

The

United Nations Development Programme (UNDP)
304 E 45th Street
New York, NY 11415
USA

- hereinafter referred to as "the Recipient" -

and

**Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH**
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn
Federal Republic of Germany

- hereinafter referred to as the "GIZ" -

hereinafter both referred to as "Parties"

Herewith enter into the following Third Party Cost Sharing Agreement
for the Project

Climate and Development Support Project

Country: supra-regional

For correspondence and invoices (Please quote on all correspondence and invoices)

Contract No.: 81180449

Project Processing No.: 14.2001.7-002.00

Project Management

Section/Division: 4730

Responsible: Johannes Wölcke

Reference: 4730-JW

Contract Management

Section/Division: 5320

Responsible: Stefan Mantsch

Reference: 5320-SM

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Sitz der Gesellschaft Bonn und Eschborn

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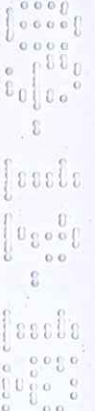
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Amtsgericht Bonn
Eintragungs-Nr. HRB 18384
Amtsgericht Frankfurt am Main
Eintragungs-Nr. HRB 12394
USt-IdNr. DE 113891176
Steuernummer 040 250 56973

Vorsitzender des Aufsichtsrats
Staatssekretär Dr. Friedrich Kitschelt

Vorstand
Tanja Gönner (Vorstandssprecherin)
Dr. Christoph Beier (Stellv. Vorstandssprecher)
Dr. Hans-Joachim Preuß
Cornelia Richter

Commerzbank AG Frankfurt am Main
BLZ 500 400 00
Konto 58 89 555 00
BIC (SWIFT): COBADEFFXXX
IBAN: DE45 5004 0000 0588 9555 00



The basis for the subsidies for UNDP is the commission from BMZ dated 29 October 2014. GIZ shall provide the subsidies pursuant to this agreement exclusively on behalf of and for the account of BMZ.

**THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN THE DEUTSCHE GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT (GIZ) GMBH
AND THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

WHEREAS the Government of the Federal Republic of Germany has committed to support the developing countries to advance their National Adaptation Plan (NAP) Processes in 6 countries that will be selected based on consultations between UNDP and GIZ,

WHEREAS the GIZ has been commissioned by the Government of the Federal Republic of Germany to financially contribute to the UNDP-GIZ collaboration on supporting countries with their National Adaptation Plan progress (Annex 1)(hereinafter referred to as the project/programme),

WHEREAS the GIZ hereby agrees to contribute funds to UNDP on a cost-sharing basis for the implementation of the project/programme,

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

WHEREAS in the spirit of partnership and of ensuring harmonized programme and financial management of the project/program, GIZ has agreed to channel its contribution through UNDP,

WHEREAS the Government of Germany has been duly informed of the contribution of the GIZ to the project/programme,

WHEREAS UNDP shall be the executing Entity/ Implementation Partner for the implementation of the project/programme,

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

Article I. The Contribution

1. (a) The GIZ shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of € 175,000.00 (one hundred seventy five thousand Euro). The contribution shall be deposited in the

Bank	: Bank of America – London
Address	: 5 Canada Square : London E14 5AQ : UNITED KINGDOM
Account Number	: UNDP Contributions (EURO) Account : 6008-62722022
SWIFT	: BOFAGB22
IBAN	: GB59BOFA16505062722022

<u>Schedule of payments</u>	<u>Amount</u>
Not before 15 December 2014	€ 175,000.00

(b) The transfer of the installment will be made within two weeks upon receipt by the GIZ of a written payment request by UNDP with e-mail confirmation to UNDP when the contribution is paid at the following address: contributions@undp.org.

2. The value of the payment, if made in a currency other than USD, shall be determined by applying the UN 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 GIZ with a view to determining whether any further financing could be provided by the GIZ. Should such further financing not be agreed on, the assistance to be provided to the programme/project may be reduced, suspended or terminated by UNDP.
3. The above schedule of payments takes into account the requirement of the project/programme and shall be made in advance of the implementation of planned activities. The schedule may be amended to be consistent with the progress of project/program delivery.
4. UNDP shall receive and administer the payment in accordance with the project document including the total budget for the entire Project (Annex 1) as well as with the regulations, rules, policies and procedures of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.
6. UNDP shall use the contribution exclusively for expenditures for the activities described in Article II of this agreement and as in the project document annexed to this agreement.
7. The grant is made available for the period of 15 December 2014 to 15 June 2015. Only expenditures effected during this period and relating to activities carried out during this period may be financed from this grant. Otherwise written approval of the GIZ is required.

Article II. Utilization of the Contribution

1. The outputs of the Project include:

Output 1: Enhanced awareness of the NAP process: this will strengthen key ministries including that of Agriculture, Environment, and Planning to understand the NAP process and commence the process of identifying how climate change risks can be mainstreamed into existing planning and budgeting cycles in three developing countries;

Output 2: Enhanced skills in application of investment appraisal techniques, a critical element in the NAP guidelines, which can serve as an input into the policy dialogue on national adaptation planning in three developing countries.

Output 3: Completed stock taking exercises to advance the NAP process and develop integrated roadmaps for advancing country-specific NAPs in three developing countries.

Output 4: Improved evidence-base on success factors and lessons learned on how to promote linkages between bilaterals and multilaterals for enhanced in country NAP support (based on visits to 3 countries)

Major changes of these outputs as well as of the project document shall be decided in consultation with GIZ. In case of disagreement on the side of GIZ, the latter shall be free to exercise its rights under Art. IX.

2. In reference to the Project document, the GIZ contribution shall exclusively be used for the achievement of the following output and activities:

to assist developing countries to advance country specific priorities relating to their specific national adaptation plan process.

3. 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/programme.
4. 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 GIZ on a timely basis a supplementary estimate showing the further financing that will be necessary. The GIZ will decide whether the amount of the contribution will be increased accordingly.
5. 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 4 above is not forthcoming from the GIZ or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
6. Any interest income attributable to the contribution shall be credited to the Project.
7. GIZ shall be invited to the Project Board discussions to participate in the project decisions.

Article III. Administration and reporting

1. Project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP as well as by the annexed project document, and where applicable, the regulations, rules and policies of the Executing Entity/Implementing Partner.
2. UNDP headquarters and country office shall provide to the GIZ all of the following reports prepared in accordance with UNDP accounting and reporting procedures. Reporting from the country office (see below) shall include information on the use of the project budget; the expenditures shall be broken down according to the expenditure categories or measures as specified in the annexed project document.
3.
 - 3.1. For Agreements of one year or less:
 - (a) 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;

- (b) From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December to be submitted no later than 30 June of the following year;
- (c) 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.

3.2. For Agreements of more than one year:

- (a) From the country office (or relevant unit at headquarters in the case of regional and global projects) an annual status report 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.

- 4. 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 Agreement.
- 5. In case of non submission of project report by UNDP, unless otherwise agreed, the GIZ may, in consultation with UNDP and after having given notice to UNDP for a period of at least sixty (60) days, following such consultation, suspend further payments until such time that UNDP provides the report that was the reason for the suspension.

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 actually utilized for the implementation of the Project shall be charged a fee equal to 8 %. All direct costs as well as the fee shall be identified in the project budget.
- 2. The aggregate of the amounts budgeted for the programme/project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to

the programme/project under this Agreement as well as funds which may be available to the programme/project for programme/project costs and for support costs under other sources of financing. The contribution made available according to Article I shall not be exceeded and shall, therefore, include all costs and fees under Article IV.

Article V. 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 VI. Evaluation

All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of [programme country] in consultation with the GIZ and other stakeholders will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating the 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 will promptly make available the evaluation reports to the GIZ.

Article VII. Auditing

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

Article VIII. Completion of the Agreement

1. UNDP shall notify the GIZ when all activities covered by this agreement have been completed.
2. Notwithstanding the completion of the project/programme, UNDP shall continue to hold unutilized payments to the extent and until all commitments and liabilities incurred in the 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 GIZ and consult with the GIZ on the manner in which such commitments and liabilities may be satisfied.
4. Any balance that remains unexpended after such commitments and liabilities have been satisfied shall be returned to the GIZ upon a request from GIZ providing bank account details for reimbursement. UNDP shall inform GIZ promptly about any remaining balances.

Article IX. Termination of the Agreement

1. After consultations have taken place between the Parties, this Agreement may be terminated either by UNDP or by the GIZ. The 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 the Agreement.
2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred up to the date of termination in the implementation of all or the part of the project, for which this Agreement has been terminated, have been satisfied.
3. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be returned to the GIZ upon a request from the GIZ providing bank account details for reimbursement. UNDP shall inform GIZ promptly about any remaining balances.
4. UNDP shall use its best efforts, consistent with UNDP regulations, rules, policies and procedures to recover any funds found by the Parties to be misused. UNDP shall, in consultation with the GIZ, credit any funds so recovered to the Project budget or, in case the Project was complete or terminated, shall dispose of such funds as agreed with the GIZ. The GIZ shall also be entitled to either suspend or terminate disbursements if it is established by the Parties that UNDP, acting wilfully or fraudulently, misuses funds entrusted to it under this Agreement. Furthermore, in the cases of fraudulent or wilful misuse, the GIZ shall be entitled to demand immediate pro-rata repayment of those respective amounts.

Article X. Amicable Settlement and Arbitration

1. Amicable Settlement

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

2. Arbitration

Unless settled amicably, any such dispute, controversy or claim between the Parties as referred to in the previous paragraph, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, including its provisions on applicable laws. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

Article XI. Privileges and Immunities

Nothing in this agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNDP.

Article XII. Amendment of the Agreement

The Agreement may be amended through an exchange of letters between the GIZ and UNDP. The amendment letters shall become an integral part of this Agreement.

Article XIII. Entry Into Force

This Agreement shall enter into force upon signature and deposit by the GIZ of the first contribution payment to be made in accordance with the schedule of payments set out in Article I, paragraph 1 of this Agreement and the signature of the project document by the concerned parties.

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

For the Deutsche Gesellschaft
für Internationale Zusammenarbeit (GIZ) GmbH


For the United Nations
Development Programme (UNDP)


Date, 17.11.14

Date,

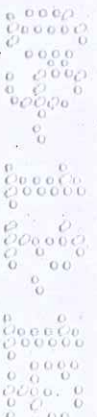
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Contract Management


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Division Environment
and Climate Change


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Adriana Dinu
Executive Coordinator UNDP-
GEF

Annex 1: Project Document



UNDP-GIZ Collaboration on Supporting Countries with their National Adaptation Plan process

Background

Since 2013, UNDP, in partnership with several UN and bilateral development agencies, notably UNEP and GIZ, has been assisting a number of countries with advancing their respective National Adaptation Plan processes. More than 26 LDCs have indicated their needs for technical support via official requests by UNFCCC country focal points to the joint UNDP-UNEP National Adaptation Global Support Programme (NAP-GSP). Countries are currently being supported in a number of ways including (a) orientation of the NAP process for senior and technical policy-makers (beyond UNFCCC focal points) from the Ministries of Environment, Planning, and Finance (e.g. February 2014 workshop in Thailand; April 2014 workshop in Ethiopia that included Francophone countries; November 2014 workshop for Pacific countries); and (b) country-specific and country-level support including (i) guidance on specific steps and how to advance countries' NAP processes using existing systems; (ii) facilitating inter-ministerial dialogue; as well as (iii) targeted training on specific aspects of the NAP guidelines produced by the Least Developed Country Expert Group (LEG), such as the economic appraisal of adaptation options and the use of climate scenarios in planning at the sector and national levels.

While support is being, or has been, rolled out to 12 countries, a further 14 country requests have been received which are awaiting financing before assistance can be provided. Currently, UNDP is working with its partners (including several donors) to extend assistance to these countries through programmes under development, with financing from the Special Climate Change Fund, Least Developed Countries Fund and the Government of Germany (in particular, BMUB). However, this assistance is not expected to become operational until first quarter of 2015.

A group of countries (*Mali, Benin, Malawi, Nepal, Vietnam and Lao*) have requested assistance with data-collection and capacity-building activities related to the appraisal of adaptation options. These countries are looking to strengthen the use of economic valuation and analysis tools to support decision-making in the context of medium and long-term national, sub-national and sectoral integration of adaptation options into development planning. The activities for which support is requested will help advance beneficiary countries to advance through stages B ('Preparatory Elements') and C ('Implementation Strategy') of the LEG Guidelines.

Overall objective

The overall **objective** of this project is to assist developing countries to advance country specific priorities relating to their specific national adaptation plan process.

The **expected results** (outputs) from this limited intervention will be the following:

Output 1: Enhanced awareness of the NAP process: this will strengthen key ministries including that of Agriculture, Environment, and Planning to understand the NAP process and commence the process of identifying how climate change risks can be mainstreamed into existing planning and budgeting cycles (Benin, Mali, Vietnam);

Output 2: Enhanced skills in application of investment appraisal techniques, a critical element in the NAP guidelines, which can serve as an input into the policy dialogue on national adaptation planning (Nepal, Laos, Vietnam).

Output 3: Completed stock taking exercises to advance the NAP process and develop integrated roadmaps for advancing country-specific NAPs in three countries (Benin, Malawi, Mali).

Output 4: Improved evidence-base on success factors and lessons learned on how to promote linkages between bilaterals and multilaterals for enhanced in country NAP support (based on visits to 3 countries).

The Approach/major components (incl. major activities)

In the spirit of promoting country ownership and pursuit of national priorities as they relate to the start-up and/or advancement of the national adaptation plan process, the GIZ funds will be used to support 3 key areas including:

- (a) Strengthening knowledge and skills of relevance to the NAP process
- (b) Taking stock of ongoing national initiatives with a view to identifying gaps that need to be filled in order to advance the NAP process
- (c) Identifying lessons/success factors to promote more effective bilateral/multilateral support to countries with their respective NAP process.

At the beginning of the collaboration the selection of countries for components 1-3 may be adjusted based on consultations between GIZ and UNDP.

Component 1: Strengthening knowledge and skills specific to the NAP process in the context of pursuing climate resilient development.

Output 1: Enhanced awareness of the NAP process including skills of technical experts to support the advancement of the NAP process at the country level: this will strengthen support mechanisms critical human resource capacities for key ministries (including Agriculture, Environment, and Planning) to draw on to better understand the NAP process and commence the process of identifying how climate change risks can be mainstreamed into existing planning and budgeting cycles (Benin, Mali, Vietnam);

Output 2: Enhanced skills on the application of investment appraisal techniques, a critical element in the NAP guidelines, which can serve as an input into the policy dialogue on national adaptation planning (Benin, Mali, Malawi, Nepal, Laos, Vietnam).

Planned Activities include:

1. Organize and conduct a Training of Trainers to support NAP related policy and technical support at the country level.
Inputs required:
 - (a) Organize and conduct a training workshop for a select number of technical specialists on the NAP process and tools and approaches that can be used by countries. At least 30 individuals will be invited for this.
2. Organize a national dialogue in Benin, Mali and Vietnam co-led by Ministry of Planning, Finance and Environment on the NAP process
Inputs required:
 - (a) Procure the services of an international consultant to facilitate the national dialogue including providing key information to national stakeholders so that an informed discussion on NAPs can take place
 - (b) Procure the services of a national consultant to support with organizational aspects in each country including compiling relevant background materials/information for the national dialogue.
3. Collect and analyze data relating to adaptation in the agriculture sector
Inputs required:
 - (a) Procure the services of a team of national experts to conduct training on investment appraisal techniques including collecting and analyze data relating to farmer behavior in the context of managing climate change risks in the agriculture sector; and then prepare and present policy briefs based on the analytical findings at the national dialogue (as per (1))
4. Compile a report on key issues that arise during the dialogue that captures priority national opportunities and challenges to advance the NAP process including areas of assistance that is required from the international community.
Inputs required:
 - (a) Procure the services of an international and national consultant to compile the proceedings of the national dialogue in a format that includes actionable steps by Government as well as donor organizations interested in supporting the country to move its NAP process forwards.

work for the national dialogues in Benin, Malawi and Mali										
(2a) Conduct cost-benefit training and analysis in Nepal, Laos and Vietnam										
3a. Compile reports from national dialogues in all 6 countries.										
Component 2										
Review and synthesis document on initiatives of relevance to NAPs including gaps that need to be filled										
Finalize report based on conclusions of national dialogue										
Component 3										
Review performance evaluations of ongoing programmes of assistance including interviews										
Finalize report										

Operational modalities

GIZ will transfer €175,000 to UNDP using a 3rd Party Cost Sharing Agreement. The funds will be received into an existing UNDP project called Global Support Programme for Assisting Least Developed Countries. Both technical and financial assistance will then be provided directly by UNDP to the countries identified in this note, in collaboration with its partners, including GIZ staff.

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