

Section 6. Suspension/Termination Policy and Procedures of Projects/Activities

I. General Policy

1. APN may immediately suspend or terminate the financial support of a project/activity when it believes such action is reasonable to protect the interests of APN and/or any of its Member Country Governments.
2. Action by APN to suspend or terminate the financial support of a project/activity will be taken only after the Project Leader and the Authorised Representative of the Grantee have been informed by APN of the planned action, or informed of any project/activity deficiency on their part, and given an opportunity to explain themselves and correct the deficiency. Specifically:
 - a. When the official term of the last drawn Contract of a project/activity has expired by six months, and no communications from the Project Leader or Authorised Representative of the Grantee is made. This is considered a deficiency and suspension and termination policy will apply;
 - b. When its Scientific Planning Group (SPG) Sub-Committee and Co-Chairs of the Capacity Development Committee judges the performance of the project/activity as poor compared to the original objectives as described in the proposal attached to the Contract;
 - c. When the Project Leader and/or Authorised Representative of the Grantee have materially failed to comply with the terms and conditions set forth in the Contract and associated regulations; or
 - d. By APN due to misconduct in science as outlined in **Part 3., Section 7. Misconduct in Science**.
3. Action by mutual agreement to terminate financial support will be taken if APN and the Grantee agree that continuation of the project/activity would not produce results commensurate with the further expenditure of funds, or if any other reason arises. If APN and the Grantee cannot reach an agreement, APN reserves the right to unilaterally terminate the Grant.
4. Action by the Project Leader and Authorised Representative of the Grantee will be taken upon written notice to APN setting forth the reasons for such action, the effective date, and, in the case of partial termination, the portion to be terminated or suspended (with the understanding that if APN determines that the non-terminated portion will not accomplish the purposes of the financial support it may suspend or terminate the entire financial support).
5. The Project Leader and the Authorised Representative of the Grantee have the right to appeal APN's decision of a suspension or termination (refer to **III. Step by Step**

Procedures for Appeal of Termination below).

II. Step by Step Procedures for Suspension or Termination

By APN:

Step 1: When a Project Leader and/or Authorised Representative of the Grantee have failed to comply with one or more of the terms and conditions set forth in the Contract and associated Contract documentation, the Director of APN Secretariat will advise the Project Leader and Authorised Representative of the Grantee, in a written letter (with copy to the Steering Committee (SC) Chair, national Focal Point (nFP) where the Grantee is located, SPG Co-Chairs and the SPG Member where the Grantee is located), of the nature of the problem and that failure to correct the deficiency may result in suspension or termination of financial support. The Project Leader and/or Authorised Representative of the Grantee will be requested to respond, in a written letter, within 30 calendar days of the date of APN letter, describing the action planned or taken to correct the deficiency (with copy to the SC Chair, nFP where the Grantee is located, SPG Co-Chairs and SPG Member where the Grantee is located)⁴.

Step 2:

- A. If a satisfactory response is not received within the period outlined in Step 1, the Director of APN Secretariat may issue, following consultation with the SC Chair and SPG Co-Chairs, (including in the correspondence the nFP and SPG Member of the Member Country in which the Grantee is located), a notice immediately suspending the financial support, including suspending authority to further obligate funds, in whole or in part. Written notice of the suspension shall be sent by registered postal mail (return mail requested) to the Authorised Representative of the Grantee, with a copy to the Project Leader. The notice will set forth the terms of the suspension and its effective date. The suspension will remain in effect for a maximum of 60 days to allow the Project Leader and the Authorised Representative of the Grantee to take corrective action and report to the Director of APN Secretariat.
- B. If a satisfactory response is not received within the period outlined in Step 1, and the project contract period has ended, Step 3 below can be applied.

Step 3: In the event that the deficiency has not been corrected within the period of suspension to the satisfaction of APN or condition as described in Step 2 –B applies, the Director of APN Secretariat may issue, in consultation with the SC Chair and the SPG Co-Chairs, a written notice of termination to the Project Leader and Authorised Representative

⁴ In the event that the Grantee organisation is located in a country that is not a member of the APN, only the two SPG Co-Chairs and the SC Chair will be informed.

of the Grantee. The written notice will set forth the reasons for the action and its effective date.

Step 4: Within 30 days of the termination date, the Project Leader and/or Authorised Representative of the Grantee will submit to the Secretariat i) a technical report outlining the activities conducted under the financial support and ii) a financial report of costs incurred prior to the termination date or pursuant to Restriction 2 (see end of document). Final costs under a termination settlement will be provided in accordance with the terms of the Contract, including the Contract Documentation, giving due consideration to the progress of the activities conducted under the financial support.

A written notice of termination by APN and/or the final settlement amount may be appealed pursuant to **III. Step by Step Procedures for Appeal of Termination**. Pending resolution of an appeal, the notice of termination will remain in effect.

Step 5: If the Project Leader and/or Authorised Representative of the Grantee fails to respond to **II. Step by Step Procedures for Suspension or Termination** then the Inter-Governmental Meeting (IGM), which is the decision-making body of APN, reserves the right to terminate the Contract and request return of any unspent funds to APN. This step is non-negotiable and cannot be appealed.

Termination by Mutual Agreement:

Step 1: Initiated by the Project Leader and/or Authorised Representative of the Grantee

If the Project Leader and/or Authorised Representative of the Grantee wish to terminate a project/activity, the Authorised Representative of the Grantee shall notify the Director of APN Secretariat in writing.

Step 1: Initiated by the APN

If APN wishes to terminate a project/activity, the Director of APN Secretariat shall notify, after having consulted the SC Chair and the SPG Co-Chairs, in writing, the Authorised Representative of the Grantee, and send copies of such written notification to the Project Leader, the nFP and SPG Member of the Member Country in which the Grantee is located.

Step 2: Within 30 days after receipt of request from either party for termination by mutual agreement, the other party will provide an appropriate written decision. Following termination, the Project Leader and/or Authorised Representative of the Grantee will submit, where necessary, to the Secretariat i) a technical report outlining the activities conducted under the financial support and ii) a financial report of costs incurred prior to the termination date.

III. Step by Step Procedures for Appeal of Termination

Step 1: The Project Leader and/or Authorised Representative of the Grantee shall submit a written letter and send by registered mail to the SC Chair of the APN (with copy to APN Secretariat Director, nFP where the Grantee is located, SPG Co-Chairs and SPG Member where the Grantee is located), noting their disagreement, giving reasons for the appeal and providing any other material pertinent to the appeal.

Step 2: The letter as described in Step 1 must be postmarked no later than 30 days after the date of the written notice of termination from APN Secretariat Director of financial support to the Project Leader and the Authorised Representative of the Grantee. The timeline for filing an appeal is strictly enforced and no extension for preparing an appeal will be granted.

The written letter of appeal must contain the following information:

- a full statement from the Project Leader’s and Authorised Representative of the Grantee’s position with respect to the disputed matter
- facts and reasons in support of the position of the Project Leader and Authorised Representative of the Grantee

Appeals will be considered if the Project Leader and the Authorised Representative of the Grantee:

- submit new information (which may not have been available at the time of the decision of termination)
- identify factual error(s) or error(s) in application of APN policy in the original decision
- identify that improper procedures were applied when making the original decision

Step 4: The SC Chair will review and consider the appeal, in consultation with the SPG Co-Chairs. The SC Chair and SPG Co-Chairs may also designate an individual(s) to review the case. Any designated individual(s) must not have been involved with the original decision to terminate the project/activity, nor involved in recommending and/or monitoring the scientific aspects of the project, or responsible for negotiating and/or administering its business aspects. Any designated individual(s) will review and consider all relevant information available and supply the SC Chair with a written report within 30 calendar days from the designation date. This report will provide a recommendation to the SC Chair and SPG Co-Chairs for the final and non-appealable written decision.

Step 5: After additional consultation with the SPG Co-Chairs, the SC Chair will relay the final decision, in writing, to the Director of APN Secretariat who will then communicate the decision to the Project Leader and Authorised Representative of the Grantee (with copies to the nFP and SPG Member of the Member Country in which the Grantee is located) within 14

calendar days of receipt of the final decision.

IV. Restrictions while a Suspension/Termination Policy is in Place

Restriction 1: The Project Leader and/or Authorised Representative of the Grantee involved in the project/activity may be considered ineligible for future funding by APN until APN has determined that the terms and conditions of the Contract have been fully satisfied and the causes for the suspension or termination removed.

Restriction 2: No reimbursement of costs incurred during a suspension period or after the effective date of a termination will be allowed, except:

- those costs which, in the opinion of APN, the Grantee could not reasonably avoid or eliminate
- those costs authorised under the period of the suspension or termination notice, provided that such costs were permitted under the terms and conditions of the Contract.

