

**STANDARD OUTCOMES FUNDING GRANT CONFIRMATION LETTER
ON BEHALF OF THE EDUCATION OUTCOMES FUND**

[date]

[name, organisation, and address]

Re: Funding from the Education Outcomes Fund

Dear [name]:

We are writing to inform you that the Education Outcomes Fund (the "EOF") through its Executive Committee (the "EOF ExCom"), and the Government of [country] (the "Government" together with EOF ExCom, the "Commissioners"), through its Ministry of [name of Ministry], jointly through their respective processes, have approved financing in an amount of up to [amount in words] United States Dollars (US\$ [amount in figures]) (the "Funding") for [name of recipient] (the "Grantee") to support the implementation of activities (the "Programme") set out in the programme document (the "Programme Document") attached to this letter. The EOF portion of the Funding, in the amount of up to [amount in words] United States Dollars (US\$ [amount in figures]) (the "EOF Funding"), will be released from a special account administered by UNICEF (the "Account") operated by UNICEF at the request of the founders of the EOF, under the supervision of the UNICEF Comptroller. The Government portion of the Funding, in the amount of up to [amount in words] United States Dollars (US\$ [amount in figures]) (the "Government Funding") will be released from the [escrow] account established by the Government (the "Government Account").

The details of the Funding are summarized in Attachment A to this Grant Confirmation Letter.

The Funding is made available subject to the terms and conditions set out in Attachment B to this Grant Confirmation Letter.

Please arrange for a properly authorised official of the Grantee to sign, date, and return to us the enclosed copy of this Grant Confirmation Letter. By doing so the Grantee will confirm the details of the Funding and reconfirm that it will comply with the terms of this Grant Confirmation Letter, including the attached terms and conditions and the Programme Document.

Sincerely,

Thomas Asare
Comptroller
United Nations Children's Fund
on behalf of the Education Outcomes Fund

[name]
[title]
on behalf of the Government of [country]

AGREED ON BEHALF OF [Grantee]:

Name:

Title:

Authorised Official

Date:

cc: Director, EOF Secretariat

STANDARD OUTCOMES FUNDING GRANT CONFIRMATION LETTER

ATTACHMENT A

Summary Funding Details

1.	Country/Regional/Global:	
2.	Grantee:	
3.	Programme Title:	
4.	Programme Outcomes	
5.	Funding Period:	
6.	Funding Amount:	
7.	Disbursement Schedule:	
8.	Grantee Bank Details:	
9.	Grantee Focal Point:	
10.	Focal Point in Secretariat of the Education Outcomes Fund:	
11.	Government Focal Point:	
12.	Email address for Delivering reports under this Grantee Confirmation Letter and Disbursement Notices:	
13.	Focal Point in UNICEF Funds Support Office:	

STANDARD OUTCOMES FUNDING GRANT CONFIRMATION LETTER

ATTACHMENT B

Terms and Conditions of Funding

Section I

Transfer of Funding

Outcomes payments

1. In consideration of the achievement of the Programme Outcomes, the Commissioners shall pay the Grantee the Funding (each instalment thereof, an “Outcomes Payment”), calculated in accordance with Part B of the Programme Document (Payment Terms).

2. Subject to the availability of funds in the Account, the EOF Funding will be transferred by UNICEF as the custodian and administrator (the “FCA”) of the Account, in accordance with the payment schedule set out at Part B of the Programme Document (Payment Terms). Each payment will be transferred by wire transfer to the account designated by the Grantee and confirmed in the table in Attachment A to this Grant Confirmation Letter.

The Grantee will establish a separate ledger account for the receipt and administration of the Outcomes Payment. The Grantee assumes full programmatic and financial accountability for the funds disbursed to it in accordance with this Grant Confirmation Letter. That separate ledger account will be established and administered by the Grantee in accordance with its own regulations, rules, policies and procedures, including those relating to interest.

3. Subject to the availability of funds in the Government Account, the Government Funding will be transferred by the Government in accordance with the payment schedule set out at Part B of the Programme Document (Payment Terms). Each payment will be transferred by wire transfer to the account designated by the Grantee and confirmed in the table in Attachment A to this Grant Confirmation Letter.

Payment Decision Process

4. The Outcomes Payments shall be determined and made according to the following procedure:

(a) Within ten 10 business days (in New York) of receipt of each Evaluation Report, as defined and set out in paragraph 23 below, (the “Payment Decision Date”), the Commissioners shall provide to the Grantee a joint payment confirmation letter (the “Payment Confirmation Letter”) detailing the Outcomes achieved according to the relevant Evaluation Report, and calculating the Funding due in respect of such Programme Outcomes in accordance with Part B of the Programme Document (Payment Terms), allocated as between the EOF Funding and the Government Funding.

(b) Subject to paragraph 2 of this Attachment, the EOF ExCom shall within five (5) business days of the Payment Decision Date, instruct UNICEF to transfer the EOF portion of the Outcomes Payment set out in each Payment Confirmation Letter, and this payment will be made within twenty (20) business days (in New York) of the EOF ExCom’s instruction.

(I) When making a transfer in accordance with paragraph 4(b) of this Grant Confirmation Letter, the FCA will notify the Grantee’s Treasury Operations at [*insert email address*] of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from UNICEF pursuant to this Grant Confirmation Letter.

(II) The Grantee agrees that any disbursement of EOF Funding (including any instalment thereof) is subject to available funds in the Account. Where the balance in the Account on the date of a scheduled disbursement is insufficient to make that disbursement, UNICEF, as the FCA, will consult with the EOF ExCom, through the EOF Secretariat, and make a disbursement, if any, from the available balance in accordance with the EOF ExCom’s instructions. The Grantee will be informed accordingly.

(c) The Government shall pay its allocated share of the Outcomes Payment set out in each Payment Confirmation Letter within [20]¹ business days of receipt of the Payment Confirmation Letter.

(d) The Grantee will promptly acknowledge receipt of funds in writing to the relevant Commissioner.

(e) where the Outcomes Payment due from a Commissioner to the Grantee under this paragraph 4 is not paid within forty (40) business days (in New York) of receipt of the Payment Confirmation Letter, it shall bear interest thereon at [*insert rate*] per year, calculated daily from the due date until actual payment.

Advance Payment

5. If a Payment Confirmation Letter is not provided to the Grantee within fifty (50) business days (in New York) of the relevant Payment Decision Date, the Commissioners shall each make a payment to the Grantee as specified in the Programme Document (the combined amount being an “Advance Payment”). The procedure and obligations of the Commissioners and Grantee following an advance payment will be as specified in Part B of the Programme Document (Payment Terms).

Payment Dispute

6. Within ten (10) business days (in New York) of receipt of a Payment Confirmation Letter, the Grantee may dispute its validity by notice in writing to the Commissioners. Within ten (10) business days (in New York) following receipt of such notice the Commissioners shall respond as to whether they agree with the statements made in that notice. If the Commissioners indicate that they agree they shall adjust the Outcomes Payments to be made pursuant to the Payment Confirmation Letter or take such other appropriate action.

7. If agreement cannot be reached pursuant to paragraph 6, above, or if the Commissioners

¹ **DRAFTING NOTE:** This will need to be confirmed with Government.
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do not agree with all or any of the statements made by the Grantee, the matter or matters in question shall be deemed to be referred to dispute resolution in accordance with paragraph 52 below.

Section II

Grantee Conduct

Grantee's Responsibility for the Programme

8. The implementation of activities described in the Programme Document will be the exclusive responsibility of the Grantee and will be carried out in accordance with its applicable regulations, rules, directives and procedures, including those relating to procurement as well as the selection and assessment of implementing partners (if any). Accordingly, personnel will be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, policies and procedures.

9. The Grantee takes full responsibility and accountability for implementation of the activities to be undertaken by the Grantee and for expenditure of the Funding, if applicable, and for the acts and omissions of all persons or entities employed by or acting on behalf of or otherwise associated with it, including (but not limited to) any implementing partner, and shall be responsible for handling all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Grantee, or of the Grantee's employees, officers, agents or sub-contractors or implementing partners (if any), in connection with the Funding including the expenditure of the Funding, if applicable, and implementation of the activities to be undertaken by the Grantee.

10. In implementing the activities described in the Programme Document, the Grantee will not be considered as an agent of any other Grantee, the EOF ExCom, the Government, any Outcomes Funder, UNICEF, or the EOF Secretariat and, thus, the personnel of one will not be considered as staff members, personnel or agents of any of the others. The Grantee shall be responsible for handling all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, against any other Grantee, the EOF ExCom, the Government, any

Outcomes Funder, UNICEF, or the EOF Secretariat arising out of acts or omissions of the Grantee, or of the Grantee's employees, officers, agents or sub-contractors or implementing partners (if any), in connection with the Funding including the expenditure of the Funding, if applicable, and implementation of the activities to be undertaken by the Grantee.²

Ethical Conduct

11. The Grantee will select for work implementing the Programme reliable persons who will perform effectively, respect the local customs, and conform to a high standard of moral and ethical conduct. The Grantee will establish appropriate programmatic safeguard measures in the design and implementation of the Programme, thereby promoting the shared values, norms and standards of the international community. These measures include respect of international conventions on the environment, on children's rights, and internationally agreed core labour standards.

² **DRAFTING NOTE:** In the case of UN system organization Grantees, where claims shall be addressed in accordance with their applicable legal frameworks, including host country agreements with the Government, this text is replaced with the following:

Any suits, claims, demands, and liability of any nature or kind, including their costs and expenses, against any other Grantee, the EOF ExCom, the Government, UNICEF, or the EOF Secretariat arising out of acts or omissions of the Grantee, or of the Grantee's employees, officers, agents or sub-grantees (if any), in connection with the Funding, including the expenditure of the Funding and implementation of the activities described in the Programme Document, shall be addressed in accordance with the Grantee's applicable legal framework, including its status, privileges and immunities under national and international law.

12. Without limiting the generality of the previous paragraph:

(a) The Grantee shall comply with all laws, ordinances, rules, and regulations applicable to it bearing upon the performance of its obligations under the terms of this Grant Confirmation Letter.

(b) The Grantee shall take all appropriate measures to prevent sexual exploitation, sexual abuse and sexual harassment, and child safeguarding violations of anyone by any of its employees, personnel, subgrantees, and subcontractors and shall respond appropriately should violations occur. The Grantee shall also take all appropriate measures to prohibit its employees, personnel, subgrantees, and subcontractors from exchanging any money, goods, services, or other things of value, for sexual favours or activities or from engaging in any sexual activities that are exploitative or degrading to any person. The Grantee shall further ensure that none of its employees, personnel, subgrantees, and subcontractors exposes any intended beneficiary, including children, to any form of discrimination, abuse or exploitation.

(c) Investigations of allegations of sexual exploitation, sexual abuse, sexual harassment, and child safeguarding violations arising in programmatic activities funded by the Funding will, where appropriate, be carried out by the investigation service of the Grantee in accordance with its rules, regulations, policies and procedures.

(d) The EOF ExCom, the EOF Secretariat, the FCA and the Government, will be promptly notified of allegations of sexual exploitation, sexual abuse, sexual harassment and child safeguarding violations received/under investigation by the Grantee, to the extent that such notification does not jeopardize the conduct of the investigation. Any information provided by Grantee herein, will be shared in accordance with its respective regulations, rules, policies and procedures and without prejudice to the safety, security, privacy and due process rights of concerned individuals.

(e) The Grantee warrants that no member of the EOF ExCom (together with its sub-committee and task teams), employee of UNICEF, personnel of the EOF Secretariat, personnel of the Evaluator, or member or employee of the Government has received or

will be offered by the Grantee any direct or indirect benefit arising from the Funding or the award thereof. The Grantee agrees that breach of this provision is a breach of an essential term of this Grant Confirmation Letter.

Special Provisions regarding Financing of Terrorism

13. The Grantee confirms that, consistent with UN Security Council Resolutions relating to terrorism, including UN Security Council Resolution 1373 (2001) and 1267 (1999) and related resolutions, it is firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. Similarly, the Grantee recognizes its obligation to comply with any applicable sanctions imposed by the UN Security Council in addition to any other sanctions regime to which it is subject. In addition to complying with any laws to which it is subject, the Grantee will use all reasonable efforts to ensure that the funds transferred to it in accordance with this Grant Confirmation Letter are not used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime. If, during the term of this Grant Confirmation Letter, the Grantee determines there are credible allegations that funds transferred to it in accordance with this Grant Confirmation Letter have been used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime, it will as soon as it becomes aware of it inform the EOF ExCom, UNICEF, the Government and the Outcomes Funders and, in consultation with the Commissioners, determine an appropriate response.

Protections against Fraud and Misuse of the Funding

14. The Grantee recognizes the importance of taking all necessary precautions to avoid the misuse of funds and, to this end, the Grantee will maintain standards of conduct among its staff and personnel, and appropriate oversight and control mechanisms with regard to the use of the Funding by it and by any third party to which some or all of the Funding is transferred, to prohibit corrupt, fraudulent, collusive or coercive practices (including in connection with the award and administration of contracts, grants, or other benefits).

15. If the Grantee receives an allegation of misuse of any of the Funding by the Grantee or any of its staff or personnel or any implementing partner and determines that such allegation is credible enough to warrant an investigation, it will promptly notify the EOF ExCom, through the Director of the EOF Secretariat, the FCA and the Government, to the extent that such notification does not jeopardize the conduct of the investigation. The allegation will be dealt with promptly in accordance with the Grantee's accountability and oversight framework including with regard to initiating and completing an investigation of such allegation. The Grantee will keep the EOF ExCom, the FCA and the Government informed about the progress of the investigation. Promptly upon completion of the investigation, the Grantee will inform the EOF ExCom, the FCA and the Government about the results of the investigation and agree on the appropriate application of paragraph 17 below.

16. The Grantee acknowledges that the Government and EOF ExCom may, at the request of any Outcomes Funder or at its own initiative, request that the Grantee or another entity conduct an enquiry, review, or investigation into credible allegations of misuse of any of the Funding. The Grantee will promptly undertake such enquiry, review, or investigation at its own expense and report the results to the EOF ExCom and the Government. The Grantee will ensure that its sub-contractors and implementing partners (if any) provide, full cooperation in any such enquiry, review, or investigation whether conducted by itself or by another party at the request of the EOF ExCom or the Government.³

³ **DRAFTING NOTE:** Where the Grantee is a UN System organization, this paragraph is replaced with the following paragraph:

The EOF ExCom will refer to the Grantee all allegations of misuse of funds disbursed to the Grantee pursuant to this Grant Confirmation Letter. The allegation will be dealt with promptly in accordance with the Grantee's accountability and oversight framework including with regard to initiating and completing an investigation of such allegation. The Implementer will keep the EOF ExCom, the FCA and the Government informed about the progress of any investigation. Promptly upon completion of any investigation, the Grantee will inform the EOF

17. If the EOF ExCom determines that any portion of the Funding, or any supplies and equipment purchased using the Funding, have not been used in accordance with this Grant Confirmation Letter (including where there has been theft or diversion by reason of fraud or corruption):

(a) at the instruction of the EOF ExCom, this Grant Confirmation Letter may be suspended or terminated with immediate effect upon written notice to the Grantee; and/or

(b) the Grantee will either (i) repay to the Account any amounts misappropriated by its own staff as agreed with the EOF ExCom; or (ii) agree with the EOF ExCom on appropriate recovery efforts for any amounts misappropriated by third parties and repay to the Account all amounts recovered.

18. It is understood and agreed that the FCA will convey to each Outcomes Funder information received by it under paragraphs 15 and 16 above, and that an Outcomes Funder may, following consultation with the EOF ExCom, the FCA and all other Outcomes Funders, and at its own expense, exercise the rights of the EOF ExCom set out in paragraph 17 above.

19. Notwithstanding any other provision of this Grant Confirmation Letter, the Grantee recognises that each Outcomes Funder has reserved the right to withhold continued contributions if the Outcomes Funder reasonably concludes that there is evidence of improper use of funds (including through diversion by reason of fraud or corruption).

Intellectual Property

20. Except as is otherwise expressly provided for in the Programme Document, or as required in accordance with the Grantee's standard arrangements with the relevant Host Government, all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or

ExCom, the FCA and the Government about the results of the investigation and agree with the EOF ExCom on the appropriate application of paragraph [14] below

documents and other materials which the Grantee develops to achieve the Programme Outcomes shall be in the public domain.

Section III

Reporting; Monitoring and Evaluation; Joint Communication

Reporting

21. The Grantee will provide the following reports to the Commissioners:
- (a) within [thirty (30) days] of the end of each [six-month period] during the Funding Period, a progress update in its standard reporting format summarizing (i) progress made against achievement of the results set out in the Programme Document and implementation challenges if any, together with results achieved and outputs delivered during the reporting period [, and (ii) funds received and the use and expenditure of such funds].
 - (b) [within [ninety (90) days] of the end of each [calendar/school] year, (i) an annual programmatic report in its standard reporting format setting out a detailed description of the activities undertaken, the results achieved and lessons learned [and (ii) an annual financial statement in its standard format setting out the Funding received, with Government Funding and EOF Funding separately identified [, and the use and expenditure of such funds,] it being understood that such financial statements shall be certified by the Chief Financial Officer or equivalent officer of the Grantee⁴];]
 - (c) within [six (6) months] of the end of the Funding Period, a final programmatic report covering the entire Funding Period in its standard format;

⁴ **DRAFTING NOTE:** For Grantees that are not UN System organisations, add the following words at this point: "... and, at the request of the EOF ExCom, will be audited subject to the regulations and rules applicable to the Grantee."

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- (d) within [twelve (12) months] of the expiry or termination of the Funding Period, a final financial report covering the entire period of the Funding in its standard format, certified by the Chief Financial Officer or equivalent officer of the Grantee;
- (e) each report specified in the Programme Document;
- (f) such other reports or progress updates as the EOF ExCom and the Grantee may agree, within applicable policies of the Grantee.

The Grantee will transmit the reports referred to in this paragraph 21 as detailed in the Programme Document.

The Grantee will provide regular reports to the Commissioners as detailed in paragraph 14 of the Programme Document.

Monitoring and Evaluation

22. Monitoring of the implementation of the Programme will be undertaken in accordance with the monitoring arrangements set out in the Programme Document.

23. The Evaluation of the Outcomes achieved by the Programme will be undertaken in accordance with the evaluation procedures set out in the Programme Document (“Evaluation Terms”)

- (a) An independent expert evaluation of the outcomes achieved by the Programme (the “Evaluation”) will be undertaken by an independent expert to be engaged by the EOF Secretariat (the “Evaluator”) on the following terms:

- (I) An Evaluation Report shall be provided on or shortly before each Evaluation Date as defined in the Evaluation Terms and shall be based on an evaluation conducted in accordance with the Evaluation Terms. The results of the Evaluation will be delivered to the EOF Secretariat and the Government by the Evaluator. The EOF Secretariat will make the results of the Evaluation available to the Grantee.

(II) The Grantee will be required, upon request, to assist in providing relevant information within the limits of its regulations, rules, policies and procedures.

(III) If any Party reasonably considers the Evaluation Terms to be inappropriate the Parties shall negotiate in good faith for a period of thirty (30) business days (in New York) to agree any amendments to the Evaluation Terms.

(IV) It is understood and agreed by the Grantee that (a) the purpose of the Evaluation Report is to determine whether the Outcomes have been achieved; (b) the Evaluation Report is restricted to programmatic assessments and will not constitute or otherwise seek to be, a financial, compliance or other audit of any Programme or use of the Funding.

(V) If the Evaluator fails to produce the Evaluation Report within the timeframe indicated in the Evaluation Terms, or if the Parties agree to replace the Evaluator, then the EOF Secretariat shall, within two months, appoint another Evaluator (which shall be approved by the Government and the Grantee, such consent not to be unreasonably withheld or delayed) to conduct the Evaluation.

Evaluation Dispute

(b) Either Commissioner or the Grantee may dispute the validity of the Evaluation Report following the process detailed below.

(I) Within ten (10) business days (in New York) of receipt of the Evaluation Report, if either the Commissioners or the Grantee believes that the Evaluation Report shows that the Evaluation has been conducted in a way that materially deviates from the Evaluation Terms, it may dispute its validity by notice in writing to the other Party(ies) and to the Evaluator.

(II) Within ten (10) business days (in New York) following receipt of such written notice the receiving Party(ies) shall respond as to whether or not it agrees with the statements made in that notice. If the receiving Party(ies) indicates that it does agree it

shall consult, together with the disputing Party and the Evaluator, to adjust the Outcomes Payment or to commission the Evaluator to carry out any additional evaluation work that the Parties agree, acting in good faith, is necessary to determine the Outcomes achieved and calculate an appropriate Outcomes Payment.

(III) If agreement cannot be reached between the Parties pursuant to paragraph 23(b)(II), above, then the matter or matters in question shall be deemed to be referred to dispute resolution in accordance with paragraph 52 below.

(IV) The Commissioners may withhold payment of any disputed amount of the Outcomes Payment pending agreement or determination of the Grantee's entitlement in relation to the disputed amount. If, following the resolution of any dispute in accordance with paragraph 23(b)(II), above or paragraph 52, below, it is determined that the Commissioners have withheld any amount to which the Grantee was entitled to be paid, the Commissioners shall pay such amount to the Grantee within twenty (20) business days (in New York) of that determination.

24. In addition to the evaluation conducted pursuant to the Evaluation set out in paragraph 23 above, an Outcomes Funder, may separately or jointly with other Outcomes Funders, and following consultation with the EOF Ex-Com, take the initiative to evaluate the Programme. The Grantee will be expected, upon request, to assist in providing relevant information within the limits of its regulations, rules, policies and procedures. All costs will be borne by the respective Outcomes Funder, unless otherwise agreed.⁵

⁵DRAFTING NOTE: Where the Grantee is an organisation of the UN System, the following sentence will be added at this point: "It is understood by the Outcomes Funder and the EOF ExCom that such evaluations or reviews are to be restricted to programmatic assessments and are not to constitute a financial, compliance or other audit of any Programme or use of Grant funds."

Joint Communication

25. The Grantee will provide its full cooperation with the EOF ExCom’s reasonable request for assistance with communication campaigns concerning the Account.

26. The Grantee may refer publicly to the support provided by the Government and the EOF by using the following statement: “[Grantee] gratefully acknowledges financial support provided for this Programme by the Government of [name of country], Ministry of [name of Ministry] and the Education Outcomes Fund”, together with such additional acknowledgements as the Government may direct.

27. Neither the Grantee, nor the EOF ExCom (or the EOF Secretariat) will issue any press release or make any public announcement about this Grant Confirmation Letter, or any announcement in connection with the Account or the Government Account or containing any emblem or logo of the Grantee, of the Government or of EOF, without the prior written approval of the Government and, in addition, the Grantee or EOF Secretariat respectively.

28. Except as permitted under paragraph 26 or as necessary in order to give effect to the arrangements contemplated in this Grant Confirmation Letter, the Grantee will not use the name, emblem or official seal of UNICEF or the United Nations, or any abbreviation of the name of the United Nations, without the prior written permission of UNICEF.

Section IV

Designated Focal Points

29. The persons identified in the table in Attachment A to this Grant Confirmation Letter will be the primary focal points for discussion and consultation relating to matters arising out of this Grant Confirmation Letter.

Section V

Entry into Effect, Expiration, Termination; Modification

Entry into effect and expiration

30. This Grant Confirmation Letter will come into effect when it has been counter-signed by an authorised official of the Grantee. It will expire on the first to occur of the following:

- (a) the winding up of the Account in accordance with relevant provisions of the Standard Financing Agreement/Arrangement for contributions to the Account;
- (b) the winding up of the Government Account;
- (c) the date on which it is terminated in accordance with its terms; and
- (d) the expiry of the Funding Period identified in the table on the first page of this Grant Confirmation Letter.

Suspension of Grant

31. If either of the following events occur the Commissioners (acting independently or jointly) may suspend the release of the Funding:

- (a) an investigation under any of paragraphs 9 through 14 (or the equivalent clause of an implementing partner contract) in respect of the Grantee or any implementing partner is ongoing; and
- (b) either Commissioner has evidence that the Grantee and/or its implementing partners (if any) are under investigation for fraud and such an investigation is likely to be considered detrimental to the continuation of the Programme.

Termination due to Grantee Default

32. If a Grantee Default has occurred and the Commissioners, acting independently or jointly, wish, as provided for in paragraph 30 above, to terminate this Grant Confirmation Letter,

it or they (as the case may be) must serve a Termination Notice on the Grantee. A Grantee Default means one of the following:

- (a) the Grantee is in material breach of any of the provisions of Section II (Grantee Conduct);
- (b) a material breach of a Grantee obligation under this Grant Confirmation Letter and the Programme Document.

33. This Grant Confirmation Letter will terminate on the Working Day falling forty (40) business days (in New York) after the date the Grantee receives the Termination Notice, unless the Grantee rectifies the Grantee Default within twenty (20) business days (in New York) after the date the Grantee receives the Termination Notice to the reasonable satisfaction of the Commissioners.

34. In addition, this Grant Confirmation Letter may be terminated with immediate effect, upon written notice to the Grantee if the Commissioners, acting independently or jointly, determine that there has been a Grantee Default as a result of a material breach of Section II, paragraphs 11 through 16.

Commissioner Default

35. Commissioner Default means:

- (a) a failure to pay sums properly due and payable under this Grant Confirmation Letter within seven months of their due date;
- (b) the failure to commission an Evaluation Report on the Evaluation Terms; or
- (c) a breach of a Commissioner obligation under this Grant Confirmation Letter or breach of Government or EOF ExCom's obligation as set out in the Programme Document, which has, or could be expected to have, a material adverse impact on the Grantee achieving any of the Outcomes.

36. If a Commissioner Default has occurred and is continuing the Grantee may serve a notice to remedy on the Commissioners. The Commissioners shall have forty (40) business days (in New York) to remedy the Commissioner Default following receipt of the notice to remedy. If the Commissioners do not remedy such Commissioner Default in that time and the Grantee wishes to terminate this Grant Confirmation Letter the Grantee may serve a termination notice on the Commissioners.

37. This Grant Confirmation Letter shall terminate on the business day falling forty (40) business days (in New York) after the date the Commissioners are deemed to have received the termination notice addressed to their primary focal points in accordance with paragraph 26, above.

Voluntary Termination

38. Without prejudice to the Commissioners' other rights and remedies, the Commissioners may, by joint agreement, at their discretion terminate this Grant Confirmation Letter by giving [thirty (30) days'] written notice to the Grantee.

39. Without prejudice to the Grantee's other rights and remedies, the Grantee may at its discretion terminate this Grant Confirmation Letter by giving [thirty (30) days'] written notice to the Commissioners.

Payment on Commissioner Default or Voluntary Termination

40. On termination of this Grant Confirmation Letter pursuant to paragraphs 35 to 37 or 38 above, the Commissioners shall pay a default termination sum (the "Commissioner Default Termination Sum") to the Grantee within twenty (20) business days (in New York) of the Termination Date. The Commissioners shall be liable for no other payments, to the Grantee or any other party, in the event of termination of this Grant Confirmation Letter pursuant to paragraphs 32 to 34 or 39, above.

41. The Commissioner Default Termination Sum is an amount which is reasonably determined by the EOF ExCom and the Government together and allocated between them in proportion to their contribution to the Funding. The Commissioner Default Termination Sum

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shall be equal to the amount the Grantee would have received (net of any payments already received under this Grant Confirmation Letter) had this Grant Confirmation Letter continued until the Expiry Date and the Grantee had met the Base Case Outcomes defined in the Part B of the Programme Document, less the additional costs that the Grantee could reasonably be expected to have incurred from the Termination Date to the Expiry Date. For the avoidance of doubt, the calculation shall be made without adjusting either the Outcomes Payments or the additional costs for inflation. If the Grantee does not agree (acting reasonably) with the Commissioners' determination the matter shall be determined in accordance with paragraph 52 of the Grant Confirmation Letter. It is understood and agreed that the EOF portion of the Commissioner Default Termination Sum shall come from uncommitted balances otherwise payable to the Grantee from the Account. UNICEF and the EOF Secretariat will have no further duties, obligations or accountabilities to the Grantee in connection with this Grant Confirmation Letter.

Significant Events (*force majeure*)

42. If there is a significant event that has a material and detrimental effect on:
- (a) the ability of EOF or the Government to make Outcomes Payments under this Agreement;
 - (b) the ability of the Evaluator to provide an Evaluation Report on the Evaluation Terms;
 - (c) the ability of the Grantee to implement the Programme as planned; or
 - (d) the ability of the Evaluation Terms to accurately measure the Outcomes achieved by the Grantee;

then the Parties shall negotiate in good faith for a period of sixty (60) business days (in New York) to agree on any amendments to this Grant Confirmation Letter or Programme Document, including changing the scale of the Programme, the Outcome Payments or the Evaluation Terms. It is understood that Paragraph 42 above will only apply to the extent that the Party seeking to rely on it (i) has not caused or contributed to the significant

event through its negligence or deliberate act; (ii) notifies the other Parties as soon as practicable, stating the reason for and expected duration of the failure or delay; and (iii) used all reasonable endeavours to mitigate the effect of the significant event.

43. If, following the period of negotiations specified in paragraph 42, above, the Parties cannot agree on suitable amendments, then any Party may terminate the Grant Confirmation Letter by giving twenty (20) business days' notice (in New York) and the Grantee will have the right to claim for a termination sum (the "No Fault Termination Sum").

44. The No Fault Termination Sum is an amount determined by the Commissioners, on the basis of information available to them, including:

(a) the documented costs and expenses reasonably incurred by the Grantee directly related to the Programme; and

(b) the documented costs and expenses reasonably incurred or to be incurred by the Grantee directly related to winding down the Programme.

45. The No Fault Termination Sum shall be reduced by the total value of Outcomes Payments received by the Grantee pursuant to this Grant Confirmation Letter.

46. In case of payment of the No Fault Termination Sum to the Grantee, each of the Commissioners shall pay the portion of the No Fault Termination Sum corresponding to the proportion of their contribution to the Funding.

47. If there is a dispute as to whether an event specified in paragraph 42, above, has occurred, or if the Grantee does not agree, acting in good faith, with the Commissioners' determination of the No Fault Termination Sum, then the matter shall be deemed to be referred to dispute settlement in accordance with paragraph 52, below.

48. The Parties recognize that certain significant events that would have a material and detrimental effect on (a) the ability of the Grantee to implement the Programme as planned; (b) the ability of the Evaluator to provide an Evaluation Report on the Evaluation Terms; or (c) the ability of the Evaluation Terms to accurately measure the Outcomes achieved by the Grantee,

may be foreseeable ("Foreseeable Significant Events"). If a Foreseeable Significant Event, as set out in the Programme Document, occurs the Parties agree that the pre-defined contingency plans and modifications to the Programme Document, as set out in the Programme Document, will apply without following the negotiation process established in paragraph 42 above. The Party seeking to rely on a Foreseeable Significant Event shall notify the other Party(ies) that a Foreseeable Significant Event has occurred. Within ten (10) business days (in New York) following receipt of such written notice the receiving Party(ies) shall respond as to whether or not it agrees. If the receiving Party(ies) agree(s), the Programme Document will be considered amended as provided for in the Programme Document without requiring modifications to this Grant Confirmation Letter. If the receiving Party(ies) disagree(s), the matter in question shall be deemed to be referred to dispute resolution in accordance with paragraph 52 below.

49. The Parties further agree that certain foreseeable events which could:

(a) have a material and detrimental impact on the ability of the Grantee to implement the Programme as planned;

(b) affect the ability of the Evaluator to provide an Evaluation Report on the Evaluation Terms; or

(c) affect the ability of the Evaluation Terms to accurately measure the Outcomes achieved by the Grantee,

shall not, for the purpose of this Grant Confirmation Letter, be considered a Significant Event ("Foreseeable Non-significant Events"). Such Foreseeable Non-significant Events are defined and set out in the Programme Document.

Winding up; Modifications

50. When this Grant Confirmation Letter expires or is terminated, the Grantee will undertake appropriate measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense. The provisions of Section II, paragraphs 15 through 19 will survive the expiry or termination of this Grant Confirmation Letter.

51. This Grant Confirmation Letter may be modified only by written instrument signed by the Grantee, the Government and UNICEF following approval from the EOF ExCom.

Section VI
Settlement of Disputes

52. Any dispute, controversy or claim between the Parties arising out of, or in connection with, this Grant Confirmation Letter will be resolved through direct negotiations by persons designated by the Parties to undertake such direct negotiations or through such other dispute resolution processes as the Parties to the dispute may agree, including mediation or conciliation. If no agreement is reached within sixty (60) business days (in New York), following such negotiations, mediation or conciliation, any Party to the dispute, controversy or claim may refer the dispute, controversy or claim to arbitration. Any arbitral proceedings shall be conducted in accordance with the UNCITRAL Arbitration Rules then in force.

Section VII
Privileges and Immunities

53. Nothing in this Grant Confirmation Letter will be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNICEF, or of any Grantee which is a United Nations System Organisation.

ENDS