



General rules for implementation of projects in: Africa, Asia, Latin America, the Caribbean (South) and for Reform Co-operation in Europe 2010-2012

1. Implementation

The project should be implemented in accordance with the approved project application. Any changes in the original project can only be effected after first being submitted to and approved by LO-TCO.

2. Own contribution

- 2.1 Projects financed from the allocation to projects in developing countries in the South as well as those from the allocation for Reform Co-operation in Europe, must include an own contribution of 10,3 per cent.
- 2.2 This contribution will be made either by the Swedish Union/s or by the Global Union/s concerned or by both jointly.
- 2.3 The own contribution is certified by Swedish Union/s or by the Global Union/s concerned or by both jointly in the "appendix to the co-operation agreement".
- 2.4 The own contribution must be reported in the financial accounts submitted to LO-TCO and be audited by an auditor who also certify the auditing (see item 4.4).

3. Payment of funding

- 3.1 LO-TCO's contribution as stated in co-operation agreement will be paid in Swedish currency. Payments are made at the going exchange rate on the date of transfer. LO-TCO accepts no responsibility for any changes in exchange rates which may occur during the period in which funds are paid.
- 3.2 Funds are distributed quarterly in response to applications made on the appropriate form. However, exceptions can be made after written agreement between LO-TCO and the implementing organisation.
- 3.3 If complete reports: Activity report (format 5), Financial report (format 7 A and 7 B) and Auditor's report/certificate for a completed year has not been submitted, LO-TCO is entitled to withhold transfers 2-4 of the project allocation until complete reports have been received.

- 3.4 Remaining balance in the project from previous year will be deducted from the allocated amount when transfer of funds is made. However, exceptions can be made after written agreement between LO-TCO and the implementing organisation.
- 3.5 Allocations from LO-TCO must be kept on a separate account in the name of the implementing organisation. Interest received should be accounted for but can be used in the project, if not the interest should be reimbursed to LO-TCO to be forwarded to Sida.
- 3.6 When the implementing organisation has requested and received a payment of funds, LO-TCO must receive written confirmation stating the amount received in the currency in question.
- 3.7 Request for additional allocation during the agreement period can only be submitted by the implementing organisation.

4. Reports

4.1 *Half-yearly report*

No later than September 1st, the implementing organisation will submit a financial report on the special forms provided, including an estimate of funds needed for the second half-year.

4.2 *Annual reports*

The implementing organisation will submit a report detailing its activities during the year to be received by LO-TCO no later than March 1st of the following year. The report should be written on the appropriate forms: Narrative report (format 5), Financial Report (format 7 A and 7 B) and an Auditor's Report confirming that the accounts of all parties involved have been inspected.

4.3 *Final reports*

Within nine months of completion of a project, i.e. by September 30 the following year, the implementing organisation must provide LO-TCO with a detailed final report on the special forms intended for that purpose (format 8). The final report should include a detailed description of activities for the total duration of the project. Where the accounts show that the implementing organisation has exceeded the sum originally allocated any excess should be repaid within nine months of the project's completion.

4.4 *Auditing*

Sida's Audit Rule is applicable in this context.

- 4.5 If reports have not been submitted to LO-TCO within the time stipulated, LO-TCO may stop transfer of funds to the implementing organisation for other projects approved. Furthermore, as regards final reports not submitted, LO-TCO reserves the right to send an invoice of the amount not accounted for.

4.6 *Transparency*

LO-TCO and Sida reserve the right to follow up and investigate how funding has been used and administrated. The implementing organisation commits itself to facilitating such investigation. Investigation will take place only after the implementing organisation has received written notification, stating the reasons for investigation. The results of investigation will be submitted to the implementing organisation before a final report is drawn up.

4.7 *Filing*

The implementing organisation is committed to retaining on file all project-related documents for a period of ten years.

5. Evaluation

5.1 LO-TCO and Sida reserve the right to evaluate projects financed by LO-TCO. An evaluator will be appointed by LO-TCO or Sida or both, whose task the implementing organisation will facilitate in every way. No evaluation will be initiated until the implementing organisation has received written notification, stating the reason for evaluation. The results of evaluation will be submitted to the implementing organisation before a final report is drawn up.

Any financial costs incurred by the implementing organisation during evaluation will be dealt with in a separate agreement prior to evaluation.

LO-TCO reserves the right to carry out evaluation after the termination of a co-operation agreement. As for the rest LO-TCO Evaluation Guidelines are to be applied.

6. Other matters

6.1 A co-operation agreement should be signed between implementing organisation and another co-operating organisation within the project receiving funds from LO-TCO.

6.2 If projects are terminated during the period of agreement, the co-operation agreement will remain effective until LO-TCO has approved the final report.

Unless the implementing organisation is notified to the contrary by LO-TCO within six months of receipt of the final report, the co-operation agreement is understood to be terminated from the date of reception of the final report.

6.3 LO-TCO may unilaterally terminate an agreement at any time, if the Swedish Parliament or Sida does not provide the necessary funds for the activities in question, or ban such activities in a particular country or countries.

6.4 LO-TCO may unilaterally terminate the agreement at any time without previous judicial process if the implementing organisation is no longer willing to carry out or capable of carrying out the project in accordance with the approved plan, or if circumstances change to such an extent that the project in question is no longer considered viable.

6.5 The agreement cannot be terminated without consulting the implementing organisation, provided that such consultation is possible.

6.6 LO-TCO may withhold new or pending funds if the conditions of the co-operation agreement are not met with.

6.7 The implementing organisation, or a person on assignment within the project on behalf of the

implementing organisation, must not become involved in corruption by giving or receiving economic bribes or other benefits for the purpose of gaining advantage over others. If irregularities or corruption is suspected in a project financed by funds from LO-TCO, the implementing organisation is compelled to inform the LO-TCO without delay. Sida's "Acting on suspicions of Corruption - a guide" is applicable in this context.

(Further information can be found at *Sida's* website: www.sida.se (SIDA2237en).

- 6.8 Any complaints relating to this co-operation agreement must be made to LO-TCO within six months of its termination.
- 6.9 Any grievances arising out of or in connection with this agreement which cannot be settled by negotiation, will in the last resort be settled by arbitration (in accordance with the UNCITRAL's arbitration rules) by one arbitrator appointed by the Arbitration Institute of the Stockholm Chamber of Commerce; the arbitrator's decision will be binding. Arbitration will take place in Stockholm; the language used will be English.
- 6.10 This agreement shall be governed by and construed in accordance with Swedish law.