

Hivos General Terms and Conditions

1. General

- 1.1 These General Terms and Conditions apply to all agreements and the entire legal relationship between Hivos Foundation (Stichting Hivos) (hereinafter: "Hivos") and the organisation responsible for the implementation of the activities as described in the Application (hereinafter: the "Implementing Organisation") including consortium partners and/or fiscal hosting partners.
- 1.2 Hivos and the Implementing Organisation are hereinafter jointly referred to as the "Parties".
- 1.3 The Implementing Organisation is obligated to share these General Terms and Conditions with their external auditors to ensure that auditors check compliance and report on any exceptions.

2. Contract

- 2.1 An agreement between Hivos and the Implementing Organisation with respect to the funding of activities of the Implementing Organisation is hereinafter called: the "Contract".
- 2.2 The Contract enters into force after signing by both Parties. The Contract should be signed by lawful representatives of the Parties.
- 2.3 The Parties undertake to comply with their obligations arising from the Contract and the General Terms and Conditions.

3. Payments

- 3.1 Hivos' contribution shall be paid in the currency as stated in the Contract to the bank account indicated by the Implementing Organisation. The account must be held in the name of the Implementing Organisation. Only in exceptional cases and after written consent of Hivos may a different payee be agreed upon. Dependent on the contract, Hivos intake assessments and back-donor requirements, Hivos may require project funding to be maintained in a separate bank account. This requirement will be stated in the contract.
- 3.2 Changes regarding the bank account, as stipulated in the Bank Detail Form, shall be brought immediately to Hivos' attention in writing by means of a letter or a new bank detail form, signed by the competent authorities within the Implementing Organisation. Only in the event Hivos has confirmed the changes in writing, or in the event Hivos does not reply within 8 weeks after receiving the letter, the Implementing Organisation is entitled to hold Hivos liable for incorrect bank orders. Hivos shall hold the implementing partner liable for bank costs incurred due to incorrect bank details or failure to notify Hivos of changes in its bank details.
- 3.3 The planned dates, period and amounts related to the disbursements of the funds provided by Hivos, will be stated in the Contract under the heading "Payment Scheme". Hivos reserves the right to vary the scheduled amount, deduct the fund balance held by the Implementing Organisation or

to defer the next payments if 70% (or other set percentage) of the previous disbursement is not yet spent.

- 3.4 The Implementing Organisation may propose to Hivos (in writing) that payments should be postponed or brought forward in relation to the dates of payment stated in the remittance schedule, if justified by the reports mentioned under articles 5 and 6.
- 3.5 Hivos has the right to suspend payments if the Implementing Organisation fails to comply with the terms of the Contract and/or the General Terms and Conditions. More specifically Hivos has the right to suspend payments in the event if the Implementing Organisation:
- a) fails to use Hivos' funding in accordance with the Application;
 - b) fails to submit the narrative reports and financial reports as referred to in articles 5 and 6 below to Hivos according to the submission dates;
 - c) Hivos does not approve the narrative and/or financial reports that have been submitted. However, if Hivos fails to assess the reports within two months after the receipt and inform the Implementing Organisation about its reservations, payments will not be suspended;
 - d) fails to meet other conditions stipulated by the fund provider;
 - e) Fails to report to Hivos safeguarding concerns such as sexual exploitation, abuse and harassment (SEAH), physical violence, child abuse, human trafficking concerns and/or modern slavery concerns as soon as possible when they are disclosed (refer to clause 14.6) or failed to prevent or respond to these matters using a survivor-centred approach (refer to clause 14.2);
 - f) Fails to report or take timely and appropriate steps to investigate incidents of fraud, corruption or integrity violation (refer to Appendix 2);
 - g) If reports are submitted later than four months after the submission date, Hivos reserves the right to cut the next payment, if any, with 30% as a sanction.
- 3.6 Payments are dependent on the actual receipt of the funding from the fund provider. This means that Hivos has the right to suspend (part of the) payments in the case:
- a) the fund provider uses a result-based funding mechanism and the Implementing Organisation fails to deliver (part of) the results;
 - b) the report to the fund provider is delayed due to late submission of reports by other grantees in the same program;
 - c) the program report is rejected by the fund provider.
- 3.7 Hivos shall require the Implementing Organisation to pre-finance the final costs to be reimbursed by Hivos after approval of the final financial report with supportive proof of expenditure. If the partner is not able to pre-finance the final costs, Hivos reserves the right to stipulate the submission and approval of a Financial forecast which includes details of actual spending (to date), budget, forecast expenses for the remainder of the period and evidence of the partner's current liquidity position.
- 3.8 Hivos reserves the right to reclaim its payments, partly or in full, if the Implementing Organisation does not comply with its obligations vis-a-vis Hivos in general, and in particular as stipulated under the articles 3, 4, 5 and 6. The right of Hivos to reclaim its payments does not affect its rights to terminate the Contract in accordance with article 15.5.

4. Implementation of the activities

- 4.1 The Implementing Organisation is responsible for ensuring that the activities as described in the Application are carried out in accordance with the Application and the General Terms and Conditions, and that they are carried out efficiently, effectively and with the utmost care.
- 4.2 The Implementing Organisation must use the contribution in accordance with the Application.
- 4.3 The budget as stipulated in the Contract cannot be exceeded and transfers between the categories "capital investments" and "running costs" cannot be made unless prior consent is explicitly given by Hivos.
- 4.4 Over-expenditures within the budget categories "capital investments" and "running costs" are allowed, provided that (i) they do not exceed 10% of the original figures and (ii) as long as the total expenditures stay within the original budget, as defined in the Contract. This means any over-expenditures above 10% must be brought to Hivos attention and approval sought before they are committed by the grantee. If permission is required for changes below 10%, this will be explicitly stated in the contract.
- 4.5 In case of under-expenditure of the project financed by Hivos, the balance of the Hivos contribution (after conclusion of the project) cannot be applied without previous agreement of Hivos. The implementing organisation is obliged to refund any unutilised balances and any portion of the grant that has not been acquitted or deemed ineligible by Hivos. In exceptional cases, Hivos may allow the balance to be applied for continuation of certain activities pre-approved by Hivos.
- 4.6 Any interest or exchange gains realized on Hivos grants forms part of the grant to be used for activities and accounted for. Hivos will reduce its financial contribution by the amount of interest or exchange gain earned on the Hivos contribution.
- 4.7 If, at any time during the contract period, it becomes obvious that it will take longer to implement the activities than already agreed upon, the Implementing Organisation must inform Hivos accordingly, in time and seek its written approval. In these cases, Hivos has the right to reject the proposed extension or adapt the payment schedule and/or contract end date subject to the approval of the fund provider.
- 4.8 If the Implementing Organisation deems it necessary to modify the nature of the activities and/or the use of the budget referred to in the Contract, the Implementing Organisation must inform Hivos accordingly within due time and seek its written approval. In these cases, Hivos has the right to adapt the payment schedule.
- 4.9 If the Implementing Organisation has the need for additional budget, it should submit such a request to Hivos. Requests for both monetary and time extensions of the Contract should be received by Hivos no later than six months prior to the expiry date of the Contract.

5. Narrative reports and obligation to provide information

- 5.1 Unless otherwise agreed in the Contract, the Implementing Organisation must submit to Hivos a narrative report on the project. The report must comply with the reporting guidelines sent along with the Contract. Submission dates and reporting periods are included in the Contract.
- 5.2 The report should include an annual overview of news and media coverage of the program/project, including sources and links (if online).
- 5.3 Provided that any safeguarding allegation should be reported to Hivos as it arises, or within the earliest possible timeframe, regular overall reporting is also expected. The report should also include details of safeguarding concerns or complaints received by the implementing partner and what steps have been taken (excluding identifying details for confidentiality).
- 5.4 A financial and monitoring and evaluation linkage should be demonstrated by the narrative report connecting the expended funds to the results of the program.
- 5.5 All reports shall be written in the language of the Contract, unless otherwise agreed.
- 5.6 Hivos also requires the Implementing Organisation to submit narrative reports describing the activities implemented during six months intervals of the project period (or other shorter intervals when required by the fund provider). The periods and submission dates are included in the Contract. The reports must comply with the reporting guidelines sent along with the Contract.
- 5.7 More in general the Implementing Organisation shall ensure that Hivos shall receive all information, which Hivos requires, requests or which the Implementing Organisation can reasonably understand that this information is necessary for the activities of Hivos and additional requirements of fund providers. More specifically the Implementing Organisation shall ensure that Hivos shall receive all information that could have a substantial effect on the funding of activities of the Implementing Organisation by Hivos.

6. Financial management and Financial reports

- 6.1 The Implementing Organisation will co-operate fully with any due diligence assessment by Hivos or its agents, of the Implementing Organisation's own internal controls and system prior to or during the implementation of this arrangement and take appropriate action on any recommendations arising.
- 6.2 Due diligence assessments may be conducted every 3 years or earlier if there is a significant change to the Implementing Organisation's procedures, controls or operating environment.
- 6.3 In utilising the resources, the Implementing Organisation will exercise the same care in the discharge of its functions under this Arrangement as it exercises with respect to the administration and management of its own resources and affairs.
- 6.4 The Implementing Organisation must keep financial records, in such a way that it will be clear and transparent to third parties how the funds provided by Hivos, the Implementing Organisation and

third parties have been used. The financial records shall be retained for at least eight years following the expiry or termination of their contract, retain and maintain all information:

- a) In accordance with the exercise of the degree of care that would be expected from a leading organisation within the relevant industry and/or sector;
- b) In chronological order;
- c) In a form that is capable of audit;
- d) At its own expense; and
- e) Wherever practical original information shall be retained and maintained in hard copy form.

6.5 Financial management shall be undertaken in accordance with the Hivos minimum standards for Financial management (Appendix 1).

6.6 The organisation shall implement the Implementing Organisation obligations to prevent and detect fraud and corruption (Appendix 2) which shall include maintaining an internal whistle blower procedure and publicising the Hivos complaints and whistle blower facility. Hivos should be immediately notified of any fraud or other act of impropriety involving Hivos funds.

6.7 The Implementing Organisation must submit to Hivos a project Financial audited report which includes Income and expenditure statement of the programme or activities supported by Hivos (and related Balance Sheet or balances). Submission dates are included in the Contract. The project Financial audited report must comply with the reporting guidelines sent along with the Contract and should be drawn in accordance with the applicable and appropriate accounting and reporting framework. The report should be signed by the competent authority within the organisation and approved by an external auditor.

6.8 Depending on Fund provider requirements, Hivos may also stipulate the requirement for "Agreed upon procedures engagement" based on the audit requirements of the fund provider. This will be clearly stated in the Contract.

6.9 In exceptional cases Hivos provides the terms of reference for the project audit and appoints the Auditor. This will be stated in the contract.

6.10 Depending on Fund provider requirements and project (funded by Hivos), Hivos may stipulate the requirement for a copy of the organisation's annual accounts (Organisation Financial audited statement) covering the overall financial management of the organisation. Submission dates are included in the Contract. The annual audited accounts must comply with the reporting guidelines sent along with the Contract and should be drawn in accordance with the applicable or appropriate national accounting and reporting framework. The report should be signed by the competent authority within the organisation and approved by an external auditor.

6.11 Hivos accepts compilation reporting and Independent review (lighter forms of external certification of financial reports permissible under International standards of auditing) when accepted by the Fund provider for low level grants (below a defined threshold). This will be specified in the Contract and the reports must comply with the reporting guidelines sent along with the Contract.

- 6.12 For monitoring purposes Hivos requires all Implementing Organisations to submit interim financial reports covering intervals of six months (or shorter interval) of the specified project period. Submission dates are included in the Contract. The report must comply with the guidelines sent along with the Contract. The submission dates and reporting periods will be stated in the contract.
- 6.13 All interim reports should be supported with detailed ledgers (and bank statements if applicable). The financial reports should be appropriately linked to the detailed ledgers (and bank statements with option to redact/black out the transactions not related to the Hivos project if necessary in case of commingled funds) submitted alongside the financial report and compare actual expenses with the approved budget.
- 6.14 Hivos will assess the interim reports through 2 methods:
- a) Desktop expenditure verification - Hivos will select a sample of expenses for which the Implementing Organisation is requested to submit scanned proof of expenditure.
 - b) Hivos on-site Compliance checks - Hivos undertakes an onsite visit to the counterpart organisation for compliance checks which include a review of the overall internal control environment of the project followed with reviewing original documents supporting expenses included in the interim report. When undertaking such reviews, Hivos has a right to review the overall financial health of the implementing organization.
- 6.15 The Implementing Organisation is obliged to refund Hivos for any expenses deemed ineligible. Hivos reserves the right to deduct such expenses from the remaining contractual remittances due to the Implementing Organisation and to include details in external audit confirmation letter.
- 6.16 All reports shall be written in the language of the Contract, unless otherwise agreed.

7. Finance of Terrorism

- 7.1 The Implementing Organisation is committed to taking appropriate steps to ensure that funds provided under this Contract are not used to aid, or otherwise support, terrorists or terrorist organisations.
- 7.2 The Implementing Organisation agrees that it shall use all reasonable efforts to ensure that funds received under this Contract are not used to engage in, support or promote violence, terrorist activity or related training of any kind and will take all appropriate precautions and institute all procedures necessary to prevent any portion of the funds from being so used.
- 7.3 The Implementing Organisation shall screen its Implementing Partners to ensure that no such funds, other financial assets and economic resources will be made available, directly or indirectly, to, or for the benefit of, a natural or legal person, group or entity associated with terrorism consistent with the OFAC Sanctions List or the European Union's Consolidated list of persons, groups and entities subject to EU financial sanctions.
- 7.4 If, during the course of this Contract, the Implementing Organisation discovers any link whatsoever with any organisation or individual associated with terrorism, it must inform Hivos immediately. The Implementing Organisation shall provide Hivos with an account of all the known facts, and shall continuously thereafter consult with Hivos on the further handling of the matter.

8. Audits by Hivos and/Fund provider

- 8.1 Hivos (and/or fund provider) is authorized to conduct an audit of the Implementing Organisation covering the overall financial management of the organisation or ascertain additional information at any point during implementation of the grant that Hivos (and/or fund provider) may deem necessary up to eight years after the end of this agreement. Fund providers may also carry out financial audit or reviews of Implementing Organisation financial management.
- 8.2 The organisation must cooperate in such an audit in every way necessary and grant access to Hivos (and/or fund provider) or its agents, as required, to all project sites and relevant records.
- 8.3 An enquiry as referred to in 8.1 shall only be undertaken after the Implementing Organisation has been informed in writing that it is to take place. The findings shall be discussed with the Implementing Organisation before being finally recorded in a report.

9. Evaluation

- 9.1 The Implementing Organisation may be evaluated by Hivos and/or by another agency appointed by Hivos. An evaluation of the financial administrative organisation and the financial management of the Implementing Organisation may be part of this evaluation or may be implemented separately. Terms of Reference will be decided upon by Hivos, after consultation with the Implementing Organisation. The stipulations under 8.2 are here equally applicable.

9.2 Hivos and the Implementing Organisation are obliged to render assistance to any enquiry and/or evaluation according to conditions as stipulated in agreements with the specific fund provider, performed by persons or institutions indicated by the fund provider. Additional conditions may be set by the fund provider and they will be stipulated in the contract with the Implementing Organisation.

10. Co-operation with educational, fundraising and/or advocacy activities

10.1 Hivos shall be entitled to make use of the experiences of materials or information related to the activities carried out by the Implementing Organisation that are available with Hivos or the Implementing Organisation, for Hivos' educational, fundraising and/or advocacy activities, without prior consent of the Implementing Organisation.

10.2 If reasonably requested by Hivos, the Implementing Organisation is required to render specific assistance to Hivos' educational, fundraising and/or advocacy activities. The Implementing Organisation will be informed beforehand and in writing on the type of assistance required. If, as a result of these activities, funds are raised with the public, these funds are not considered to be additional to the originally agreed Contractual contribution.

10.3 Hivos has a right to publish a short description of the Implementing Organisation and its activities on its website, unless the Implementing Organisation objects to it for reasons of security and confidentiality. Such an objection should be communicated to Hivos in writing at the time the signed Contract is returned by the Implementing Organisation to Hivos.

11. Risk Management

11.1 The Implementing Organisation will be accountable for the appropriate use of Hivos funds, management of risk and delivery of project outputs and outcomes, including any adverse effects of project expenditure that have an undesired or unexpected result upon recipients including any adverse gender related impacts.

11.2 The Implementing Organisation will develop and maintain an up to date risk register that, as a minimum, enables individual risks to be clearly identified, an assessment of their likelihood and impact, how they will be dealt with and escalated and who is responsible for monitoring and reporting on them.

11.3 The Implementing Organisation will manage all risks in relation to this project unless otherwise agreed as part of the risk register and in writing with Hivos. Where the Implementing Organisation transfers risk to any other party, the Implementing Organisation will remain accountable to Hivos for the effective management of that risk.

11.4 The Implementing Organisation is responsible for all security arrangements in relation to this Arrangement including the health, safety and security of any person employed or otherwise engaged as part of this Arrangement, including those employed or engaged by any other implementing parties contracted by the Implementing Organisation.

12. Personal Data Protection

Hivos works according to the EU General Data Protection Regulation. This legislation regulates for instance the technical and organisational protection of privacy sensitive data by the responsible organisation and third parties who get access to these data (processors), the use of the data only for specific purposes, the rights of the data subjects (i.e. data portability, right to object, right to restrict processing) and the obligation to notify the responsible party in case of a data leak.

- 12.1 If Implementing organisation processes personal data for the purpose this Contract, this clause applies and should be deemed a processing agreement, where it is assumed that Hivos is the controller within the meaning of applicable privacy legislation (the Dutch Personal Data Protection Act or any subsequent legislation such as the EU General Data Protection Regulation, hereinafter “Applicable Data Protection Legislation”) and Implementing Partner is the processor. Notwithstanding the foregoing, at first request of Hivos, the Implementing Partner will conclude with Hivos a separate processing agreement appropriate for the situation concerned.
- 12.2 The separate processing agreement will cover (1) How the implementing organisation will execute the given guarantees (which security measures are taken, how data subject rights are guaranteed, etc) (2) The legal basis for processing personal data (e.g., consent, performance of a contract, legitimate interests, etc.). (3) Whether or not special personal data (like biometric or racial data) is processed (which require extra conditions such as explicit consent) (4) What criteria for data minimizing and retention are applied.
- 12.3 The Implementing Organisation guarantees to act in accordance with the Applicable Data Protection Legislation and to adequately protect the personal data provided to it. At first request of Hivos, Implementing Organisation will provide Hivos insight in the measures taken.
- 12.4 The Implementing Organisation shall only process personal data in the context of the Contract. Without the express consent of Hivos in a signed document, Implementing Organisation will not use the personal data for its own purposes or for purposes of third parties.
- 12.5 The Implementing Organisation shall take appropriate technical and organizational measures to protect personal data against loss and any form of unlawful processing. These measures ensure, taking into account the state of the art and the cost of implementation, an appropriate level of security, given the risks involved with the processing and the nature of the data to be protected. These measures shall at least include:
- a) Physical security and protection of equipment;
 - b) Developing and maintaining an information security policy (at the level of ISO27001 standard);
 - c) Assigning persons responsible for security;
 - d) Applying access control (procedures to provide access to authorized employees to the information systems and -services);
 - e) Treating personal data as confidential information and obliging workers in employment contracts or confidentiality agreements to maintain the confidentiality of confidential information, including personal data;
 - f) Implementing partners are encouraged to perform regular security audits by an external party (preferably ISAE3402/SOC1) at least once every 3 years.

- 12.6 To the extent the Implementing Organisation engages third parties in the execution of the Agreement these third parties are bound by the same Applicable Data Protection Legislation as the Implementing Organisation.
- 12.7 If a security breach occurs where personal data have been accessed by unauthorized persons, have been lost or have been processed unlawfully, or it is suspected that this has been the case, the Implementing Organisation will report to Hivos immediately and in any case within twenty-four (24) hours after discovery. Hivos will be the first party to be informed.
- 12.8 The Implementing organisation shall notify Hivos if a new system is acquired or installed which handles personal data. Hivos reserves the right to institute a Data protection impact analysis (if deemed necessary).

13. Safeguarding principles and standards

By signing the contract, the Implementing Organisation commits towards upholding the following safeguarding principles and standards:

- 13.1 It is committed to preventing, promoting and protecting people's health, well-being and human rights, enabling them to live free from all forms of harm, exploitation and abuse in all its forms.
- 13.2 Its Safeguarding policy has a zero tolerance statement against all forms of harm, particularly sexual exploitation, abuse and harassment (SEAH), physical violence, child abuse, human trafficking and modern slavery which means that it will take timely action applying a survivor-centered approach when safeguarding concerns are reported and that perpetrators will be held to account.
- 13.3 At the minimum, the implementing partner shall uphold the Hivos Safeguarding principles and standards which forms an integral part of the Hivos contract and fully applies to interactions with associates, suppliers, clients and staff of Hivos.
- 13.4 The Implementing Partner has clear rules on what type of behaviour is regarded as unacceptable and discusses these rules actively with its staff.
- 13.5 The Implementing partner commits to identify and minimize the risk of harm prior to any activity to children (all persons under the age of 18) and adults, particularly those who may be more vulnerable to harm due to their age, gender, sexual orientation and/or gender identity and expression (SOGIEx), disability, ethnic origin, religion, caste, etc.
- 13.6 The implementing partner shall immediately inform Hivos of any reported or suspected incidences of safeguarding concerns.
- 13.7 The Implementing Partner shall actively promote internal reporting of any suspected or known incidences of safeguarding concerns, also by means of the Hivos complaints procedure (Appendix 3).

14. Liability

- 14.1 Under no circumstances shall Hivos, be liable to the Implementing Organisation, its subsidiaries, sub-contractors or any other third party for any indirect, incidental, special or consequential damages arising out of or relating to the Contract, whether under a theory of contract, tort (including negligence), liability derived for the provision of services or otherwise, regardless of whether Hivos has been advised of the possibility of such damages and even if the damages were foreseeable.
- 14.2 The Implementing Organisation shall indemnify, defend and hold harmless Hivos, from and against all claims (including any claims based on product liability, that are in any way related to or ensuing from the work performed by Hivos for the Implementing Organisation and/or the Implementing Organisation's use of services supplied or made available by Hivos), demands, actions and proceedings asserted and/or instituted against Hivos for any occurrence, loss, costs, penalties or damages, arising out of or relating to the Contract.
- 14.3 The limitations of liability stated in this article do not apply if and insofar as the damages are a result of wilful misconduct or gross negligence on the part of Hivos.

15. Termination

- 15.1 The contract may be terminated at any time by mutual consent of the parties hereto, provided that such consent to terminate is in writing and is signed by all of the parties hereto. The parties shall form a termination agreement outlining the details and terms of the termination.
- 15.2 The Contract shall terminate on the date that the Implementing Organisation ends its activities financed by Hivos. Termination of the Contract does not affect the obligations of the Implementing Organisation pursuant to article 5 and 6 of the General Terms and Conditions. The aforementioned obligations will end after approval of all mandatory reports by Hivos.
- 15.3 Termination of the Contract does furthermore not affect the obligations of the Implementing Organisation pursuant to article 8 and 9 of the General Terms and Conditions.
- 15.4 Requests for extension of the Contract period should reach Hivos not later than six months prior to the expiry date of the Contract.
- 15.5 Hivos has the right to terminate the contract without giving notice and without paying compensation of any kind if the Implementing Organisation does not comply with its obligations vis-a-vis Hivos. More in particular Hivos has the right to terminate the Contract if:
- i. Hivos has evidence on the Implementing Organisation, or any related entity or person, about grave professional misconduct or other actions that contradict Hivos safeguarding and integrity stipulations; this also applies to agents of the Implementing Organisation;
 - ii. Hivos has evidence on the Implementing Organisation, or any related entity or person, about fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to Hivos' financial interests;

- iii. the Implementing Organisation makes false or incomplete statements to obtain the grant provided for in the Contract or provides financial and narrative reports that do not reflect reality;
- iv. the Implementing Organisation is engaged in child labour according to the definitions of the International Labour Organisation;
- v. the Implementing Organisation violates prevailing labour laws;
- vi. the Implementing Organisation violates prevailing environmental laws;
- vii. the Implementing Organisation tolerates any form of safeguarding concern (SEAH, child abuse, physical violence, human trafficking and/or modern slavery) or neglects to do the necessary due diligence to ensure that none of these instances are not being perpetrated;
- viii. the Implementing Organisation actively supports discrimination in general, for instance on the basis of race, religion, national origin, caste, colour, sex, age, veteran status, gender identity and expression sexual orientation or disability;
- ix. the Implementing Organisation is no longer able or willing to implement the Contract in accordance with the Application;
- x. the Implementing Organisation does not submit mandatory reports within eight months;
- xi. the Implementing Organisation transfers the implementation of the activities to another agency without the prior consent of Hivos.

Hivos shall notify the implementing partner immediately and in writing of the decision and reasons for the termination. Termination of the Contract by Hivos does not affect its right to reclaim payments in accordance with article 3.8.

15.6 The funds for this Contract are provided to Hivos by a third party. In case this party amends or terminates its contract or agreement with Hivos, and this change is not due to malperformance of Hivos, Hivos has the right to amend or terminate the Contract and pending payments with the Implementing Organisation accordingly.

15.7 In case Hivos is forced to accept that any public or private body takes the place of the Implementing Organisation or assumes a power of decision (with regard either to the Implementing Organisation or to the activities as described in the Application) such that the original Implementing Organisation can no longer be regarded as being responsible for implementation of the activities as described in the Application, Hivos has the right to terminate the contract. Unless consultation is no longer possible or worthwhile, the Contract shall not be terminated in such cases before consultation has taken place between Hivos and the Implementing Organisation. If Hivos terminates the Contract, it may also stipulate whether and, if so, to what extent the Implementing Organisation must repay the amounts it has received.

16. Force majeure

- 16.1 In the event either party is unable to perform its obligations under the terms of this Agreement because of any unforeseeable events not within the control of either party to this Contract (also known as force majeure events), such party shall not be liable to the other for any damages resulting from such failure to perform or otherwise from such causes.
- 16.2 This refers to acts of God, strikes, civil disorder, military action, lock-outs or other industrial disturbances, acts of terror, wars whether declared or not, blockades, insurrection, riots, epidemics, pandemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosion or damage reasonably beyond its control, or other causes reasonably beyond its control.
- 16.3 The affected Party will use reasonable effort (under the circumstances) to notify the other Party of the circumstances causing the delay and to resume performance as soon as possible.
- 16.4 Each of the parties may terminate the agreement when the prevailing conditions makes impossible the implementation of the agreement for a continuous period of more than ninety days.

17. Miscellaneous

- 17.1 Hivos shall have the right to amend these General Terms and Conditions. The amended General Terms and Conditions shall apply to all new Contracts and to all current agreements after the existing partners have received (at least) 1 month prior written notification of the changes.
- 17.2 Parties agree that all actions and/or proceedings arising under or in connection to this Agreement shall be brought before the competent court in the district of The Hague, The Netherlands, unless the Parties mutually agree to a different court in writing.
- 17.3 The Contract shall be governed by Netherlands law.
- 17.4 Authorized Representatives: any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by Hivos or Implementing Organisation may be taken or executed by the officials specified in the signed Contract.
- 17.5 Communications: any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing.

- 17.6 Taxes and Duties: the contract amount is deemed to be inclusive of all taxes and duties. In no event shall Hivos be responsible for the payment or reimbursement of any additional Taxes and Duties incurred due to non-compliance with legal obligations. In the event that any additional Taxes and Duties are imposed on the Implementing Organisation, or their respective Personnel, the Contract Amount shall not be adjusted to account for such Taxes. In addition, taxes and duties are not eligible if the partner, project or fund provider is eligible for tax exemptions on such taxes and duties.
- 17.7 Equipment, Vehicles and Materials Furnished by Hivos fund: although the title in Equipment, vehicles and materials made available to the Implementing Organisation by Hivos can vest with the implementing partner, the assets shall be the property of the fund provider and shall be marked accordingly. The Implementing Organisation will ensure that such items will continue to be used for the purpose set out within this Arrangement. In the event of such goods or services being used for other purposes, the Implementing Organisation must notify Hivos immediately and in writing. Upon termination or expiration of this Contract, Implementing Organisation shall make available to Hivos an inventory of such equipment, vehicles and materials and shall dispose of such equipment, vehicles and materials in accordance with Hivos' consent.
- 17.8 Conflict of Interest: The Implementing Organisation shall undertake all necessary precautions to avoid conflicts of interests and shall inform Hivos without delay of any situation constituting or likely to lead to any such conflict. Neither the Implementing Organisation nor any individual employed or contracted by the Implementing Organisation shall engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to this agreement. There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Contract is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

APPENDIX 1. HIVOS MINIMUM STANDARDS FOR FINANCIAL MANAGEMENT

1) General

- The Board and management should exercise adequate financial oversight to assure sound governance and compliance with regulatory and funding conditions. The implementing Organisation should have written Finance policies and procedures approved by the Board (or other Governance arm) which form the basis for financial management processes and controls.

2) Internal controls

- There should be segregation of functions within the Implementing Organisation to guarantee the integrity of financial transactions. There should be adequate (preventive and detective) checks and balances in all (financial and non-financial) processes which guarantee sound internal control.
- Use of cash should be minimized for transacting and applied when unavoidable subject to adequate controls to assure (1) that funds are used only for the intended purpose (2) expenses supported with credible third party proof of expenditure

3) Banking accounts

- Funds shall be kept in a designated organisational bank account signed by at least two persons jointly and disbursements paid through bank transfers. All bank accounts to be maintained in the name of the Implementing Organisation and there should be clear separation between the Implementing Organisation and individuals that founded or run its operations.
- Hivos may require its project funding to be maintained in a separate bank account. This requirement will be stated in the contract. When this requirement is stipulated, all payments should be settled from the project specific bank account and supported with original documents.
- All payments of the project must be linked to a bank statement for a complete cycle of the payment's accounting process. Bank transactions should be reconciled to the bank statements (monthly) and regular financial statements compiled comparing actuals to the approved budgets.

4) Currency exchanges and exchange rates

- Project funds received in foreign currency will be exchanged (and transferred to the local currency bank account) at the best possible exchange rate through authorised exchange dealers (financial institutions) and evidence of this exchange to be maintained as an accountable document.
- An Implementing Organisation that liquidates Hivos funding into local currency shall convert all expenses to reporting currency at the rate at which the Hivos remittance was liquidated to local currency (based on first in first out basis). An Implementing Organisation that retains Hivos funds in foreign currency shall convert transactions in local currencies at the spot rate.

5) Accounting package

- The Implementing Organisation should make use of an appropriate accounting package or other software for recording financial transactions. Use of spreadsheets is not encouraged but accepted (for smaller emerging Implementing Organisations) with requisite controls for safeguarding the integrity of the accounting data. Financial reports should have a direct link to the accounting package general accounting ledger.

6) Audit trail and approvals

- All transactions should be adequately documented and supported with original supporting documents (such as approved payment requisitions, invoices, contracts, proof of delivery, competitive bids if applicable). Segregation of the roles between those initiating payments and those responsible for approving payments should be visible on the supporting documents.
- All staff costs should be supported with approved payrolls and/or pay slips, time sheets (as applicable) and contracts of employment.

7) Use of project funds

- Hivos funds will be applied exclusively on the approved project and budget, any funds that are not used or acquitted will be returned to Hivos. Hivos funding cannot be used for loans or other advances which are not related to the project.
- Hivos funds can be maintained in an interest-bearing account but should not be invested in speculative activities. Interest or exchange gains realized on Hivos grants should be used in the project and Hivos reserves the right to reduce its financial contribution by the amount of interest or exchange gain realized. In the event of realizing an exchange loss, the Implementing Organisation can propose an adjustment of the approved budget.

8) Travel and subsistence costs

- Travel and subsistence costs should be supported with adequate proof of travel and real costs incurred for bona-fide activities of the project. Use of per-diems is permitted based on an approved policy and rates commensurate with real costs (equivalence). Travel and subsistence costs should be subject to adequate control to avoid wasteful expenditure and any unspent trip advances returned to the organisation.

9) Allocated indirect costs

- Apportioned office costs (costs shared between different projects) should be supported with a valid 'cost share' policy applied by the implementing organisation.

10) Procurement rules and minimum thresholds

- Significant procurements should be supported with 3 quotations (for firms in the same class). Exceptions should be adequately documented and approved by the relevant authority. Grantees should apply own procurement policies or procedures on condition they are stricter than the Hivos minimum standards below.

Threshold	Procedure	Description
€0-€5,000	Single sourcing	No competition, single tender based on prequalified suppliers list
€5,001-€100,000	3 Quotations	Evaluate using quotation comparison form/grid
Above €100,001*	Informal competition	With terms of reference, financial & technical evaluation by an evaluation Committee, minimum 3 bids or quotations

* Above €100,000 Tendering procedures apply if stipulated by the donor

- Hivos reserves the right to apply stricter purchasing procedures or limits in line with the requirements of a specific Fund provider.

11) Related party transactions

- Related party transactions should be strictly avoided and only permissible subject to declaration of interests, competitive bidding (to guarantee value for money) and fair valuation of purchases/sales.
- No employee or Director may be involved in any decision-making process, or seek in any way to influence it, where he/she may be in a position to gain privately from the decision or his/her relatives are involved. All employees shall disclose forthwith any or potential conflict of interest and seek approval before proceeding.

12) Capital expenditure

- Hivos funds capital expenditure only in exceptional and negotiated cases. In such cases the Implementing Organisation should implement appropriate controls (including an asset register) for ensuring that the assets are used for the Implementing Organisation's benefit. The assets should be clearly tagged and listed in the project financial reports in accordance with the accounting policy of the Implementing Organisation.
- Title to the acquired assets will vest with the Implementing Organisation and Hivos reserves the right to claim capital assets at the end of a contract relationship. Transfer of ownership of such assets and/or the disposal of such assets is not allowed without Hivos' explicit consent.

13) Eligibility of expenses

- The implementing partner shall strictly avoid ineligible costs including (but not limited to) the following : Fraudulent/Falsified claims, Unsupported costs, HR costs not supported by approved contracts (and time sheets if applicable), recoverable Value Added Tax , fines and penalties accrued as a result of non-compliance, bribes and facilitation payments, costs already financed by any other donor, wasteful expenditure, expenses incurred before the start date of the contract or after the end date, costs not included in the approved budget.
- Expenses incurred (but paid) after the contract end date are recognized on the accrual basis. Provisions for expenses related to the project but incurred after the contract end date can be included (example audit fees).

APPENDIX 2. PARTNER OBLIGATIONS TO PREVENT AND DETECT FRAUD, CORRUPTION AND INTEGRITY VIOLATIONS

Fraud is defined as conduct that results in someone obtaining an advantage, avoiding an obligation or causing a loss to another party dishonestly.

Corruption is defined as dishonest behaviour by those in positions of power or an act done with intent to give some advantage which is not consistent with official duty and the rights of others. It includes giving or accepting bribes or inappropriate gifts.

Hivos seeks to attain the highest levels of financial management and accountability and therefore has zero tolerance for any form of corruption, theft, fraud and dishonesty. Hivos therefore expects all Implementing Organisations to take proactive measures to prevent, deter and detect any acts of corruption, fraud or integrity violations that may occur within its Staff, Implementing Organisations, beneficiaries and service providers.

Implementing Organisations should implement adequate measures to prevent the occurrence of fraud and corruption, such measures include installation of sound internal controls, establishment of an anti-fraud culture, implementing and supporting the whistle blowing facility, and measures for preventing conflict of interests and regular disclosure and declarations of interests.

Additionally, Implementing Organisations should implement measures to detect and identify acts of fraud and corruption which include regular compliance checks, monitoring of fraud warning signals and implementation and support of the whistle blower facility (with additional safeguards to encourage anonymous disclosure to the Board and donors).

No employee, Implementing Organisations (and their employees), beneficiaries and service providers may falsify or otherwise provide false information. Any Implementing Organisation who engages in such illegal actions shall be subject to contract termination as provided in section 14.4 of the general conditions to the grant contracts.

The following will be considered ineligible expenses as regards fraud, corruption and bribery

- Falsified claims
- Facilitation payments (bribes) for services
- Expenses charged to another donor/grant
- Excessive or reckless expenditure

As a basic principle Hivos does not condone the payment of bribes. These include, but are not limited to, illegal charges imposed for the release of goods from customs, “taxes” levied by local authorities in addition to or beyond the legal maximum, or illegal charges imposed by local authorities in exchange for mission registration, programme approval, visa or work permits. No employee will accept a bribe of any kind”.

The Implementing Organisation should implement measures for internal whistleblowing, Hivos should be immediately notified of any fraud or other act of impropriety involving Hivos funds, by reporting to your Hivos contact person or through the Hivos reporting and Whistle blower channels (Appendix 3). Hivos expects Implementing Organisations to take timely and appropriate steps (civic or criminal) to recover any losses resulting from fraud, corruption and other acts of impropriety.

The Hivos Whistle-blower procedure applies to all Implementing Organisations funded by Hivos (see Appendix 3). Individuals can make use of the whistle-blowers procedure to report or protest the occurrence of irregularities and malpractices which undermine the Hivos funded programme or project objectives. Hivos commits to protect all individuals who make such reports in accordance with the Hivos Whistle blower procedure.

APPENDIX 3. HIVOS COMPLAINTS PROCEDURE AND WHISTLE-BLOWER FACILITY

Our standards

Hivos aims to be a transparent organization, providing *high-quality service* to implementing partner organizations, consultants and service providers. Our procedures are designed to be reliable, transparent and accountable.

Hivos seeks to maintain the highest standards of financial management and accountability. We therefore have *zero-tolerance for any form of corruption, theft, fraud or dishonesty*.

Hivos also has a zero-tolerance policy towards sexual exploitation, abuse and harassment (known as SEAH), physical violence, child abuse, human trafficking and modern slavery.

Where to report what

Hivos has a strict non-retaliation policy. This means that stakeholders who raise concerns in good faith via any of the channels described below will be protected and are not be penalized in any way for doing so.

Report type	Reporting channel
1. Complaints regarding quality and service	Hivos contact or respective Line Manager
2. Safeguarding violations such as sexual exploitation, harassment or abuse (SEAH)	safeguarding@hivos.org Hivos facility for reporting safeguarding violations -NotMe
3. Reports of Fraud, corruption, conflict of interest, ethical and integrity violations	whistleblower@hivos.org

How to access NotMe - Download or use the #NotMe WebbApp following 3 easy steps (1) Download the app (2) Create your account with option to disclose your identity or remain anonymous and log in (3) Link to Hivos organization with a QR code or PIN H1VOS

Complaints regarding quality or service can be channeled through your Hivos contacts or their Line Manager. The Hivos contact or their line Manager has a responsibility to try to solve the issue promptly and discreetly or escalate the matter (as appropriate). Reporting will help us solve the problem, learn from our mistakes and continue to improve our performance. Suggestions for improvements are most welcome.

Handling of Safeguarding reports all safeguarding cases will be reported through the dedicated Hivos facility for reporting safeguarding violations; NotMe. Reports can also be sent to safeguarding@hivos.org. Hivos has a dedicated Safeguarding Manager to assure that all cases are handled in a sensitive, confidential and survivor centred manner. All reports are referred to designated experts for review, response and investigation guided by the Hivos Safeguarding policy. Hivos staff or partners can reach out to the specialist to report any safeguarding incidents that they have experienced or witnessed, particularly cases of sexual exploitation, harassment or abuse (SEAH) or other forms of serious and intentional abuse. Hivos will respond within 48 hours with confirmation of receipt and information on the next steps guided by the Hivos Safeguarding policy. The Hivos Safeguarding policy sets the standard investigation time at 8 weeks.

Handling of fraud and integrity reports Rights-holders, partners, members of the public or staff are invited to report any incidences of financial misconduct such as fraud, corruption, conflict of interest and other ethical or integrity violations by Hivos staff or partners. It is expected that informants can and will provide evidence based on their first-hand experience of the issue reported. Reports will be referred to suitably qualified and experienced experts that will review and substantiate the reported incidences. Hivos will respond within 2 weeks with confirmation of receipt and information on the next steps guided by the Hivos fraud response procedure.