

## **ANNEX I: GENERAL CONDITIONS FOR THE IMPLEMENTATION OF PROJECTS**

### **I. CONTRACT**

- 1.1 A contract between the FNV and the implementing organisation can only be concluded in writing between lawful representatives of the FNV and lawful representatives of the organisation responsible for the implementation of the project.
- 1.2 These General Conditions, the project proposal, the approved budget and the letter of approval, together form an integral part of the contract.
- 1.3 The project proposal consists of the final version of the application drawn up by the implementing organisation and the approved budget is the version as approved by the FNV.

### **II. IMPLEMENTATION OF THE PROJECT**

- 2.1 The project must be carried out in accordance with the approved project proposal. No changes can be made in the implementation of the project unless with the prior, written consent of the FNV.
- 2.2 The implementing organisation must use the contribution in accordance with the project description as defined in 1.3. The implementing organisation assumes responsibility for the effective implementation of the project.

### **III. PAYMENTS**

- 3.1 In the contract the FNV's contribution is stated in Euro's (€). The current rate of exchange applies to all transfers. Fluctuations in the exchange rate are not taken into account in the allocation of the funds made by the FNV. In exceptional circumstances, and at the request of the implementing organisation, the FNV may decide to compensate substantial losses on exchange rates.
- 3.2 The dates and amounts of the disbursements of the FNV's contribution to the implementing organisation, are set out in the reporting and remittance schedule annexed to the letter of approval. The implementing organisation may request the FNV to postpone payments in case of problems in implementing the project according to the time schedule as laid down in the project description.
- 3.3 Immediately upon receipt of the funds granted a written acknowledgement of receipt and a copy of the bank statement must be forwarded to the FNV indicating the amount received in both local and international currency.
- 3.4 FNV is in favour of opening a separate account for each project of an organisation. In general, instalments cannot be transferred to private account numbers of individuals.

### **IV. REPORTING**

- 4.1 The implementing organisation must report to the FNV in accordance with the reporting schedule sent together with the contract. There are interim, annual and final reports:
  - 4.1.a The interim report shall consist of two parts:
    - \* an interim narrative report, listing the planned and really implemented activities during the reporting period (every 6 months) according to the format in annex III.
    - \* a financial report using the approved budget as a reference and specifying how the funds have been spent within the same period of 6 months. The financial report should be prepared in accordance with the Nordic-Dutch Guidelines on accounting and auditing as described in the Annex II.
    - \* the interim report should be received within 2 months after finalising of the reporting period.
    - \* tacit approval will be deemed if FNV does not inform otherwise within 2 months after receipt of the interim report
  - 4.1.b The annual report shall consist of two parts:
    - \* an annual narrative report on the content of the project, according to the format in annex III.
    - \* a financial report using the approved budget as a reference and specifying how the funds have been spent within the same period of 12 months. The financial report should be prepared in accordance with the Nordic-Dutch Guidelines on accounting and auditing as described in the Annex II.

- \* this annual report should be received within 3 months after finalising the reporting period.
- \* tacit approval will be deemed if FNV does not inform otherwise within 3 months after receipt of the annual report.

4..1.c The final report shall consist of one part only:

- \* a detailed final narrative report covering the entire project period and shall be set up according to the format as explained in annex III.
- \* this final report should be received within six months after completion of the project.
- \* tacit approval will be deemed if FNV does not inform otherwise within 6 months after receipt of the final report.

- 4.2 The financial report as mentioned in 4.1.a and 4.1.b should have the same structure as the budget approved by the FNV. Accounts should be prepared in accordance with the Nordic-Dutch Guidelines on accounting and auditing as described in annex II.  
The implementing organisation will keep financial accounts of the project according to the project description and in such a way that permits a proper insight into the spending of the contributions of both the FNV and the implementing organisation. The implementing organisation is accountable to the FNV for the spending of the funds made available by the FNV and for its own contribution.
- 4.3 The financial accounts should be clearly linked to the narrative report. In order to meet this objective, it is essential that the periods covered by the narrative and financial reports should run parallel to one another.
- 4.4 The annual financial report must be verified by an external auditor. Auditing takes place in accordance with the Nordic-Dutch Guidelines on accounting and auditing. The auditor's report should include the information as described in these Guidelines. In his report the external auditor is also required to comment on the methodology of the audit (whether the audit has been carried out in conformity with generally accepted accounting practice). The auditor's report should be received within four months after finalising the reporting period.
- 4.5 Costs related to verification by an external auditor as mentioned in 4.4 will be funded by the FNV as a separate budget item.
- 4.6 For smaller projects financial accountability may be discharged by submitting the original accounts, instead of engaging an external auditor. Prior consent from the FNV is necessary.
- 4.7 The FNV is entitled to make inquiries into the spending of the funds made available. The implementing organisation will give every possible assistance to such investigations.
- 4.8 The implementing organisation is obliged to assist any further inquiries into the implementation and administration of the project, carried out by the FNV and/or officials from the Dutch Ministry of Foreign Affairs.
- 4.9 The inquiries mentioned in 4.7 and 4.8 will not start before the implementing organisation has been informed in writing about the intention and the objective of the investigation. The findings of these inquiries will be discussed with the implementing organisation before being definitively included in a report.
- 4.10 In the event of the reporting conditions not being met, FNV is entitled to make deductions from the approved budgets of ongoing projects, as deemed necessary.

## **V. EVALUATION**

- 5.1 In principle, projects financed by the FNV may be evaluated by the FNV and/or the implementing organisation jointly and/or by another agency appointed by them. This evaluation may include the implementing organisation's financial management. Terms of reference will be agreed upon between the FNV and the implementing organisation in so far as these have not already been laid down in the contract and/or the project description.

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- 5.2 The implementing organisation is obliged to render assistance to any evaluation carried out by persons or institutions designated by the Dutch Minister of Development Cooperation.
- 5.3 The implementing organisation will not incur extra expenses as a result of assisting in the evaluation as stipulated in 5.2.
- 5.4 The stipulations under 4.7 also apply here.
- 5.5 If requested, confidential copies of evaluation reports will be sent to the Minister for Development Cooperation in the Netherlands.

## **VI. FINAL PROVISIONS**

- 6.1 The project terminates automatically on the date on which the FNV approves the final report. Tacit approval will be deemed to have been given if the FNV does not inform the implementing organisation otherwise within 6 months of receipt of the final reports.
- 6.2 The FNV will be released from all its obligations arising out of the contract if, in virtue of a decision taken by the Dutch government under the framework agreement between said government and the FNV, the FNV is no longer permitted to allocate funds from the Trade unions Co-financing Program (in Dutch: Vakbondsmedefinancieringsprogramma) to organisations active in or on behalf of the country on which the activities of the implementing organisation are focused.
- 6.3 The FNV may regard the contract as terminated without legal intervention if, before, or during the duration of this contract:
  - \* the implementing organisation is no longer prepared or able to implement the project in accordance with the project description;
  - \* the implementing organisation, without previously reaching an agreement on this matter with the FNV, has transferred the project to another organisation, or has had to tolerate another private organisation or public body supplanting the implementing organisation, or usurping such decision-making power – with regard to the implementing organisation or with regard to the project – that the implementing organisation is no longer in a position to meet its obligations;
  - \* circumstances have changed so fundamentally that the significance of the project is profoundly affected.
- 6.4 Dissolution of the contract as stipulated in 6.3 shall not occur before consultation has taken place with the implementing organisation, unless consultation is impossible or does not make sense.
- 6.5 Complaints arising from or connected with this agreement may be submitted to the FNV within six months after termination of the contract.
- 6.6 Controversies, if any, arising from or connected with the contract, will be settled by arbitration according to the regulations of the Dutch Institute on Arbitration ('Nederlands Arbitrage Instituut'). However, arbitrators are entitled to give their opinion in the form of a binding advice, in case they do not consider the dispute susceptible for arbitration.
- 6.7 Corruption clause: No offer, payment, consideration or benefit of any kind, which constitutes illegal or corrupt practise, shall be made - neither directly nor indirectly - as an inducement or reward in relation to execution of the contract. Any such practise will be grounds for the immediate cancellation of this contract and for such additional action, civil and/or criminal, as may be appropriate. A further consequence of any such practise can be definite exclusion from any projects, funded by FNV Mondiaal
- 6.8 This contract is governed by Dutch law.

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