

Hivos Mini-grants 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").
- 1.2 Hivos and the Implementing Organisation are hereinafter jointly referred to as the "Parties".
- 1.3 The institute or organisation granting the funds to Hivos under specific project conditions is hereafter referred to as "the fund provider".

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.
- 3.2 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 details".
- 3.3 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 Clause 5 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 and human trafficking and modern slavery as soon as possible when they are disclosed or failed to prevent or respond to these matters using a survivor-centered approach;
 - f) fails to report or take timely and appropriate steps to investigate incidents of fraud, corruption or integrity violation.
- 3.4 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.
- 3.5 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.
- 3.6 Hivos reserves the right to reclaim its payments, partly or in full, if the Implementing Organization does not comply with its obligations vis-a-vis Hivos in general, and in particular as stipulated under the articles 3, 4, 5. The right of Hivos to reclaim its payments does not affect its rights to terminate the Contract in accordance with article 7.3.
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. Financial management shall be conducted in accordance with the Hivos minimum standards of Financial management (Appendix 1).
- 4.3 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.
- 4.4 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.
- 4.5 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.

5. Reports and obligation to provide information
 - 5.1 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.
 - 5.2 Unless otherwise agreed in the contract, the implementing organisation must submit to Hivos a narrative report. The report must comply with the reporting guidelines sent along with the contract.
 - 5.3 Unless otherwise agreed in the contract, the implementing organisation must submit to Hivos a financial report. The report must comply with the reporting guidelines sent along with the contract. Depending on the implementation period, fund provider requirements, and capacity assessment Hivos may stipulate periodic reports (6 months, quarterly or other regular frequency) for monitoring the progress of the project. This will be stated in the contract.
 - 5.4 Hivos requires all financial reports to be supported with 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)). The financial reports should be appropriately linked to the detailed ledgers and bank statements submitted alongside the financial report and should compare actual expenses with the approved budget.
 - 5.5 Hivos will assess the financial reports through 2 methods:
 - (1) Desktop expenditure verification process: Hivos will select a sample of expenses for which the Implementing Organisation is requested to submit scanned proof of expenditure.
 - (2) Hivos on-site Compliance checks: Hivos undertakes an onsite visit to the Implementing organisation for on-site checks and verification of expenses which include a review of the overall internal control environment of the project. Hivos has a right to review the overall financial health of the implementing organization during such compliance checks.
 - 5.6 The Implementing Organisation is obliged to refund Hivos for any expenses deemed ineligible or they will be deducted from the remaining contractual remittances due to the Implementing Organisation.
 - 5.7 All reports shall be written in the language of the Contract, unless otherwise agreed.
6. Liability
 - 6.1 The implementing organisation is responsible for the performance of the activities described in the Application. 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.
 - 6.2 The limitations of liability stated in this article do not apply if and insofar as the damages are a result of willful misconduct or gross negligence on the part of Hivos.

7. Termination

- 7.1 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.
- 7.2 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 4 and 5 of the General Terms and Conditions. The aforementioned obligations will end after approval of all mandatory reports by Hivos.
- 7.3 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:
- a) 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;
 - b) 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;
 - c) 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;
 - d) the Implementing Organisation is engaged in child labor according to the definitions of the International Labor Organisation or violates prevailing labor laws or prevailing environmental laws;
 - e) the Implementing Organisation tolerates discrimination or sexual harassment within the organisation;
 - f) the Implementing Organisation actively supports discrimination in general, for instance on the basis of race, religion, national origin, caste, color, sex, age, veteran status, sexual orientation or disability;
 - g) the Implementing Organisation is no longer able or willing to implement the Contract in accordance with the Application;
 - h) the Implementing Organisation does not submit mandatory reports within eight months;
 - i) the implementing partner benefits and/or profits from the labor of people whose work is not retributed based on the country's standards concerning salary, benefits, resting days, leave, social protection contributions, etc.;
 - j) the implementing partner benefits and/or profits from the labor of people who are coerced to work and/or find themselves working for this company as a result of having been trafficked.

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 3.5.

- 7.4 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.

- 7.5 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. 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, storms, floods, washouts, earthquakes, lightning, civil disturbances, explosion or damage reasonably beyond its control, or other causes reasonably beyond its control.
8. Miscellaneous
- 8.1 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.
- 8.2 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.
- 8.3 The Contract shall be governed by Netherlands law.
- 8.4 Any complaints or reports related to fraud, integrity or safeguarding violations can be communicated to Hivos using the complaints and Whistle blower channels listed in Appendix 2.

APPENDIX 1 - HIVOS MINIMUM STANDARDS FOR FINANCIAL MANAGEMENT

The Implementing partner is bound by the following minimum standards of Financial management

- 1) Funds shall be kept in a designated bank account authorised by at least two persons jointly and disbursements are paid through bank transfer.
- 2) Use of cash should be minimized for transacting and applied when unavoidable subject to adequate controls to assure that: (1) funds are used only for the intended purpose; (2) expenses supported with credible third-party proof of expenditure.
- 3) Bank transactions should be reconciled to bank statements and financial statements regularly compiled to compare actuals to the approved budget.
- 4) Project funds received in foreign currency will be exchanged or liquidated to local currency at the best possible exchange rate through authorised exchange dealers (financial institutions) and evidence of this exchange to be maintained as an accountable document.
- 5) 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).
- 6) All staff costs should be supported with approved payrolls and/or pay slips, time sheets (as applicable) and contracts of employment.
- 7) Significant procurements above €/\$5,000 should be supported with comparison of 3 quotations (for firms in the same class). Exceptions should be adequately documented and approved by the relevant authority.
- 8) Travel and subsistence costs should be supported with adequate proof of travel and expenses incurred for bona-fide activities of the project. Use of per-diems is permitted based on approved policy and per-diem rates commensurate with real cost (equivalence).
- 9) Apportioned office costs (costs shared between different projects) should be supported with a valid 'cost share' policy applied by the Implementing organisation.
- 10) Related party transactions should be strictly avoided and any actual or potential conflict of interests should be declared (and approval sought from Hivos before proceeding).
- 11) The title to assets acquired with project funds will vest with the implementing partner. Disposal of such assets and/or change of ownership to a third party is not allowed without Hivos approval.
- 12) Projects funds will be applied exclusively on the approved project and budget and unutilised balances will be returned at the end of the project period.
- 13) 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.
- 14) The Implementing partner must submit financial report to account for the use of the grant (with visible link to the narrative report). The financial report shall be supported with a detailed ledger (and bank statements) to enable expenditure verification by the Hivos and/or external audit (by an Auditor engaged by Hivos to certify the use of the grant).
- 15) Hivos should be immediately notified of any fraud, losses or integrity violations related to the grant. Willful fraud and integrity violations will lead to termination of the sub-grant and can be followed with criminal or civil action.
- 16) The report should contain (at the minimum)
 - i. An overview of all income and expenditures, using the same headings as the approved budget;
 - ii. Explain (major) differences in expenditures, compared with the original budget;
 - iii. State the exchange rate at the moment of each Hivos payment;
 - iv. Provide the detailed ledgers that support each of the costs included in the report (needed for expenditure verification by Hivos);
 - v. Provide the bank statement reflecting the transactions and balance (if applicable).

APPENDIX 2. 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 platform
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 centered 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.