

**FINANCING AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AND THE DANISH MINISTRY OF FOREIGN AFFAIRS/THE DANISH ARAB PARTNERSHIP
PROGRAMME, DAPP (THE MFA)**

WHEREAS the Danish Ministry of Foreign Affairs hereby agrees to contribute funds to UNDP on a cost-sharing basis (hereinafter referred to as “the Contribution”) for the implementation of of the Youth Innovation Summit (hereinafter referred to as the Project), as described in the Project document Youth Innovation Summit, Morocco 2019.

WHEREAS UNDP is prepared to receive and administer the contribution for the implementation of the project,

WHEREAS the Government of Morocco will be duly informed of the contribution of the MFA to the project,

WHEREAS UNDP shall be the executing Entity and thus the implementing partner for the implementation of the project,

NOW THEREFORE, UNDP and the MFA hereby agree as follows:

Article I. The Contribution

1. (a) The MFA shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of DKK 5.750.000 (five million seven hundred fifty thousand Danish Kroners). The Contribution shall be deposited in the

UNDP Common Services
Account Number: 3001 3100170671
IBAN: DK350003100170671
SWIFT: DABADKKK
Danske Bank – Copenhagen
Holmens Kanal 2, 1090 Copenhagen, Denmark
Reference: Youth Innovation Summit, Morocco 2019

<u>Schedule of payments</u>	<u>Amount</u>
15 th of December, 2018	DKK 5.750.000

(b) The MFA will inform UNDP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org, providing the following information: donor’s name, UNDP country office, project name, donor reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

(c) UNDP will within 14 days after the Contribution have been received acknowledge receipt of the Contribution indicating the value in both DKK and USD.

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 MFA with a view to determining whether any further financing could be provided by the MFA. 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 of the project and shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

4. UNDP shall receive and administer the payment in accordance with the regulations, 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 implementation of the responsibilities of UNDP pursuant to this Agreement 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, and shall be carried out in accordance with UNDP regulations and rules for managing a project.

2. 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 MFA on a timely basis a supplementary estimate showing the further financing that will be necessary. The MFA shall use its best endeavours to obtain the additional funds required.

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

4. Any interest revenue attributable to the Contribution shall be credited to UNDP Account, retained by UNDP and shall be utilized in accordance with established UNDP procedures.

Article III. Administration and Reporting

1. Project management and expenditures shall be governed by the rules, regulations, policies and procedures of UNDP and, where applicable, the rules, regulations, policies and procedures of the Implementing Partner.
2. UNDP shall provide to the MFA the following 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) an annual status of programme/project progress for the duration of the Agreement, as well as the latest available approved budget.
 - (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 Agreement, a final report summarizing programme/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 programme/project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the project.
3. If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of the MFA. The specific nature and frequency of this reporting shall be specified in an annex of the Agreement or in the Project document.

Article IV. Administrative and Support Services

1. In accordance with the decisions, policies and procedures 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 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 Agreement 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 and the Government of Denmark 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.

UNDP shall be responsible for the monitoring and regular review of activities carried out under the Agreement. UNDP will keep the Donor informed on relevant preparation, review and evaluation missions or other activities in relation to the implementation of the Project. UNDP will, where the Parties agree it is appropriate, facilitate the participation of officials or designated representatives of the Donor in any such mission in accordance with UNDP Regulations and Rules. The cost of such participation will be borne by Denmark.

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 Contribution, such information shall be made available to the MFA.

Article VIII Fraud, Corruption-related mismanagement and Counter-Terrorism

1. Both Parties have a zero tolerance approach to fraud and recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent or collusive practices. To this end, UNDP will maintain standards of conduct governing the performance of its staff, including the prohibition of corrupt, fraudulent, or collusive practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the UNDP regulations, rules, procedures and policies. UNDP will advise the Donor immediately of credible allegations of fraud or corruption involving the Contribution and will inform the Donor when an investigation is launched by UNDP, subject always to UNDP regulations, rules and procedures.

2. In the event that any part of the contribution is determined by UNDP to have been lost due to fraud, corruption or any other financial irregularities, such loss will be dealt with in accordance with the applicable financial regulations, rules, policies, procedures and directives of UNDP.

3. If UNDP has been able to recover mismanaged funds under this agreement such amount will be returned to the activity for which the contribution was intended. Where the activity for which the contribution was intended has

been concluded or terminated the Parties shall consult to decide whether the amount shall be re-programmed for activities under a subsequent phase of the operation or to any follow-up operation towards the same objective or returned to Denmark on a pro rata basis upon agreement. In respect of such amount that has not been recovered, UNDP shall do its utmost to maintain its effort to recover such funds and continue consultations with Denmark with a view to determining a mutually agreeable solution. The Parties acknowledge and agree that UNDP shall not be obliged to reimburse any amount beyond the recovered amounts.

4. Consistent with United Nations (UN) Security Council Resolutions relating to terrorism, including UNSC Resolution 1373 (2001) and 1267 (1999) and other related resolutions, both Parties are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of Denmark to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use all reasonable efforts to ensure that none of the donor funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

Article IX. Completion of the Agreement

1. UNDP shall notify the MFA when all activities relating to the Project have been completed.
2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.
3. As a rule, upon completion of activities any balance of unspent funds must be returned to the MFA.

Article X. Termination of the Agreement

1. This Agreement may be terminated by UNDP or by the MFA after consultations between the Parties, and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project. This Agreement 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 this Agreement.
2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of all or the part of the Project have been satisfied and Project activities brought to an orderly conclusion.

Article XI: Notice

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

(a) To the MFA:

Kurt Mørck Jensen, Senior Advisor
Ministry of Foreign Affairs
Asiatisk Plads 2
1448 Copenhagen K.
kumoje@um.dk

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

Donor email address: kumoje@um.dk

Attention: Kurt Mørck Jensen

(c) To UNDP:

Stine Kirstein Junge, Private Sector Advisor and SDG Accelerator Lead
UNDP Nordic Representation Office
Marmorvej 51,
2100 Copenhagen Ø, Denmark
stine.junge@undp.org

Article XII. Amendment of the Agreement

This Agreement may be amended through an exchange of letters between the MFA and UNDP. The letters exchanged to this effect shall become an integral part of this Agreement.

Article XVI. Entry Into Force

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

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Ministry of Foreign Affairs, MENA-Department:

For the United Nations Development Programme:

Anders Tang Friborg
Head of Department

Date:

A handwritten signature in black ink, appearing to read 'Camilla Brückner'. The signature is written in a cursive style with a large initial 'C'.

Camilla Brückner
Director, UNDP Nordic Representation Office

Date: 16 January 2019