

FUNDING AGREEMENT DEED

BETWEEN

COMMONWEALTH OF AUSTRALIA

represented by the Australian Agency for International Development

ABN 62 921 558 838

and

The Australian National University

ABN 52 234 063 906

FOR

THE CENTRE FOR DEMOCRATIC INSTITUTIONS

AUSAID AGREEMENT NO. 49654

DEED made

6th

day of

MARCH

[2009]

BETWEEN:

COMMONWEALTH OF AUSTRALIA represented by the Australian Agency for International Development (“AusAID”) ABN 62 921 558 838 of the Department of Foreign Affairs and Trade,

AND

The Australian National University ABN 52 234 063 906 of University Executive, Building 10, Chancelry, Canberra, ACT 0200, Australia (the “Organisation”).

RECITALS:

- A. AusAID wishes to provide the Organisation with Funds to undertake an Activity.
- B. The Organisation wishes to accept the Funds subject to the terms and conditions in this Deed.

OPERATIVE:

AusAID and the Organisation promise to carry out and complete their respective obligations in accordance with this Deed including the Deed Conditions, schedules and any annexes contained herein.

IN WITNESS whereof this Deed has been executed by the Commonwealth, by an authorised officer, and has been executed by the Organisation by its authorised officer.

SIGNED

for and on behalf of the

COMMONWEALTH OF AUSTRALIA

represented by the Australian Agency for International Development (AusAID) by

.....
**Bruce Davis, Director General
FMA Act s.44 Delegate**

.....
Signature

in the presence of -

.....
**Name of Witness
(Print)**

.....
Signature of Witness

SIGNED

for and on behalf of

the Australian National University by

.....
**Prof. Mandy Thomas, Pro Vice-Chancellor
(Research)**

.....
Signature

By executing this Deed the signatory warrants that he/she is duly authorised to execute this Deed on behalf of the Organisation.

in the presence of -

.....
**Name of Witness
(Print)**

.....
Signature of Witness

DEED CONDITIONS

1. INTERPRETATION

1.1 Definitions

In this Deed, including the recitals unless the context otherwise requires:

“Activity” means the activity the **Centre for Democratic Institutions** described in the Activity Proposal for which the Funds are provided.

“Activity Proposal”:

for the period 6 March 2009 – 5 March 2010 means the activities outlined in Schedule 1 to this Agreement and also in Annual Plan (1) (in accordance with this Agreement and as accepted in writing by AusAID). It also means the detailed budget outlined in Annual Plan (1) as accepted in writing by AusAID, and must be in accordance with clause headed “Funds and Payment” in this Agreement.

for the period 6 March 2010 – 5 March 2011 means the activities outlined in Schedule 1 to this Agreement and also in Annual Plan (2) (in accordance with this Agreement and as accepted in writing by AusAID). It also means the detailed budget outlined in Annual Plan (2) as accepted in writing by AusAID, and must be in accordance with clause headed “Funds and Payment” in this Agreement.

“Agreement” means this Deed including all Parts and any schedules and annexes.

“Agreement Material” means all material created or required to be developed or created as part of, or for the purpose of undertaking the Activity, including documents, equipment, information data, sounds and images stored by any means.

“Business Day” means a day on which AusAID is open for business.

“CDI” means the Centre for Democratic Institutions.

“Commonwealth” means Commonwealth of Australia or AusAID, as appropriate.

“Core Funds” means funds outlined in Clause 14.1 intended for use for the purposes set out in Clause 14.4.

“Deed” means this Agreement comprising these Deed Conditions, schedules and any annexes.

“Fraudulent Activity”, “Fraud” or “Fraudulent” means dishonestly obtaining a benefit by deception or other means.

“Funds” means the amount of money as specified in clause titled ‘Funds and Payment’ of this Agreement that has been approved by AusAID and paid to the Organisation subject to the conditions outlined in this Agreement for the Activity.

"Independently Audited" means financial records audited by a certified financial professional that is in no way linked or associated with the Activity or the Parties to this Agreement.

"IPD" means the Bali Institute for Peace and Democracy.

"IPD Funds" means funds indicated in Clause 14.5 to be used for the purpose of CDI's engagement with the Institute for Peace and Democracy as articulated in Clause 14.7.

"Partner Government" means the Government of the Partner Country.

"Partner Country" means the country or countries in which the Activity is to be undertaken in whole or in part.

"Party" means AusAID or the Organisation.

"Prior Material" means all material developed by the Organisation or a third party independently from the Activity whether before or after commencement of the Activity.

"Relevant List" means the lists of terrorist organisations made under Division 102 of the *Criminal Code Act 1995* (Cth) and the *Charter of the United Nations Act 1945* (Cth) posted at: <http://www.nationalsecurity.gov.au/agd/www/nationalsecurity.nsf/AllDocs/95FB057CA3DECF30CA256FAB001F7FBD?OpenDocument> and http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html#3

"Similar List" means any similar list to the World Bank List maintained by any other donor of development funding.

"World Bank List" means a list of organisations maintained by the World Bank in its "Listing of Ineligible Firms" or "Listings of Firms, Letters of Reprimand" posted at: <http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984>

1.2 Deed prevails

If there is any inconsistency (whether expressly referred to or to be implied from this Deed or otherwise) between the provisions of the Deed Conditions and those of the schedules and any annexes, the schedules and any annexes are to be read subject to the Deed Conditions and the provisions of the Deed Conditions prevail to the extent of the inconsistency.

2. TERM OF THE AGREEMENT

2.1 The Organisation must commence the Activity on **6 March 2009** ("Activity Start Date") and conclude the Activity by **5 March 2011**.

2.2 The term of the Agreement concludes when all obligations under it have been satisfied.

3. NOTICES

3.1 For the purpose of serving notices to either Party of this Agreement, a notice must be in writing and shall be treated as having been duly given and received:

(a) when delivered (if left at that Party's address);

- (b) on the third Business Day after posting (if sent by pre-paid mail); or
- (c) on the Business Day of transmission (if given by facsimile and sent to the facsimile receiver number of that Party and no intimation having been received that the notice had not been received, whether that intimation comes from that Party or from the operation of facsimile machinery or otherwise).

3.2 For the purposes of this Agreement, the address of a Party is the address set out below or another address of which that Party may give notice in writing to the other Party:

AusAID

To: Governance and Anti-Corruption Section (Joe Hedger, Director)

Postal Address: Australian Agency for International Development
GPO Box 887
CANBERRA ACT 2601 AUSTRALIA

Street Address: 255 London Cct
CANBERRA ACT 2601 AUSTRALIA

Facsimile: (02) 6206 4589

Organisation:

To: Professor Mandy Thomas, Pro Vice-Chancellor (Research)

Postal Address: University Executive, Building 10, Chancelry, Australian National
University, Canberra, ACT, 0200

Street Address: University Executive, Building 10, Chancelry, Australian National
University, Canberra, ACT, 0200

Facsimile: (02) 6125 0700

4. GENERAL CONDITIONS

- 4.1 The Organisation must carry out the Activity in accordance with the Activity Proposal and the terms and conditions of this Deed.
- 4.2 The Organisation must advise AusAID immediately of any difficulties or delays in implementation of the Activity.
- 4.3 The Organisation shall acknowledge in writing to AusAID receipt of the Funds immediately on its receipt.

- 4.4 The Funds and any interest earned or exchange rate gains must be used diligently and for the sole purpose of the Activity outlined in **Schedule 1** of this Agreement. Any interest earned or exchange rate gains made on the Funds must only be expended on the Activity.
- 4.5 The Organisation acknowledges that Funds provided by AusAID to the Organisation for this Activity does not entitle the Organisation to any other or further funding.
- 4.6 The Organisation shall acknowledge AusAID funding assistance provided under this Deed where appropriate and advise AusAID of matters relating to any publicity and media relations, prior to any publication or media release.
- 4.7 The Organisation must not represent itself and must ensure that its volunteers, employees, agents and sub-contractors participating in the Activity do not represent themselves as being employees, partners or agents of the Commonwealth of Australia.
- 4.8 The Organisation must not assign its interest in this Agreement without first obtaining the consent in writing of AusAID.
- 4.9 No delay, neglect or forbearance by either Party in enforcing against the other any term or condition of this Agreement shall be deemed to be a waiver or in any way prejudice any right of that Party.
- 4.10 This Agreement is governed by, and is to be construed in accordance with, the law of the Australian Capital Territory and the Parties submit to the exclusive jurisdiction of the courts of the Australian Capital Territory and any court hearing appeals from those courts.

5. DEED AMENDMENTS

- 5.1 AusAID or the Organisation may propose amendments to this Agreement at any time for the purpose of improving the delivery of the Activity, the efficiency, cost-effectiveness and development impact of the Activity.
- 5.2 Changes to this Agreement (including to **Schedule 1** and any annexes) shall only be effected if agreed in writing and signed by both Parties in the form of a Deed of Amendment.

6. PROCUREMENT OF GOODS

- 6.1 The Organisation must not use the Funds to acquire any asset, apart from those detailed in the Activity Proposal without obtaining AusAID's prior written approval. Subject to the requirements of this clause, the Organisation shall own the assets acquired with the Funds unless specified otherwise in the Activity Proposal.
- 6.2 If the Funds are being used to procure goods, the Organisation must ensure in its procurement of the goods that:
 - (a) the goods to be procured are of a satisfactory quality;
 - (b) the goods shall be delivered in good order and condition and in accordance with the Activity timetable;
 - (c) the price paid for goods procured represents value for money;

- (d) there is open and effective competition in the purchasing process to the extent practicable; and
- (e) a professional approach is reflected in the purchasing process including ethical behaviour and fair dealing.

6.3 If the Funds are being used to procure goods, the Organisation must maintain a Register of Activity Assets. The Register shall record non-consumable items funded under this Agreement or supplied by AusAID to the Activity which have a value of AUD1,000 (or equivalent) or more. In addition non-consumable items of a portable and attractive nature with a value of less than AUD1,000 (or equivalent) shall also be recorded. The Register shall show date of receipt of the asset at the Activity site, the cost, the purchase/payment document date and reference number, a description and identification number, and the location of the asset. Disposal or write-off of AusAID funded or provided assets shall be as agreed in writing by AusAID. The Register and other relevant documents such as import papers and manufacturers' warranties relating to the assets shall be available for audit as required by AusAID. The Register shall be reconciled with Activity assets at least every twelve months and the results of that reconciliation included in the Annual Reports required in clause titled 'Reports' in this agreement.

7. MONITORING AND EVALUATION

7.1 The Organisation must, if required by AusAID, permit AusAID to monitor and/or evaluate the Activity and/or use of the Funds. AusAID shall give the Organisation at least two (2) weeks notice of its intentions prior to commencing such a review. In that event, the Organisation must cooperate fully with any request for assistance pursuant to any such study.

8. INDEMNITY

8.1 The Organisation must at all times indemnify AusAID, its employees, agents and contractors (except the Organisation) ("**those indemnified**") from and against any loss or liability whatsoever suffered by those indemnified or arising from any claim, suit, demand, action or proceeding by any person against any of those indemnified where such loss or liability was caused or contributed to in any way by any wilfully wrongful, unlawful or negligent act or omission of the Organisation, or any of the Organisation's personnel in connection with this Agreement.

8.2 The Organisation agrees that AusAID may enforce the indemnity in favour of the persons specified in **Clause 8.1** above for the benefit of each of such persons in the name of AusAID or of such persons.

8.3 The indemnity in this **Clause 8** is reduced to the extent that the loss or liability is directly caused by AusAID, its employees, agents or contractors (except the Organisation), as substantiated by the Organisation.

8.4 This indemnity shall survive termination or expiration of this Agreement.

9. INTELLECTUAL PROPERTY RIGHTS

- 9.1 The title to all intellectual property rights in or in relation to Agreement Material created during the course of the Activity shall vest in AusAID upon its creation. AusAID shall grant to the Organisation a world-wide, revocable, royalty-free licence to use the material.
- 9.2 **Clause 9.1** does not affect the ownership of intellectual property in any Prior Material incorporated into the Agreement Material, but the Organisation grants to AusAID a permanent, irrevocable, royalty-free worldwide, non-exclusive licence to use, reproduce, adapt and otherwise exploit such Prior Material in conjunction with the Agreement Material. The licence granted under this **Clause 9.2** includes the right of AusAID to sub-licence any of its employees, agents or contractors to use, reproduce, adapt and otherwise exploit the Prior Material incorporated into the Agreement Material for the purposes of performing functions, responsibilities, activities or services for, or on behalf of, AusAID.

10. COMPLIANCE WITH LAWS AND POLICIES

- 10.1 The Organisation must have regard to and comply with, relevant and applicable laws, regulations and policies, including those in Australia and in the Partner Country.
- 10.2 The Organisation must comply with AusAID's *Child protection policy* (<http://www.aisaid.gov.au/publications/pubs.cfm?Type=PubPolicyDocuments>) and particularly the child protection compliance standards at Attachment 1 to the policy. AusAID may audit the Organisation's compliance with AusAID's *Child protection policy* and child protection compliance standards. The Organisation must participate cooperatively in any reviews conducted by AusAID.
- 10.3 The Organisation must use its best endeavours to ensure:
- (a) that individuals or organisations involved in implementing the Activity are in no way linked, directly or indirectly, to organisations and individuals associated with terrorism; and
 - (b) that Funds provided under this Agreement are not used in any way to provide direct or indirect support or resources to organisations and individuals associated with terrorism.
- If, during the course of this Agreement, the Organisation discovers any link whatsoever with any organisation or individual listed on a Relevant List it must inform AusAID immediately.
- 10.4 If, during the course of this Agreement, the Organisation is listed on a World Bank List or Similar List it must inform AusAID immediately.
- 10.5 The Organisation agrees that:
- (a) The Organisation and its employees, agents, representatives or its subcontractors must not engage in any Fraudulent Activity. The Organisation is responsible for preventing and detecting Fraud.
 - (b) The Organisation must report in writing within five (5) working days to AusAID any detected, suspected, or attempted Fraudulent Activity involving the Activity. AusAID may direct the Organisation to investigate the alleged Fraud and the Organisation must

undertake an investigation at the Organisation's cost and in accordance with any directions or standards required by AusAID.

- (c) Following the conclusion of any investigation which identifies acts of a Fraudulent nature, the Organisation shall:
- (i) make every effort to recover any AusAID Funds, the subject of Fraudulent Activity;
 - (ii) refer the matter to the relevant police or other authorities responsible for prosecution of Fraudulent Activity; and
 - (iii) be liable for the repayment of any Funds amounts misappropriated by the Organisation, its agents, representatives or subcontractors.
- (d) The Organisation warrants that the Organisation shall not make or cause to be made, nor shall the Organisation receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any party, as an inducement or reward in relation to the execution of this Agreement. In addition, the Organisation shall not bribe public officials and shall ensure that its delivery organisations comply with this provision. Any breach of this clause shall be grounds for immediate termination of this Agreement by notice from AusAID.

11. TERMINATION

11.1 If the Organisation:

- (a) becomes, or AusAID considers there is a reasonable prospect of the Organisation becoming bankrupt, insolvent, deregistered or no longer able to undertake the Activity to a standard acceptable to AusAID;
- (b) makes an assignment of its estate for the benefit of creditors or enters into any arrangement or composition with its creditors;
- (c) fails to commence, or in the opinion of AusAID, fails to make satisfactory progress in carrying out the Activity and such failure has not been remedied within the time specified in a written request from AusAID to remedy the failure;
- (d) assigns its interest in this Agreement without the consent in writing of AusAID;
- (e) is, during the term of this Agreement, listed on a World Bank List, Relevant List or Similar List; or
- (f) breaches any term of this Agreement and such breach has not been remedied within the time stipulated in a written request notice from AusAID to remedy the breach;

then in every such case AusAID shall be entitled to terminate this Agreement forthwith but without prejudice to any of its other rights.

- 11.2 In addition, either Party may terminate this Agreement by giving to the other a notice to terminate in writing stating the reasons for termination.

- 11.3 AusAID may terminate this Agreement immediately by notice in writing to the Organisation if the Organisation breaches any of its obligations under **Clause 10**.
- 11.4 In the event of any termination, the Organisation must provide an Independently Audited statement of expenditure of the Funds within thirty (30) days of the date of the notice to terminate, signed by the head of the Organisation, and return any uncommitted unspent Funds to AusAID.
- 11.5 In the event that a notice to terminate is given by either Party the Organisation must:
- (a) immediately and forthwith do everything possible to prevent and mitigate all losses, costs and expenses arising in consequence of the termination of this Agreement and shall in a prompt and orderly manner cease expenditure of any uncommitted Funds for the Activity; and
 - (b) refund any uncommitted part of any tranche or Funds already paid by AusAID, together with any uncommitted or unspent interest, within thirty (30) days of the date of the notice to terminate.
- 11.6 In the event that a notice to terminate is given by either party AusAID shall not be liable to pay compensation in an amount which, in addition to any amounts paid or due or becoming due to the Organisation under this Agreement, together would exceed the amount of the total financial limitation of this Agreement, as specified in clause headed 'Funds and Payment'.

12. ACCOUNTS AND RECORDS

- 12.1 The bank account used by the Organisation must be in the name of the Organisation and must not be a personal bank account.
- 12.2 The Organisation must maintain a sound administrative and financial system capable of verifying all statements of acquittal. In addition, the Organisation must:
- (a) keep proper and detailed accounts, records and assets registers along with adequate Activity management records providing clear audit trails in relation to expenditure under this Agreement;
 - (b) afford adequate facilities for audit and inspection of the financial records referred to in this Agreement by AusAID and its authorised representatives at all reasonable times and allow copies and extracts to be taken;
 - (c) the accounts and records must be held by the Organisation for the term of this Agreement and for a period of seven (7) years from the date of expiry or termination of this Agreement;
 - (d) if requested by AusAID, provide an acquittal, certified by the senior financial officer in the Organisation, of Funds spent to date against the budget in the Activity Proposal; and
 - (e) if reasonably requested by AusAID, provide an Independently Audited statement of Activity expenditure by an auditor nominated by AusAID at no cost to AusAID.

13. REPORTS

- 13.1 The Organisation shall submit two (2) Annual Plans and two (2) Annual Reports to AusAID as prescribed here in Table 1:

Table 1:

Annual Plans	For the Period	Final to be submitted by
Annual Plan (1)	6 MARCH 2009 – 5 MARCH 2010	20 MARCH 2009
Annual Plan (2)	6 MARCH 2010 – 5 MARCH 2011	6 MARCH 2010
Annual Reports	For the Period	Final to be submitted by
Annual Report (1)	6 MARCH 2009 – 5 MARCH 2010	5 MAY 2010
Annual Report (2)	6 MARCH 2010 – 5 MARCH 2011	5 MARCH 2011

Annual Plans

- 13.2 The Annual Plans (as specified in Table 1 of **Clause 13.1**) must include:
- (a) planned activities for the period of the plan, including projects, research and events, in relation to both 'Core Funds' and 'IPD funds' (clearly separating planned activities for 'Core Funds' and 'IPD Funds');
 - (b) an implementation schedule and resources;
 - (c) a detailed budget for the period of the plan, in relation to both 'Core Funds' and 'IPD Funds' (clearly separating the detailed budget into a budget for 'Core Funds' and a budget for 'IPD Funds' and in accordance with clause headed 'Funds and Payment');
 - (d) a plan for promotion and dissemination of Centre for Democratic Institution (CDI)'s work;
 - (e) a plan for CDI's engagement with the IPD (as part of the Annual Plan); and
 - (f) any other information as required or agreed to by AusAID in writing.
- 13.3 The Organisation will provide to AusAID an indicative joint work program agreed with the IPD.
- 13.4 The Organisation must provide a quarterly update, in writing, to AusAID on the development of its relationship with the IPD.

- 13.5 The Organisation will provide advanced notice in writing to AusAID of any intended joint activities, secondments, placements or significant conferences associated with the IPD.
- 13.6 The Organisation, must submit to AusAID (Joe Hedger, Director, Governance and Anti-Corruption Section, Australian Agency for International Development, GPO Box 887, CANBERRA ACT 2601, joe.hedger@ausaid.gov.au) a draft copy of each Annual Plan in electronic format compatible with Microsoft Office, two weeks in advance of the final due date, and a final copy of each Annual Plan in electronic format along with five hardcopies.
- 13.7 The Organisation must make amendments to the draft Annual Plans as reasonably requested by AusAID in writing.
- 13.8 Within 30 days of receipt of a draft Annual Plan, AusAID shall notify the Organisation in writing of its decision to reject, accept or require amendment to the Annual Plan. If AusAID has not taken such a decision within the 30 days, AusAID will advise the Organisation in writing when such a decision is likely. In such circumstances AusAID shall give fair and reasonable consideration to granting an extension of time to the Organisation in respect of undertaking the Activity.
- 13.9 The Annual Plans will be the basis for reporting to AusAID on planned activities.

Annual Reports

- 13.10 The Organisation must submit two (2) Annual Reports to AusAID (in accordance with Table 1 of **Clause 13.1**) which must include:
- (a) a summary of the Activities (including projects, research and events), clearly and separately outlining activities undertaken with 'IPD funds' during the period of the report as detailed above at Table 1;
 - (b) progress achieved during the period of the report towards the objectives of the Activity;
 - (c) evaluation of CDI's effectiveness against the Performance Evaluation Framework (Annex 1 to Schedule 1 of this Agreement);
 - (d) financial acquittal, clearly and separately of 'Core Funds' and 'IPD Funds'. The financial acquittal must acquit the funds against the budget in the Annual Plan (in accordance with this Agreement) and must be signed by the senior financial officer or head of the Organisation or the CDI Director as its delegate, indicating that the Funds have been spent in accordance with the terms of this Agreement.
 - (e) any lessons from the assessment of Activity progress; and
 - (f) any other information as required or agreed to by AusAID in writing.
- 13.11 The second Annual Report (Annual Report (2)) shall provide an outline of the completed Activity and in more detail cover key outcomes compared with objectives, development impact, sustainability and lessons learned.
- 13.12 The Organisation must submit to AusAID a draft copy of each Annual Report in electronic format compatible with Microsoft Office, two (2) weeks in advance of the final due date, and a final copy of each Annual Report in electronic format along with 5 hardcopies to: Joe

Hedger, Director, Governance and Anti-Corruption Section, Australian Agency for International Development, GPO Box 887, CANBERRA ACT 2601 AUSTRALIA; email address: joe.hedger@ausaid.gov.au.

- 13.13 AusAID may request the Organisation to produce other reports as reasonably required.
- 13.14 The CDI Performance Evaluation Framework for the Activity will be as outlined in Annex 1 to this Schedule 1. The indicators in the framework are required to be reported by the Organisation in the Annual Reports.

14. FUNDS AND PAYMENT

- 14.1 Funds of AUD4,000,000 plus GST if any up to a maximum amount of AUD400,000 shall be payable as follows, and as outlined in this clause headed 'Funds and Payment':
- (a) 'Core Funds' up to AUD3,000,000 plus GST of up to a maximum of AUD300,000.
- (b) 'IPD Funds' up to AUD1,000,000 plus GST of up to a maximum of AUD100,000.

Core Funds

- 14.2 Funds for the 'Core Funds' component (outlined in **Clause 14.1(a)** above) shall be payable by AusAID as an acquittable grant by AusAID in three tranches divided as follows:

Indicative Date	Tranche Number	Amount of Funds
6 March 2009	1	AUD 480,822
1 August 2009	2	AUD 1,500,000
1 August 2010	3	AUD 1,019,178

- 14.3 Tranche 1 'Core Funds' shall be payable by AusAID within thirty (30) days of the date of this Agreement and receipt of a valid invoice. Subsequent tranches of the 'Core Funds' shall be payable subject to the provision of a statement of acquittal against the detailed budget in the Activity Proposal, of 80% of the previous tranche, a valid invoice and subject to satisfactory progress as determined by AusAID. The statement of acquittal must be signed by the senior financial officer or the head of the Organisation indicating that the Funds being acquitted have been expended, in accordance with the terms of this Agreement.
- 14.4 Conditions relating to the provision of 'Core Funds' shall be as follows:
- (a) Funds for the provision of activities such as training, workshops, study tours, research and other activities outlined in the Activity Proposal shall be paid with the 'Core Funds'.
- (b) Costs of personnel may be paid with the 'Core Funds'.
- (c) A management fee of AUD\$30,000 per annum to meet administrative costs incurred by the Organisation associated with the hosting of CDI shall be paid with the 'Core Funds'; and

- (d) The percentage of 'Core Funds' available for research activities shall not exceed 15% of the total 'Core Funds'.

Institute for Peace and Democracy (IPD) Funding

- 14.5 Funds for the 'IPD Funds' component (outlined in **Clause 14.1(b)** above) shall be payable by AusAID as an acquittable grant by AusAID in two tranches divided as follows:

Indicative Date	Tranche Number	Amount of Funds
6 March 2009	1	500,000
6 March 2010	2	500,000

- 14.6 Tranche 1 of the 'IPD Funds' shall be payable by AusAID within thirty (30) days of the date of this Agreement and receipt of a valid invoice. Subsequent tranches of the 'IPD Funds' shall be payable subject to the provision of a statement of acquittal against the detailed budget in the Activity Proposal, of 80% of the previous tranche, a valid invoice and subject to satisfactory progress as determined by AusAID. The statement of acquittal must be signed by the senior financial officer or the head of the Organisation indicating that the Funds being acquitted have been expended, in accordance with the terms of this Agreement.
- 14.7 Conditions relating to the provision of 'IPD Funds' shall be as follows:
- (a) The 'IPD Funds' shall support the development of the relationship between IPD and CDI, and shall include, (but not be limited to) the following activities:
- (i) joint activities, research, exchanges of personnel and academics;
 - (ii) travel for CDI and IPD representatives to relevant regional meetings and to and from Australia;
 - (iii) forms of skills development;
 - (iv) subject to agreement between CDI and IPD, the short term placement of CDI or other academic staff at the IPD;
 - (v) subject to agreement between CDI and IPD, a regional conference to bring together regional stakeholders to further the direction and development of the IPD;
 - (vi) retaining additional CDI human resources to facilitate engagement with the IPD and supporting IPD staff.
- (b) 'IPD Funds' may be used to cover the actual cost incurred for sub-contractors and associates involved in Activities that are deemed by AusAID to be eligible for 'IPD Funds'.
- (c) Limitations on expenditure for research (outlined in clause **14.4(d)**) will not apply to 'IPD Funds'.

- (d) Leave accrued during the assignment for CDI personnel shall be taken during the Funding Agreement period and in accordance with the Organisation's policies. Leave accrued but not taken during the Funding Agreement period will not be paid out by AusAID.

Final Acquittal

- 14.8 Within thirty (30) days of completion of the Activity, the Organisation shall submit a statement acquitting all of the Funds provided under this Agreement (herein referred to as the "final funds acquittal"). The Funds expended with the 'Core Funds' and the 'IPD Funds' must be clearly and separately outlined in the one acquittal. The final funds acquittal must acquit funds against detailed budgets in the two approved Annual Plans (in accordance with this Agreement) and must be signed by the senior financial officer or head of the Organisation, indicating that the Funds have been spent in accordance with the terms of this Agreement. Any unspent funds, interest earned or exchange rate gains, must be repaid to AusAID with the final Funds acquitted. The final Funds acquittal acquitting all Funds provided under this Agreement shall be subject to the internal and external auditing procedures laid down in the rules and regulations applicable to the Organisation and must also be Independently Audited and certified. The cost of an independent external audit required by this clause may be payable from the Funds.

15. CLAIMS FOR PAYMENT

- 15.1 Invoices must be submitted when due in accordance with this Agreement, in a form identifying the project/activity title and Agreement number 49654. Invoices must also contain the Payment Event number(s) notified by AusAID.

- 15.2 All invoices must be **made** to:

Chief Finance Officer
Australian Agency for International Development
GPO Box 887
CANBERRA ACT 2601 AUSTRALIA

- 15.3 Invoices should be sent to the above address. Alternatively AusAID will accept electronic invoices. These can be sent to accountsprocessing@ausaid.gov.au

- 15.4 Where Australian GST applies to this Agreement all invoices must be in the form of a valid tax invoice. Invalid tax invoices will be returned to organisations. Information on what constitutes a valid tax invoice can be found at <http://www.ato.gov.au/businesses/content.asp?doc=/content/50913.htm>

**SCHEDULE 1 – ACTIVITY PROPOSAL
TO FUNDING AGREEMENT DEED NUMBER 49654**

1. This Activity Proposal sets out the parameters for a 24-month Activity for the Organisation to execute, namely the Centre for Democratic Institutions (CDI) which will support parliamentary and political party democratic reform in partner countries in the Asia-Pacific region and support cooperation with the Bali Institute for Peace and Democracy (IPD).
2. The purpose of the CDI is to respond to the needs of developing countries in the field of good governance and democratic institutions. This is to be achieved by harnessing Australian and international best practice to support regional country partners in strengthening their parliaments and political parties.
3. **Activity Objectives:**
 - 3.1 The objectives of the Activity are as follows:
 - (a) to improve the operation and understanding of parliamentary machinery by members of parliament and parliamentary staff in partner countries;
 - (b) to strengthen democratic political parties in priority countries;
 - (c) applied research aimed at promoting democratic political systems;
 - (d) to engage and maintain effective working relationships with stakeholders;
 - (e) to undertake appropriate activities in conjunction with the IPD; and
 - (f) to manage the CDI.
 - 3.2 This Activity will be reviewed pursuant to the outcomes of the AusAID Political Governance Review.
4. **Core business (Core Funds)**
 - 4.1 CDI's major activity will be the design and delivery of short term, intensive and high quality training projects that focus on improving parliamentary and political party processes, systems and integrity by engaging with both elected representatives and relevant party secretariats and officials.
 - 4.2 The emphasis of CDI's activities will be on providing hands-on opportunities to participants in an effort to transfer skills and build capacity.
 - 4.3 Training will be tailored to the specific needs of participants and will:
 - (a) include direct contact with Australian politicians, members and officials of political parties and parliamentary staff to draw on a wide range of expertise in conveying the Australian experience of democracy; and be consistent with Australia's development assistance goals, complementing relevant country and regional programs.

- 4.4 Normally courses and workshops will be conducted in English. AusAID agrees that the costs of interpreting and/or translation, where necessary, can be drawn from the 'Core Funds' component of the Funds.

5. Employment of Best Practice

- 5.1 CDI must employ internationally acknowledged best-practice approaches in delivering its projects in a non-partisan, gradual and responsive manner both in Australia and partner countries.

- 5.2 CDI must draw on Australian, regional, and international expertise in the form of:

- (a) democratic institutions such as Australian, New Zealand and other relevant legislatures;
- (b) major Australian political parties; and
- (c) independent and institutionally affiliated Australian and regionally based consultants, practitioners, academic institutions and other relevant experts.

6. Geographic Focus

- 6.1 CDI must principally focus its engagement on the following geographic areas:

- (a) Melanesia, which for the purposes of the CDI's operations will include: Papua New Guinea; Solomon Islands; Vanuatu; Fiji;
- (b) Indonesia; and
- (c) East Timor.

- 6.2 On a case by case basis as appropriate, CDI activities may also respond to the needs of Pacific nations outside of Melanesia and with emerging democracies in the Asia region.

- 6.3 The 'IPD Funds' may be applied to work with those countries that are members of the Bali Democracy Forum including countries outside the Asia-Pacific region but only in so far as expenditure relates to activities associated with the IPD.

- 6.4 Notwithstanding paragraphs 6.2 and 9.4 (below) engagement with Melanesia, Indonesia & East Timor will however remain a principle priority of CDI.

7. Co-ordination of activities

- 7.1 CDI will communicate regularly with relevant AusAID staff in Canberra and at Posts to ensure:

- (a) coherence between the CDI's program and AusAID's initiatives, particularly the Pacific Leadership Program and the Building Demand for Better Governance initiative;
- (b) the sustainability of outcomes from activities delivered by CDI; and
- (c) consistency of CDI's activities with AusAID policies, particularly AusAID's anti-corruption and gender policies.

7.2 CDI will co-ordinate relevant activities with other entities operating in the field of parliamentary process and political party strengthening in the countries nominated in paragraph 6.1, including the following bodies:

- (a) Australian government departments and agencies;
- (b) initiatives of other donor agencies;
- (c) the World Bank and the Asian Development Bank;
- (d) the United Nations and its various programmes;
- (e) other relevant bilateral and multilateral organisations;
- (f) relevant local non-governmental organisations;
- (g) other academic institutions focused on governance and democracy; and
- (h) other bodies nominated by AusAID.

8. Research

8.1 Further to the activities outlined above, CDI will provide applied research that:

- (a) is developed in consultation with relevant AusAID staff;
- (b) adds value to Australian Government development cooperation programs;
- (c) is directly relevant to the development of innovative assistance in the democratic governance field; and
- (d) draws on the academics and experts from a range of institutions in Australia and in the region.

9. Bali Institute for Peace and Democracy (IPD) (Non-Core Funds)

9.1 CDI will work cooperatively with the IPD as it works towards operationalising its role under the Bali Democracy Forum.

9.2 CDI will provide relevant advice on the development of the IPD and ongoing activities such as a research program and regional workshops.

9.3 CDI will provide short-term training to relevant stakeholders in support of democracy scholarships managed under the Australian Leadership Awards Program.

9.4 The IPD Funds may be applied to work with those countries that are members of the Bali Democracy Forum including countries outside the Asia-Pacific region but only in so far as expenditure relates to activities associated with the IPD.

10. Meetings

10.1 The CDI Director and any other CDI Staff as required must attend meetings in Canberra as required by AusAID to review or discuss this Funding Agreement.

11. Personnel

11.1 The Centre Director will be CDI's senior representative responsible for the overall management and direction of the CDI. The Director will be the key point of contact with relevant stakeholders.

11.2 The Director, assisted by CDI's administration, will be responsible, amongst other things, for:

- (a) day-to-day management of CDI;
- (b) coordinating course delivery; and
- (c) providing timely and accurate information about CDI's work to AusAID.

11.3 The duties of the Director include, as a minimum:

- (a) Providing strategic direction to the CDI, taking into account guidance from AusAID;
- (b) Establishing and maintaining cooperative links with key individuals and institutions in Australia and overseas as outlined in this Agreement;
- (c) Overseeing the planning and implementation of training programs;
- (d) Developing and implementing measures to extend CDI's finance resource base beyond core Commonwealth of Australia funding;
- (e) Developing and implementing strategies to collect performance information at the output, outcome and impact levels; and
- (f) Reporting to AusAID on performance as outlined above at Clause 13, headed 'Reports' in this Agreement

11.4 The Organisation should note that, in the event that recruitment of a new Director is required, AusAID will undertake the selection and recruitment process, in consultation with the Organisation.

11.5 With the exception of the Director, the nomination of personnel to ensure the delivery of all required activities will be at the discretion of the Organisation.

11.6 If the Organisation is required to deliver activities outside Australia, the Organisation will be responsible for the immediate development and implementation of a Security Plan to ensure the safety and security of personnel, including associates and subcontractors. The Security Plan should incorporate prevention strategies and response plans, including evacuation plans where appropriate.

12. Subcontractors

12.1 The sub-contracting of parts or elements of the performance of the Activity by the Organisation on behalf of CDI is subject to compliance with the following requirements:

- (a) the Organisation must implement procedures that comply with the Commonwealth Procurement Guidelines for the engagement of all sub-contractors;
- (b) the Organisation must ensure that sub-contracts include equivalent provisions regarding the Organisation's relevant obligations under this Agreement. In particular sub-contractors must:
 - (i) Comply with relevant and applicable laws, regulations and development policies, both in Australia and in the Partner Country;
 - (ii) Be insured to at least the minimum of their statutory obligations and that they carry all commercially prudent insurances relevant and relating to the Activity;
- (c) the Organisation must maintain records as to the performance of each of the sub-contractors engaged by the Organisation including details of any defects in such performance and the steps taken to ensure compliance with the sub-contract and provide to AusAID if requested; and
- (d) if requested by AusAID, the Organisation must provide to AusAID a copy of any proposed or executed sub-contract.

13. Governance, Planning and Review

- 13.1 CDI will work in close cooperation with AusAID in defining its work agenda.
- 13.2 On an annual basis AusAID will approve the work program of CDI and provide guidance on its strategic direction.
- 13.3 The formal contact within AusAID for CDI is the responsible Assistant Director General.
- 13.4 CDI will meet twice annually with the said Assistant Director General and other relevant AusAID staff following submission to AusAID of each final Annual Plan and Report.
- 13.5 These meetings will consider performance, planning and strategic direction, and provide the opportunity to coordinate CDI activities with AusAID country programs.
- 13.6 CDI will produce relevant reports as stipulated in Clause 13 ('Reports') of this Agreement.



AUTHORITY FOR EFT DIRECT CREDIT PAYMENT - DOMESTIC

***Please also use this form for Superannuation funds** (please fill in a separate form for each payee)

Please complete the following questions:

Agreement Manager to complete:

Administered or Departmental? _____

If Departmental does the payee classify as a "small business"? (yes/no) _____ If yes,
please ensure a copy of the "Statement Pertaining to Small Business Status" is attached to this form and forwarded to Finance.

If yes, does interest apply to overdue payments? (yes/no) _____
Please refer back to "Procurement 30 Day Payment Policy for Small Business".

AusAID employee? (yes/no) _____ no _____ If yes, is the employee based o/seas? _____

Please specify the type of payment (eg o-based salary, superannuation payment, professional fees, etc) _____

Acquittable grant _____

Contract/Agreement Number (please refer to note c) _____

Is this an update to your account? (yes/no) _____ no _____

(Note: if this is an update to your account please ensure that you provide your old account number at * below)

CUSTOMER DETAILS

Business Name: _____

ABN (Australian Businesses must provide their ABN unless an exemption applies) _____

Does your Business have an ABN exemption? (yes/no) _____
(if yes please attach a "Statement of Supplier Form")

Individual Name: (if not a business) _____

Street Address: _____

Postal Address: _____

Contact Person: _____ Telephone Number: _____

Fax No: _____ e-mail address: _____

Please ensure that **all** relevant fields below are completed to avoid delays in processing payments

FINANCIAL INSTITUTION DETAILS

I, _____, in my capacity as _____ hereby authorise the Agency
to direct payments for goods and/or services to the following account:

BSB Code (must be six digits)

--	--	--	--	--	--

Bank Number (maximum of nine digits)

--	--	--	--	--	--	--	--	--

Account Name: _____

Bank Name: _____

Bank Branch: _____

*Old Account Number (if applicable) _____

Signature of Authorised Representative _____

Date: _____

NOTE A: Payments to the United Kingdom in GBP require a sort code
Payments to the United States in USD require an ABA number
All other payments require a swift code

NOTE B: For accounts held in currencies other than that of the beneficiary bank, the intermediary or correspondent bank details must be provided *eg for a USD account held in Indonesia a US intermediary or correspondent bank must be provided.*

NOTE C: Payments will not be processed for Agreements held in currencies other than AUD or that of which the bank account is held.

WHEN COMPLETED PLEASE RETURN TO AusAID BY EITHER:

FAX: (02) 6206 4878 or

POST: Collector of Public Monies
AusAID
GPO Box 887
CANBERRA ACT 2601

Conditions of the agreement:

1. The customer is responsible for a) the accuracy of the above details b) advising the Agency in writing of any changes to the above particulars. Upon receipt of such notification the Agency shall process all payments in accordance with the details provided.
2. The Customer warrants that the bank account details provided are not false and comply with all applicable laws.
3. The Agency has the right to accept the authority of the Authorised Representative as conclusive evidence of that person's authority to execute this agreement on behalf of the Customer. The Agency is under no obligation to verify that authority of the Authorised Representative or the bank account details.
4. The Agency will use all reasonable measures to maintain confidentiality; both the Authorised Representative and the Customer acknowledge that it may not be practical for the Agency to keep these account details confidential in the circumstances. These details will be available to the Agency staff carrying out their normal duties in paying invoices.
5. Payment will be deemed to have been made when the Agency has instructed its bank to credit the Account. The Agency will not be responsible for any delays in payment in errors due to factors outside the reasonable control of the Agency, including but not limited to delays or errors in the banking system.
6. The Customer acknowledges that the Agency, by accepting the authority, does not promise to remit payments by EFT to the Customer but may do so if it should choose to do so.
7. The Authorised Representative warrants in his/her own right that a) he/she has the authority to bind the Customer to the conditions of this payment b) the banking details provided are accurate c) by signing this form, the Customer is aware of its responsibilities under this agreement.
8. The Authorised Representative indemnifies the Agency in relation to any loss or damage (including consequent loss) which the Agency may suffer due to any breach of the Customers warranties at clauses 1 and 2 respectively.

Annex 1 to Schedule 1 of Funding Agreement Deed Number 49654

CDI Evaluation Framework

Goal: The goal of the CDI is to support the efforts of partner country governments in democratic reform of their parliamentary systems and political parties.		
Objective	Indicators	Means of Verification
To improve the operation and understanding of parliamentary machinery by Members of parliament and parliamentary staff in partner countries.	- Improved understanding of the range of parliamentary services and their uses - Improved quality of existing parliamentary service delivery - Implementation of new parliamentary services	- Positive remarks in appraisal forms - Evidence and anecdotes of the application of lessons learned to job - Satisfaction of Presiding Officers and supervisors with training outcomes - Perceptions of academic and news commentators on CDI's impact - Annual evaluation of a representative sample of participants - Feedback from Australian Government Representatives
To strengthen democratic political parties in priority countries	- State of political parties - Improved political party compliance with laws/regulations/policy governing organisation - Improved democratic participation in political parties	- Positive remarks in appraisal forms - Evidence and anecdotes of the application of lessons learned to job - Examples of improved practices in functioning of political parties - Perceptions of academic and news commentators on CDI's impact - Annual evaluation of a representative sample of participants - Feedback from Australian Government Representatives
Applied research aimed at promoting democratic parliamentary systems	- Research partnerships with other organisations - Contribution to understanding of members of parliament/parliamentary staff/party officials in partner countries of Australia - Contribution to the design of future AusAID and CDI activities.	- Publications in quality journals, books and quality publishers - Academic interest in CDI research - Practitioner interest in CDI research - Collaborative approaches leading to significant value for modest input - Partnerships established and operational, particularly within the target region - Feedback from Australian Government Representatives
To engage and maintain effective working	- Stakeholders are informed of activities - Publicity of activities in conjunction with	- Satisfaction and involvement of the Minister and Parliamentary Secretary - Requests for repeat assistance from key recipients

relationships with stakeholders	AusAID - CDI engages with other Australian academic institutions involved in political governance	- CDI website maintains high standards and increases hits and subscriptions - Positive media reports on CDI work - Joint activities undertaken - Satisfaction of Australian Government partners - Positive feedback from other political governance academic institutions
To form an effective working relationship with the Bali institute for Peace and Democracy and support its development	- Capacity of IPD to run workshops is increased - Work program established - Exchange of expertise to the IPD	- Feedback from IPD - Workshop undertaken - Evidence of close engagement (e.g. travel for discussions) - Joint programs undertaken
To manage CDI	- Increased profile of the CDI amongst key stakeholders - Implementation of strategies to sustain the impact of CDI activities on individuals and organisations - Gender equality in the CDI activities - Value for money for the Australian Government	- Demand for CDI services by recipient and ODA community - Australian political leaders knowledgeable about CDI work - Attraction of additional resources to CDI - Compliance with all contract conditions including performance requirements - All reports submitted on time - Improving record of gender participation in activities