CARE International Partner Funding Agreement Policy

I. PURPOSE

The purpose of this policy is to define CARE International's principles and management standards for CI partner funding agreements. The policy is in accordance with CARE's programming principles, CARE International's 2030 Partnership aspirations, and applicable donor laws, rules and regulations.

Partnership is a broad term that covers a variety of relationships and includes a wide range of types of organizations; **a funding relationship is one type of relationship and recipients of CARE funds in all their diversity[1] are partners**. At the heart of all partnerships for CARE is our goal of addressing social injustice (particularly gender inequality and unequal power dynamics) and poverty. Partnerships are purposeful relationships based on mutual trust, equality and learning, with an agreed vision, clear accountability for all parties, and which engage the complementary strengths of the actors involved to collaborate on specific objectives, challenges or opportunities in ways that achieve greater impact than they could achieve alone.

CI-partner funding agreements define the contractual relationship between CARE and a recipient (i.e. the policy governs the funding relationship only with any organized structure that receives funds from CARE). In consideration of CARE's partnership principles, the term "partner" will be used throughout this policy, yet it refers to recipients who receive funding from CARE. CARE strives to ensure that CI partner funding agreement management practices are consistent and are applied uniformly across all partners regardless of funding source. This policy outlines CARE's minimum requirements to guide funding relationships with partners. Funding sources with more restrictive requirements must be followed.

The following principles are key to establishing and maintaining strong and **mutually beneficial** relationships with partners:

- Respect of humanitarian principles:
  - impartiality
  - neutrality
  - humanity
  - operational independence
- Awareness of International Humanitarian Law
- No discrimination as to nationality, gender, sexual orientation, race, age, disability, religious beliefs, socio-economic status, class or political opinions
- A complementary/compatible vision, mission, and core values
- Mutual trust, respect and risk-sharing
- Meaningful outcomes
- Transparency and integrity
- Clear mutual accountability
- Mutual commitment to joint and continuous learning
- Steadfast responsibility to maximize program impact on gender equality and social justice
- Mutual commitment to safeguarding staff and program participants
- CARE is committed to working with all types of organizations

This policy provides minimum standards that all CI Members/ Candidates/ Affiliates[2] and their offices must follow.

[1] Including but not limited to international, national and local non-governmental organisations, community groups, implementing partners, as well as so-called "non-traditional partners".
[2] Affiliates may choose to agree to a CI harmonised policy if it is a shared priority. Affiliates are included within the policy in the event that they agree and follow it. Please check with an Affiliate to understand their approach.

This policy outlines the following management requirements during the CI-partner funding agreement life cycle, which may be part of a broader partner relationship that CARE and the partner have cultivated.

Phase I - **Pre-Award**: Minimum eligibility requirements, partner selection, mutual due diligence and common risk assessment, capacity strengthening

Phase II - **Contracting**: Types of contracting mechanisms and approval thresholds

Phase III - **Implementation and Monitoring**: Including reporting, processing modification and amendments, periodic mutual performance and audit reviews

Phase IV - **Close-out**

II. SCOPE

This policy and related procedures apply to all CI Members, Candidates and Affiliates[3] and their country offices, sub-offices and head-offices. All relevant operational, financial and/or administrative directors of CI Members/ Candidates/ Affiliates and their country offices, sub-offices and head offices are responsible for ensuring this policy is known and understood by relevant employees. All employees involved in the management of CI partner funding agreements (includes Pre-IPIAs and IPIAs within CARE) are responsible for following this policy. The policy does not circumvent donor regulations but represents the minimum standards that must be followed. Where donor regulations are more restrictive, those regulations must be complied with. The relevant CI Member/ Candidate/ Affiliate will provide guidance on applicable donor regulations to the implementing office.

CARE Members/ Candidates/ Affiliates will adopt authorization levels and other requirements as appropriate for head-office operations, however, CI partner funding agreements must be compliant with any applicable donor regulations depending on the source of funding.

III. POLICY STATEMENT

The CI partner funding agreement policy applies when CARE is providing funding to another organization(s). CARE and potential partners will identify and select each other through processes that are inclusive for potential partners and are in keeping with CARE's core values and with the principles outlined in section I above. CI Members/ Candidates/ Affiliates and their offices will follow the policy standards and requirements described herein to ensure transparent, fair and open process throughout the CI partner funding agreement lifecycle, making the policy available to partners and enabling the partners to apply the same level of scrutiny towards CARE as CARE applies to them.

IV. POLICY DETAILS

4.1 The CI partner funding agreement policy and procedures are used in conjunction with the relevant CI Member's/ Candidate's/ Affiliate's donor policies and procedures.

4.2 Each CI Member/ Candidate/ Affiliate is responsible for establishing CI partner funding sub agreement approval and signatory threshold levels.

4.3 Partnership agreements (e.g. Memorandums of Understanding) that do not involve resource transfers from CARE to the partners are outside the scope of this policy.

4.4 The CI Member/ Candidate/ Affiliate and its offices must ensure the following mandatory minimum standards for its CI partner funding agreement management processes and procedures:

- Fit for purpose with the program needs and operational context.
- Promotion of program quality and accountability to target populations.
- Negotiating and setting out clear expectations.
- Compliant with the donor requirements and available funding.
- Appropriate support by CARE (funding, CARE program and program support staffing) to ensure management of CI partner funding agreements and demand driven capacity-strengthening of CARE staff and partners.

[3] See footnote 2

- Appropriate funding mechanism (i.e. type of CI partner funding agreement) for the partners to carry out and in accordance with program needs.
- Clearly describes minimum eligibility requirements as the basis for providing funds to a partner, strictly limiting additional requirements to a well-justified and necessary minimum.
- Establishes and maintains a partner selection process(es) that ensures the respect of the principles stated in this policy.

4.5 This policy is presented by the CI partner funding agreement lifecycle phases as described under Section I "Purpose"

Phase I: Pre-Award Requirements

The first phase of CI partner funding agreement management focuses on the planning, identification and selection of the partner. The selection of the partner during the "Pre-Award" Phase can take place before or during the proposal development or after the donor award is signed. The proposal team – including representation of a proposed partner(s) will develop the scope of work and associated funding budget that all partners and CARE will be implementing. The CI partner funding agreement management structure and costs will be included in program design and budgets at the proposal stage and include management oversight at various levels based on the value of the CI partner funding agreements, risk environment and complexity of the program. A variation of this phase should be implemented in specific cases where CARE wishes to support the partner's planned activities (e.g. engaging with a social movement). There are 4 (four) critical components of the Pre-Award phase.

a. Minimum Eligibility Requirements

The eligibility requirements (criteria) for selection of partners and for selection of CARE by partners will be transparent, clear and documented. Eligibility of partners should be reflective of program scope, donor requirements, geographic or program area, types of organizations to fund and capacity of the organizations to implement the program. Eligibility of CARE towards the partner will be reflective of the partner's own policies and requirements. Organizations or groups of individuals who have formed a group for a common cause in alignment with program objectives should be included in eligibility considerations.

b. Selection of Partner by CARE and of CARE by Partner

In keeping with CARE 2030 vision and our aspiration to become a partner of choice, CARE should engage with potential partners in advance of the selection of partners for a specific award. CARE and interested partners should mutually assess each other and reach a common agreement to become partners.

For specific funding opportunities, CARE encourages a mutual selection process whereby CARE and the partner(s) will agree to work together. As should the partner, within CARE the final decision must be validated by a "committee" that includes more than one CARE staff from the relevant funded program, program support/finance, and CI partner funding agreement management units. No one member will hold precedent for decision-making over the other members of the committee, regardless of position. Selection decisions will be made according to the eligibility criteria and program design. In order to participate in selection, no member of the selection committee can have a conflict of interest. The selection committee meeting minutes and decisions should be documented. Appropriate documentation should be shared with the partner(s). The documentation will be retained as part of the CI partner funding agreement files for a length of time determined by the CI Member's/ Candidate's/ Affiliate's and partner's record retention policies and donor requirements. The selection committee only meets to decide on the selection of the partners and does not need to make decisions to modify CI partner funding agreements.

c. Due Diligence (Mutual Risk Assessment)

Risks are a natural aspect of every project. CARE acknowledges that, as a social justice actor and agent of change, certain risks may need to be accepted. The process of risk management is about uncovering, understanding and appropriately mitigating perceived and anticipated risks to arrive at a position where risks are acceptable to CARE and to our partners, as a necessary precursor to position partnerships to success in

their stated goals. CI partner funding agreement management should consider the resources available to the partner relative to CARE and develop financial and risk management approaches that reflect resource availability. During agreement negotiation, CARE and the partner will mutually agree on their respective rights and responsibilities. Such arrangements will be compliant with donor rules and regulations, in cases in which funding is provided by third party donors.

The purpose of a mutual due diligence assessment is to identify the risks that may exist when CARE and a partner are working together and mainly to assess our common capacities to manage the relationship, implement the activities and comply with donor requirements. The results of a due diligence assessment can inform capacity strengthening activities for both CARE and the partner, and specific actions the partner or CARE might take to ensure both parties have the support they need to succeed.

The mutual due diligence assessment must be completed prior to final selection and signing the CI partner funding agreement and in compliance with donor requirements. The due diligence assessment should be documented and documentation should be shared by both parties. At minimum, an anti-terrorism check and assessment of both CARE and the partner's prevention of sexual harassment, exploitation and abuse, as well as fraud and corruption policies should be conducted. CARE should also comply with any justified due diligence and risk assessment required by the partner.

The mutual due diligence assessment method should be a flexible approach that can appropriately assess the external and internal risks. Considerations for the approach to be used may include: the amount of funding to the partner; complexity of project activities; type of partner (e.g. well-established NGOs, a grass-roots movement, non-traditional partner, etc.), CARE's experience with the type of project, type of CI partner funding agreement (e.g. sub-contract, sub-grant, etc.); emergency or stable operational context; incorporation of gender and diversity principles and prevention of sexual harassment, exploitation and abuse (PSHEA) within the organization and CARE, prevalence of fraud in the operational context; complexity of donor regulations; programmatic, technical, financial and organizational capacity needed to undertake the scope of work; among other factors. The number and thoroughness of these considerations can be adjusted in relation with the scale and nature of the expected partnership. If a partner or a specific relation is rated as a high risk, CARE may still choose to work with the partner by mutually agreeing to put in place risk mitigation actions to reduce risk and include these in the partner's contractual special conditions section.

Refer to the Emergency Fast Track (Section V) of this policy for procedures to follow in emergency situations.

If the risk environment has changed and/or the results of partner or CARE monitoring identify issues, an updated due diligence assessment should be conducted to mitigate risks, unless donor mandates more restrictive requirements. The CI Member/ Candidate/ Affiliate and/or donors may have more restrictive due diligence assessment requirements (please consult the CI Member/ Candidate/ Affiliate and or/donor).

Depending on the results of the mutual due diligence assessment and the scope of the program, a participatory capacity strengthening assessment may be completed by the partner and by CARE to identify any area where the partner's and/or CARE's capacities need to be strengthened, as well as how this capacity strengthening can be done (by one party for the other, through external support, etc.). These activities inform the capacity strengthening budget and workplan, CI partner funding agreement contracting provisions and monitoring activities.

d. Capacity Strengthening

The CARE Implementing Presence Office should strongly consider planning and budgeting in close coordination with the partner and at proposal stage for capacity strengthening of partners and of CARE to help build the abilities of both parties to better serve the impact groups of the project. In planning capacity strengthening, CARE should prioritize local actors familiar with the context to provide training, mentorship and coaching. It is an important element of partnership and one that would help achieve CARE's vision and mission through building sustainable civil society organizations that can result in lasting impact. A capacity assessment should help CARE and the partner plan and budget for activities that improve the partner's and CARE's ability to better implement the program. The CARE Implementing Presence Office can also complete the capacity assessment immediately following the signing of the CI partner funding agreement.

Phase II: Contracting Requirements

a. Templates and Terms & Conditions

- The program and CI partner funding agreement management staff will select the CI partner funding agreement template in consultation with the partner that is most suited to carry out the intended scope of work. In preparing the CI partner funding agreement the team will take into consideration the results of the mutual due diligence assessment, the scope of the program, donor requirements and, if available, the organizational capacity assessment of the partner and of CARE.

- A CI Member/ Candidate/ Affiliate or donor may have required CI partner funding agreement templates and/or terms and conditions. In the absence of such, CARE Implementing Presence Office may use their own template.

- The CI partner funding agreement shall identify and verify the bank account of the partner to which funds are to be disbursed. A change in the bank account after signing the CI partner funding agreement requires a formal modification according to the requirements of the CI patner funding agreement terms and conditions.

- The CI partner funding agreement shall clearly identify the payment terms and conditions per the CI and/or donor requirements.

- CI partner funding agreements must include donor requirements for partners, and other special conditions arising from the assessment and selection process.

- Capacity strengthening activities (based on CARE's and partner due diligence assessment results) are developed with the partners, and resources to support the plans are identified and included in budgets.

- It is CARE's responsibility that structures and procedures are established so that funding received is managed in line with donor and CARE agreement terms and conditions.

- Funds may not be disbursed nor partner activities authorized until a written pre-award authorization letter or CI partner funding agreement is signed (or otherwise executed between CARE and the partner).

b. Review and Approvals

- Each CI Member/ Candidate/ Affiliate should have a review and approval process. The total value of the CI partner funding agreement, type of CI partner funding agreement instrument and the results of the assessment will determine the level of review and approval required. CARE should document the review and approval for each CI-partner funding agreement prior to the relevant individuals signing the CI partner funding agreement. The CI partner funding Agreement Review and Approval Checklist may be used to document the review, approval and signing of the CI partner funding agreement.

- In order to disburse funds and record expenses against the approved CI partner funding agreement budget, the team will send the CI partner funding agreement review and approval documentation with a copy of the signed CI partner funding agreement to the relevant program and program support staff responsible for setting-up the CI partner funding award in the financial system.

Phase III: Implementation and Monitoring Requirements

a. Mutual Monitoring and Capacity Strengthening

Mutual monitoring of performance by CARE and partner staff is an essential function of managing CI partner funding agreements. In addition to any partner monitoring of CARE's performance, CARE must monitor performance related to the CI partner funding agreement including capacity strengthening elements as

outlined below:

- program performance of all parties in accordance with the scope of work in the CI partner funding agreement;
- the CI partner funding agreement provisions (terms and conditions);
- risks identified in the due diligence assessment and the support agreed to address them;
- financial performance of the partner in accordance with the CI partner funding agreement budget;
- eligibility of costs;
- compliance with donor rules and regulations; and
- CARE's and partner's progress toward mutual capacity strengthening and learning for sustainability beyond an individual CI partner funding agreement.

Mutual monitoring can be done by desk review and by site visits and must include both programmatic and financial activities reflective of the type of CI partner funding agreement and the complexity of the program funded. Project support staff and program staff of both CARE and partner should work together to monitor the performance of both parties, to assess the value-add of the activities toward the program objectives. Mutual monitoring topics and modalities should be agreed upon between CARE and the partner. CARE and partner staff should document all monitoring activities and place this documentation in the CI partner funding agreement file.

CARE staff must review program and financial reports sent by the partner to ensure effective progress toward program objectives and monitoring desk reviews and site visits should aim at validating the reports with the partner. Corrective actions must be identified together and agreed upon in cases of non-compliance, where applicable, monitoring activities should consider revising capacity strengthening activities.

CARE together with the partners should periodically evaluate the performance of both parties towards the achievement of intended outcomes and the respect of commitments in terms of partnership and contributions to CARE's and partner's program strategy and expected impact.

At the startup of the CI partner funding agreement, both parties should develop and agree upon a mutual CI partner funding agreement monitoring document that identifies the monitoring activities, the persons responsible at each party, the timing and the method of the monitoring. This plan can be used to ensure that monitoring activities of CARE and partners can be carried out in a timely manner.

CARE and partner staff should develop a governance structure to provide mutual feedback on each other's performance based on the monitoring activities. Communicating with partners in a transparent manner is essential to build trust and avoid misunderstanding. This communication should allow for a more effective working relationship, build both CARE's and partner's capacity and address challenges with project implementation. Measures to address these challenges should be agreed upon together.

b. Audits

Audits, either internal audits conducted by CARE or external audits conducted by third-party auditors, often as required by donors, are a separate function from monitoring. Audits do not replace monitoring responsibilities.

c. Modifications / Amendments

Any changes to a CI partner funding agreement should be in writing and the modification/amendment should be signed by those persons from CARE and the partner with the same level of authority as those who signed the original Sub-agreement.

Phase IV: Close-Out Requirements

The purpose of an effective close-out of a CI partner funding agreement is to ensure proper stewardship of donor funds; enable the partner to manage in a planned manner the close out and the implications on the partner organization; and provide a platform for reflective learning for the partner and for all CARE staff

involved that can be applied in the future.

Close-out must be done in accordance with applicable CARE, partner and donor requirements to account for program achievements described in the scope of work, funds disbursed, materials and assets provided under the CI partner funding agreement, and in compliance with applicable donors' rules and regulations.

Close-out of activities and final reporting must be completed by the end date of the main funding award. The CARE Implementing Presence office or CI Member/ Candidate/ Affiliate are required to use a close-out checklist, which may be supplemented by a donor required template.

The close-out process is a multi-functional activity led by the program team managing the CI partner funding agreement with active participation of program support staff and the partner among other stakeholders.

Close-out planning starts at the inception phase of the CI partner funding agreement, when CARE and the partner agree on the process and close-out activities in advance of the end date of the CI partner funding agreement.

For CI partner funding agreements of $150,000 or more, close-out planning should take place 90 days before the end of a CI partner funding agreement for non-emergency CI partner funding agreements, and 30 days for emergency response CI partner funding agreements.

A pre close-out joint planning meeting/communication to clarify and agree on responsible parties, requirements and procedures should take place. As part of the close-out process and in the spirit of learning and partnership, identification of partnership successes and challenges is highly encouraged.

V. EMERGENCY FAST TRACK PROCEDURES

In the event of an emergency humanitarian response, emergency fast track procedures apply once the CARE Crisis Coordination Group (CCG) has declared a type 2, type 3 or type 4 emergency response. In such cases, emergency fast track will take effect for 90 days from the date of the CCG declaration. The CI Member/ Candidate/ Affiliate and CARE Implementing Presence office can use the following procedures to quickly respond to the humanitarian needs through the CI partner funding agreement mechanism:

- CARE Implementing Presence office or regional management teams in the case of non-presence countries can select partners from their existing partners or those that were pre-identified and assessed in the CARE Implementing Presence office's Emergency Preparedness Plan
- A simple selection memorandum signed by the Country Director/ CEO/Director of the CI Member/ Candidate/ Affiliate head-office authorized staff stating the merits/reasons for the selection of the partners(s).
- For new partners, complete a simplified due diligence assessment and anti-terrorism check for the partner organization and its key staff before selection.
- Issue a Pre-Authorization Letter (PAL) to the partner to start implementation of specific emergency activities.
- The Country Director/ CEO/Director of the CI Member/ Candidate/ Affiliate HQ approval threshold during this period would automatically increase to:
    - 150,000 USD for Pre-Authorization Letters
    - 500,000 USD for CI partner funding agreements
- The CI Member/ Candidate/ Affiliate accountable for the donor funding must provide approval of PALs and CI partner funding agreements exceeding the above thresholds within 24 hours of submission by the CARE Implementing Presence office.
- CARE Implementing Presence offices should ensure that specific donor requirements are included in the CI partner funding agreement and files maintained (see tools and resources associated with this policy).

The CARE Implementing Presence office must inform the relevant CI Member/ Candidate/ Affiliate accountable for the donor funding that the Emergency Fast Track Procedures are in effect referencing the CCG declaration and the end date of these procedures.

VI. KEY ROLES AND RESPONSIBILITIES

Each CI Member/ Candidate/ Affiliate and its offices is responsible for assigning roles and responsibilities for managing CI partner funding agreements. Given the diversity of organizational structures and staffing among CI Members/ Candidates/ Affiliates, each office should review assign roles and responsibilities outlined below to specific job positions. Project/Program Management role may not have sole discretion for selection of partners. A cross-functional selection team as defined below including a line manager at least one level above the designated project/program manager role must be involved in decisions on mutual selection of/by partners. For effective CI partner funding agreement management accountability, each office should ensure these roles are defined and documented. It is recommended that this structure of roles and responsibilities is shared with the potential partners early in the process in order to enable them to identify counterparts in their own structure to establish equitable and transparent relations.

6.1 Project/Program Management – CARE Implementing Presence office responsible for implementation of a project or program in which the CI partner funding agreement is funded:

a. Designs the project or program scope of work jointly with partners and co-leads when possible the mutual selection of/by partners.
b. Manages the implementation of the project or program activities including the activities implemented by the partner and by CARE.
c. Oversees all technical and financial management of the project or program in coordination with the partner.
d. Relationship manager to the project/program donor representative.
e. Ensures activities implemented by CARE and the partner represent the best value to the beneficiaries and communities served.
f. Seeks and acts upon feedback and recommendations from partners, and provides feedback to partners

6.2 CI Partner Funding Agreement Management – CARE Implementing Presence office responsible for administration, implementation and monitoring of the CI partner funding agreement:

a. Works with project/program management and partners to ensure design, selection and when possible, a mutual selection process is within compliance with CARE's and partners policies and donor regulations.
b. Due diligence mutual assessment of the partner and CARE prior to contracting.
c. Assesses capacity of the partner and participates in CARE's capacity assessment by the partner; co-creates a capacity-strengthening activity with the partner when appropriate, contributes to identifying efficient capacity strengthening and training approaches and methods; and measures the capacity-strengthening progress.
d. Monitors the CI partner funding agreement (financial, compliance and technical) to include desk reviews and on-site visits of and by the partners.
e. Reviews partner's technical and financial reports for compliance, progress and challenges with achieving agreement scope of work.
f. Coordinates with the partner mutual inspections, audits and joint evaluations and assessments of the project and of the partnership relations.
g. Engages in close out activities with the partner.

6.3 Selection Committee – Cross functional, gender balanced supervisory body within the CI Implementing Presence responsible for managing partner selection process. CARE encourages a mutual selection process where CARE and the partner agree to work together:

a. Made up of a team of one or more persons with no conflict of interest with the potential partner for consideration for a CI partner funding agreement.
b. Reviews partner applications and selects a partner for a CI partner funding agreement using open, fair, transparent, minimum eligibility criteria and competition to the maximum extent possible.
c. Documents the review and selection of partners considered for a CI partner funding agreement.

6.4 CI Member's/ Candidate's/ Affiliate's Senior Management – (both within the CARE Implementing Presence and Non-Presence office and HQ head-office levels) – Accountable for operational effectiveness of and compliance with the CI partner funding agreement policy and processes:

a. Leads and oversees all aspects CARE's work and ensures effective technical, financial and

compliance management of projects and programs.
b. Ensures CARE staff managing project/programs and CI partner funding agreements have the experience and skill-set to carry out their responsibilities, have adequate training in CARE policies and procedures as well as the partnership skills and incentives to work in efficient and impactful partnerships.
c. Ensures that the CARE team is open to feedback on its role and engagement with respect to the procedures and values of the partner organization.
d. Communicates and leads by example in following ethical standards and expectations in compliance with CARE policies and procedures and donor requirements.
e. Represents CARE to the community, the partner and donor and carries out delegated authorities to sign CI partner funding agreements.

6.5 Compliance, Legal and Audit units of the CI Member/ Candidate/ Affiliate – (both within the CARE Implementing Presence office and HQ head-office levels) responsible for overall compliance monitoring and risk management oversight:
a. Provides guidance and training to CARE staff and supports the capacity-strengthening of partners.
b. Participates in audits and evaluations of project/programs and mutual assessments of CARE and partners for financial, technical and donor compliance.

VII. DEFINITIONS

- **Partnership:** Partnerships are purposeful relationships based on mutual trust, equality and learning, with an agreed vision, clear accountability for all parties, and which engage the complementary strengths of the actors involved to collaborate on specific objectives, challenges or opportunities in ways that achieve greater impact than they could achieve alone.

- **Conflict of Interest:** arises when a CARE staff or of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of these parties, directly or indirectly has a financial or other interest in, or a personal benefit from, a partner considered for a CI partner funding agreement, and/or when there is the appearance of such a conflict of interest to people inside and outside of CARE.

- **Strategic Partnerships:** these partnerships are more than just collaboration on ad-hoc projects. It is about a relationship that involves co-creation, shared risks and responsibilities, complementarity and interdependency with the view to multiplying the impact of our programs beyond individual initiatives all with the goal of putting women and girls in the center to tackle poverty and injustice.

- **Partner Memorandum of Understanding :** is to be used when CARE desires to engage when the intended partnership does not involve the transfer of financial resources from CARE or includes the one-time transfer of up to US$ 250,000 of unrestricted or flexible donor funding.

- **Pre-authorization Letters (PAL):** authorizes activities to commence and funds to be disbursed to the partner pending finalization of the CI partner funding agreement. The appropriate template should be used: a) PAL Template between CI Members/ Candidates/ Affiliates; and b) PAL template for all other partners.

- **CI Partner Funding Agreement:** A CI partner funding agreement is a generic term that is used when CARE sub-contracts or sub-grants to another organizational entity. It is a legally binding contractual mechanism between CARE and another external entity, the purpose of which is to undertake a specific scope of work and outlines the mutual responsibilities of each entity.

- **Sub recipient/Partner:** In this policy, the word “Partner” is the same as “Sub Recipient.” It is an organizational entity (not an individual) that receives funds from CARE.

- **Minimum Eligibility Requirements (MER):** When CARE intends to provide funding to a partner, program and program support staff need to identify and document minimum criteria a potential partner must meet (for example, good standing with the targeted community, anti-terrorism check, etc.)

VIII. REFERENCES AND ASSOCIATED POLICIES

- Appendix A – CI Partner Funding Agreement Life Cycle Diagram
- Refer to all additional guidance materials, resources and tools available to support this policy, including each CI Member's/ Candidate's/ Affiliate's review and approval processes.

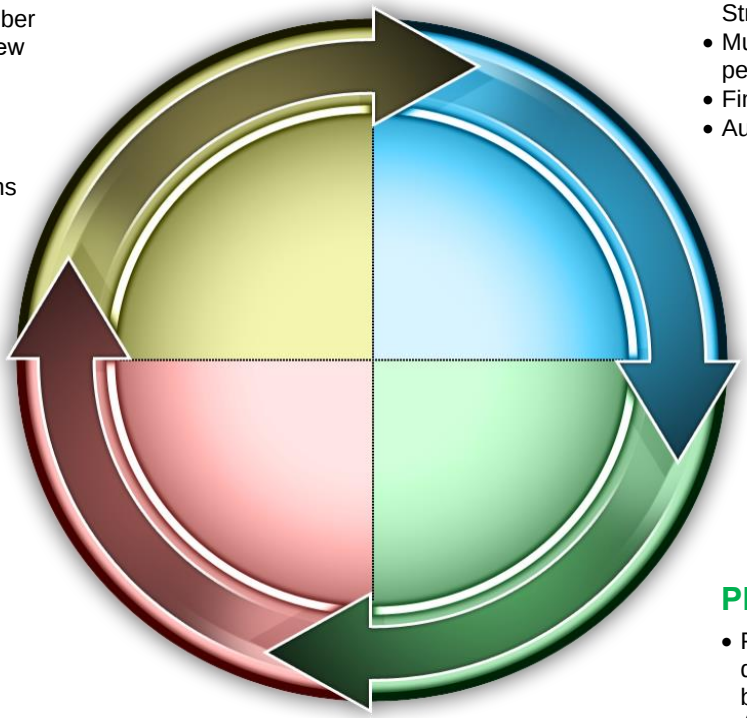
Appendix A
CI Partner Funding Agreement Life Cycle

Phase 2: Contracting / Start Up

- Select best Agreement contracting mechanism
- Approval based on CI Member / Candidate / Affiliate's review & approval thresholds and processes
- Orientation of Partners and CARE staff to terms and conditions, donor regulations

Phase 3: Implementation & Monitoring

- Mutual Monitoring & Capacity Strengthening
- Mutual feedback on performance
- Financial & Program Reporting
- Audits



Phase 1: Pre-Award / Selection

- Minimum Eligibility Requirements
- Selection of Partner by CARE and of CARE by Partner
- Due Diligence (Mutual Risk Assessment)
- Capacity Strengthening

Phase 4: Close-Out

- Planning: Begins at Start-up to define close-out activities to be implemented prior to end of Agreement
- Mutual Reflective Learning
- CARE and Partner Program and Program Support staff responsibility
- Final Reporting
- Audit