

AGREEMENT

between

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

and

**THE GENERAL SECRETARIAT OF
THE ORGANIZATION OF AMERICAN STATES,
("GS/OAS")**

regarding

**Phase I of CAM 2643 (04/300)
"OAS Regional Program on Democratic Values and Political
Management"**

WHEREAS the General Secretariat of the Organization of American States ("GS/OAS") has submitted a request to the Norwegian Ministry of Foreign Affairs ("MFA") on financial assistance to Phase I of the program "CAM 2643 (04/300) OAS Regional Program on Democratic Values and Political Management" dated March 25th, 2004, ("the Program"),

WHEREAS MFA has decided to comply with the request,

NOW THEREFORE the following has been agreed between MFA and GS/OAS ("the Parties"):

Article I Scope and Objectives

1. This Agreement sets forth the terms and procedures for MFA's assistance to Phase I of the Program as outlined in Annex I to this Agreement and further detailed in the Program Document dated March 25th, 2004.
2. The Goal of the Program is to "To fortify the political party systems in Central America and the Dominican Republic in the development of democratic values and practices, political management and the improved representative capacities, as conditions for improving the levels of governability in the region".



Article II
Co-operation - Representation - Administration

1. All communication to MFA with regard to this Agreement shall be directed to the Norwegian Embassy in Guatemala. GS/OAS shall be represented in Washington, D.C by the General Co-ordinator of the Program at the Unit for the Promotion of Democracy and in Guatemala by the National Co-ordinator of the Program, who are both responsible for maintaining periodic communication with the Norwegian Embassy in Guatemala. This does not exclude direct communication between GS/OAS and the Norwegian Embassy in Guatemala.
2. MFA and GS/OAS shall co-operate fully to ensure that the Goal and Objectives of the Program are successfully accomplished. To that effect, each Party shall furnish to the other Party all such information as may reasonably be required pertaining to the Program.

Article III
Contributions and Obligations of NORAD

1. MFA shall, subject to parliamentary appropriations, make available a grant not exceeding NOK 850,000 (Norwegian Kroner eight hundred fifty thousand), ("the Grant"), to be used exclusively to finance Phase I of the Program, in the planned period 2004.
2. The Grant shall include overhead costs for use by GS/OAS in Washington of not more than 4 percent of operational costs.
3. Any accrued interest on the Grant shall be used to support activities in accordance with Program Objectives, and exclusively for costs incurred in Washington, D.C. and Guatemala as agreed by the Parties in writing.
4. The Grant shall be used in accordance with the approved budget presented in Annex I to this Agreement.
5. GS/OAS may execute funds up to the total amount assigned to each component of the approved budget. GS/OAS may make adjustments in the expenditures for any component of less than 15% of the amount approved without MFA's prior written approval; however, any adjustments on any component greater than 15% and all increases in personnel and administrative cost require MFA's prior written approval.
6. MFA may withhold future disbursements, or claim repayment in full or in part at any time in case i.a.:
 - a. The Program develops unfavourably in relation to the mutually agreed Goal and Objectives;

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- b. Substantial deviations from agreed upon plans and budgets occur without prior written approval;
 - c. The reports mentioned in Article VIII are not delivered as agreed
 - d. The financial management of the Program does not meet generally accepted accounting practices and GS/OAS Financial Rules and Regulations;
 - e. The funds are found to be misused.
7. Before withholding any disbursement or claiming any repayment the Parties shall have consultations with an amicable view to reaching a solution on the matter at stake.

Article IV Contributions and Obligations of GS/OAS

GS/OAS shall make all reasonable effort to facilitate the successful implementation of the Program, and shall hereunder:

1. Have the overall responsibility for the planning, administration and implementation of Phase I of the Program, hereunder entering into an agreement with the national counterparts. These agreements shall be forwarded to MFA for information;
2. Promptly inform MFA of any condition which interferes or threatens to interfere with the successful implementation of Phase I of the Program;
3. Keep proper financial records in accordance with the GS/OAS Financial Rules and Regulations, hereafter referred to as "the Rules", and present financial reports to MFA in accordance with the budget for Phase I of the Program referred to Annex 1 of this Agreement;
4. Inform MFA about major deviations from the agreed plans and budgets;
5. Recruit adequately qualified personnel. When recruiting, GS/OAS shall keep MFA informed about the recruiting process and submit the Terms of Reference to MFA for information;
6. Permit representatives of Norway to visit any part of the Program for purposes related to this Agreement and examine any relevant records, goods and copies of financial documents as may be reasonably requested.

Article V Procurement

1. GS/OAS shall effect all procurements of goods and services for the Program in accordance with GS/OAS rules and procedures for procurements. GS/OAS shall endeavour to include the solicitations for equipment and services and assessment of potential sources of supply in recipient and other relevant countries.

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2. Norwegian suppliers shall have the same possibilities of providing goods and services as other suppliers.

Article VI Disbursements

1. The Grant will be disbursed upon signing of this Agreement upon receipt of a request from GS/OAS and an activity plan for Phase I of the Program. The Grant will be transferred to GS/OAS' account number with reference " CAM 2643 (04/300) OAS Regional Program on Democratic Values and Political Management".
2. GS/OAS shall immediately, in writing, acknowledge receipt of the funds to MFA.
3. All disbursements to suppliers of goods and services shall be made by GS/OAS.
4. Upon completion of the Phase I of the Program, any unspent funds and any unspent accrued interests shall be returned to MFA unless otherwise agreed in writing.

Article VII Ownership of Equipment

1. Ownership of equipment, supplies and other properties financed from the Grant shall vest with GS/OAS. Matters relating to the transfer of the ownership by GS/OAS shall be determined in accordance with relevant Rules of GS/OAS.

Article VIII Meetings and Reports

1. GS/OAS shall submit to MFA a Final Narrative and Financial Report within six months after the termination of Phase I of the Program and not later than June 30th 2005.

The Final Narrative Report shall give a summary of outputs and activities undertaken, achievements compared to Goal and Objectives, and an assessment of the efficiency and impact of Phase I of the Program.

2. The Financial report will be presented in US\$. Whenever it is necessary, in order to determine the value of one currency in terms of another, such value shall be based upon the official OAS rate of exchange.
3. The Financial Report shall be based on the total amount approved by component and within each component by object of expenditure. Resulting numbers may be at



variance with those contained in the approved budget by object of expenditure, but must not exceed the total approved by component.

4. The Financial Report shall reflect the Grant as well as the total costs, including contributions from other donors and be based on income and expenditures.
5. MFA shall respond within 6 weeks upon receipt of the reports mentioned in this Article.

Article IX Evaluation - Reviews

1. The Parties may agree upon measures for evaluations and reviews. MFA reserves the right to carry out an independent review or evaluation of the Program as a matter of routine and when MFA deems necessary.

Article X Disputes - Entry into Force – Amendment – Privileges and Immunities -Termination


1. If any dispute arises between the Parties relating to the implementation or interpretation of the present Agreement, the Parties shall consult with a view to reaching an agreement. If the Parties are unable to resolve the dispute through consultation, they shall resolve the dispute through a mutually agreeable dispute resolution mechanism.
2. This Agreement may be amended by written agreement signed by the authorized representatives of the Parties and attached hereto. Each such amendment shall specify the effective date of the modifications therein.
3. Nothing in or related to this Agreement shall be deemed to constitute any waiver, express or implied, of the immunities, privileges, exemptions and facilities enjoyed by either Party under international law, international conventions or agreements, or the domestic legislation of Norway, or the laws of the OAS Member States.
4. This Agreement shall enter into force on the date of its signature and shall remain in force until both Parties have fulfilled their respective obligations arising from it. Whether these obligations shall be regarded as fulfilled shall be determined in consultations between the Parties.
5. Notwithstanding the previous clause, either Party may terminate the present Agreement by giving 3 months written notice to the other Party. In the event of such termination, GS/OAS may apply the contribution and other Program monies to cover irrevocable obligations contracted in good faith pursuant to this



Agreement prior to receipt (or issuance, in case the termination is initiated by GS/OAS) of the termination notice, together with reasonable expenses incurred in winding-up the Program.

In witness whereof the undersigned have signed the present Agreement in two originals in the English language.

Done in Guatemala June 18th of 2004.



Rolf O. Berg
Ambassador
Royal Norwegian Embassy Guatemala



Elizabeth Spehar
Executive Coordinator
UPD/OAS



CAM 2643 (04/300): OAS Regional Program on Democratic Values and Political Management

Implementing institution: OAS/UPD

Goal

To fortify the political party systems in Central America and the Dominican Republic in the development of democratic values and practices, political management and the improved representative capacities, as conditions for improving the levels of governability in the region.

Objectives

- To provide the political parties with methodologies and political management tools that give them capacity to impel processes of construction, consolidation and/or institutional change.
- To promote the effective participation of young people, women and the excluded ethnic groups in the political parties in the region.
- To develop a political culture of dialogue between the political organizations, between the political organizations and the governments, and between the parties and the societies in which they act, as efforts to construct new legitimacy for the parties.
- To promote exchange of experiences and cooperation between the political parties of Central America and the Dominican Republic.
- To strengthen the internal capacity of the parties in the processes of consolidation and institutional change.
- To promote the creation of a permanent regional multiparty institution that can contribute to regional political training and update.
- To create a regional political information system with basic information about the political parties in the region and the modernization processes in national legislation that can contribute to the exchange of best political practices at the regional and hemispheric levels.

Expected results

- The political parties identify, adapt and produce applied political methodologies and management tools in party life, government and electoral campaigns.



- The excluded women, young people and ethnic groups increase and consolidate their participation in the political parties.
- Meeting places between the political parties and the main social actors of each country have been established.
- The political parties of the region maintain contact and exchange experiences.
- Multiparty instances in each country are established and advance in party training, institutionalisation and change.
- A Central American chapter of the Inter-American Forum of Political Parties is established to promote exchange of experiences and cooperation at the regional level.
- An updated political information system with basic information about the political parties of the region, the modernization processes in national legislation and the best political practices regionally and in the hemisphere.

Indicators

- Institutional Change: Improved party dialogue and management capacities will be measurable in terms of number and quality of agreements between parties and between parties and other organizations of the society.
- The component of Participation: Increased recruitment of party members and electoral candidates and the inclusion of sectors and groups will be reflected in the amount and quality of the participation in the parties, with special emphasis on the segments that are underrepresented today.
- The component of Installed Capacity will be measurable by the establishment of national and regional instances involved in the fulfilment of the objectives of the Program.

Total cost estimate and financing plan

Budget in US Dollars

	2004
General coordinator	30,000
Technical coordinator	15,000
Financial coordinator	7,500
Consultants	6,000
Travel costs	25,500
Workshops and seminars	12,000
Publications	1,500
Equipment and provisions	1,500
Research	6,000
TOTAL	105,000
Overhead 4%	4,200




	Total 109,200
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The total allocation of Norwegian funds for the program will be up to NOK 850,000.

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