

## On-Granting Provisions Applicable to the Responsible Party

Whereas [insert name] has been selected by UNDP to undertake grant-making activities under the Agreement in accordance with the Project Document (Annex A), [insert name] (hereinafter referred to as the "Responsible Party" or "RP") agrees to be bound by the following additional provisions:

### 1. Grant Award Process

- 1.1 The RP shall be fully accountable for the completion of all grant making activities in accordance with its financial regulations, rules and policies, to the extent that they are consistent with UNDP's grant policies and Financial Regulations and Rules. If they are not consistent, UNDP's grant policies and Financial Regulations and Rules must be followed.
- 1.2 The RP shall conduct an assessment of the grant recipient proposal(s) against set selection criteria established in the Project Document or in the call for proposals, and shall submit eligible grant proposal(s) to the Project Board or designated grant selection committee for consideration and final selection and/or recommendation as agreed for each specific case.
- 1.3 The RP shall ensure that:
  - a. the grant award process is organized in a fully transparent manner that guarantees impartiality and equal treatment to all applicants;
  - b. all stages of the grant award process are formally documented through standardized checklists and forms;
  - c. grants are awarded in accordance with formal rules of procedure, including adequate due diligence policies and processes;
  - d. the evaluation process is based solely on the established criteria for eligibility, selection and exclusion as indicated in the call for proposals;
  - e. the grant recipient is duly organized and in good standing in its state/country of organization, and the activities to be carried out with the grant award are eligible;
  - f. all applicants are notified in writing of the grant award outcome;
  - g. the grant award decision is made public within a reasonable timeframe following its issuance;
  - h. grant funds are channeled transparently and effectively to grant recipients;
  - i. no grant is awarded retroactively for activities already started or completed at the time of the application; and
  - j. procedures are in place (and set forth in any agreements the RP enters into with the grant recipients pursuant to this Agreement) to:
    - i. recover grant funds unduly paid, and/or to prevent and address irregularities and fraud by the grant recipient; and

- ii. suspend, reduce or terminate the grant if the grant recipient fails to comply with its obligations.

## **2. Managing and Monitoring Performance of Grant Recipient(s)**

- 2.1 The RP shall supervise and monitor the grant recipient's activities and its achievement of specified results pursuant to the grant proposal selected by the Project Board or designated grant selection committee, including the schedules set forth therein.
- 2.2 The RP shall measure the grant recipient's performance based on results achieved against agreed performance targets in the grant agreement, with the agreed grant proposal attached. Performance shall be monitored and assessed through the progress narrative and financial reports specified in Section 3 below.
- 2.3 The RP shall ensure that each deliverable that a grant recipient is responsible for achieving has an effective performance target against which the grant recipient must report periodically and which the RP will monitor through regular reporting, at least on an annual basis.
- 2.4 UNDP may, during the term of the Agreement, undertake various independent assurance measures (such as spot checks or audits) regarding the RP's activities that are the subject of this Agreement, including monitoring and oversight, as well as independent assurance measures of the RP (where applicable) and grant recipients' programmatic and financial activities.

## **3. Reporting and Audit**

- 3.1 The RP shall have in place its own systems to assess and monitor the grant recipient's activities and use of grant funds, including reporting and audit requirements.
- 3.2 The RP shall ensure the timeliness and accuracy of the grant recipient's reporting in relation to the grant and shall be responsible for the management of the grant recipient's audits. The RP shall determine the frequency of audits of grant recipient(s), evaluate audit quality, and monitor audit findings and any corrective measures to ensure resolution. Notwithstanding the above, UNDP shall have the right to audit or review the RP's and the grant recipient's related books and records as it may require.
- 3.3 The RP shall consolidate the reporting from grant recipient(s) and shall provide progress reports ("Performance Reports") including financial and narrative information, to UNDP at least 30 days before the expected release of the next tranche or at least annually within 30 days after the end of each year until the activities have been completed. The Performance Reports should include a dated certification by the RP's representative with institutional responsibility for financial reporting.
- 3.4 The RP shall ensure that the grant recipient(s) are audited in accordance with the terms of the relevant agreements. Upon request, the RP shall furnish or cause to be furnished to UNDP a copy of audit reports of the grant recipient(s).

#### **4. Responsibility of the RP**

- 4.1 The RP shall be solely liable for claims by third parties arising from the grant recipient's acts and/or omissions in the course of performing activities under the agreement entered into with the RP pursuant to this Agreement. UNDP shall assume no responsibility for the actions of grant recipients and shall in no way be held liable for third party claims arising therefrom.
- 4.2 The RP shall ensure that the grant agreement it enters into with grant recipient(s) under this Agreement shall be subject to, and construed in a manner that is fully in accordance with, all of the provisions of this Agreement.
- 4.3 Funding provided by the RP to any individual grant recipient shall not exceed \$60,000 per individual grant and \$120,000 on a cumulative basis within the same programme period.
- 4.4 Upon request, the RP shall furnish or cause to be furnished to UNDP a copy of audit reports of the RP.
- 4.5 Any attempted or purported assignment, delegation or other transfer of obligations of the RP set forth in the above on-granting provisions shall be void and have no effect, except with the prior written consent of UNDP.