



# GRANT FUNDING ARRANGEMENT

## SPREP Support – Climate Change - Digital Transformation

**between**

### **Ministry of Foreign Affairs and Trade**

195 Lambton Quay  
Wellington 6011  
New Zealand

**(MFAT)**

**and**

### **Secretariat of the Pacific Regional Environment Programme (SPREP)**

Vailima  
Apia  
SAMOA

**(Partner)**

## The Arrangement

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MFAT<sup>1</sup> wishes to provide Funding to the Partner for it to implement the SPREP Support - Climate Change (**Activity**) under the New Zealand Aid Programme.

Through providing this Funding MFAT is seeking to work with the Partner in a relationship based on mutual respect and accountability, trust, fairness and open and professional interactions.

## Arrangement Documents

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This Arrangement consists of:

1. pages 1 and 2;
2. the Arrangement Details at Schedule 1;
3. the Conditions at Schedule 2; and
4. any Annexure/s,

as amended from time to time in accordance with this Arrangement.

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<sup>1</sup> MFAT is responsible for managing the New Zealand Aid Programme. The New Zealand Aid Programme is the New Zealand Government's international aid and development programme.

If there are any conflicts or inconsistencies between the documents forming this Arrangement, then the order of precedence that will prevail is the order in which they are listed above.

Words starting with capital letters have a special meaning that is stated in the Definitions section at condition 16 (Schedule 2). Section numbers refer to sections in Schedule 1. Condition numbers refer to conditions in Schedule 2.

## Signing

### For and on behalf of MFAT

### For and on behalf of the Partner



Signature



Signature

Michelle Sheriff

Full name

Sefanaia Nawadra

Full name

Senior Policy Officer

Position

Director General

Position

27 March 2024.

Date

27 March 2024

Date

# Schedule 1 – Arrangement Details

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## 1. Length of Arrangement

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Reference Schedule 2 condition 1

<b>Start Date</b>	The date on which this Arrangement is signed by both Partners.
<b>End Date</b>	The date that is 3 months after the date on which the final milestone referred to in section 6 of Schedule 1 is due.

## 2. Goals and Outcomes

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Reference Schedule 1 section 6, Schedule 2 condition 2.1

The Partner will implement the Activity and deliver the Outputs in a manner that maximises the prospect of achieving/ progressing the goals and outcomes.

The Partner will monitor progress towards the goals and outcomes and periodically report on this progress to MFAT, as set out in section 6 below.

If at any time MFAT or the Partner considers progress towards the goals and outcomes is unsatisfactory, the Partners will discuss and decide what actions can be taken to improve progress.

<b>Goals</b>	The goal of the Activity that has been discussed by the Partners is that SPREP has strengthened institutional capacity to enable Pacific people to benefit from strengthened resilience to climate change and healthy and resilient island and ocean ecosystems.
<b>Outcomes</b>	<p>The outcomes to be achieved/ progressed by the Activity that have been discussed by the Partners are set out below.</p> <ul style="list-style-type: none"><li>• Long term outcome: Pacific people and their environment benefit from best practice environmental governance.</li><li>• Medium term outcome: Strengthened resilience of SPREP's institutional, systemic, technical and technological capacity that are critical to the successful implementation and achievement of outcomes and results of the New Zealand International Climate Finance Strategy.</li><li>• Short term outcome: The new operating system is providing financial and human resource management efficiencies, reducing risk, building digital resilience, and improving data-driven decision making to enable SPREP to better deliver on its strategic plan.</li></ul>

## 3. Scope of Arrangement

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Reference Schedule 2 condition 2

## Activity

The Partner is responsible for and will implement the Activity.

The activity will provide programmatic funding to strengthen SPREP's institutional capacity, capability, organisational resilience and efficiency to manage and deliver climate change interventions and outcomes.

There are **three components** of this activity. They are:

1. **Policy, Operational and Advisory:** dedicated resources and operational funding to bolster core priority activities of SPREP, such as supporting Pacific Island countries and territories (PICTs) implementation of National Adaptation Plans, delivery of national climate change mitigation policies, priorities and reporting, supporting PICTs engagement and dialogue in the multilateral environmental and climate change negotiations and events.
2. **Enabling and Support:** securing key personnel that are not currently funded from SPREP's current core income. These roles are crucial to strengthening SPREP's institutional and systemic resilience, efficiency and capacity so that SPREP has the people, processes and tools to deliver on its climate change work programme, mandate and strategic plan.
3. **Digital Transformation:** investment to modernise SPREP's technology and information management systems to improve efficiency across its operations. Phase 1 of a new Integrated Enterprise Management System will enhance efficiency and security for financial and human resources operations essential to effective and efficient management and delivery of climate change project activities, outcomes and results.

This GFA covers **component 3** of this activity. Components 1 and 2 are covered by a separate GFA.

## Outputs

The Partner will deliver the following Outputs (the indicative costs of which, and the relevant delivery dates, as known at the date of this Arrangement are summarised in the Outputs table in section 5) in accordance with the terms and conditions of this Arrangement:

### Outputs for component 3: Digital Transformation

1. IEMS project initiation and planning stage complete within 6 months of initiation, including:
  - Assembling the project implementation team
  - Recruiting consultant and systems administrator
  - Finalising the project plan
2. IEMS design and analysis stage, complete within 12 months of initiation, including:
  - Analysing requirements
  - Prioritising and designing solution key elements
  - Developing a Digital Transformation Strategy
  - Finalise infrastructure design and procurement
3. Implementation and testing phase completed within 2 years of initiation, including:
  - Procuring Integrated Enterprise Management System
  - Installation and configuration of IEMS
  - System testing and data migration
4. Completed implementation of Phase 1 of SPREP's Integrated Enterprise Management System within 3 years of initiation, including:
  - User training and change management
  - Monitoring system performance.
  - Integration of existing application systems

## Governance

SPREP will be responsible for the overall activity management and governance of the activity, with oversight and reporting to MFAT. Progress and success will be monitored through:

- ◆ an internal SPREP project steering committee providing management oversight and direction
- ◆ monitoring and reporting of funding to MFAT via GFA requirements
- ◆ providing overall SPREP annual budgets, financial statements, reports of the internal risk committee, reports of the independent audit committee, and annual strategic reports to SPREP Member countries (including New Zealand) through the SPREP Meeting and Executive Board Meeting

- the Performance Implementation Plan process enables monitoring at the strategic level; these are reported annually to Members (including New Zealand) through the SPREP Meeting and Executive Board Meeting
- existing annual bilateral meetings between MFAT and SPREP, and trilateral/joint meetings between MFAT, SPREP and DFAT
- Governance of overall SPREP work programme by member countries and territories.

## Principles

The relationship between SPREP and MFAT is guided by the following principles, which are set out in the GFA between SPREP and MFAT for core funding:

1. *Membership driven*: a relationship that supports the Partners to meet the needs of SPREP's Pacific Island Members;
2. *Strategically oriented*: a relationship that supports SPREP to focus on, and report against, strategic programmes mandated by SPREP Members;
3. *Partnership approach*: a relationship based on transparency, openness and mutual trust; and the free and open exchange of ideas and perspectives between SPREP and MFAT in respect of the New Zealand Aid Programme;
4. *Mutual accountability and a results-based approach*: a relationship based on results demonstrable through monitoring and evaluation and including the 'difference made' or contribution to outcomes and impacts;
5. *Excellence in service delivery*: a relationship that supports the Partners to meet or exceed best practice in regionally-delivered services and/or funding; and
6. *Learning and improvement*: a relationship that supports the Partners to learn lessons, develop and improve.

## Performance standards

The Partner will implement the Activity and deliver the Outputs in accordance with the provisions set out in Schedule 2 condition 2.3 and elsewhere in this Arrangement and in accordance with MFAT's expectations as may be communicated in writing from time to time by MFAT to the Partner.

The Outputs will also be delivered in a manner which provides the best outcomes in terms of the Development Effectiveness criteria specified by the OECD Development Assistance Committee: relevance, efficiency, effectiveness, impact and sustainability.

SPREP will develop a Monitoring and Evaluation Plan, setting out targets and milestones and a progress reporting framework, which will be used as the basis for measuring the success of the project.

These targets will align with SPREP's Performance Implementation Plan in line with its Strategic Plan (2017-2026) and Results Framework (2017-2026). Results are reported annually to SPREP's governance mechanisms.

The Partner will endeavour to deliver the Outputs to the standard specified in a manner that meets the following performance criteria:

- proportion of listed outputs in the Monitoring and Evaluation Plan delivered
- proportion of listed outputs in the Monitoring and Evaluation Plan delivered on time.

## Funding

MFAT will provide Funding for the Partner to implement the Activity and deliver the Outputs, up to the **Maximum Amount** of **\$3,850,000 NZD** (inclusive of all taxes) at the times and on the conditions that are set out in this Arrangement.

## 4. Costed Outputs

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Reference Schedule 1 section 5, Schedule 2 condition 2

The Costed Outputs Table below sets out a summary of the Outputs and indicative costs of delivery (as known at the date of this Arrangement and based on the detailed Costed Workplan) that have been developed by the Partner in consultation with MFAT.

The Partner will consistently strive to maximise the Outputs and minimise the costs.

The Partner confirms that the Costed Outputs Table below and the Costed Workplan represent its current best estimate of the costs to deliver the Outputs.

The Partner will regularly review the Costed Workplan (and not less than at the times set out in the Milestones and Payments Table in section 6 below) and update it to incorporate the actual costs to date and its then best estimate of the forecast costs to deliver the Outputs, and provide the revised Costed Workplan for consideration and approval by MFAT.

MFAT will consider the revised Costed Workplan in its sole discretion. Subject to the other conditions of this Arrangement, MFAT will consider approving amendments to the revised Costed Workplan:

- a) that are justified and reasonable given the objectives of the Activity;
- b) that do not reduce the Outputs to be delivered;

- c) where the amount of the Non-Output specific costs does not exceed the amount shown in the Costed Output Table below by more than 10%; and
- d) where the Maximum Funding Amount is not exceeded.

If there is any inconsistency between the Costed Outputs Table and the Costed Workplan, the latter will prevail.

## 5. Costed Outputs Table

Schedule 1 section 6

No.	Output to be produced	Start date	End date	Total cost of Output	Indicative Cost [NZD]		
					Year 1 01/01/24 – 31/12/24	Year 2 01/01/25 – 31/12/25	Year 3 01/01/26 – 31/12/26
1	Output 1 IEMS project initiation and planning stage	Date of signing	30/06/24	200,000	200,000	-	-
2	Output 2 IEMS design and analysis stage	01/07/24	31/10/24	296,000	168,000	128,000	-
3	Output 3 Implementation and testing stage	01/11/24	31/12/25	2,854,000	1,000,000	1,854,000	-
4	Output 4: Completed implementation	01/01/26	31/12/26	140,000	-	-	140,000
5	Non-output specific costs: Programme fee (10%)	Date of signing	31/12/26	350,000	136,800	199,200	14,000
<b>MAXIMUM FUNDING AMOUNT</b>				<b>3,850,000</b>	<b>1,504,800</b>	<b>2,191,200</b>	<b>154,000</b>

[New Zealand Government](#)

## 6. Milestones and Payments

Reference Schedule 2 condition 3

The table below sets out:

- a) the date by which various Milestones are expected to be achieved;
- b) the Milestones to be achieved by each date; and
- c) the indicative amount of the Funding which is payable at such times.

The Funding amounts stated in the Table are indicative, being based on the costs expected to be incurred in implementing the Activity and delivering the Outputs in the next period as shown in the Costed Workplan at the date of this Arrangement. As noted in section 4 above, the Costed Workplan will be updated no less frequently than at the times set out in the Table below.

The Partner acknowledges that at each of the dates set out below, if the expected costs in the following payment period (as shown in the then current Costed Workplan) differ from the amount stated in the Table below, then the amount of Funding payable will be varied accordingly (as determined by MFAT following discussion with the Partner).

The Partner also acknowledges that:

- a) if the Milestones have not been not achieved in full; and/or
- b) if progress in implementation of the Activity and delivery of the relevant Outputs is behind than that which is contemplated in the Costed Workplan,

then a lesser Funding amount may be payable (as reasonably determined by MFAT following discussion with the Partner). The Partner also acknowledges that the amounts of Funding may also be altered by MFAT in accordance with the conditions of this Arrangement.

<b>Date</b>	<b>Milestones</b>	<b>Indicative Funding Payment</b>
Start date	Signed Arrangement between SPREP and MFAT.	
By 5 April 2024	Monitoring and Evaluation Plan for the activity approved	
Upon approval of the MERL Framework	Tranche 1 payment for 2024 activity	NZD \$1,504,800
30 September 2024	Annual papers, as presented to SPREP Executive Board, including: <ul style="list-style-type: none"> <li>· Audited financial accounts for 2023</li> <li>· Annual report for 2023</li> <li>· Reporting against the Strategic Plan.</li> </ul>	
30 November 2024	Progress report, costed work plan, and partial (6 month) financial acquittal provided	
13 December 2024	Tranche 2 payment for 2025 activity	NZD \$2,191,200
31 March 2025	Financial acquittal of Tranche 1 New Zealand Programme Funding.	

[New Zealand Government](#)

<b>Date</b>	<b>Milestones</b>	<b>Indicative Funding Payment</b>
30 September 2025	Annual papers, as presented to 32 <sup>nd</sup> SPREP Meeting, including: <ul style="list-style-type: none"> <li>· Audited financial accounts for 2024</li> <li>· Annual report for 2024</li> <li>· Reporting against the Strategic Plan.</li> </ul>	
30 November 2025	Progress report and updated costed workplan	
12 December 2025	Tranche 3 final payment for 2026 activity	NZD \$154,000
31 March 2026	Financial acquittal of Tranche 2 New Zealand Programme Funding.	
30 September 2026	Annual papers, as presented to Executive Board Meeting, including: <ul style="list-style-type: none"> <li>· Audited financial accounts for 2025</li> <li>· Annual report for 2025</li> <li>· Reporting against the Strategic Plan.</li> </ul>	
30 November 2026	Progress report and updated costed workplan	
31 March 2027	Completion report and Financial acquittal of Tranche 3 New Zealand Programme Funding.	

## 7. Reporting

Reference Schedule 2 condition 5

The Partner will report to MFAT's Contract Manager at the times and in the manner set out Section 6.

**Progress report**

The Progress Report, to be provided by November of 2024, 2025, and 2026 will report on:

- the implementation of the Activity and delivery of Outputs (based on this Arrangement, any Costed Workplan and any MERL Framework);
- progress towards the goals/outcomes;
- any issues relating to the implementation of the Activity and delivery of Outputs and steps to be taken in order to address the issues;
- risks identified in the relevant risk register (including health and safety risks/incidents) and any additional risks that have arisen-together with any associated risk mitigations; and
- any other relevant issues.

**Acquittal**

The financial acquittal, to be provided by 31 March of 2025, 2026, and 2027 (and a partial financial acquittal in November 2024), will report on:

- actual expenditure and income compared with that in any Costed Workplan, including comment on significant variances, balance of funds on hand at date of report;
- where expenditure is less than forecast, the Partner will confirm whether the savings are permanent or temporary;
- impacts on next tranche of funding.

**Completion report**

The Completion Report will report on:

- in summary, the implementation and delivery of Outputs (based on this Arrangement, any Costed Workplan and any MERL Framework);
- progress towards the goals/outcomes;
- risks (including health and safety risks/incidents) that emerged over the full Funding period and how they were dealt with;
- overall judgement of success of the Activity, any critical issues and recommendations for future activities;
- final actual expenditure and income compared with that planned for the term of this Arrangement (including cessation costs and disposal of assets, where relevant), explanation of significant variances, balance of funds on hand at date of report;
- reflection on the quality of the MERL Framework and its implementation.

## 8. Payments

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Reference Schedule 2 conditions 3

The Partner's Claim(s) are to be sent to:

[New Zealand Government](#)

PDG Financial Support Team  
 Ministry of Foreign Affairs and Trade  
 Attention: Michelle Sheriff and Ali Carlin, DEVPP

Funding is to be paid into the Partner's bank account set out below, or such other bank account nominated by the Partner and approved in writing by MFAT.

<b>Bank Account</b>	<b>Name of Account</b>	SPREP USD working account
	<b>Currency</b>	USD (US Dollar)
	<b>Number</b>	0184959907
<b>Bank</b>	<b>Name of Bank</b>	BANK OF SOUTH PACIFIC
<b>Branch</b>	<b>Name of Branch</b>	BANK OF SOUTH PACIFIC, Beach road
	<b>Address</b>	PO Box 1860
	<b>Country</b>	Samoa
<b>Code</b>	<b>Swift Code</b>	BOSPWSWS
	<b>IBAN</b>	N/A
	<b>Specify other code required</b>	N/A
<b>Payment Reference</b>	SPREP – CC IEMS	

## 9. Contract Managers

Reference Schedule 2 condition 4

	<b>MFAT's Contract Manager</b>	<b>Partner's Contract Manager</b>
<b>Name:</b>	Michelle Sheriff	Easter Chu Shing
<b>Title/position:</b>	Senior Policy Officer	Deputy Director General
<b>Address:</b>	Ministry of Foreign Affairs and Trade	SPREP
<b>Postal address:</b>	Ministry of Foreign Affairs and Trade Private Bag 18-901 Wellington 6160 New Zealand	SPREP PO Box 240 Apia 0000 Samoa
<b>Phone:</b>	Work: 021 243 6104 Mobile: 022 1887 955	+68521929 ext. 211
<b>Email:</b>	Michelle.Sheriff@mfat.govt.nz	easterc@sprep.org

## 10. Addresses for Notices

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Reference Schedule 2 condition 10

	<b>MFAT's address</b>	<b>Partner's address</b>
<b>For the attention of:</b>	Bernadette Cavanagh Deputy Secretary Pacific and Development Group	Sefanaia Nawadra Director General SPREP
<b>cc:</b>	Michelle Sheriff	Easter Chu Shing
<b>Delivery address:</b>	Ministry of Foreign Affairs and Trade Level 10, HSBC Building 195 Lambton Quay Wellington 6011 New Zealand	SPREP PO Box 240 Apia 0000 Samoa
<b>Postal address:</b>	Ministry of Foreign Affairs and Trade Private Bag 18-901 Wellington 6160 New Zealand	Same as physical address.
<b>Facsimile:</b>	N/A	(+685) 20231
<b>Email:</b>	Michelle.sheriff@mfat.govt.nz	sefanaian@sprep.org

## 11. Additional Provisions and Changes to Schedule 2

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The following is added as a new clause 1.3:

The Partner may use and account for up to a maximum of NZD\$1,500 of the Tranche 1 payment for 2024 activity for expenditure incurred by the Partner between 1st January 2024 to 31st March 2024 for continuation of personnel and administration costs in support of this Activity.

## 12. Annexure/s

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**Reference 'Arrangement documents'**

None.

## Schedule 2: Conditions

### 1. Length of Arrangement

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- 1.1 This Arrangement starts on the Start Date.
- 1.2 This Arrangement ends on the End Date unless terminated earlier.

### 2. The Partners' assurances

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#### **Both Partners' assurances**

- 2.1 Both Partners will:
  - a. act in good faith and demonstrate honesty, integrity, openness, and accountability in their dealings with each other;
  - b. work together to achieve the goals and outcomes referred to in section 2 of Schedule 1;
  - c. discuss matters affecting this Arrangement, the implementation of the Activity and delivery of the Outputs, whenever necessary; and
  - d. notify each other immediately of any actual or anticipated issues that could:
    - (i) delay, significantly impact or change the implementation, delivery or associated cost of aspects of the Activity or the Outputs;
    - (ii) impact the Funding;
    - (iii) be the subject of a request for official information under the Official Information Act 1982 (NZ) or a complaint to the New Zealand Ombudsman; or
    - (iv) receive significant media attention.

#### **MFAT's assurances**

- 2.2 MFAT will:
  - a. provide the Partner with any information MFAT has readily available which the Partner has reasonably requested to assist in the implementation of the Activity and delivery of the Outputs;
  - b. make decisions and consider approvals reasonably able to be provided by MFAT and as required by the Partner to enable the implementation of the Activity and delivery of the Outputs in a timely manner; and
  - c. fund the Partner the applicable amounts referred to in Schedule 1 as long as the Partner has achieved the relevant Milestone and delivered the Outputs required in relation to that Milestone, to MFAT's sole satisfaction and made a Claim, all in accordance with this Arrangement.

#### **Partner's assurances**

- 2.3 The Partner will implement the Activity and deliver each Output:
  1. by the specified due dates and in accordance with the key requirements (if any) to be met for that Output as specified in the relevant Costed Workplan or this Arrangement and as may be notified by MFAT from time to time in its sole discretion;
  2. with due care, skill and diligence, to the appropriate professional standard, in accordance with best practice and to the standards and quality required by MFAT from time to time; and
  3. within the Maximum Funding Amount and in accordance with the relevant Costed Workplan.
- 2.4 The Partner will:
  - a. apply the Funding in accordance with this Arrangement and the Costed Workplan and for the purpose of implementing the Activity and delivering the Outputs;
  - b. ensure that its Personnel have the necessary skills, experience, training and resources to successfully implement the Activity and deliver the Outputs; and
  - c. provide all equipment and resources necessary to successfully implement the Activity and deliver the Outputs.
- 2.5 The Partner confirms that:
  - a. it has and will maintain all the regulatory licences, permits or other authorisations necessary to implement the Activity and deliver the Outputs and carry out all other activities as contemplated by this Arrangement;

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- b. reports produced by the Partner are factually correct, accurate and truthful in every material respect and will not contain false information or be ambiguous or misleading; and
  - c. it will comply with all applicable laws and regulations.
- 2.6 Within five Business Days of any significant actual or anticipated issue being notified under condition 2.1d, the Partner will advise MFAT of the steps it plans to take to prevent or mitigate the impact of the issue on implementation of the Activity or the delivery of the Outputs, and the Partner will implement any such additional reasonable steps as MFAT requests.
- 2.7 The Partner acknowledges that it is receiving public funds from the New Zealand Government and will assist MFAT by ensuring that transparent, efficient and effective financial and operational processes are used to manage the Arrangement.
- 2.8 The Partner will not at any time do anything that is likely to adversely affect the reputation, good standing or goodwill of MFAT or the New Zealand Aid Programme.
- 2.9 The Partner will:
- a. ensure, so far as is reasonably practicable, the health and safety of:
    - (i) workers who work for the Partner, while the workers are performing work under this Arrangement; and
    - (ii) workers whose activities are influenced or directed by the Partner while performing work under this Arrangement; and
    - (iii) other persons who might be put at risk by the Partner performing work under this Arrangement;
  - b. consult, cooperate and coordinate with MFAT in relation to the health and safety matters referred to of the workers and other persons described in paragraph a. above;
  - c. comply with the provisions of any Health and Safety Acknowledgement Form and Safety Plan provided to MFAT;
  - d. comply with all reasonable directions of MFAT relating to health and safety; and
  - e. report any health and safety incident, injury or near miss to MFAT as soon as possible after becoming aware that such an event has occurred.

For the purposes of this condition:

- f. **workers** means an individual who carries out work in any capacity, including employees, contractors, subcontractors, apprentices and volunteers; and
  - g. **reasonably practicable** means that which is, or was, at a particular time, reasonably able to be done in relation to ensuring health and safety, taking into account and weighing up all relevant matters, including —
    - (i) the likelihood of the hazard or the risk concerned occurring; and
    - (ii) the degree of harm that might result from the hazard or risk; and
    - (iii) what the person concerned knows, or ought reasonably to know, about—
      - (1) the hazard or risk; and
      - (2) ways of eliminating or minimising the risk; and
    - (iv) the availability and suitability of ways to eliminate or minimise the risk; and
    - (v) after assessing the extent of the risk and the available ways of eliminating or minimising the risk, the cost associated with available ways of eliminating or minimising the risk, including whether the cost is grossly disproportionate to the risk.
- 2.10 If the nature of the Activity requires it, the Partner will implement the activity and deliver the Outputs in a manner that:
- a. is culturally appropriate; and
  - b. respects the personal privacy and dignity of all participants and stakeholders

### **MFAT acknowledgment**

- 2.11 The Partner will acknowledge the assistance and support of the New Zealand Aid Programme in any publicity material, media reporting and annual reports. In doing so the Partner will make it clear that it is responsible for the implementation of the Activity.
- 2.12 Before using MFAT's and/or the New Zealand Aid Programme's name, logo design, or branding the Partner will first obtain MFAT's written consent.

### **No commitments**

- 2.13 The Partner will not make any commitments on behalf of the New Zealand Government relating to the expenditure of New Zealand official development assistance or any other official New Zealand funds.

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### 3. Claims and Funding

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#### Payment

- 3.1 MFAT will make a Funding payment to the Partner of an amount determined by MFAT in its discretion having regard to the factors set out in sections 3 and 6 of Schedule 1.
- 3.2.1 MFAT will not make a Funding payment unless it has received a valid Claim from the Partner and payment of Funding is subject to condition 2.2 (c) (relating to MFAT's discretion), condition 3.4 (relating to Government policy and appropriation) and condition 3.5 (relating to disputed Claims) and the other terms and conditions of this Arrangement.
- 3.2.2 All payments to be made by MFAT to the Partner under this Arrangement will be made to the Partner's Bank Account identified in Schedule 1.
- 3.2.3 If, and whenever, the Partner's Bank Account (**receiving account**) most recently recorded in MFAT's records as being that into which a payment is to be made under this Arrangement is recorded as being denominated in a currency (**preferred currency**) other than the currency in which the charges are denominated (**currency of payment**) then, at MFAT's option, without notice of any kind to the Partner and in satisfaction of MFAT's payment duties, the amount to be paid may be:
- converted, at its rates and upon its terms, by the bank MFAT has chosen to use to effect the payment from the currency of payment to the preferred currency and, as so converted, put into a recognised payments system with instructions that it be transmitted to the receiving account; or
  - put by that bank into a recognised payments system with instructions that be transmitted to the receiving account in the currency of payment,

in either case entirely at the risk, cost and expense (including in relation to taxes) of the Partner.

#### Claims

- 3.3 To be valid, each Claim will contain:
- the Partner's name and address;
  - MFAT's name and address and be marked for the attention of the person stated in Schedule 1;
  - reference this Arrangement;
  - the date on which the invoice was issued;
  - the Funding due, calculated correctly, in the currency stated in Schedule 1; the Partner's bank account details;
  - any of the Partner's financial records MFAT reasonably requires which relate to the relevant Milestone; and
  - any other information reasonably required by MFAT.
- 3.4 Any Funding under this Arrangement is subject to New Zealand Government policy and an appropriation by the New Zealand Parliament of sufficient funds for the type of activities provided for under this Arrangement.
- 3.5 If MFAT disagrees with a Claim, or any part of a Claim, that otherwise complies with this condition 3, MFAT will notify the Partner as soon as reasonably practicable. MFAT may withhold payment of the disagreed portion or any other amount due to the Partner under this Arrangement until the disagreement is resolved.
- 3.6 MFAT's payment of a Claim:
- does not mean that the Partner is released or excused from any of its assurances at the time or in the future, and
  - does not prevent MFAT from taking any action under this Arrangement at a later time.
- 3.7 MFAT reserves its right to claim any overpayments of Funding to the Partner back through a set-off against any other amount which MFAT owes the Partner under any other arrangement or contract, or to withhold payment of the equivalent amount under this Arrangement. If there is no amount owed by MFAT, then the Partner will refund to MFAT the amount paid in excess within 10 Business Days of MFAT's request for a refund.

#### Interest

- 3.8 The Partner will apply any interest earned on the Funding to the Activity and record it as income in the reporting required by Schedule 1.

## **Audit**

- 3.9 The Partner will ensure that all Funding provided under this Arrangement is included in the Partner's financial statements and covered by any audit or independent review of those statements. The Partner's financial statements will include explicit reference to the total Funding received from the New Zealand Aid Programme. The Partner will ensure that a copy of its financial statements, including any audit or independent review report and any management letter resulting from an audit or review, will be provided to MFAT within six months of the end of the Partner's financial year.
- 3.10 MFAT or its delegate may audit the Partner in relation to its use of the Funding and performance of the Arrangement at any time and the Partner will allow MFAT or its delegate to carry out such an audit and will co-operate with any on-site audit and investigations by making available all Records and accounts to MFAT or its delegate, including those relating to the Funding it has received under this Arrangement.

## **4. Arrangement management**

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### **Contract Manager**

- 4.1 The persons named in Schedule 1 as the Contract Managers are responsible for managing the Arrangement, including:
- a. managing the relationship between the Partners in relation to this Arrangement;
  - b. overseeing the effective implementation of this Arrangement; and
  - c. acting as a first point of contact for any issues that arise.

### **Changing the Contract Manager**

- 4.2 If a Partner changes its Contract Manager, it will tell the other Partner, in writing, the name and contact details of the replacement Contract Manager within five Business Days of the change.

## **5. Records and reports**

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### **Information and Records**

- 5.1 The Partner will:
- a. keep and maintain Records in accordance with prudent business practice and all applicable laws;
  - b. make sure the Records are easy to access; and
  - c. keep the Records safe.
- 5.2 The Partner will give information to MFAT relating to the Activity/ Outputs that MFAT reasonably requests. All information should be delivered within a reasonable time of the request.
- 5.3 The Partner will co-operate with MFAT to provide information immediately if the information is required by MFAT to comply with an enquiry or MFAT's statutory, parliamentary or other reporting obligations.
- 5.4 The Partner will make its Records available to MFAT or an MFAT designated party during the term of this Arrangement and for a minimum of seven years after the Arrangement End Date (unless already provided to MFAT).
- 5.5 The Partner will make sure that Records provided by MFAT or created for MFAT are securely managed and where return is not required, securely destroyed.

### **Reports**

- 5.6 The Partner will prepare and provide to the MFAT Contract Manager the reports stated in Schedule 1. All reports will:
- a. be provided by the due dates stated in Schedule 1;
  - b. be in the format required by MFAT in Schedule 1 and include any other information reasonably requested by MFAT;
  - c. be presented in a manner that allows MFAT to easily and properly assess the Partner's progress and the achievement of Outputs under this Arrangement; and
  - d. not incorporate any logo, representation or mark of MFAT or the New Zealand Aid Programme which may indicate that the Partner is in any way related to, or connected with, the Partner or the New Zealand Aid Programme; and
  - e. be in a form satisfactory to MFAT.
- 5.7 MFAT may from time to time request informal reports, updates or consultations on the Arrangement, the Activity or Outputs.

- 5.8 The Partner will regularly brief the relevant New Zealand High Commission or Embassy on the progress of the Arrangement.

## 6. Insurance

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- 6.1 It is the Partner's responsibility to ensure its risks of implementing the Activity and delivering the Outputs are adequately covered, whether by insurance or otherwise, including claims made after the completion of the Activity.

## 7. Ending or suspending this Arrangement

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- 7.1 This Arrangement may be amended by mutual written consent of the Partners at any time. Either Partner may suspend or discontinue this Arrangement, in whole or in part, for any reason by providing notice in writing to the other Partner. Should this Arrangement be discontinued, the Partners will consult with each other on how to bring this Arrangement and the Activity to an orderly end.

### **Partner's assurances on termination or expiry of this Arrangement**

- 7.2 In the event of termination the Partner will take immediate steps to bring its work related to the Arrangement to a close in a prompt and orderly manner, reduce expenditure to a minimum and will deliver to MFAT, or its nominees, all documents, equipment and materials belonging to or provided by MFAT.
- 7.3 On termination or expiry of this Arrangement, the Partner will, if requested by MFAT, immediately return or securely destroy all Confidential Information and other material or property belonging to MFAT.

### **Consequences of termination or expiry of this Arrangement**

- 7.4 If this Arrangement is terminated, MFAT will only pay Funding that is due for components of the Arrangement delivered before the Arrangement End Date.
- 7.5 On the termination or expiry of this Arrangement, the Partner will immediately account for and refund to MFAT any unspent Funds that are not irrevocably committed to a third party.

## 8. Intellectual Property Rights

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- 8.1 Pre-existing Intellectual Property Rights remain the property of their current owner.
- 8.2 New Intellectual Property Rights in the Outputs become property jointly held by MFAT and the Partner when they are created.
- 8.3 To the extent that Intellectual Property Rights are incorporated into the Outputs, each of the Partners grants to the other a perpetual, non-transferable, sub-licensable, worldwide and royalty-free licence to use, for any purpose, those Intellectual Property Rights. This licence includes the right to use, copy, modify, and distribute, any materials to which the licence relates.

## 9. Confidential Information

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### **Protection of Confidential Information**

- 9.1 Each Partner confirms that it has adequate security measures to safeguard the other Partner's Confidential Information from unauthorised access or use by third parties and that it will not use or disclose the other Partner's Confidential Information to any person or organisation other than:
- to the extent that use or disclosure is necessary for the purposes of implementing the Activity and delivering the Outputs or, in the case of MFAT, using the Outputs;
  - if the other Partner gives prior written approval to the use or disclosure;
  - if the use or disclosure is required by law (including under the Official Information Act 1982 (NZ)) or by any Public Service agency, Minister of the Crown or Parliamentary Office or body; or
  - in relation to the disclosure, if the information has already become public, other than through a breach of confidentiality by one of the Partners.

### **Inform Personnel**

- 9.2 Each Partner will ensure that its Personnel:
- are aware of the confidentiality provisions in this Arrangement; and
  - do not use or disclose any of the other Partner's Confidential Information except as allowed by this Arrangement.

## 10. Notices

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### Delivery of Notices

- 10.1 All Notices to a Partner will be delivered by hand or sent by post, courier, fax or email to that Partner's address for Notices stated in Schedule 1.
- 10.2 Notices will be signed or in the case of email sent by the appropriate manager or person having authority to do so.

### Receipt of Notices

- 10.3 A Notice will be considered to be received if it is:
- delivered by hand, on the date it is delivered;
  - sent by post within New Zealand, on the third Business Day after the date it was sent;
  - sent by post internationally, on the 10th Business Day after the date it was sent;
  - sent by courier, on the date it is delivered;
  - sent by fax, on the sender receiving a fax machine report that it has been successfully sent; or
  - sent by email, at the time the email enters the Partner's information system.
- 10.4 A notice received after 5pm on a Business Day, or on a day that is not a Business Day, will be considered to be received on the next Business Day.

## 11. Anti-corruption

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### No Fraudulent practice

- 11.1 Both Partners will not make, cause to be made, nor receive any offer, gift (over the value of NZ\$100), payment, consideration, inducement, reward or benefit of any kind, which would, or could be construed as an illegal, unethical, or Fraudulent Practice. Any such conduct may be grounds for immediate termination of this Arrangement and the other Partner will be entitled to recover any such amounts and take such other corrective action as the other Partner deems appropriate. Where either Partner, or a Partner's Personnel, is investigated for Fraud, or where there is a finding of Fraud against either Partner or a Partner's Personnel, or where a Partner's Personnel is convicted of a serious criminal offence that brings that Partner into disrepute, or the nature of the conviction is incompatible with the objective(s) of the Arrangement, this event may be grounds for the other Partner to immediately terminate this Arrangement by giving notice in writing to the other Partner.

### Notification and investigation

- 11.2 Each Partner will immediately report to the other all suspected or detected Fraud. MFAT reserves the right to investigate cases of suspected or detected Fraud.

## 12. Anti-terrorism

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- 12.1 The Partner will use its best endeavours to ensure that Funds provided under this Arrangement do not provide direct or indirect support or resources to organisations and/or individuals associated with terrorism. Certain organisations and/or individuals are designated by the Partners as terrorists. If the Partner discovers any link whatsoever with any organisation or individual associated with terrorism it will inform MFAT immediately.

## 13. Assets and Inventories

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### Assets

- 13.1 Pre-existing Assets remain the property of their current owner.
- 13.2 All other Assets created or provided under this Arrangement will be the property of the Partner. The Partner will bear all responsibility in relation to such Assets and protect MFAT from any claims relating to them.
- 13.3 If at any time (including after the expiry or termination of this Arrangement) the Partner decides that it has no further use for any or all of the Assets, the Partner will use best endeavours to dispose of such Assets in an ethically and environmentally sound manner.
- 13.4 The Partner will create and maintain an Asset Register for all Assets. The Asset Register will be updated on a regular basis and, where appropriate, will include financial information relating to the depreciation in financial value of applicable Assets.
- 13.5 The Partner will ensure there is sufficient insurance or other cover against loss or damage, for all Assets until the Assets are disposed of in accordance with this Arrangement.
- 13.6 The Partner will carry out all necessary or appropriate maintenance of Assets to ensure all Assets are available for use during the term of ~~this Arrangement~~ this Arrangement

## **Inventories**

- 13.7 Pre-existing Inventories, unless otherwise determined by MFAT and the Partner, remain the property of their current owner.
- 13.8 At the end of this Funding Arrangement, any Inventories which have not been exhausted by the Partner during the Activity that:
- a. remain in usable condition will be legally transferred to the relevant partner organisation.
  - b. are not in a usable condition will be lawfully and appropriately disposed of by the Partner.
- 13.9 The Partner will keep proper records of all Inventories it creates or purchases under this Funding Arrangement and will report to MFAT in its Activity reporting under that Funding Arrangement on the Inventories including their use and distribution.
- 13.10 MFAT has no responsibility for the condition, use, distribution or disposal of Inventories at any time.
- 13.11 The Partner will ensure there is sufficient insurance against loss or damage for all Inventories until the Inventories are disposed of under condition 13.8.

## **14. Variations**

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- 14.1 Any change to this Arrangement will be recorded between the Partners in writing.

## **15. General**

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### **Entire Arrangement**

- 15.1 This Arrangement records matters between the Partners in relation to the Arrangement. It replaces any previous communications, negotiations, arrangements or agreements that the Partners had with each other in relation to the Arrangement before this Arrangement was signed, whether they were verbal or in writing.

### **Nature**

- 15.2 It is understood between the Partners that this is an Arrangement.

### **Differences**

- 15.3 In the event of any difference in the interpretation or implementation of the Arrangement, the Partners will endeavour to resolve the differences through consultation.

### **Publication of information about this Arrangement**

- 15.4 The Partner may disclose the existence of this Arrangement but will obtain MFAT's prior written approval before making reference to the New Zealand Aid Programme, MFAT or this Arrangement in its publications, public statements, promotional material or promotional activities about this Arrangement.
- 15.5 Each Partner will not post on websites, social networking sites or publicly display objectionable or derogatory comments about the Outputs, this Arrangement, each other, or any of its Personnel and to ensure that its Personnel do not do so.

### **Signing the Arrangement**

- 15.6 The date of execution is the date this Arrangement is signed. This Arrangement may be executed in any number of counterparts (including any facsimile or scanned PDF counterpart), each of which will be deemed an original, but all of which together will constitute the same instrument. No counterpart will be effective until each Partner has executed at least one counterpart. If this Arrangement is signed on two separate dates, the date of execution is the later of the two dates.

### **Currency and time**

- 15.7 All money is in New Zealand dollars unless Schedule 1 specifies a different currency. Dates and times are New Zealand time.

## **16. Interpretation and definitions**

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- 16.1 In this Arrangement, unless the context otherwise requires:
- a. the headings to conditions are inserted for convenience only and will be ignored in interpreting this Arrangement;
  - b. the word "including" and other similar words do not imply any limitation;
  - c. a person includes any company or body of persons (incorporated or not);
  - d. the plural includes the singular and vice versa; and
  - e. a reference to a statute includes any legislative instrument or other subordinate legislation made under it and amendments to or replacement of any of them from time to time.

New Zealand Government

16.2 When used in this Arrangement the following terms have the meaning beside them.

**Activity** The activity described in Schedule 1, but when used in the context of the Partner's assurances, the term is limited to the aspects of the Activity for which the Partner is responsible as stated in Schedule 1.

**Annexure** An attachment to this Arrangement with the title 'Annexure'.

**Arrangement** This arrangement between MFAT and the Partner that comprises pages 1 and 2, Schedule 1, this Schedule 2, any Annexure/s and any variation.

**Asset** All tangible items of property, plant, equipment which are created or purchased in pursuit of the Activity, with an individual value of over NZ\$1,000 and whose economic benefits or service potential is expected to be used over more than one reporting period during this Arrangement or beyond.

**Asset Register** A record of all Assets that will include:

- a. each individual Asset;
- b. purchase price;
- c. date of purchase; and
- d. location held.

**Business Day** A day when most businesses are open for business in New Zealand. It excludes Saturday, Sunday and public holidays. A Business Day starts at 8.30am and ends at 5pm.

**Change of Control** In relation to a person (the "first person"), where a person acquires Control of the first person or where a person who Controls the first person ceases to do so

**Claim** A claim for Funding submitted by the Partner under this Arrangement in accordance with condition 3.3 of Schedule 2.

**Confidential Information** Information that:

- a. is by its nature confidential;
- b. is marked by either Partner as 'confidential', 'in confidence', 'restricted' or 'commercial in confidence';
- c. is provided by either Partner, or a third party 'in confidence';
- d. either Partner knows or reasonably ought to know is confidential.

**Contract Manager** The person named in Schedule 1 as the Contract Manager. Their responsibilities are listed in condition 4.1.

**Control** In relation to a person (the first person), means the ability of a person (the second person) to ensure that the activities and business of the first person are conducted in accordance with the wishes of the second person, whether through ownership of voting shares, contract or otherwise. Without limitation, the direct or indirect beneficial ownership of more than 50% of the voting shares of a person is deemed to constitute Control.

**Costed Workplan** Any workplan costed by outputs relating to this Arrangement that is submitted by the Partner to, and approved in writing by, MFAT, as amended from time to time.

**Crown** MFAT also described as the Sovereign Her Majesty the Queen in right of New Zealand and includes a Minister, a government department and an Office of Parliament, but does not include a Crown entity, or state owned enterprise named in Schedule 1 of the State-Owned Enterprises Act 1986.

**End Date** The earlier of the date this Arrangement is due to end as stated in Schedule 1, the date of termination as set out in a Notice of termination or any other date specified between the Partners as the date on which the Arrangement is to end.

**Fraud** A deliberate deceit by Personnel, undertaken in order to obtain a benefit for themselves and/or someone else. This includes such acts as theft, conspiracy, bribery, corruption, misappropriation, falsification of documents, non-authorised release of information, collusion and influencing decisions that will result in a personal benefit. **Fraudulent Practice** has a corresponding meaning.

**Funding** An amount that is equal to some or all of the Maximum Funding Amount, and **Fund** and **Funds** have a corresponding meaning.

**Intellectual Property Rights** All intellectual property rights and interests, including copyright, and all rights conferred under statute, common law or equity in relation to inventions (including patents), trademarks, designs, circuit layouts, domain names, rights in databases, confidential information, trade secrets, know-how, and all other proprietary rights, whether registered or unregistered, and all equivalent rights and forms of protection anywhere in the world, together with all right, interest or licence in or to any of the foregoing.

**Inventories** Any materials or supplies which are created or purchased in pursuit of the Activity and are intended to be consumed, sold or distributed under the Activity.

**Maximum Funding Amount** The maximum amount payable by MFAT to the Partner under or in connection with this Arrangement as stated in Schedule 1. [New Zealand Government](#)

**Milestone** Each of the Outputs and events recorded as milestones in the table in section 5 of Schedule 1.

**Monitoring, Evaluation, Research and Learning (MERL) Framework** A MERL framework relating to this Arrangement that is submitted by the Partner to, and approved in writing by, MFAT (following any iterations of a revised MERLs Framework due under this Arrangement, MFAT will email the final version to the Partner confirming that it is the version for use).

**New Intellectual Property Rights** Any Intellectual Property Rights that are developed, commissioned or created under or in connection with this Arrangement (including those incorporated into the Outputs).

**Notice** A formal communication from one Partner to the other that meets the requirements of condition 10 (Notices).

**Outputs** The products (including reports), tasks and key requirements that the Partner will perform or deliver under this Arrangement as set out in Schedule 1.

**Partner** MFAT and the Partner are each a Partner to this Arrangement and together are the Partners.

**Personnel** All individuals engaged by either Partner in relation to this Arrangement or the implementation of the Activity or delivery of Outputs, included any Approved Personnel, but excluding any Subcontractors.

**Pre-existing Intellectual Property Rights** Intellectual Property Rights developed before the date of this Arrangement or outside the scope of this Arrangement. It does not cover later modifications, adaptations or additions.

**Records** All information and data relating to the management of this Arrangement, implementation of the Activity and the delivery of Outputs. Records include reports, Claims, letters, emails, notes of meetings, photographs and other media recordings. Records can be hard copies or soft copies stored electronically.

**Start Date** The date this Arrangement starts as stated in Schedule 1.