Project Agreement

Purpose:

To provide funds to a national society for program implementation with technical support from ARC**.**

Required Inputs to the Template:

* The majority of the Project Agreement template is meant to be broad and universal and should therefore require minimal edits. Detailed project information belongs in the annexes.
* Funding amount
* Term
* Red Cross delegation office location
* ARC Country Representative/Regional Representative
* ARC contact for programmatic/technical questions and finance/compliance questions
* Signatory name and title for ARC and national society
* All annexes to attach to the agreement

Things to Remember:

* If a Memorandum of Understanding is already in place, it should referenced within the opening section of the Project Agreement.
* Draft the Project Agreement in track changes.
* If quarterly reporting requirements are chosen, then quarterly (rather than monthly) reporting annexes must be used.
* All extensions require a new budget with new dates.
* You should have the ARC budget but the ARC budget should not be included with the Project Agreement.
* Requests for amendments must be made at least 10 days prior to the end of the Project.

**PROJECT AGREEMENT**

**Strengthening Service Delivery of the PRC Operations Center (Phase 1)**

issued under

Memorandum of Understanding

between

**The Philippine Red Cross**

and

**The American National Red Cross**

This project agreement (“Agreement”) is entered into by The American National Red Cross (“American Red Cross”) and the Philippine Red Cross (“Philippine Red Cross”) (individually a “Party” and collectively the “Parties”), pursuant to the Memorandum of Understanding between the Parties dated December 20, 2016.

The terms and conditions contained in the MoU apply to this Agreement as if they were included herein and are made an integral part of this Agreement.

1. **Project Description and Funding**
   1. This Agreement sets forth the roles and responsibilities of the American Red Cross and the Philippine Red Cross for implementation of the Strengthening Service Delivery of the PRC Operations Center (Phase 1) (“Project”) and is intended to ensure the commitment of the Parties to work effectively and efficiently in the implementation of the Project in the interests of the direct beneficiaries of the Project.
   2. In consideration of the activities to be conducted by the Philippine Red Cross hereunder and in accordance with the Project Description, attached hereto as Annex 1 (“Project Description”) and the terms and conditions of this Agreement, the American Red Cross hereby grants to Philippine Red Cross the amount of up to #### dollars (US $####**.**) to be used to implement the Project (“Project Funds”). Project Funds are to be spent pursuant to the budget and budget narrative attached hereto as Annex 2 (the “Budget”) and as set forth in this Agreement.
2. **Period of Agreement**

The term of this Agreement is XXX, to XXX,(“Term”), unless terminated sooner pursuant to Section 9.4 or extended in accordance with this Agreement.

1. **Role and Responsibilities of the Philippine Red Cross**

The Philippine Red Cross will:

* 1. Be solely responsible for implementing the Project in accordance with the Project Description and Budget and with Technical Assistance (“TA”) as needed from the American Red Cross. Specifically, Philippine Red Cross will:
     1. Recruit, select, and supervise qualified Philippine Red Cross paid staff and volunteers for the positions listed in the Budget and Project Description, to carry out the activities described in the Project Description. All staff hired by Philippine Red Cross will be employees of Philippine Red Cross and as such, Philippine Red Cross agrees to comply with all local labor laws, pay all appropriate local taxes and comply with all other applicable laws, rules and regulations.
     2. Maintain a record of all time spent by Philippine Red Cross paid staff members working on the Project by completing Daily Time Records per the policies and templates utilized by Philippine Red Cross. These timesheets must be submitted with the Quarterly Financial Report (see Section 6.2.4.1). Timesheets must reflect individual Philippine Red Cross staff time spent on the Project and actual salary allocations for these staff must reconcile to the level of effort percentage for the Project as reflected in the timesheet.
     3. Coordinate with respective Philippine government agencies, other Participating National Societies (PNS) and organizations as appropriate, Philippine Red Cross branches and with communities to plan and implement the activities set forth in the Project Description in order to enhance effectiveness and avoid duplication of effort.
     4. Develop and implement a plan for monitoring and evaluating Project activities in consultation with and for feedback to the American Red Cross, Philippine Red Cross branch offices and communities to include periodic site visits and collecting and interpreting data for reporting to the American Red Cross delegation in Manila, the Philippines.
     5. Provide ongoing technical support to and build the capacity of branch staff and volunteers throughout the implementation of Project activities.
     6. Promote the image of Philippine Red Cross branches by publicizing branch activities and establishing/strengthening working relationships with other private and public organizations.
     7. Through its good relations with the relevant national and local authorities, provide administrative and other support to the Project to allow the achievement of Project objectives.
     8. Inform American Red Cross in writing of other assistance, or events influencing Project implementation.
  2. Sign and be solely responsible for administering all contracts necessary to implement and monitor the Project, including but not limited to contracts necessary for training and surveys. Philippine Red Cross retains sole liability for all contracts and sole responsibility for ensuring that all contracts comply with local laws, rules and regulations.
  3. Maintain appropriate property management and procurement systems to ensure adequate safeguards, records, and maintenance for all purchases made in support of the Project. Any damage or destruction of property shall be replaced or repaired at the expense of Philippine Red Cross.
     1. Acquire and use equipment, supplies, office space, furniture, and other assets for this Project within the limitations of the Budget and according to Philippine Red Cross’s procurement and fleet management standards.
     2. Title to all property purchased with funds received under this Agreement will be vested with the Philippine Red Cross. Title to all non-expendable property, supplies and other expendable equipment remains vested in the Philippine Red Cross. The Philippine Red Cross agrees to provide Property “All Risk” Insurance written on a full replacement value basis for all property, goods and supplies purchased with funds provided under this Agreement including coverage while in transit or in storage. The Philippine Red Cross agrees to maintain a control system to ensure adequate safeguards to prevent loss, damage, or theft of the equipment as well as to implement adequate maintenance procedures to keep the equipment in good condition. Equipment use should be limited to Project related activities. When no longer needed for the Project, the equipment shall be disposed in coordination with American Red Cross.
     3. Maintain a fixed asset listing of all goods with a unit cost of $1,000 USD or more procured under the Program, and make this list available to American Red Cross representatives upon request. The list should include the following criteria: description, model/serial/inventory number, funding source, whether title vests in the recipient or other legal entity, date acquired, purchase price per unit in USD, location and condition, and date each asset was entered or updated.
     4. Conduct an annual physical inventory of all goods included in the fixed asset list as outlined in section 3.3.3 and provide a copy of the official signed physical inventory report to the American Red Cross. Upon completion of the physical inventory and report, reconcile and update the fixed asset listing to reflect any variances noted in the annual physical inventory report.
  4. Obtain prior approval in writing from American Red Cross for the following actions:
     1. Change in Project scope and objectives;
     2. Public relations or press announcements about the Project;
     3. Budget revisions to any line item which are equal to or greater than 10% of the total budget;
     4. Purchase of equipment or services equal to or greater than $1,000 per unit cost and not described in the Budget;
     5. Sale or disposition of equipment or supplies valued equal to or greater than $1,000 or the cumulative equivalent at the time of sale;
     6. Assignment of work to a third party; or
     7. Extensions of report due dates.

1. **Role and Responsibilities of American Red Cross**

The role of American Red Cross is, in accordance with this Agreement, to provide funding and appropriate resources to support implementation of the Project and to ensure appropriate monitoring and evaluation of the Project. American Red Cross will provide technical support to the Philippine Red Cross and oversight of the Project, including:

* 1. Providing technical support from the American Red Cross Country Representative (“CR”) based in Manila, the Philippines, to support and provide assistance for the administration, planning, monitoring and evaluation of Project implementation. The CR will work with the Philippine Red Cross to coordinate Philippine Red Cross and American Red Cross activities.

4.2 Providing TA from the senior finance staff based in Tacloban, the Philippines, for oversight of financial disbursements, monitoring of expenditures and follow up on quarterly reporting as outlined in Section 6.1.

4.3 Providing TA as necessary or requested by the Philippine Red Cross for implementation of the activities. Other TA may be provided based on American Red Cross’ assessment and Philippine Red Cross’ requests, and must be agreed upon by both Parties.

1. **Budget**

5.1 The Philippine Red Cross shall spend Project Funds in accordance with the line items in the Budget.

5.2 It is understood that work pursuant to this Agreement is subject to the availability of American Red Cross funds and that such funds are not assured for the duration of the Agreement. In the event the American Red Cross lacks sufficient funds to continue or complete the Project, the American Red Cross shall so notify the Philippine Red Cross and the provisions of Section 9 below shall apply.

* 1. All expenditures and reimbursements will be in accordance with the line item allocations established in the Budget or within the threshold established in 3.4.3. The Philippine Red Cross agrees to immediately repay any portion of the Project Funds not used for Project activities.
     1. The Philippine Red Cross agrees to seek reimbursement of all value added taxes (VAT) and other taxes imposed upon, but refundable to, the Philippine Red Cross for Project Activities and to use such reimbursed amounts for Project Activities as set forth in the Budget. The Philippine Red Cross agrees to immediately repay any portion of the Project Funds, including refunded taxes, not used for Project activities.

1. **Financial Support and Reporting Requirements**

6.1 Following signing of the Agreement by both Parties, American Red Cross shall advance to the Philippine Red Cross funds equivalent to three months of the Budget (Annex 2) for expenses to be incurred by the Philippine Red Cross in the implementation of Project activities approved by the Philippine Red Cross Program Coordinator and certified by the American Red Cross CR and the respective senior finance staff.

* + 1. Thereafter, additional funding will only be advanced following approval by American Red Cross of the Philippine Red Cross’ Quarterly Forecast/Cash Request and Quarterly Financial Reports (see Section 6.2.4).
    2. American Red Cross shall electronically remit payment to a Philippine Red Cross bank account specifically set up for this Project no later than thirty (30) days following its approval of the Quarterly Forecast/Cash Request.
    3. In no event shall the total costs reimbursed exceed the Budget.
    4. The senior finance staff will:
       1. Verify that expenditures incurred by the Philippine Red Cross are in accordance with the provisions of this Agreement including the Budget (Annex 2).
       2. After review and verification of the Quarterly Financial Reports and Quarterly Forecast/Cash Requests, provide written notification to the Philippine Red Cross to that effect and process the transfer of funds.
       3. Conduct monitoring and TA site visits to the Project as needed or requested by the Philippine Red Cross for implementation of the activities. Other TA may be provided based on American Red Cross’ assessment and the Philippine Red Cross’ requests, and must be agreed upon by both Parties. Any visits will be coordinated with Philippine Red Cross staff in order to ensure their availability and participation.
  1. The Philippine Red Cross will:
     1. Open and maintain a bank account for the exclusive use of this Project.
     2. Maintain a financial management system that provides for accurate, current, complete and separate disclosure of financial information (income and expenses) for this Project. All expenses not included in the Budget or incurred without prior American Red Cross approval will be the sole responsibility of the Philippine Red Cross.
     3. Participate in regular monitoring and technical assistance visits and will provide American Red Cross personnel with information regarding support necessary to conduct said visits.
     4. Submit or contribute to Project reports. Specifically, the Philippine Red Cross will:
        1. Provide Quarterly Financial Reports to the senior finance staff by the 15th of each month following the end of the quarterly reporting period. An exception to this is the report for April-June, which is due by July 3rd.

* + - * 1. These reports must be in the formats as contained in Annexes 3 through 6.
        2. Quarterly Financial Reports must include the following: Quarterly Statement of Cash (Annex 3) in PHP and USD, Quarterly Statement of Expenses (Annex 4) in PHP and USD, LOP Budget versus Actuals (Annex 4a) in USD, Quarterly Summary of Expenses (Annex 5) in USD, Quarterly Forecast/Cash Request (Annex 6) in USD, Quarterly Forex documentation, detailed General Ledger reports (Trial Balance and General Ledger), copies of invoices for all transactions (including copies of bank statements and reconciliations and supporting documentation for the foreign exchange rate applied).
        3. Quarterly Forecast/Cash Request has to be submitted with the Quarterly Financial Report. The Quarterly Forecast/Cash Request (Annex 6) and anticipated cash requirements by budgeted line item for the next three months.
      1. Make available financial reports and original copies of supporting documentation and receipts for onsite verification by representatives of American Red Cross.
      2. Submit a Final Financial Report in USD and a Final Narrative Report within forty-five (45) days of the expiration or termination of this Agreement.
      3. Upon submission of the Final Financial Report, remit any outstanding advance or surplus funds immediately to American Red Cross. Interest amounts up to USD two hundred fifty dollars (US $250) per fiscal year may be retained by the Philippine Red Cross for administrative expenses.
      4. Provide quarterly narrative reports to American Red Cross, which shall describe activities, a comparison of actual accomplishments with the inputs/outputs/goals established for the period, problems encountered, actions taken to resolve the problems, and activities planned for the subsequent period. The format for these reports is contained in Annex 7. Quarterly narrative reports should be submitted to the American Red Cross CR in Manila, the Philippines, by the15th of each month following the end of the quarterly reporting period:

**Reporting Period Reporting Deadline**

January-March April 15

April-June July 15 (July 3 for financial reports)

July-September October 15

October-December January 15

1. **Audit**

7.1 American Red Cross, and its duly appointed representatives, shall have the right to conduct or facilitate internal and independent audits of the Project, and to have access to project-related records and financial statements, to verify and review any and all documentation, and review internal controls and accounting systems. American Red Cross will make every effort to ensure that any such reviews or evaluations take place at a time convenient to Philippine Red Cross staff and in a manner that includes the Philippine Red Cross in the process.

7.2 The Philippine Red Cross must ensure that appropriate corrective action is taken within three (3) months if there are any audit findings related to the Project, and must specify to the American Red Cross the contact person responsible for the corrective actions and the anticipated completion date.

7.3 All financial and programmatic records pertinent to the Project shall be retained and reasonably accessible to the Philippine Red Cross for a minimum of three (3) years from the date of submission of final reports by the Philippine Red Cross, or such longer period of time as required by law, rule or regulation.

1. **Donor Requirements**

8.1 As a condition of receiving American Red Cross funds, the Philippine Red Cross certifies that it has not provided and will not knowingly provide, material support or resources to any individual or entity that it knows, or has reason to know, is or acts as an agent for an individual or entity that advocates, plans, sponsors, engages in, or has engaged in terrorist activity.  Such individuals and entities may be, but are not necessarily, listed in the Annex to Executive Order 13224, or may be designated by the United States, under any of the following authorities:  Section 219 of the Immigration and Nationality Act (as amended 8 U.S.C. 1189), the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.) or Section 213 (a)(3)(B) of the Immigration and Nationality Act, as amended by the USA PATRIOT Act of 2001 (8 U.S.C. 1182).  Additionally, the Philippine Red Cross warrants compliance today and throughout the Term with any local laws that apply in the jurisdictions in which the Philippine Red Cross is operating.

8.2 This Agreement will at no time be construed or interpreted in such a manner as to amount to a breach of the Fundamental Principles of the International Red Cross and Red Crescent Movement.

8.3 The Philippine Red Cross agrees not to discriminate on the basis of race, sex, sexual orientation, religion, disability or national origin in the implementation of this Project.

8.4 American Red Cross is committed to the protection of vulnerable populations in humanitarian crisis, including from sexual exploitation and abuse. The Parties agree to adhere to the principles expressed in the Inter-Agency Standing Committee Policy Statement on Protection from Sexual Abuse and Exploitation in Humanitarian Crisis. The Parties further agree to adhere to any applicable standards related to sexual abuse and exploitation set out by their respective organizations, and shall not tolerate any such abuses on the part of its staff.

1. **Final provisions**
   1. American Red Cross may indicate its involvement with thePhilippine Red Cross on its website. American Red Cross has the right to share any and all information, and/or materials received from thePhilippine Red Cross related to the Program with the media.
   2. The Parties agree to consult each other as soon as possible to resolve any issues concerning the terms of this Agreement and, if necessary, the Parties may ask an independent arbiter for support in resolving such matters.

9.3 If either Party desires to terminate this Agreement, it must give written notice to the other Party.

9.4 This Agreement may be terminated as follows:

9.4.1 Mutual Consent: By mutual agreement of the Parties, this Agreement may be terminated as of a date and upon such terms as are set by the Parties.

9.4.2 Default: Either Party may terminate this Agreement upon the failure of the other to fulfill any of its obligations under this Agreement (the "Breaching Party") after providing written notice and a 30 day cure period, subject to the provisions in Section 9.4.3 below. The Agreement will terminate if the Breaching Party fails to cure the breach after the expiration of the 30 day cure period.

9.4.3 Immediate Termination: American Red Cross may immediately terminate this Agreement in the event (1) the scope of the Project is changed by the Philippine Red Cross without American Red Cross’ prior written approval; (2) that Project Funds are not being spent in accordance with the Budget; or (3) of a breach by the Philippine Red Cross of Section 8 or Section 9 ; (4) American Red Cross funds are no longer available; or (5) there is an improper attempt to assign or transfer this Agreement under Section 9.8. In all events, the American Red Cross may terminate this Agreement for the American Red Cross’ convenience without liability by giving notice pursuant to Section 9.3, above.

9.4.4 Effect of Termination. Costs of obligations incurred during a 30 day cure period or after termination of this Agreement are not allowable unless American Red Cross expressly authorizes them in the notice of breach or termination. American Red Cross shall not be liable for costs incurred by the Philippine Red Cross subsequent to American Red Cross’ notice of breach or termination, nor shall the Philippine Red Cross be obligated to complete any work in progress initiated prior to receipt of such notice.

9.5 Additional Remedies for Noncompliance. If the Philippine Red Cross fails to comply with the terms and conditions of this Agreement, in addition to the termination provisions set forth above, American Red Cross may temporarily withhold Project Funds pending correction of the deficiency by the Philippine Red Cross, disallow all or part of the cost of the activity or action not in compliance, suspend the Agreement for a time, or impose other special conditions, as appropriate.

9.6 The Philippine Red Cross hereby discharges and releases American Red Cross and its respective governors, directors, officers, employees and volunteers from any and all liabilities, costs, claims, losses, damages or expenses arising from, or connected with, the Philippine Red Cross’ implementation of the Project. The Philippine Red Cross agrees to indemnify, defend and hold American Red Cross and its respective governors, directors, officers, employees, volunteers and agents harmless from and against any claim, costs, losses, liability, and expense (including court costs and reasonable attorneys’ fees) resulting from liability, obligations, losses, damages, assessments, claims, demands, judgments, costs, and expenses (including but not limited to court costs, attorneys’ fees and fees of expert witnesses) which American Red Cross may incur, suffer, become liable for, or which may be asserted or claimed against American Red Cross as a result of the acts, errors or omissions of the Philippine Red Cross, or of any other entity in the Philippines, public or private, connected with this Agreement and their respective directors, officers, employees, agents, contractors, and subcontractors as a result of (1) the implementation and performance by the Philippine Red Cross, its contractors and subcontractors and their respective directors, officers, employees, and agents of the Project and the obligations described in this Agreement and its Annexes and related materials; (2) any breach or violation by the Philippine Red Cross, and its directors, officers, employees or volunteers of any of the terms and provisions of this Agreement or its Annexes and related materials or while performing its obligations hereunder and; (3) damages, fraud, and theft related to the American Red Cross funds and provided under this Project Agreement. The Philippine Red Cross further agrees to indemnify, defend, and hold harmless American Red Cross and its respective governors, directors, officers, employees, volunteers, and agents against any cost, liability, expense, allegation, or claim for damages incurred by American Red Cross arising in any manner from failure of the Philippine Red Cross, its directors, officers, employees, contractors, subcontractors, or agents to comply with any applicable laws, regulations, standards, or rules in their conduct of the Project. In no event shall these indemnifications of American Red Cross by the Philippine Red Cross apply to the extent and proportion such losses are caused by the negligence or willful misconduct of American Red Cross. This Section 9.6 shall survive the expiration or termination of this Agreement indefinitely.

9.7 The Philippine Red Cross represents and warrants to American Red Cross that it shall maintain appropriate liability insurance for injury or death to persons and damage to property arising from activities relating to the Agreement. The Philippine Red Cross shall also comply with any and all applicable laws and customs regarding any compulsory insurance to the extent applicable to its activities.

9.8 Neither Party will assign or transfer any of its rights or obligations hereunder without prior written consent of the other. Any attempt to assign or transfer any of its rights and obligations without such prior written consent shall be null and void and render this Agreement subject to immediate termination without any obligation or liability attaching as a result of such termination.

9.9 The following American Red Cross staff will be the primary contacts for this Agreement:

For programmatic and technical questions:

Margaret Stansberry, Country Representative

Margaret.Stansberry2@redcross.org

American Red Cross

c/o Philippine Red Cross

6th Floor, Philippine National Head Quarters

EDSA Cor. Boni Avenue, Mandaluyong City

The Philippines

Attn: American Red Cross, Country Representative

For financial compliance questions:

Nazar Niyazov, Finance Delegate

Nazar.Niyazov@redcross.org

American National Red Cross

c/o Philippine Red Cross

Pearl Unit, Kilometer 911,

Maharlika Highway, Brgy. 95-A Caiba-an, Tacloban City

The Philippines

Attn: American Red Cross, Finance Delegate

9.10 Force Majeure: If at any time during the course of this Agreement it becomes impossible for the Parties to perform any of their obligations for reasons of Force Majeure, that Party shall promptly notify the other in writing of the existence of such Force Majeure. The Party giving notice is thereby relieved from such obligations as long as Force Majeure persists and will, upon the cessation of the Force Majeure Event, take all reasonable steps within its power to resume with the least possible delay compliance with its obligations. Force Majeure Events shall include, without limitation, war, revolution, invasion, terrorism, strikes, insurrection, riots, mob violence, sabotage or other civil disorders, acts of God, limitations imposed by exchange control regulations or foreign investment regulations or similar regulations, laws, regulations, directives or rules of any government or governmental agency, any inordinate and unanticipated delays in regulatory review or governmental approval process that are within the sole control of such government or governmental agency, and any delay or failure in manufacture, production or supply by third parties of any goods or services.

9.11 No Waiver: Failure of the American Red Cross to enforce, or the delay by the American Red Cross in enforcing, any of the terms and conditions of this Agreement shall not be deemed a continuing waiver or a modification to this Agreement unless the waiver is expressly written and signed by the American Red Cross and the Philippine Red Cross.

## 9.12 Severability: If any provision of this Agreement is held invalid, illegal, or unenforceable by any court of final jurisdiction, it is the intent of the parties that all other provisions of this Agreement be interpreted to remain valid, enforceable, and binding on the parties.

## 9.13 Complete Document: This Agreement, including all referenced attachments, and documents delivered or to be delivered pursuant to this Agreement contain or will contain the entire Agreement between the Parties and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments, and understandings.

9.14 If this Agreement is executed in two languages, the English version prevails.

**IN WITNESS WHEREOF**, the Parties hereto, acting through their duly authorized officers, have executed this Agreement as set forth below.

**Signatories:**

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| **THE PHILIPPINE RED CROSS:**  Atty. Oscar Palabyab  Secretary General  Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | **THE AMERICAN NATIONAL RED CROSS:**  Christian Guadagni  Manager, Recovery Operations  Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**List of Annexes**

Annex 1 - Project Description

Annex 2 – Budget and Budget Narrative

Annex 3 – Quarterly Statement of Cash

Annex 4 – Quarterly Statement of Expenses

Annex 4a – LOP Budget versus Actual

Annex 5 – Quarterly Summary of Expenses

Annex 6 – Quarterly Forecast/Cash Request

Annex 7 – Quarterly Project Report Template (Narrative)

Annex 8 – Workplan