

## ACUERDOS BILATERALES

Clasificación: 14-2009

Fecha de Ingreso: March 5 2009

Nombre del Acuerdo: Contribution Arrangement made between Her Majesty the Queen in Right of Canada and the General Secretariat of the OAS for the "MDE 2009'006 OAS Coastal Vulnerability Assessment"

Materia: Project to assess the vulnerability of coastal infrastructure in Jamaica to climate variability and climate change resources

Partes: GS/OAS & Canada

Referencia: Canada

Fecha de Firma: January 12, 2009

Fecha de Inicio:

Fecha de Terminación:

Lugar de Firma: Ottawa, Canada

Unidad Encargada: Department of Sustainable Development

Persona Encargada:

Original:

Claves:

Cierre del proceso:

Notas adicionales:



Organización de los Estados Americanos  
Organização dos Estados Americanos  
Organisation des États américains  
Organization of American States

Date: 1/16/2009  
Code: USDE-D

**To:** Mr. Dante Negro, Director, Department of International Law  
**From:** Cletus I. Springer, Director, Department of Sustainable Development  
**Subject:** Original – Contribution Arrangement “MDE 2009-006 OAS Coastal Vulnerability Assessment”

Attached for your information and files is the original of the above-mentioned Agreement.

1/16/2009  
10:00 AM

## **CONTRIBUTION ARRANGEMENT**

This Contribution Arrangement made:

**BETWEEN:** Her Majesty the Queen in Right of Canada, herein represented by the Minister of Foreign Affairs (hereinafter referred to as “Department of Foreign Affairs and International Trade (DFAIT))”

**AND**

The General Secretariat of the Organization of American States  
(herein referred to as “The Organization” or GS/OAS )

And herein represented by  
The Department of Sustainable Development (DSD)  
1889 F Street, N.W  
Washington D.C 20006  
USA

(Hereinafter referred to as the “Parties”)

WHEREAS the Government of Canada manages a development cooperation program whose objective is to provide assistance to developing countries including those in the Latin America and Caribbean regions;

WHEREAS the GS/OAS wishes to undertake a pilot project to assess the vulnerability of coastal infrastructure in Jamaica to climate variability and climate change resources

WHEREAS DFAIT wishes to make a contribution to the GS/OAS for the above-mentioned project and to define the end use of the contribution and the terms and conditions for its use

THEREFORE the Parties have agreed to the following:

### 1. THE PROJECT

- 1.01 Project Name: MDE 2009-006 OAS Coastal Vulnerability Assessment  
(Hereinafter referred to as the “Project”)

- 1.02 The **Institution** will undertake to use the contribution provided herein to achieve the following purpose and expected results:
- (1) assess the vulnerability risks and macro-economic impacts associated with the adverse Impacts of Climate Change on the Integrity of social and economic Infrastructures, such as businesses, hospitals, schools, shelters, and storm barriers; (2) identify engineering and other solutions for strengthening the resilience of infrastructure determined to be at highest risk; and (3) strengthen the technical capacities of the building professionals (physical planners and professional engineers) in conducting effective vulnerability risk analyses.
- 1.03 The **Institution** will carry out the following activities as further described in Annex “A”:
- (a) Assess the particular vulnerability and risk exposures of coastal (critical) infrastructures to climate related hazards (hurricane and Storm surge, tsunamis) - and the corresponding cost-benefit estimates of the adaptive and mitigating measures being proposed ;
  - (b) Demonstrate the effective increase in risks to the region when climate change (global warming parameters) are factored into assessment methods;
  - (c) Identify the specific engineering and scientific techniques capable of reducing the vulnerability - as assessed in 1 and 2- , and propose mitigation measures for reinforcing the identified critical infrastructures (Hospital, shelters, fire stations, and storms Barriers);
  - (d) Select – based on the most likelihood of structural failure (as assessed and demonstrated in 1, 2 and 3) and *in situ* damages, cost estimates for human and financial losses, among others;
  - (e) Publish in collaboration with the Caribbean Community Climate Change Centre and the Caribbean Development Bank the results of the project.

From a technical standpoint, the activities to be undertaken will involve the following:

- *Climate Hazard Risks Studies (climate systems):* Storm surge hazard assessments – Wave Hazard Assessment – Torrential rain Analysis – and Wind Hazard Assessment;
- *Critical Infrastructures’ vulnerability assessment and retrofitting cost-estimates (built environment):* Inventory of Critical infrastructures-vulnerability analyses of critical built infrastructure and buildings - risks assessment of critical built infrastructure and critical buildings – multi-disciplinary decision-making for selecting the infrastructure /building to be retrofitted – and design Stage I for the Retrofitting project; and

- *Macro-economic Analysis and Cost benefits Estimates (cost-benefit analysis)*: Costs estimates of repairs and reconstruction of critical built infrastructure – cost saving to national economy.

## 2. THE CONTRIBUTION

- 2.01 Subject to the provisions of this Contribution Arrangement, DFAIT will make a contribution (the “Contribution”) to the **GS/OAS** with respect to the Project, a sum of up to, but not to exceed, CAD \$100,000.00
- 2.02 The Contribution will be used by the **GS/OAS** to implement the Project in accordance with the provisions of this Contribution Arrangement and with the terms specified in Annexes “A”, “B” and “C” which form an integral part of this Contribution Arrangement.
- 2.03 Where the **GS/OAS** submitted a Contribution request, the activities to be performed by the **GS/OAS** described in that request shall, to the extent they are not inconsistent with the description of activities as contained in Sub-paragraph 2.3, be incorporated by reference into this Contribution Arrangement.
- 2.04 The amount of this Contribution Arrangement is definitive. It is further agreed that DFAIT will not be responsible for any debt or deficit incurred by the **GS/OAS** or any other person associated with the Project.
- 2.05 The Contribution made under this Contribution Arrangement will be paid by DFAIT in accordance with the Terms of Payments set forth in Annex “B”.
- 2.06 The **GS/OAS** shall, between the effective date of this Contribution Arrangement and the 25th day of March 2009:
  - (i) carry out and complete with care, skill, diligence and efficiency the activities that are described in Sub-paragraph 1.03 of this Contribution Arrangement and in Annex “A”; and
  - (ii) incur and pay all expenditures pursuant to this Contribution Arrangement.
- 2.07 DFAIT reserves the right to withhold any payment to the **GS/OAS** under this Contribution Arrangement, where there is any overpayment, payment made for expenses which are not eligible, unexpended or unaccounted balances not refunded by the **GS/OAS** under any previous Contribution Arrangement with DFAIT, until such outstanding amounts have been refunded to the Receiver General for Canada *via* DFAIT.

- 2.08 This Contribution Arrangement is not for the consideration of a supply or service to the Crown of Canada, and as such, the Canadian Goods and Services Tax do not apply to any payment made under this Contribution Arrangement.

### 3. FUNDING

- 3.01 In accordance with Section 40 of the *Financial Administration Act*, payment in any fiscal year (01 April - 31 March) is subject to there being an appropriation of funds by the Parliament of Canada for the fiscal year in which any commitment would come due for payment. If payments can not be made either in full or in part because the level of funding is changed by the Parliament of Canada, DFAIT will notify the **GS/OAS** as soon as possible whether any payment can not be made.

### 4. RECORDS

- 4.01 The **GS/OAS** will maintain records and accounts in accordance with its Financial Regulations and Rules, to show contributions, any identifiable interest income and expenditures financed by DFAIT.

### 5. PAYMENTS AND REPORTS

- 5.01 The **GS/OAS** agrees to declare in writing, before signing this Contribution Arrangement, whether it owes any money to the Government of Canada under legislation or otherwise and the **GS/OAS** accepts that any money to be paid to the **GS/OAS** pursuant to this Contribution Arrangement may be withheld from payment and applied against any money owing by the **GS/OAS** to the Government of Canada.
- 5.02 The **GS/OAS** agrees to declare any sources of funding for this Project, or proposed sources of funding, in addition to the funds received under this Contribution Arrangement, immediately before the signing of this Contribution Arrangement, or within 10 days of the signing of this Contribution Arrangement, as well as upon completion of the Project and before the final payment by DFAIT is made.
- 5.03 Interim and Final Reports on the Project and its budget will be prepared and presented to DFAIT in accordance with Annexes "A" and "B" hereto. These Reports are to be signed by the chief executive officer of the **GS/OAS** or his or her representative.

- 5.04 The **GS/OAS** will return to the Receiver General for Canada *via* DFAIT by 20<sup>th</sup> of March, 2009, funds which, at the expiration or earlier termination of the Project, are not disbursed or accounted for or spent in accordance with terms and conditions of this Contribution Arrangement.
- 5.05 The Contribution of up to \$100,000 CAD is based upon the total cost of the project being \$100,000 CAD. If subsequently determined that the legitimate costs of the total project is of a lesser value than the original figure then the recipient will be required to refund a prorated amount of the same.

## 6. ANNOUNCEMENTS AND CEREMONIES

- 6.01 Where appropriate, and in consultation with DFAIT, the **GS/OAS** will acknowledge the Contribution in any reference made by it with respect to the Project in publications, speeches, press releases or other similar communications.

## 7. TERMINATION, REDUCTION OR SUSPENSION

- 7.01 DFAIT may, by giving notice to the **GS/OAS**, terminate, reduce or suspend the Contribution. More particularly, DFAIT may withhold or cancel any payments under this Contribution Arrangement if the **GS/OAS** does not use the Contribution exclusively for the Project and in accordance with the provisions of this Contribution Arrangement. All aspects of the Project that are completed by the **GS/OAS** to the satisfaction of DFAIT before the giving of such notice shall be paid for by DFAIT in accordance with the provisions herein.
- 7.02 In addition to the amount which the **GS/OAS** shall be paid under Sub-paragraph 7.01, the **GS/OAS** may be reimbursed for the its financial obligations related to the cancellation of obligations incurred by the **GS/OAS** pursuant to such notice and obligations incurred by or to which the **GS/OAS** is subject with respect to the Project.
- 7.03 Payment and reimbursement under these provisions shall be made only to the extent that it is established to the satisfaction of DFAIT that the financial obligations were actually incurred by the **GS/OAS** and that the same are fair and reasonable and are properly attributable to the termination, reduction or suspension of the Project or the part thereof so suspended, reduced or terminated.
- 7.04 The **GS/OAS** shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of or directly or indirectly arising out of any action taken or notice given by DFAIT under these provisions except as expressly provided therein.

- 7.05 If at the time of termination, reduction or suspension of the Contribution the **GS/OAS** has been paid an amount that, in the opinion of DFAIT, exceeds the value of the consideration received by the **GS/OAS** for that amount, to the date of termination, the **GS/OAS** shall forthwith, upon demand by DFAIT, refund the excess to the Receiver General for Canada *via* DFAIT.

## 8. BUDGET REVIEW

- 8.01 If the Government of Canada directs DFAIT to proceed with a re-examination of its budget for the purpose of affecting reductions for specific financial years this Contribution Arrangement will be reviewed accordingly.

## 9. LIABILITY

- 9.01 Where the **GS/OAS** has entered into a loan, a capital lease or other long term obligation in relation to this Contribution Arrangement, Her Majesty and DFAIT do not accept any liability for any debt in relation to that obligation or be held liable for any injury (including death) or for any loss or damage, in relation to the use of anything arising out of that obligation.

## 10. INDEMNIFICATION

- 10.01 The **GS/OAS** shall indemnify and save harmless Her Majesty and DFAIT from and against all claims, losses, damages, costs, expenses, actions and other proceedings, made, sustained, brought, prosecuted, threatened to be brought or prosecuted, in any manner based upon, occasioned by or attributable to any injury to or death of a person or damage to or loss of property arising from any negligent act, omission or delay on the part of the **GS/OAS**, the **GS/OAS'** servants or agents in carrying out the work or as a result of the Project.
- 10.02 The **GS/OAS** shall indemnify Her Majesty and DFAIT from all costs, charges and expenses whatsoever that Her Majesty sustains or incurs in or about all claims, actions, suits and proceedings for the use of the invention claimed in a patent, or infringement or alleged infringement of any patent or any registered industrial design or any copyright resulting from the carrying out of the **GS/OAS** obligations under this Contribution Arrangement and in respect of the use of or disposal by Her Majesty or DFAIT of any thing furnished pursuant to this Contribution Arrangement.
- 10.03 The **GS/OAS'** liability to indemnify or reimburse Her Majesty and DFAIT under this Contribution Arrangement shall not affect or prejudice Her Majesty or DFAIT from exercising any other rights under law.



## 11. REPRESENTATIVES/NOTICE

- 11.01 For purposes of this Contribution Arrangement and any notices hereto, DFAIT hereby designates Sushma Gera as representative. Any notice or communication shall be addressed to:

Mrs. Sushma Gera  
Director, Climate Change Division  
Department of Foreign Affairs and International Trade  
125 Sussex Drive  
Ottawa, ON K1A 0G2  
Canada  
Organisational E-mail address: [sushma.gera@international.gc.ca](mailto:sushma.gera@international.gc.ca)

- 11.02 For purposes of this Contribution Arrangement and any notices hereto, the **GS/OAS** hereby designates the Director as its authorized representative. Any notice or communication shall be addressed to:

Mr. Cletus Springer  
Director  
Department of Sustainable Development  
Organization of American States  
1889 F Street, N.W  
Washington D.C 20006  
USA  
Organisational E-mail address: [cspringer@oas.org](mailto:cspringer@oas.org)

- 11.03 Where in this Contribution Arrangement, any notice, request, direction, or other communication is required to be given or made by either Party, it shall be in writing and is effective if delivered in person, sent by registered mail, by e-mail, by telegram, or by telex/facsimile addressed to the Party for whom it is intended at the address mentioned in this Contribution Arrangement and any notice, request, direction or other communication shall be deemed to have been given if by registered mail, when the postal receipt is acknowledged by the other Party; by e-mail, by telegram, when transmitted by the carrier; and, by telex/facsimile when transmitted. The address of either Party may be changed by notice in the manner set out in this provision.

## 12. EVALUATION

- 12.01 Results of any evaluations carried out by the **GS/OAS** with funds from the Contribution shall be communicated to DFAIT by the **GS/OAS**

13. GENDER EQUALITY

- 13.01 The **GS/OAS** shall in its reports to DFAIT indicate the manner in which gender equality considerations have been integrated in the activities undertaken. The **GS/OAS** is required to reflect this concern in its planning and program implementation.

14. AMENDMENT

- 14.01 DFAIT and the **GS/OAS** may amend the terms and conditions of this Contribution Arrangement, at any time **prior to the expiration or earlier termination** of the Contribution Arrangement provided that such amendment is in writing and signed and dated by both Parties.

15. CONFLICT RESOLUTION

- 15.01 The Parties shall use their best efforts to discuss and resolve amicably by negotiation in a spirit of cooperation any differences arising from the application of this Contribution Agreement.

16. NO EMPLOYEE OR AGENCY RELATIONSHIP

- 16.01 Neither the **GS/OAS** nor anyone else who is engaged with this Project, are or are to be considered as employees of the Her Majesty or DFAIT. The **GS/OAS** also acknowledges that nothing in this Contribution Arrangement makes it a partner or agent of Her Majesty or DFAIT. The **GS/OAS** agrees not to represent itself, and will ensure its employees and servants do not represent themselves, including in any arrangement with a third party, as a partner or agent of the Her Majesty or DFAIT.

17. CONFLICT OF INTEREST

- 17.01 It is a term of this Contribution Arrangement that:

- (i) That no *current or former* public office holder or public servant who is not in compliance with the post-employment provisions of the "Conflict of Interest Act" or the Canadian "Values and Ethics Code for the Public Service" shall derive a direct benefit from this Contribution Agreement;
- (ii) During the term of this Contribution Arrangement any Canadian public office holder or public servant engaged in the course of carrying out this Arrangement shall conduct themselves in compliance with the *Conflict of Interest Act* and the Canadian "Values and Ethics Code for the Public Service". Should an interest be acquired during the life of this Contribution Arrangement that would cause a conflict of interest or seem to

cause a departure from principles espoused in the legislation and Code referenced above, the **GS/OAS** shall declare it immediately to the DFAIT Department Representative.

18. LOBBYING

- 18.01 Any person lobbying at the request of the **GS/OAS** pursuant to this Contribution Arrangement shall register with the appropriate governmental authority in accordance with the requirements under the Lobbying Act of Canada.

19. REFUNDS AND INTEREST ON ADVANCES, OVERPAYMENTS, DISALLOWED EXPENSES, UNEXPENDED AND UNACCOUNTED BALANCES

- 19.01 Payments by DFAIT under this Contribution Arrangement will be made to the **GS/OAS** through bank transfers in accordance with the terms and condition set forth in this Arrangement. The **GS/OAS** will establish a specific budgetary account for the Project with the funds received from DFAIT. The **GS/OAS** will use and account for the funds in accordance with the terms and conditions specified in this Contribution Arrangement. The **GS/OAS** will disclose in a report referred to in Annex C (Reporting) any interest earned as being part of the DFAIT Contribution. The said interest will be used exclusively for the budgetary purposes of the Project. Any such interest will be deposited in the **GS/OAS's** general ledger/award account corresponding to the contribution.

- 19.02 The **GS/OAS** shall promptly refund to the Receiver General for Canada *via* DFAIT any overpayment, payment made for expenses which are not eligible under this Contribution Arrangement, unexpended or unaccounted balances. The **GS/OAS** acknowledges that such are debts to Her Majesty and that any refund or debt owing under this provision shall include interest in accordance with Treasury Board of Canada policies and Canadian domestic law.

20. EQUIPMENT AND MATERIAL PURCHASES

- 20.01 For the duration of the Project, ownership of equipment and materials purchased with Project funds shall vest in the **GS/OAS**, unless otherwise specified in the Project description. Following the completion of the Project, further disposition of the equipment and materials purchased with Project funds shall be done in consultation with DFAIT.

## 21. MISCELLANEOUS

- 21.01 Unless otherwise specifically provided, nothing in this Contribution Arrangement shall imply the assumption of any responsibility by DFAIT, the Departmental Representative or their representatives for any aspect of the organization, management, or financing of the Project. Notwithstanding anything in this Contribution Arrangement, DFAIT does not, by financial or other assistance to the **GS/OAS**, undertake any responsibility for errors, negligence, mismanagement or debts incurred by the **GS/OAS** or any other person, group, or agent associated with it.
- 21.02 This Contribution Arrangement shall inure to the benefit of and be binding upon the Parties hereto and their lawful heirs, executors, administrators, successors and assigns.
- 21.03 No Member of Canada's Parliament (House of Commons or Senate) shall be involved with or benefit from any share or part of this Contribution Arrangement
- 21.04 This Contribution Arrangement shall not be assigned without the prior written consent of DFAIT. No assignment of the Contribution Arrangement shall relieve the **GS/OAS** from any obligation under this Contribution Arrangement or impose any liability on Her Majesty or DFAIT.
- 21.05 The effective date of this Contribution Arrangement is the date on which it is signed by the respective Parties. If the signing occurs on two different dates, this Contribution Arrangement will take effect on the date of the last signature.
- 21.06 At the conclusion of the Project or its earlier termination the **GS/OAS** is to submit a Final Report by the 20<sup>th</sup> of March, 2009 as per the format indicated in Annex "A".
- 21.07 The effective date of this Arrangement will be the latest date of signature
- 21.08 The expiration date of this Contribution Arrangement shall be the 30<sup>th</sup> of March, 2009.

## 22. LAW AND PRIVILEGES AND IMMUNITIES

- 22.01 This Contribution Arrangement will be governed by and construed in accordance with international law.
- 22.02 Nothing in this Contribution Agreement constitutes an express or implied

waiver of either Participant's privileges and immunities under the laws of Canada, the United States of America, or international law.

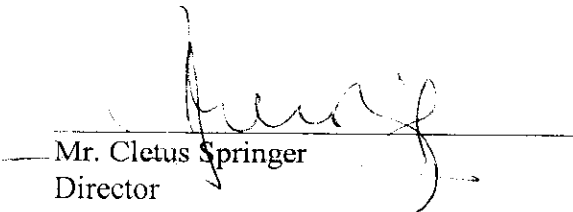
23. ENTIRE ARRANGEMENT

This Contribution Arrangement including Annexes "A", "B", and "C" hereto constitutes the entire arrangement between the Parties with respect to the Project.

The Parties have executed this Contribution Arrangement as of the day and year shown below.

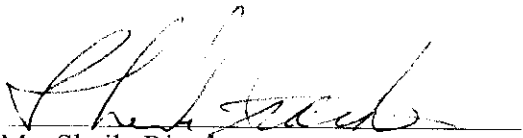
**FOR THE General Secretariat of the Organization of American States**

SIGNED AT Washington, DC ON 23 Dec 2008  
Day Month Year

  
Mr. Cletus Springer  
Director  
Department of Sustainable Development  
Organization of American States

**FOR HER MAJESTY the QUEEN IN RIGHT OF CANADA**

SIGNED AT Ottawa, Ontario ON 12 01 2009  
Day Month Year

  
Ms. Sheila Riordon  
Director General  
Environment, Energy and Sustainable Development Bureau  
Foreign Affairs and International Trade Canada

**ANNEX "A"**

**UNDERTAKINGS BY THE GS/OAS**

**DESCRIPTION OF ACTIVITIES**

- (a) Assess the particular vulnerability and risk exposures of coastal (critical) infrastructures to climate-related hazards (hurricane and storm surge, tsunamis) - and the corresponding cost-benefit estimates of the adaptive and mitigating measures being proposed ;
- (b) Demonstrate the effective increase in risks to the region when climate change (global warming parameters) are factored into assessment methods;
- (c) Identify the specific engineering and scientific techniques capable of reducing the vulnerability - as assessed in (a) and (b), and propose mitigation measures for reinforcing the identified critical infrastructures (Hospital, shelters, fire stations, and storms Barriers); and publish in collaboration with the Caribbean Community Climate Change Centre the results of the project.

From a technical standpoint, the activities to be undertaken will involve the following:

- *Climate Hazard Risks Studies (climate systems):* Hazard assessments (storm surge, wave hazard, torrential rain and wind hazard assessment;
- *Critical Infrastructures' vulnerability assessment and retrofitting cost-estimates (built environment):* Inventory of critical infrastructures; vulnerability analyses of critical built infrastructure and buildings; risks assessment of critical built infrastructure/buildings; multi-disciplinary decision-making for selecting the infrastructure /building to be retrofitted – and design Stage I for the Retrofitting project; and

**FINAL REPORT**

At the end of the Project or its earlier termination the **GS/OAS** is to submit to DFAIT a Final Report by 20 March 2009 and as per DFAIT's provided formats.

**Final Narrative Report**

The Final Narrative Report will include, but not be limited to, a description and analysis of:

- Project activities and achievements;
- a comparison of planned versus actual activities, including an explanation of

- variances (per category of expenditures);
- successes and failures of the project in terms of meeting its objectives;
- problems encountered, actions taken, results and lessons learned;
- gender considerations;
- conclusions and recommendations.

### **Final Financial Report**

The Final Financial Report will provide a complete list of funds spent on the basis of budgeted categories as compared to the original Project budget line items, pursuant to Annex “C” of this Agreement, with a justification of any variances per category of expenditure between estimated and actual expenditures that are in excess of 10%.

## **ANNEX “B”**

### **TERMS OF PAYMENT**

For implementing the Project as specified under this Contribution Arrangement, as more specifically set out under Annex “A”: (Undertakings by the **GS/OAS**), subject to the Cash Flow Statement set out in Annex “C” (Budgetary Estimates and Cashflow Statement), and as approved from time to time by DFAIT through the budgetary review processes or otherwise, the Contribution will be paid by DFAIT to the **GS/OAS** in accordance with the following “Terms of Payment”.

#### **1. BASIS OF PAYMENTS**

For implementation of the Project to DFAIT’s satisfaction in accordance with the **GS/OAS’s** obligations under this Contribution Arrangement, DFAIT agrees to pay expenses incurred by the **GS/OAS** on the following basis of payment:

##### **1.1 Salaries – GS/OAS Personnel**

- 1.1.1 For project personnel assigned to implement the project under this Contribution Arrangement, who are employees of the **GS/OAS**: actual annual salary, plus fringe benefits (including paid benefits and absence from work) paid in accordance with the **GS/OAS’s** established pay scales and benefits provision. Only the actual time worked on the Project shall be paid. For periods of less than one day, the rate shall be pro-rated accordingly. The working day shall be based on a seven and a half (7.5) hour day, up to a maximum of five (5) days a week in Canada; and up to a maximum of (6) six days a week outside of Canada. All Project time worked beyond the time frames identified above shall not be reimbursed by DFAIT under its Contribution to the Project but shall be considered as part of the **GS/OAS’s** contribution to the Project.

The **GS/OAS** must inform DFAIT of any proposed change to its established pay scales of its Project personnel at least one month prior to their effective date. DFAIT’s prior written approval is required for any such proposed increase to salaries paid by DFAIT under the Project.

##### **1.1.2 Fees - Non-Institutional Personnel/Outside Consultants**

For Non-Institutional Personnel and Outside Consultants engaged solely for the purposes of the Project, working in or outside Canada an all inclusive, *per diem* fee not to exceed their lowest rate currently charged to other government departments, or the consultant’s established current market rate for the type of work to be performed, whichever is the lesser, as substantiated by the **GS/OAS** and as approved by DFAIT, for each day spent in the performance of activities under this Contribution



Arrangement. One day of work shall consist of at least seven and one half (7.5) hours of work and for periods of less than 7.5 hours, the rate shall be pro-rated accordingly.

Project work hours are to be recorded *via* a time reporting system.

1.1.3 Other Canadian Government Employees

Payment for any other Canadian Government employees engaged for the purposes of the Project shall be in accordance with the Treasury Board of Canada *Policy on Interdepartmental Charging and Transfers Between Appropriations*.

1.1.4 Local Costs

The actual cost of locally engaged consultants and other local support activities required for the Project but not to exceed local market rates for similar activities. Project work hours shall be recorded using a time reporting system.

1.2 Travel Expenses for GS/OAS Personnel

1.2.1 The cost of airfare not to exceed economy-class airline tickets, using the most direct routing and the services of Canadian carriers where possible, in accordance with the Treasury Board of Canada Travel Policy.

1.2.2 The cost of meals, accommodations and incidentals for the GS/OAS Project administration personnel while on travel status shall conform to the GS/OAS Travel Rules.

1.2.3 All other actual necessary, reasonable and justifiable out-of-pocket travel related expenses arising from the implementation of the Project, such as visas, health insurance (where applicable) and local travel in Canada and overseas.

1.3 Internet, Computer Access, etc.

The actual and reasonable cost of computer equipment, internet access and related expenses, if and when required under the Project.

1.4 Reimbursable Project-related Costs

The actual cost of reasonable and justifiable Project-related administrative expenses such as communications, supplies, couriers, photocopying, fax, printing, etc., will be reimbursed subject to approval by DFAIT.

1.5 Translation Services

The actual cost of translation services/or interpreters in Canada and overseas not

to exceed established market rates as substantiated by the **GS/OAS**.

1.6 Communications and Project Administration

The actual cost of project administration expenses including communications, supplies, couriers, photocopying, etc.

2.0 METHOD OF PAYMENT

- 2.1 For undertaking and implementing the Project to the satisfaction of DFAIT, and for the budgetary purposes referred to in Annex 'C', DFAIT will provide payment to the **GS/OAS** in accordance with the following:
- 2.2. A single payment of up to CAD \$100,000 will be issued by DFAIT after the effective date of this Contribution Arrangement and within 30 days of receipt of a written request for funds.
- 2.3 When payment is through reimbursement instead of through accountable advances, no reimbursement shall be made to the **GS/OAS** until DFAIT receives a Request for Funds properly completed in accordance with Annexes "B" and "C" and approved by DFAIT:
- (i) of actual expenditures for the most recently completed three month period compared to forecast;
  - (ii) project-to-date expenditures, including above compared to forecast;
  - (iii) revised forecast expenditures for the current quarter and subsequent quarters.
- 2.4 Documentation and records, including time spent by personnel on the Project, in support of the above statements shall be retained by the **GS/OAS** and made available to DFAIT or a representative of DFAIT on request.
- 2.5 All statements, requests for funds or payments and other documentation submitted by the **GS/OAS** shall be sent in three (3) copies to DFAIT at the address shown in Sub-paragraph 11.01 of this Contribution Arrangement and shall indicate the following information, and be accompanied by such other information as may be required and communicated by DFAIT:
- Project Title: MDE 2009-006 GCOS  
Project Number: MDE 2009-006 GCOS  
Name of Institution: Organization of American States
- 2.6 Within fifteen (15) days of receipt of the statements required above, **DFAIT** will notify the **GS/OAS** in writing when:
- (i) there are errors or omissions in the documentation;

- (ii) the activities of the **GS/OAS** are not satisfactory or not conformity with the Contribution Arrangement;
  - (iii) the amount requested by the **GS/OAS** appears to exceed the actual value of the activities performed.
- 2.7 Any fees or expenses, referred to above, incurred by the **GS/OAS** which are the subject of notification shall be excluded for the purposes of payment until the said fees or expenses have been accepted by DFAIT.
- 2.8 Payment in Canadian dollars will be issued by DFAIT to the **GS/OAS** to the address shown in Sub-paragraph 11.02 of this Contribution Arrangement, or if applicable, funds will be transferred as per completed Wire Transfer Form.
- 2.9 Where the DFAIT has issued a payment in Canadian dollars but the **GS/OAS** has received that payment in any currency other than Canadian dollars, the value of that payment will be determined by the exchange rate of the actual payment received. This same rate of exchange regarding that payment will be used in all reports to DFAIT, including financial expenditure reports.

**ANNEX “C”**

**BUDGETARY ESTIMATES AND CASH FLOW STATEMENT**

*Any variances in excess of 10% under this Contribution Arrangement are subject to DFAIT approval and/or an amendment pursuant to Sub-paragraph 14.01 of this Contribution Arrangement.*

Expenditures under this Contribution Arrangement will be incurred and paid by the **GS/OAS** between the Effective Date and the Last Date of Activity of the Contribution Arrangement, pursuant to Sub-paragraph 2.06.

Please see attached spreadsheet for full budgetary breakdown.

\*Note: The budgetary item ICR is a standard cost recovery provision calculated at 11 percent. This is a policy adopted by all OAS member states including Canada. The formal policy, to which Canada is bound as an OAS member can be found here <http://www.oas.org/legal/english/gensec/EXOR0701REV1.pdf>