



**Australian Government**  
**Aid Program**



## Partnership Framework

Between

**COMMONWEALTH OF AUSTRALIA**  
represented by the Australian Agency for International  
Development (AusAID)

and

**THE UNIVERSITY OF THE SOUTH PACIFIC**

2010-2012

**AUSAID AGREEMENT NUMBER: 53884**

## 1. PARTNERSHIP OVERVIEW

- 1.1 The University of the South Pacific (USP), a Pacific Regional Organisation (PRO), is a key contributor to the development of South Pacific nations and a primary source of higher education graduates in the region. One of the major tertiary providers in the Pacific, USP offers education and training, research and consultancy services, and technical expertise to its members and other PROs. USP delivers courses both on campus and by distance and flexible learning in a variety of modes including print, video, video-broadcast, face-to-face and online. USP has 14 campuses in the region and is owned by 12 member countries (Cook Islands, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, and Vanuatu). Since its establishment in 1968, USP has produced close to 40,000 graduates, many of whom are currently in important positions in the private and public sectors throughout the Pacific. This steady supply of graduates has contributed to meeting the human resource development needs of the region for almost 40 years.
- 1.2 The *USP Strategic Plan 2010-2012: Quality, Relevance, Sustainability* (Strategic Plan) has set a new direction for USP and aims to position it as the premier provider of top-quality tertiary services to the Pacific. The plan is focussed on student success; enhancing USP's research culture; engaging regionally and internationally, and managing staff and operations for continuous improvement. Implementation of the Strategic Plan will enable USP to produce quality graduates that are ready to contribute to the development of their countries and the region, and to assist its members to address current development challenges through the provision of highly-regarded research, policy advice and debate.
- 1.3 Australia recognises the importance of pooling resources to address development challenges common to Pacific Island countries (PICs), and is a strong advocate of Pacific regionalism and the Pacific Plan. PROs, such as USP, have a solid comparative advantage in strengthening Pacific regional integration; providing access to affordable services; addressing the development priorities of member countries; supplementing local capacity; and being catalysts for change in the region.
- 1.4 Australia has supported USP since its establishment and recognises USP's importance to the development of the Pacific. The Government of Australia and USP are collaborating on the establishment of the Pacific Islands Centre for Public Administration (PICPA) and many students studying at USP are sponsored through the Australian Regional Development Scholarships (ARDS). Australia has participated in the development of USP's Strategic Plan and supports it as a sensible way forward. The alignment between USP's Strategic Plan and Australia's own objectives in the Pacific is an opportunity to assist USP member countries' efforts to improve the quality of education in support of human resource development in the region, achieve the Millennium Development Goals (MDGs) and address other critical development issues.

## 2. GUIDING PRINCIPLES

- 2.1 In entering this Partnership Framework, USP and AusAID (collectively referred to as 'the parties') mutually acknowledge their commitment to:
- a. the Strategic Plan as the guiding document for all University activities for the triennium;
  - b. assisting the efforts of PICs to achieve the Millennium Development Goals;

- c. the vision of the region as set out in the Pacific Plan;
- d. disability-inclusive, gender-sensitive and climate-resilient development;
- e. the delivery of effective aid in line with the principles of the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Cairns Compact on strengthening Development Cooperation in the Pacific; and
- f. a closer, stronger and more transparent partnership based on:
  - i) Mutual respect for each partner’s contribution and responsibilities;
  - ii) Open and effective communication, including the sharing of lessons learned to strengthen the quality and effectiveness of joint and separate activities; and
  - iii) A focus on outcomes of the partnership.

3. **SHARED OBJECTIVES**

3.1 Under this Partnership Framework, the parties agree to implement the following mutual objectives:

**a. Enhance the success of USP students through improved student support services.**

The parties recognise the importance of effective student support services to student success and the contribution these will make to USP’s ability to produce quality graduates who are well-prepared to join the Pacific workforce.

Partnership Commitment	Indicator
AusAID will support USP’s effort to enhance student success as outlined in Priority Area 2: Student Support of the Strategic Plan	AusAID funding targeted for the implementation of the strategies under Priority Area 2 of the Strategic Plan
USP will implement strategies under Priority Area 2 of the Strategic Plan, leading to enhanced student success	Student satisfaction with student support services and activities Graduate destination into employment and further study

**b. Increase USP’s research capacity, leading to greater access, applications and benefit of its research for the Pacific region.**

The parties acknowledge the importance of a strong research culture to enhancing USP’s ability to provide services, such as: consultancy, research, policy advice and technical assistance to member governments in their efforts to address key development challenges, including progress towards the MDGs.

Partnership Commitment	Indicator
AusAID will support USP's effort to cultivate a research culture and increase its research capacity as outlined in Priority Area 3: Research, Graduate Affairs and Innovation of the Strategic Plan	AusAID funding targeted for the implementation of the strategies under Priority Area 3 of the Strategic Plan
USP will implement strategies under Priority Area 3 of the Strategic Plan, resulting in greater access and application of its research in the region	The number of chairs, full-time research staff and post-doctoral fellows  The number of regional research partnerships

- c. **Strengthen USP's administration and academic programs, enabling the delivery of efficient, relevant and quality services.** This will assist USP to realise the objectives of the Strategic Plan, enhancing its capacity to effectively meet the needs of member countries and the region.

Partnership Commitment	Indicator
AusAID will provide support to USP which affords USP management greater financial flexibility to meet recurrent expenses and recognises USP's commitment and ability to achieve agreed outcomes	Increase in AusAID's core funding contribution each year  AusAID funding available on demonstrated achievement of agreed targets by USP
USP will implement the strategies of the Strategic Plan resulting in increased capacity of USP to meet the tertiary education needs of its member countries and provide services to the region	Student enrolment numbers  Student pass rates  The number of regional policy engagements
AusAID will support USP management in their ongoing reform efforts and institutional strengthening	AusAID advocacy for the reform agenda at USP Council, the University Grants Committee and other University governance mechanisms with Australian representation  AusAID whole of agency approach to engagement with USP that is aligned with the priorities of the Strategic Plan and/or broader regional priorities

- d. **Build public awareness of the outcomes of the AusAID-USP partnership.** AusAID is committed to building public awareness of international development assistance and the Australian Government’s aid program. The parties acknowledge the important contribution that effective communication and public diplomacy can make to building public awareness of the partnership and its outcomes.

<b>Partnership Commitment</b>	<b>Indicator</b>
The parties will identify and capitalise on opportunities for building public awareness and understanding of the partnership and its outcomes	Co-branding of all joint AusAID/USP work Media coverage of significant activities of the partnership
AusAID support for activities led by USP will receive substantive recognition	All associated documents and publications generated by USP, both hard copy and electronic, acknowledge the contribution by AusAID

4. **FUNDING CONTRIBUTIONS**

- 4.1 AusAID is committed to supporting the work of PROs. In light of the Australian Government’s ongoing commitment to increasing Australia’s official development assistance (ODA) to 0.5 per cent of Gross National Income (GNI) by 2015-16, and its commitment to supporting USP, AusAID will provide, subject to annual budgetary appropriations by the Australian Government, core, strategic plan and incentive funding for USP from 2010 through 2012, as per the table below:

	<b>Core</b>	<b>Strategic Plan</b>	<b>Incentive</b>	<b>Total</b>
<b>2010</b>	3,000,000	1,400,000	1,200,000	5,600,000
<b>2011</b>	3,500,000	750,000	1,500,000	5,750,000
<b>2012</b>	4,000,000	1,000,000	2,000,000	7,000,000
<b>Total</b>	10,500,000	3,150,000	4,700,000	<b>AUD 18,350,000</b>

The payment of the incentive funding will be contingent on USP’s satisfactory achievement of agreed targets as set out in the Implementation Schedule, referenced in **paragraph 6.1**.

- 4.2 AusAID will provide the funding to USP in accordance with the table below:

<b>Month &amp; year</b>	<b>Funding (AUD)</b>
<b>March 2010</b>	2,900,000
<b>August 2010</b>	1,500,000
<b>November 2010</b>	1,200,000
<b>February 2011</b>	2,500,000

<b>Month &amp; year</b>	<b>Funding (AUD)</b>
<b>August 2011</b>	1,750,000
<b>November 2011</b>	1,500,000
<b>February 2012</b>	3,000,000
<b>August 2012</b>	2,000,000
<b>November 2012</b>	2,000,000
<b>Total</b>	<b>18,350,000</b>

4.3 AusAID may, from time to time, make additional contributions to USP subject to available resources, agreed priorities and satisfactory achievement of the partnership commitments made under this Partnership Framework.

## 5. IMPLEMENTATION OF PARTNERSHIP

5.1 The parties will pursue this strengthened partnership through a variety of mechanisms, including:

- a. day-to-day interaction by means of focal points within USP and the Australian High Commission, Suva;
- b. regular quarterly meetings, to include New Zealand's International Aid and Development Agency (NZAID), where possible;
- c. an annual trilateral consultation between USP, NZAID and AusAID to:
  - i. review progress on Strategic Plan implementation and sectoral projects, including achievements against agreed targets;
  - ii. review financial acquittals;
  - iii. review and discuss risk management;
  - iv. review outcomes of the partnership to date; and
  - v. discuss priorities for the coming year,
- d. engagement at the regional and sectoral levels. AusAID will seek to ensure a coherent approach to USP across all of AusAID; and
- e. collaboration on programs in priority areas, subject to funds availability.

5.2 Both parties are committed to:

- a. regular informal contact;
- b. sharing of all relevant information;
- c. sharing of contacts for networking purposes;

- d. enhancing aid effectiveness through increased opportunities for USP's donors to coordinate;
- e. involving the other party in pertinent activities, in Fiji and abroad; and
- f. raising awareness of each other's functions and activities throughout the region.

## 6. **REPORTING, MONITORING AND EVALUATION**

- 6.1 In respect to measuring the progress of the partnership, AusAID will rely principally on mechanisms set out in **paragraph 5.1** above and USP's own monitoring and evaluation systems, in particular, USP Council reporting, the Vice-Chancellor's quarterly reports to the Finance and Investments Committee, the USP annual report, the annual publication of USP Statistics, and the Strategic Plan, which serves as the design document for the partnership.
- 6.2 USP's effectiveness will be assessed primarily against agreed key performance indicators and targets, which will be established by AusAID and USP jointly and set out in an Implementation Schedule following the signing of this Partnership Framework. If parties cannot agree a key performance indicator or target for a particular financial year, AusAID will not be obliged to pay incentive funding until agreement is reached.
- 6.3 AusAID, in consultation with USP, will commission independent mid-term and completion reviews of the partnership to determine its value and impact, in accordance with AusAID's quality processes and requirements. One or both of these may be undertaken jointly with NZAID.
- 6.4 AusAID will attend biannual USP Council meetings where USP management will report on implementation progress of the Strategic Plan.
- 6.5 The parties will cooperate with any evaluation and assessment exercises as are agreed between the parties.
- 6.6 The parties will comply with any specific requirements for reporting, monitoring or evaluation set out in any Funding Agreement Deeds executed pursuant to this Partnership Framework.
- 6.7 USP will permit AusAID or its authorised representatives to audit and inspect USP's financial records regarding the funding provided by AusAID pursuant to this Partnership Framework, at all reasonable times and allow copies and extracts to be taken.

## 7. **DISPUTE RESOLUTION**

- 7.1 This Partnership Framework is neither a treaty nor an instrument of treaty status.
- 7.2 Consequently, differences which may arise concerning the interpretation or application of this Partnership Framework will not be subject to adjudication or arbitration by any national or international court or tribunal but will instead be dealt with in an amicable way as the appropriate method of achieving the peaceful settlement of those differences.
- 7.3 At the same time, AusAID wants to confirm its desire to implement the provisions of this Partnership Framework in good faith.

8. **FRAUD**

8.1 The parties are committed to preventing and detecting fraud. USP will use its best endeavours to prevent and detect any fraud involving or relating to funding under this Partnership Framework. Any suspected instances of fraud will be promptly reported to AusAID by USP and managed as mutually determined by the parties.

9. **ANTI-CORRUPTION**

9.1 The parties are committed to preventing and detecting corruption and bribery. USP through its employees, agents or representatives will not make or cause to be made, nor will they receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any party, as an inducement or reward in relation to the execution of this Partnership Framework or any Funding Agreement Deeds executed pursuant to this Partnership Framework. USP will use its best endeavours to ensure that any employee, agent, representative or other entity involved in the funding under this Partnership Framework will also adhere to this **paragraph 9.1**.

9.2 For the purposes of **paragraph 9.1** (Anti-Corruption), the term “corrupt” includes (but is not limited to) any action or practice which would warrant disciplinary procedures being taken against an individual under applicable laws.

10. **PROCUREMENT**

10.1 USP will use its best endeavours to ensure that:

- (a) any funding provided by AusAID under this Partnership Framework is utilised effectively and efficiently; and
- (b) if any funding provided by AusAID is used for procurement, USP’s procurement guidelines are followed and value for money is achieved.

11. **COUNTER-TERRORISM**

11.1 USP will ensure that funding provided by AusAID under this Partnership Framework, does not provide direct or indirect support or resources to organisations or individuals associated with terrorism. If USP discovers any link whatsoever between it or its employees, agents or representatives and any organisation or individual associated with terrorism USP will inform AusAID immediately.

12. **ACTIVITY SPECIFIC ARRANGEMENTS**

12.1 AusAID may, from time to time, agree to provide USP with additional funding for specific activities.

12.2 If AusAID agrees to provide USP with additional funding for a specific activity, the parties will enter into a Funding Agreement Deed substantially in the form at Annex A to this Partnership Arrangement.

13. **DURATION, AMENDMENT AND TERMINATION OF PARTNERSHIP**

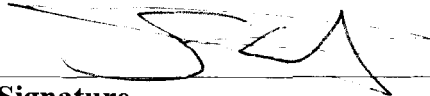
13.1 This Partnership Framework will come into operation on the date the two original copies are signed by both parties and will expire on **31 December 2012**.



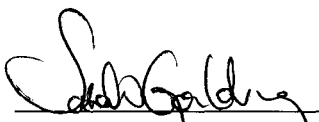
- 13.2 This Partnership Framework may be modified in writing with the consent of both parties through an exchange of letters.
- 13.3 Either party may terminate this Partnership Framework at any time by giving the other party at least one month prior notice.
- 13.4 The expiry or termination of this Partnership Framework will not affect any Funding Agreement Deeds executed pursuant to this Partnership Framework prior to notification of the termination (unless the parties otherwise agree).

SIGNED on this 4<sup>th</sup> day of March 2010 at Suva, Fiji

For and on behalf of the  
**COMMONWEALTH OF AUSTRALIA**  
represented by the Australian Agency for International Development (AusAID) by

SARAH ROBERTS A/g HOM   
Name and Position Signature  
FMA Act s.44 Delegate

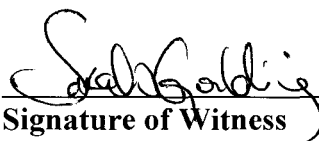
in the presence of -

SARAH GOODING   
Name of Witness Signature of Witness  
(Print)

SIGNED  
for and on behalf of  
The University of the South Pacific by

RAJESH CHANDRA VICE-CHANCELLOR   
Name and Position Signature  
(Print)

By executing this Deed the signatory warrants that he/she is duly authorised to execute this Deed on behalf of the Organisation.  
in the presence of -

SARAH GOODING   
Name of Witness Signature of Witness  
(Print)

**ANNEX A – TEMPLATE FUNDING AGREEMENT DEED**

**FUNDING AGREEMENT DEED**

BETWEEN

**COMMONWEALTH OF AUSTRALIA**

represented by the Australian Agency for International Development  
(AusAID)

**ABN 62 921 558 838**

and

**The University of the South Pacific**

**Fiji Tax Identification Number 60-00483-0-7**

**FOR**

**Agreement Title**

**AUSAID AGREEMENT 53884/0000**

DEED made \_\_\_\_\_ day of \_\_\_\_\_ [ ]

**BETWEEN:**

**COMMONWEALTH OF AUSTRALIA** represented by the Australian Agency for International Development (“AusAID”) ABN 62 921 558 838 of the Department of Foreign Affairs and Trade

**AND**

**The University of the South Pacific, Fiji Tax Identification Number 60-00483-0-7 of Laucala Campus Suva, Fiji** (the “USP”).

**RECITALS:**

- A. AusAID and the USP have entered into a Partnership Framework.
- B. AusAID wishes to provide the USP with additional Funds to undertake an Activity in accordance with paragraph 12.2 of the Partnership Framework.
- C. The USP wishes to accept the Funds subject to the terms and conditions in this Deed.

**OPERATIVE:**

AusAID and the USP promise to carry out and complete their respective obligations in accordance with this Deed including the Deed Conditions, schedules and any annexes contained herein.

IN WITNESS whereof this Deed has been executed by the Commonwealth, by an authorised officer, and has been executed by the USP by its authorised officer.

SIGNED for and on behalf of the  
**COMMONWEALTH OF AUSTRALIA**  
represented by the Australian Agency  
for International Development by:

in the presence of:

\_\_\_\_\_  
Signature of FMA Act s44 Delegate  
Name

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name  
Position, Section

\_\_\_\_\_  
Name of witness  
(Print)

\_\_\_\_\_  
Position, Section

SIGNED for and on behalf of  
**The University of the South Pacific** by:

\_\_\_\_\_  
Name and Position  
(Print)

\_\_\_\_\_  
Signature

By executing this Deed the signatory warrants that he/she is duly authorised to execute this Funding Agreement Deed on behalf of the USP.  
in the presence of:

\_\_\_\_\_  
Name of witness  
(Print)

\_\_\_\_\_  
Signature of witness

## DEED CONDITIONS

### 1. INTERPRETATION

#### 1.1 Definitions

In this Deed, including the recitals unless the context otherwise requires:

“**Activity**” means the activity **Agreement Title** described in the Activity Proposal for which the Funds are provided.

“**Activity Proposal**” means the specific tasks and budget associated with the Activity included as **Schedule 1** to this Agreement.

“**Agreement**” means this Deed including all Parts and any schedules and annexes.

“**Agreement Material**” means all material created or required to be developed or created as part of, or for the purpose of undertaking the Activity, including documents, equipment, information data, sounds and images stored by any means.

“**Business Day**” means a day on which AusAID is open for business.

“**Commonwealth**” means Commonwealth of Australia or AusAID, as appropriate.

“**Deed**” means this Agreement comprising these Deed Conditions, schedules and any annexes.

“**Fraudulent Activity**”, “**Fraud**” or “**Fraudulent**” means dishonestly obtaining a benefit by deception or other means.

“**Funds**” means the amount of money as specified in clause titled ‘Funds and Payment’ of this Agreement that has been approved by AusAID and paid to the USP subject to the conditions outlined in this Agreement for the Activity.

“**Independently Audited**” means financial records audited by a certified financial professional that is in no way linked or associated with the Activity or the Parties to this Agreement.

“**Partner Government**” means the Government of the Partner Country.

“**Partner Country**” means the country or countries in which the Activity is to be undertaken in whole or in part.

“**Partnership Framework**” means the document of that name entered into by the Parties.

“**Party**” means AusAID or the USP.

“**Personnel**” means including Personnel, whether employed by the USP or engaged by the USP on a sub-contract basis or agents or volunteers of the USP, engaged in the provision of the Activity.

“**Prior Material**” means all material developed by the USP or a third party independently from the Activity whether before or after commencement of the Activity.

“**Relevant List**” means the lists of terrorist organisations made under Division 102 of the *Criminal Code Act 1995* (Cth) and the *Charter of the United Nations Act 1945* (Cth) posted at: <http://www.nationalsecurity.gov.au/agd/www/nationalsecurity.nsf/AllDocs/95FB057CA3DECF30CA256FAB001F7FBD?OpenDocument> and [http://www.dfat.gov.au/icat/UNSC\\_financial\\_sanctions.html#3](http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html#3)

“**Similar List**” means any similar list to the World Bank List maintained by any other donor of development funding.

“**World Bank List**” means a list of organisations maintained by the World Bank in its “Listing of Ineligible Firms” or “Listings of Firms, Letters of Reprimand” posted at: <http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984>

## 1.2 Deed prevails

If there is any inconsistency (whether expressly referred to or to be implied from this Deed or otherwise) between the provisions of the Deed Conditions and those of the schedules and any annexes, the schedules and any annexes are to be read subject to the Deed Conditions and the provisions of the Deed Conditions prevail to the extent of the inconsistency.

## 1.3 Partnership Framework

This Deed shall be interpreted in light of the Partnership Framework. If a provision of this Deed is inconsistent with the Partnership Framework, the provision of this Deed will prevail to the extent of the inconsistency.

## 2. TERM OF THE AGREEMENT

2.1 The term of this Agreement commences upon execution by both parties being the date indicated at the front of this Agreement and continues until all obligations have been fulfilled under this Agreement, unless terminated earlier in accordance with this Agreement.

2.2 The USP must commence the Activity [*choose the most appropriate* no later than / on] [*insert Activity Start Date*] and must complete the Activity by [*insert Activity Completion Date*].

## 3. NOTICES

3.1 For the purpose of serving notices to either Party of this Agreement, a notice must be in writing and shall be treated as having been duly given and received:

- (a) when delivered (if left at that Party’s address);
- (b) on the third Business Day after posting (if sent by pre-paid mail); or
- (c) on the Business Day of transmission (if given by facsimile and sent to the facsimile receiver number of that Party and no intimation having been received that the notice had not been received, whether that intimation comes from that Party or from the operation of facsimile machinery or otherwise).

3.2 For the purposes of this Agreement, the address of a Party is the address set out below or another address of which that Party may give notice in writing to the other Party:

**AusAID:**

To: Name  
Position, Section

Postal Address: Australian Agency for International Development  
GPO Box 887  
CANBERRA ACT 2601 AUSTRALIA

Street Address: 255 London Circuit  
CANBERRA ACT 2601 AUSTRALIA

Facsimile: Fax

**USP**

To: Professor Rajesh Chandra  
Vice-Chancellor

Postal Address: Private Mail Bag  
Suva, Fiji

Street Address: Laucala Campus  
Suva, Fiji

Facsimile: +679 323 1550

**4. GENERAL CONDITIONS**

- 4.1 The USP must carry out the Activity in accordance with the Activity Proposal and the terms and conditions of this Deed.
- 4.2 The USP must advise AusAID immediately of any difficulties or delays in implementation of the Activity.
- 4.3 The USP shall acknowledge in writing to AusAID receipt of the Funds immediately on its receipt.
- 4.4 The Funds and any interest earned or exchange rate gains must be used diligently and for the sole purpose of the Activity outlined in **Schedule 1** of this Agreement. Any interest earned or exchange rate gains made on the Funds must only be expended on the Activity.
- 4.5 The USP acknowledges that Funds provided by AusAID to the USP for this Activity does not entitle the USP to any other or further funding.
- 4.6 The USP shall acknowledge AusAID funding assistance provided under this Deed where appropriate and advise AusAID of matters relating to any publicity and media relations, prior to any publication or media release.



- 4.7 The USP must not represent itself and must ensure that its Personnel participating in the Activity do not represent themselves as being employees, partners or agents of the Commonwealth of Australia.
- 4.8 The USP will use its best endeavours to ensure that in its performance of the Activity all Personnel and their dependents, while in the recipient country, respect the laws and regulations in force in the recipient country.
- 4.9 The USP is responsible for the security of all of its Personnel and for taking-out and maintaining all appropriate insurances.
- 4.10 The USP must not assign its interest in this Agreement without first obtaining the consent in writing of AusAID.
- 4.11 No delay, neglect or forbearance by either Party in enforcing against the other any term or condition of this Agreement shall be deemed to be a waiver or in any way prejudice any right of that Party.
- 4.12 This Agreement is governed by, and is to be construed in accordance with, the law of the Australian Capital Territory and the Parties submit to the exclusive jurisdiction of the courts of the Australian Capital Territory and any court hearing appeals from those courts.

## 5. **DEED AMENDMENTS**

- 5.1 AusAID or the USP may propose amendments to this Agreement at any time for the purpose of improving the delivery of the Activity, the efficiency, cost-effectiveness and development impact of the Activity.
- 5.2 Changes to this Agreement (including to **Schedule 1** and any annexes) shall only be effected if agreed in writing and signed by both Parties in the form of a Deed of Amendment.

## 6. **PROCUREMENT OF GOODS**

- 6.1 The USP must not use the Funds to acquire any asset, apart from those detailed in the Activity Proposal without obtaining AusAID's prior written approval. Subject to the requirements of this clause, the USP shall own the assets acquired with the Funds unless specified otherwise in the Activity Proposal.
- 6.2 If the Funds are being used to procure goods, the USP must ensure in its procurement guidelines are followed and value for money is achieved in accordance with the requirements under the Partnership Framework.
- 6.3 If the Funds are being used to procure goods, the USP must maintain a Register of Activity Assets. The Register shall record non-consumable items funded under this Agreement or supplied by AusAID to the Activity which have a value of AUD1,000 (or equivalent) or more. In addition non-consumable items of a portable and attractive nature with a value of less than AUD1,000 (or equivalent) shall also be recorded. The Register shall show date of receipt of the asset at the Activity site, the cost, the purchase/payment document date and reference number, a description and identification number, and the location of the asset. Disposal or write-off of AusAID funded or provided assets shall be as agreed in writing by AusAID. The Register and other relevant documents such as import papers and manufacturers' warranties relating to the assets shall be available for audit as required by AusAID. The Register shall be reconciled with Activity assets at least every twelve months

and the results of that reconciliation included in the Annual Reports required in clause titled 'Reports' in this agreement.

## 7. MONITORING AND EVALUATION

- 7.1 The Organisation must, if required by AusAID, permit AusAID to monitor and/or evaluate the Activity and/or use of the Funds. AusAID shall give the Organisation at least two (2) weeks notice of its intentions prior to commencing such a review. In that event, the Organisation must cooperate fully with any request for assistance pursuant to any such study.

## 8. INDEMNITY

- 8.1 The USP must at all times indemnify AusAID, its employees, agents and contractors (except the USP) ("**those indemnified**") from and against any loss or liability whatsoever suffered by those indemnified or arising from any claim, suit, demand, action or proceeding by any person against any of those indemnified where such loss or liability was caused or contributed to in any way by any wilfully wrongful, unlawful or negligent act or omission of the USP, or any of the USP's Personnel in connection with this Agreement.
- 8.2 The USP agrees that AusAID may enforce the indemnity in favour of the persons specified in **Clause 8.1** above for the benefit of each of such persons in the name of AusAID or of such persons.
- 8.3 The indemnity in this **Clause 8** is reduced to the extent that the loss or liability is directly caused by AusAID, its employees, agents or contractors (except the USP), as substantiated by the USP.
- 8.4 This indemnity shall survive termination or expiration of this Agreement.

## 9. INTELLECTUAL PROPERTY RIGHTS

- 9.1 The title to all intellectual property rights in or in relation to Agreement Material created during the course of the Activity shall vest in AusAID upon its creation. AusAID shall grant to the USP a world-wide, revocable, non-exclusive, royalty-free licence to use the material.
- 9.2 **Clause 9.1** does not affect the ownership of intellectual property in any Prior Material incorporated into the Agreement Material, but the USP grants to AusAID a permanent, irrevocable, royalty-free worldwide, non-exclusive licence to use, reproduce, adapt and otherwise exploit such Prior Material in conjunction with the Agreement Material. The licence granted under this **Clause 9.2** includes the right of AusAID to sub-licence any of its employees, agents or contractors to use, reproduce, adapt and otherwise exploit the Prior Material incorporated into the Agreement Material for the purposes of performing functions, responsibilities, activities or services for, or on behalf of, AusAID.

## 10. COMPLIANCE WITH LAWS, GUIDELINES AND POLICIES

- 10.1 The USP and its Personnel must have regard to and comply with, relevant and applicable laws, guidelines, regulations and policies, including those in Australia and in the Partner Country. A list, as amended from time to time, of Australian laws and guidelines that may apply to the delivery of developmental aid to foreign countries can be found on the AusAID website: <http://www.ausaid.gov.au/business/contracting.cfm>. This list is not exhaustive and is provided for information only. The provision of this list does not relieve the USP from

complying with the obligations contained in this clause headed 'Compliance with Laws, Guidelines and Policies'.

- 10.2 The USP must have regard to and comply with the Statement of International Development Practice Principles located at **Schedule 2** to this Agreement.
- 10.3 The USP and its Personnel must comply with:
- (a) AusAID's *Child protection policy* (<http://www.ausaid.gov.au/publications/pubs.cfm?Type=PubPolicyDocuments>) and particularly the child protection compliance standards at Attachment 1 to the policy. AusAID may audit the USP's compliance with AusAID's *Child protection policy* and child protection compliance standards. The USP must participate cooperatively in any reviews conducted by AusAID;
  - (b) The strategy 'Development for All: Towards a Disability-Inclusive Australian Aid Program 2009-2014' ([http://www.ausaid.gov.au/publications/pdf/FINAL%20AusAID\\_Disability%20for%20All.pdf](http://www.ausaid.gov.au/publications/pdf/FINAL%20AusAID_Disability%20for%20All.pdf)), and in particular the strategy's six guiding principles; and
  - (c) *Family Planning and the Aid Program: Guiding Principles* (August 2009), accessible on AusAID's website (<http://www.ausaid.gov.au/keyaid/health.cfm>).
- 10.4 The USP must use its best endeavours to ensure:
- (a) that individuals or organisations involved in implementing the Activity are in no way linked, directly or indirectly, to organisations and individuals associated with terrorism; and
  - (b) that Funds provided under this Agreement are not used in any way to provide direct or indirect support or resources to organisations and individuals associated with terrorism.
- 10.5 The USP must have regard to the Australian Government guidance "Safeguarding your organisation against terrorism financing: a guidance for non-profit organisations," available at <http://www.nationalsecurity.gov.au/npo>.
- 10.6 If, during the course of this Agreement, the USP discovers any link whatsoever with any organisation or individual listed on a Relevant List it must inform AusAID immediately.
- 10.7 If, during the course of this Agreement, the USP is listed on a World Bank List or Similar List it must inform AusAID immediately.
- 10.8 The USP agrees that:
- (a) The USP and its employees, agents, representatives or its subcontractors must not engage in any Fraudulent Activity. The USP is responsible for preventing and detecting Fraud.
  - (b) The USP must report in writing within five (5) working days to AusAID any detected, suspected, or attempted Fraudulent Activity involving the Activity. AusAID may direct the USP to investigate the alleged Fraud and the USP must undertake an investigation at the USP's cost and in accordance with any directions or standards required by AusAID.

- (c) Following the conclusion of any investigation which identifies acts of a Fraudulent nature, the USP shall:
  - (i) make every effort to recover any AusAID Funds, the subject of Fraudulent Activity;
  - (ii) refer the matter to the relevant police or other authorities responsible for prosecution of Fraudulent Activity; and
  - (iii) be liable for the repayment of any Funds amounts misappropriated by the USP, its agents, representatives or subcontractors.
- (d) The obligations of the USP under paragraphs 10.8(b) and 10.8(c) above shall survive the termination or expiration of this Agreement.
- (e) The USP warrants that the USP shall not make or cause to be made, nor shall the USP receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any party, as an inducement or reward in relation to the execution of this Agreement. In addition, the USP shall not bribe public officials and shall ensure that its delivery organisations comply with this provision. Any breach of this clause shall be grounds for immediate termination of this Agreement by notice from AusAID.

## 11. TERMINATION

### 11.1 If the USP:

- (a) becomes, or AusAID considers there is a reasonable prospect of the USP becoming bankrupt, insolvent, deregistered or no longer able to undertake the Activity to a standard acceptable to AusAID;
- (b) makes an assignment of its estate for the benefit of creditors or enters into any arrangement or composition with its creditors;
- (c) fails to commence, or in the opinion of AusAID, fails to make satisfactory progress in carrying out the Activity and such failure has not been remedied within the time specified in a written request from AusAID to remedy the failure;
- (d) assigns its interest in this Agreement without the consent in writing of AusAID;
- (e) is, during the term of this Agreement, listed on a World Bank List, Relevant List or Similar List; or
- (f) breaches any term of this Agreement and such breach has not been remedied within the time stipulated in a written request notice from AusAID to remedy the breach;

then in every such case AusAID shall be entitled to terminate this Agreement forthwith but without prejudice to any of its other rights.

11.2 In addition, either Party may terminate this Agreement by giving to the other a notice to terminate in writing stating the reasons for termination.

11.3 AusAID may terminate this Agreement immediately by notice in writing to the USP if the USP breaches any of its obligations under **Clause 10**.

- 11.4 In the event of any termination, the USP must provide an Independently Audited statement of expenditure of the Funds within thirty (30) days of the date of the notice to terminate, signed by the head of the USP, and return any uncommitted unspent Funds to AusAID.
- 11.5 In the event that a notice to terminate is given by either Party the USP must:
- (a) immediately and forthwith do everything possible to prevent and mitigate all losses, costs and expenses arising in consequence of the termination of this Agreement and shall in a prompt and orderly manner cease expenditure of any uncommitted Funds for the Activity; and
  - (b) refund any uncommitted part of any tranche or Funds already paid by AusAID, together with any uncommitted or unspent interest, within thirty (30) days of the date of the notice to terminate.
- 11.6 In the event that a notice to terminate is given by either party AusAID shall not be liable to pay compensation in an amount which, in addition to any amounts paid or due or becoming due to the USP under this Agreement, together would exceed the amount of the total financial limitation of this Agreement, as specified in clause headed 'Funds and Payment'.

## **12. ACCOUNTS AND RECORDS**

- 12.1 The bank account used by the USP must be in the name of the USP and must not be a personal bank account.
- 12.2 The USP must maintain a sound administrative and financial system capable of verifying all statements of acquittal. In addition, the USP must:
- (a) keep proper and detailed accounts, records and assets registers along with adequate Activity management records providing clear audit trails in relation to expenditure under this Agreement;
  - (b) afford adequate facilities for audit and inspection of the financial records referred to in this Agreement by AusAID and its authorised representatives at all reasonable times and allow copies and extracts to be taken;
  - (c) the accounts and records must be held by the USP for the term of this Agreement and for a period of seven (7) years from the date of expiry or termination of this Agreement;
  - (d) if requested by AusAID, provide an acquittal, certified by the senior financial officer or the head of the USP, of Funds spent to date against the budget in the Activity Proposal; and
  - (e) if reasonably requested by AusAID, provide an Independently Audited statement of Activity expenditure by an auditor nominated by AusAID at no cost to AusAID.

## **13. AusAID USE OF AGREEMENT INFORMATION**

- 13.1 AusAID may disclose matters relating to this Agreement, including this Agreement, and other relevant information, except where such information may breach the *Privacy Act 1988* (Cth), to Commonwealth governmental departments and agencies, Commonwealth Ministers and Parliamentary Secretaries, and to the Commonwealth Parliament, including responding to requests for information from Parliamentary committees or inquiries. In

addition, AusAID may publicly report information regarding this Agreement. This Clause shall survive termination or expiration of this Agreement.

14. **REPORTS**

- 14.1 The USP shall submit an annual report, by [INSERT DATE] of each year of the Activity, which should not exceed five (5) pages and which has two basic parts:
- (a) A review of implementation progress to date; and
  - (b) An implementation strategy and work program for the coming period that:
    - (i) incorporates any lessons from the assessment of Activity progress;
    - (ii) outlines the expected outputs and development results of the proposed program of work; and
    - (iii) describes the inputs, work and outputs of both the USP and any other key stakeholders.
- 14.2 Within thirty (30) days of completion of the Activity the USP shall submit a final report which provides an outline of the completed Activity and in more detail covers key outcomes compared with objectives, development impact, sustainability and lessons learned.
- 14.3 Attached to the final report will be a statement acquitting all of the Funds ('final Funds acquittal'). The statement must acquit the Funds against the budget referred to in the Activity Proposal and must be signed by the senior financial officer or the head of the USP, indicating that the Funds have been spent in accordance with the terms of this Agreement. Any unspent Funds, interest earned or exchange rate gains must be repaid to AusAID with the final report and final Funds acquittal. The final Funds acquittal must include details of any interest earned or exchange rate gains on the Funds. The final Funds acquittal acquitting all Funds shall be subject to the internal and external auditing procedures laid down in the rules and regulations applicable to the USP and must also be Independently Audited and certified. The cost of an independent external audit required by this clause may be payable from the Funds.
- 14.4 The annual report and final report with attached statement acquitting all Funds should be sent to

Name  
Position, Section  
Australian Agency for International Development  
GPO Box 887  
CANBERRA ACT 2601 AUSTRALIA  
Email

in the following format:

- (a) one bound hard copy; and
- (b) one electronic version in PDF (Portable Document Format).

15. **FUNDS AND PAYMENT**

15.1 Funds up to a maximum of **[Insert currency and value]** shall be payable as an acquittable grant by AusAID in annual tranches divided as follows:

<b>Indicative Date</b>	<b>Tranche Number</b>	<b>Amount of Funds</b>
Refer to <b>Clause 15.2</b> of this Agreement	1	Insert currency and value
xxxx	2	Insert currency and value
xxxx	3	Insert currency and value

15.2 Tranche 1 shall be payable by AusAID within thirty (30) days of the date of this Agreement and receipt of a valid invoice. Subsequent tranches shall be payable subject to the provision of a statement of acquittal against the budget in the Activity Proposal, of **[Insert percentage]** % of the previous tranche, a valid invoice and subject to satisfactory progress as determined by AusAID. The statement of acquittal must be signed by the senior financial officer or the head of the USP indicating that the Funds being acquitted have been expended, in accordance with the terms of this Agreement.

16. **CLAIMS FOR PAYMENT**

16.1 **Invoices** must be submitted when due in accordance with this Agreement, in a form identifying this Agreement title and Agreement number **00000**. Invoices must also contain the Payment Event number(s) notified by AusAID.

16.2 All invoices must be **made** to:

Chief Finance Officer  
 Australian Agency for International Development  
 GPO Box 887  
 CANBERRA ACT 2601 AUSTRALIA

16.3 Invoices should be sent to the above address. Alternatively AusAID will accept electronic invoices. These can be sent to [accountsprocessing@ausaid.gov.au](mailto:accountsprocessing@ausaid.gov.au)

16.4 Where Australian GST applies to this Agreement all invoices must be in the form of a valid tax invoice. Invalid tax invoices will be returned to organisations. Information on what constitutes a valid tax invoice can be found at <http://www.ato.gov.au/businesses/content.asp?doc=/content/50913.htm>

**SCHEDULE 1 – ACTIVITY PROPOSAL  
TO FUNDING AGREEMENT DEED NUMBER 53884/0000**

*(Insert Activity Proposal)*





## Engaging Not-for-Profit Organisations: Statement of International Development Practice Principles

June 2009

### **A Basic Standard for Engagement with Not-For-Profit Organisations**

*The Statement of International Development Practice Principles (Attached) has been developed in consultation with the Australian Council for International Development (ACFID). It is founded on the good development practice and experience of accredited Australian Non-Government Organisations (NGOs) and other international development agencies over the last three decades.*

*The Statement takes account of the Accra Action Agenda on Aid Effectiveness, and in particular, encourages a participatory approach to development. 'Not for profit' organisations are strongly encouraged to work in partnership with others thereby reducing the burden on communities and governments with whom they work. The Statement seeks to articulate the minimum standards and commitment that AusAID expects from all 'not-for-profit' organisations that it funds. It will form an annex to funding agreements with not-for-profit organisations that are not accredited with AusAID.*

*The Principles are not aimed at accredited Australian NGOs which have already undergone a rigorous accreditation process.*

## **Statement of International Development Practice Principles**

***This Statement of International Development Practice Principles (The Principles) promotes the active commitment of all non-accredited, not-for-profit organisations funded by AusAID to the fundamentals of good development practice, and to conducting their activities with integrity, transparency and accountability.***

***The Principles are founded on a premise of 'do no harm' and drawn from good practice principles in the international development not-for-profit sector and international development community more broadly. In line with Aid Effectiveness principles, when planning interventions, not-for-profit organisations are encouraged to consider: what other agencies are doing in the chosen area of focus; where their organisation can add value; and how they can join with others to increase the impact and sustainability of their activities.***

***Where relevant, AusAID encourages eligible Australian organisations to work towards becoming Australian Council for International Development (ACFID) Code of Conduct signatories.***

### **International Development Principles**

***Lessons drawn from best practice NGO and civil society programs recognise the importance of working in partnerships, building creative and trusting relationships with people of developing countries and supporting basic program standards which:***

- > give priority to the needs and interests of the people they serve and involve beneficiary groups to the maximum extent possible in the design, implementation and evaluation;
- > promote an approach that includes all people in a community and ensures the most vulnerable, including people with disability, women and children, are able to access, and benefit equally, from, international development assistance;
- > encourage self help and self-reliance among beneficiaries;
- > avoid creating dependency through the facilitation of active participation and contributions (as appropriate) by the most vulnerable;
- > respect and foster all universally agreed international human rights, including social, economic, cultural, civil and political rights;
- > are culturally appropriate and accessible;
- > seek to enhance gender equality;
- > recognise and put in place processes to mitigate against the vulnerability of not for profit organisations to potential exploitation by organised crime and terrorist organisations;
- > have appropriate mechanisms in place to actively prevent, and protect children from harm and abuse;
- > integrate environmental considerations and mitigate against adverse environmental impacts; and
- > promote collaborative approaches to development challenges including through working in partnerships and avoiding duplication of effort.

All non-accredited, not for profit organisations receiving funding from AusAID commit to apply these principles of good development practice, and adhere to the organisational integrity and accountability standards set out on the following page.

## **Organisational Integrity and Accountability for Development**

AusAID funds and resources are designated for the purposes of international aid and development (including development awareness). They can not be used to promote a particular religious adherence, missionary activity or evangelism, or to support partisan political objectives, or an individual candidate or organisation affiliated to a particular political movement. AusAID reserves the right to undertake an independent audit of an organisation's accounts, records and assets related to a funded activity, at all reasonable times.

In all of its activities and particularly in its communications to the public, AusAID expects not-for-profit organisations it works with to accord due respect to the dignity, values, history, religion, and culture of the people it supports and serves, consistent with principles of basic human rights.

**Not-for-profit organisations working with AusAID should:**

- > not be a willing party to wrongdoing, corruption, bribery, or other financial impropriety in any way in any of its activities;
- > take prompt and firm corrective action whenever and wherever wrongdoing is found among its Governing Body, paid staff, contractors, volunteers and partner organisations;
- > have internal control procedures which minimise the risk of misuse of funds and processes and systems that ensure funds are used effectively to maximise development results;
- > establish reporting mechanisms that facilitate accountability to members, donors and the public;
- > have adequate procedures for the review and monitoring of income and expenditure and for assessing and reporting on the effectiveness of their aid;
- > have a policy to enable staff confidentially to bring to the attention of the Governing Body evidence of misconduct on the part of anyone associated with the Organisation, including misconduct related to the harm and abuse of children;
- > be aware of terrorism-related issues and use their best endeavours to ensure that funds do not provide direct or indirect support or resources to organisations and individuals associated with terrorism and/or organised crime; and
- > ensure that individuals or organisations involved in implementing activities on behalf of the Organisation are in no way linked, directly or indirectly, to organisations and individuals associated with terrorism and/or organised crime.

## **AusAID Funding Agreement Requirements**

Each AusAID funding agreement also comes with obligations for both AusAID and the Organisation being funded. These are spelt out in detail in the funding agreement. The Principles will not affect or diminish the obligations or liabilities of the Organisation under the funding agreement as outlined in the funding agreement conditions.

Broadly speaking, any Organisation funded by the Australian Government, through AusAID, is required to comply with relevant and applicable laws, regulations and policies, including those in Australia and in the country/ countries in which they are operating. In particular, the Organisation needs to observe the contractual requirements regarding Child Protection and Counter Terrorism.

## **Additional Information and Related Links**

*Further information on AusAID's Child Protection Policy, Counter Terrorism and other applicable laws and policies can be found on AusAID's website at:*

**[http://www.ausaid.gov.au/business/pdf/Lists\\_of\\_Laws\\_and\\_Guidelines\\_for\\_Contractors.pdf](http://www.ausaid.gov.au/business/pdf/Lists_of_Laws_and_Guidelines_for_Contractors.pdf)**  
**[http://www.ausaid.gov.au/publications/pdf/child\\_protection.pdf](http://www.ausaid.gov.au/publications/pdf/child_protection.pdf)**

*Further information on terrorist organisations listed under Division 102 of the Criminal Code Act 1995 (Cth) and the DFAT Consolidated List of persons and entities subject to UN sanctions regimes maintained in accordance with the Charter of the United Nations Act 1945 (Cth) can be found at:*

**[http://www.dfat.gov.au/icat/UNSC\\_financial\\_sanctions.html#3](http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html#3)**  
**<http://www.nationalsecurity.gov.au/agd/www/nationalsecurity.nsf/AllDocs/95FB057CA3DEC30CA256FAB001F7FBD?OpenDocument>**

*Further information on AusAID Accreditation and the ACFID Code of Conduct can also be found at:*

**<http://www.ausaid.gov.au/ngos/accreditation.cfm>**  
**<http://www.acfid.asn.au/code-of-conduct>**

*Further information on Aid Effectiveness can be found at:*

**[http://www.oecd.org/department/0,3355,en\\_2649\\_3236398\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/department/0,3355,en_2649_3236398_1_1_1_1_1,00.html)**  
**[http://www.oecd.org/document/18/0,3343,en\\_2649\\_3236398\\_35401554\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html)**

**Please attach the appropriate EFT Direct Credit Payment Form to the end of the Funding Agreement**

*Domestic/International EFT Forms are available at <http://intranet/C19/Forms/default.aspx>*