

Grant Agreement

The

**The Secretariat of the Pacific Regional Environment Programme
(SPREP)
PO Box 240
Apia
Samoa**

- hereinafter referred to as the 'Recipient'

and

**Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
Dag-Hammarskjöld-Weg 1 - 5
65760 Eschborn
Federal Republic of Germany**

- hereinafter referred to as 'GIZ' -

herewith enter into the following Grant Agreement (hereinafter referred to as the 'Agreement') for the GIZ project:

NDC Assist II - Strengthening NDC Financing and Implementation

Country: **Global**

Communication details (must be quoted in all correspondence)

Agreement number: 81285081
Project processing number: 20.2159.0-002.00

Unit responsible for the budget

Organisational unit: G320
Responsible officer: Dennis Mutschler-Neumann

Procurement and Contracting

Organisational unit: E2B0
Responsible officer: Sebastian Herr

Financial management of the contract

Organisational unit: 5750
Responsible officer: Andreas Domjahn

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

Friedrich-Ebert-Allee 32+36
53113 Bonn, Germany
T +49 228 4460-0
F +49 228 4460-1766

Dag-Hammarskjöld-Weg 1-5
65760 Eschborn, Germany
T +49 6196 79-0
F +49 6196 79-1115

E info@giz.de
I www.giz.de

Registered at
Local court (Amtsgericht)
Bonn, Germany
Registration no. HRB 18384
Local court (Amtsgericht)
Frankfurt am Main, Germany
Registration no. HRB 12394
VAT no. DE 113891176
Tax no. 040 250 56973

Chairman of the Supervisory Board
Jochen Flasbarth, State Secretary

Management Board
Tanja Günner (Chair)
Ingrid-Gabriela Hoven
Thorsten Schäfer-Gümbel

Commerzbank AG Frankfurt am Main
BIC (SWIFT): COBADEFFXXX
IBAN: DE45 5004 0000 0588 9555 00

The basis for the grant provided to **The Secretariat of the Pacific Regional Environment Programme (SPREP)** is the commission from the **Federal Ministry for Economic Cooperation and Development (hereinafter referred to as BMZ)** dated **21.12.2021**. GIZ shall provide the grant pursuant to this Agreement exclusively on behalf of and for the account of BMZ.

The commission of BMZ is cofinanced by **New Zealand's Ministry of Foreign Affairs and Trade** (hereinafter referred to as MFAT).

Article 1

Amount and purpose of the grant

1.1 As commissioned by the BMZ and cofinanced by MFAT, GIZ shall make available to the Recipient a grant of

up to EUR 284,233.60

in words: two hundred eighty-four thousand, two hundred thirty-three Euros, sixty Cents

1.2 The Recipient shall use the grant exclusively for actual costs incurred within the scope of the Project described in Article 2 as attributed to the grant according to the budget lines below and the estimated budget, which sets out details of the Project costs (hereinafter referred to as the 'Estimated Budget'). The Estimated Budget is attached hereto (**Annex 1**) and forms an integral part of the Agreement.

1.	Staff	up to	EUR	135,765.00
2.	External experts / Consultants	up to	EUR	84,900.00
3.	Transportation	up to	EUR	14,600.00
4.	Training costs	up to	EUR	6,200.00
5.	Procurement of goods	up to	EUR	4,500.00
6.	Other costs / Consumables	up to	EUR	7,815.00
7.	Administration costs (12%)	up to	EUR	30,453.60

1.3 The grant is made available for the period from **01.07.2022** to **31.12.2023**. Only actual costs incurred during this period and related to activities carried out during this period may be financed from the grant.

GIZ shall have the right to refuse disbursements after 29.02.2024.

- 1.4 The Recipient shall use the grant only for necessary and reasonable actual costs incurred in accordance with sound business principles.
- 1.5 The Recipient shall be entitled to spend up to 20% more than the budget line amount specified in Article 1.2 for any budget line (except for administration costs and forwarding of funds if these items are contractually agreed) provided that the actual costs are reduced by the same amount in one or more of the other budget lines (except for administration costs and forwarding of funds if these items are contractually agreed). The Recipient shall inform GIZ about the relevant budget line changes for cross-checking when submitting the financial statements.
- 1.6 The grant may be used only for actual costs not already financed under other subsidies or long-term loans.

Article 2

The Project

- 2.1 The primary objective of the Regional Pacific Nationally Determined Contributions (NDC) Hub (hereinafter referred to as the 'Project') financed by the grant is to strengthen Pacific Island Countries in realising their commitments towards the UNFCCC and COP21 Paris Agreement.
- 2.2 In order to achieve this objective, the Recipient will carry out the following measures mentioned in the Project Proposal dated 20.06.2022, which is attached hereto (**Annex 2**) and forms an integral part of the Agreement (hereinafter referred to as 'Project Proposal').

Article 3

Financial management of the grant and disbursement procedure

- 3.1 The Recipient shall maintain and consistently apply an adequate financial management system that includes separate informational statements and project records for the grant prepared in accordance with internationally recognised accounting standards. The Recipient

shall always comply with the requirements set out in the Financial Guidelines for Grant Agreements attached as **Annex 3**.

- 3.2 After entering into the Agreement, but not later than with the first request for pre-financing instalments, the Recipient **shall submit a schedule of financial requirements** drawn up in EUR (see template included in **Annex 3**) that specifies **quarterly amounts for the entire term of the Agreement**, unless this has already been submitted at the time the Agreement was concluded. In accordance with the schedule of financial requirements, the Recipient **shall request quarterly** pre-financing instalments in EUR in the amount of the expected financial requirement for the following quarter, deducting any funds still available from the penultimate quarter.

The request for each pre-financing instalment shall be submitted as a signed original or as a digitally signed copy and must include the Project processing number and the Agreement number (see template in **Annex 3**).

- 3.3 All funds made available under this Agreement must be accounted separately from any funds provided by other donors.

The Recipient shall open a separate sub-account with its bank **or** a separate cost unit in its own accounts to settle the financial transactions involved in this Agreement and shall confirm to GIZ that this has been done when submitting its first request for pre-financing instalments.

GIZ shall issue all payments to the Recipient's account.

The Recipient shall submit confirmation from the bank verifying the account number at the latest together with the first request for the pre-financing instalment and every time a different account number is used.

All amounts paid by GIZ shall remain in the aforementioned account as trust funds until they are passed on to the final Recipients or used to pay for the supplies and/or services to be financed from the grant.

- 3.4 The amounts paid into the aforementioned account by GIZ shall be subject to interest to the extent permitted by the applicable legal provisions.

GIZ may at any time request that the Recipient promptly submits a copy of the interest agreement and/or interest calculation by the bank, or a confirmation from the bank that interest cannot be paid on the credit balance in the account.

Any income, interest or gains earned on the grant received by the Recipient under this Agreement ('Investment Income') as well as any funds reflowed to the Recipient which were originally distributed from the grant including, but not limited to, reimbursement or repayment, payment of principal, interest, dividends and fees, as appropriate, but excluding any unused or undisbursed amounts with respect to the Project ('Reflowed Funds') shall be reinvested in the Project by the Recipient and shall be indicated as such when submitting the financial statements by allocating these amounts to the respective budget line where they have been reinvested.

GIZ reserves the right to deduct any Investment Income and Reflowed Funds from the pledged amount of the grant.

3.5 In the Recipient's accounting records for the Project, all vouchers, expenditures, actual costs and any Investment Income and Reflowed Funds related to the Project and the Estimated Budget to be financed from the grant shall be entered in chronological order and according to the regulations for proper and orderly accounting. These supporting documents shall be subdivided into the categories specified in the Estimated Budget and shall contain at least the following items:

- a) Entry number
- b) Date
- c) Recipient/Origin of voucher
- d) Amount
- e) Reason

3.6 Except for the first and second pre-financed period, the Recipient shall submit with each request for pre-financing instalments a financial statement as a signed original or as a digitally signed copy (see template in **Annex 3**) for the pre-financing instalment of the penultimate period, providing evidence of the use of the funds, and an inventory of the goods purchased according to Article 6.4 for the penultimate period.

Interim financial statements must be submitted no later than two months after the end of the respective pre-financed instalment period, even if no further pre-financing instalment is requested.

The financial statement must be drawn up in EUR. The actual costs shall be entered chronologically and broken down according to the cost categories as specified in the Estimated Budget (**Annex 1**).

If the budget lines presented in Article 1.2 contain administration costs, these must be settled separately as a lump-sum percentage. All other budget lines shown under Article 1.2 will be settled against evidence.

Any remaining funds held by the Recipient based on the financial statement will be offset against the next disbursement.

The Recipient's request shall become due upon expiry of a verification period of 15 days after the financial statement has been received. Payment shall be made by GIZ no later than 30 days after the request becomes due, in the amount established and, where applicable, corrected, by GIZ.

3.7 If the Recipient does not submit a financial statement or an inventory or a narrative progress report in the correct manner (according to Article 3.1, Article 3.5, Article 4 and Article 6) or by the contractually agreed due date, GIZ is entitled to suspend payments until a correct financial statement, narrative progress report or inventory is presented.

3.8 The Recipient shall submit proof from the bank regarding the amount that has been credited in the currency of the account for the amounts disbursed by GIZ with the next financial statement. The expenditures in the currency of the account shall be converted to EUR at the exchange rate based on the amount credited to the account and the transferred EUR disbursement.

The Recipient shall use the real exchange rate and shall submit proof from the bank for each amount that has been credited to its account in the currency of the account and/or in the local currency for each grant amount disbursed by GIZ.

In absence of such proof and after GIZ has given their consent, the Recipient may convert the local currency based on the EU currency converter InforEuro or alternatively use its own exchange system, provided that the latter complies with auditable standards which are comparable to InforEuro.

- 3.9 Upon completion of the Project, but no later than two months after the completion of all measures, or upon expiration or termination of this Agreement, the Recipient shall submit to GIZ, in addition to the final narrative report according to Article 4.6 hereof, a final financial statement as a signed original or as a digitally signed copy (see template in **Annex 3**) and provide GIZ with evidence of how the amounts disbursed have been used. The final financial statement must be drawn up in EUR. The actual costs shall be entered chronologically and broken down according to the budget lines as specified in the Estimated Budget (**Annex 1**).

If the budget lines presented in Article 1.2 contain administration costs, these must be settled separately as a lump-sum percentage. All other budget lines shown under Article 1.2 will be settled against evidence.

Any remaining funds still held at the end of the Project or upon expiration or termination of this Agreement, including any remaining Investment Income, Reflowed Funds and unused funds, shall be returned to GIZ directly by the Recipient, immediately and without a request to do so, in EUR at the exchange rate based on the latest pre-financing instalment credited to the account. This shall not affect the right of GIZ to request a repayment according to the contractual terms.

To minimise the risk of repayment, the Recipient shall monitor the effective balance of funds before the final pre-financing instalment is requested.

- 3.10 Any interim and final financial statements shall be accompanied by copies of supporting documents in accordance with the Financial Guidelines (**Annex 3**) for every single cost item exceeding the amount of **EUR 1,000.00**.

The Recipient shall submit all documents either in German, English, French or Spanish, or shall attach a translation into one of these languages.

- 3.11 The amount of **EUR 28,500.00** shall be retained from the grant as security.

The final payment shall be disbursed up to the retained amount together with the final request for disbursement as soon as all obligations by the Recipient arising from the Agreement, in particular those regarding the provision of evidence on the use of funds for the purpose stipulated, and the reporting requirements have been met. GIZ reserves the right to retain 20% of the security retention amount until the external audit report has been handed over to GIZ.

3.12 GIZ will commission a certified accountant to audit the Project. This audit will examine whether the measures have been implemented and administered properly and correctly in accordance with the relevant terms of this Agreement, in particular with respect of cash and invoice management, the use of grant funds and the award of contracts for supplies and services.

The periods to be covered by the audit are as follows:

1. Audit period: 01.07.2022 up to 30.06.2023
2. Audit period: 01.07.2023 up to 31.12.2023

The Recipient must permit GIZ and/or the certified accountant commissioned by GIZ to inspect the accounts and any other documents related to the purpose of this Agreement at any time. GIZ and/or the certified accountant commissioned by GIZ shall inform the Recipient in writing about the upcoming inspection.

Upon completion of the audit report, GIZ shall inform the Recipient of the main findings. The Recipient shall promptly implement the recommendations made by GIZ on the basis of the audit findings and provide evidence thereof if requested by GIZ.

Article 4

Implementation of the Project and reporting

4.1 The description of the measures in Article 2.2, including the Project Proposal (**Annex 2**), constitutes the binding framework for the implementation of the Project.

4.2 The Recipient shall

- a) carry out the Project with due diligence, efficiency and in accordance with sound administrative, technical, financial, business and development practices and in accordance with this Agreement;

- b) secure full financing for the Project and, upon request, furnish GIZ with evidence demonstrating that all actual costs not financed from this grant are covered;
- c) obtain, or contractually cause any other entity involved in the Project to obtain, at the relevant time, all necessary licenses, approvals and consents to implement, (if appropriate) carry out or operate any measure, all of which are to be maintained in full force and effect at all relevant times; and
- d) seek remedies under the relevant contract with each other entity for breach, non-performance or default by such entity;
- e) claim repayment by each other entity of any funds used by any of them to any illegal or improper purposes (including bribery) contrary to this Agreement or any laws of the country in which the Project is implemented;
- f) pay, upon request and starting on the date of receipt, interest at a rate of 5 percentage points above the respective rate applied by the European Central Bank to its main refinancing transactions p.a. for any amount not spent in a timely manner in accordance with the schedule of financial requirements for the Project;
- g) keep for ten years after submission of the final financial statement all books, records and the originals of the supporting documents, clearly identifying all actual costs for the services and supplies for the Project and those services and supplies financed from the grant;
- h) enable GIZ or any third parties authorised by GIZ at any time to review the books and any other records and documents relevant for the implementation of the Project and to visit all facilities related thereto.

4.3 The Recipient shall inform GIZ of any press releases or public statements which the Recipient wishes to make about the Project prior to publication or disclosure and shall take into account any advice given by GIZ. Short references by the Recipient, about the Project (e.g. on the Recipient's website) are not subject to information requirements. For all publications and short references on the Project, the Recipient shall always indicate in an appropriate manner that it is conducting or has conducted its activities within the framework of a Project financed by GIZ as commissioned by the Government of the Federal Republic of Germany and with funding provided by MFAT.

4.4 The Recipient shall inform GIZ in writing of any circumstances that may seriously affect or jeopardise the attainment of the purpose of this Agreement, substantially interfere with the

performance of the Recipient's material obligations under this Agreement, or with the Recipient's management or implementation of the Project and shall promptly provide detailed information of this upon becoming aware of such circumstances.

For the avoidance of doubt, this obligation to provide information shall also apply in cases including but not limited to: substantial changes in the risk assessment of the Project; the occurrence of unintended adverse impacts on human rights, the environment and climate, contexts characterised by fragility and violence, and gender equality; other significant time, financial, technical or development policy changes in the course of the Agreement; and risks to the safety or health of assigned staff.

- 4.5 The Recipient shall submit narrative **progress reports** every six months. The reports shall be submitted to GIZ no later than two months after the end of the respective reporting period.
- 4.6 The Recipient shall draw up a narrative **final report** describing the implementation and results of the Project in light of the objectives set and submit this report to GIZ no later than two months after completion of all measures, at the latest two months after the end of the period referred to in Article 1.3.

Article 5

Sub-grants to final Recipients

- 5.1 In cases where goods, construction works or services are purchased using grant funds, Article 6 shall apply.
- 5.2 If, in accordance with the Project Proposal and Estimated Budget (**Annexes 1 and 2**), the Recipient is entitled to forward parts of the grant as sub-grants to third parties ('final recipients'), the Recipient ensures that it does not violate EU state aid law by forwarding the funds.

When forwarding funds, the Recipient shall also ensure that the relevant terms and conditions of this Agreement are substantially applied to the contractual relationship between the Recipient and the final recipients, in particular but not limited to the stipulations related to the use of the grant funds and to the disbursement and reporting procedures. The Recipient shall

also ensure that the final recipients are not entitled to pass on the funds received or any part thereof to other recipients by including this condition in the contracts with the final recipients.

- 5.3 Prior to any forwarding of funds, however, the Recipient shall perform appropriate due diligence processes to assess the integrity and capacity of each final recipient, while taking into account the non-profit objective of the Project and select each final recipient based on a positive assessment of that final recipient's capacity to carry out the measure that is being assigned to it. The Recipient shall document the assessments in a transparent manner and make such assessments available to GIZ upon request.

If the final recipient has not yet been specified when the Agreement is signed, the Recipient must submit a written list of potential final recipients, including their estimated budgets, to GIZ and obtain GIZ's written consent by way of a supplement to this Agreement before forwarding any funds to the final recipient.

- 5.4 The Recipient must provide evidence of the use of the funds granted under this Agreement by submitting appropriate financial reports and supporting documents. In this respect, the Recipient is obliged to check the contractual and financial evidence presented by the final recipient and to forward this evidence to GIZ together with the findings of its own checks to verify the evidence when settling the amounts provided by GIZ under the terms of the Agreement. Pre-instalments to third parties shall be included separately in the financial statements. Proof of costs related to these instalments must be requested by the Recipient from the final recipient, checked and documented in accordance with Article 3.1 in the financial statements submitted by the Recipient to GIZ.

Article 6

Purchasing of goods, construction works and services

- 6.1 When awarding contracts for supplies, construction works or services to be financed in full or in part from the grant, the Recipient shall observe the regulations on public procurement which apply in Samoa, and shall in any case comply with the provisions in the Award Procedure / Procurement Guidelines (**Annex 4a**), which are an integral part of this Agreement. The contract award procedure, including but not limited to all decisions in this context, shall be

documented in accordance with the template provided in the Documentation of Contract Awards (**Annex 4b**). The documentation shall be stored with the accounting vouchers and documents pursuant to Article 3. At the request of GIZ, the Recipient shall furnish evidence of the proper implementation of the contract award procedures.

- 6.2 If the Recipient has violated any of the provisions set out in Article 6.1, including the requirements stipulated in **Annexes 4a and 4b**, GIZ shall be entitled to deduct the respective amount of any additional costs incurred due to the violation, but at least 20 % of the respective purchasing volume from the grant for each violation. The right to suspend or terminate the disbursements, to terminate the Agreement, or to reclaim repayment in accordance with Article 13 of this Agreement remains unaffected.
- 6.3 Upon entering into contracts for supplies, construction works or services to be financed according to the terms of this Agreement, the Recipient shall ensure that
- a) the goods, construction works or services procured do not violate or infringe any industrial property or intellectual property right or claim of any third party ('Third Party IP Rights');
 - b) all contracts for the procurement of goods, construction works or services contain appropriate representations, warranties and indemnities from the contractor or supplier to the Recipient with respect to Third Party IP Rights;
 - c) all goods, construction works or services procured under this Agreement are used exclusively for the purposes of the Project, and all facilities relevant to the Project are at all times properly operated and maintained (taking into account reasonable wear and tear);
 - d) competent and qualified consultants and contractors are employed/contracted to achieve the objectives of the Project; procurement should comply with the relevant sustainability standards;
 - e) the terms of payment of these contracts conform to customary trade practices; import duties, which may not be financed under the Agreement, are to be indicated separately in the contracts to be entered into and in the invoices;
 - f) adequate provision is made for the insurance of any goods required for the Project to protect against risks in accordance with prudent industry practice and that any compensation from the insurance is payable in a freely usable currency to replace or repair such goods;

- g) the financed supplies are insured against transportation risks to an adequate and customary extent in order to provide for the placement of goods or restoration to their original state; imported goods are to be insured in freely convertible currencies, as far as possible;
- h) reimbursement, insurance, security, warranty or similar payments which may be claimed on the basis of those contracts, are to be transferred to the account indicated in Article 3.3 and reassigned for Project use. The Recipient shall notify GIZ of the amount of payments received within the scope of the Project reports.

6.4 The Recipient is obliged to submit up-to-date inventories with each financial statement. All items financed from the grant whose purchase or manufacturing costs exceed **EUR 800.00** (net) must be inventoried.

6.5 If and insofar as the Recipient uses any part of the funds to purchase items for the purpose of implementing measures for the Project (such as vehicles or office equipment; referred to as 'inventoried items' in Article 6.4 of this Agreement), upon completion of the measures or termination of this Agreement, GIZ shall be entitled to determine and decide at its sole discretion to take any steps with regards to these items that are in the best interest of the continued operation of the Project.

The transfer of ownership shall be noted on the related certificate of assignment which shall be submitted with the final financial statement.

Article 7

Intellectual property rights

7.1 With respect to the intellectual property generated by the Recipient in the course of or in connection with the implementation of the Project, including in particular to the reports produced pursuant to Article 3 and 4 and all studies, documents or other work results, including computer programs, resulting from the Project implementation and financed in whole or in part from the grant ('Intellectual Property'), the Recipient hereby grants GIZ an irrevocable, simple, world-wide, royalty-free and transferable right to use for non-commercial purposes all such Intellectual Property in all areas and fields, including their processing and translation and use

in electronic media. The Recipient shall hand over one copy of the materials to GIZ promptly on request by GIZ. GIZ is entitled to grant simple sub-user rights to third parties.

- 7.2 The Recipient shall ensure that the material provided in the course of implementing the Project to GIZ is not subject to any copyright or other third-party rights that would prejudice the use of the Intellectual Property to the extent described above. The Recipient shall indemnify and hold GIZ harmless against any third-party claims that may arise from granting the rights pursuant to Article 7.1 and shall reimburse GIZ for any reasonable costs incurred in connection with the legal defence to such claims.

Article 8

Data protection

- 8.1 GIZ shall process personal data in connection with this Agreement exclusively in accordance with the General Data Protection Regulation of the European Union (GDPR). Such data shall be processed solely for the purpose of implementing, managing and monitoring this Agreement. To the extent permitted by law the Recipient has the right to view, erase or correct its personal data and can contact GIZ (datenschutzbeauftragter@giz.de) or the government bodies responsible for such matters in order to assert its rights.
- 8.2 The Recipient shall ensure an appropriate protection of personal data in accordance with its applicable rules and procedures. Personal data shall be:
- i) processed fairly, for legitimate purposes and in a transparent manner in relation to the data subject;
 - ii) collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
 - iii) adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
 - iv) accurate and, where necessary, kept up to date;
 - v) kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; and
 - vi) processed in a manner that ensures appropriate security of the personal data

Article 9

Compliance with legal regulations as well as environmental and social standards

- 9.1 When using the funds provided, the Recipient shall respect the local conditions in the relevant country, as well as the customary trading practices and legal provisions, ordinances and official regulations. When using the funds provided, the Recipient shall also comply with all applicable tax regulations and shall take into account the associated general, special and social impacts. Furthermore, the Recipient shall not support activities that contribute to tax avoidance, tax fraud or tax evasion.
- 9.2 The Recipient is obliged to use the funds in compliance with international standards and multilateral agreements, in particular international human rights conventions, the International Labour Organisation (ILO) declaration of 1998 and to ensure the protection of children; the prevention of violence, abuse and exploitation of any kind; non-discrimination, especially with regard to origin, ethnicity, religion, age, gender identity, sexual orientation or disability; as well as the promotion of equal opportunities for all genders when using the funds.

The Recipient shall also use the grant in compliance with applicable national and international environmental law, minimise emissions of greenhouse gases and avoid any action that could increase the vulnerability of the population and/or ecosystems.

The Recipient is obliged to use the grant in a way that avoids or reduces unintended adverse impacts on the environment, climate protection, adaptation to climate change, human rights, contexts characterised by fragility and violence, and gender equality by implementing attributable mitigation measures. It also undertakes to harness potential for promoting gender equality.

- 9.3 The Recipient shall take appropriate measures to prevent sexual harassment in a professional context and shall refrain from inciting violence or hatred as well as objectively unjustified discrimination against an individual or group of individuals.

Article 10

Conflicts of interest

- 10.1 The Recipient shall avoid conflicts of interest in connection with this Agreement. A conflict of interest may arise in particular from economic interests, political affinities or national ties, family or friendships or other ties or interests.
- 10.2 In connection with the implementation of the Project the Recipient must not conclude any contract in which a conflict of interest is to be expected due to the nature of the contract or due to personal or financial connections of the Recipient to a third party.
- 10.3 The Recipient undertakes to notify GIZ without delay of any facts that constitute a conflict of interest or could lead to such a conflict. The further procedure shall be coordinated with GIZ.

Article 11

AntiMoney Laundering (AML), countering the Financing of Terrorism (CFT), anti-bribery and compliance with embargoes

- 11.1 The Recipient shall not support activities that contribute to money laundering, terrorism financing or corruption.
- 11.2 The Recipient shall not make available, either directly or indirectly, any funds or other economic resources from the grant to third parties that are on a sanctions list issued by the United Nations and/or the EU. In connection with the Project as described in Article 2, the Recipient may only enter into contractual or business relations and/or maintain such relations with third parties that are reliable and to whom no statutory ban on doing business or entering into contracts applies. Furthermore, the Recipient shall comply with any embargoes or any other trade restrictions issued by the United Nations, the EU and/or the Federal Republic of Germany in connection with the implementation of the Project.
- 11.3 The Recipient shall inform GIZ of its own accord of the occurrence of any event that results in the Recipient, any member of its personnel or its management bodies or other governing bodies or any of its shareholders or contractual partners appearing on a sanctions list issued by the United Nations Security Council, the EU or the Federal Republic of Germany. This also

applies if the Recipient becomes aware that it or one of the aforementioned individuals appears on any such list.

- 11.4 All forms of corruption are prohibited. In connection with this Agreement, the Recipient may not offer or give any gifts or advantages either directly or through third parties and may not accept or demand such gifts or advantages for itself or for others. Moreover, the Recipient is obliged to undertake suitable and appropriate measures to prevent and fight corruption.
- 11.5 The Recipient shall require all parties involved by the Recipient in implementing the Project to undertake to comply with all the provisions mentioned in this Article 11 during the development of the Project and in connection with the implementation of the Project.
- 11.6 The Recipient shall inform GIZ immediately of the occurrence of any breach of a provision of this Article 11. This shall not affect GIZ's rights pursuant to Article 13.

Article 12

Force majeure

- 12.1 'Force majeure' is an unavoidable event (e.g. natural disaster, outbreak of diseases and epidemics, serious un-rest, war or terrorism) which is unforeseeable by human judgement and experience, cannot be avoided or rendered harmless by reasonable economic means and under application of the utmost care, and which prevents one of the Parties' from fulfilling any of their obligations under this Agreement. If an event originates from the sphere of responsibility of one of the Parties', this shall not constitute an event of force majeure.
- 12.2 Neither Party to this Agreement shall be held liable for a breach of its obligations under this Agreement if it is prevented from fulfilling such obligations by reason of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and sought out reasonable alternative measures with the objective of carrying out the terms and conditions of this Agreement as applicable.
- 12.3 A Party affected by an event of Force Majeure shall notify the other Party of this as soon as possible and no later than fifteen (15) days upon becoming aware of the implications of the

occurrence of the event on the Project measure, providing evidence of the nature and cause of the event, which shall include information about the possibility of returning to normal conditions as soon as possible.

Article 13

Event of default, suspension and termination, repayment

13.1 GIZ shall be entitled to either suspend any or all disbursements if an event of default occurs relating to this Agreement. An event of default shall exist if

- a) the Recipient is not able to furnish evidence proving the use of the grant for the purpose stipulated in this Agreement;
- b) goods purchased by the Recipient for the Project and financed from the grant are not used or cease to be used for the purpose of the Agreement;
- c) the Recipient has violated any of the provisions set out in Article 6 of this Agreement or any other material obligation under this Agreement;
- d) before conclusion of the Agreement or during its execution, the Recipient has given false information or withheld relevant information affecting the allocation or disbursement of the grant;
- e) any extraordinary circumstances have arisen which preclude or seriously jeopardise the purpose of the grant, the implementation of the Project, or the performance of the obligations assumed by the Recipient under this Agreement; or
- f) the Government of the Federal Republic of Germany or the MFAT terminates, suspends or modifies the relevant contract with GIZ which forms the basis for this Agreement.

13.2 GIZ shall be entitled to terminate this Agreement in part or in full with immediate effect if any of the circumstances referred to in Article 13.1 a) to f) arise. In case any of the circumstances referred to in Article 13.1 a) to d) arise, GIZ shall be entitled to terminate the Agreement with immediate effect if these circumstances have not been remedied within a period to be stipulated by GIZ, which shall, however, not be less than 30 days.

13.3 Upon termination of this Agreement, the Recipient shall return to GIZ promptly at GIZ's first request any unused portion of the grant. This includes any unused or reflowed funds including

any accrued income, interest or gains associated therewith, for which no further disbursements, liabilities or costs are due to be made or paid by the Recipient. In respect of any part of the grant already disbursed or irrevocably committed by the Recipient in good faith to a third party prior to the notice of termination the repayment will be limited to the amount which has actually been recovered by the Recipient from such third party having exercised all best efforts. The Recipient shall promptly cancel any existing commitments to a third party (e.g. employment contracts, lease contracts, loans). Where Article 13.1 a) applies, in addition to any unused portion of the grant, the Recipient shall repay amounts for which it is unable to furnish evidence of the use for the purpose stipulated in this Agreement. Where Article 13.1 b) applies, in addition to any unused portion of the grant, the amounts related to the goods concerned shall be repaid. The Recipient shall pay interest in a timely manner after GIZ's first request at a rate of 5 percentage points above the respective rate applied by the European Central Bank to its main refinancing transactions p.a. on the repayment amount with respect to Article 13.1 a) to d).

Article 14

Final provisions

- 14.1 If a provision of this Agreement is invalid, this shall not affect the validity of the remaining provisions. Any resulting deficiency shall be remedied by a provision consistent with the purpose and intent of this Agreement.
- 14.2 The Recipient shall not assign or transfer, pledge or mortgage any rights under this Agreement.
- 14.3 This Agreement shall be governed by German law.
- 14.4 Place of performance for payments shall be Frankfurt am Main.
- 14.5 Place of jurisdiction shall be Frankfurt am Main, provided the Recipient is a merchant/trader, a legal entity under public law or a special fund under public law, or has no general place of jurisdiction in Germany. GIZ may also take legal action against the Recipient at the court responsible for the Recipient's place of residence.

14.6 In the event that provisions of this Agreement do not support the efficient achievement of the objective defined in Articles 1 and 2 above and corresponding major changes of the planning are necessary, GIZ and the Recipient may adjust or amend these provisions by mutual consent at any stage during the implementation of the Project. Amendments and changes to this Agreement must be made in writing to be valid.

'Major change' means any substantial change of the scope, structure, design, or objectives of the Project that substantially alters the purpose or benefit of the Project.

Article 15

Annexes

The Annexes to this Agreement constitute integral parts of this Agreement.

(Annexes 3 – 4 can be downloaded from www.giz.de/financing)

Annex 1: Estimated Budget of 20.06.2022

Annex 2: Project Proposal of 20.06.2022

Annex 3: Financial Guidelines for Grant Agreements including its annexes (06/2020)

Annex 4a: Award Procedure / Procurement Guidelines (06/2020)

4b: Documentation of Contract Awards (06/2020)

Eschborn, Date: 23.06.2022

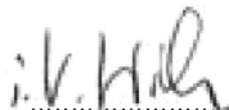
Apia, Date: 01/07/2022

Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH
Contract Management / Financing

The Secretariat of the Pacific
Regional Environment
Programme (SPREP)


.....

i.V. Krsitina Tubic
Contract Manager E2B0


.....

i.V. Susanne Winkler
Senior Contract Manager
E2B0


.....

Easter Chu Shing
Acting Director General

Estimated Budget

Annex 1

Name of the Recipient: SPREP

Date: 20.06.2022

CN: 81285081

Description	Quantity (up to)	Unit (e.g. person, vehicle, room, unit, ...)	Quantity	Unit (e.g. months, days, trainings, unit, ...)	Eligible up to in EUR	Total GIZ Contribution in EUR (up to)	Own Funds / Third party financing in EUR (up to)	TOTAL in EUR (up to)
1. Staff (Job Title) <i>(Note: This budget line will be settled against payslips and, if partially financed, against payslips and time sheets.)</i>						135.765,00 €		135.765,00 €
Technical Adviser	70%	person	18	months	8.250,00 €	103.950,00 €		103.950,00 €
Finance and Administration Officer	70%	person	18	months	2.525,00 €	31.815,00 €		31.815,00 €
2. External Experts / Consultant (Job Title)						84.900,00 €		84.900,00 €
Consultant contract supporting implementation of activities in PIC 1	1	person	1	contract	35.000,00 €	35.000,00 €	GIZ will be unable to finance partial costs within one budget line (with the exception of staff costs - position 1 which can be financed partially).	35.000,00 €
Consultant contract supporting implementation of activities in PIC 2	1	person	1	contract	25.100,00 €	25.100,00 €		25.100,00 €
Consultant contract supporting implementation of activities in PIC 3	1	person	1	contract	24.800,00 €	24.800,00 €		24.800,00 €
3. Transportation / Travel Costs						14.600,00 €		14.600,00 €
Travel of NDC Hub SPREP staff to PICs (or locally) to Support Implementation of NDC Activities	2	person	1	trip	3.300,00 €	6.600,00 €	The 'own funds / third party financing' will have to be used for different budget lines, which are not already financed from GIZ.	6.600,00 €
Travel of NDC Hub SPREP Staff to Fiji Headquarters for NDC Hub Meeting	2	person	1	trip	4.000,00 €	8.000,00 €		8.000,00 €
4. Training Costs						6.200,00 €		6.200,00 €
Venue and equipment (including set up and other venue-related costs)	1	room	2	event/training	1.600,00 €	3.200,00 €		3.200,00 €
Catering, gratuity, flower arrangements and other event related costs	1	unit	2	event/training	1.500,00 €	3.000,00 €		3.000,00 €
5. Procurement of Goods						4.500,00 €		4.500,00 €
Promotional Materials and Communication Products (banners, flags, giveaways, PR materials, etc)	1	unit	1	unit	2.200,00 €	2.200,00 €		2.200,00 €
IT equipment and accessories - monitors, connectors and toners (including maintenance)	1	unit	1	unit	2.300,00 €	2.300,00 €		2.300,00 €
6. Other costs / Consumables						7.815,00 €		7.815,00 €
Translation Services, Document Review & Printing of NDC Documents	1	unit	1	unit	420,00 €	420,00 €		420,00 €
Stationery and other consumables	1	unit	1	unit	915,00 €	915,00 €		915,00 €
Communications, software and license fee charges	1	unit	18	unit	360,00 €	6.480,00 €		6.480,00 €
Subtotal - direct costs						253.780,00 €		253.780,00 €
7. Supporting cost / Administration costs						30.453,60 €		30.453,60 €
Administration costs	12%				253.780,00 €	30.453,60 €		30.453,60 €
Subtotal (up to - against evidence)* (direct costs + Administration Costs)						284.233,60 €		284.233,60 €
8. Own funds / third party financing						0,00 €		0,00 €
ABC (name of the financing party)	1	unit	1	financing			-	0,00 €
	1	unit	1	financing			-	0,00 €
Grand Total						284.233,60 €	-	284.233,60 €

*All budget lines (with the exception of the administration costs) will be settled against evidence.

Information: In case of purchasing of goods and services from GIZ funds, the 'procurement article' within the Agreement shall apply!

Regional Pacific Nationally Determined Contributions (NDC) Hub:

Proposal for Activities to be Implemented by the Secretariat of the Pacific Regional Environmental Programme (SPREP) for Phase 3

1.0 Secretariat of the Pacific Regional Environmental Programme (SPREP)

SPREP is the regional organisation established by the Governments and Administrations of the Pacific charged with protecting and managing the environment and natural resources of the Pacific. The Headquarters is based in Apia, Samoa with other SPREP offices in Fiji, the Republic of the Marshall Islands and Vanuatu. SPREP has around 150 staff recruited from around the Pacific region and the world with an annual budget of approximately USD35 million in 2022.

The establishment of SPREP in 1993 sends a clear signal to the global community of the deep commitment of Pacific island Governments and Administrations for better management of the environment within the context of sustainable development. The strategic direction for SPREP is clearly set out in the 2017-2026 SPREP Strategic Plan. The Plan outlines the mandate, vision and programmes for the organisation, and places strong emphasis on effective delivery of services to SPREP Member countries and territories.

Mandate – SPREP’s mandate is to promote cooperation in the Pacific region and provide assistance in order to protect and improve its environment and to ensure sustainable development for present and future generations.

Vision – SPREP is guided by its vision for the future: “A resilient Pacific environment, sustaining our livelihoods and natural heritage in harmony with our cultures”.

SPREP has 21 Pacific Island member countries and territories (American Samoa, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, Niue, Northern Marianas, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu and Wallis & Futuna) and five metropolitan countries (Australia, France, New Zealand, United Kingdom and United States of America) with direct interests in the region.

SPREP has four regional goals to achieving resilience and sustainable Pacific communities:

Regional Goal 1 - Pacific people benefit from strengthened resilience to climate change

Regional Goal 2 - Pacific people benefit from healthy and resilient island and ocean ecosystems

Regional Goal 3 - Pacific people benefit from improved waste management and pollution control

Regional Goal 4 - Pacific people and their environment benefit from commitment to and best practice of environmental governance

The above-named four regional goals define the core priorities and focus of SPREP in the areas of:

1. Climate Change Resilience
2. Island and Ocean Ecosystems
3. Effective Waste Management and Pollution Control
4. Environmental Governance

SPREP approaches the environmental challenges faced by the Pacific guided by four simple Values. These values guide all aspects of our work.

- We value the **Environment**
- We value our **People**
- We value high quality and targeted **Service Delivery**
- We value **Integrity**

The SPREP Secretariat continues to strengthen and realign its institutional capacities, competencies, and systems to best support its Members by delivering more integrated, responsive, and cost-effective services to Members and partners and by better coordinating regional efforts. This is achieved through the following Organisational Goals:

Organisation Goal 1 – SPREP has information, knowledge, and communications systems that get the right information to the right people at the right time and influence positive organisational, behavioural and environmental change.

Organisation Goal 2 – SPREP has multi-disciplinary processes in programme delivery and in supporting members to develop national and regional policies and strategies.

Organisation Goal 3 – SPREP has a reliable and sustainable funding base to achieve environmental outcomes for the benefit of the Pacific islands region and manages its programmes and operations to stay within its agreed budget.

Organisation Goal 4 – SPREP is leading and engaged in productive partnerships and collaboration.

Organisation Goal 5 – SPREP has access to a pool of people with the attitudes, knowledge, and skills to enable it to deliver on its shared regional vision.

Additionally, SPREP is the regional focal point for the United Nations Framework Convention on Climate Change (UNFCCC) and provides support to its members with their negotiations and reporting requirements under the Convention, especially in preparation for the annual Conference of the Parties (COP) meetings. This has included pre-COP and post-COP workshops for the region on all the thematic areas. SPREP has also provided advice to countries on the development of climate change mitigation and adaptation policies and plans which are specific to UNFCCC processes such as the development of Nationally Determined Contributions (NDCs) and Nationally Appropriate Mitigation Action Plans (NAMAs). Moreover, SPREP has implemented various renewable energy and energy efficiency projects as well as waste-to-energy projects over the years.

2.0 The Regional Pacific NDC Hub: Background and Long-term Strategy 2030

Pacific island countries contribute the least towards the global greenhouse gas emissions but are at the frontlines of climate change. Climate change constitutes a major threat to the Pacific way of life despite the region's countries contributing negligibly towards climate warming greenhouse gas emissions. It poses a substantial risk to the economic, social and environmental progress of the region and exacerbates threats to the realisation of fundamental human rights. With the increasing frequency and intensity of climate-induced events such as cyclones and droughts, Pacific economies run the risk of losing decades of development gains in a matter of hours to the perils of a rapidly changing climate. Slow onset events like sea level rise increase the risk of inundation and coastal flooding, exacerbate erosion and saltwater intrusion into rivers and underground aquifers, and cause infrastructural damage. The problem is acute in the region's atoll states.

Pacific leadership on climate change has also been immensely progressive – from Pacific island countries (PICs) pushing the 1.5°C temperature target at the Paris climate conference (COP21), to being the front runners in the ratification of the Paris Agreement – with a unified voice calling on the rest of the world to act on climate change with urgency. Fiji and the Republic of the Marshall Islands have led the way through the provision of their commitment to low/net zero emissions by developing and communicating their long-term low greenhouse gas emission development strategies to the United Nations Framework Convention on Climate Change (UNFCCC), with the rest of the Pacific Countries to submit theirs once they are completed.

The creation of the Regional Pacific NDC Hub (the Hub) is also a hallmark of Pacific leadership. The Hub – managed by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in partnership with the Pacific Community (SPC), the Secretariat of the Pacific Regional Environment Programme (SPREP) and the Global Green Growth Institute (GGGI) – is mandated by Pacific leaders to support PICs in the full implementation of their climate plans under the Paris Agreement. Since becoming operational in 2018, the Hub has advanced two phases of technical support for PICs, providing the policy clarity and the necessary institutional and systemic changes required at the national level for NDC implementation. The efforts of the Hub contribute to the NDC Partnership.

The Regional Pacific NDC Hub’s Strategy 2030, launched in April 2021, articulates the Hub’s vision for PICs of sustainability, low-carbon growth and development, and climate resilience. The strategy fleshes out the goals and objectives of the Hub and interventions grounded in the principles of urgency of climate action, alignment of development agenda, gender equality, people and well-being, green recovery and build back better, ownership and build in-country capacity, and collaboration and partnership.

The central goal of the Hub is to realise the vision of a sustainable, low-carbon and climate resilient Pacific. By supporting processes for the full implementation of the NDCs committed to by PICs under the Paris Agreement considering their national circumstances, including mobilising support through its internal and external partners and its broader network, the Hub aims to advance the following specific objectives:

- Improve NDC planning, policy, strategy and legislation in PICs.
- Strengthen enabling environment for NDC implementation.
- Accelerate NDC action and project/program implementation in PICs.
- Enhance NDC measurement, reporting and verification, and transparency of climate action.

Strategy 2030, developed through consultations with PICs, calls for and will facilitate both soft (policy level) and hard (on the ground implementation of climate projects/programs) actions and interventions. The strategy will be implemented through logically framed and costed two to three-year work programmes. Deepened collaboration and partnership with relevant stakeholders will be key for the implementation of Strategy 2030.

SPREP as one of the regional partners in the NDC Hub with well-established partnerships in the Pacific region can contribute majorly to the implementation of the NDC Hub’s Strategy 2030 goals and objectives. The provision of support to member countries on NDC-related work and assisting with their NDC implementation at the national level aligns perfectly to existing support and advice that SPREP provides in the areas of:

- 1) Climate change (mitigation, adaptation, renewable energy and energy efficiency, meteorology, COP meetings, etc);
- 2) Effective waste management (waste-to-energy, pollution management programs, etc);

- 3) Island and ocean ecosystems (biodiversity, invasive species, island and ocean ecosystems, etc)
- 4) Environmental Governance (environmental reporting and data management)
- 5) Project Coordination Unit (project development support)
- 6) Tomai Pacifique (formerly known as RTSM, provides a platform to match country requests to the expertise from the Region)

3.0 Primary Aim

The primary aim of this proposal is for SPREP to strengthen Pacific Island Countries in realising their commitments towards the UNFCCC and COP21 Paris Agreement, through the NDC Hub. This will be achieved by supporting activities related to NDC implementation in selected PICs, based on countries' identified needs and SPREP's expertise. Furthermore, trainings and workshops will be provided to support knowledge, peer-to-peer exchange, and best practices for NDC implementation in the region. Finally, the action aims to highlight countries' ambitious climate action at regional and international events. This primary aim will be achieved through the NDC Hub, in close collaboration with all implementing partners of the NDC Hub.

As part of this proposal, SPREP will contribute towards indicators 1.2; 2.1 and 3.1 through the following activities:

- SPREP can provide support for three (3) country requests especially in the areas of expertise already included in Sections 1 and 2 of this technical proposal.
- SPREP can host one (1) training on a topic which is relevant to PIC's NDC implementation, and which relates to SPREP's technical expertise.
- SPREP can host one (1) event, highlighting PIC's ambitious climate leadership.

To achieve these activities, SPREP will hire the following staff:

1. Technical Adviser
2. Finance and Administration Officer

4.0 Expected Outcomes of the Project Implementation

Through SPREP's well-established partnerships with its membership as well as close collaborations with other partners from around the Region, SPREP shall commit to the provision of assistance for the NDC Hub in ensuring it delivers on its promise to the Pacific through the utilization of all its resources to deploy what is required to progress NDC national implementation within the Region.

5.0 *Planned Activities for the Third Project Phase*

The NDC Hub’s third project phase will be guided by the indicators outlined in the results matrix below. This proposal outlines SPREP’s contribution towards these indicators.

Outcome 1: Pacific Island Countries (PIC) are strengthened in realising their commitments towards UNFCCC and COP21 Paris Agreement	
OUTPUTS	INDICATORS
Output 1: In alignment with the Strategic Outcomes of the NDC Hub’s Long-Term Strategy, Pacific Island Countries are supported in implementing and financing their NDCs	1.1) The NDC Hub has supported, or coordinated support for, further approaches to implementing and financing Pacific Island Countries’ NDCs (including NDC roadmaps, investment plans, monitoring, reporting and verification instruments, feasibility studies and similar
Output 2: Knowledge, peer-to-peer exchange, and best practices for NDC implementation and financing are disseminated among PIC and with other regions, through collaboration with the NDC Partnership Support Unit and other relevant actors.	2.1) Two (2) workshops, trainings and/or peer-to-peer exchanges are conducted, through virtual formats. If travel restrictions allow, in-person formats will also be considered.
	2.2) Consultation with 50% of NDC Hub focal points, based on 50% of country activities, results in communications materials with quantitative and qualitative information on how the NDC Hub has supported PIC’s NDC progress, finalized in May 2022 and updated annually in 2023 and 2024.
	2.3) Two (2) capacity building trainings to focal points on “digital tools and developing virtual trainings” conducted to support focal points in effectively using virtual platforms.
Output 3: PIC’s progress towards realizing their NDC targets and addressing climate change is communicated at the national, regional and international level.	3.1) The NDC Hub promoted PIC’s climate leadership in 6 international and regional events between April 2020 – September 2021, adding to the visibility of the Hub and its work.
	3.2) Information Education and Communications (IEC) materials developed on the ongoing and completed NDC Hub activities in member PIC as well as facilitation of three regional media trainings resulting in a 20% measurable increase of media coverage of climate change topics by December 2023, compared to a baseline of February 2020.
	3.3) NDC Hub website, which was launched in 2020, is maintained and regularly updated, highlighting PIC’s leadership in enhancing and implementing their NDCs.

This proposal covers implementation of the NDC Hub’s third phase.

As the NDC Hub follows a demand-driven approach, the specific activities which will form part of the third project phase will be collected from PICs. In May 2022, the NDC Hub has sent out an official call for country requests, in which PICs have been invited to indicate their priority needs for NDC-related support. The NDC Hub will assist countries in formulating these requests through guidance and information sessions. Once requests have been received from all PICs, in June 2022, these requests will be divided between the NDC Hub’s four implementing partners, based on their technical expertise. Please refer to the timeline below for a detailed overview of the planned implementation.

6.0 Implementation Timeline

This provides a tentative timeline for implementing the activities outlined in this proposal. The timeline is subject to change and will be revised on a regular basis in consultation with GIZ and the NDC Hub's implementing partners.

ACTIVITY	DESCRIPTION	2022		2023			
		Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Timeline for implementing three (3) country requests, in contribution to indicator 1.1 of this proposal. The specific country requests will be defined once all PICs have submitted their requests for NDC-related support, in June 2022.							
Country focal point meetings to finalize Terms of Reference for Country Requests							
Finalize Tender documents and advertise							
Recruitment process for technical expert to implement country requests (evaluations & contract-signing)							
Implementation of country requests.							
Timeline for hosting one (1) training, in contribution to indicator 2.1 of this proposal.							
Training 1							
Timeline for hosting one (1) event, in contribution to indicator 3.1 of this proposal.							
Event 1							
Finalizing Reporting to the NDC Hub							
Terminal report for NDC Hub Phase 3							