

AGREEMENT

between

THE ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE

and

[name of the Implementing Partner]

FOR THE IMPLEMENTATION OF THE PROJECT

["name of the Project"]

[number of the Project]

This Implementing Partner Agreement, (hereinafter referred to as the "Agreement") is made between the **Organization for Security and Co-operation in Europe** (hereinafter referred to as the "OSCE"), represented by the *[Executive Structure]*, located at *[insert applicable address]* and ***[legal name of the implementing partner]***, *[description of implementing partner's status as an entity]* located at *[insert applicable address]* (hereinafter referred to as "the Implementing Partner"), jointly referred to as the "Parties."

RECITALS

[Recital 1.1, for UB projects]

WHEREAS the OSCE has been entrusted with the administrative and financial monitoring of the *[name of the Project]* (hereinafter referred to as the "Project"); and

WHEREAS in large part on the basis of its Certificate of Compliance the Implementing Partner has been selected and is ready to co-operate with the OSCE in compliance with the OSCE's regulatory framework in order to implement the Project, and confirms possession of the necessary expertise, personnel, facilities, permits and licenses

NOW, THEREFORE, for and in consideration of the representations, warranties and mutual agreement of the Parties set forth in the Agreement, the Parties have agreed as follows:

Article 1: Project

[Option 1]

The Project subject to the Agreement is described in Annex 1, which forms an integral part of the Agreement.

Article 2: Duration of the Project

[Option 1]

The implementation of the Project shall start on *[date]* and end on *[date]*.

[OR]

[Option 2]

The duration of the Project shall be *[e.g. six (6) calendar days / months]* and the implementation of the Project shall commence on the day of countersignature of the Agreement.

Article 3: General Obligations of the Implementing Partner

The Implementing Partner shall:

1. be responsible for the implementation of the Project in accordance with the Agreement and its Annexes

[Option 1]

2. undertake the tasks referred to in the Annexes to the Agreement.

[OR]

[Option 2]

2. undertake the following actions:

(a) [...]

(b) [...]

3. be responsible and accountable towards the OSCE for the proper management of the funds allocated to the Project, which shall be exclusively used for its implementation.
4. provide all the facilities necessary for the OSCE to monitor the Project and inform the OSCE about all major events, reports and studies related to it during the course of implementation.
5. be in possession of the necessary expertise, personnel and facilities, as well as of any licenses, permits and insurance policies required by applicable law to implement the Agreement and make them available to the OSCE upon request.
6. exercise the utmost discretion in all matters relating to the contract. Unless required in connection with the implementation of the Agreement or expressly authorised in writing by the OSCE, the Implementing Partner shall not disclose at any time to any third party any information that has not been made public that is known to the Implementing Partner by reason of its association with the OSCE. The Implementing Partner shall not, at any time, use such information to any private advantage. These obligations do not lapse upon any termination of the Agreement.

Article 4: Staff Requirements

1. The Implementing Partner is responsible for employing the staff necessary for the implementation of the Project and is responsible for entering into contracts with them directly as their employer. The Implementing Partner is responsible for ensuring that all relevant national laws, including labour, social security and tax laws, are observed.
2. The staff shall work under the supervision and responsibility of the Implementing Partner, which shall be fully accountable for all acts and services performed by its staff. In no case shall the OSCE be responsible for the staff employed by the Implementing Partner to implement the Project.
3. New staff employed by the Implementing Partner for the implementation of the Project shall be selected by open competition, on the basis of the principles of transparency and fairness, after public advertisement *[optional: of the position in the media and in accordance with national law]*. The Implementing Partner is responsible for ensuring that its staff meet the highest standards of qualification and technical and professional competence necessary for the implementation of the Project. The Implementing Partner is responsible for ensuring that its staff are free from any conflicts of interest relative to the Project activities.
4. The Implementing Partner shall not replace or withdraw any personnel referred to in the Agreement for the performance of the services without the prior written approval of the OSCE. Prior to assignment, replacement or withdrawal of any personnel performing the services, the OSCE may request that the Implementing Partner submit to the OSCE the curriculum vitae or detailed justification in order to allow the OSCE to evaluate the impact such assignment, replacement or withdrawal may have on the performance of the services. In the event of the withdrawal of any personnel, all costs and additional expenses resulting from the replacement, for whatever reasons, of any of the Implementing Partner's

personnel shall be at the sole cost and risk of the Implementing Partner. Any such withdrawal shall not be considered any termination, whether in whole or in part, of the Agreement.

Article 5: General Obligations of the OSCE

The OSCE shall:

[Option 1, for UB projects]

1. transmit the funds allocated to the Implementing Partner for the purpose of implementing the Project, in accordance with Article 6;

Article 6: Budget and Payments

1. The budget of the Project shall be specified in its Annex 2 which forms an integral part of the Agreement. The Implementing Partner shall assume financial responsibility for the execution of this budget.
2. The OSCE shall finance the Project for an amount not exceeding EURO *[amount]*, which shall be paid in three (3) instalments:
 - (a) A first instalment of EURO *[amount]*, equivalent to 40% (forty percent) of the budget of the Project, shall be paid within *[e.g. seven (7)]* calendar days upon signature of the Agreement;
 - (b) A second instalment not exceeding EURO *[amount]*, equivalent to 40% (forty percent) of the budget of the Project, shall be paid within *[e.g. thirty (30)]* calendar days upon approval by the OSCE Programme Manager of the Interim Financial Report submitted by the Implementing Partner; and
 - (c) A final instalment not exceeding EURO *[amount]*, representing the balance of the budget of the Project, shall be paid within *[e.g. thirty (30) calendar days]* of approval by the OSCE Programme Manager of the Final Narrative Report and Final Financial Report submitted by the Implementing Partner, in accordance with Article 7.1.
3. Notwithstanding the foregoing, the Agreement does not create any obligation whatsoever for the OSCE to pay the second or subsequent instalments in the event that the OSCE budget has not been approved or has not been approved in good time to ensure the uninterrupted implementation of the Project. It also does not oblige the OSCE to sign any further agreements or make any further contributions or commitments.
4. The payments shall be transferred to the following bank account:

Account holder:

Bank name:

Bank identification number/SWIFT:

Account number:

The Implementing Partner shall acknowledge receipt of each payment within seven (7) calendar days of receipt.

[Option 1]

5. In the Agreement, all amounts are based on the OSCE's official exchange rate of *[local currency in which payments will be made (symbol)]* to the euro (€) as at *[applicable date]*. All decreases in the value of the euro as measured by this exchange rate *[optional, which are more than [threshold expressed as a percentage and/or euro threshold] in value]* will result in an automatic and proportional decrease in the amounts and any related payments in *[local currency (symbol)]*.

[OR]

[Option 2]

5. Should general restrictions on the receipt of transfers in EURO exist, the foreign-exchange rate to be applied for each payment shall be official exchange rate of the OSCE at the time the funds are transferred from the bank account of the OSCE.
6. The OSCE may withhold, cancel or require the refunding of any or all payments which the Implementing Partner did not spend exclusively for the Project in accordance with the provisions of the Agreement and its Annexes.
7. The OSCE shall not be liable for any additional expenses, fees or any other financial costs incurred by the Implementing Partner which exceed the agreed budget amount of the Project or which are not expressly budgeted and agreed upon by the OSCE in the Agreement and its Annexes. The OSCE shall not reimburse any costs incurred by the Implementing Partner which, in the sole determination of the OSCE, are imprudent, unnecessary or unreasonable. Prior to incurring any questionable or unique cost, the Implementing Partner shall obtain the OSCE's written determination on whether the cost is allowable.
8. The Implementing Partner shall retain all original invoices relating to project costs for seven (7) years and submit them to the OSCE upon request. The OSCE shall have the right to stamp original invoices as "Paid by the OSCE" and retain copies for its records.
9. The Implementing Partner shall ensure that no claim for reimbursement of expenses incurred in connection with the project, relating to project costs which the OSCE finances, has been submitted or will be submitted to any other donor in any form. If the financing of some of the project costs by natural or legal persons other than the Implementing Partner or the OSCE is envisaged, the Implementing Partner shall inform the OSCE in advance about the source, nature and amount of the contribution. The Implementing Partner shall seek the OSCE's approval prior to accepting any such contribution and the OSCE may reject it.
10. No consideration, offer, gift or payment, or benefit of any kind, which constitutes an illegal or inappropriate practice, shall be made to anyone, either directly or indirectly, as an inducement or reward for the award or execution of this Project. Any such practice shall constitute grounds for terminating the Agreement or taking other corrective action as required in the sole view of the OSCE.

Article 7: Reporting

1. In addition to the Interim Financial Report required under Article 6.2b above, the Implementing Partner shall provide the OSCE Programme Manager with a Final Financial Report and a Final Narrative Report no later than *[e.g. thirty (30)]* calendar days following the completion of the Project.
2. The Narrative Report shall provide:
 - (a) A brief reiteration of the Project objectives;
 - (b) A summary of the activities undertaken;
 - (c) Information on the achievement of the objectives;
 - (d) An evaluation of the Project, including any problems or successes encountered; and
 - (e) The impact accomplished and/or expected.
3. The Final Financial Report shall provide information on the financial status, including income, expenditures and any unspent balance.
4. All reports shall be submitted in English.
5. All Financial Reports shall provide a summary of the expenditures separated into the following seven categories:

Category	Description
Staff costs	For the Implementing Partner's costs of its staff only
Consultants	For the Implementing Partner's costs of consultants hired by the IP
Travel	For the Implementing Partner's costs of travel
Accommodation	For the Implementing Partner's costs of hotels, accommodation, meals etc.
Supplies	For the Implementing Partner's costs of supplies purchased by the IP
Assets	For the Implementing Partner's costs of assets purchased by the IP

Other	For the Implementing Partner's costs of other purchases by the IP
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- The Implementing Partner shall keep accurate and up-to-date financial and accounting records and documents in respect of all expenditures incurred concerning the Project funded by the OSCE. For each disbursement, proper supporting documentation shall be maintained, including original invoices, bills and receipts pertinent to the transaction. Upon completion of the Project or termination of the Agreement, the Implementing Partner shall maintain the records for a period of seven (7) years. The Implementing Partner shall make available to the OSCE and/or its appointed agents relevant financial information including statements of accounts concerning this contribution. The OSCE and/or its appointed agents shall have unrestricted access to all information related to the Project at any time.

Article 8: Audit and verification

The use of the funds for the Project's activities shall be subject to internal and external audit or verification at the discretion and under the control of the OSCE and in accordance with the procedures laid down in the OSCE rules and procedures. The External Auditors of the OSCE, and/or the OSCE's Office of Internal Oversight or their appointed agents shall have unrestricted access to information regarding the use of the funds for the Project activities, and the Implementing Partner shall provide immediate and full access to relevant information.

Article 9: Equipment and other Goods and Services

- To the extent authorized in the budget, the Implementing Partner may directly procure goods and services not exceeding [*optional: an aggregate total of*] €250 to facilitate small, routine day to day operational purchases and which are not considered "attractive assets" for the purposes of the OSCE. Attractive assets for the purposes of the OSCE shall mean assets with a value of less than €250 at the time of purchase, but which have a service life of at least two (2) years, are considered to be of an attractive nature, are easily removable and carry a higher risk of loss or theft (e.g. mobile phones, Global Positioning System (GPS) units, handheld radios, etc). Otherwise the OSCE shall purchase any equipment, goods and services necessary for the implementation of the Project in accordance with its internal procurement rules.

[Option 1]

- Equipment and other goods furnished or financed by the OSCE for the implementation of the Project shall remain the property of the OSCE and shall be returned to the OSCE upon completion of the Project or upon termination of the Agreement.

[OR]

[Option 2, only on an exceptional basis and if explicitly specified in the Project description]

- Upon successful completion of the Project, the ownership of the equipment and other goods furnished or financed by the OSCE for the implementation of the Project may be transferred to the beneficiaries of the Project, as specified in the Project description. For this purpose, a special handover document will be signed by the Parties. The recipient of the donation of any equipment or other goods shall accept them "as is", "where is" and without any recourse or warranties. The final financial report shall give the details of this transfer.
- The Implementing Partner shall ensure that any equipment and other goods furnished or financed by the OSCE are utilised exclusively for the implementation of the Project.
- The Implementing Partner shall be responsible for the proper custody, maintenance and care of any equipment and other goods, and shall obtain appropriate insurance for its protection during the implementation of the Project.
- The Implementing Partner shall maintain complete and accurate records of any equipment and other goods, which records shall be made available to the OSCE upon request.

Article 10: Liability

1. The Implementing Partner shall indemnify, hold and save harmless and defend at its own expense, the OSCE, its officials and persons performing services for the OSCE, from and against all suits, claims, demands and liability of any nature and kind, arising out of or in connection with the Project.

[Option 1]

2. The Implementing Partner shall provide and maintain appropriate insurance coverage against third-party liability.

[OR]

[Option 2, for high-risk projects]

2. The Implementing Partner shall provide and maintain appropriate insurance coverage against third-party liability and coverage for health, accident, incapacity and death for staff employed by the Implementing Partner to implement the Project.

Article 11: Intellectual Property Rights

1. All rights, title and interest, including without limitation, all copyrights and patents, in and to any material produced and invention developed by the Implementing Partner in the performance of its services under the Agreement, shall be vested exclusively in the OSCE. Any use of these materials shall require prior approval of the OSCE.
2. The Implementing Partner may use the name and logo of the OSCE only in direct connection with the Project, and subject to prior written consent of the *[name of the Executive Structure]*.

[Option 1, for UB projects]

3. The OSCE funding of Project activities shall be acknowledged in any printed material prepared in connection with the Project. Where appropriate, the Implementing Partner shall acknowledge the OSCE in publications, speeches and press releases or in any similar media.

[Option 2, for ExB projects]

3. The OSCE funding of Project activities shall be acknowledged in any printed material prepared in connection with the Project. Where appropriate, the Implementing Partner shall acknowledge the OSCE in publications, speeches and press releases or in any similar media. The *[name of the Donor(s)]* shall likewise be acknowledged, as instructed by the *[Executive Structure]*.

Article 12: Communication

All communications relating to the implementation of the Project shall be addressed as follows:

For the OSCE:

- Project Manager
- Address
- Telephone
- Telefax
- E-mail

For *[name of the implementing partner]*:

- Project Manager
- Address
- Telephone
- Telefax
- E-mail

Article 13: Agreement and Annexes

The Agreement supersedes all prior written or oral statements, agreements and representations of the Parties on matters relating to its content.

The Annexes form an integral part of the Agreement. Where there are discrepancies or conflicts between or among the Agreement and its Annexes, precedence shall be given in the following order:

1. Agreement;
2. Annex 1;
3. [Option: Annex 2; and others if required]

Article 14: Assignment and Subcontracting

1. The Implementing Partner shall not assign, transfer, pledge or make other disposition of the Implementing Partner or any part thereof or of any of the Implementing Partner's rights, claims or obligations under the Agreement except with the express written consent of the OSCE. Any assignment made without such consent shall be void and of no effect.
2. The Implementing Partner shall not subcontract any of its obligations under the Agreement without the express written consent of the OSCE. The OSCE may require the Implementing Partner to furnish particulars of the proposed subcontract as the OSCE deems necessary.
3. The OSCE's approval of any subcontracting shall not relieve the Implementing Partner from any liability or obligation under the Agreement. In any subcontract, the Implementing Partner agrees to bind the subcontractor by the same terms and conditions by which the Implementing Partner is bound under the Agreement.

Article 15: Settlement of Disputes

Any dispute, controversy or claim arising out of or in relation to the Agreement shall be settled through negotiations between the Parties. If the Parties fail to settle the dispute amicably within sixty (60) days of commencement of the negotiations, the dispute shall be settled through arbitration. Arbitration shall be performed in accordance with the UNCITRAL arbitration rules. One (1) sole arbitrator shall be appointed who shall have full powers to make final and binding decisions. The appointing authority shall be the Permanent Court of Arbitration in The Hague. The place of arbitration shall be Vienna and the language used in the arbitration proceedings shall be English.

Article 16: Privileges and Immunities

Nothing in or relating to the Agreement shall be deemed a waiver of any of the privileges and immunities enjoyed by the OSCE and/or its staff.

Article 17: Suspension

1. The implementation period of the Project is set forth in Article 2 of the Agreement. The Implementing Partner must inform the OSCE without delay of any circumstance likely to hamper or delay the implementation of the Project. The Implementing Partner may request an extension of the Project's implementation period no later than one month before it ends. The request must be accompanied by all supporting evidence needed for its appraisal.
2. The Implementing Partner may suspend implementation of all or part of the Project if circumstances (such as *Force Majeure*) make continuation too difficult or dangerous. The Implementing Partner must inform the OSCE without delay and provide all the necessary details. Each Party may terminate the Agreement in accordance with Article 18. If the Agreement is not terminated, the Implementing Partner shall endeavour to minimize the time of its suspension and shall resume implementation once circumstances allow, after obtaining the prior written approval of the OSCE.
3. The implementation period of the Project shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Agreement that may be necessary to adapt the Project to the new implementing conditions.
4. *Force Majeure* shall mean any unforeseeable exceptional situation or event beyond the control of the Parties which prevents either of them from fulfilling any of their contractual obligations, is not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all reasonable efforts. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as *Force Majeure*. A Party shall not be held in breach of its obligations if it is prevented from fulfilling them by *Force Majeure*. Without prejudice to any termination provisions herein, the Party faced with the *Force Majeure* shall inform the other Party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimize possible damage.

Article 18: Termination

1. If a Party believes that the Agreement can no longer be executed effectively or appropriately, it shall consult the other party. Failing consensus on a solution, either Party may terminate the Agreement by serving two (2) months written notice, without being required to pay compensation.
2. The OSCE may terminate the Agreement with immediate effect, without paying compensation of any kind, where the Implementing Partner:
 - a) fails, without justification, to fulfil any of the obligations incumbent on it and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within thirty (30) days of sending the letter;
 - b) is bankrupt or being wound up, is having its affairs administered by the courts, has entered into arrangements with creditors, has suspended business activities, is the subject of proceedings concerning those matters or is in any analogous situation arising from a similar procedure provided for in national legislation;
 - c) has been convicted of an offence concerning professional conduct by a judgment which has the force of res judicata or is guilty of grave professional misconduct proven by any justified means;
 - d) engages in any act of fraud or corruption or is involved in a criminal organization or any other illegal activity: this provision also applies to the employees, partners, contractors and agents of the Implementing Partner;
 - e) changes legal personality, unless an addendum recording that fact is drawn up; or
 - f) makes false or incomplete statements to obtain the finance provided for in the Agreement or provides reports that are manipulated.
3. Additionally, in the event of a change in the mandate of the OSCE that would affect the interest of the OSCE for the implementation of the Project, or in the event of budgetary constraints, the OSCE may terminate the Agreement upon providing fifteen (15) days written notice to the Implementing Partner.
4. In the event of termination other than under point 2 of this Article, the Implementing Partner shall be entitled to payment of the Agreement amount only for the part of the Project carried out, excluding costs connected with current commitments that would be implemented after termination. For this purpose the Implementing Partner shall introduce a payment request and a Final Report.
5. In the event of wrongful termination of the Agreement by the Implementing Partner under point 1 of this Article and in the cases specified in sub points (d), (e) and (f) of point 2 of this Article, the OSCE may request full or partial repayment of sums already paid from the Agreement amount in proportion to the failings in question and after allowing the Implementing Partner to submit its arguments and observations.
6. Prior to, or instead of, terminating the Agreement as provided for in this Article, the OSCE may suspend payments as a precautionary measure without prior notice.
7. The Agreement shall be terminated automatically if it has not given rise to any payment by the OSCE within six (6) months of its signature.
8. Upon any termination of the Agreement, the Implementing Partner shall return to the OSCE any unspent balance of the Project funds that were provided by the OSCE.

Article 19: Amendment

Any modification of the Agreement and its Annex shall be subject to the written approval of both Parties.

[Optional, when the entire signature page does not fit: Signatures and seals appear on the following page]

Done in *[place]* in two originals in the English language, one original for each party.

For *[name of the Implementing Partner]*

For the OSCE

*[Name of the person with signing authority],
[Title]*

*[Name of the CFA]
Chief of Fund Administration,
[Name of Executive Structure]*

Date

Date

[seal]

[seal]

[Optional for all projects]

*[Name of Programme Manager],
[Title of Programme Manager],
[Name of Executive Structure]*

Date