



OBSERVATOIRE DU SAHARA ET DU SAHEL
SAHARA AND SAHEL OBSERVATORY

General Conditions Applicable to the Grant Agreements of the Sahara and Sahel Observatory (OSS) 2026

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Article 1. Introductory provisions

Section 1.01 Application of the General Conditions

These General Conditions set out the conditions which generally apply to grants provided by OSS. They apply to the extent provided for in the Grant Agreement.

Section 1.02 Inconsistency with the Grant Agreement

In the event of an inconsistency between any provision of the Grant Agreement and a provision of these General Conditions, the provisions of the Grant Agreement shall prevail.

Section 1.03 Definitions

Whenever they are used in these General Conditions or in the Grant Agreement (unless otherwise stated in said Grant Agreement) the words in capital letters have the meaning indicated in said General Conditions.

Section 1.04 Reference and Headings

The Articles and Sections referred to in these General Conditions are the Articles and Sections of these General Conditions. The headings of the Articles and Sections have been inserted in these General Conditions only for reference and cannot be taken into account for the interpretation of the General Conditions.

Article 2. Project Execution

Section 2.01 Project Execution: general provisions

The Beneficiary takes the necessary measures to make sure that:

- (a). The Project is executed: i) diligently and efficiently; (ii) in accordance with appropriate administrative, technical, financial, economic, environmental and social Generals and practices; and iii) in accordance with the provisions of the Grant Agreement, including these General Conditions; and
- (b). Funds, facilities, services and other resources necessary for the Project are provided promptly as required.

Section 2.02 Insurance

The Beneficiary takes appropriate measures so that all assets necessary for the Project execution that must be financed from the Grant funds are insured against the risks related to the acquisition, transport and delivery of said assets to the place of use or installation. Any insurance money for these risks is payable in a currency freely usable to substitute these assets or have them fixed.

Section 2.03 Land Acquisition

The Beneficiary makes sure that all necessary measures are taken to acquire, if necessary, all land and land laws necessary for the Project execution and provides OSS, as soon as possible, upon request, with the supporting documents establishing, as approved by OSS, that said land and land laws are available for the Project.

Section 2.04 Use of Assets, Works and Services, Facility Maintenance

The Beneficiary takes the necessary measures to make sure that:

All assets, all works and all services financed by the Grant funds are used exclusively for the Project execution, unless otherwise agreed by OSS; and

All Project-related facilities are continuously and appropriately operated and maintained and all necessary replacements and repairs are made without delay as and when required.

Any equipment or material acquired for the project in compliance with the authorized expenses automatically becomes the property of the executing entity or any other entity

chosen by the Beneficiary who takes full responsibility for the equipment during and after the project execution period.

Section 2.05 Documents; Archives

The Beneficiary takes the necessary measures to make sure that:

- (a). All Project-related documents are provided to OSS, upon request, as soon as possible, with all the details that OSS may reasonably request; files are kept, which make it possible to monitor the progress of the Project (including costs and benefits which may be derived therefrom), assets, works and services financed by the Grant funds are identified, the use made out of them under the Project is communicated and said files are transferred to OSS upon request as soon as possible;
- (b). All documents explaining the Project-related expenses are kept at least: i) for five years after the Closing Date; or ii) if OSS asks for the Beneficiary's Financial Statements to be audited in accordance with the terms of Section 2.06 b) below, whichever is later: A) the date falling one year after OSS received the audited Financial Statements covering the period of the last withdrawal from the Grant Account; and B) the date falling two years after the Closing Date; and
- (c). OSS representatives have the possibility to examine all the above-referred files in paragraphs (a) and (b) of this Section, and receive any other information that they can reasonably request on these files.

Section 2.06 Project Monitoring and Evaluation and Preparation of Reports.

The Beneficiary:

- (a). Makes sure that policies and procedures are applied to allow it to continuously monitor and evaluate, following adequate indicators to OSS, the Project execution and the achievement of its objectives; and
- (b). If need be, in accordance with the provisions of the Grant Agreement:
 - (i)** Makes sure that one or more project reports (the "Project Report") are prepared and communicated to OSS, in an adequate version and content to OSS, which indicates the results of these monitoring and evaluation activities and defines the recommended measures to guarantee the effective and efficient continuation of the Project execution, and the achievement of its objectives, each Project Report: A) covers the period stipulated in the Grant Agreement and is communicated to OSS no later than the date specified for this purpose in the Grant Agreement; and B) gives OSS a reasonable opportunity to exchange views with the Beneficiary on said report, then have the recommended measures implemented, taking into account OSS comments; and
 - (ii)** Makes sure that one or more completion reports ("Completion Report") are prepared and communicated to OSS, no later than the date stipulated for this purpose in the Grant Agreement: A) on the scope and details that OSS is entitled to ask for, on the Project execution, the Beneficiary and OSS fulfill their respective duties under the Grant Agreement and the achievement of the Grant objectives; and B) a plan designed to guarantee the sustainability of the Project achievements.

Section 2.07 Financial Management; Financial statements; Audits.

The Beneficiary makes sure that:

- (a). A financial management system is maintained and financial statements (the "Financial Statements") are prepared, under accounting Terms adequate to OSS and consistently applied, which enable it to account for the Project operations, resources and expenses; and

- (b). If the Grant Agreement so provides: i) the Financial Statements are periodically audited by independent auditors approved by OSS and according to audit principles approved by OSS, and consistently applied; and ii) the reviewed Financial Statements are communicated to OSS no later than the date stipulated for this purpose in the Grant Agreement, as well as any other information relating to said reviewed Financial Statements and the auditors that OSS may request.

Section 2.08 Cooperation and Consultation

The Beneficiary and OSS fully cooperate to achieve the grant and the Project objectives. For this to happen, throughout the Project execution and the following five years, the Beneficiary and OSS:

- (a). Proceed, upon request of the Beneficiary or OSS, to exchange views on the Project, the Grant and the fulfilment of their responsibilities under the Grant Agreement, and communicate to the other party any information that can be reasonably requested; and
- (b). Mutually inform each other as soon as possible of any situation that hinders or might hinder the above-mentioned fields.

Section 2.09 Visits

Throughout the Project execution and the following five years, the Beneficiary:

- (a). Gives OSS representatives the opportunity to visit any part of its territory for reasons related to the Grant; and
- (b). Allows OSS representatives to: i) visit any facility and site included in the Project; and ii) examine the assets financed by the Grant funds, and have access to all files and documents relating to the fulfilment of its duties under the terms of the Grant Agreement.

Article 3. Withdrawal of the Grant Funds

Section 3.01 Grant Account; Withdrawals: general provisions; Currency of Withdrawals.

- (a). OSS credits the Grant amount to the Grant Account in the currency of the Grant. The Beneficiary may request withdrawals from the Grant Account following the provisions of the Grant Agreement and these General Conditions.
- (b). Any withdrawal of funds from the Grant Account is made in the currency of the Grant.

Section 3.02 Insufficient Funds.

Notwithstanding the provisions of Section 3.01, OSS may proceed to any transfer to the Beneficiary only within the limits of the funds available at the time of the request.

Section 3.03 OSS Special Commitment.

Upon request of the Beneficiary and in accordance with the conditions agreed between the Beneficiary and OSS, OSS may enter into special commitments in writing to pay money as Eligible Expenses, notwithstanding any subsequent suspension or cancellation of a Grant amount ("Special Commitment»).

Section 3.04 Withdrawal requests; Supporting documents.

- (a). When the Beneficiary wishes to withdraw money from the Grant Account or asks OSS to enter into a Special Commitment, the Beneficiary gives OSS a written request in the form and including the information that can be reasonably requested by OSS ("Request»).
- (b). The Beneficiary provides OSS with: i) documents adequately establishing the powers of the person (s) entitled to sign a Request, as well as a legalized specimen of his/her (their) signature; and ii) all documents and other supporting documents that OSS may request

in support of any Request, either before or after OSS has authorized the requested withdrawal ("Supporting Documents»).

- (c). Any withdrawal request and its supporting Evidence must observe the form and content that prove to OSS that the Beneficiary is entitled to withdraw the requested amount from the Grant Account, and that said amount will only be used for the purposes specified in the Grant Agreement. Requests must be presented quickly to settle Eligible Expenses.
- (d). OSS pays the amounts withdrawn from the Grant Account by the Beneficiary exclusively to the Beneficiary or according to its instructions.

Section 3.05 Dedicated Accounts.

- (a). The Beneficiary may open and use one or more Dedicated Accounts in which OSS may, if the Beneficiary so requests, deposit the amounts withdrawn from the Grant Account, as advances for the Project ("Dedicated Accounts"). All Dedicated Accounts must be opened in a Bank approved by OSS.
- (b). Deposits and payments from these Dedicated Accounts are governed by the provisions of the Grant Agreement, by these General Conditions, and by all additional instructions that OSS may forward to the Beneficiary at any time. OSS may, at its option and in accordance with the Grant Agreement and said instructions, stop making deposits into said accounts through a notice to the Beneficiary. In such a case, OSS makes the Beneficiary aware of the procedures to follow to make new withdrawals from the Grant Account.

Section 3.06 Eligible Expenses.

The Beneficiary takes the necessary measures to make sure that the Grant funds are used exclusively to settle expenses which, unless otherwise stated in the Grant Agreement, meet the conditions below ("Eligible Expenses»):

- (a). Payment is used to settle the reasonable cost of assets, works and services necessary for the Project, financed by the Grant funds, and which are provided in accordance with the provisions of the Grant Agreement;
- (b). Payment; i) is made on or after the date specified in the Grant Agreement; and ii) unless otherwise agreed by OSS, relates to expenses incurred before the Closing Date.

Section 3.07 Tax Financing.

Wherever the grant Agreement allows, the use of the Grant funds to pay Taxes collected by the Beneficiary or on its territory, on the import, manufacture, acquisition or delivery of all consultant assets, works or services under Eligible Expenses must observe the condition that the grant funds must be used in the interests of economy and efficiency. For this to happen, if OSS determines at any time that the amount of such a Tax is exaggerated or that said Tax is discriminatory or unreasonable, OSS may, by notice to the Beneficiary, refuse to finance such an amount, to make sure compliance with this condition.

Section 3.08 Reallocation.

If OSS believes that an amount of the Grant allocated to a category of Eligible Expenses in the Grant Agreement is inadequate to finance the expenses of that category, OSS may, by notice to the Beneficiary:

- (a). Reallocate to this category any part of the Grant that, it believes, is not required for other categories of Eligible Expenses, to the extent necessary to fill the estimated financing gap; and
- (b). If this reallocation is still inadequate to fill the estimated financing gap, reduce the percentage of Eligible Expenses to be financed by the Grant funds so that withdrawals proceed until all these expenses have been achieved.

Article 4. AML/CFT Provisions

Section 4.01 *Commitment and Scope;*

The Sahara and Sahel Observatory (OSS) is committed to preventing and combating money laundering, terrorist financing, and other prohibited practices, in accordance with international standards and the requirements of the Adaptation Fund and the Green Climate Fund. These provisions apply to all activities financed, administered, or supported by OSS.

Section 4.02 *Definitions;* For the purposes of this Article:

For the purposes of this Article:

- **(a) Money Laundering** means the conversion, transfer, concealment, acquisition, possession, or use of property knowing that such property is derived from criminal activity, as defined under applicable international conventions.
- **(b) Terrorist Financing** means the provision or collection of funds, directly or indirectly, with the intention or knowledge that they will be used, in whole or in part, to carry out terrorist acts.
- **(c) Prohibited Practices** include corrupt, fraudulent, coercive, collusive, obstructive practices, abuse, conflict of interest, retaliation against whistleblowers, money laundering, and terrorist financing.

Section 4.03 *Obligations of Counterparties;* All counterparties shall:

- (i) Implement a risk-based AML/CFT framework**, including Know Your Customer (KYC) and beneficial ownership verification;
- (ii) Conduct risk assessments** and apply enhanced due diligence for high-risk entities;
- (iii) Screen all counterparties** against relevant international sanctions lists and maintain evidence of such screening;
- (iv) Monitor** transactions and activities on an ongoing basis;
- (v) Report promptly** any suspicious transactions to OSS and, where required, to competent authorities;
- (vi) Maintain AML/CFT-related records** for at least five (5) years after project completion;
- (vii) Provide regular training** to staff and implementing partners;
- (viii) Ensure** that sanctioned individuals or entities do not participate in Fund-related activities.

Section 4.04 *OSS Rights and Enforcement;*

OSS may investigate allegations, impose sanctions (including reprimand, suspension, debarment, restitution), reject or cancel financing, and share information with competent authorities and international organizations.

Section 4.05 *International*

Standards;

OSS and all counterparties shall comply with Financial Action Task Force (FATF) Recommendations, United Nations conventions, and applicable national laws on AML/CFT.

Article 5. Cancellation; Suspension ; Refund of the Grant Funds

Section 5.01 Cancellation by the Beneficiary.

The Beneficiary may, by notice to OSS, request to cancel all or part of the undisbursed amount of the Grant.

Section 5.02 Suspension by OSS.

OSS may, by notice to the Beneficiary, stop the Beneficiary's right to withdraw from the Grant Account if any of the following events occur and persist:

- (a). If the Beneficiary: i) takes, or stands behind any measure which would hinder or obstruct the Project execution; or ii) does not give OSS representatives reasonable opportunities to visit any part of its territory for purposes related to the Grant or the Project.
- (b). Failure to Perform Obligations. The Beneficiary has failed in any obligation falling under his/her responsibility under the Grant Agreement.
- (c). Exceptional situation. As a result of events after the Grant Agreement signature date, an exceptional situation has arisen making it unlikely for the Beneficiary to execute the Project or perform his/her obligations under the Grant Agreement.
- (d). Misrepresentation of the facts. A representation made by the Beneficiary in the Grant Agreement or under said Agreement, or any representation or statement made by the Beneficiary to be taken into account by OSS for the award of the Grant, turns to be inaccurate on any important point.
- (e). Assignment of Obligations - Transfer of Assets. The Beneficiary (or any other entity in charge of executing any part of the Project) has, without OSS agreement: i) assigned or transferred all or part of any of the obligations falling under his/her responsibility under the Grant Agreement; or ii) sold, rented, transferred, assigned or alienated in any way whatsoever any asset or property wholly or partly financed by the Grant funds.
- (f). Any measure has been taken to dissolve any entity entrusted with the execution of any part of the Project, or to terminate its activity or to stop its operations.
- (g). Any entity in charge of executing any part of the Project has ceased to exist in the legal form it initially had at the Grant Agreement date.
- (h). The legal nature, ownership or control of any other entity in charge of implementing part of the Project has changed compared to that in force at the Grant Agreement signature date, to significantly affect and adversely affect the Beneficiary's (or that other entity's) ability to perform any of its obligations under the Grant Agreement or to achieve the Project objectives.
- (i). Other events. Any other fact specified in the Grant Agreement for this Section has occurred ("Other Cases of Suspension").

The aforementioned suspension lasts until OSS notifies the Beneficiary of the reinstatement of the right to make withdrawals.

Section 5.03 Cancellation by OSS.

OSS may, by notice to the Beneficiary, terminate the Beneficiary's right to make withdrawals for all or part of the undisbursed money of the Grant and cancel this part of the Grant if any of the facts listed below occur:

- (a). Unrequired amount. After consulting the Beneficiary, OSS decides that part of the Grant is not necessary to finance the Eligible Expenses.
- (b). Incompliant procurement with the existing regulations, Fraud and Corruption. OSS: i) determines, within the framework of any contract to be financed by the Grant funds, that A) the procurement does not comply with the procedures stipulated or referred to in the Grant Agreement; or B) a representative of the Beneficiary has engaged in fraudulent

acts or acts of corruption, collusion or coercion when awarding or executing the said contract, without the Beneficiary (or said other beneficiary of the Grant funds) has taken the necessary measures to remedy the situation, in good time and to the satisfaction of OSS; and ii) comes to the conclusion that the expenditure amount relating to the said contract would otherwise have been eligible.

- (c). Closing Date. A remaining undisbursed money from the Grant after the Closing Date.

Section 5.04 Amounts subject to a Special Commitment, unaffected by a Cancellation or Suspension.

No amount subject to a Special Commitment may be canceled or suspended by OSS unless otherwise expressly stated by the Special Commitment.

Section 5.05 Refund of the Grant.

- (a). If OSS believes that any amount of the Grant has been inconsistently used with the provisions of the Grant Agreement or these General Conditions of the Grant Agreements, the Beneficiary, upon notice by OSS, promptly transfers said amount to OSS.
- (b). Such inconsistent use includes, but is not limited to: i) making payment for an expenditure which is not an Eligible Expenditure; or ii) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of this amount, or using this amount to finance a contract which was subject during its award or execution, to such practices, in both cases without the Beneficiary having taken the timely and appropriate measures to stand against these practices in due time.
- (c). Unless otherwise stated by OSS, OSS cancels all amounts transferred in accordance with the provisions of this Section.

Section 5.06 Applicability of the Provisions.

Notwithstanding any cancellation, suspension or refund under this Article, all the provisions of the Grant Agreement remain applicable and fully effective, unless otherwise stated in the General Conditions.

Article 6. Governing law

Section 6.01 Unless otherwise stated by the Grant Agreement, the Grant Agreement is governed by public international law.

Article 7. Arbitration

Section 7.01 Any dispute between the parties of the Grant Agreement, or any claim by one party against the other party under the Grant Agreement, which has not been settled amicably between the parties, is subject to arbitration in accordance with the UNCITRAL Arbitration Rules as presently in force. The arbitration of the dispute must be done in particular by applying in good faith the principle of interpretation.

Article 8. Entry into force; Resolution

Section 8.01 Entry into force

Unless otherwise stated by the Grant Agreement, the Grant Agreement comes into force on the date it is signed by all parties of the Grant Agreement.

Section 8.02 Resolution.

The Grant Agreement and all the obligations of the parties hereunder terminate when such obligations have been duly fulfilled.

Article 9. Miscellaneous

Section 9.01 Notices and Requests.

Any notice (or request) under the Grant Agreement must be made in writing. This notice (or request) is deemed to have been duly sent when delivered by hand, by post, email, telex or fax to the party this notice (or request) is addressed ("Recipient"), to the address indicated for this purpose in the Grant Agreement (or to any other address indicated by the Recipient by notice to the notifying or requesting party) ("Address").

Section 9.02 Representation of the Beneficiary.

The representative designated by the Beneficiary in the Grant Agreement for this Section (or any person whom such representative has, in writing, authorized for this purpose) ("Beneficiary Representative") may take any action that must or which may be taken under the Grant Agreement, and sign any document that must or that can be signed under the Grant Agreement, on behalf of the Beneficiary.

Section 9.03 Statement of Authority.

The Beneficiary provides OSS with: a) documents confirming the powers vested in the Representative of the Beneficiary; and b) legalized specimens of the signature of said representative.

Section 9.04 Signature on Several Copies

The Grant Agreement may be signed in several copies, each having the value of an original. The number of copies is specified in each Grant agreement.

Article 10. Privileges and Immunities

Section 10.01 The Accredited Entity Sahara and Sahel is Observatory is accorded certain privileges, immunities, and exemptions as are necessary for the fulfilment of its purposesmandate. Its staff and experts (including the Staff and Experts of the Fund) similarly enjoy such privileges, immunities, and exemptions as are necessary for the independent exercise of their official functions.

Nothing in or related to this Agreement may be construed as a waiver, express or implied, of the privileges, immunities and exemptions accorded to the Sahara and Sahel Observatory, the Governing Instrument, the Agreement between the Republic of Korea and the Green Climate Fund (GCF) concerning the Headquarters of the Fund, the headquarter agreement between the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Government of the Republic of Tunisia concerning the establishment and functioning of the Sahara and Sahel Observatory, international law, including international customary law, any international conventions, treaties or agreements, or any other applicable laws or agreements.

APPENDIX

Definitions

1. The "Grant Agreement" means the grant agreement between the Beneficiary and OSS for the award of the Grant, and any modifications that may be made to it. The "Grant Agreement" expression includes these General Conditions as they can be applied to it, as well as all annexes, appendices and complementary agreements to the Grant Agreement.
2. The "Address" term means the address of the Recipient referred to in Section 7.01, to which notices and requests under the Grant Agreement are addressed.
3. The "Other suspension cases" means any suspension case set out in the Grant Agreement for Section 4.02 (g).
4. The "Beneficiary" means the party to the Grant Agreement to which the Grant is awarded.
5. The "Grant Account" expression means the account opened by OSS to which the amount of the Grant is credited in accordance with Section 3.01 (a).
6. The "Acceptable Bank" means a bank Acceptable by OSS.
7. The "Account Holding Bank" expression designates an Acceptable Bank in the books of which the Beneficiary commits to open, maintain and operate the Project Account.
8. The "Dedicated Account" expression designates each of the accounts referred to in Section 3.05 in which OSS may deposit amounts withdrawn from the Grant Account as an advance for the purposes of the Project.
9. The "Closing Date" expression designates the date indicated in the Grant Agreement (or any later date established by OSS and notified to the Beneficiary) after which OSS may, by notice to the Beneficiary, terminate the right of the Beneficiary to withdraw funds from the Grant Account.
10. The "Request" term means a request made by the Beneficiary in accordance with the provisions of Section 3.04 to withdraw funds from the Grant Account.
11. The "Eligible Expense" expression designates an expense the payment of which meets the conditions set out in Section 3.06 and which may therefore be financed from the Grant funds.
12. The "Recipient" means the party to whom notices and requests are addressed for the purposes of Section 7.01.
13. The "Grant" means the grant made under the terms of the Grant Agreement.
14. The "Financial Statements" means the financial statements of the Project to be maintained in accordance with the provisions of Section 2.07.
15. The "Taxes" means Taxes, levies, fees and rights of all kinds in force on the date of the Grant Agreement or established subsequently.
16. The "Supporting Documents" expression designates the papers and documents to be communicated to OSS in accordance with the provisions of Section 3.04 (b) as part of a Request.

17. The "Project" term designates the project described in the Grant Agreement, for the financing of which the Grant is granted, as well as the modifications that may be made to the description of said project, by mutual agreement between the Beneficiary and OSS.
18. The "Completion Report" means every report to be prepared and communicated to OSS at the end of Section 2.06 (b) (ii).
19. The "Project Report" expression designates every report relating to the Project to be prepared and communicated to OSS at the end of Section 2.06 (b) (i).
20. The "Beneficiary Representative" means the representative referred to in Section 7.02 specified by the Beneficiary in the Grant Agreement or authorized in writing by said representative for the purposes of the said Section.
21. The "Category of Expenses" expression designates any category of assets, works and services related to the Project, to be financed from the Grant resources.