

(1) LOUGHBOROUGH UNIVERSITY

AND

(2) **PARTY 1**

GRANT DISBURSEMENT AGREEMENT

Research Office
Loughborough University
Leicestershire LE11 3TU
Research@lboro.ac.uk



This Agreement is made as of the date of last signature hereof

BETWEEN

- (1) **LOUGHBOROUGH UNIVERSITY**, an exempt charity established by Royal Charter with number RC000332, whose office is at Ashby Road, Loughborough, Leicestershire LE11 3TU (“**the Partner**”); and
- (2) **[PARTY 1], [LIMITED] OR [PLC]**, [a company registered in [England] under number [insert number], whose registered office is at [insert address of registered office] **OR** [insert status of the Collaborator, e.g. NHS Trust] of [insert address of principal office] (“**Downstream Partner**”),
the Partner and the Downstream Partner each a “party” and collectively the “parties”.

RECITALS

- A. The Partner has been awarded funding in the form of a grant from the Government of the United Kingdom of Great Britain and Northern Ireland acting through Department for International Development (DFID), to carry out and oversee the project titled “Modern Energy Cooking Services Programme” (“Main Project”) and which is subject to the Accountable Grant Arrangement between DFID (“the Funding Body”) and Loughborough University (“Accountable Grant Arrangement”)
- B. As part of the Main Project, the Partner is permitted to make a number of awards to certain third parties (“Downstream Partners”) in the form of grant disbursements, pursuant to successful applications to carry out further projects (“Sub-project”).
- C. This Grant Disbursement Agreement (“this Agreement”) sets out the terms and conditions on which this Sub-project shall take place.

Agreed terms

1. Interpretation

The following definitions and rules of interpretation apply in this Agreement.

1.1 Definitions:

Agreement: this document, including its Schedules

Commencement Date: XXX

Completion Date: XXX

Accountable Grant Arrangement: the Funding Body terms and conditions as set out in schedule 2.

Term: the period described in clause 3.

Deliverables: the outputs set out in the Downstream Partner's successful application attached as schedule 1.

- 1.2 Clause, Schedules and paragraph headings shall not affect the interpretation of this Agreement.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedules.
- 1.5 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.6 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.8 This Agreement shall be binding on, and enure to the benefit of, the parties to this Agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.
- 1.9 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.10 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.11 A reference to **writing** or **written** does not include fax.
- 1.12 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.13 Any reference to an English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to that which most nearly approximates to the English legal term in that jurisdiction.

- 1.14 A reference to **this Agreement** or to any other agreement or document referred to in this Agreement is a reference to this Agreement or such other agreement or document as varied or novated (in each case, other than in breach of the provisions of this Agreement) from time to time.
- 1.15 References to clauses and Schedules are to the clauses and Schedules of this Agreement and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.16 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. Accountable Grant Arrangement

The terms and conditions set out in this Agreement are in addition to the Accountable Grant Arrangement. The Downstream Partner shall also be bound mutatis mutandis by the terms and conditions of the Accountable Grant Arrangement except for those provisions that are specific to the Partner. In the event of a conflict between the terms of the Accountable Grant Arrangement and this Agreement, the specific conflicting term of this Agreement shall take precedence.

3. Commencement

This Agreement will come in effect on the Commencement Date and continue in full force and effect until the Completion Date, or until this Agreement is terminated in accordance with clause 12.

4. Sub-project

- 4.1 The Downstream Partner will carry out the Sub-project as set out in the application form.
- 4.2 The Downstream Partner warrants that it will obtain and maintain all regulatory and ethical licences, consents and approvals necessary to allow it to carry out the Sub-project and will carry out the Sub-project in accordance with all laws and regulations which apply to its activities under or pursuant to this Agreement.
- 4.3 The Downstream Partner shall co-operate with the Partner and shall provide the Partner with the information necessary for the Partner to carry out its obligations and enable the Partner comply with its obligations to the Funding Body as may be reasonably required from time to time.
- 4.4 The Downstream Partner warrants to the Partner that it has the full power and authority under its constitution and has taken all necessary actions and obtained all authorisations, licences, consents and approvals, to allow it to enter into this Agreement and to carry out the Sub-project.
- 4.5 Upon completion, the Downstream Partner shall deliver all Deliverables to the Partner within one (1) Month.

5. Disbursement

5.1 Disbursement of the Grant in relation to the Sub-project will be made by the Partner to the Downstream Partner in accordance with the following table..

Date	Disbursement Amount

5.2 All disbursement amounts set out above are inclusive of Valued Added Tax (and/or any similar tax including sales tax or any import duties and similar applicable government levies).

5.3 In the event that the Funding Body requires the reimbursement by the Partner of any sums related to the Sub-project under this Agreement, then to the extent that such requirements arise from the acts or omissions of the Downstream Partner, the Downstream Partner hereby agrees to reimburse the Partner the full sums received by the Downstream Partner together with any reasonable interest charged thereon.

5.4 Where the Funding Body withholds payment to the Partner in respect of the Sub-project carried out by the Downstream Partner, then the Partner shall be under no obligation to make payment of such sums to the Downstream Partner.

6. Auditing and Reporting

6.1 The Downstream Partner shall maintain and keep full, proper, separate accounts and financial records detailing its expenditure in relation to the Sub-project.

6.2 The Downstream Partner shall:

(a) during the Term allow the Partner and/or its auditors and any other authorised representatives by the Partner access to all and any information relating to the Sub-project during normal business hours on reasonable notice to inspect and where necessary to copy such accounts and records (including bank statements); and

(b) within thirty (30) days of any request by the Partner, the Downstream Partner shall provide to the Partner, any financial and non-financial statements and reports necessary for the Partner to fulfil it's obligations to the Funding Body.

7. Confidentiality

The parties shall not exchange any information of a confidential or sensitive nature under this agreement.

8. Press Release

The Downstream Partner will not use the Partner's name or logo in any press release or product advertising, or for any other promotional purpose or otherwise, without first obtaining the Partner's written consent.

9. Intellectual Property

In signing this Agreement, the Downstream Partner hereby grants to the Partner and to DFID a worldwide, non-exclusive irrevocable and royalty-free licence to use all the Material, where "use" shall mean, without limitation, the reproduction and publication for UK Government purposes as well as academic teaching and research.

10. Liabilities

- 10.1 The Downstream Partner represents and warrants to the Partner that any advice or information given by it or any of its employees or students who work or have worked on the Sub-project, and the content or use of the Intellectual Property Rights in the Deliverables, Background or materials, works or information provided in connection with the Sub-project, will not constitute or result in any infringement of third party rights.
- 10.2 Subject to clause 10.5 and except under the indemnities under clauses 10.3 and 10.6, the liability of a party for any breach of this Agreement or arising in any other way out of the subject-matter of this Agreement, will not extend to the loss of business or profit, or to any indirect or consequential damages or losses.
- 10.3 The Downstream Partner shall indemnify (on a full indemnity basis) and keep the Partner indemnified against each and every claim made against the Partner as a result of the Partner's use of the Materials.
- 10.4 Subject to clause 10.5 and in the event the Partner is liable, the total aggregate liability of the Partner for loss and/or damage under or in connection with this Agreement or its subject matter due to the Partner's breach, tort (including negligence), breach of statutory duty or otherwise howsoever arising shall not exceed the value of the Sub-Project set out in clause 5.1.
- 10.5 Nothing in this Agreement limits or excludes a party's liability for: (i) death or personal injury resulting from their negligence; or (ii) fraud or (iii) the indemnity in clause 10.6 or for any sort of liability which, by law, cannot be limited or excluded.
- 10.6 The Downstream Partner shall indemnify the Partner on a full indemnity basis and keep the Partner fully and effectively indemnified against each and every claim made against the Partner as a result of any breach or non-compliance of any EU legislation on State Aid committed by the Downstream Partner.

11. Termination

- 11.1 This Agreement may be terminated by the Partner; (i) immediately in the event of termination of the Accountable Grant Arrangement by the Funding Body; or (ii) for any other reason by giving thirty (30) days' written notice.

12. Force Majeure

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control. In such circumstances the affected party shall, where reasonably possible, be entitled to a reasonable extension of the time for performing such obligations. If the period of delay or non-performance continues for 2 months', the party not affected shall be entitled to terminate this Agreement by giving 30 days' written notice to the affected party.

13. Assignment and other dealing

This Agreement is personal to the parties and the Downstream Partner shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of its rights and obligations under this Agreement, without first obtaining the written consent of the Partner.

14. Announcements

The Downstream Partner shall not make, or permit any person to make, any public announcement concerning the existence, subject matter or terms of this Agreement, the wider transactions contemplated by it, or the relationship between the parties, without the prior written consent of the Partner (such consent not to be unreasonably withheld or delayed), except as required by law, any governmental or regulatory authority, any court or other authority of competent jurisdiction.

15. Entire Agreement

- 15.1 This Agreement together with the Schedules constitutes the entire Agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 15.2 To the fullest extent permitted by law, the Downstream Partner agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. The Downstream Partner agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.

16. Costs

Except as expressly provided in this Agreement, the Downstream Partner shall pay its own costs incurred in connection with the negotiation, preparation, and execution of this Agreement.

17. Variation

No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

18. Waiver

A waiver by the Partner of any right or remedy in respect of any breach of any term or condition or requirement of this Agreement shall not prevent subsequent enforcement thereof and shall not be deemed to be a waiver of any right or remedy in respect of any subsequent breach.

19. Severance

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

20. No Partnership or Agency

20.1 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

20.2 The Downstream Partner confirms it is acting on its own behalf and not for the benefit of any other person.

21. Notices

21.1 Any notice given to a party under or in connection with this Agreement shall be in writing and shall be delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case). Any notices to the Partner shall be marked for the attention of the Director of the Research and Enterprise Office and any notices to the Downstream Partner shall be marked for the attention of the XXX.

21.2 Any notice shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt; or
- (b) if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service.

21.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

21.4 A notice given under this Agreement is not valid if sent by email.

22. Modern Slavery, Anti-bribery and Anti-corruption

The Downstream Partner shall procure that in carrying out their obligations and rights under this Agreement, they will comply with equality, modern slavery, anti-bribery and anti-corruption legislation or any legislation of the same nature in force during this agreement and promptly notify the Partner of any breach of this clause. If such an offence is committed by the Downstream Partner, the Partner shall be entitled to terminate this Agreement with immediate effect and recover from the Downstream Partner all losses resulting from such termination.

23. Counterparts

23.1 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one Agreement.

23.2 Transmission of an executed counterpart of this Agreement (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Agreement.

23.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

24. Third Party Rights

Unless it expressly states otherwise, this Agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

25. Multi-tiered Dispute Resolution Procedure

25.1 If a dispute arises out of or in connection with this Agreement or the performance, validity or enforceability of it ("**Dispute**"), then the parties shall follow the procedure set out in this clause:

- (a) either party shall give to the other written notice of the Dispute, setting out its nature and full particulars ("**Dispute Notice**"), together with relevant supporting documents. On service of the Dispute Notice, the lead representatives of each party shall attempt in good faith to resolve the Dispute;
- (b) if the lead representatives for any reason are unable to resolve the Dispute within thirty (30) days of service of the Dispute Notice, the Dispute shall be referred to the appropriately senior officers of no less than Director level of each party, who shall attempt in good faith to resolve it; and
- (c) if for any reason the individuals in (b) are unable to resolve the Dispute within forty-five (45) days of it being referred to them, then the parties will attempt to settle by mediation

in accordance with the Centre for Effective Dispute Resolution (“**CEDR**”) Model Mediation Procedure. Unless otherwise agreed between the parties, the mediator will be nominated by CEDR. To initiate the mediation a party must give notice in writing to the other parties to the dispute requesting a mediation. A copy of the request should be sent to CEDR. The mediation will not start later than thirty (30) days after the date of such notice.

- (d) No party may commence any court proceedings in relation to any dispute arising out of this Agreement until it has attempted to settle the Dispute by mediation pursuant to the provisions of the clauses 25.1(a), 25.1(b) and 25.1(c) above and either mediation has terminated, or a party has failed to participate in the mediation, provided that the right to issue court proceedings or apply for an interim injunctive relief is not prejudiced by a delay.

26. Governing Law

Subject to clause 25, this Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

27. Jurisdiction

Subject to clause 25, the Downstream Partner irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation.

This Agreement has been entered into on the date stated at the beginning of it.

**Signed by and on behalf of
Loughborough University**

Signed

Name

Title

Date

**Signed by and on behalf of
XXX**

Signed

Name

Title

Date

SCHEDULE 1

SUB-PROJECT

SCHEDULE 2

MAIN AGREEMENT CONDITIONS

Accountable Grant Arrangement

Between

The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Department for International Development ("DFID")

and

Loughborough University ("the Partner")

together called "the Participants"

DFID Project Name: **Modern Energy Cooking Services Programme**

DFID Project Number: **300123-101**

Payment reference: **PO40114819**

1. In any correspondence with DFID with regard to this Arrangement, reference must be made to the Project Name and Project Number shown above.

Provision of grant

2. The arrangements and the purpose for which the grant will be used are set out in this Accountable Grant Arrangement, its annexes and the corresponding proposals, **Annex A - Accountable Grant with Loughborough University; Modern Energy Cooking Services; Annex B - Modern energy cooking Services, DFID proposal**; and budget, collectively referred to as "this Arrangement".

3. The project to which this Arrangement relates will start on **01 October 2018** and end on **30 September 2023** ("Project End Date") unless terminated earlier. DFID will make available an amount not exceeding **£12,450,000, Twelve million, four hundred and fifty thousand pounds sterling**. The amount is expected to be allocated across the following years.

DFID Financial Year	Annual Allocation (£GBP)
1 Apr 2018 – 31 Mar 2019:	£700,000
1 Apr 2019 - 31 Mar 2020:	£2,800,000
1 Apr 2020 - 31 Mar 2021:	£2,800,000
1 Apr 2021 - 31 Mar 2022:	£2,800,000
1 Apr 2022 31 Mar 2023:	£2,350,000

4. The funding amount is subject to revision and is depend on the fulfilment of the provisions of this Arrangement, any revisions to budgets, actual expenditure and need and the continuing availability of resources to DFID.

Status and compliance with the law

5. The Partner is registered as a not for profit organisation and has the capacity to comply with the provisions set out in this Arrangement. If not previously provided, the Partner must provide evidence of its status to DFID. The Partner must notify DFID immediately if its status changes in any way.

6. The Partner and any person, organisation, company or other third party representative engaged as part of this project (“Downstream Partners”) will at all times comply with relevant legislation, regulations and rules both in the UK and locally in the countries in which it is operating. All Partners will comply with their reporting obligations to relevant national and international bodies such as the Charity Commission for England and Wales.

Prevailing language and amendments

7. In the event of translation, the English text of this document will prevail.

8. Any amendments to this Arrangement will be set out in writing and approved through DFID’s standard amendment letter or, where appropriate, a revised Arrangement.

Eligible expenditure

9. The funding amount is to be used solely for costs included as part of the budget agreed with DFID for the delivery of the outputs and outcomes set out in the **logframe** included as part of this Arrangement.

10. DFID funding will not be used to meet the costs of any other expenditure, in particular (but non-exhaustively) those items in the list below. This list does not override activities which are deemed eligible and explicitly agreed as part of this Arrangement:

- lobbying UK government, i.e. activities which aim to influence or attempt to influence Parliament, UK government or political activity, or UK legislative or regulatory action;
- activities which directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
- to petition UK Government for additional funding;
- input VAT reclaimable by the grant recipient from HMRC;
- activities which may lead to civil unrest;
- activities which discriminate against any group on the basis of age, gender reassignment, disability, race, colour, ethnicity, sex and sexual orientation, pregnancy and maternity, religion or belief;
- interest payments or service charge payments for finance leases;
- gifts;
- statutory fines, criminal fines or penalties;

- payments for works or activities which the grant recipient, or any member of their Partnership has a statutory duty to undertake, or that are fully funded by other sources;
- activities in breach of EU legislation on State Aid;
- bad debts to related parties;
- payments for unfair dismissal or other compensation;
- to replace or refund any funds lost to Aid Diversion

11. DFID Smart Rules provide further details on how aid funds can and cannot be spent. In case of any doubt, the Partner should consult DFID in advance. Smart Rules are available online: <https://www.gov.uk/government/publications/dfid-smart-rules-better-programme-delivery>.

12. Additionally, DFID funds will not be used, unless explicitly agreed by DFID in writing in advance, to meet the cost of any import, customs duties or any other taxes or similar charges applied by local Governments or by any local public authority.

Digital Spend

13. The UK government defines digital spend as any external-facing service provided through the internet to citizens, businesses, civil society or non-government organisations. This includes any spend on web-based or mobile information services, websites, knowledge or open data portals, transactional services such as cash transfers, web applications and mobile phone apps.

14. The Partner will ensure that all [digital spend](#) related to this Arrangement is carried out in a manner consistent with the [Principles for Digital Development](#)

15. The Partner and its Downstream Partner(s) will notify the DFID programme team of any proposed digital spend prior to carrying out any digital activities. DFID will then engage the respective Partner or Downstream Partner to complete the Digital Spend Proposition Form. The DFID programme team will seek final approval from DFID's Digital Team.

Disbursement and reporting

16. The funding amount approved is as per the Sterling (GBP) value, as at the date of signature of this Arrangement. DFID's preferred currency for disbursements is in GBP. Where it is more efficient to pay in foreign currency, DFID may do so, however, the funding amount will still be that approved in GBP as at the date of signature of this Arrangement.

17. The Partner is responsible for monitoring and managing any exchange rate fluctuations across the life of the project. Where significant exchange rate gains or losses are being accumulated the Participants will jointly decide how these are managed.

18. Where costs are incurred in foreign currency the Partner will use the exchange rate stated in OANDA (www.oanda.com) for the date on which the purchase was made or services acquired by the Partner, unless, by exception, explicitly approved in writing in advance.

19. In line with UK Government financial regulations, DFID will not pay in advance of operational or commercial need and justification will be required for any DFID payment prior to partner disbursement. Where a payment in advance is approved and the Partner is holding DFID funds, prior to disbursement, funds should be held in a minimum risk interest bearing account. Any interest accruing from these investments will be re-invested within the project.

20. When requesting payment the Partner should complete Annex 1: Partner Payment Request Form. Along with the request the Partner should provide detailed project financial reports that set out in both cash and resource terms actual expenditure to date against the approved project budget and quarterly forecast expenditure for DFID's financial year (1 April-31 March). Where payment in advance has been agreed, a copy of the Partner's justification and DFID's agreement should be included with each payment request. In multi-donor arrangements, these reports should clearly segregate the DFID proportion of funding.

21. DFID may, from time to time, request project financial reports for the calendar year in line with Official Development Assistance reporting requirements.

22. Payment will be made to the bank account details provided on the DFID supplier portal: <https://supplierportal.dfid.gov.uk/selfservice/>. Where payment is to go to a different account from the one already registered, the Partner must set up an additional entry on the portal. It is the Partner's responsibility to ensure that its bank details on the DFID portal remain accurate and the Partner should confirm the details for this Arrangement within the Payment Request Form for each payment.

23. All outstanding claims must be submitted no later than six months after the Project End Date.

24. The Partner will reimburse DFID any overpayment or erroneous payment made by DFID within 30 days of receiving a Sales Invoice.

25. The Partner will provide DFID with **quarterly** progress reports on the execution of this Arrangement that describe performance against indicators contained in the **logframe** and, where possible, the associated receipt and utilisation of the resources used to deliver these. Continuation of this Arrangement after year one will be dependent upon satisfactory progress and value for money being achieved each previous year.

26. DFID funds must be separately accounted for by the Partner and therefore readily identifiable at all times unless explicitly agreed otherwise and in writing by DFID.

27. As part of the regular reporting requirements outlined above, the Partner will provide a proportionate and meaningful assessment of how the specific needs of girls, women, boys and men are considered, and reflect to what extent women and girls have been included in design, implementation and monitoring. The Partner should also assess how DFID's contribution is contributing to reducing gender inequality including a specific assessment on progress against any gender related commitments made as part of this Arrangement and demonstrate consideration of potential unintended negative consequences, such as gender based violence.

28. The Partner will immediately notify DFID of any delay, obstruction or event which interferes with or threatens to interfere with this Arrangement. This includes any delay, obstruction or event which damages or is capable of damaging the reputation or integrity of DFID or that of the project.

29. The Partner will seek to ensure that beneficiary feedback is integrated in project design, mobilisation, delivery, monitoring, evaluation and annual review processes and takes account of the voices of both women and men. The Partner should work with, through and represent the diversity of communities in order to respond to their needs more effectively and strengthen accountability.

Due diligence

30. In utilising the resources, the Partner 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. The Partner will co-operate fully with any due diligence assessment by DFID or its agents, of the Partner's own internal controls and system prior to or during the implementation of this Arrangement and take appropriate action on any recommendations arising. Due diligence assessments may be conducted every 3 years or earlier if there is a significant change to the Partner's procedures and controls or operating environment. A range of tools may be used to conduct the assessment and continuation of this Arrangement will be dependent on the DFID being satisfied that the Partner has sufficient capacity and capability to deliver the project and manage DFID funds.

31. The Partner will undertake suitable due diligence and take the necessary steps prior to transferring DFID funds and at regular intervals throughout the implementation to assess the internal controls and systems of any Downstream Partners. These assessments will be shared with DFID, upon request and should determine, relative to project risk:

- the reliability, integrity and efficiency of the Downstream Partners' controls, systems and processes including compliance with relevant legislation, regulations, rules, policies and procedures;
- whether the Downstream Partner can successfully deliver the relevant outputs based on its processes, past experience and whether they have the sufficient staff capacity and capability available;

- the Downstream Partners' ability to correctly manage and account for aid monies and assets as well as its financial health; and
- where appropriate, whether the Downstream Partner has sufficient capacity and capability to properly monitor and control their implementing partners.

Delivery chain mapping

32. The Partner will maintain an up to date and accurate record of Downstream Partners in receipt of DFID funds and/or DFID funded inventory or assets. This delivery risk map should demonstrate how funds flow from the initial source to end beneficiaries, and the risks and potential risks along the chain.

33. The delivery chain risk map should be updated regularly by the Partner and when there are material changes to the project risk assessment and/or to delivery partners in the chain. As a minimum the Partner will provide DFID with an updated delivery risk map at the following intervals:

- within 60 days of the commencement of this Arrangement;
- annually, as part of the annual review Process; and
- at the end of the project, as part of the project completion review process

Audit and assurance

34. The Partner will within six months of the end of their financial year provide DFID with independent assurance that DFID funds have been used for the intended purposes. This includes for all financial years in which they receive and/or spend DFID funds under this Arrangement even where the end of the financial year is beyond the life of this Arrangement. The Partner will provide,

annual accounts audited by an independent and appropriately qualified auditor where DFID project funding is clearly segregated from other funds.

35. The Partner will ensure that all goods and services financed either fully or in part from DFID funds 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 Partner must notify DFID immediately and in writing and DFID may seek to recover from the Partner the value of the goods and services concerned.

36. The Partner will retain all records associated with this Arrangement for a period of not less than 5 years after the end of this Arrangement.

Information and data protection obligations

37. The Partner acknowledges that DFID is subject to the requirements of the Freedom of Information Act 2000, the Environmental Information Regulations 2004, the General Data Protection Regulation (GDPR) (EU) 2016/679, the Data Protection Act 2018 (DPA), subordinate legislation and guidance and codes of practice issued by the Information Commissioner and relevant Government Departments.

38. The Partner will assist and co-operate with DFID to enable DFID to comply with its information disclosure and data protection obligations.

39. The Partner will perform its obligations under this Arrangement in such a way as to protect the personal information of individuals.

40. The Partner will comply at all times with its obligations under the GDPR and DPA.

Transparency

41. The Partner will publish to the International Aid Transparency Initiative (IATI) standard on all its DFID funding within six months of the start of this Arrangement. DFID expects the Partner to publish to the IATI standard on all its non-DFID funding and for Downstream Partners to publish to the IATI standard on their funding. The intention of this commitment is to allow traceability throughout the delivery chain. For more details on IATI standards see: <http://www.aidtransparency.net/>

42. The Partner gives consent for this Arrangement (and any subsequent amendments) and associated funding information to be published on DFID's website.

Responsibility

43. The Partner is solely accountable for compliance with the provisions of this Arrangement including where the Partner engages any Downstream Partner(s). The Partner will reflect the provisions of this Arrangement as necessary in any arrangement(s) with any Downstream Partner(s) to ensure both the Partner and Downstream Partner(s) are compliant with the provisions of this Arrangement.

44. DFID will not be responsible for the activities of the Partner or any Downstream Partner(s) in connection to this Arrangement, nor will DFID be responsible for any costs incurred by the Partner or its Downstream Partner(s) in terminating their engagement or the engagement of any other person, company or organisation.

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

46. DFID may at any time during, and up to five years after the termination of this Arrangement, conduct or arrange for additional investigations, audits, on-the-spot checks and inspections to be carried out, or ascertain additional information where DFID considers it necessary. These may be carried out by DFID or any of its duly authorised representatives or agents. Access will be granted, as required, to all sites and relevant records. The Partner will ensure that necessary information and access rights are explicitly included within all funding arrangements with its Downstream Partner(s).

Risk management

47. The Partner 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.

48. The Partner will manage all risks in relation to this project unless otherwise agreed as part of the risk register and in writing with DFID. Where the Partner transfers risk to any Downstream Partner, the Partner will remain accountable to DFID for the effective management of that risk.

Cyber Security

49. Cyber security is the protection of systems, networks and data to prevent cybercrime. The Partner is responsible for managing cyber security risk under its own policies and procedures.

Procurement

50. The Partner will ensure that any procurement using DFID funds adheres to international best practice and applicable regulations, is transparent, fair and open and is designed to achieve value for money. Where the Partner does not have the skills or capacity to carry out high value procurement (>£100k), the DFID approved procurement supplier should be used.

51. Records of all procurement activity including but not restricted to, costs, volumes, suppliers, value for money, savings and efficiencies must be kept by the Partner and made available to DFID, upon request. DFID reserves the right to assess the procurement capacity and capability of the Partner at any time.

Assets and inventory

52. DFID considers equipment and supplies purchased in part or fully from DFID funds as project assets if they have a useful life of more than one year; and either (1) the purchase price or development cost of an individual asset is in excess of £500 or equivalent in local currency; or (2) is a group of lower value items that are mobile and considered attractive (e.g. mobile phones, cameras, laptops, tablets, satellite phones, vehicles, food, pharmaceutical products, relief packs, etc.) with a combined purchase price or development cost in excess of £500 or equivalent in local currency.

53. The Partner will establish and maintain an inventory of all such assets.

54. The Partner will ensure that a physical check of all assets takes place on at least an annual basis and submit to DFID an up to date inventory using the template provided in Annex 2:Inventory providing confirmation of the checks, alongside the annual accounts. Where possible the Partner should undertake these checks directly.

55. The Partner will be accountable for the appropriate use and control of inventory items, in line with this Arrangement.

56. The Partner will manage the risk of assets being lost, stolen, damaged or destroyed under its own policies and procedures. DFID expects the Partner to cover the cost of repairing or replacing lost, stolen, damaged or destroyed assets and should make a risk based decision on how best to do this. If the Partner decides to take out commercial insurance to cover lost, stolen, damaged or destroyed assets, DFID funds cannot be used to fund the premiums unless, by exception, explicitly approved in writing in advance.

57. DFID will retain ultimate ownership of all assets, specifically project assets, financial assets and information assets, until ownership transfer or asset disposal is otherwise approved in writing by DFID normally at the end of this Arrangement. The Partner should propose an appropriate disposal schedule to DFID in writing no later than 14 days before the Project End Date.

Health, safety and security

58. The Partner 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 Downstream Partners.

59. DFID funds cannot be used to fund any insurance premiums intended to cover medical expenses, injury or disablement, and death unless, by exception, explicitly approved by DFID in writing in advance.

Communication and branding

60. The Partner will collaborate with DFID and proactively look for ways to build support for development and raise awareness of DFID's funding. The Partner will explicitly acknowledge DFID's funding, in written and verbal communications about activities related to the funding, to the public or third parties, including in announcements, and through use, where appropriate, of DFID's "UK aid – from the British people" logo ('UK aid logo') in accordance with DFID standards for use of the UK aid logo, unless otherwise agreed in advance by DFID and in all cases subject to security and safety considerations of the Partner.

61. The Partner will provide a visibility statement using the template provided in Annex 3: UK Aid Visibility Statement of how and when they will acknowledge funding from DFID and where they will use the UK aid logo, which should be approved by DFID prior to the Partner releasing any public communications. The Partner will include reference to this in its progress reports and annual reviews.

62. The Partner may use the UK aid logo in conjunction with other donor logos, and where the number of donors to a project is such as to make co-branding impractical, acknowledgement of funding from DFID should be equal to that of other co-donors making contributions of equivalent amounts to the project.

Intellectual property

63. Intellectual property in all material (including, but not limited to, reports, data and designs, whether or not electronically stored) produced by the Partner or its personnel, members or representatives in the course of this Arrangement ("the Material") will be the property of the Partner.

64. In signing this Arrangement, the Partner hereby grants to DFID a worldwide, non-exclusive irrevocable and royalty-free licence to use all the Material, where "use" shall mean, without limitation, the reproduction and publication for UK Government purposes. The Partner will not be responsible for DFID's use of the Material.

Conflict of interest

65. Neither the Partner nor any individual employed or contracted by the Partner shall engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to this Arrangement.

Aid diversion

66. Aid Diversion is any event, including fraud, corruption, bribery, theft, terrorist financing, money laundering and other misuse of funds that prevents funds being directed to the aid outcomes or recipients intended.

67. The Participants will immediately and without undue delay inform each other of any event which interferes or threatens to materially interfere with this Arrangement, whether financed in full or in part by DFID, including credible suspicions of, or actual Aid Diversion. The Partner should assess credibility based on the source of the allegation, the content, and the level of detail or evidence provided.

68. The Partner should immediately contact DFID's Counter Fraud Section at reportingconcerns@dfid.gov.uk or +44 (0)1355 843747. All information will be treated with the utmost confidentiality. Information can also be reported directly to the DFID programme team managing where appropriate; this will be immediately passed on to DFID's Counter Fraud Section.

69. The Participants have a zero tolerance approach towards Aid Diversion, including any associated inappropriate behaviour. Both Participants will fully co-operate with investigations into such events, whether led by DFID or the Partner.

70. Notwithstanding any provisions in this Arrangement or other contractual requirements, DFID may recover from the Partner all or part of the funds paid under this Arrangement in the event of actual or suspected Aid Diversion.

71. Consistent with local and international legislation and applicable United Nations Security Council resolutions, the Participants are firmly committed to the international fight against terrorism. It is DFID's policy to seek to ensure that none of its resources are used, directly or indirectly, to provide support to individuals or entities associated with terrorism

and that DFID staff and its programmes activity are compliant with counter terrorist financing legislation. In accordance with this policy, DFID expects the Partner and all Downstream Partners to make themselves aware of, and comply with their obligations under the relevant counter terrorist financing legislation.

72. The Partner will seek to ensure that none of the funds or assets provided under this Arrangement are made available or used to provide support to individuals, groups or entities associated with terrorism including those named on the following lists as updated from time to time:

- **HM Treasury's Office of Financial Sanctions Implementation** – [Financial sanctions: consolidated list of targets](#)
- **UK Home Office** – [Proscribed terrorist groups or organisations](#)
- **European Union** – [Consolidated list of sanctions](#)
- **United Nations** – [United Nations Security Council Sanctions List](#)
- **World Bank** – [World Bank Listing of Ineligible Firms & Individuals](#)

Safeguarding for the prevention of sexual exploitation, abuse and harassment

73. The Partner will take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the delivery of this Arrangement by both its employees and any Downstream Partner.

74. The Participants have a zero tolerance approach towards sexual exploitation, abuse and harassment. The Partner will immediately contact DFID's Counter Fraud Section at reportingconcerns@dfid.gov.uk or +44 (0)1355 843747, to report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to this Arrangement. The Partner should assess credibility based on the source of the allegation, the content, and the level of detail or evidence provided. All sexual activity with children (persons under the age of 18) is prohibited, regardless of the age of majority, or age of consent locally.

75. The Partner should also report any credible suspicions of, or actual incidents that are not directly related to this Arrangement but would be of significant impact to their partnership with DFID or the reputation of DFID or UK aid. For example, events that affect the governance or culture of the Partner, such as those related to senior management, must be reported.

76. Both Participants will fully co-operate with investigations into such events, whether led by DFID or any of its duly authorised representatives or agents, or the Partner.

Termination and closure

77. To allow for final payments, this Arrangement will terminate six months after the Project End Date unless terminated earlier in accordance with the provisions in this Arrangement.

78. If DFID is concerned that the provisions of this Arrangement have not been fulfilled by the Partner, or if any activities occur which will significantly impair the implementation or development value of the project, DFID will discuss its concerns with the Partner in an attempt to resolve any issues. Following such negotiation, this Arrangement may be amended or terminated in accordance with the relevant provisions in this Arrangement.

79. This Arrangement can be terminated at any time by three months' written notice by either Participant. All unspent funds other than those irrevocably committed in good faith before receipt of a written notice of termination, in line with this Arrangement and approved between the Participants as being required to finalise activities, will be returned to DFID within 30 days of the date of receipt of a written notice of termination. At any time when returning funds, the Partner must quote the relevant Sales Invoice reference number.

80. Notwithstanding any provisions in this Arrangement or other contractual requirements, DFID may terminate this Arrangement with immediate effect, in preference to the standard notice period, and at its discretion may recover all or part of the funds paid under this Arrangement if any of the following occur:

- a) The Partner directly or through its Downstream Partners either repeatedly fails to comply with, or is in material breach of, any of the provisions of this Arrangement or any other DFID arrangement or contract whether currently or previously in place;
- b) The Partner, or any Downstream Partner, at any time during this Arrangement goes into liquidation, administration or other similar process, is dissolved or enters into any arrangements with its creditors;
- c) The Partner or any Downstream Partner, without the prior consent of DFID in writing, assigns or transfers, or purports to assign or transfer, or causes to be assigned or transferred, any interest in this Arrangement or any part, share or interest therein;
- d) There is a change in identity or character of the Partner (such assessment to be made at DFID's sole discretion) or that of any Downstream Partner including, but not limited to, through the take-over, merger, change of ownership or control;
- e) In the event that the project ceases to be pursued for any reason other than by way of successful completion;
- f) The Partner or any Downstream Partner uses the funds provided under this Arrangement or any other DFID funds for any purpose other than the purpose provided for;
- g) An event occurs which materially affects, or has the potential to materially affect, the performance of the Partner's obligations as part of this Arrangement;
- h) In the event of actual or suspected Aid Diversion;

- i) In the event of actual or suspected sexual exploitation, abuse or harassment;
- j) An event occurs which damages, or is capable of damaging, the reputation or integrity of DFID or that of the project to which this Arrangement relates.

81. The Partner will return any unspent funds remaining at the end of this Arrangement within 14 days of receiving a Sales Invoice from DFID, unless otherwise agreed by DFID in writing. At any time when returning funds the Partner must quote the relevant Sales Invoice reference number.