



**PROJECT AGREEMENT**

(Agreement)

**BETWEEN**

*WWF Switzerland*

(WWF Donor)

Hohlstrasse 110

8010 Zürich, Switzerland

Phone/Fax: +41 44 297 2121 / +41 44 297 2100

(WWF Donor)

**AND**

*Fondo Mundial para la Naturaleza Colombia*

*WWF Colombia*

Carrera 10 A No. 69 A 44

Bogotá D.C.

Colombia

**FOR**

<b>PROJECT NAME:</b>	<b>Organizational Development for Income Generation</b>
<b>PROJECT NUMBER / CPM Number:</b>	<b>CO200700 (project number) and COL0057 (CPM)</b>
<b>PROJECT NUMBER WWF CH:</b>	<b>710.00.19</b>
<b>PROJECT LOCATION:</b>	<b>Colombia</b>
<b>AGREEMENT NUMBER:</b>	<b>CH-CO-24-25-2</b>
<b>DATE OF AGREEMENT:</b>	<b>December 29, 2023</b>

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THE PARTIES AGREE AS FOLLOWS:

**A. THE PROJECT**

WWF Recipient agrees to carry out the activities (“Activities”) for the Project as described in the Project Proposal (Attachment 1) and Workplan.

WWF Recipient agrees to carry out these activities in accordance with the Project Budget.

**B. TERM OF AGREEMENT**

Starting Date: January 1, 2024

Ending Date: December 31, 2026

Unless earlier terminated or extended by mutual written agreement.

**C. FUNDING SOURCE (“Primary Donor”)**

Swiss Agency for Development and Cooperation (SDC)

**D. AMOUNT OF AGREEMENT**

WWF Donor agrees to fund the Agreement for a total amount not to exceed **five hundred and twenty thousand seven hundred and forty-five Swiss Francs (CHF 520’745)**.

Table of details (in CHF):

Financial Year	FY 24	FY 25	FY26	Total
Contribution	172’013	169’756	178’976	520’745

**E. TRANSMITTAL OF FUNDS**

Funds will be disbursed in accordance with adequate financial / technical reporting and work progress. Funds will be transferred by the use of the WWF netting process following a Calling of Funds (CoF).

Netting-Code for Colombia Office: 04092020

If not available:

Bank Name: Bancolombia  
 Account Name: Fondo Mundial para la Naturaleza Colombia – WWF Colombia  
 Account Number: 178-000181-45  
 SWIFT-Code: COLOCOBM  
 Currency: COP

**F. PAYMENT PROVISIONS**

The schedule of payment is as follows:

FY 24  
 Jan / 2024 100% of the annual budget (CHF 172’013)

FY 25  
 July / 2024 80% of the annual budget (CHF 135’805)  
 April / 2025 20% of the annual budget (CHF 33’951)

FY 26  
 July / 2025 80% of the annual budget (CHF 143’181)  
 April / 2026 20% of the annual budget (CHF 35’795)

In case of reasonable doubt with regard to compliance from WWF Recipient with a provision in this Agreement (in a qualitative and/or quantitative sense), in the case of considerable

underspending or in case of substantial shortcomings in the financial audit, WWF Donor has the right to deviate from this schedule.

## **G. PERSONS DESIGNATED AS CONTACTS OF PARTIES**

1. WWF Donor/Lender:
  - a. Project Manager & Administrator: Bella Roscher, Global Network Development [bella.roscher@wwf.ch](mailto:bella.roscher@wwf.ch)
2. WWF Recipient:
  - a. Project Manager: Danna Giraldo Naranjo, Private Partnerships Coordinator, [dmgiraldo@wwf.org.co](mailto:dmgiraldo@wwf.org.co)
  - b. Administrator: Lorenza Gálvez Alarcón, Planning specialist, [lgalvez@wwf.org.co](mailto:lgalvez@wwf.org.co)

All communications between WWF Recipient and WWF Donor shall contain the project name as well as the agreement number and the project number CPM.

## **H. DELIVERABLES**

WWF Recipient agrees to deliver the following products to WWF Donor and to post to the WWF International Database as specified below; WWF Donor will respond within 30 days to WWF Recipient if the reports are not considered satisfactory :

1. Technical Reports: Semi-annual technical reports including all the information from the WWF Network standard format due January 31 and July 31 of each project year.
2. Financial Reports: Financial reports, including final report, using the **Standard R3** respectively **Multi-donor R3** (multi-donor funded project/programme should report using the Multi-donor R3 only) and applicable Network Standards due:
  - **R3**: July – September due October 31 (Quarter 1)
  - **R3**: October – December due January 31 (Quarter 2)
  - **R3**: January – March due April 30 (Quarter 3)
  - **R3**: April – June due July 31 (Quarter 4)

Third quarter full-term forecasting (**tab 3 of R3**), together with a variance analysis, **is required**.

3. Annual Update of Workplan: due July 31 of each project year.
4. Financial Audit Reports: a) Projects receiving a WWF Switzerland Contribution of or exceeding CHF 100'000 in at least one project year, require an annual financial audit, **always in accordance with the terms of references ('TORs') stipulated in Annex 5, regardless under which audit option the audit is carried out**. The audit costs are to be added to the project budget in a dedicated budget line.  
Audit Options: This project will be financially audited in a single project audit
  - b) For projects where the WWF Switzerland Contribution is below CHF 100'000 per year, a financial audit will only have to be conducted upon request of WWF Switzerland. In this

case, WWF Switzerland will bear the audit costs. This project will be financially audited in a single project audit.

## **I. SPECIAL PROVISIONS**

1. Carry forwards greater than CHF 10'000.- between financial years must be approved before the calling of funds for the next financial year can be submitted.

No cost extensions beyond the agreed ending date exceeding CHF 10'000.- require a signed “no cost extension agreement” and must be approved no later than three months before the originally planned ending date of this agreement.

2. WWF Donor and WWF Recipients have adopted and are implementing the WWF Environmental and Social Safeguards Framework (ESSF) of 2019.

Grievances regarding the Activities shall be resolved in accordance with the ESSF Standard on Grievance Mechanism<sup>1</sup>. WWF Recipient shall immediately notify WWF Donor of any major risks or incidents related to ESSF.

3. In deviation from Clause 5.2 of the Network Terms and Conditions (Attachment 3), the parties agree on the following: WWF Recipient agrees to **maintain the above-mentioned financial records** for a **period of ten (10)** years after the expiration or earlier termination of the Project Agreement.
4. Clause 7: **Intellectual Property** of the Network Terms and Conditions (Attachment 3) is supplemented as following: The Primary Donor retains to the same extent the right of free access as the WWF Donor. This includes the unrestricted and free of charge right of reproduction, use and performance. If the intellectual property rights generate revenues, the WWF Donor must agree on their use.
5. All **procurements and equipment** financed through the Primary Donor contribution become the property of the WWF Recipient and/or the Field Offices under its supervision, and/or by donation to third parties (e.g. government counterparts, sub-contractors; see 4.1.1.1.7 donation of assets<sup>2</sup>). The sound stewardship of fixed assets shall be ensured by applying the WWF Network Standards and Policies outlined in the Field Operations Manual, Fixed and Intangible Assets<sup>3</sup> (see specifically chapters 4.1.1.1.1 – 4.1.1.1.7; and Annex 4.1.01 Fixed Assets Register Template<sup>4</sup>) or by following equivalent policies and procedures already established by the WWF Recipient. The inventories produced shall be maintained at the WWF Recipient office and shall not be filed with WWF Switzerland.

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<sup>1</sup> WWF ESSF Standard on Grievance Mechanism:

[https://wwfint.awsassets.panda.org/downloads/safeguard\\_on\\_grievance\\_mechanisms\\_2023\\_1.pdf](https://wwfint.awsassets.panda.org/downloads/safeguard_on_grievance_mechanisms_2023_1.pdf)

<sup>2</sup> <https://drive.google.com/file/d/1udS4fSvqPosqUPuf-bHV9ghOmR-KBD28/view>

<sup>3</sup> <https://drive.google.com/file/d/1udS4fSvqPosqUPuf-bHV9ghOmR-KBD28/view>

<sup>4</sup> <https://drive.google.com/file/d/1W15YFUx2NOOXLqFPIJ4vPHmlpNYPW3B/view>

6. The Primary Donor is entitled to **visit** all institutions and programs co-financed by the Program Contribution and to evaluate them in consultation with the Organization. The Primary Donor shall notify the Organization at least thirty days in advance if it intends to do so.
7. Visual material for the purpose of documenting the project respects the rights of the persons depicted and includes a photo credit. Primary Donor may use the visual material upon request.

**Images produced as part of the WWF Donors “Global Engagement Programme”** must meet the highest ethical standards and be made available to the Donor and the Primary Donor for free use and in good quality upon request.

Each image must include the name of the photographer, the date of production, the location of production (e.g., important, internationally known localities or the country) and a short description with names and functions of identifiable persons in focus.

The above-mentioned documentation requirements equally apply to any images used in national and regional media (e.g., newspapers, social media channels, reports, posters and fundraising material).

**Video production:** Mention of the Primary Donor contribution or the Primary Donor logo should appear at the beginning and/or end of the credits. The use of the Logo of the Primary Donor shall only take place with prior written approval of WWF Donor. WWF Donor (WWF Switzerland) must ensure that a copy of the audiovisual material in the final distribution format is sent to the Primary Donor.

## **J. ORDER OF PRECEDENCE**

Any inconsistency between the different parts of the Agreement shall be resolved by giving precedence in the following order: (a) the Additional Provisions for Primary Donor-Funded Projects; (b) Project Agreement; (c) WWF Network Terms and Conditions; (d) the Budget; (e) the Project Proposal.

## **K. EXECUTION; ATTACHMENTS; STANDARD PROVISIONS**

By their execution below, WWF Donor and WWF Recipient have agreed to all the terms and conditions of this Agreement, including the WWF Terms and Conditions agreed upon by the WWF Network on 1 July 2005 and all other referenced Attachments, which are hereby incorporated into and made a part of this Agreement. Whenever possible, the Agreement should be executed in faxed counterparts or scanned counterparts sent electronically, each of which shall constitute one agreement, and all of which when taken together, shall constitute one agreement. All modifications to this Agreement must be in writing and signed by persons designated to act on behalf of WWF Donor and WWF Recipient.

In particular, WWF Recipient confirms full compliance with the “WWF Environmental and Social Safeguards and the three Statements of Principles”<sup>5</sup> as well as with the “WWF International's Ethics and Compliance Framework”<sup>6</sup> (please also refer to Attachment 4).

Upon request WWF Donor may demand for external audits on the implementation of the above “WWF Environmental and Social Safeguards Framework” and the “WWFs Statements of Principles” as well as with the “WWF International's Ethics and Compliance Framework”. Based on prior written consent the audits will be funded by the WWF Donor.

**L. Information on our privacy policy can be found here [WWF/Datenschutz](#)**

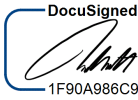
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<sup>5</sup> WWF Environmental and Social Safeguards and Statements of Principles: [https://wwf.panda.org/principles\\_and\\_safeguards/](https://wwf.panda.org/principles_and_safeguards/)

<sup>6</sup> WWF International's Ethics and Compliance Framework: <https://sites.google.com/wwf.panda.org/ethics-compliance/home>

Authorized by:

WWF Switzerland

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Thomas Vellacott

CEO


Date: 10 January 2024

WWF Switzerland

DocuSigned by:  
  
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Simone Stambach  
Head, Global Network Development

Date: 10 January 2024

Gabriella Roscher  
Lead, Organizational Development

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Date: 10 January 2024

Accepted by:

WWF Colombia

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Sandra Valenzuela

CEO

Date: 11 de enero de 2024

- Attachment 1: Project Proposal including Project Budget
- Attachment 2: WWF Network Terms and Conditions
- Attachment 3: WWF Commitment to Integrity and Good Conduct clauses
- Attachment 4: ToRs Financial Audit from SDC (including Annexes)

Attachment 1:

## ODIG Business Case (WWF Switzerland)

**Title** Proposal for Investment “Diversifying Funding for a Sustainable Future - WWF Colombia”

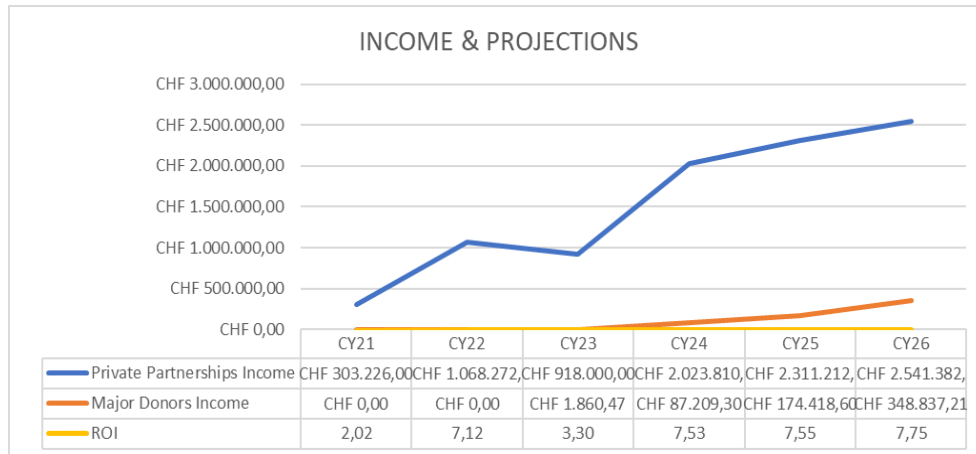
**Submitted by:** Juliana Perdomo

**Contact person:** Juliana Perdomo, Oswaldo Vanegas

**Submission Date:** 01/11/2023

**Period of funding:** CY24 - CY26 (2024-01-01 –2026-12-31)

### 1. Financial overview



INCOME				
Market Segment	CY 24	CY 25	CY 26	TOTAL
PSP (in local currency)				
IM (in local currency)				

<i>CR (in local currency)</i>	COP 8.702.383.782	COP 9.938.215.256	COP 10.927.946.603	COP 29.568.545.641
<i>MD (in local currency)</i>	COP 375.000.000	COP 750.000.000	COP 1.500.000.000	COP 2.625.000.000
<i>Total</i>	COP 9.077.383.782	COP 10.688.215.256	COP 12.427.946.603	COP 32.193.545.641
EXPENDITURES				
<b>Market Segment</b>	<b>CY 24</b>	<b>CY 25</b>	<b>CY 26</b>	<b>CY 27</b>
<i>PSP (in local currency)</i>				
<i>IM (in local currency)</i>				
<i>CR (in local currency)</i>	COP 846.000.000	COP 1.044.524.861	COP 1.150.639.848	COP 3.059.164.709
<i>MD (in local currency)</i>	COP 342.040.000	COP 371.433.120	COP 453.000.878	COP 1.166.473.998
<i>Total</i>	COP 1.206.040.000	COP 1.415.957.982	COP 1.603.640.726	COP 4.225.638.708
<i>ROI</i>	7.53	7.55	7.75	7.62

## 2. Executive Summary of Project

WWF Colombia, as it transitions into a National Office, is embarking on a transformative journey that brings forth new challenges, most notably the imperative to diversify income streams through innovative sources, channels, and strategic alliances, while strengthening existing ones. In alignment with this vision, a new channel focusing on Major Donors, Foundations, and Philanthropic endeavors was integrated into the dynamic fold of the Fundraising and Alliances team in July 2023. This pivotal addition is designed to complement and enhance our operational framework and overarching Fundraising and Partnerships strategy. **Concurrently, the emphasis on Corporate partnerships intensifies, further underscoring our commitment to a sustainable future.**

WWF's corporate engagement strategy is built upon achieving exponential growth in performance and impact, structured across three strategic phases. The initial phase is dedicated to enhancing fundraising efforts and reinforcing brand identity. The second phase is focused on cultivating transformative partnerships, while the third phase aims to spearhead multilateral agreements for systemic changes. WWF Colombia's strategy is situated within the second phase, having notably elevated its revenues and established robust alliances across various sectors.

WWF Colombia aims to overcome its reliance on major donors primarily from public partnerships by diversifying its revenue sources through private alliances. **The strategy is centered around mobilizing businesses towards sustainability, eliciting corporate contributions, implementing cause-related marketing, leveraging access to corporate pathways to pledge giving, and forging public-private partnerships.** WWF CO allocates a percentage of unrestricted funds separately from the management fee and office operational costs. The objective of the strategy is to generate sustainable and predictable income, with a focus on shared-value partnerships. Risk analysis and the adoption of best practices are imperative for achieving success. The team is dedicated to maximizing the value of collaborations and attaining organizational goals.

Over the past four years, WWF Colombia's private partnerships strategy has yielded over CHF CHF 2,330,000, with 31% This covers one fundraising position, and the remains cover the part of our conservation strategy, which is not yet funded. These resources have amplified the impact and reach of conservation projects. Facilitating engagements with new partners, increased WWF Colombia's positioning within the private sector, equipped the corporate partnerships team with necessary skills through capacity-building, and bolstered communication initiatives for partnership implementation. These investments have collectively fortified the office's capabilities, fostering stronger partnerships, improving operational efficiency, and ensuring a more coherent and impactful approach towards conservation objectives highlighting the potential for the private sector partnerships to support local conservation efforts aligned with Colombia's strategic framework priorities by participating in nature protection and restoration efforts on site- and landscape-level and by communicating, educating and incentivizing consumers and employees on sustainable behavior issues.

The strategy was initially piloted in 2018 through Employee Engagement and Cause-Related Marketing initiatives, subsequently evolving to encompass partnerships with small and medium-sized enterprises, as well as agreements to promote environmental culture. In 2021, Boston Consulting Group revised the strategy, incorporating alliances with major corporations. The year 2022 saw a heightened focus on Corporate Contributions management and Employee Engagement.

Robust coordination emerges as a foundational cornerstone in the proposal formulation process, encompassing meticulous budgeting and essential resource allocation for project execution. This not only ensures the financial viability of partnerships but also fosters efficient collaboration with both external partners and internal departments. It is underscored that this coordination represents an ongoing endeavor aimed at enhancing interactions with the private sector. The current approach is oriented towards establishing shared-value partnerships grounded in synergy and mutual benefits, transitioning from corporate volunteer service providers to co-creators of alliances alongside partners, thus fortifying positioning and cultivating advantageous linkages. A strategic challenge lies in expanding the team's capacity to elevate the quality of proposal formulation and reporting, with an overarching objective of achieving flawless implementation. This pursuit is realized through workshops and close collaboration with the Project Management Unit (PMU), Conservation and Governance (C&G), Communications, and Government and International relations (G&IR) experts, reflecting a commitment to excellence.

The crucial role of ODIG funds lies in enhancing capabilities and expanding funding sources, leading to sustainable revenue growth, smooth project execution, and biodiversity preservation. Since 2021, the private sector strategy has garnered approximately CHF 2,330,000, with 31% of the income being unrestricted. There has been a notable increase of the income of 146% for the period spanning 2021-2022 and an even more substantial growth of over 330% for the 2022-2021 period. WWF Colombia is actively pursuing multi-year financial support from ODIG to secure resources and achieve goals. Our commitment is deeply rooted in a robust corporate engagement strategy, strategically forging partnerships to yield significant and sustainable results amid evolving circumstances. Simultaneously, it is reinforced by our pursuit of Major Donors, foundations, and philanthropic resources. ODIG's support is vital for capacity strengthening and innovative funding diversification, ensuring effective project execution and biodiversity conservation.

In summary, ODIG funding will be invested into CR, and philanthropy, including MDs and foundations.

### 3. Background

The new corporate engagement strategy of the Network envisions an exponential growth in performance and impact, delineated into three distinct phases. The initial phase centers on amplifying fundraising efforts and brand establishment. The second phase places its emphasis on cultivating transformative partnerships, while the third phase aims to spearhead multilateral agreements for systemic shifts. Presently, WWF Colombia is positioned between the first and the second phase, having notably augmented revenue generation by fundraising activities and forged robust transformative alliances across diverse sectors. We are currently formulating a strategic approach to connect with the private sector, wherein fundraising endeavors and transformative undertakings intersect. Our strategy involves thorough due diligence, mapping allies, consolidating databases, and establishing distinct leadership—focusing on relational and technical aspects. This concerted effort aims to portray as one WWF to our partners. We expect this approach to broaden the scope of opportunities for fundraising initiatives and transformative projects alike.

Over the past four years, partnerships with the private sector have facilitated the raising of CHF 2,330,000, with **31% of these funds being unrestricted**. Through the investment of resources derived from managing around 40 alliances, the impact and scope of conservation projects have been significantly enhanced. It is worth noting that 63% of the resources generated from private and public-private partnerships last year were invested in key areas within the NO strategic framework. Specifically, 45% was allocated to the management and governance of terrestrial landscapes, 3% to the management and governance of freshwater landscapes, and 15% to low carbon and resilient development policies and the green economy. On the other hand, 37% of the raised resources were invested in organizational development. This includes in key strategic underfunded areas outlined in our strategic framework (Conservation & Governance, Project Management Unit and Government & International Relationships), and reinvestment in the private sector partnerships like consultant fees that supported engagements with new partners, participation in capacity-building workshops for the corporate team, and investment in communication initiatives for the partnerships in implementation.

Since 2018, the corporate alliance strategy pilot was initiated to amplify unrestricted revenue and establish a more sustainable business model. Between CY18 and CY19, income was exclusively generated from the Employee Engagement program and cause-related marketing campaigns. The official implementation of the corporate alliance strategy commenced in the latter half of CY20. This strategy was tailored towards managing partnerships with small and medium-sized enterprises, providing a cash flow lifeline during the pandemic. It also encompassed agreements with corporations to engage their employees, promote environmental awareness, and encourage their involvement in the Panda community (individual donors).

In 2021, the strategy was further refined through an update by Boston Consulting Group, encompassing the integration of partnerships with major corporations, focusing on transformative impact. During CY21, WWF Switzerland contributed CHF 150,000 to bolster the strategy, and this agreement was subsequently renewed for CY22 and CY23. In CY22, private alliance revenues comprised a significant share, accounting for 9% of the total funds raised within the Fundraising and Partnerships area. These revenues exhibited a surge of 394% compared to CY21. Concurrently, corporate relationship strategies evolved from testing to becoming vital decision-making resources. Among these, Corporate Contributions and Employee Engagement displayed notable growth potential. Cause-related marketing transitioned from modest partnerships and fundraising efforts to encompass more impactful licensing agreements and expansive collaborations. Furthermore, the Public-Private Partnerships (PPP) management approach underwent refinement, solidifying its role as a pivotal element within the strategic relationship framework.

WWF Colombia has exhibited considerable success thus far, as indicated in the NPO report FY22. Considering the level of investment made, the outcomes of the past two years underscore the potential for channel growth. As such, there remains a necessity for the team to enhance its capabilities in three specific areas: (I) Strive for self-reliance and reduced dependency on network resources for financing fundraising/partnerships, which aims to stabilize and increase the unrestricted funds by corporate partnerships, (II) Build transformational partnerships to reshape the nature of business to create an equitable, net-zero, nature-positive future for all humanity – aligned with the corporate engagement network strategy- and (III) Continue investing in our conservation actions.

The rationale behind this is to develop an integrated approach and promote a strong involvement of corporates and stakeholders towards supporting financially and contributing to sustainable practices. To achieve this, WWF is working on an update of its strategy based on the lessons learned in the last two years, where the private sector is the key to the articulation between the fundraising channels.

#### 4. Problem Statement

The generation of sustainable, predictable, and unrestricted income is paramount to support conservation initiatives and underpin WWF Colombia's strategic framework. Without adequate funding, WWF Colombia encounters challenges in project implementation and the preservation of ecosystems and biodiversity that are crucial both at the local and global levels.

A comprehensive analysis has been undertaken to assess the implications of relying heavily on a select few major donors and the critical necessity to broaden our revenue streams. This analysis has unveiled that such overreliance restricts financial stability and the organization's capacity to build reserves. Furthermore, it has been observed that diversifying income sources, particularly through private partnerships, has proven effective in augmenting available funds and amplifying the impact and scope of conservation projects. The private sector plays a pivotal role in the funding strategy, streamlining the process of securing funding from corporate donors, fostering public-private partnerships, and gaining access to individual donors.

Simultaneously, Colombian companies are grappling with intricate and varied challenges, encompassing rapid technological advancements, the growing imperative for environmental and social sustainability, all within the backdrop of heightened global competition and unfavorable economic and societal factors. These challenges will significantly influence decision-making in corporate alliance management, necessitating a comprehensive and proactive assessment that considers both economic and socio-environmental impact, while also factoring in adaptability to a dynamic landscape. In this context, our strategy of cultivating shared-value partnerships stands as a robust approach to address these challenges. By identifying partners with aligned values and objectives, we can collectively tackle social and environmental hurdles, thereby contributing to sustainability and positive community impact. Furthermore, close collaboration with our allies will enable us to harness emerging technologies and shared expertise, thereby enhancing our adaptability and competitiveness.

With the support of ODIG, WWF Colombia has been enhancing its capabilities and securing the necessary investment to augment its private funding sources through the integration of diverse relationship channels within its portfolio. This effort has been complemented by refinements in cost recovery policies and processes.

Despite notable progress, limited funds from the private sector restrict resource allocation flexibility. Therefore, we must strengthen the team to achieve 20% annual growth and maintain a 30% proportion of unrestricted funds over the next five years. This sustains WWF Colombia's funding model, builds

reserves, and supports all operations and investments, achievable only through channels like Corporate Engagement and major donors.

The funds from ODIG are integral to strengthening capacities and diversifying sources of private financing within WWF Colombia. These resources will enable an increase in the generation of sustainable and predictable income, facilitating the effective implementation of conservation projects and safeguarding critical ecosystems and biodiversity at both local and global levels. Collaboration with ODIG enhances our ability to establish strategic partnerships and seize financing opportunities, which is pivotal in driving the impact and scope of our conservation initiatives amid complex and evolving challenges.

## 5. Recommended Solution

To ensure the seamless execution of the Fundraising and Partnerships strategy, WWF Colombia requires securing additional funds for the upcoming three years. Taking this into consideration, we propose seeking multi-year financial support from ODIG to ensure the necessary resources for the sustained implementation of the strategy. This encompasses the essential human resources and appropriate tools required to meet the set objectives effectively.

The resources from ODIG will play a pivotal role in strengthening the capabilities of the Private, Public-Private partnerships, and Major Donors teams. These funds will support the consolidation of the relationships established over the past two years, which have demonstrated sustained growth. Concurrently, they will encourage the exploration and launch of new initiatives that were previously constrained by team capacity. Moreover, these resources will enable the acquisition of knowledge to underpin the development of a transformative strategy and the solidification of corporate pathways to pledge (individual giving). This extends to attracting contributions from High-Net-worth Individuals (HNWI).

The afore mentioned efforts aim to increase the generation of sustainable, predictable, and unrestricted income. This strategic investment will contribute to overcoming dependency on a few donors and ensure greater flexibility in resource allocation based on the prioritized needs of WWF Colombia. Furthermore, it will empower the office to further solidify its status as an NPO, allowing for diversification of the funding model through private and public-private partnerships. This, in turn, aids in securing office reserves and providing contributions to the network.

## 6. Strategy and activities

The WWF Colombia corporate engagement strategy aims to generate sustainable and predictable income by diversifying revenue sources to reduce dependency on a limited number of donors and enhance the organization's standing among its allies. The strategy also underscores a proactive approach in seeking strategic and transformative alliances, making data-driven decisions based on human and business behavioral trends. Additionally, it promotes the reinforcement of innovative processes, internal collaboration, and collaborative efforts with other network offices to enhance capabilities and exchange best practices. The adoption of cost recovery policies is highlighted to enhance efficiency in the capacity of the organization.

Four lines of engagement with the corporate sector have been identified as instrumental avenues for achieving our objectives:

**(1) Mobilizing the private sector:** Corporates and WWF working together to contribute to conservation and sustainability targets in country. Through three types of engagement:

- a. Sustainable business - Transforming Colombian large companies: This relationship seeks to influence corporates and strategic industries to improve their practices, incorporate sustainability criteria, reduce their ecological footprint and the impact on strategic ecosystems. The rationale is to increase WWF technical capacity and to engage and work together with the corporate world to be able to promote mutual collaboration and promote transformation of changes in the business. While transformational technical team currently associated with the conservation and government relations areas will lead this effort, the corporate partnership team supports the articulation process.
- b. Corporate contribution or investment: Our fundraising efforts aim to inspire businesses to make impactful contributions towards biodiversity conservation and societal well-being through WWF Colombia's programs. While these initiatives involve more restricted funding mechanisms, the success of these agreements encourages us to enhance our team's capacity. Presently, our proposals primarily focus on conservation and restoration in National Protected Areas, as well as sustainable tourism. Moving forward, we aim to improve our negotiation skills to ensure the alignment with WWF Colombia's strategic framework alignment, ensuring correct budgeting, thereby generating a positive return rate and surplus funding. This surplus will be reinvested in our operations to sustain our mission. Some of the most relevant alliances for CY23 are Banco de Occidente, BBVA (CHF 135'583), BBVA (CHF 110'468), Fundación Sura (CHF 86'212), Air Bnb (CHF 76'639), we aim to renew these partnerships.
- c. Corporate Partnerships via the WWF Network: WWF has significant corporate alliances worldwide. The objective is to identify selected international companies and businesses and, throughout the network, explore the opportunity to expand the partnership into Colombia. Presently, we have active agreements with WWF Sweden (Ikea) to support forestry community organizations at the national level; and with WWF US (Starbucks) focusing on the restoration of strategic areas for water regulation and connectivity between Sierra Nevada and Ciénaga Grande de Santa Marta. In 2024, we will be implementing a proposal with WWF Spain (Inditex) to support the Community-based Jaguar monitoring in Amazon landscapes.

**(2) Consumer, employee & supplier engagement:** Drive awareness and activate behavioural change by communicating, educating, and incentivizing consumers, employees and other stakeholders on sustainable behaviour issues.

- a. Consumer engagement: Consumer engagement is a key aspect of our strategy, involving cause marketing alliances utilizing licensing and co-branding campaigns aimed at influencing behaviour and generating funds for WWF. We're actively implementing cause-related marketing initiatives in collaboration with brands that resonate with WWF's mission as Colombates and Compensar, both raising 100% unrestricted funds.
- b. Employee engagement: Employee engagement stands as a cornerstone in our approach. Our primary objective is to cultivate awareness and promote the exchange among our partners' staff. One of our key initiatives, known as 'Panda experiences,' organizing visits to protected areas near

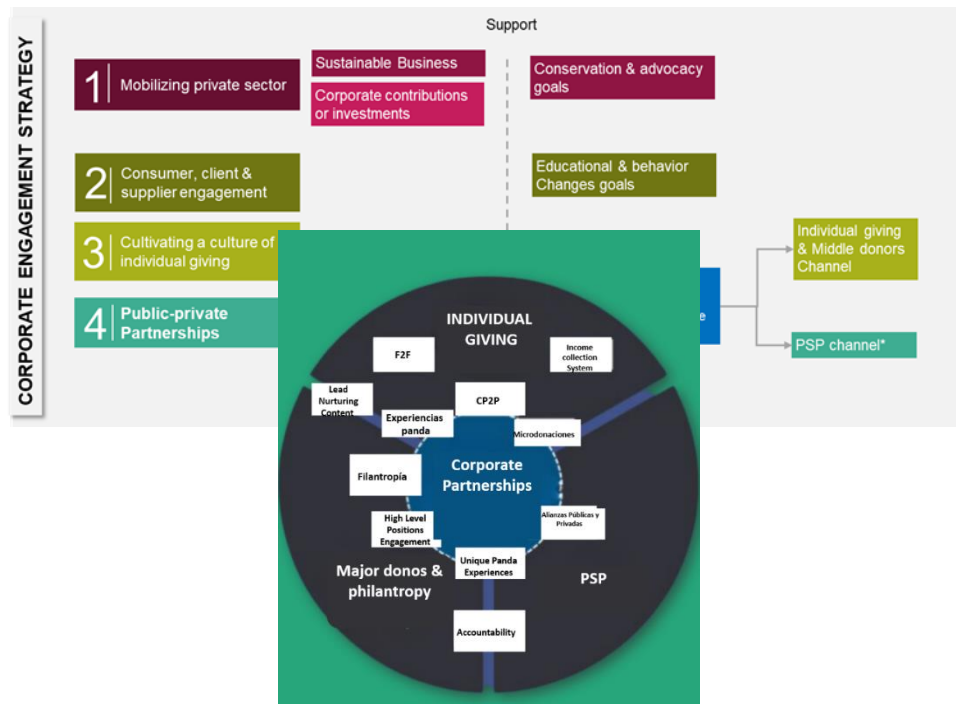
major cities to sensitize employees. This initiative is crafted not only to encourage direct involvement in conservation efforts but also to educate and inspire team members, fostering their active participation in the preservation of these natural habitats. Through Panda Experiences this year, we mobilized more than 1,500 staff members from allies such as Fundación Sura, BBVA, Porvenir, and Banco de Occidente. We will continue to enhance these experiences by collaborating with a logistical partner and testing experiences for HNWI as directors and CEOs. This approach serves to cultivate Major Donors, create awareness, influence, and acts as a retention activity being familiarized with our work in the field.

**(3) Cultivating a culture of individual giving** entails the establishment of the Corporate Pathways to Pledge (CP2P) platform, in which companies act as intermediaries to connect with individuals through targeted fundraising campaigns aimed at customers, users, affiliates, partners, and employees. These campaigns aim to collect funds via one-time donations, recurring contributions, or microdonations. The scope of CP2P will be expanded to encompass the development of strategic partnerships aimed at creating meaningful impacts on both customers and employees. These alliances will culminate in the creation and execution of campaigns centered around lead acquisition and the recruitment of new individual donors. Moreover, these partnerships will explore the potential for matching contributions from private companies. To participate in these experiences, companies will be required to contribute to WWF Colombia's programs and actively promote CP2P partnerships on a broader scale. The Partnership with Davivienda Bank is the first of this kind; the model is that a segment of cardholders can donate their cashback to WWF and their loyalty points, and then the Individual giving team could convert these one-off donors into recurrent donors. For 2024, the objective is to scale the impact to more segments and replicate the structure with other financial companies currently partners like Bancolombia, BBVA, and Banco de Occidente.

**(4) Public-private partnerships (PPPs)** Facilitate partnering between private companies with public sector entities allows greater impact and scope to develop sustainable initiatives over time and support the accomplishment of the strategic framework of WWF Colombia with two distinct approaches: the first involves harnessing emerging opportunities from the private sector and translating them into partnerships with public entities to increase its impact and optimize its resources/investments through government programs related to environmental sustainability and biodiversity conservation; the second entails exploring opportunities originating from the public sector, requiring private sector involvement to achieve a combined impact. These two complementary and strategic approaches enable the maximization of reach and effectiveness in promoting conservation and sustainability across various sectors of society

and the economy. There will be a concerted effort to diversify PPPs through dynamic collaboration with the private sector.

Furthermore, **the establishment of the Major Donors, Philanthropy and Foundations channel** will facilitate the expansion of our engagements with the private sector. This expansion enables us to identify individual donors within our diverse alliances while fostering relationships and uncovering philanthropic resources within corporate and family foundations. Given the nascent nature of this channel, initial



investments in areas like staffing, event management, travel, and merchandising are required for initiating the prospect cultivation process, of which ODIG will support with fund 30% of the Coordinator salary. This process is driven by a relational strategy designed to yield positive returns in the medium term. WWF Colombia will be working closely with members of the Board and with key ambassadors. The rationality behind this is that strategic corporate alliances provide access to high-level business networks, facilitating the identification of potential major donors. The emphasis will lie in fostering collaborations within impactful projects that closely align with the values and objectives of influential business leaders.

The identification of methodologies for allocating key accounts is essential to improve team management. This approach will establish an organized and efficient framework for distributing and monitoring responsibilities, optimizing the utilization of resources and team members' time. By strategically prioritizing the most relevant accounts, it ensures a focused effort and enhances the impact of corporate management activities. Furthermore, precise and equitable account allocation fosters heightened collaboration and synergy among team members, ultimately leading to a more effective strategy for achieving overarching goals and yielding positive results within established partnerships.

Strong coordination stands as a foundational pillar in the proposal development process, meticulously incorporating budgets (including management fees and a percentage for partnerships management), as well as the necessary resources for project implementation. This approach ensures not only the financial

viability of our alliances but also fosters an environment of efficient collaboration both with our partners and across the organization. It is crucial to emphasize that this coordination should not be viewed as an endpoint, but rather a continuous stride towards ongoing enhancement in our interactions with the private sector.

Our focus is shifting towards the establishment of shared-value partnerships, built upon synergy and mutual benefits. We are dedicated to forging robust and sustainable relationships that transcend conventional boundaries, engendering a lasting positive impact for both our organization and private sector partners. We are evolving from mere providers of corporate volunteer activities to co-creators of shared-value alliances alongside our partners. This transition has fortified our position and nurtured the development of advantageous linkages, fostering mutual success and the attainment of shared objectives.

One of the strategic challenges is to bolster the capacity of the private partnerships team in improving the quality of proposal formulation by adhering to the logical framework methodology and refining the process of preparing donor reports. The overarching goal is to ensure flawless execution of the alliances. Crucially, this involves formulating aligned with WWF's current conservation programming at both national and Network levels. This strategic alignment not only ensures coherence but also maximizes impact and optimizes resource allocation. This cohesive action integrates projects seamlessly with broader national conservation objectives, enabling an effective, efficient, and coordinated approach to achieving significant and sustainable results. To achieve this, proposal development workshops will be conducted, and the project cycle will continue to be implemented in collaboration with the PMU and technical experts from the C&G department. This collaborative approach allows access to pertinent and relevant information concerning the implementation of projects within the framework.

For WWF Colombia, adopting best practices in private sector partnerships management has proven pivotal in maximizing the value of our collaborations. To achieve this, we have undertaken a critical analysis of our existing private sector relationships, identifying areas for enhancement and opportunities for strengthening. We recognize the importance of enhancing the team's comprehension of the strategic framework. Through capacity development workshops, we are making progress in aligning with our organizational objectives.

As we establish broader partnerships, implementing the GPC process is crucial to enhance alliance management in line with our global strategy. Strengthening our ability to anticipate and manage reputational risks is paramount. This involves assessing partner reputations, due diligence, and ongoing monitoring, including on-site risk management for Employee Engagement initiatives. To further bolster our risk management, implementing country-specific tracking and analysis protocols through RepRisk is essential for informed decision-making.

#### Outcomes:

- Enhanced financial sustainability of the organization through effective management of Corporate Partnerships and Major Donors. Be self-sustaining and independent from network resources which aims stabilize and increase the unrestricted fund by corporate partnerships.
- Enhanced diversification of funding sources and revenue streams through strategic corporate partnerships, cause-related marketing engagement, CP2P, public-private alliances and philanthropic resources. Guarantee that at least 28% of the income will be unrestricted to accomplish at least CHF 930.359 for the next three years.

#### Outputs:

OUTPUT	CY24	CY25	CY26
<b>Corporate unrestricted income</b>	CHF 546.429	CHF 624.027	CHF 686.173
<b>Corporate restricted income</b>	CHF 1.477.381	CHF 1.687.185	CHF 1.855.210
<b>Major Donors unrestricted income</b>	CHF 61.047	CHF 122.093	CHF 244.186
<b>Major Donors restricted income</b>	CHF 26.163	CHF 52.326	CHF 104.651
<b>Total Unrestricted income</b>	<b>CHF 607.475</b>	<b>CHF 746.120</b>	<b>CHF 930.359</b>
<b>Total Restricted income</b>	CHF 1.503.544	CHF 1.739.511	CHF 1.959.861
<b>Total income</b>	CHF 2.111.019	CHF 2.485.631	CHF 2.890.220
<b>Corporate expenditures</b>	CHF 200.930	CHF 242.913	CHF 267.591
<b>Major Donors expenditures</b>	CHF 79.544	CHF 86.380	CHF 105.349
<b>Total Investment</b>	<b>CHF 280.474</b>	<b>CHF 329.293</b>	<b>CHF 372.940</b>
<b>Revenues</b>	CHF 1.830.545	CHF 2.156.339	CHF 2.517.280
<b>ROI</b>	7.53	7.55	7.75

#### Considerations

- The percentage of unrestricted income generated will be 29% for CY24, 30% for CY25, and 32% for CY26.
- Maintain the team's actual capacity and support the structuration of the Major Donor Channel, covering 30% of Coordinator's salary.
- Part of the income generated will be reinvested to cover corporate consultants, allowing an increase in capacity of 50% to CY27. In CY28, the revenue generated in the last few years will support the entire operation of the corporate engagement and middle donor teams.

#### Key Performance Indicators (KPIs)

	KPI #	KPI Name
<b>Private Partnerships</b>	<b>1</b>	<b>Total income</b>
	<b>2</b>	<b>Income split (restricted vs unrestricted)</b>
	<b>3</b>	<b># of active partnerships</b>
	<b>4</b>	<b># of new corporate partnerships</b>
	<b>5</b>	<b># of renewed corporate partnerships</b>
	<b>6</b>	<b>Expenditures</b>

	KPI #	KPI Name
	<b>1</b>	<b>Total income</b>
	<b>2</b>	<b>Income split (restricted vs unrestricted)</b>

<b>Major donors, foundations &amp; Philanthropy</b>	<b>3</b>	<b># of active donors</b>
	<b>5</b>	<b>Expenditures</b>

## 7. Governance

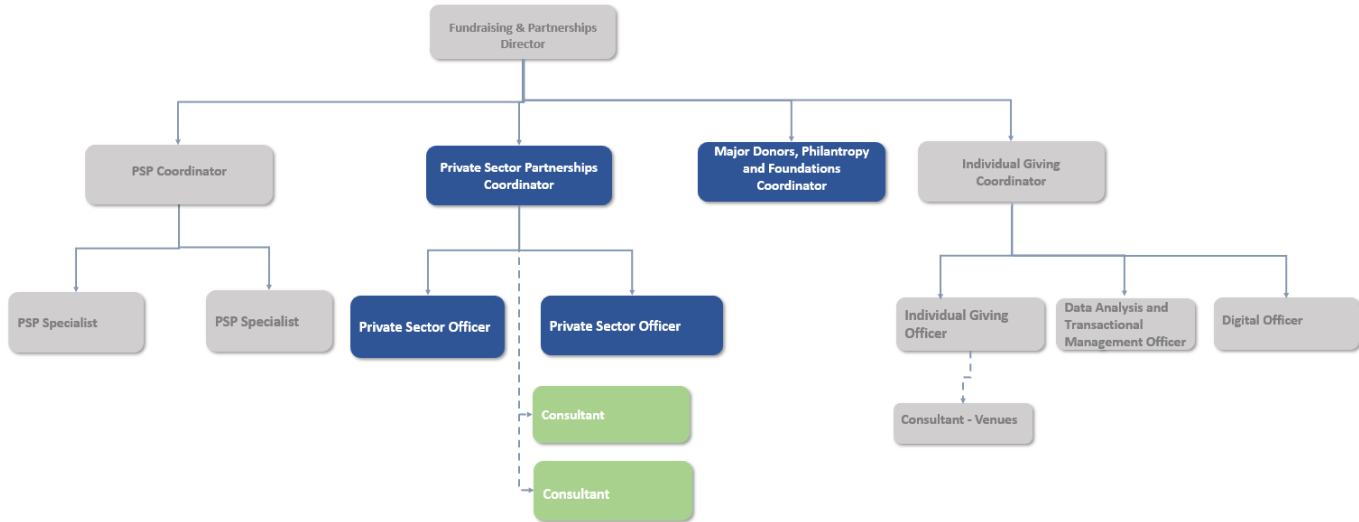
The Fundraising and Partnerships Director leads the fundraising strategies and cultivates strategic alliances for WWF Colombia. This division encompasses four key areas: Public Sector Partnerships, Individual Giving, Major Donors, and Corporate Partnerships, with the latter dedicated to managing partnerships within the private sector.

The Corporate Alliances Coordinator oversees a team of staff and consultants to maximize funds, leads the relationship management with key accounts, drives the development of new partnerships, and coordinates with other internal departments. It ensures compliance with institutional procedures and monitors financial outcomes to achieve fundraising goals. The coordinator also ensures adherence to institutional procedures for partnership negotiation, including due diligence, proposal approval, and consultations with specialists, ensuring alignment with WWF's global strategies and policies. The corporate engagement team is accountable for identifying opportunities and forging agreements with private entities and public-private partnerships to maximize revenues, while maintaining strong relationships with key accounts and ensuring compliance with institutional procedures, including due diligence and proposal approval.

The Major Donors Coordinator creates the strategy to maximize funds from high-net-worth individuals and philanthropic organizations, leads the relationship with major donors, and coordinates with other internal departments. It ensures compliance with institutional procedures and monitors financial outcomes to achieve fundraising goals. The coordinator also ensures adherence to institutional procedures, including due diligence, and consultations with specialists, ensuring alignment with WWF's global strategies and policies.

As illustrated in the diagram below, the costs covered by ODIG funds, represented in blue, encompass the private partnerships staff (Coordinator and two Officers -100%) and the Major Donors, Philanthropy, and Foundations Coordinator (30%). The expenses associated with the private partnerships' consultants (in green) are funded by the reinvestment of the unrestricted raised. Staff and consultants within the Fundraising and Partnerships area, depicted in gray, are covered by other funding sources. There are two reasons for this allocation. Firstly, it aligns with the learning curve of the team. As an office, we must ensure sustained financial support once we hire staff in the long term. This approach allows us to build capacity with the intent to transition individuals from consultants to staff, exemplified by one of our consultants transitioning to staff in January 2023. Additionally, this practice is common and legally mandated in Colombia for hiring employees. It's crucial to note that both staff and consultants have contractual agreements, with staff having one-year terms and consultants on 11-month agreements.

Also of the 2.5 million, only 27% is unrestricted. We are talking around 700.000 USD, and a percentage of this income covers one of our consultants. The 70% support programs and objectives of our conservation strategy



AREA	Team Structure	CY24		CY25		CY26	
		N°	% covered by WWF Switzerland	N°	% covered by WWF Switzerland	N°	% covered by WWF Switzerland
Fundraising and Partnerships	Private Partnership Coordinator	1	100%	1	100%	1	100%
	Private partnership officer - senior	1	100%	1	100%	1	100%
	Private partnership officer - Junior	0	-	0	-	1	0%
	Public private partnership officer – senior	1	100%	1	100%	1	100%
	Major Donors Coordinator	1	30%	1	30%	1	30%
	Corporate consultant	2	0%	2	0%	1	0%
	**Other supporters**						
Government relations and advocacy area	Transformational Specialist for Biodiversity	1	0%	1	0%	1	0%
	Finance Specialist	1	0%	1	0%	1	0%
Conservation & Governance area	Agrifood Transformational Specialist	1	0%	1	0%	1	0%

Other supporters refer to the team that is crucial for the transformational approach, belonging to various departments within the WWF structure. Currently, we have three transformational specialists in agri-food (supply chain), finance, and biodiversity. They lead the transformational partnerships, and the private sector team supports the articulation and integral approach to engaging corporate prospects.

### 8. Monitoring & Evaluation

The assessment and oversight of the Corporate Engagement strategy are guided by a comprehensive array of Key Performance Indicators (KPIs), strategically selected to gauge both operational effectiveness and the ensuing impact. These KPIs encompass a range of metrics, including the quantification of aggregate revenues generated by the team, analysed across various time intervals—ranging from biannual to

quarterly and monthly. Furthermore, a meticulous examination is undertaken to ascertain the proportion and value differentiating restricted and unrestricted income within the same time frame. Concurrently, the team monitors the cadence of active partnerships and tallies the influx of new corporate collaborators, a dynamic reflecting the cultivation of a diversified funding portfolio. A focused assessment is then made on the ratio of renewed corporate partnerships juxtaposed against newly established ones, shedding light on partnership longevity and innovation. Significantly, the calculation of Return on Investment (ROI) stands as an intrinsic barometer, furnishing insights into the efficacy and yield of our strategic undertakings and collaborative endeavors. A rigorous financial stewardship is integral to this process, as a comprehensive overview meticulously scrutinizes the entirety of expenditures attributed to the partnerships team, ensuring an astute and discerning approach to fiscal management.

In our ongoing commitment to improving our results, for the CY23, we are implementing updates to certain indicators driven by the team's interest in exploring the CP2P methodology and revising adaptations of certain KPIs to align with the network's recently updated corporate engagement strategy. This approach will further bolster our focus on environmental conservation and protection, ensuring that our endeavors consistently remain in harmony with our goals.

The monitoring process is carried out in close collaboration with the Corporate Engagement and Major Donors teams, the Partnerships and Fundraising Director, the Finance and Operations Director, the CEO, and is reviewed semi-annually with the Organizational Impact Management leader. This well-structured approach ensures progress tracking and facilitates prompt adjustments whenever necessary to successfully achieve our objectives.

Budget:



Individual Form B3

**Budget prepared by:** Lorenza Gálvez Alarcón  
**Date of Issue :** 30.10.2023  
**Office name:** WWF Colombia  
**For the period:** January 1/2024 - December 31/2025  
**Project Nr:** CO200700  
**Project Title:** Organizational Development for Income Generation  
**Funding Agreement Number:** [Award/Funding Agreement #]

INDIVIDUAL FORM B3 TO USE FOR PROJECT UNDER CHF 100'000 (OR EQUIVALENT) - FOR PROJECTS = OR > TO CHF 100'000, PLEASE FILL IN THE DETAILED BUDGET TEMPLATE (INCLUDING B3) - PLEASE FILL IN THE CELLS IN RED

BUDGET RATES	
Donor 1	1 CHF = 1.10 USD
Donor 2	1 EUR = XX.XXX???
Donor 3	1 USD = XX.XXX ???

**PROJECT BUDGET**

In CHF

\* = Latest Budget Approved by Donor

Acc. Code	Income / Expenditure	ESTIMATES					TOTAL
		Budget *	Budget *	Budget *	Budget *	Budget *	
		CY24	CY25	CY26	CY n+3	CY n+4	
	<b>A - OPENING BALANCE - 1 July 20XX</b>	0	0	0	0	0	0
	<b>INCOME</b>						
4300.3524	WWF International (PO levy)	0	0	0	0	0	0
4100 and 4200	WWF International (other than PO levy)	0	0	0	0	0	0
43xx	WWF Switzerland	172'013	169'756	178'976	0	0	520'745
43xx	National Organizations (one line per NO)	0	0	0	0	0	0
4340 to 4399	Other WWF	0	0	0	0	0	0
	<i>Subtotal: from WWF sources</i>	172'013	169'756	178'976	0	0	520'745
	<b>B - TOTAL INCOME</b>	172'013	169'756	178'976	0	0	520'745
	<b>C - TOTAL INCOME + OPENING BALANCE</b>	172'013	169'756	178'976	0	0	520'745
	<b>EXPENDITURE</b>						
50XX	STAFF COSTS	150'109	147'741	155'526	-	0	453'377
51XX	THIRD PARTY FEES	2'791	3'153	3'563	0	0	9'508
52XX	OTHER GRANTS & AGREEMENTS	0	0	0	0	0	0
53XX *	TRAVEL AND SUBSISTENCE	0	0	0	0	0	0
54XX	COMMUNICATION & FUNDRAISING COSTS	0	0	0	0	0	0
55XX	MEETINGS, TRAINING & MISCELLANEOUS COSTS	0	0	0	0	0	0
56XX	OFFICE RUNNING COSTS	0	0	0	0	0	0
57XX	FIELD RUNNING COSTS	0	0	0	0	0	0
58XX	CAPITAL ASSET COSTS	0	0	0	0	0	0
	<i>Subtotal Direct Project Expenditure:</i>	152'900	150'895	159'090	0	0	462'884
5900 to 5949	Management Costs (12.5% or other % agreed with Primary Donor)	19'113	18'862	19'886	0	0	57'861
60XX	Funding to WWF Network	0	0	0	0	0	0
	<b>D - TOTAL EXPENDITURE</b>	172'013	169'756	178'976	0	0	520'745

## **Attachment 2**

### **WWF NETWORK TERMS AND CONDITIONS**

1 July 2005

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Except as otherwise provided by its terms, the Project Agreement shall be deemed to include the following terms and conditions:

#### **1. RELATIONSHIP OF PARTIES**

The relationship between WWF Donor and WWF Recipient is solely that of grantor and grantee. WWF Donor and WWF Recipient are not engaged in an employer-employee relationship, partnership, joint venture or agency contract of any kind. Neither party has authority to create any obligations, express or implied, on behalf of the other.

#### **2. ASSIGNMENT OF RIGHTS; SUBAGREEMENTS / THIRD PARTY AGREEMENTS**

- 2.1. WWF Recipient may not assign its rights or delegate its obligations under the Project Agreement without WWF Donor's prior written consent, which will not be unreasonably withheld.
- 2.2. WWF Recipient may subcontract certain elements of the Activities with prior written approval of the WWF Donor. WWF Recipient shall remain responsible for fulfillment of those Activities and is responsible for including in any subagreement/third party agreement related to the project described in the Project Agreement all clauses and provisions necessary to fulfill WWF Recipient's obligations under the Project Agreement.

#### **3. USE OF FUNDS AND OTHER RESOURCES**

- 3.1. WWF Recipient shall use the funds and other resources (material and non-material) provided under the Project Agreement only for the specific purposes of the Activities identified in the project terms of reference and project budget annexed to the Project Agreement.
- 3.2. Only expenditures for reasonable, approved, and documented costs as identified in the Budget are allowable. All expenditures must be incurred during the period of the Project Agreement to be allowable.

3.3. WWF-Recipient may reallocate the amounts designated for any major budget category in the approved budget through the narrative notes submitted with the financial reports to WWF Donor if the scope of the project remains unchanged, unless subject to the restrictions of a Primary Donor. However, purchases of any equipment, use of consultants or subrecipients, or creation of major budget categories not approved in the original budget require prior written approval from WWF Donor. Budgeting of any exchange rate gains needs to be negotiated with and approved by WWF Donor prior to spending of the additional funds.

3.4. All travel will be paid at the economy rate only, unless WWF Donor provides written consent to the contrary; first class train fare is allowable if it does not exceed the cost of an economy air ticket for the same journey. Accommodation and subsistence expenses shall be reimbursed according to reasonable rates, not to exceed per diem rates of a Primary Donor if applicable.

3.5. WWF Recipient agrees to be liable for costs relating to the project which exceed the approved budget total and which do not receive the specific prior written approval of WWF Donor.

3.6. No funds provided under the Project Agreement will be used to attempt to influence the outcome of any public election or to undertake any activity for a purpose that is not exclusively charitable, scientific, literary or educational.

3.7. Any funds provided under the Project Agreement which are exchanged to local currency must be exchanged at the best available rate through the channels authorised by applicable laws and regulations. Transactions must be verified through bank receipts or other documents or publications sufficient to demonstrate the legality of such transactions.

3.8. At the expiration or earlier termination of the Project Agreement, WWF Recipient shall report to WWF Donor on the amount of unspent funds (if any) provided by WWF Donor. WWF Recipient shall hold these funds pending WWF Donor instructions.

#### **4. FUNDS MANAGEMENT, BANK ACCOUNTS & INTEREST**

4.1. WWF Recipient shall exercise prudence in establishing secure arrangements for holding funds received from WWF Donor, having regard to the need to protect the real value of the funds against inflation and the risk of depreciation of local currencies.

4.2. The location, name, designation and currency of the bank account for the Project funds shall be identified by

WWF Recipient in the Project Agreement and operated in accordance with generally accepted standards for funds management.

- 4.3. Where a special account is opened for the Project, the bank account shall, if practicable, be an interest bearing account, and all interest accruing on the funds provided by WWF Donor shall be recorded separately and reported in the quarterly financial report. Such interest shall be considered as an additional contribution from WWF Donor at the request of WWF Recipient, unless any Primary Donor prohibits this.

## 5. FINANCIAL RECORDS

- 5.1. WWF Recipient agrees to keep separate and accurate financial records in accordance with generally accepted accounting principles and procedures so that payments received and expenditures made under the Project Agreement can be easily identified.
- 5.2. WWF Recipient agrees to maintain the above-mentioned financial records for a period of five (5) years after the expiration or earlier termination of the Project Agreement.

## 6. AUDITS

- 6.1. With prior reasonable notice, WWF Recipient agrees to make available for inspection, review and audit, by WWF Donor, and Primary Donor if applicable, the books of account and other financial records relevant to the Project Agreement.
- 6.2. WWF Donor may request the appointment, by WWF Recipient, of independent auditors to inspect, review and audit the books of account and other financial records relevant to the Project Agreement. Upon such a request, WWF Recipient agrees to make an appointment at WWF Donor's expense in consultation and with the agreement of WWF Donor.
- 6.3. WWF Recipient agrees to reimburse WWF Donor the amount of any expenditures disallowed by independent auditors (appointed under clause 6.2), through an audit exception or other appropriate means based upon a finding that such expenditures failed to comply with a provision of the Project Agreement.
- 6.4. WWF Recipient will submit a copy of its annual audited financial statement to WWF Donor upon request.

## 7. INTELLECTUAL PROPERTY RIGHTS

For the purposes of this clause, the term 'Works' refers to all works of authorship and inventions created by WWF Recipient pursuant to the Project Agreement, including, but not limited to, films, photographs, graphic works, maps, video recording, books, articles, writings, and audio recordings, (and all materials embodying such works of authorship and inventions) whether produced before, during or after the term of the Project Agreement. WWF Recipient shall own all right, title, and interest in the Works; however, WWF Donor shall have a perpetual, non-exclusive, royalty free licence to use the Works, including their modification and/or reproduction, in whole or in part.

## 8. RESOURCES FROM OTHER SOURCES

- 8.1. WWF Recipient agrees to immediately notify WWF Donor of any resources (including funds) that are or may be made available from sources other than WWF Donor ("Additional Resources"), for the project which is the subject of the Project Agreement.
- 8.2. WWF Donor shall have the right to terminate the Project Agreement if WWF Recipient fails to make full and timely disclosure of any Additional Resources.

## 9. CAPITAL EQUIPMENT

- 9.1. All capital equipment donated or purchased with funds provided by WWF Donor under the Project Agreement shall be purchased in the name of WWF Recipient. Capital equipment is defined in accordance with WWF Donor's policy on capital equipment, which will be provided to WWF Recipient when applicable and upon request, unless otherwise specified in the Project Agreement document.
- 9.2. WWF Recipient agrees not to modify the ownership, or agreed utilization of capital equipment funded or donated by WWF Donor, without prior written approval by WWF Donor.
- 9.3. WWF Recipient agrees to provide proper insurance for and proper maintenance of all capital equipment and other property donated or funded by WWF Donor under the Project Agreement and to arrange for the payment of all related expenses (including insurance and taxes) as identified in the project budget.
- 9.4. All capital equipment funded or donated by WWF Donor, at the expiration or earlier termination of the Project Agreement shall remain vested in the name of WWF Recipient unless otherwise specified in the Project Agreement until disposition instructions are provided by WWF Donor.

## 10. PUBLIC AWARENESS

WWF Recipient agrees to provide WWF Donor with copies of all published written materials that mention or relate to the project activities which are funded under the Project Agreement, including those published within two (2) years after the expiration or other termination of the Project Agreement.

#### 11. REPORTS AND OTHER DELIVERABLES

WWF Recipient agrees to provide the reports and other deliverables as identified in the Project Agreement. All reports shall be written in English unless otherwise agreed in the Project Agreement.

#### 12. COMMUNICATIONS WITH PRIMARY DONOR

12.1. All formal communications with a Primary Donor shall be through WWF Donor.

12.2. WWF Recipient shall endeavour to maintain good working relations with the local representatives of a Primary Donor, and shall keep WWF Donor informed of ongoing communications with the local representative.

#### 13. TAXES

WWF Recipient shall be liable for all taxes arising out of payments made to it pursuant to this Agreement.

#### 14. INSURANCE

14.1. WWF Recipient shall ensure that it has adequate and appropriate insurance to protect against any loss or damage which may be sustained in the course of implementing the project.

14.2. WWF Donor shall not, in any circumstance or for any reason, be held liable for loss or damage sustained or caused by WWF Recipient, its personnel or third parties employed in the course of implementing the project, unless the loss or damage is due to the fault of WWF Donor.

#### 15. INDEMNIFICATION

WWF Recipient hereby indemnifies WWF Donor, together with its officers, directors, employees, and agents, from any and all claims, demands, liabilities, expenses, fines, penalties or money judgements arising from and/or related to this agreement, except to the extent that such claims, demands, or liabilities, expenses, fines, penalties or money judgements are due to the fault of WWF Donor.

#### 16. GOVERNMENT OFFICIALS & EMPLOYEES

WWF Recipient hereby agrees that no assistance, payments, or anything of value (monetary or non-monetary), shall be made, promised, offered to or accepted by any government employee or official (1) in contravention of any law or regulation of the country of WWF Donor; (2) without the express consent of the government for which the employee or official works; and (3) that it is reasonable, *bona fide*, and directly related to the Activities funded under the Project Agreement. WWF Recipient hereby agrees that no payments or other form of assistance shall be accepted by or made to any government employee or official, including WWF Recipient, (a) to influence any official government act or decision, (b) to induce any government employee or official to do or omit to do, any act of violation of his or her lawful duty, or (c) to obtain or retain business for, or direct business to any individual or entity. It is WWF Recipient's responsibility to ensure compliance with this Clause, and to maintain and provide at WWF Donor's request, documentation demonstrating such compliance.

#### 17. TERMINATION

17.1. If either party determines that the other party has committed a breach of the terms of the Project Agreement, that party may serve upon the other party a notice in writing requiring the breach to be remedied within thirty (30) days. If the party receiving such notice fails to remedy the breach within the time specified or if the breach cannot be remedied, the party who served the notice may serve another notice, in writing, terminating the Project Agreement without prejudice to any rights which may have accrued to either party. This second notice shall become effective upon receipt.

17.2. Either party may terminate the Project Agreement by giving three (3) months prior written notice to the other. The parties agree to consult with each other as to the effect of termination on the project and to assist each other in the smooth termination or transition of the project to other funding sources. The party terminating the Project Agreement shall be responsible for any reasonable costs incurred by the other as a result of such termination or transition.

17.3. If any Primary Donor identified in the Project Agreement suspends or terminates the Primary Agreement, WWF Donor may, in addition to its other termination rights set forth above, suspend or terminate the Project Agreement, by giving written notice to WWF Recipient accompanied by a copy of the notification received by WWF Donor from the Primary Donor. Such notice shall become effective upon receipt or on the date of suspension or termination specified by the Primary Donor whichever shall be the later.

17.4. WWF Donor shall not be obligated to pay for any expenses incurred by WWF Recipient after the effective date of any notice of termination. Upon its effective date, WWF Recipient shall stop work and take all reasonable steps to preserve and protect all work produced to date and comply with instructions from WWF Donor as to the deposition thereof. Upon termination, WWF Recipient shall promptly submit to WWF Donor a final financial report in accordance with the Project Agreement.

#### 18. FORCE MAJEURE

Neither WWF Donor nor WWF Recipient shall be liable if it is unable to continue, complete or otherwise perform its duties under the Project Agreement as a result of, war, riot, civil unrest, rebellion or other disturbance, epidemic, quarantine restrictions, labor disputes, embargoes, or acts of God or acts of any government which acts or events preclude continuation or completion of the Project.

#### 19. COMPLIANCE WITH LAWS

WWF Recipient agrees to comply with all applicable laws, including all local labour and social laws.

#### 20. WAIVER

The failure by either party to the Project Agreement to enforce any of the provisions of the Project Agreement shall in no way be considered a waiver of such provisions or in any way affect the validity of the Project Agreement.

#### 21. SEVERABILITY

In the event that any provision of the Project Agreement shall for any reason be held to be invalid or unenforceable by any adjudicative body of competent jurisdiction, unless such provision goes to the root of the Project Agreement, the Project Agreement shall continue in full force and effect and shall be interpreted as if such provision had never been contained herein. In the event the provision goes to the root of the Project Agreement, the parties shall attempt in good faith to negotiate an amendment to the Project Agreement as necessary to fulfill the purpose of the Project Agreement.

#### 22. AMENDMENTS

Any amendment to the terms of the Project Agreement shall be the subject of a supplementary written agreement between WWF Donor and WWF Recipient.

#### 23. DISPUTE RESOLUTION

**23.1. Both parties agree to abide by their obligations to each other under the Project Agreement in good faith, and to attempt to resolve any dispute that arises between them in a manner that minimizes any damage to the cause of conservation.**

**23.2. In the event the Parties are unable to resolve any dispute that either regards as of substantial importance, the dispute shall be resolved by binding arbitration in the country of WWF Donor or such other place as is acceptable to both parties. The Arbitration Board will consist of three arbitrators who must be qualified to serve as an arbitrator in WWF Donor's country. Both the board of WWF Recipient and the board of WWF Donor are allowed to appoint one arbitrator; the third will be appointed by the first two. If a third arbitrator cannot be appointed by the first two, the Director General of WWF International will appoint the third arbitrator from the limited pool.**

#### 24. CONTROLLING LAW

**The Project Agreement shall be deemed a contract made under, and shall be construed and enforced in accordance with the law of the country of WWF Donor.**

### **Attachment 3: COMMITMENT TO INTEGRITY AND ETHICS**

WWF commits to the highest standards of professionalism, integrity and ethics in our workplace and in our activities. As such WWF has adopted the WWF Ethical Labour Code of Conduct and the WWF Fraud and Corruption Prevention and Investigation Policy as well as other policies. This commitment is fundamental to creating effective, lasting and equitable solutions to today's environmental challenges. Therefore, the Parties agree to:

- a. Respect people's rights in accordance with customary, national and international human rights laws, including vulnerable groups such as children.
- b. Comply with, and provide active support to WWF to ensure reasonable compliance with, all applicable laws including but not limited to applicable laws and regulations with respect to bribery, fraud or other anti-corruption ( e.g., if applicable, UK Bribery Act 2010, UK Modern Slavery Act 2015, or US Foreign Corruption Practice Act), and similar legislation in all relevant jurisdictions.
- c. Respect integrity in the use of donations which may be provided in connection with this MOU, including taking appropriate measures to prevent, detect and respond to concerns of misappropriation or other illegal event; this includes implementing appropriate policies and procedures, and ensuring that employees, sub-contractors or third parties respect the same;
- d. Respect and safeguard employees to prevent and respond to discrimination, harassment, abuse of power, and gender inequity in the workplace.
- e. Respect the rights of the labour force to health, safety, fair wages and benefits, working hours, freedom of association and collective bargaining, no discrimination or harsh treatment, no forced labour, and respecting labour restrictions related to children in line with applicable local laws and/or ILO Labour Standards, whichever is the higher standard.
- f. Respect standards and agreements around confidentiality, including but not limited to the sharing of business sensitive information and any personal data requirements including complying with any applicable data protection legislation.

Parties shall comply with Schedule 1 (WWF Fraud and Corruption Prevention and Investigation Policy (Contracted party version October 2020); and will not engage in fraudulent or corrupt acts. Parties will also comply with Schedule 2 (Ethical Labour Code of Conduct).



## Attachment 4: TERMS OF REFERENCE

### FINANCIAL AUDIT

The Financial Information of the project/program shall be audited in accordance with International Standards on Auditing (ISA 805) "Special Considerations Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement".

#### 1. Fundamental principles

1.1 The financial audit of projects ("financial audit") is to be carried out by an independent auditor ("the auditor"), having the required professional competence and experience (e.g. Certification by National Audit Oversight Authority), and in accordance with International Standards on Auditing (ISA).

1.2 These Terms of Reference ("TOR") define the mandate of the auditor in connection with the financial audit of projects/programs of the partner, financed by the Federal Department of Foreign Affairs (FDFA). The financial audit is based on the professional requirements and guidelines governing the professional work to be undertaken by an auditor.

1.3 In planning, conducting and reporting on the financial audit, the auditor has to follow the ISA 805.

In addition, the relevant standards of the local accounting profession as well as the local legislation on accounting and reporting in force in the country in which the financial audit is carried out need to be taken into consideration by the auditor.

#### 2. Overall principles of the procedures to be performed

The auditor is required to plan, execute and report on the financial audit engagement in order to conclude on the following matter:

- **2.1 Principles of orderliness (financial regularity/reporting)**

Furthermore, the auditor is required to assess whether the partner has adequate policies and procedures in place relating to the following matters (those matters are not covered by the audit engagement in accordance with ISA as mentioned above):

- **2.2 Existence, adequacy and effectiveness of the Internal Control System (ICS)**
- **2.3 Conformity with the project objectives and adherence to the contract conditions**
- **2.4 Economical conduct of business and effective use of financial resources**

In order to respect these principles, the auditor has to analyse the questions mentioned in the annexed Questionnaire (Annex 1). While item 2.1 will be reflected in the audit report prepared in accordance with ISA, items 2.2 to 2.4 will be reflected by the answers of the auditor to the Questionnaire in the Annex 1. Recommendations to the management shall be formulated according to Annex 2 (Management Letter).

Where appropriate the statements to be made and the questions to be answered can be in accordance with the audit report of **the last financial year of the partner** (e.g. for all questions in relation to the Internal Control System).

#### 3. Documents of reference

The following documents and matters are to be considered by the auditor as basic references for performing the financial audit:

Legislation:                      National law

Project/program: Agreement between FDFA and the partner relative to the project;  
Project Document / TOR;  
Budgets, financing plans, programs of project activities;  
Project management procedures;  
Any other documents concerning the project/program.

Accounting: Accounting documents subject to the financial audit;

Financial and operational reports concerning the project/program.

Auditor: Prior internal and external audit reports of the partner;  
Any other information requested from the partner by the auditor.

#### 4. Planning the financial audit

The auditor shall adequately plan the financial audit engagement well in advance of the work and ensure the execution of the financial audit of highest professional quality in an economical and efficient manner as agreed upon in the respective mandate in the name of the partner and the auditor.

On the basis of the information received during the planning phase, including the auditor's risk assessment, the auditor shall determine:

- the type of transactions to be audited and the audit methods (full audit or sample selections);
- the type of physical counts or examination and the sites to be selected;
- the number of site visits to be planned.

The auditor ensures continuity in the audit approach of the financial audit engagement and the audit team, even if there is a change in the leader of the engagement team from the prior year.

#### 5. Place of financial audit

The financial audit is to be carried out at the project/program environment (administrative offices and/or decentralised sites, if applicable).

#### 6. Management representation of full disclosure

The auditor shall obtain a management representation letter signed by the management of the partner organization, certifying:

- a) The acknowledgement of the organization's responsibility for the keeping of accounts and financial documents that are correct, complete, fair, representing the true facts, in conformity with the objectives of the project, the documents of reference (description of the project, contracts, budgets, etc.) and national legislation;
- b) That all accounting records, supporting and other documents, minutes and any other pertinent information necessary for the audit be at the disposal of the auditor;
- c) The completeness of information concerning property and goods;
- d) The completeness of information concerning financing received or due and own financing concerning the audited period, for the project being examined;
- e) The availability of any information and explanations, either orally or by written confirmation, which might be required by the auditor in the execution of his mandate;
- f) In the case of contributions to local NGOs, the declaration has to certify the completeness of information concerning financing received or due and own financing concerning the audit period, for the project being audited **and** for the examination of the consolidated financial statements of the organization. The consolidated financial information, including balance sheets and profit and loss statements of the project are to be attached to the declaration and form an integral part thereof. This declaration shall be provided together with the financial audit report.

#### 7. Detailed financial audit procedures

Appropriate audit procedures are to be applied by the auditor in order to form a conclusion on the matters outlined below. These procedures applied, either on a full coverage or a sample selection basis may include: controls, checking, evaluation, inspection, interview, analysis and other audit techniques. When selecting the audit procedures,

the auditor shall give consideration to the results of his risk assessment (during planning stage and during the course of the audit work).

Accordingly, the auditor must define and carry out suitable audit procedures in order to obtain an overview of the aforementioned aspects before the auditor assesses the individual findings and reaches a final independent opinion on the audit.

The auditor is expected to select and apply any other audit procedures that the auditor may consider necessary in the professional execution of the financial audit engagement.

Upon receipt of the financial audit report, the FDFA or any third persons designated by the FDFA reserve the right to request other audit procedures to cope with the change in circumstances in the project or of the organisation of the partner.

In addition, in order to respect the principles mentioned under Art. 2 above, the auditor has to analyse the questions in the annexed Questionnaire (Template Annex 1). Any answers with "no" have to be taken up as recommendations in the Management Letter (Template Annex 2).

### **8. Closing meeting**

After the completion of the financial audit engagement, but before leaving the project or the premises of the partner, the auditor shall hold a closing meeting with the persons responsible for the project/program (directors) and the staff responsible for accounting and reporting. The meeting shall address the results of the audit, discuss major weaknesses in the project, administrative and financial management (including the deficiencies of individual staff members) and propose recommendations to improve the project management, the accounting procedures and the internal control system (ICS).

### **9. Financial audit deliverables**

The audit report of the auditor shall provide an opinion on the financial information of the partner as per ISA (Template Annex 3).

The answers to the Questionnaire (Template Annex 1) and recommendations to the management (Management Letter according to Template Annex 2) as well as the management representation letter shall be provided as separate deliverables together with the audit report.

#### 9.1. Currency and language of the financial audit report

The financial information contained in the financial audit report of the auditor is to be expressed in the currency provided for in the contract. The financial audit report of the auditor and all other documents resulting from the financial audit engagement must be prepared in English.

#### 9.2. Signature

The financial audit report is to be signed by the leader of the audit team. The financial reporting subject to audit shall be signed by a representative of the management of the partner.

Place and date: \_\_\_\_\_  
For the partner: \_\_\_\_\_  
For the auditor: \_\_\_\_\_

- Annex 1: Questionnaire on the Overall principles of the procedures to be performed (2.2, 2.3 and 2.4)
- Annex 2: Management Letter
- Annex 3: Independent auditors' report (Basis: ISA 805)

**Annex 1 QUESTIONNAIRE (belongs to Attach. 4)**

Instruction to the auditor: If the answer is „no“ to one of these questions, further explanation is required in the form of a management letter point.

Questions	Yes	No	n/a	Comments
<b>Existence, adequacy and effectiveness of the Internal Control System (ICS) – Principle 2.2</b>				
1. Is the internal organization (structures, functions, tasks, competencies, responsibilities, methods, procedures, segregation of duties etc.), based on your impression, adequate to the size and operations of the partner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Are duties for vital functions and processes sufficiently segregated (e.g. entering commitments, entering and signing of contracts/agreements, authorizing and accounting of expenditures, reconciliation of cash on hand and in banks, follow-up on long outstanding debtors and creditors, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Do you obtain comfort that the ICS of the organization is in adequacy with its size and type of activities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Is the ICS known, applied and documented?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Do you obtain comfort on compliance with applicable laws, regulations and instructions (e.g. taxes, salaries, social contributions etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Is an Organization Manual with local context specific regulations (threshold in amount and number of offers to be solicited for local procurements of goods and services, cash limit, etc.) in place and are they followed? Are they in line with local legislation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Did you obtain an understanding of the design of the information and financial reporting system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. Has the Partner advised staff, beneficiaries etc. to whom to report any suspect of fraud, misuse, or waste of resources or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Questions	Yes	No	n/a	Comments
<b>Conformity with the project objectives and adherence to the contract conditions – Principle 2.3</b>				
9. Is it ensured that signed project agreements (FDFA with partner and/or partner with subcontractor/s) exist before any payments are made?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. Are the payments within your audit / review scope in accordance with the contract conditions and the agreed budget?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11. Is the classification of expenses and income in accordance with the agreed contractual budget?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12. Are approvals for variations from the budget/work plan required in advance of commitment of expenditure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13. Is the financial reporting in accordance with the project agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
14. Is the financial reporting of the period under audit / review in line with the reporting timetable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15. Do project responsible (operational and finance staff) visit field activities and are the findings of these visits documented?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16. Is a written confirmation of the balance of the FDFA advances available at project year end?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17. Are the management letter points by the project auditor brought up in past years resolved adequately and/or properly monitored by the management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18. Is it ensured that any significant issues (e.g. fraud, management override of controls, etc.) noted in a review / audit report has been communicated to FDFA?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19. Are the partner and any subcontractor/s familiar with regard to VAT and any other tax regulation procedures on the procurement of material and services for the activities funded by FDFA?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20. Are there instructions on the approval of expenses (e.g. 4 eyes principle) and are they followed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
21. Is the correct application of fees and allowances as per contract ensured (e.g. fees, rent, travel expenses, hotel accommodation, per diem and other allowances for project experts/consultants)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

<b>Questions</b>	<b>Yes</b>	<b>No</b>	<b>n/a</b>	<b>Comments</b>
22. Are control procedures in place to match labor costs (hours) charged to the project with time sheets of the relevant personnel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
23. Is it ensured that the partner has correctly accounted for his hours on the project (effectively rendered services) in order to avoid double-charging of expenses (e.g. to different projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
24. Are all items (fixed assets) representing property of the project maintained and safeguarded?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b><i>Economical conduct of business and effective use of financial resources – Principle 2.4</i></b>				
25. Is it ensured that project specific financial resources are only utilized for the particular activities and projects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
26. Do adequate measures and procedures in the ICS exist, to ensure economical and effective utilization of committed resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
27. Is it ensured that prices and rates for material, services and overheads are subject to regular verification?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
28. Is the calculation of fees (charged for services to FDFA) transparent and documented?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
29. Are all expenditures of expatriate employees reviewed and substantiated (rent, travel expenses, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
30. Are all expenditures related to local staff reviewed and substantiated (gross salary, social and pension contributions, income taxes, travel expenses, rent, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
31. Are there instructions on the non-use of project/program vehicles for private purposes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
32. Are there instructions for the use of equipment after the end of the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
33. Are there instructions on the non-use of mobile and fix net phones for private purposes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b><i>Any other issues</i></b>				
34.				
35.				

*Annex 2 (belongs to Attachment 5)*

**Management Letter** *(suggested format)*

*project/programme – financial statement period of:*

*partner's name and address*

*auditor's name and address*

*Date and Signature*

The auditor was required to assess with the enclosed questionnaire whether the partner has adequate policies and procedures in place relating to the following matters:

- **Existence, adequacy and effectiveness of the Internal Control System (ICS)**  
(principle 2.2 as mentioned in the standard ToR)
- **Conformity with the project objectives and adherence to the contract conditions**  
(principle 2.3 as mentioned in the standard ToR)
- **Economical conduct of business and effective use of financial resources**  
(principle 2.4 as mentioned in the standard ToR)

All questions answered with a “no”, are subject of a Management Letter Point, to be risk rated by the auditor and followed up by the partner.

#### **Risk rating of Management Letter Points**

- Matters of **large or significant importance** regarding control environment, accounting policies or practices, which might entail a material loss or material reporting error shall be rated by the auditor as a **high Priority**;
- Matters of **medium importance** regarding control environment, accounting policies or practices, which would be unlikely, entail a material financial loss or reporting error shall be rated by the auditor as a **medium Priority**;
- Matters of **low importance** regarding control environment, accounting policies or practices or comments relating solely to local reporting matters shall be rated by the auditor as a **low Priority**.

## Findings and Recommendations

No.	Findings	Recommendations	Priority	Management comments and proposed actions	Deadlines
<b>Existence, adequacy and effectiveness of the Internal Control System (principle 2.2)</b>					
<b>Conformity with the project objectives and adherence to the contract conditions (principle 2.3)</b>					
<b>Economical conduct of business and effective use of financial resources (principle 2.4)</b>					

## **Audit Report Template**

***Financial Information Audit of the Project/Program for the period of xy 20XX***

***(name of project/program, project- and contract-number, period of financial statement)***

**Name and address of FDFA's Partner**

***Background of the mandated organization***

Short description of the general background of the partner organization:

***Project objectives***

Short description of the project/program objectives:

**Name and address of Auditor**

**Independent auditor's report**

## *Independent auditor's report on financial information*

*Implementing partner's address and name of responsible person*

### **Opinion**

On the FDFA Standard Terms of Reference, we have audited the financial information for the above mentioned project, which comprise the balance sheet as at 31 December xxx and the income statement for the year [period] ended, [...], and the notes to the financial information including a summary of significant accounting policies.

In our opinion, the accompanying financial information on project xxxx for the year [period] ended xxx are prepared, in all material respects, in accordance with the accounting policies described in the notes and comply with the requirements of the FDFA Standard Terms of reference dated xxxx.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial information" section of our report.

We are independent of the entity in accordance with the requirements of the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibility for the Financial Information**

Management is responsible for the preparation and fair presentation of the financial information. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibilities for the audit of the financial information**

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

**Auditor's signature:** \_\_\_\_\_

**Date of audit report:** \_\_\_\_\_

**Auditor's address:** \_\_\_\_\_

**Certificate Of Completion**

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Subject: Complete with DocuSign: 231229 FINAL Project Agreement_WWF_CO_ODIG .pdf	
Source Envelope:	
Document Pages: 39	Signatures: 4
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Gabriella Roscher
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna	Rue Mauverney 28
	Gland, Switzerland 1196
	Bella.Roscher@wwf.ch
	IP Address: 193.192.231.4


**Record Tracking**

Status: Original	Holder: Gabriella Roscher	Location: DocuSign
1/10/2024 8:38:05 AM	Bella.Roscher@wwf.ch	

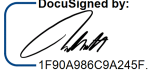
**Signer Events**

Signer Events	Signature	Timestamp
Gabriella Roscher bella.roscher@wwf.ch Project Manager WWF Switzerland Security Level: Email, Account Authentication (None)	<p>DocuSigned by:</p>  <p>D7848EE50072471...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 193.192.231.4</p>	<p>Sent: 1/10/2024 8:41:32 AM Viewed: 1/10/2024 8:41:48 AM Signed: 1/10/2024 8:42:10 AM</p>

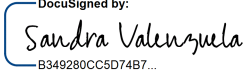
**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Simone Stammbach simone.stammbach@wwf.ch Head Global Network Development WWF-Switzerland Security Level: Email, Account Authentication (None)	<p>DocuSigned by:</p>  <p>A421ABF5F4B247E...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 193.192.231.4</p>	<p>Sent: 1/10/2024 8:42:13 AM Viewed: 1/10/2024 1:38:00 PM Signed: 1/10/2024 1:39:14 PM</p>
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**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Thomas Vellacott thomas.vellacott@wwf.ch CEO WWF Switzerland Security Level: Email, Account Authentication (None)	<p>DocuSigned by:</p>  <p>1F90A886C9A245F...</p> <p>Signature Adoption: Uploaded Signature Image Using IP Address: 85.7.114.104 Signed using mobile</p>	<p>Sent: 1/10/2024 1:39:18 PM Viewed: 1/11/2024 7:53:06 AM Signed: 1/11/2024 7:53:45 AM</p>
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**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Sandra Valenzuela svalenzuela@wwf.org.co Security Level: Email, Account Authentication (None)	<p>DocuSigned by:</p>  <p>B349280CC5D74B7...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 191.156.54.1 Signed using mobile</p>	<p>Sent: 1/11/2024 7:53:47 AM Viewed: 1/11/2024 1:59:34 PM Signed: 1/11/2024 2:36:45 PM</p>
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**Electronic Record and Signature Disclosure:**  
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**In Person Signer Events**

**Signature**

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**Editor Delivery Events**

**Status**

**Timestamp**

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<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
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Certified Delivered	Security Checked	1/11/2024 1:59:34 PM
Signing Complete	Security Checked	1/11/2024 2:36:45 PM
Completed	Security Checked	1/11/2024 2:36:45 PM
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