|  |
| --- |
| 9. JFA Programme Support |
| * This is a template for joint financing arrangements in sector programmes/projects. The template is based on the negotiated template “JFA Budget Support” and simplified to serve programme needs. * The template sets out common procedures for the co-operation between a partner and several donors, while the financial contribution from each donor is decided on in bilateral agreements. The template Programme Agreement – Multi-Donor Arrangements should be used for the bilateral agreement between the partner and Norway/MFA. * The template presupposes that the parties enter into the JFA at ministerial level. If the Partner country enters into the JFA at the governmental level, modifications must be made in the first paragraph of the template and “the Ministry” must be replaced by “Partner country” throughout the whole JFA. * Normally the JFA is assessed in the AD for the bilateral agreement to be entered into with the Partner country. If this is not the case, a separate written assessment of the JFA must be made before the matter is submitted to the Legal Affairs Unit for legal quality assurance. |

Template last revised 3 September 2013

Draft dated <date>

**Joint Financing Arrangement (JFA) between the <Nationality> Ministry of <Partner country> and**

**1. <Donor 1>**

**2. <Donor 2>**

**3. <Donor 3>**

**(the Donors)**

**regarding joint financing of <name of programme>**

WHEREAS the <nationality> Ministry of <specify> (the Ministry) has requested the support of the Donors to contribute towards the funding of <name of programme> (the Programme),

WHEREAS the Ministry has committed itself to provide an agreed level of funding to the Programme,

WHEREAS the Donors have committed themselves to support the Programme with financial assistance,

WHEREAS the financial contributions by the Donors will be decided on in bilateral agreements between the the Ministry and each of the Donors,

NOW THEREFORE the Ministry and the Donors (together the Signatories)

decide as follows:

Paragraph I Scope and objectives

# This JFA sets forth the jointly agreed terms and procedures for financial support to the Programme as outlined in the Programme summary in Annex I to the JFA and further described in the Programme Document “<name of document>” dated <date>.

The Programme Document is a reference document only, and shall not be an annex to, and thereby a part of, the JFA. Instead, there should be a brief summary of the Programme description as Annex I to the JFA.

# The Ministry and the Donors will establish bilateral agreements that are compatible with the spirit and provisions of the JFA, and will refrain from setting conditions in the bilateral agreements which contradict or diverge from the spirit or the provisions of the JFA. If there is any inconsistency or contradiction between the terms and conditions of the JFA and a bilateral agreement, the provisions of the bilateral agreement will prevail. Insofar specific provisions of a bilateral agreement deviate from the JFA, the Donor concerned will inform the other Donors thereof, by supplying a copy of the bilateral agreement to the other Donors, specifying the provisions concerned.

# The Goal and the Purpose of the Programme are as follows: <specify>.

The listing of the Goal and Purpose shall be identical with the listing in the Appropriation Document, the Programme summary (Annex 1) and the Programme Document.

# Progress will be measured against the monitoring framework described in the Programme description in Annex 1.

Paragraph II Cooperation and Representation

# The Signatories will communicate and cooperate fully on all matters relevant to the implementation of the Programme and this JFA with the aim to ensure that the Goal and Purpose are successfully achieved. The Signatories will share all information on aid flows, technical reports and any other documentation/initiative related to the Programme and relevant to the support.

# The Donors are committed to <specify, e.g. description of guiding principles on harmonisation>.

# The Ministry will immediately inform all Donors of any circumstance which may interfere or threaten to interfere with the successful implementation of the Programme, and will assess the need to call for a meeting to consult with the Donors on remedial action to be taken.

# In matters pertaining to the implementation of the Programme and this JFA the Ministry will be represented by <specify>. The representatives of each Donor will be stated in the bilateral agreements <alternatively: in a separate annex to the JFA.>.

# All communication to the Ministry in regard to this JFA will be directed to <specify>. Communication to each of the Donors shall be directed to its embassies in <city> unless otherwise stated in the respective bilateral agreements.

Paragraph III Responsibilities of the Ministry

# The Ministry will be fully accountable and responsible for the planning, implementation, reporting and monitoring of the Programme as well as for the management of the financial contributions of the Donors. The Ministry affirms that the contributions of the Donors will only be used to cover expenditures of the Programme.

# The Donors will not bear any responsibility and/or liability to any third party with regard to the implementation of the Programme.

# In particular, the Ministry will:

Describe specific responsibilities with regard to the implementation of the Programme. The obligations shall be as exact as possible. Obligations listed below – and/or part of the obligations – that are not applicable, should be deleted.

1. Keep financial records of the contributions in accordance with international accounting standards,
2. ensure that Programme funds are reflected in the plans, budgets and accounting of the <Partner country>, and that Programme funds are used according to approved work-plans and budgets,

If it is not possible for the Partner to include the funds in its national budgets, plans and accounts, e.g. due to the planning/budgeting system in the Partner country, the clause above should be modified.

1. provide sufficient qualified local personnel and all financial and other resources that may be required over and above the contributions of the Donors and the contribution of the Ministry as stated in Annex I, for the successful implementation of the Programme,

In those cases where there is an exact frame/upper limit for the financial obligations of

the Ministry, this may be stated here.

1. make all disbursements to suppliers of goods and services,
2. undertake the obligations set out in <specify e.g. annex> with regard to technical assistance personnel financed by the Donors,
3. undertake all such obligations as set out in <specify e.g. annex> with regard to consultants and/or contractors financed by the Donors,

Provisions d. and e. must, if applicable to the Programme, be reflected in separate annexes to the arrangement, see the templates in Part II “Annex to “Programme Agreement – Treaty” concerning personnel” and “Main Agreement” as examples.

1. <defray any custom duties, sales taxes and other taxes, fees and levies on all equipment, materials and supplies financed by the Donors and imported into <the Ministry> for the benefit of the Programme,>

As a general rule the clause should not be included. It shall, however, be assessed whether this general rule should be deviated from in special cases, e.g. where the tax in question is not in accordance with internationally accepted norms for taxation, as set out for instance in the draft guidelines of 22 October 2007 on Tax Treatment of Donor-Financed Projects, which were drawn up by the International Tax Dialogue, see <http://www.un.org/esa/ffd/tax/documents/bgrd_oi.htm> (see under the year 2007). A degree of flexibility will also be necessary e.g. in cases of co-financing with donors who insist on tax exemption or where it would otherwise be unreasonably complicated to pay tax on procurements financed by Norwegian aid, where the tax in question is obviously unreasonable, where the funds in question are for humanitarian assistance and taxation would be in violation of international humanitarian principles, or where the nature of the aid provided and/or aspects of the partner country’s financial administration are such that payment of tax is considered to have disproportionately negative consequences.

1. grant all necessary permits, import licences and foreign exchange permissions that may be required in connection with the implementation of the Programme.

# A prerequisite for the Donor’s support of the Programme is that the Ministry will: <specify>

Description of specific conditions that should be fulfilled prior to the release of Donor funds, e.g. an obligation to enter into specific contracts necessary for the implementation of the Programme.

Paragraph IV Contributions

# The Donors will confirm their precise contributions in their bilateral agreements with the Ministry. The contributions of the Donors may be subject to the approval of their respective parliaments and/or to their national appropriation rules.

# The Donor contributions will be disbursed to a common interest <alternatively: non-interest> bearing foreign exchange account held in the name of <specify e.g. the Programme> (the Pooled Account). The total contributions of the Donors are hereinafter referred to as the Grant.

To which and what kind of pooled bank account the funds shall be transferred, must be determined for the individual programme. Normally the funds will be transferred to the Ministry of Finance/Treasury for further transfer to the implementing ministry/agency. Transfer may also take place directly to a line ministry. Indicate who shall have the authority to draw on the account and procedures for drawing on it.

# Any accrued interests on the Grant may be used for the benefit of the Programme, if agreed upon by the Signatories in writing.

# Any unspent part of the Grant and any unspent accrued interests will be returned to the Donors in proportion to their respective actual contributions upon completion of the Programme.

Paragraph V Disbursements

# The disbursements from the Donors will be based on the financial needs of the Programme. <If applicable: A common disbursement mechanism will be decided upon between the Signatories.>

# The Donors will specify in their bilateral agreements their respective disbursement schedules <if applicable: which will be based on the agreed common disbursement mechanism>.

# Disbursements will be made to the Pooled Account upon receipt and approval of written disbursement requests from the Ministry. The requests will be submitted to <specify e.g. a lead donor, a special meeting, each of the Donors>, who will determine whether to approve them.

# The requests will, with exception of the first request, be based on and relate to <specify e.g. approved work plans and budgets>. In determining the installments, the progress achieved and the financial needs of the Programme will be taken into account. Along with the requests, except the first request, the Ministry will state the cash balance of the Programme and submit statement of bank balances for the Programme from the bank <alternatively: … shall submit statement of cash and bank balances from the Programme’s accounting records>.

# The Ministry will immediately acknowledge in writing the receipt of the funds in local currency to the Donor concerned. The date of receipt shall be stated as well as the exchange rate applied.

# If the Ministry carries out only part of the Programme, the Donors may adjust any outstanding instalments accordingly on a fair pro rata basis, or may earmark the remaining part for the contribution to purposes to be decided on by the Signatories.

Paragraph VI Reporting

Content and formats of reporting should be based on the Partner country’s systems. Deadlines should be aligned with existing routines, meetings, the fiscal year, and should be realistic and give sufficient time for preparation for consultations.

# The Ministry will submit an <annual, alternatively: semi-annual> report to <specify e.g. a lead donor, a special meeting, each Donor> drawn up in the <specify> language, in the mutually accepted format in Annex 2 to this JFA. The report will cover the period <period>, and will be submitted to the Donors within the first of <month>.

# The report should contain an overview of Programme activities, information on actual outputs compared to planned outputs, problems encountered and/or anticipated and any other information relevant to the implementation of the Programme

# The Ministry will submit <annual, alternatively: semi-annual> financial statements to <specify e.g. a lead donor, a special meeting, each Donor> within the first of <month(s)> covering the period <period(s)>. The financial statements should show cash receipts/income and expenditures for the previous period structured as and compared to approved budgets for such previous period <if desired: as well as accumulated for the Agreement period>. The statements should capture all sources of funding, with sufficient segregation of data to permit identification of individual sources of funds and disbursements on major Programme activities or types of expenditure. Further, the cash and bank balances of the Programme should be stated, and the statement should contain relevant notes, including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the Programme. The financial statements should be prepared in a form and at a level of detail that enables comparison of the budget with actual progress.

# The Ministry will submit a <annual, alternatively: semi-annual> work plan to <specify e.g. a lead donor, a special meeting, each Donor> within the first of <month(s)> specifying planned outputs and time schedules for the period <period>.

# The Ministry will submit a <annual, alternatively: semi-annual> budget for the Programme to <specify e.g. a lead donor, a special meeting, each Donor> within the first of <month(s)> showing estimated income from all sources and planned expenditures in the period <period(s)>.

# The Ministry will submit to the Donors a final report within <number> months after the completion of the Programme. The final report shall give a summary of outputs and activities undertaken, achievements compared to Goal and Purpose and an assessment of the efficiency of the Programme. If the Programme is not completed by <month/quarter>, a status report shall be submitted to the Donors by the said date.

Insert any further documentation to be submitted by the Ministry.

Paragraph VII Consultations and decision making

# The Signatories will have <specify name of meeting> within <quarter> each year in order to <specify>

Key items for consultations should include a review of progress in the implementation of the Programme on the agreed performance indicators, conditions for disbursements, review of work plans and, if needed, corrective measures.

# The meetings will be called and chaired by the Ministry.

# The documentation specified in Paragraphs 6 shall form the basis for the consultations.

# The results of the meeting will be recorded in Agreed Minutes. The Agreed Minutes will be drafted by the Ministry and sent to all Donors within <number> weeks after the meeting for their <approval, alternatively comments>.

# <If desired: The Donors will inform the Ministry of their approval/ comments within <number of days/weeks> of receipt of the draft.>

# Additional consultation meetings on any subject relevant to the Programme may be requested by each of the Signatories.

Paragraph VIII Procurement

# The Ministry undertakes to effect all procurement of goods and services for the Programme, and to enter into the necessary contracts. The Ministry will perform all procurement in accordance with its procurement rules, guidelines and procedures.

In cases where alignment with the Ministry’s procurement system is not feasible, other regulations must be agreed upon.

Optional: Insert provisions describing conditions related to supervision or control of procurement procedures.

# The Ministry will submit shortlists and tender documents to the Donors for <information, alternatively: approval> by <number> days before calling for tender. The Ministry will upon request furnish the Donors with all relevant documents/ information on its procurement practices and actions taken for information, as well as copies of contracts awarded, for <information, alternatively: approval>. The Ministry will advise the Donors of all contemplated procurements with a value exceeding <specify currency and value> funded in whole or in part under this JFA. The Ministry will notify all procurements exceeding this threshold to the OECD/DAC prior the start of the process and will notify the OECD/ DAC of the contracts awarded.

Insert threshold in the currency selected for the Programme equivalent of 700.000 Special Drawing Rights (SDR). The value of the SDR is available at www.imf.org. Only programmes with procurement related components need to be reported. The provision complies with the OECD/DAC recommendation on untying official development assistance to the least developed countries.

Paragraph IX Review and evaluation

For contributions of NOK 50 mill or more within the Norwegian budget area 03.10 Bilateral Development Co-operation” it is mandatory to carry out a mid-term and an end review, see page 4 of the Development Cooperation Manual.

# Joint <reviews, alternatively evaluations> focusing on progress to date and the effectiveness of the Programme, i.e. the extent to which the Purpose is being achieved, will be carried out in <quarter/year>. Copies of the <review/evaluation> reports will be promptly shared with the Signatories not represented in the <review/evaluation> mission. The costs of the <review/evaluation> missions will be borne by the Donors unless decided otherwise by the Signatories. Reviews should take place in consideration of the agendas of the Ministry, and should be transparent, simple and fit into existing review systems, if possible.

# The Donors will to the extent possible refrain from conducting unilateral reviews/evaluations. However, when a Donor is required to conduct a unilateral review/evaluation, this Donor will in a timely fashion consult with the other Donors to <discuss/reach a common position regarding <specify, e.g. team composition, schedule>, alternatively decide on Terms of Reference (ToR) for the review/evaluation>. The Ministry will be consulted immediately on the proposed <specify, e.g. schedule and ToR>. The Donor concerned will immediately share the results of the review/evaluation with all other Signatories.

Paragraph X Audit

# The <specify, e.g. annual> financial statements of the Programme will be audited by the Auditor General or an equivalent governmental audit body or an independent professional accountant/accountancy firm in public practice (external auditon/audit firm) engaged by the Auditor General. <If the above is not feasible: The annual financial statements of the Programme will be audited. The audit will be performed by an independent professional accountant/accountancy firm in public practice (external auditor/audit firm) acceptable to the Donors in accordance with principles for governmental sector auditing.> <If applicable: The cost of the audit will be covered by the Grant.>

# The audit will be carried out in accordance with international auditing standards. The auditor will state in the report which auditing standards that have been applied.

National auditing standards may be applied provided that they are, in all material respects, consistent with international standards. International auditing standards are issued by the International Organisation of supreme Audit Institutions (INTOSAI), see www.intosai.org for further information.

# The audit report will include the auditor’s opinion/findings as to:

The audit arrangements should be discussed with the Partner, who in turn should discuss them with his Auditor General. Modifications in the audit paragraph may be required. The audit should at least cover the issues mentioned in the first five points below. Whether to request more should be settled in view of needs and costs.

* whether the financial statements present fairly, in all material respects, the Programme’s cash receipts/income and expenditures as well as the cash/bank/financial position in accordance with an acceptable financial reporting framework,
* whether the audit has uncovered any material weaknesses in relevant internal control(s),
* whether the audit has uncovered any illegal or corrupt practices,
* whether funds have been used exclusively to cover Programme expenditures,
* whether cash receipts/income and expenditures are properly accounted for.
* <if applicable: whether the counter funds from <Partner country> have been made available according to the budget in Annex 1.>
* <if applicable: whether the Grant is reflected in the budgets and accounting of <Partner country/Ministry.>
* <if applicable: whether appropriate internal controls to counteract illegal
* or corrupt practices have been established and are complied with.>

# The Ministry will submit to each Donor a copy of the audit report and any other report from the auditor significant to the implementation of the Programme within the end of <month/quarter> each year. The Ministry will comment upon the auditor’s findings. The Donors will respond within <number> weeks upon reception of the report.

Paragraph XI Non-compliance, force majeure

# In the case of non-compliance with the terms of the JFA on the part of the Ministry each Donor may suspend further disbursements to the Programme and reclaim funds already transferred in whole or part.

# If a Donor intends to suspend further disbursements or terminate his support, the Donor will call for a meeting with the other Signatories in order to reach a joint position on measures, remedies or otherwise. If a joint position cannot be reached, the Donor will inform the other Signatories of his final decision regarding the continuance or discontinuation of support.

# The Donors may suspend or reduce future disbursements in the event of extraordinary circumstances beyond the control of the Ministry which hinder effective implementation of the Programme. If the Donors consider suspending future disbursements, they will consult with the Ministry in advance. The suspension will be lifted as soon as the circumstances have ceased to exist or appropriate remedial actions have been implemented by the Ministry within reasonable time.

This paragraph is formulated in general terms; specific circumstances that give reason for imposing sanctions may be described, such as serious lack of progress in specific areas, unsatisfactory management, etc. According to Clause 3 above the decision on suspension/ reduction must be unanimous, unless otherwise stipulated. The Donors should seek to avoid unilateral sanctions based on the bilateral agreements.

Paragraph XII Corruption

# The Signatories will require that its staff and consultants refrain from offering third parties, or seeking, accepting or being promised from or by third parties, for themselves or for any other party, any gift, remuneration, compensation or benefit of any kind whatsoever, which could be interpreted as an illegal or corrupt practice. The Signatories will immediately inform each other of any indication of corruption or misuse of resources related to the Programme.

# The Signatories agree to cooperate on preventing corruption within and through the Programme. The Signatories undertake to take rapid legal measures in their respective jurisdictions to stop, investigate and prosecute in accordance with national law any person suspected of corruption or other intentional misuse of resources.

Paragraph XIII Modification, Donor accession and withdrawal

# The Signatories will annually discuss the implementation, application and effectiveness of the procedures outlined in this JFA. Any amendment to the terms and provisions of the JFA will be agreed in writing.

# The Signatories welcome the participation by other donors who wish to support the Programme. Upon a new donor’s written request and acceptance of the terms and provisions of this JFA, the Ministry may, as an amendment to this JFA, authorise in writing that such donor shall become a Signatory. The Ministry will consult with the other Signatories in advance and furnish them with a copy of the letter of acceptance.

# Each Donor may withdraw/terminate his support for the Programme by giving the other Signatories <number, e.g. three or six> months written notice. At the end of the notice period the Donor may reclaim his contributions transferred to the Pooled Account but not yet used for the Programme. If a Donor intends to withdraw/terminate his support, that Donor will call for a meeting to inform the other Signatories of his decision and to consult with them about the consequences for the Programme.

Paragraph XIV Dispute settlement

# If any dispute arises between Signatories as to the interpretation, application

or implementation of this JFA, the Signatories will consult with each other

in order to reach an amicable solution.

Paragraph XV Entry into effect

# This JFA enters into effect for the Ministry and the individual Donor on the

date of signature by the Ministry and the individual Donor.

IN WITNESS WHEREOF the undersigned have signed the JFA in <number>

originals in the English language.

|  |  |  |
| --- | --- | --- |
| Place |  | Place |
|  |  |  |
| Date |  | Date |
|  |  |  |
| For the Norwegian Ministry of  Foreign Affairs |  | For the <nationality> ministry of  <specify> |
|  |  |  |
| <Name in type/block letters>  <Ambassador> |  | <Name in type/block letters>  <Title> |

|  |  |  |
| --- | --- | --- |
| Place |  | Place |
|  |  |  |
| Date |  | Date |
|  |  |  |
| For <Donor 2> |  | For <Donor 3> |
|  |  |  |
| <Name in type/block letters>  <Ambassador> |  | <Name in type/block letters>  <Title> |

Annexes:

I. Programme Summary

II. Format for progress reports

The reporting format below is only a model. The format must be agreed upon in each case and should be based on the Partner country’s systems and tailored to the specific needs of the Programme.Annex I Agreed Programme Summary

In the template for Agreed Programme Summary it is assumed that the Programme is designed according to the Logical Framework Approach. If another approach has been used, modifications may be required.

# Identification of the Programme

* Programme Title/Name:
* Implementing institution:
* Donors:

# Description of the Programme

Goal

The Goal is the higher-order objective that the Programme is intended to contribute to in the long run. Target groups should be defined.

Purpose

The Purpose is the immediate reason for the Programme. The effect which the Programme is expected to achieve if completed successfully and on time. Target groups should be defined.

Outputs

Outputs are the products, capital goods and services which results from the Programme. For larger programmes this section may describe the main components, while their respective outputs will be defined in the annual work plans.

Inputs

Inputs are the funds, personnel, materials, etc. of a programme which are necessary to produce the intended outputs. For larger programmes the description of inputs should be limited to the main components, with more details given in the annual work plans.

Main indicators and monitoring frame work

List the main indicators and targets (with estimated time frames) specified for the Goal, Purpose and outputs.

Major risk factors (internal and external)

List the most important risk factors that need to be monitored to ensure Programme success specified for the Goal, Purpose and outputs.

# Organisational structure

# Overall budget

Insert the overall budget with annual breakdown of the respective Donors’ contributions and Partner’s own contribution. If the Programme includes more than one component, the budget should contain a breakdown of costs by components and, where appropriate, outputs. The budget should be set up so it easily can be compared to the financial statements.