



Northern Dimension  
Partnership in Public  
Health and Social Well-  
being

**Financial Rules**  
**of**  
**the Secretariat of the Northern Dimension Partnership**  
**in Public Health and Social Well-being**

Approved on 30 October 2012  
by the Parties to the Agreement on the Establishment of the Secretariat of the  
Northern Dimension Partnership in Public Health and Social Well-being

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## **PREAMBLE**

The following Financial Rules shall govern the financial administration of the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being established by the Agreement on the Establishment of the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being.

These rules are formulated in accordance with and are subordinate to what is stipulated in:

1. The Agreement on the Establishment of the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being.
2. The Terms of Reference of the Secretariat of the NDPHS.
3. The Agreement between the Government of Sweden and the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being concerning the immunities and privileges of the Secretariat and its staff.

The Financial Rules shall become effective as of 1 January 2013.

## **DEFINITIONS**

In the Financial Rules the following words and terms have the following meanings:

The NDPHS: the Northern Dimension Partnership in Public Health and Social Well-being.

The Secretariat: the Secretariat of the NDPHS.

The Agreement: the Agreement on the Establishment of the Secretariat of the Northern Dimension Partnership in Public Health and Social Well-being.

Parties: Parties to the Agreement.

The Host Country: the country where the Secretariat's seat is located.

The CSR: the NDPHS Committee of Senior Representatives.

The Director: the Director of the Secretariat.

Voluntary unearmarked contribution: a financial contribution to the Secretariat without specific terms and conditions attached by the donor.

Voluntary earmarked contribution: a financial contribution made by a donor to the Secretariat, the terms and conditions of which are specified in a grant agreement signed between the donor and the Secretariat.

# **CHAPTER I GENERAL PROVISIONS**

## **ARTICLE 1: Authority and applicability**

1.1 The Director is responsible to the Parties in financial matters.

1.2 The Director may delegate such powers as he deems necessary to secure the proper and effective administration of the Secretariat.

## **ARTICLE 2: Financial period**

The financial period of the Secretariat shall be the calendar year.

## **ARTICLE 3: Custody of deposit**

The Director shall designate the bank or banks in which the deposits of the Secretariat shall be kept.

## **ARTICLE 4: Accounts**

4.1 The accounts of the Secretariat shall be kept in such a currency or currencies as the Director deems necessary.

4.2 The financial regulations of the Secretariat shall be the International Public Sector Accounting Standards (IPSAS).

4.3 The accounts shall be presented in the currency of the Host Country. Notwithstanding this, the Director may choose to present the accounts of project-based activities in the currency in which they are held.

4.4 The Director shall submit a Statement of Accounts for each financial period to the auditors not later than sixty days following the end of the financial period in question.

4.5 The Director shall present the Statement of Accounts to the Parties as soon as these have been audited and the report from the audit has been made available to the Secretariat.

4.6 The Statement shall show the income of the Secretariat and, under separate headings, expenditure, and shall be accompanied by an explanatory memorandum. It shall cover all accounts and funds of the Secretariat.

## **ARTICLE 5: Internal control**

5.1 The Director shall be responsible for the internal control of the resources of the Secretariat.

5.2 The internal control shall provide for an effective examination and/or review of all financial transactions in order to ensure the proper, accurate and economic use of the resources of the Secretariat.

## **ARTICLE 6: External Audit**

6.1 The Secretariat shall be audited annually by an independent Auditor appointed by the Parties.

6.2 State auditors of the Parties shall have access to the accounts of the Secretariat.

## **ARTICLE 7: Amendment of rules**

These financial rules may be amended by the Parties through unanimous decision.

# **CHAPTER II ANNUAL BUDGET AND CONTRIBUTIONS**

## **ARTICLE 8: Annual budget**

8.1 Every year, the Director shall prepare a draft annual budget of the Secretariat for the forthcoming financial year and submit it to the Parties for adoption.

8.2 The draft annual budget shall cover income and expenditures. The expenditures shall be divided into chapters according to their type.

8.3 The draft annual budget shall be presented in the currency of the Host Country.

8.4 The draft annual budget shall be dispatched by the Director, in agreement with the CSR Chair, to the Parties at least twenty days before the date fixed for the first meeting of the Parties in a new financial period.

8.5 The draft annual budget shall be accompanied by the approved budget for the current financial period.

8.6 The Parties shall consider the draft annual budget and decide thereupon, taking into account the time frame of their respective national budgetary procedures.

## **ARTICLE 9: Annual contributions**

9.1 The approved annual budget shall be financed by annual contributions according to the payment formula stipulated in Article 8 of the Agreement.

9.2 After the Parties have approved the annual budget for the upcoming financial period, the Director shall without delay send a copy of the annual budget to all Parties together with a call for contributions for the financial period in question.

9.3 The approval of the annual budget constitutes an authorisation for the Director to incur obligations and make payments for the purposes stated in the budget.

9.4 Contributions to the annual budget shall be payable in such a currency as defined in Article 8.3 within thirty days from the receipt of the call for contributions mentioned above in Article 9.2 or on the first day of the upcoming financial period, whichever is later.

9.5 Any Party may inform the Director of its preference to pay its contribution to the annual budget in two instalments. In such a case, at least half of that Party's contribution shall be payable according to the previous paragraph and the remaining amount within six months from that date at the latest.

9.6 Where a special necessity arises, the Director may affect transfer from one chapter of the annual budget to another, provided that this adjustment does not affect the operations of the Secretariat and the transfer between the chapters does not exceed ten per cent of the chapter to which the transfer is intended. If the transfer is to exceed the above threshold of ten per cent, the Director may affect the transfer only after having obtained the approval of the CSR Chair.

## **CHAPTER III VOLUNTARY EARMARKED CONTRIBUTIONS**

### **ARTICLE 10: Receipt and objective**

10.1 In addition to the annual contributions referred to in Article 9, the Secretariat may receive voluntary contributions (grants, including EU funds) earmarked for specific activities or projects aimed to contribute to the achievement of the NDPHS objectives and, in particular, the agreed NDPHS goals, operational targets and work plans.

10.2 Any interested party may make an earmarked contribution to the Secretariat. Contributions are subject to prior consent of the Parties which will ensure that the Partnership's interests would be served by accepting the contribution and that the mission and activities of the potential donor do not contradict the Partnership's mission and objectives as spelled out in the Oslo Declaration.

10.3 Before accepting an earmarked contribution the Secretariat shall draw a grant agreement with the contributing party clearly specifying terms and conditions such as the objectives, the actions to be taken, the implementation period, the estimated budget and the reporting requirements.

10.4 The Parties shall not decide on an alternative use of earmarked funds if in contradiction with the terms of the grant agreement signed between the contributing party and the Secretariat. If not in contradiction with the grant agreement, the Parties, after considering the recommendation of the Director, shall decide on the use of the funds remaining in the grant account after all donor's requirements attached to the grant are satisfied.

### **ARTICLE 11: Administration, currency and accounts**

11.1 The general provisions as contained in Chapter I shall apply *mutatis mutandis* to the administration, currency and presentation of accounts of the activities and projects funded by earmarked contributions.

11.2 Article 11.1 notwithstanding, the individual financial accounts of the activities and projects funded by earmarked contributions shall be presented in the currency or currencies in which they are kept.

11.3 Income and expenditure regarding each individual activity and project run shall be registered in individual activity/project accounts so as to be easily identified and traced to and within the Secretariat's accounting and book-keeping systems.

11.4 The Director shall prepare narrative and financial reports as required by individual contributors.

11.5 If required by an individual contributor, the accounts of the activity or the project funded by his earmarked contribution shall be audited by an independent Auditor, as foreseen in the agreement signed between him and the Secretariat.

11.6 The Parties shall be kept duly informed during the implementation process (for activities and projects longer than 12 months) and/or after its completion (for activities and projects lasting up to 12 months). They shall, upon request, have access to examine the narrative and financial aspects of the activities and projects implemented.

## **ARTICLE 12: Withdrawal of funds**

12.1 Withdrawal of funds and other transactions concerning funds earmarked for a given activity or project shall be made in accordance with the respective agreement signed between the individual contributor and the Secretariat.

## **CHAPTER IV NDPHS ACTIVITY FUND**

## **ARTICLE 13: Establishment and objective**

13.1 The Secretariat shall establish and maintain an Activity Fund.

13.2 Any interested party may make an unearmarked contribution to the Activity Fund. Contributions from parties other than NDPHS Partners and Participants are subject to prior consent of the Parties.

13.3 Funds at the Activity Fund shall be used to finance activities aimed at contributing to the achievement of the NDPHS objectives, e.g., facilitation and implementation of projects, organisation of events and development of publications.

13.4 The Parties may decide on an alternative use of funds as long as this does not contradict any conditions attached to a given contribution by its contributor.

## **ARTICLE 14: Administration, currency and presentation of accounts**

14.1 The general provisions as contained in Chapter I shall apply *mutatis mutandis* to the administration, currency and presentation of accounts of the Activity Fund.

14.2 Article 14.1 notwithstanding, the financial accounts of the Activity Fund shall be presented in the currency or currencies in which they are kept.

14.3 The Director shall prepare narrative and financial reports as required by individual contributors.

## **ARTICLE 15: Withdrawal of funds**

15.1 The Director may propose the withdrawal of funds to the CSR Chair. A joint decision by the Director and the CSR Chair shall be required for the withdrawal. The decision shall be made in writing and transactions shall thereafter be made, in accordance with the individual

circumstances of the decision, by the Secretariat. The Director shall inform the Parties about the withdrawal of funds at their following meeting.

15.2 A decision by the Parties on the withdrawal of funds, made during their meeting and recorded in the minutes of that meeting or made in a written procedure, can also initiate a withdrawal from the Activity Fund.

## **CHAPTER V NDPHS WORKING CAPITAL FUND**

### **ARTICLE 16: Establishment and objective**

The Secretariat shall establish and maintain a Working Capital Fund to meet any short-term liquidity problems and provide financing for any budgetary appropriations pending the receipt of contributions pursuant to Article 9 above or other income, and, in exceptional circumstances and subject to prior authorization by the Parties, provide advances to meet any such contingencies and emergencies that may arise.

### **ARTICLE 17: Administration, currency and presentation of accounts**

17.1 The general provisions as contained in Chapter I shall apply *mutatis mutandis* to the administration, currency and presentation of accounts of the Working Capital Fund.

17.2 The Working Capital Fund shall be administered as a separate account.

### **ARTICLE 18: Level of the Working Capital Fund and initial filling up**

18.1 The base level of the Working Capital Fund shall amount to no less than SEK 450,000.

18.2 The Parties shall jointly decide on the means of the initial filling up of the Working Capital Fund.

### **ARTICLE 19: Withdrawal from and replenishment of the Working Capital Fund**

19.1 All withdrawals from the Working Capital Fund shall be subject to the approval by the Parties after consultations with the Director.

19.2 Withdrawals may be made from the Working Capital Fund to cover any budgetary expenditure for any financial period pending receipt of contributions pursuant to Article 9 above or other income, and/or expenditure incurred in the financing of any contingencies and emergencies under prior authorization of the Parties, and shall be reimbursed to the Fund in the course of the same financial period as soon as income from contributions or other income is available for this purpose.

19.3 The Parties shall jointly decide about the replenishment of the Working Capital Fund in case a pending income is not paid during the financial period in question.

19.4 Any interest gained on the capital held in the Working Capital Fund shall be credited to the NDPHS Activity Fund. The Parties may decide to keep such interest in the Working Capital Fund in case it is necessary to help replenish the Working Capital Fund after a withdrawal to finance expenditure incurred in respect of contingencies or emergencies.