

Memorandum of Understanding

Nr 3361/16/10/18

This Memorandum of Understanding is entered into between

Fundatia Terre des Hommes Elvetia (Representation office of Terre des Hommes Laussane, Switzerland), having its registered office located on Franzelarilor no 6, 2nd District Bucharest, bank account opened at Unicredit Tiriac Bank, Carol Branch, Bucharest, Romania, fiscal identification number legally represented by Country Representative Ms. Petronella Maria Theuns (hereunder referred to as 'Tdh-RO')

and

Integrity Action, having its registered office located on Weston Street, the Leather Market, Unit 12.1.2, London, bank account opened at HSBC Bank plc, Canada Water, London, charity registration number 1120927, legally represented by Chief Executive Officer Ms. Jasmina Haynes (hereunder referred to as 'the partner.'

for

the implementation of the project "SHINE (Support for Health, social iNfrastructure and Education) Phase II funded by Foundation Botnar.

Background:

Tdh-RO has signed a grant agreement with Foundation Botnar (hereinafter referred to as "the donors") for the implementation of a project titled 'SHINE' Phase II referred to as SHINE, implemented in Romania, Bacau County.

The conditions imposed upon Tdh-RO by the donors in the framework of these grant agreements shall also apply to all partners involved in the project. The present agreement therefore reflects the General Conditions of the grant agreement (Annex 1- Grant agreement and First amendment to the Grant) which forms an integral part of the Memorandum of Understanding.

The partner is requested to abide strictly by the terms and conditions of the grant agreement signed between Tdh-RO and the donor. It shall be bound by the terms and conditions of any further amendments to this grant agreement.

On the basis of the present Memorandum of Understanding, Tdh-RO and the partner shall contribute to the achievement of the requirements of the donor's grant agreement together with the other parties involved (such as subcontractors, if any).

The following terms and conditions are hereby agreed between Tdh-RO and the partner on the implementation, operation and administration of the above mentioned project

Any additional allocations of funds for the "current project" shall be subject to the signature of a separate Memorandum of Understanding that would complement but not reform the conditions set out in the present MoU.

1. Implementation period

17 months, starting from 1st of November 2018 until the 31st March 2020.

2. General obligations

This grant is provided for the purpose as outlined in the revised application (in Annex 2 of the present contract) and with a view to achieving the objectives specified therein. Funds therefore shall be spent as specified in the budget thereof (in Annex 3 of the present contract). It is not permitted to change the use of funds under this grant, without prior written approval from Tdh-RO.

Tdh-RO will closely supervise the compliance by the partner with the rules and procedures set in the present contract.

The partner shall impose the same contractual conditions on any subcontractors that it engages in the project for its implementation. Engagement of any sub-contractors needs prior written authorization from Tdh-RO and can be done only by respecting the procurement procedures detailed under Annex 5 of this agreement.

In the initial phase of the project, Tdh-RO and the partner will agree on a division of responsibilities for the duration of the project. This will include activities, monitoring and evaluation, and administration of the DevelopmentCheck software.

3. Allocation of funds

In accordance with the grant agreement with donors, the maximum contribution of project funding from donors to the partner amounts to 78,844 USD (with 0 USD co-funding provided by the partner).

The donor may, by a duly reasoned decision, if the Action is not implemented or is implemented poorly, partially or with delay, reduce the grant initially provided for in line with the actual implementation of the Action on the terms laid down in the grant agreement.

In the event of lower actual expenditure, the partner will be required to return any unspent funds to Tdh-RO at the end of the grant period, no later than 30 days upon the submission of the final report to the donors, to be refunded by TDH-RO to the donor.

Interests accumulated by the partner on the project funds received must be returned to Tdh-RO at the end of the project no later than 30 days upon the submission of the final report, to be paid back by Tdh-RO to the donor.

4. Payment and banking details

Funds will be transferred to the partner's bank account directly from Tdh-RO according to the transfer breakdown in Annex 4, the first installment being transferred within 15 days of receipt of the original, signed version of this Memorandum of Understanding by Tdh-RO or no later than 15 days upon the receipt of the funds from the donors by Tdh-RO.

The payment will be made in installments regulated in Annex 4 of this agreement.

Tdh-RO will release funds to the partner on the basis of the allocated partner budget and interim financial reports. **Condition of payment of next installments are the receipt of compliant financial reports and scanned supporting documentation.**

The project funding will be transferred in USD to the bank account of the partner as specified below. The banking details are the following:

Name of the account holder: Integrity Action

Name of bank: HSBC Bank plc

Address of bank: 8 Canada Square, London, E14 5HQ

Swift code:

Account number:

5. Reporting

- 5.1 Tdh-RO shall provide the partner with the appropriate forms for the reporting of expenditure and instructions for filling them in – Annex 6. These e-ledger sheets will account for all expenditures and provide monitoring of expenditures per budget line.

The partner shall compile the e-ledger sheet on a 6 months basis and email it to Tdh-RO by the 10th of the following month. Supporting documentation compiled in accordance with provisions detailed in Annex 5 of this agreement shall be sent to Tdh-RO every 6 months by the 10th of the month scanned, by e-mail, following the period in question in one signed and stamped copy. Financial reports will be sent every six months of implementation, with the first financial report sent on Jan 10th 2019. Annex 4 includes the deadlines for the reports. Narrative reports will be sent to TDH-RO no later than two months after the project year (May 2019 and May 2020).

Details regarding eligible expenses and reporting requirements are included in Annex 5 of this agreement. The requirements included must be respected by partner at all times, except where otherwise specified in this agreement, which takes precedence.

Any financial report shall have to be compiled in the currency the expense was incurred. Any conversion into USD will be performed by Tdh-RO using the monthly exchange rate set by **Oanda** for donor reporting purposes.

- 5.2 The main supporting documents that have to be collected and sent in copy to Tdh-RO are identified in Annex 5 of the present memorandum.

Copies of invoices and all related financial **supporting documents** for all reported expenditure will be sent to TDH-RO by the **10th of the month following the reporting period**. The monthly e-ledger sheets should also show the transfers received from Tdh-RO and show interest received on funds received.

Any relevant document **must be stamped and certified** according to the rules set out in Annex 5. All justifying documents must also report a reference, following this model: reference number linked to the number indicated in the e-ledger sheet, day, year, month of payment, total of invoice and amount charged to the project.

- 5.3 The partner shall submit no later than 30th of May 2019 and 30th of May a yearly narrative progress report to Tdh-RO. This should be a detailed report on the implementation of the activities based on the grant agreement.

- 5.4 The partner shall promptly inform Tdh-RO of any delay in the performance of the activities undertaken under the present project and of any major or unforeseen developments that substantially alter its aims and objectives.

The partner shall seek Tdh-RO approval in writing for any significant changes to the project implementation and any changes to the project budget.

- 5.5 The partner agrees to provide Tdh-RO with the information that the latter finds necessary to ask in relation to the implementation of the present contract.
Upon request, the partner shall make available any additional information requested by the donor, within 10 working days following that of the request.

6 Eligible costs

- 6.1 The partner shall be bound by the obligations set out in the donors' grant agreement for the declaration of expenses.

Expenditure incurred by the partner must comply with the rules on eligible costs set out in the financial provisions mentioned in Annex 5 of this contract.
Expenditure will be strictly related to the agreed project budget.

In order for Tdh-RO to be able to comply with the donors' requirements and monitor the implications of budget reallocations on the whole global budget, the partner should:

- inform about minor budget reallocations when submitting financial reports (e.g. transfers within same budget heading)
- inform and obtain approval of the donor through Tdh-RO in writing of any transfers between budget lines above 15% before applying them.

- 6.2 To be considered eligible as direct costs of the Action, costs must:

- be necessary for carrying out the Action, be provided for in the grant agreement and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- have actually been incurred by the partner during the implementation period of the Action;
- Are considered to have been incurred during the implementation period of the Action the costs of goods/services/works used/provided/delivered during the implementation period of the Action.
- Such costs must be paid for before the end of the implementation period.
- be recorded in the accounts or tax documents of the partner and be identifiable, verifiable and backed by originals of supporting evidence.

- 6.3 Subject to the above and where relevant to the provisions of the grant agreement procedures being respected, the following direct costs of the partner shall be eligible:

- the cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs (salaries and costs must not exceed those normally borne by the partner, as the case may be) included in the partner budget;
- travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the partner, as the case may be;
- purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates and are included in the project budget;
- costs deriving directly from the requirements of the Contract included in the project partner budget

- 6.4 The following costs shall not be considered eligible:

- debts and provisions for losses or debts;
- interest owed has to be transferred back to donor through Tdh-RO;
- items already financed in another framework;

- currency exchange losses;
- credits to third parties.

7 Record keeping

The partner shall keep a record of any expenditure incurred for the project and all proofs and related documents until March 31st, 2025.

All the original proofs of expenditure and related supporting documents must be easily accessible. They must be properly filed in a dedicated archive, in compliance with the local legislation. In compliance with the reporting procedures set out in article 5 of the present Memorandum of Understanding; these documents will be made available to Tdh-RO in 1 certified copy. If applicable, the partner should send Tdh-RO a statement outlining its obligation to keep all the original financial documents inside the country of operation.

8 Accounts and technical and financial checks

- 8.1 The partner shall keep accurate and regular accounts of the implementation of the project. Its accounting and bookkeeping system shall be run in accordance with the accounting and bookkeeping policies and rules that apply in the country concerned. Accounts and expenditure relating to the project must be easily identifiable and verifiable. This can be done by using separate accounts for the project or by ensuring that expenditure for the project can be easily identified and traced to and within the partner's accounting and bookkeeping system.
- 8.2 The rights of any external auditor to carry out audits, checks and verification to which Tdh-RO is to comply with, also applies to the partner.

The partner undertakes to give appropriate access to staff or agents of any external auditor carrying out verifications as required per the grant agreement to the sites and locations at which the project is implemented, including its information systems, as well as all documents and databases concerning the technical and financial management of the project and to take all steps to facilitate their work. Access given to any external auditor carrying out verifications as required per the grant agreement shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents must be easily accessible and filed so as to facilitate their examination and the partner must inform the external auditors of their precise location.

- 8.3 The donor can verify the implementation of the project and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. These documents include:
- Accounting records (computerized or manual) such as general ledger, sub ledgers and payroll accounts, fixed assets registers and other relevant accounting information;
 - Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;
 - Proof of commitments such as contracts and order forms;
 - Proof of delivery of services such as approved reports, time sheets, transport tickets (including boarding passes and other travel documents proofs), proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc;
 - Proof of receipt of goods such as delivery slips from suppliers;
 - Proof of purchase such as invoices and receipts. If supplies come from the partner's stocks, invoices shall reflect the price paid at the time of purchase;

- Proof of payment such as bank statements, debit notices, proof of settlement by the contractor;
- Staff and payroll records including but not limited to contracts, salary statements, time sheets and proof of bank transfers. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary.

9 **Procurement**

If implementation of the project involves the conclusion of contracts (supplies or services) by the partner, the contract-award procedures and rules of nationality and origin set out in the Contract-award procedures shall apply.

Market consultation including the presentation of 3 bids, has to be organized for every purchase above USD 5,000. The extent of the consultation depends on the amount of money spent. Choice of supplier needs to be documented.

For service of value of USD 5,000 or less, the partner may place orders on the basis of a single tender, above that value a 3 bid process has to be followed.

For further information on procurement procedures, the reference documents are the Annex 5 of the present contract or consult Tdh-RO in advance of the purchase.

All above described procedures will be implemented under the close monitoring of Tdh-RO according to best practice.

10 **Monitoring**

Tdh-RO should be given the possibility of co-monitoring the project during the contract period. Project visits may be scheduled in close co-operation with the partner.

If the donor carries out an interim or ex post evaluation or a monitoring mission, the partner shall undertake to provide it and/or the persons authorized by it with any document or information which will assist with the evaluation or monitoring mission, and grant them the access rights described in Article 8 of the present contract.

Tdh-RO and the partner agree to openly share results data with each other, including details of trainings and survey results. Both partners may use results data from the project, provided relevant guidelines on privacy and child protection are respected. Tdh-RO and the partner agree to monthly sharing of monitoring data.

11 **Human resources**

11.1 At the beginning of the project, the partner will recruit the staff necessary for the implementation of activities, as planned in the project. The partner has to submit to Tdh-RO a detailed staff list with CV and reporting the functions of the personnel engaged within the project frame within 15 days of recruitment.

11.2 The contracts must abide by the local labor legislation in force.

The following documents will be attached to each contract:

- An up-to-date CV of the staff member
- A detailed job description (and secondment letter)
- Any other relevant document (e.g. organisation policy, code of conduct, etc)

12 **Visibility**

The donor's contribution and logos should be mentioned and displayed at any publication, written document or event organized in the framework of the project.

As well, the donors' contribution must be mentioned in the partner internal and annual reports, in the media where appropriate and in events (e.g. conferences, seminars).

Any notice or publication concerning the Action, including those given at a conference or seminar, must specify that the Action has received funding from the the three donors.

13 Ownership/use of results

The partner grants Tdh-RO and the donor, the right to use freely and as it sees fit all documents deriving from the project, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

Any materials such as documents, communications materials, software or other intellectual property that were created by one or other party prior to the project, and which are used within the project, will remain the property of the party that provided them.

14 Liability

The donors and Tdh-RO cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the partner while the project is being carried out or as a consequence of the project. The donor and Tdh-RO cannot therefore accept any claim for compensation or increases in payment in connection with such damage or injury.

The partner shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the project is being carried out or as a consequence of the project. The partner shall discharge the donor and Tdh-RO of all liability arising from any claim or action brought as a result of an infringement by the partner or the partner's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's rights.

15 Conflict of interests

The partner undertakes to take all necessary precautions to avoid conflicts of interests and shall inform Tdh-RO without delay of any situation constituting or likely to lead to any such conflict.

There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Memorandum of Understanding is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

16 Confidentiality

The partner undertakes to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least the 31st of December 2027.

17 Termination of the contract

Tdh-RO reserves the right to interrupt the transfer of funds and request the return of any unspent fund with immediate effect if there is evidence that:

- unsatisfactory accounts and invoices are submitted;
- funds are used for any activities which are not under this funding agreement and outlined in the agreed project proposal.

Both parties may also terminate the project with two month's notice, provided that all committed activities are fulfilled. In this eventuality the parties will work together to ensure

the orderly closure of the project. All costs incurred prior to the agreed termination of the project will be reimbursed, and/or unspent funds will be returned as appropriate.

Subject to earlier termination in accordance with the above, this funding agreement will be terminated once a satisfactory final report and set of accounts has been received and accepted by the donor. The partner will be notified when the funds have been formally closed and the funding agreement terminated.

18 Child Protection Policy

18.1 Tdh RO expects a commitment to best practices in Child Protection from all its partners. Partner commits to Tdh Child Protection Policy in the case it does not have its own Policy, and applies this Policy in order to ensure that all children in its care benefit from a professional standard of care.

18.2 All Partner's staff employed by the Project will sign its Child Protection Policy if existing, or Tdh's Child protection Policy. Copies of these signed policies shall be made available to Tdh. Moreover, the Child Protection Policy, be it Tdh or Partner's, has to be signed by all visitors to the Project.

18.3 Partner will report to Tdh any suspected or actual child abuse connected to this Project as soon as the abuse is brought to their awareness.

19 Policy on Prevention against the financing of criminal activities

19.1. The Partner shall not engage in any financial transaction or other dealing with an individual or entity that is proscribed on an official government, EU or UN list because it is directly or indirectly associated with terrorism or debarred for other criminal activities.

19.2. The Partner shall not engage in any financial transaction or other dealing with an individual or entity knowing, or having reasonable cause to suspect, that it will be used for the purposes of terrorism.

19.3. The Partner shall inform Tdh immediately if it becomes aware of any link whatsoever between the Partner and any organization or individual who may be perceived to be linked in any way to terrorism or who appears on any sanctions list, including but not limited to any detected, suspected or attempted:

- financial transaction or other dealing with a terrorist group or other individual or entity directly or indirectly involved in terrorism activities or other criminal activities; and

- diversion of Project assets, funds or resources to a terrorist group or other individual or entity directly or indirectly involved in terrorism activities or other criminal activities.

20 Annexes

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| Annex 1 | Grant contract and first amendment |
| Annex 2 | Proposal |
| Annex 3 | Budget |
| Annex 4 | Fund transfer breakdown |
| Annex 5 | Financial regulations |

Annex 6 Template of the financial reporting

Please send two original copies to: Terre des hommes Foundation Romania
Str. Franzelarilor nr. 6 sector 2 Bucharest, Romania

A duplicate copy will then be sent to you for your own records.

For Partner

Name: Jasmina Haynes

Date: 07/12/2018

Signature: *Jaynes*

For Tdh-RO

Name: *Kirsten Theunis*

Date: *7-12-2018*

Signature: *Kirsten*

