

**THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN THE FEDERAL REPUBLIC OF GERMANY, REPRESENTED BY THE FEDERAL
MINISTER FOR FOREIGN AFFAIRS, (THE DONOR) AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

With reference to the project document “**Integrated Regional Stabilisation of the lake Chad Basin Phase II**” (“the Project Document”), submitted in its final version for information with e-mail message dated 18 December 2018 by the United Nations Development Programme (hereinafter referred to as “UNDP”) to the Government of Germany, the latter acting through the agency of Matthias Schauer, Chargé d’Affaires a.i. of the Federal Republic of Germany in Addis Ababa, hereinafter referred to as “the Donor”, the Donor agrees to contribute funds to UNDP on a cost-sharing basis for the implementation of the project as described in the Project Document (“the Project”) (Donor’s reference: S03-381.50-P-14/19; UNDP Project ID: 00116180).

Article I. The Contribution

1. (a) The Donor shall, in accordance with the schedule of payments set out below for the period 1 January 2019 to 31 March 2020, contribute to UNDP the amount of up to

6.264.726,51 EUR

(in words: six million two hundred sixty-four thousand seven hundred twenty-six Euro and fifty-one Euro-Cent)

2019: 5.556.547,48 EUR

2020: 708.179,03 EUR

Upon the written request by UNDP, the contribution shall be deposited in the account at:

Bank:	Bank of America - LONDON
Bank account:	600862722022
Address:	Mail Code: 473-672-09-01; 5 Canada Square, London E14 5AQ, UNITED KINGDOM
IBAN:	GB59BOFA16505062722022
Sort Code:	16-50-50
SWIFT:	BOFAGB22

<u>Schedule of payments</u>	<u>Amount</u>
25.01.2019	up to 1,852,182.50 EUR
15.05.2019	up to 1,852,182.50 EUR
15.09.2019	up to 1,852,182.48 EUR
25.01.2020	up to 708,179.03 EUR

- (b) The Donor will inform UNDP when the contribution is paid via an e-mail message with remittance information to contributions@undp.org providing the following information: UNDP RSCA/Regional Stabilization for the Lake Chad Basin. This information should also be included in the bank remittance advice when funds are remitted to UNDP.
- (c) UNDP is prepared to receive and administer the contribution for the implementation of the Project.
- (d) UNDP shall duly inform the Government of Nigeria, Cameroon, Niger, and Chad of the contribution of the Donor to the Project.
- (e) UNDP shall designate an Implementing Partner for the implementation of the Project (Implementing Partner).
- (f) The authorized period shall be the time from 1 January 2019 to 31 March 2020. The contribution referred to in paragraph 1 of the present Agreement shall be approved for the 2019 financial year (1 January to 31 December 2019) and 2020 financial year (1 January to 31 December 2020). Parts of the contribution not disbursed by 31 December 2019 cannot be carried forward to the succeeding financial year (2020).

2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Donor with a view to determining whether any further financing could be provided by the Donor. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by UNDP.

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended during the course of the respective year to be consistent with the progress of project delivery. UNDP shall request the disbursements in advance of the related expenditures on the basis of the progress of the Project. The progress shall be presented in the annual status and financial reports submitted in accordance with Article III.

4. UNDP shall receive and administer the payment in accordance with the regulations and rules, policies and procedures of UNDP.

5. All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1. The contribution shall be used exclusively to meet the costs of the Project as described in the Project Document dated 27 November 2018, including administrative and support services as set out in Article IV. The Project Document shall include

- (a) a proposed project budget, broken down in requirements per annum as well as the related financing plan which sets out how the required funding for the implementation of the Project shall be secured;

(b) a narrative proposal that contains all information relevant for Project appraisal (e.g. objectives, expected outcomes and outputs, including baselines and indicators; target groups).

2. The implementation of the responsibilities of UNDP and of the Implementing Partner pursuant to this Arrangement and the Project Document shall be dependent on receipt by UNDP of the contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above. UNDP shall not start the implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable). UNDP shall maintain separate accounting records for the Project.

3. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavours to obtain the additional funds required.

4. If the payments referred to in Article I, paragraph 1, above are not received in accordance with Article I, or if the additional financing required in accordance with paragraph 3 above is not forthcoming from the Donor or other sources, the assistance to be provided to the Project under this Arrangement may be reduced, suspended or terminated by UNDP.

5. Any interest revenue attributable to the contribution shall be credited to the UNDP Account. It shall be retained by UNDP and shall be utilized in accordance with established UNDP procedures.

6. UNDP, according to UNDP rules and regulations, abides by the decisions on sanctions by the UN Security Council. Consistent with numerous United Nations Security Council Resolutions relating to terrorism or country-specific sanctions regimes, UNDP undertakes to use all reasonable efforts to ensure that none of the donor funds provided under this Arrangement are used, directly or indirectly, to provide support to individuals or entities who are subject to UN sanctions. UNDP will include in its funding arrangements with its partners a clause requesting the recipient to commit to the same. As required by UNDP's rules and procedures, UNDP will screen potential partners, contractors and staff to ensure it does not knowingly work with any entity appearing on the Consolidated United Nations Security Council Sanctions List. If, during the term of this Arrangement, UNDP discovers a link between the funded activities and an organization or individual listed in the UN Security Council sanctions lists, it must inform the Donor immediately. In consultation with the Donor and other donors as applicable, an appropriate response will be determined.

7. Sanction List

(a) UNDP represents that it does not maintain any business relationship or has not engaged in any other activity (i) with or in favour of persons, organisations or entities which are listed on a sanctions list issued by the United Nations Security Council ("Sanctions Lists"), or (ii) which would constitute a breach of embargoes regulating foreign trade or of so-called financial sanctions issued by the aforementioned institution (together "Sanctions").

(b) UNDP will not enter into or continue any business relationship with persons, organisations or entities listed on any of the Sanctions Lists and will not engage in any other activity that would constitute a breach of Sanctions.

- (c) UNDP will include an appropriate clause in its agreements with implementing partner(s) requiring that such implementing partners use all reasonable efforts to ensure that no funds transferred are used to benefit individuals or entities appearing on the Consolidated United Nations Security Council Sanctions List.
- (d) UNDP will inform the Government of Germany, promptly and of its own accord, of the occurrence of any event which results in (i) UNDP, (ii) any member of its management bodies or (iii) other governing bodies or any of its shareholders, being listed on a Sanctions Lists.
- (e) UNDP will, subject to and in accordance with the status, privileges and immunities of the United Nations and its applicable rules, policies and procedures, provide to the Government of Germany, as soon as the respective relevant information is available, with a list detailing the partners who will receive funds in connection with the implementation of the Project (the "Government of Germany List") and with a funding schedule listing the amounts of contributions. The Government of Germany List will contain the following information: Name of the contractor/supplier/implementing partner and country of registration. UNDP will notify the Government of Germany of any changes to the Government of Germany List without undue delay. To the extent required by the Government of Germany, and subject to and in accordance with the status, privileges and immunities of the United Nations and its applicable rules, policies and procedures, UNDP will make reasonable endeavours to provide additional details in order to assist the Government of Germany to establish the identity of specific contractors/suppliers/implementing partners on the Government of Germany List. If, from the perspective of the Government of Germany, an entry in the Government of Germany List presents any concern, the Government of Germany will inform UNDP accordingly. In this case, the Government of Germany will inform UNDP accordingly and, in that event, the Government of Germany will not issue a Non-Objection Letter to the contract award (with Government of Germany funding) to that specific contractor/supplier/implementing partner. However, considering UNDP as the ultimate and final procurement authority in the procurement process, UNDP will be free to proceed under its own responsibility with the award with funding from other source (donors) and not Government of Germany funding. If no other funding is available, the Parties will engage in a dialogue aiming to find a solution (including but not limited to (a) the reformulation of the Project {such as a phase of the Project} in order to allow a new tendering exercise by UNDP and (b) the mutually agreed termination of the Project {in this case all costs incurred by UNDP to the termination date shall be considered eligible costs}).

Article III. Administration and reporting

1. Project management and expenditures shall be governed by the regulations and rules, policies and procedures of UNDP and, where applicable, the regulations, rules and directives of the Implementing Partner.
2. UNDP shall provide to the Donor reports in accordance with UNDP accounting and reporting procedures.
 - (a) From the country office (or relevant unit at headquarters in the case of regional and global projects) a status report of Project progress for the duration of the Arrangement, as well as the latest available approved budget and financial implementation status due to the following dates: 31 July 2019 (period 01.01. - 30.06.2019), 31 January 2020 (period 01.07. - 31.12.2019) and 30 April 2020 (period 01.01.-31.03.2020).

- (b) From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
- (c) From the country office (or relevant unit at headquarters in the case of regional and global projects) within six months after the date of completion or termination of the Arrangement, a final report summarizing Project activities and impact of activities as well as provisional financial data.
- (d) From UNDP Bureau of Management/Office of Finance and Administration, on completion of the Project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the Project.

If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of the Donor. The specific nature and frequency of this reporting shall be specified in an annex of the Arrangement.

Donor e-mail addresses for the communication of the reports and statements:

To: S03-R@diplo.de; S03-2-3@diplo.de; S03-21@diplo.de

CC: 321-R@diplo.de

Article IV. Administrative and support services

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 8%. Furthermore, as long as they are unequivocally linked to the Project, all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the Project accordingly.

2. The aggregate of the amounts budgeted for the Project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the Project under this Arrangement as well as funds which may be available to the Project for Project costs and for support costs under other sources of financing.

Article V. Evaluation

All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP in consultation with all relevant stakeholders, including the Donor, will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a project including an evaluation of its contribution to an outcome which is listed in the Evaluation Plan. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators. The Donor shall have the right

to request or initiate an interim or final evaluation of the Project, in consultation with UNDP and to be carried out in accordance with UNDP Evaluation Policy.

Article VI. Equipment

Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VII. Auditing

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP. Should the annual Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to the Donor.

Article VIII. Fraud and Anti-corruption

1. No offer, gift, payment, consideration or benefit of any kind, the provision of which would constitute an illegal, corrupt or fraudulent practice shall be made, promised, sought or accepted (either directly or indirectly) as an inducement or reward in relation to activities funded under this Arrangement. Each party is expected to notify the other party of any such practices to the extent that such notification is consistent with each party regulations, rules, policies and procedures, protecting the probity and confidentiality of investigations and the due process rights of those under investigation. Any personnel, subcontractors or collaborators engaged in the implementation of programme activities are expected to observe the highest standards of ethical conduct in the execution of their obligations.

2. The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP shall maintain standards of conduct that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UNDP Procurement Manual.

Article IX. Dispute settlement

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Arrangement or the breach, termination or invalidity thereof.

Article X. Completion of the Arrangement

1. UNDP shall notify the Donor when all activities relating to the Project have been completed.

2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution/implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.
3. If the unutilized payments prove insufficient to meet such commitments and liabilities, UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.
4. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be refunded to the Donor providing the following information: Donor's name, UNDP country/regional office, project title ("Integrated Regional Stabilisation of the Lake Chad Basin Ph. II") and reference number (S03-381.50-P-14/19).

Article XI. Termination of the Arrangement

1. After consultations have taken place between the Donor and UNDP and provided that the payments already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the execution/implementation of the Project, this Arrangement may be terminated by UNDP or by the Donor. The Arrangement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate the Arrangement.
2. Notwithstanding termination of all or part of this Arrangement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution/implementation of all or the part of the Project, for which this Arrangement has been terminated, have been satisfied and Project activities brought to an orderly conclusion.
3. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be refunded to the Donor providing the following information: Donor's name, UNDP country/regional office, project title ("Integrated Regional Stabilisation of the Lake Chad Basin Ph. II") and reference number (S03-381.50-P-14/19)

Article XII: Notice

Any notice or correspondence between UNDP and the Donor will be addressed as follows:

(a) To the Donor: Federal Foreign Office, Division S03

Address: Werderscher Markt 1
10117 Berlin
Germany

(b) Upon receipt of funds, UNDP shall send an electronic receipt to the Donor e-mail address provided below as confirmation that the remitted funds have been received by UNDP

Donor email address: S03-21@diplo.de; S03-3-2@diplo.de; S03-R@diplo.de

Attention: Maya Krille, Division S03, Ref. No. S03-381.50-P-14/19

(c) To UNDP: Lamin Momodou Manneh, Director, Regional Service Center for Africa

Address: UNDP Regional Service Centre for Africa
Main Bole Road, Olympia round-about, DRC Street (next to Deluxe Furniture)
P.O. Box 60130, Addis Abeba, Ethiopia
Email: lamin.manneh@undg.org

Article XIII. Amendment of the Arrangement

The Arrangement may be amended through a formal written Amendment signed by the Donor and UNDP. The Amendment shall become an integral part of the Arrangement.

Article XII Entry Into Force

This Arrangement shall enter into force upon the signature of this Arrangement by the parties hereto, on the date of the last signature.

The undersigned, being duly authorized thereto, have signed the present Arrangement in the English language in two copies.

For the Donor:

For the United Nations Development Programme:



(Matthias Schauer)
(Chargé d’Affaires a.i.)



(Lamin Momodou Manneh)
(Director, Regional Service Centre for Africa)

Addis Ababa, 20 December 2018

Addis Ababa, 20 December 2018