



GRAND DUCHY OF LUXEMBOURG
Ministry of Foreign Affairs

Directorate for Development Cooperation



PARTNERSHIP FRAMEWORK AGREEMENT

BETWEEN

**THE GOVERNMENT OF THE GRAND DUCHY OF
LUXEMBOURG**

AND

**THE UNITED NATIONS DEVELOPMENT
PROGRAMME**

(UNDP)

The Government of the Grand-Duchy of Luxembourg (hereinafter referred to as “Luxembourg”) and the **United Nations Development Programme** (hereinafter referred to as “UNDP”) (each referred to as “Party” and both jointly referred to as “Parties”);

Considering that at the Millennium Summit the international community decided on a series of goals, especially to reduce extreme poverty by half until 2015, and that the achievement of these goals is a collective undertaking that requires a strong partnership of all development actors;

Considering that it is urgent that these goals, adopted by the international community, be translated into concrete actions, enabling the creation of a worldwide framework for development that can address that challenge;

Considering that UNDP has a central role to play in that international context through:

- its coordination role of operational development activities of the United Nations at field level and through UNDP's Administrator's chairmanship of the United Nations Development Group;
- its support to the achievement of the internationally agreed development goals, including the Millennium Development Goals (hereinafter referred to as “MDGs”), with a view to eradicating poverty through development, equitable and sustained economic growth and capacity building;
- its essential advisory and support role in the elaboration of public policies in development countries aiming to enable a sustainable human development, to fight poverty and to help prevent crises and to make the transition to development following crisis situations;

Considering the Strategic Plan approved by the Executive Board of UNDP and the thematic priorities it sets for the Organization;

Considering that it is indispensable to join the efforts of different actors in the area of development;

Considering the importance Luxembourg attaches to the international development issues and to the achievement of the MDGs;

Considering the Parties’ mutual wish to consolidate the long-standing collaboration and partnership between them reflected in, among other things, the Framework Agreement between Luxembourg and UNDP signed in 2004 (hereinafter referred to as the “2004 Framework Agreement”);

Considering that the Parties have decided to enter into this Partnership Framework Agreement (hereinafter referred to as this “Agreement”) which replaces the 2004 Framework Agreement taking into account organizational developments and reforms, to strengthen their relationship and therefore provide a coherent, predictable, flexible and structured framework for collaboration between Luxembourg and UNDP with an overall objective of supporting UNDP and the realization of its mandate and activities;

Now therefore, the Parties agree as follow:

ARTICLE 1 – INSTRUMENTS AND FORMS OF COLLABORATION

1. For the implementation of this Agreement, Luxembourg shall be represented by the Ministerial authority which has Development Cooperation in its portfolio, or his/her designate. UNDP shall be represented by the Administrator, or his/her designate. All communication shall be between the above mentioned persons and/or their representatives.
2. Luxembourg is committed, within its financial means, to contribute yearly to UNDP's Regular Resources, dealt with hereafter in Article 2.
3. Luxembourg will consider, as appropriate, supplementary funding of UNDP thematic funds, dealt with hereafter in Article 3.
4. Luxembourg will also consider, as appropriate, supplementary funding of UNDP programmes/projects, dealt with hereafter in Article 4.
5. All contributions described above shall be subject to approval by the Luxembourg Parliament, subject to the evolution of Luxembourg's Official Development Assistance (hereinafter referred to as “ODA”) and in line with Luxembourg’s budgetary regulations.

ARTICLE 2 – CONTRIBUTION TO REGULAR RESOURCES

1. Regular Resources are the basis of all UNDP's work. They guarantee universality, neutrality and independence of UNDP’s programmes and projects. In order to be able to work in a coherent and predictable way, it is essential for UNDP to achieve a critical level of resources to accomplish its mission and mandate.

2. Luxembourg encourages the efforts of UNDP to realize its multi-year results-oriented funding framework for its Regular Resources. Luxembourg's annual contribution to the Regular Resources of UNDP for the current year, aims to be at least at the same level as that of the previous year, subject to the evolution of Luxembourg's ODA and in line with Luxembourg's budgetary regulations.
3. Each year, the payment will be made in Euros in one tranche in the first quarter of the year.

ARTICLE 3 - CONTRIBUTIONS TO OTHER RESOURCES: THEMATIC FUNDING

1. Luxembourg will, through an exchange of letters, support thematic areas reflected in UNDP's Strategic Plan, with an annual contribution, which should aim to be at least at the same level as that of the previous year (starting in 2010). The thematic areas to be supported by Luxembourg will be decided at the beginning of each new strategic plan cycle¹. The contribution amounts will be confirmed on a yearly basis and are subject to Parliament approval.
2. Luxembourg may decide, after consulting UNDP, to change the list of thematic areas that it wishes to support.
3. The contribution shall be utilized in accordance with UNDP's Regulations and Rules, policies and procedures.
4. Luxembourg commits to pay its contribution under this modality during the first quarter of each year into the account as specified under Article 6. The contributions will be made in one tranche per thematic area in Euro and will be pooled, as appropriate, with other donors contributing towards the same fund and accepting the same conditions.

¹ For the current 2008-2013 Strategic Plan, Luxembourg will continue to focus on the following thematic areas: i) poverty reduction, ii) democratic governance, iii) environment.

ARTICLE 4 - CONTRIBUTIONS TO OTHER RESOURCES: PROGRAMMES/PROJECTS

1. In addition to Regular and thematic contributions, Luxembourg may consider the financing of programme(s)/project(s) mainly at the country level, in the key partner countries of the Luxembourg cooperation.
2. The programme(s)/project(s) should be complementary to other activities funded by the Luxembourg cooperation, notably in the framework of the Indicative Cooperation Programmes (hereinafter referred to as "ICP") signed by Luxembourg with such countries.
3. The contribution shall be utilized in accordance with UNDP's Regulations and Rules, policies and procedures.
4. The implementation of programme(s)/project(s) activities by UNDP will be subject to receipt of these funds in advance of the planned activities.
5. For each contribution, a standard Project Obligation Form (hereinafter referred to as "POF") between Luxembourg and UNDP will be signed. The specific POF will refer to the Regulations and Rules, policies and procedures specified in this Agreement. The standard template POF is attached to this Agreement as Annex 1.
6. The information provided in the POF will be limited to the following: name and duration of the programme(s)/project(s), contribution amount, schedule of payments, focal points for the programme(s)/project(s) and UNDP Bank account details.
7. The relevant programme/project documentation, including the budget, will be attached to each POF.
8. The programme(s)/project(s) will be implemented according to the relevant programme(s)/project(s) documentation attached to the POF. UNDP shall not make any major modification to project document(s) or work plan(s) without consulting Luxembourg.
9. UNDP will promptly inform Luxembourg of any condition, which interferes or threatens to interfere with the successful implementation of the programme(s)/project(s).

10. A POF may be amended by mutual agreement of the Parties in writing.
11. A POF may be terminated by either Party with ninety (90) days written notice to the other Party. Notwithstanding the termination of a POF, UNDP will continue to hold any unutilized contribution until all commitments and liabilities incurred in the implementation of the programme(s)/project(s) have been satisfied and programme/project activities are brought to a satisfactory conclusion.
12. If the contribution is managed as a pass-through funding modality as defined in the United Nations Development Group (hereinafter referred to as “UNDG”) guidelines for which UNDP is the Administrative Agent (hereinafter referred to as “AA”), the POF is not applicable and the UNDG Standard Administrative Agreement (hereinafter referred to as “SAA”) shall be utilized. Such contribution shall be administered in line with the MDTF Guidelines.

ARTICLE 5 - VISIBILITY

UNDP shall take all appropriate measures to publicize the fact that UNDP has received funding from Luxembourg and give due credit to Luxembourg. In addition, UNDP may, in consultation with Luxembourg, identify relevant opportunities such as meetings of its Executive Board, regional conferences and/or country level meetings and other programme(s)/project(s) related events to showcase the results of the partnership with Luxembourg. Information given to the press, to the beneficiaries of the programme(s)/project(s), all relevant publicity material, official notices, reports and publications will acknowledge the contribution of Luxembourg.

ARTICLE 6 – FINANCIAL MATTERS; MANAGEMENT OF CONTRIBUTIONS TO OTHER RESOURCES

1. Luxembourg will transfer each contribution under this Agreement and under any POF to UNDP by wire transfer in Euros to the following bank account or such other bank account as UNDP may nominate and notify Luxembourg in writing.

<u>For payment in EUR</u>	<u>For payment in US Dollars</u>
UNDP Euro Contributions Account # 62722 022 Bank of America, London 5 Canada Square London, E14 5AQ, England SWIFT Code: BOFAGB22	UNDP Contributions Account Account # 015-002284 JP Morgan Chase Bank 270 Park Avenue, 43 rd Floor, New York SWIFT Code: CHASUS33

2. When making such transfers, Luxembourg will inform UNDP when the contribution is paid by fax or via an e-mail message with remittance information to contributions@undp.org, providing the following information: amount transferred, date of transfer, UNDP operating unit/country office, project description/reference, Luxembourg's reference (if any). This information should also be included in the bank remittance advice when funds are remitted to UNDP.
3. UNDP shall acknowledge receipt of the contributions in writing.
4. If the contributions are paid in Euros, the value of the contributions in US Dollars will be determined by using 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 UNDP of the contributions, 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 Luxembourg with a view to determining whether any further financing could be provided by them. If further financing is not available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP commensurate to such a loss of value.
5. All financial reports and statements of account will be expressed in United States Dollars.
6. UNDP shall record receipt of all Luxembourg contributions under Articles 2, 3, and 4 above as income and shall administer the contributions and the activities financed therefrom in accordance with its applicable Regulations and Rules, policies and procedures. UNDP will ensure that the contributions are reported together with all other contributions to UNDP resources.

7. Without limiting the generality of paragraph 6 above:
- (a) UNDP will be responsible for ensuring the effective and timely delivery of inputs and contributions to outcomes.
 - (b) Funds made available by Luxembourg shall be used exclusively for the purpose for which they are intended. UNDP shall establish separate ledger accounting records for the contributions. Funds will be co-mingled if the contribution is pooled with other donors. In such cases, while the financial statements will show the individual donor contribution received, expenses will be consolidated.
 - (c) In accordance with the Executive Board decisions on support costs as in effect at the time of signature of this Agreement the Government of Luxembourg's contribution will include a 7% (seven) fee to cover the general management and implementation support service costs (GMS) by UNDP headquarters and country offices.
 - (d) The contributions shall be subject exclusively to the internal and external auditing procedures provided for in UNDP's Regulations and Rules, policies and procedures.
 - (e) Any identifiable interest accrued from temporary credit balances of programme/project funds shall be used in accordance with UNDP's Regulations and Rules, policies and procedures.
 - (f) On completion of a programme(s)/project(s), any remaining unspent balance of US\$10,000 or less may be utilized by UNDP for a similar purpose as the original contribution. Any unspent balance above \$10,000 may be utilized for a similar purpose but with prior written consent from Luxembourg.
 - (g) UNDP is authorized to do a no-cost extension not exceeding six months of any Luxembourg supported programme(s)/project(s) if it is deemed necessary. UNDP will inform Luxembourg of this extension. Any extension request beyond six months must to be approved in advance by Luxembourg in writing.

- (h) Procurement of goods, works or consultants shall be carried out in accordance with the Regulations and Rules, policies and procedures of UNDP, including those relating to international competitive bidding, where relevant.
- (i) Ownership of equipment, supplies and other property financed from the contribution shall be vested in UNDP and such equipment, supplies and other property shall be disposed of by UNDP in accordance with its applicable Regulations and Rules, policies and procedures.
- (j) UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of the programme/project country in consultation with other stakeholders 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.
- (j) In the case of termination of a programme/project, UNDP will continue to hold any unutilized contribution for a period not exceeding one year to ensure that all prior commitments and liabilities incurred in implementation of the programme/project have been satisfied.

ARTICLE 7 – REPORTING

UNDP's reporting obligations to Luxembourg will be as follows:

1. **Regular Resources:** Consistent with the decisions of its Executive Board, UNDP will provide an annual report and regular financial reporting on the use of Regular Resources, in the form of a Results-Oriented Annual Report, which will include information on the effectiveness, efficiency, impact and sustainability of UNDP's activities.
2. **Thematic contributions:** UNDP will submit Annual Reports on the thematic area, which will acknowledge the contribution of Luxembourg as per UNDP's standard format for thematic reporting. These reports aim to be narrative and analytical.

3. In addition, for Luxembourg's **Contributions to programme(s)/project(s)**, UNDP shall submit to Luxembourg:
 - (a) An annual standard progress report, which shall include narrative and financial information as provided by the country office. The narrative reports will discuss the inputs, activities, outputs, contributions to outcomes, results and impact of the programme(s)/project(s), as appropriate.
 - (b) From UNDP Bureau of Management/Comptroller's Division, on completion of the programme(s)/project(s), a certified financial statement to be submitted no later than 30 of June of the year following the financial closing of the project.
 - (c) Reports relating to a contribution managed as a pass-through funding modality for which UNDP has an AA role will be governed by the relevant SAA.
 - c) In addition to the reports, UNDP agrees to keep Luxembourg informed of key issues or problems in the project as they may arise.

ARTICLE 8 - JUNIOR PROFESSIONAL OFFICER PROGRAMME AND EXPERTS

1. Junior Professional Officer Programme

- (a) Luxembourg participates in the Junior Professional Officer Programme (hereinafter referred to as "JPO Programme") of UNDP, and its associated funds and programmes, through a Memorandum of Understanding between UNDP and Luxembourg signed in 2002.
- (b) Luxembourg and UNDP agree on the importance of the JPO programme, both in terms of exposing young professional to the work of UNDP and its administered funds and programmes and possible retention of JPO. Both Parties agree to identify ways to foster a strong rate of retention of JPO's in UNDP and its administered funds and programmes, including through informational session on recruitment processes and vacancies. Furthermore, both Parties will review the retention rate during the annual consultation in accordance with Article 9 below.

2. Experts through non reimbursable loan agreement

UNDP will consider receiving experts from Luxembourg through non reimbursable loan agreement(s) to be entered in such cases in conformity with UNDP's Regulations and Rules, policies and procedures.

ARTICLE 9 - BILATERAL CONSULTATIONS

1. Luxembourg and UNDP will hold annual consultations, taking place either in Luxembourg or in New York, to exchange views on policies; activities and results of UNDP, especially for those funded by Luxembourg.
2. Annual consultations will include - among other items - a discussion on the state of collaboration between the Parties, a general review of all programmes and projects for which Luxembourg has made a contribution.
3. Luxembourg will aim to actively participate in the sessions of the Executive Board of UNDP.


ARTICLE 10 - GENERAL PROVISIONS

1. This Agreement shall be entered into force upon signature by both Parties.
2. This Agreement shall remain in force unless terminated by mutual agreement, or by one Party giving the other Party three (3) months' written notice of termination.
3. Upon termination of this Agreement, and unless the Parties agree otherwise, UNDP will take steps to bring all activities carried out pursuant to this Agreement to a prompt and orderly conclusion. Notwithstanding the termination of this Agreement, UNDP will continue to hold any unutilized contributions for which a specific POF has been signed until all commitments and liabilities have been satisfied and programmes/projects activities brought to a satisfactory conclusion.
4. Any dispute, which may arise between the Parties as to the interpretation, application or performance of this Agreement, including any POF, entered into pursuant to this

Agreement, shall be settled by negotiation.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Partnership Framework Agreement in two originals in the English language.

**For the Government of the
Grand Duchy of Luxembourg**

Signature  _____

Name : H.E. Ms. Marie-Josée Jacobs,
Title: Minister for Development Cooperation and
Humanitarian Affairs

Date: 8 June 2011
Place: New York

**For the United Nations
Development Programme**

Signature  _____

Name: Helen Clark
Title: Administrator

Date: 8 June 2011
Place: New York

Template Project Obligation Form for Project / Programme contributions by Luxembourg:

PROGRAMME/PROJECT OBLIGATION FORM

between

The Grand Duchy of Luxembourg

and

The United Nations Development Programme

This Programme/Project Obligation is based on the Partnership Framework Agreement between Luxembourg and UNDP, signed on 8 June 2011. UNDP will administer the Contribution in accordance with the provisions of the Partnership Framework Agreement, except as otherwise provided herein. The Contribution will be used exclusively for the following purposes as laid out in the project document submitted to Luxembourg by UNDP and attached to this POF.

Project title: _____

Duration: _____

Total budget: _____

Including fee of 7% GMS: _____

Payment shall be made to one of the following bank accounts in accordance with the following schedule:

	<u>Date payment due</u>	<u>Amount</u>
(i)	Upon signature of agreement	_____
(ii)	_____	_____
(iii)	_____	_____

<p><u>For payment in EUR</u> UNDP Euro Contributions Account # 62722 022 Bank of America, London 5 Canada Square London, E14 5AQ, England SWIFT Code: BOFAGB22</p>	<p><u>For payment in US Dollars</u> UNDP Contributions Account Account # 015-002284 JP Morgan Chase Bank 270 Park Avenue, 43rd Floor, New York New York SWIFT Code: CHASUS33</p>
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Two originals of the text of this Arrangement, written in English language, have been signed by the Parties.

**For the Government of the
Grand Duchy of Luxembourg**

**For the United Nations
Development Programme**

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____

Place: _____

Place: _____