **Procurement Policies and Procedures**, attached as Attachment 2. All procurement processes shall be undertaken with transparency, fairness, economy, and efficiency. Procurement records shall be made available to CI, its representatives, and assignees, upon request 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 CI. This approval shall be deemed to be given if the goods or services are clearly identified in Attachment 1. For all purchases of goods and services in excess of US\$5,000 not set forth in Attachment 1 Grantee must submit a written request to the CEPF Director, 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 a prior written approval from the CEPF Project Director.
- b. Title to any equipment and other property purchased with Grant Funds (including any interest thereon) shall be in the name of Grantee until CI provides permanent disposition instructions at the expiration or 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 CI 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.
- c. Unless otherwise agreed in writing by CI, goods and services shall be dedicated solely to achieve the objectives contemplated by the parties hereunder.

12. USE OF GRANT FUNDS AND OTHER VALUABLES BY THIRD PARTY GRANT FUNDS RECIPIENTS; SUB-AWARDS AND SUB-CONTRACTS.

- a. The Grantee is responsible for ensuring that the Project is administered in strict compliance with the Funding Terms and Conditions and that no

Grant Funds, interest, equipment, property and/or any other thing of value are disbursed or transferred to any organization or entity ('Third Party Grant Funds Recipients'), whether or not formed by the Grantee, other than as specifically set forth in this Grant or unless specific, prior, written approval has been provided to Grantee by CI.

- b. The Grantee shall enter into legally binding, written agreements ('sub-awards' or 'sub-contracts') with Third Party Grant Funds Recipients, reflecting all Funding Terms and Conditions applicable to Third Party Grant Funds Recipients, including but not limited to Sections 7, 8, 9, 10, 11, 14 and 20.
- c. Records related to sub-contracts and sub-awards shall be made available to CI, its representatives and assignees, and representatives from each of the Funding Sources upon request.

13. OWNERSHIP OF INTELLECTUAL PROPERTY.

- a. The Parties agree that any non-sensitive results data (exclusive of any personally identifiable information) collected, procured or otherwise developed under this Grant may be made publicly available by CI in accordance with its Data Use Terms and Conditions as Attachment 3 or terms compatible and substantially the same as such Data Use Terms and Conditions.
- b. Any information gathered by Grantee, and creative work developed by Grantee under this Grant, including without limitation any data, datasets, research, knowledge, know-how, and all written, graphic, audio, visual and any other materials, contributions, applicable work product and production elements contained therein, whether on paper, disk, tape, digital file or any other media (the 'Work'), shall remain the intellectual property of Grantee, provided however that Grantee hereby irrevocably grants to CI, and any funding sources, if applicable, a perpetual, royalty free, non-exclusive right to copy, distribute, publish, use, and prepare derivative works from the Work for any purpose, in any media, and in any territory for uses consistent with CI's charitable mission.

14. COMPLIANCE.

- a. Grantee represents and warrants compliance today and throughout the Period of Performance, with all U.S. economic sanctions, 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. The Grantee shall not take any action that might cause CI to be in violation of the aforementioned laws and regulations.

- b. Grantee represents and warrants compliance today and throughout the Period of Performance with any local 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, employment laws, tax laws, data protection, ethics, protection of indigenous peoples and human subject data research.
- c. Grantee represents and warrants that it is legally registered, authorized to do business and has procured any necessary permits or licenses required to carry out Project related activities in the jurisdiction of Project implementation and to grant CI the rights described in Section 13.
- d. 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.

15. INFORMATION UNDERTAKINGS. Grantee shall inform CI immediately in writing upon becoming aware of any allegations of improper use of Grants funds, including allegations of corrupt, fraudulent, collusive, coercive, or obstructive practices, other Project related grievances and any incidents, accidents or other circumstances that may have a detrimental impact on the Project execution.

16. ACKNOWLEDGEMENTS/COPIES OF WORK AND PUBLICATIONS; LOGO.

- a. Copies of Work; Publications. Grantee agrees to provide CI at no cost with electronic copies of all Work developed under this Grant, as well as any article, report, media interview or other publication (jointly 'Publications') relating to activities covered under this Grant. Copies of Publications may be provided to CI in electronic or hard copy.
- b. Acknowledgements and Logos. Grantee agrees to acknowledge CEPF as detailed in the full Credit and Logo Policy incorporated herein as Attachment 4, in all publications, reports and publicity arising from activities carried out under a CEPF grant. In text credits the full name Critical Ecosystem Partnership Fund shall be used. Use of the CEPF logo must be approved in advance in writing by CEPF. Any use of CEPF donor logos is expressly prohibited.

17. TERMINATION AND SUSPENSION.

- a. Termination for Cause. In the event of CI's determination of (i) Grantee's failure to comply with any of the Funding Terms and Conditions, (ii) Grantee's involvement in illegal acts including, without limitation, fraud and corruption as defined in Section 9, abuse, embezzlement and/or theft, CI may terminate the Grant, in whole or in part, by giving written notice to Grantee. Such notice shall become effective upon receipt.

- b. Termination for Convenience. Either party may terminate this Grant for convenience, by providing written notice to the other party. Such notice shall become effective thirty (30) days after its receipt.
- c. Upon the effective date of termination either for cause or convenience, Grantee shall stop work, immediately terminate any sub-grants or other obligations that it may have entered into involving Grant Funds provided under this Grant, and shall settle all outstanding liabilities and all claims resulting from such termination.
- d. Within sixty (60) days of the effective date of termination under this Section 17, the Grantee shall (i) provide to CI all outstanding reports, the Final Project Report and the Final Financial Report, as defined in Section 6 of this Agreement, as well as any unexpended Grant Funds that are not obligated by a legally binding transaction, (ii) reimburse CI for any disallowed expenditures, and (iii) return any unspent Grant Funds. CI may take all actions necessary to recover such Grant Funds and disallowed expenditures, at Grantee's expense.
- e. Suspension. In the event of CI's determination of (i) Grantee's failure to comply with any of the Funding Terms and Conditions, or (ii) Grantee's involvement in illegal acts including, without limitation, fraud, abuse, embezzlement and/or theft CI may suspend payments to the Grantee in whole or in part. Upon notice of suspension, Grantee shall suspend all Project activities and instruct all sub-recipients and sub-contractors to suspend activities funded under this Grant.
- f. Expenses after Suspension or Termination for Convenience. Following suspension or termination for convenience, Grant Funds may be used only for payment of non-cancelable obligations for expenditures identified in Attachment 1 or for which CI's written approval has been obtained by the Grantee prior to incurrence. In such event, the Grantee shall submit written proof to CI that such obligations could not be canceled. All other expenditures incurred subsequent to the effective date of termination or suspension are disallowed.
- g. Expenses after Termination for Cause. Following termination for cause, Grant Funds may be used only for payment of expenditures for which CI's written approval has been obtained by Grantee prior to incurrence. All other expenditures incurred subsequent to the effective date of termination and all expenditures with respect to which fraud and corruption has occurred are disallowed.

18. AMENDMENTS AND MODIFICATIONS. This Agreement may not be amended, supplemented, or modified in any respect except by written agreement of each of CI and the Grantee, duly signed by their respective authorized representatives. CI reserves the right to refuse any requests for extensions of the Grant Term that are received less than a month in advance of the Grant Agreement termination date.

19. INDEMNIFICATION. To the extent permitted by law, Grantee agrees to indemnify and exempt from liability CI, any Funding Source identified in this grant agreement, and their respective trustees, officers, and directors, agents, and employees, for any claim made against them arising out of Grantee's performance under this Grant, including the cost of defense.

20. NO LIABILITY.

- a. Neither 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 CI and all Funding Sources from any such losses, damages, claims, or other liabilities, whether direct or indirect, special or consequential.
- b. 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 CI. Neither 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.
- c. Grantee shall carry worker's compensation insurance with statutorily required limits, as well as hazard and liability insurance coverage with appropriate limits.
- d. It is expressly understood that CI, 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.

21. RELATIONSHIP OF THE PARTIES. Nothing in this Grant shall be construed to create a relationship between the parties of agency, partnership, or joint ventures, or to render either party liable for any debts or obligations incurred by the other. Neither party is authorized to make representations on behalf of the other, or to bind the other in any manner whatsoever.

22. GOVERNING LAW. This Grant shall be governed by and interpreted in accordance with the laws of the District of Columbia, United States of America (without giving effect to its conflict of laws principles).

23. COUNTERPARTS AND FACSIMILE SIGNATURES.

- a. It is the intention of each of the parties that the other party may rely on a facsimile copy of the signature of a duly authorized signatory and that upon the exchange of such facsimile signatures, electronically or otherwise, this Grant shall be binding between the Parties whether or not hard copies of this Grant are ever exchanged between them.

- b. This document may be signed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument even though all the parties are not signatories to the original or the same counterpart.
24. **SEVERABILITY.** In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Grant, but this Grant shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.
25. **NO THIRD-PARTY BENEFICIARIES.** Except as expressly set forth herein, neither party intends that this Grant shall benefit or create any right or cause of action in or on behalf of any person or entity other than the Grantee and CI.
26. **NON-ASSIGNMENT.** This Grant shall not be transferred or assigned by Grantee without CI's prior written consent.
27. **COMPLAINT MECHANISM.** CI, as administrator of CEPF, provides written feedback to all Grantees during the Grant Term on the Project's implementation progress as part of its focus on building civil society capacity. Grantees are encouraged to contact the relevant Regional Implementation Team or CEPF Grant Director if they have additional questions about CEPF decisions made about this Grant. If the Grantee is not satisfied with the response, a grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to the address in Section 32. If the Grantee is not satisfied with the response, or if the Grantee wishes to file another complaint related to the administration of the Project or Grant Funds, a complaint may be submitted to the CI Ethics Hotline at www.ci.ethicspoint.com or via phone to a local dial-in number displayed at www.ciethicspoint.com. CI will promptly investigate any complaints submitted to the CI Ethics Hotline. CI will treat complaints as confidential to the extent possible, with the understanding that confidentiality may not be maintained where identification is required by law or to enable CI or law enforcement to conduct an adequate investigation.
- Grantee shall not retaliate against any employee or other person who submit such complaints in good faith.
28. **ARBITRATION.** It is the Grantor's policy to make every reasonable effort to resolve all issues or disputes that may arise under this Grant fairly by negotiation, if practicable. Any dispute arising out of or relating to this Grant, which is not settled by agreement of the parties, shall be settled by binding arbitration, in accordance with the UNCITRAL Arbitration Rules in force at the time of commencement of the arbitration, before a sole arbitrator. The arbitration shall take place in Washington, DC, and the results thereof shall be final, non-appealable and binding on each party, and enforceable in any court of competent jurisdiction.

29. WAIVER. Either party may specifically waive any breach of this Grant by the other party, but no such waiver shall be deemed effective unless in writing, signed by the waiving party, and specifically designating the breach waived. No waiver shall constitute a continuing waiver of similar or other breaches. One party's consent or approval of any act by the other shall not be deemed to render unnecessary the consent to or approval of any subsequent act by the other party.
30. ENTIRE AGREEMENT. This Grant, including Attachments 1, 2, 3, 4, 5, and 6 **(DELETE "AND 6" IF IT IS NOT TO BE INCLUDED)** constitutes the entire understanding between the parties with respect to its subject matter hereunder, is intended as a complete and exclusive statement of the terms of their agreement, and supersedes any prior or contemporaneous agreements or understandings relating to the subject matter hereunder.
31. ORDER OF PRECEDENCE. Any inconsistency between this Grant and any Attachments hereto shall be resolved in the following order: a) Grant Agreement; b) Code of Ethics, c) CI Procurement Policies and Procedures; d) Project and Budget; e) CEPF Credit and Logo Usage Policy; and f) any other Attachments.
32. NOTICES. Notices to the parties under this Grant shall be deemed to have been sufficiently given either if they are in writing or delivered personally, by U.S. First-Class Registered or Certified Mail, by email, by expedited delivery service, addressed to the person and at the postal or email address set forth below. Either Party may change the person to receive notice or the applicable contact information by providing notice to the other.

<p>If to Conservation International Foundation Attn: Olivier Langrand With a copy to General Counsel's Office</p> <p>Address: Conservation International Foundation 2011 Crystal Drive, Suite 600 Arlington, VA, 22202, USA</p> <p>Email: olangrand@cepf.net Phone: +1 703 341 24 00 Fax: +1 703 553 07 21</p>	<p>If to Grantee: {{OPPORTUNITY_ORGANIZATION_LEGAL_NAME_GRANT}} Attn: {{OPPORTUNITY_CEO_GIVEN_NAME}} {{OPPORTUNITY_CEO_FAMILY_NAME}} Address: {{OPPORTUNITY_MAILING_ADDRESS}} Email: {{OPPORTUNITY_CEO_EMAIL}} Phone: {{OPPORTUNITY_CEO_TELEPHONE_NUMBER}}</p>
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IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Grant as of the date indicated below:

Conservation International Foundation

{{OPPORTUNITY_ACCOUNT_NAME}}

By: Olivier Langrand

Title: Executive Director, Critical
Ecosystem Partnership Fund

Date:

Month Day Year

By:

{{OPPORTUNITY_CEO_FAMILY_NAME}}
{{OPPORTUNITY_CEO_GIVEN_NAME}}

Title: {{OPPORTUNITY_CEO_TITLE}}

Date:

Month Day Year

Attachment 1: Project Proposal and Budget

Attachment 2: CI Procurement Policies and Procedures

Attachment 3: Data Use Terms and Conditions

Attachment 4: Critical Ecosystem Partnership Fund Credit and Logo Usage Policy

Attachment 5: Code of Ethics

Attachment 6: Project Audit Scope **[DELETE IF NOT APPLICABLE]**

**ATTACHMENT 1
PROJECT PROPOSAL AND BUDGET**

ATTACHMENT 2
CI PROCUREMENT POLICIES AND PROCEDURES

PROCUREMENT OF GOODS AND SERVICES

Grantees must ensure a fair, efficient, and a transparent process for procurement of all goods and services. This appendix sets out the principles and requirements for purchases of goods and services under the Grant Agreement from CI. To ensure that value for money is achieved, CI expects grantees to conduct a competitive process for procurement of goods and services. Sole source procurement is allowable only under one of the five circumstances outlined in Section 3.

1. GENERAL PRINCIPLES:

- a. Procurement of goods and services shall be based on strict ethical principles and shall conform in all cases with CI's policies and standards of conduct. The Grantee shall ensure that all sub-recipients, sub-contractors, and/or members comply with this procurement policy. All sub-recipients and sub-contractors of CI and its Grantees are expected to exercise sound business judgment and prudent administrative practices in conducting procurement activities. Purchases must be necessary, reasonable and ensure the best value for the Grantee. All persons involved in the procurement process are responsible for protecting the integrity of the process and ensuring that all bidders, vendors and service providers are treated on a fair and impartial basis. CI reserves the right to request reimbursement for any contract or purchase that has not been awarded in conformity with the standards defined in this policy.
- b. All purchases of goods and services must be made with a completely impartial selection process based on price, quality, delivery time and place. No employee, officer, or agent of Grantee may participate in the selection, award, or administration of a contract if a real or apparent conflict of interest exists. Such a conflict exists when an employee, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the aforementioned parties, has a financial or other interest in the firm selected for the award. Employees of the Grantee shall neither solicit nor accept gratuities, favors, or anything of monetary value from providers of goods or services or parties to sub-agreements. Vendors, suppliers or service providers that participate in the development or drafting of a specific term of reference may not be eligible to receive a contract for that work.
- c. Procurement contracts may be rendered only with responsible suppliers who are reputable, well established and are suppliers of the goods and services being purchased in the normal course of business. No award shall be made to a supplier, vendor or service provider who has engaged in corrupt or fraudulent practices in competing for or executing the contract in question.

- d. Grantee shall maintain and ensure its sub-recipients maintain a complete written record of the procurement process with documentation of all assessments and decisions taken during the solicitation, selection and award of the contract for goods or services. Such written record will be subject to review by CI.
- e. Grantee will obtain from CI all prior approvals required in the procurement plan (if applicable) or as otherwise required in the Grant Agreement.
- f. Grantee's suppliers and sub-contractors will be in compliance with all U.S. economic sanctions, 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. Grantee will retain documentation demonstrating such compliance which shall be subject to review by CI as detailed in the Grant.
- g. Procurement principles in this attachment apply to any procurement whether carried out by the Grantee or the Grantee's sub-recipients and sub-contractors.

2. PROCUREMENT METHOD AND THRESHOLDS:

- a. Elements of a fair, efficient and transparent process:
 - i. Solicitation and selection processes are free of conflict of interest.
 - ii. Selection criteria are transparent and contract terms fully disclosed at the time of solicitation.
 - iii. All vendors who are invited to submit a quote receive the same information at the same time
 - iv. All vendors and service providers are given adequate and equal time to prepare and submit a quote or proposal
 - v. Grantees should seek the most favorable purchase terms for all purchases of any amount bearing in mind the specific need against quality, quantity and price considerations
 - vi. Grantees should justify their selection of vendor/contractor/consultant for purchases of any amount.
- b. Grantee shall ensure that all sub-recipients, sub-contractors and suppliers must sign the Code of Ethics (Attachment 5 to the Grant Agreement).
- c. The following minimum thresholds apply to purchase of goods and services under this Grant Agreement. If Grantee's standards and procedures foresee stricter thresholds, lower thresholds and stricter procurement methods may also be used.

<u>Threshold (USD or equivalent)</u>	<u>Procurement Method</u>
Purchase of a Vehicle	Seek CI prior approval prior purchase
< US\$2,000	No Price analysis required
US \$ 2,000 to \$ 4,999	Shopping: documented research of multiple vendors (at least 3)
US\$5,000 to \$14,999	Informal process that requires at least 3 vendors to submit a quote on their letterhead. Best practice uses a Request for Quotation.
US\$15,000-\$49,999	Targeted solicitation: minimum 3 Proposals/ Quotations; Selection based on evaluators' scores and written rationale for selection required.
US\$50,000 and up	Free and open competitive procurement: minimum 3 Proposals; formal Request for Proposal publicly advertised for a minimum of three weeks; convene Selection Panel to score and evaluate proposals; written rationale for selection required.

3. NON-COMPETITIVE ("SOLE SOURCE") PROCUREMENT :

- a. Sole source selection is allowable if one of the following circumstances below is met.
 - i. **Uniqueness:** when there is only one vendor that can provide the goods or services to meet the recipient's needs. This may be, for example, because the goods or services are not otherwise available in the accessible marketplace or the goods or services may come from a highly technical or knowledgeable individual or company that specializes in the specific area of expertise, and no other individual or company specializes in the same area.
 - ii. **Competition Results Are Inadequate:** when fewer than three providers responded to recipient's solicitation and all providers were given a minimum of three weeks to respond. Recipient must demonstrate that a solicitation for bid failed and extension of time for solicitation was not possible.
 - iii. **Continuation of the work:** Recipient may sole source awards for tasks that represent a natural continuation of previous work carried out by providers where lack of continuity of the work by the same provider poses a risk to the product or grant. Contracts awarded under this category must be reviewed annually to ensure that the contract still represents the best value to recipient.

- iv. **Collaborative project.** Provider is named in recipient's proposal to CI and CI has expressly approved the provider in the award to the recipient.
- v. **Unusual or Compelling Urgency:** While expected to be rare and infrequent, there may be occasions when recipient will need goods or services during a time of unusual or compelling urgency. In this case, an emergency or urgent demand may exist and competitive procurement would take too long. Lack of planning does not constitute an urgent situation. Grantee must secure CI's written approval prior to making purchases or awards on the basis of sole source selection. Failure to obtain such written approval may result in a declaration of cost-disallowance:
 - 1. for all service providers equal or greater than \$5,000 not named in Grantee's Proposal and Budget and
 - 2. for all purchases of goods equal or greater than \$5,000 identified in Grantee's Proposal and Budget but could not be procured following the guidance "Procurement Methods" explained in point 2 above, and
 - 3. for all purchases of goods equal or greater than \$5,000 not explicitly identified in Grantee's Proposal and Budget.

ATTACHMENT 3 DATA USE TERMS AND CONDITIONS

Data sets may be reproduced, distributed, or used to produce and distribute derivative works, provided, however, that

- (i) the data sets are appropriately attributed to the data set creator/owner as indicated in the metadata,
- (ii) when used in a publication, the publication includes a citation in the format indicated in the metadata,
- (iii) the user informs CI via email at the email address indicated in the meta data about any use of the data sets in a publication or derived work,
- (iv) any digital object identifier ("DOI") included in the data set remains intact,
- (v) any modification of the original data set is clearly marked as a modification,
- (vi) works substantially derived from the data sets may be reproduced, distributed, or used to produce and distribute derivative works under terms not less restrictive than these data use terms, and
- (vii) any distribution of data sets includes the following disclaimer of warranty: "These data sets are provided "as is" and without any warranty of any kind, either express or implied, whether of title, of accuracy, of non-infringement, of the absence of errors, of fitness for purpose, or otherwise."

ATTACHMENT 4
CRITICAL ECOSYSTEM PARTNERSHIP FUND
CREDIT AND LOGO USAGE POLICY

All publications, reports and publicity materials arising from a Critical Ecosystem Partnership Fund (CEPF) grant shall acknowledge the Critical Ecosystem Partnership Fund.

All Web sites created with CEPF support or publicizing lists of Grantee's donors (including CEPF funding sources) or materials arising from a CEPF grant shall also include a link to the CEPF Web site, www.cepf.net.

In text credits and references, the full name shall be used, rather than the acronym.

When the name Critical Ecosystem Partnership Fund is translated, it shall be translated as follows:

- Bahasa: *Dana Kemitraan Ekosistem Kritis*
- Chinese: 关键生态系统合作基金
- French: *Fonds de partenariat pour les écosystèmes critiques*
- Portuguese: *Fundo de Parceria para Ecossistemas Críticos*
- Russian: Фонд сотрудничества для сохранения важнейших экосистем, находящихся в уязвимом состоянии
- Spanish: *Fondo de Alianzas para los Ecosistemas Críticos*

The following description shall also be used:

"The Critical Ecosystem Partnership Fund is a joint initiative of l'Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan and the World Bank. A fundamental goal is to ensure civil society is engaged in biodiversity conservation."

When the description is translated, it shall be translated as follows:

- French: *"Le Fonds de partenariat pour les écosystèmes critiques est une initiative conjointe de l'Agence Française de Développement, Conservation International, l'Union européenne, du Fonds pour l'Environnement Mondial, du gouvernement du Japon et de la Banque Mondiale. Un objectif fondamental est de garantir que la société civile est engagée dans la conservation de la biodiversité."*
- Portuguese: *"O Fundo de Parceria para Ecossistemas Críticos é uma iniciativa conjunta da Agência Francesa de Desenvolvimento, da Conservação Internacional, União Europeia, da Gestão Ambiental Global, do Governo do Japão e do Banco Mundial. Uma meta fundamental é garantir que a sociedade civil esteja envolvida com a conservação da biodiversidade"*.
- Spanish: *"El Fondo de Alianzas para los Ecosistemas Críticos es una iniciativa conjunta de La Agencia Francesa de Desarrollo, la Conservación"*

Internacional, la Unión Europea, el Fondo para el Medio Ambiente Mundial, el Gobierno de Japón y el Banco Mundial. La meta fundamental es asegurar que la sociedad civil se dedique a conservar la diversidad biológica.”

In addition, use of the CEPF logo is encouraged on reports, maps or other products that CEPF funding helps produce.

The CEPF logo is available in multiple electronic formats. To request the CEPF logo, please send a request with details of the proposed usage to cepf@cepf.net.

The logos of CEPF’s individual donor partners may not be used under any circumstances by grantees.

Copies of articles, reports, media interviews, professionally composed publications or other publications or broadcasts shall be provided to CEPF. Electronic copies of all materials shall be provided when available so that they may be posted on the CEPF Web site, www.cepf.net.

ATTACHMENT 5

CODE OF ETHICS

1. Scope of Applicability

The following ethics standards apply to all persons and entities which receive, are responsible for the deposit or transfer of, or take or influence decisions regarding the use of Grant Funds received from CI (jointly referred to as 'Grant Fund Recipients'). Grant Funds Recipients include employees, agents, sub-contractors and sub-recipients of the aforementioned persons and entities.

2. Ethics Standards

Grant Funds Recipients are expected to observe the highest standards of professional and personal ethics in the implementation of projects funded by the CI.

Any violations of the Code of Ethics should be reported to CI via its Ethics Hotline at www.ci.ethicspoint.com.

Grantee shall communicate and advertise the below ethics standards and the availability of the Ethics Hotline for Project related complaints to all Grant Fund Recipients.

Grant Funds Recipients are required to implement, monitor and enforce compliance with a Code of Ethics that substantially reflects the following ethics standards:

Integrity:

- Act in good faith, responsibly, with due care, competence and diligence and maintain the highest professional standards at all times.
- Comply with Funding Terms and Conditions, internal policies of the Grantee as well as all applicable laws, rules and regulations, domestic and international, in every country where the Grantee does business and where Project related activities are carried out.
- Reflect actual expenses or work performed in expense reports, time sheets, and other records.
- Never engage in any of the following acts: falsification of business documents, theft, embezzlement, diversion of funds, bribery, or fraud.

Transparency:

- Perform duties, exercise authority and use Grant Funds and assets procured with Grant Funds for Project purposes and never for personal benefit.
- Avoid conflicts of interest and not allow independent judgment to be compromised.

- Not accept gifts or favors from Project vendors/suppliers, sub-recipients or sub-contractors in excess of token gifts.

Accountability:

- Disclose to CI, at the earliest opportunity, any information they have or become aware of, that may result in a real or perceived conflict of interest or impropriety.
- Exercise responsible stewardship over Grant Funds and assets procured with Grant Funds; spend Funds wisely, in furtherance of the Project.
- Manage programs, activities, staff and operations in a professionally sound manner, with knowledge and wisdom, and with the goal of a successful Project outcome.

Confidentiality:

- Not disclose confidential or sensitive information obtained during the course of the Project

Mutual Respect and Collaboration:

- Assist CI, Project partners and beneficiaries in building the necessary capacity to carry out the Project efficiently and effectively and to manage Funds in a fiscally and operationally prudent manner.

I hereby acknowledge receipt of CI's Code of Ethics and certify agreement and compliance therewith.

FOR GRANTEE:

By: _____

Title: _____

Date: _____

ATTACHMENT 6 TERMS OF REFERENCE

PROJECT AUDIT

Objective

The objective of the audit of the audit is to enable the auditor to express an opinion on the financial position of the project based on Funds received and expenditures reported.

The audit shall be conducted as defined in Section 6(c) ("Audit Period").

Scope

The audit will be conducted in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and will include such tests and controls as the auditor considers necessary. The auditor must bear in mind, that for the establishment of the audit opinion, s/he has to carry out a compliance audit and not a normal statutory audit.

The preparation of the financial reports is the responsibility of the Grantee. The financial information has to be established in accordance with consistently applied Accounting Standards and the underlying grant agreement.

The auditor's opinion, established in the audit opinion report, will explicitly state whether:

- a) The payments out of the project funds have been made in accordance with the conditions of the agreement. Where ineligible expenditures are identified, these should be noted separately.
- b) The Funds have been maintained in accordance with the provisions of the agreement. This also comprises interest earned from balances.
- c) Expenditures are supported by relevant and reliable evidence. All supporting documents and records with respect to the statements of expenditures submitted as the basis for cash requests have been made available.
- d) The audited financial reports can be relied upon to support the related cash requests. Clear linkage should exist between the financial reports, the cash requests presented to CI and the accounting records.
- e) Goods and services financed have been procured in accordance with the agreement and the {funding source/donor's rules and regulations}.

Reports

The **audit report(s)** should be received by CI no later than three months after the end of the period covered. The audit report(s) will include all aspects specified in the preceding paragraph ("Scope"). In this/these report(s) the auditor shall also provide a schedule showing receipts and disbursements during the Audit Period and the balance of the separate account(s) and all sub-accounts (if any) at the beginning and the end of the Audit Period. In addition, the auditor shall appraise and quantify the consequences of specific deficiencies, if any.

The auditor will in addition prepare a "management letter," in which the auditor will:

- a) give comments and observations on the accounting records, systems and controls examined during the course of the audit (as far as necessary for the understanding of the financial reports);
- b) identify specific deficiencies and areas of weakness in systems and controls of the Grantee that have come to the auditor's attention, especially with regard to procurement and payments, and make recommendations for their improvement;
- c) report on actions taken by the management of the Grantee to make improvements with respect to deficiencies and areas of weakness reported in the past;
- d) bring to the Grantee's attention any other matter that the auditor considers pertinent.