

EUROPEAN UNION
DELEGATION AGREEMENT N° FED/2018/402-554

(the "Agreement")

The European Union, represented by the European Commission, (the 'Contracting Authority') of the one part,
and

The United Nations Development Programme (UNDP) with its Head Office at 1 UN Plaza, New York, 10017,
NY, hereinafter the 'Organisation'

of the other part, (individually a "Party" and collectively the 'Parties') have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

- 1.1 This Agreement defines the activities entrusted to the Organisation for the implementation of the Action "Programme for Consolidating Economic Governance and Public Finance Management systems in the PALOP-TL (Pro PALOP-TL SAI – Phase II)" as described in Annex I (the "Action"). This Agreement lays down the rules for implementation, for the payment of the EU contribution, and defines the relations between the Organisation and the Contracting Authority.
- 1.2 The Action is a Multi-donor Action and the EU contribution is not earmarked.
- 1.3 In the performance of the activities, the Organisation shall:
- a) apply its own accounting, internal control and audit systems which have been positively assessed in the ex-ante pillars assessment. In case the pillar assessment raised some reservations the Organisation shall comply with the ad hoc measures stated in Article 7.
 - b) apply its own procurement procedures, as assessed in the ex-ante pillars assessment and its own rules for the award of Grants, as assessed in the ex-ante pillars assessment.
 - c) perform the activities to be implemented under the Agreement in accordance with the principles of Sound Financial Management, transparency and non-discrimination, applying its positively assessed Regulations and Rules.
 - d) be free to use any Regulations and Rules which have not been subject to the ex-ante pillar assessment to the extent that these Regulations and Rules are not in conflict with the provisions of this Agreement.
- 1.4 The Action is an EU External Action. The Action is financed under the 11th EDF.
- 1.5 The Organisation shall provide the management declaration with every progress and final report in accordance with Articles 3.10 of the General Conditions.
- 1.6 This Agreement is subject to the provisions of the Financial Administrative Framework Agreement (FAFA) ("FAFA") between the European Union and the United Nations signed on 29 April 2003 and amended on 26 February 2014.

Article 2 - Entry into Force, Implementation Period and Contracting Deadline

Entry Into Force

- 2.1 The Agreement shall enter into force on the date when the last of the two Parties signs.

Implementation Period

- 2.2 The Implementation Period of the Agreement (the "Implementation Period") shall commence on the day after the last Party signs.
- 2.3 The Implementation Period of the Agreement as laid down in Annex I is 36 months.

Contracting Deadline

- 2.4. Individual Procurement and Grant contracts implementing this Agreement shall be signed by the Organisation no later than 36 months from the date of entry into force of this Agreement.

Article 3 - Financing the Action

- 3.1 The total cost of the Action¹ is estimated at USD ("Currency of the Agreement") 8,919,856 as set out in Annex III. The Contracting Authority undertakes to provide an EU contribution² up to a maximum of EUR 7,750,000.00, which is estimated at USD 8,813,300. The final amount will be established in accordance with Articles 18 to 20 of Annex II.
- 3.2 **Remuneration**
The remuneration of the Organisation by the Contracting Authority for the implementation of the activities entrusted under this Agreement shall be 7% of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.
- 3.3 Interest generated on pre-financing shall not be due.

Article 4 - Narrative and Financial Reporting and Payment Arrangement

- 4.1 The pre-financing rate is 100 %.
- 4.2 Payments shall be made in accordance with Article 19 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:
- First pre-financing instalment: USD 2,888,954
Second pre-financing instalment³: USD 3,366,654
Third pre-financing instalment: USD 2,557,692
(subject to the provisions of Annex II)
Forecast balance of the final amount of the contribution, if any (subject to the provisions of Annex II): 0 USD.
- The sum of the payments in the accounting currency of the Organisation shall not exceed the total EU Contribution in EUR.

Article 5 -- Communication language and contacts

- 5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English. If requested by the Contracting Authority, they shall be accompanied by a translation or a summary in Portuguese or French where the language of the Agreement is not Portuguese or French.
- 5.2 Any communication relating to the Agreement shall be in writing, shall state the number and/or title of the Action, and shall use the following addresses below.
- 5.3 Any communication relating to the Agreement, including payment requests and attached reports, and requests for changes to bank account arrangements shall be sent to:

¹ This amount is introduced only for indicative purposes. It is an estimate and its evolution does not condition the EU contribution.

² Where the contribution is financed by the European Development Fund, mentions of EU contribution must be read as referring to European Development Fund financing.

³ Further pre-financing instalments will tentatively follow at the end of each 12 months reporting period.

For the Contracting Authority

Delegation of the European Union to the Republic of Mozambique
For the attention of the Head of Finance, Contract & Audit
Avenida Julius Nyerere, 2820
C.P. 1306 Maputo, Mozambique

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

Delegation of the European Union to the Republic of Mozambique
For the attention of the Head of Cooperation
Avenida Julius Nyerere, 2820
C.P. 1306 Maputo, Mozambique

For the Organisation

Ana Patrícia Graça
Resident Coordinator
Tel: +238-260 96 00, Cel: +238-991 29 48
UN House, BP 62, Praia, Santiago, Cabo Verde

- 5.4 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.
- 5.5 The contact point within the Organisation which shall have the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate the latter's operational activities shall be: Office of Audit and Investigations, Head of Investigations Section, United Nations Development Programme, One United Nations Plaza, DCI Building 4th floor New York, NY 10017 USA.
- 5.6 All exchanges concerning the Early Detection and Exclusion System shall take place between the Contracting Authority and the authorised person designated by the Organisation, which is:
- Ana Patrícia Graça**
Resident Coordinator
Tel: +238-260 96 00, Cel: +238-991 29 48
UN House, BP 62, Praia, Santiago, Cabo Verde

Article 6 - Annexes

- 6.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:
- Annex I: Description of the Action (including the Logical Framework of the Action)
 - Annex II: General Conditions for PA Grant or Delegation Agreements (Part III on PA Grant Agreements does not apply)
 - Annex III: Budget for the Action
 - Annex IV: Financial Identification Form
 - Annex V: Standard Request for Payment
 - Annex VI: Communication and Visibility Plan
 - Annex VII: Management Declaration template
- 6.2 In the event of a conflict between the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II "General Conditions" and those of the other Annexes, the provisions of Annex II "General Conditions" shall take precedence.

Article 7 – Additional specific conditions applying to the Action

- 7.1 The following shall supplement the General Conditions:
- 7.1.1 Where the implementation of the Action requires the setting up or the use of one or more project offices, the Organisation may declare as eligible direct costs the capitalised and operating costs of the structure if all the following conditions are fulfilled:
- a) They comply with the cost eligibility criteria referred to in Article 18.1 of Annex II;

- b) They fall within one of the following categories:
 - i) costs of staff, including administration and management staff, directly assigned to the operations of the project office. The tasks listed in the Description of the Action (Annex I), undertaken by staff assigned to the project office will be directly attributable to the implementation of the Action.
 - ii) travel and subsistence costs for staff and other persons directly assigned to the operations of the project office;
 - iii) depreciation costs, rental costs or lease of equipment and assets composing the project office.
 - iv) costs of maintenance and repair contracts specifically awarded for the operations of the project office;
 - v) costs of consumables and supplies specifically purchased for the operations of the project office;
 - vi) costs of IT and telecommunication services specifically purchased for the operations of the project office;
 - vii) costs of energy and water specifically supplied for the operations of the project office;
 - viii) costs of facility management contracts including security fees and insurance costs specifically awarded for the operations of the project office;
- c) The Organisation declares the eligible direct costs of the project office as actual costs or for staff costs on the basis of unit costs determined by the Organisation according to its usual accounting practice;
- d) The Organisation declares as eligible only the portion of the capitalised and operating costs of project office which corresponds to the duration of the Action and
 - i) the rate of actual use of project office for the purposes of the Action; or
 - ii) the rate of use of a project office for the purposes of the Action, determined by the Organisation on the basis of a simplified allocation method, provided that the allocation method is compliant with the Organisation' usual accounting and management practices, applied in a consistent manner regardless of the source of funding, and based on an objective, fair and reliable allocation key.

7.1.2 The UN shall not provide funds to third parties, whether entities, individuals or group of individuals, included in the Consolidated United Nations Security Council Sanctions List (the "UN Sanctions List") at the time such third parties are selected.

The UN shall cooperate with the Commission in assessing if the third parties, whether entities, individuals or group of individuals, selected by the UN to be recipients of funds in connection with the implementation of the respective contribution agreement, fall under the scope of EU restrictive measures¹. In the event that such recipients would fall under the scope of EU restrictive measures, the UN shall promptly inform the Commission.

In such event, the UN and the Commission shall promptly consult each other with a view to jointly determining remedial measures in accordance with their respective applicable legal framework. Such measures may include, but shall not be limited to, the reallocation of the remaining EU Contribution under this Agreement, net of any costs incurred by the UN for undertaking any procurement or award procedure ("the Corresponding Amount").


Where such remedial measures are not feasible, the Corresponding Amount shall not be charged to the action or, in the case of multi-donor action, to the amount corresponding to the Commission's contribution to the action.

This is without prejudice to the suspension or termination of the respective contribution agreement, together with the recovery of any unspent funds contributed by the Commission to the UN, after consultation by the Parties.


This provision is without prejudice to the exceptions contained in the EU restrictive measures.

Done in Maputo in three originals in the English language, two for the Contracting Authority and one for the Organisation.

For the Organisation

Name **Ana Patrícia Graça**
Position **Resident Coordinator UNDP
Cabo Verde**
Signature 
Date **28/11/2018**

For the Contracting Authority

Name **ANONIO SÁNCHEZ - BENEDITO GASPAR**
Position **HEAD OF DELEGATION**
Signature 
Date **28/11/2018**