

**GRANT ARRANGEMENT BETWEEN
THE KOREA INTERNATIONAL COOPERATION AGENCY AND
UNITED NATIONS DEVELOPMENT PROGRAMME
ON “SUSTAINABLE SOLUTIONS FOR THE INTERNALLY
DISPLACED PERSONS (IDPS) IN THE LOCALITY OF LAHAÏE,
COMMUNE OF DAME MARIE, GRAND ANSE DEPARTMENT”**

This Grant Arrangement (hereinafter referred to as the “**Arrangement**”) is entered into by the Korea International Cooperation Agency (hereinafter referred to as “**KOICA**”) and United Nations Development Programme (hereinafter referred to as “**UNDP**”, and each KOICA and UNDP individually, hereinafter referred to as a “**Side**” and together as the “**Sides**”).

WHEREAS UNDP is firmly committed to contributing to the improvements of economic and physical living conditions of internally displaced persons affected by Hurricane Matthew in Lahaie by providing long-term recovery efforts and ensuring greater resilience to economic shocks and disaster and climate risk through the “Sustainable Solutions for the Internally Displaced Persons(IDPs) in the locality of Lahaie, commune of Dame Marie, Grand Anse Department” (Hereinafter referred to as the “**Project**”) as described in the Project Document for the Korea International Cooperation Agency (KOICA) attached hereto as Annex I;

WHEREAS KOICA desires to strengthen its cooperation with UNDP by making funds available to UNDP for the implementation of mutually agreed Project to contribute to poverty reduction and sustainable development in the developing countries;

NOW THEREFORE, the Sides have reached the following understanding:

**PARAGRAPH 1.
OBJECTIVES AND SCOPE**

1. The objective of this Arrangement is to (i) establish a framework of cooperation and facilitate collaboration between the Sides with respect to “Sustainable Solutions for the Internally Displaced Persons(IDPs) in the locality of Lahaie, commune of Dame Marie, Grand Anse Department” (hereinafter referred to as the “**Project**”) as further described in the Project Document attached as Annex I hereto and (ii) record KOICA’s agreement to provide financial assistance to UNDP in the form of a Contribution (as defined below) to support the Project.
2. The main objective of the Project is to improve economic and physical living conditions of internally displaced persons affected by Hurricane Matthew in Lahaie by providing long-term recovery efforts and ensuring greater resilience to economic shocks and disaster and climate

risk.

3. The duration of the Project will be from the date on which this Arrangement is signed to 24 months the end of the Project on December 07th, 2019.

**PARAGRAPH 2.
FUNDING AND MANAGEMENT OF CONTRIBUTION**

1. KOICA will endeavour to provide financial support in the amount of two million four hundred eighty thousand five hundred seventy-eight point eighty-two United States Dollars (USD 2,480,578.82) (hereinafter referred to as the “**Contribution**”)
2. The Contribution is intended to cover the direct costs of implementing the Project outlined in the Project Document and to contribute, at the rate of eight (8) percent of the Contribution will be allocated to UNDP’s indirect project support costs for the Contribution in accordance with relevant decisions of the UNDP’s Executive Board as set out in the budget included in the Project Document attached herewith as Annex I.
3. KOICA will transfer its contribution hereunder to the following UNDP’s account:

Account Name:

Bank Name: Bank of America, N.A.

Account Number: 3751560155

Address: 304 East 45th Street, Suite 478 New York, NY 10017

SWIFT Code: BOFAUS3N

ABA Code: 111000012

Reference: Contribution from RoK for “Sustainable Solutions for the Internally Displaced Persons (IDPs) in the locality of Lahaie, commune of Dame Marie, Grand Anse Department”

4. The Contribution will be transferred in three (3) instalments by KOICA after receipt of written request of UNDP for the payment as follows:
 - (a) an initial instalment of four hundred thirty thousand United States Dollars (USD 430,000) upon signature of this Arrangement by both Sides;
 - (b) the second instalment of one million seventeen thousand United States Dollars (USD 1,017,000) within 3 weeks after receipt and approval of UNDP’s first biannual update by KOICA (as per paragraph 4); and
 - (c) the final instalment of one million thirty three thousand five hundred seventy-eight point eighty-two United States Dollars (USD 1,033,578.82) within 3 weeks after receipt and

approval of UNDP's second biannual update by KOICA (as per paragraph 4).¹

5. Upon disbursement of each instalment of the Contribution, KOICA will inform UNDP by means of a written notice of such disbursement including the following information: (a) the amount transferred; (b) the value date of the transfer; and (c) that the transfer is from KOICA pursuant to this Arrangement.
6. Upon receipt of each instalment of the Contribution, UNDP will notify KOICA of such receipt by means of a written notice.
7. UNDP will administer the Contribution to implement the Project and maintain appropriate accounting records in accordance with UNDP's rules and regulations in respect of the receipt and management of the Contribution.
8. The Contribution will be subject to the internal and external audit procedures by UNDP, in accordance with UNDP Rules and Regulations and by the persons designated by UNDP.
9. Any balances remaining in the Project account after execution of all obligations under the Project with respect to the KOICA's Contribution will be reallocated to the subsequent period of the given operation, or if no subsequent period exists, KOICA and UNDP will jointly decide its use through mutual consultations.
10. Any interest income attributable to the Contribution shall be credited to UNDP Account, retained by UNDP and shall be utilized in accordance with established UNDP procedures.

PARAGRAPH 3. IMPLEMENTATION

1. The Sides will implement this Arrangement through a variety of mechanisms including:
 - (a) Interaction at the headquarters level;
 - (b) Engagement at the country level;
 - (c) Financial support for the Project;
 - (d) Exchange of information and consultation;
 - (e) Both Sides' joint or either Side's assessment, monitoring and evaluation;
 - (f) Participation in the meetings and other events hosted by the other Side; and
 - (g) Any other forms of cooperation jointly decided upon by the Sides
2. The Sides will join efforts and maintain a close working relationship in order to achieve the

¹ The disbursement calendar for the payment instalments does not imply an expectation of pre-financing on the part of UNDP. The calendar is subject to modification, following agreement by both parties in writing, according to implementation progress of the project.

objectives of the Project and all implementation-related matters other than those stated herein will be dealt with based on the Project Document attached herewith unless otherwise specified.

3. Changes within the Project budget are permissible provided they are made under the same budget objective. If the accumulated of the changes during the Project period does not exceed 10% of the Project budget which is two hundred forty-eight thousand fifty-seven point eight eight two United States Dollars (USD 248,057.882), such changes do not require prior approval of KOICA but will have to be explained in the annual report and reflected in the relevant financial report. All other changes in the budgets are possible only provided there is written consent from KOICA.
4. With reference to the Project period extension, an official extension request will be submitted to KOICA by UNDP no later than three (3) months before the Project ends, including the statement of reasons, progress report to date with provisional financial report, and work plan for the remaining Project period.
5. UNDP will invite KOICA to major events related to the Project implementation such as the Project's Steering Committee, ceremonies and stakeholder meetings as a main contributor to and stakeholder of the Project.
6. The relevant UNDP office and KOICA country office in the country will communicate implementation related matters of the Project unless specified otherwise herein. The meetings between the relevant UNDP office and KOICA country office in the country will be reported to UNDP and KOICA headquarters by the relevant UNDP office and KOICA country office in the country respectively.
7. UNDP will be responsible for implementing the Project activities in line with the Project Document agreed by the Sides and being part of the present Arrangement as Annex I.
8. Any major decision related to the implementation that modifies the activities in the Project Document shall be agreed by Sides with a formal exchange between KOICA and UNDP at the headquarters level via KOICA country office.
9. With regard to the amendment of the Arrangement, both Sides will communicate at the headquarters level via KOICA country office as necessary and any amendment to this Arrangement shall be agreed upon by both Sides in writing.
10. When agreed mutually, KOICA can dispatch a KOICA Multilateral Cooperation Officer (KMCO) for the Project. KMCO will participate in the Project, subject to and in accordance with a subsequent agreement to be signed by Sides in this regard.

**PARAGRAPH 4.
REPORTING, MONITORING AND EVALUATION**

1. UNDP will provide KOICA headquarters 1. (through KOICA country office in Dominican Republic) with the following reports during implementation of the Project, and as agreed in the Project Document:

- (a) **Biannual Update** with relevant indicators summarizing the progress of the Project during the reporting period will be submitted to the KOICA country office in Dominican Republic by the due date below.
- (b) **Annual Report** comprising a narrative progress report for the previous 12 months² and the provisional financial report with budget execution per activities, together with the work plan for the following 12 months will be submitted to the KOICA Headquarters via KOICA country office by the due date below. UNDP will provide provisional financial reports as often as may reasonably be requested by KOICA.
- (c) **Synthesis Report** including a summary of outputs and activities undertaken, achievements compared to the goals and objectives, provisional financial reports for the whole Project period and an evaluation of the Project will be submitted to the KOICA headquarters via KOICA country office by the due date below. Draft shall be submitted one month earlier prior to the due date.
- (d) An Annual Financial Statement, for the year ended December 31st, 2018 and 2019, certified by an authorized official from the UNDP Division of Management Services (Finance Branch) will be submitted to the KOICA headquarters via KOICA country office no later than June 30th of the following year.
- (e) A Final Financial Statement certified by an authorized official from the UNDP's Division of Management Services (Finance Branch) showing the total budget spending of the Project will be submitted to KOICA headquarters via KOICA country office no later than June 30th following the year in which the project is operationally completed. Draft shall be submitted one month earlier prior to the due date, May 30th, 2020.

	Type	Reporting Period	Due date
1	Biannual Update	Dec. 8 th 2017 - May 31 st , 2018	Jun. 30 th , 2018
2	Annual Report	Dec. 8 th 2017 - Oct. 31 st , 2018	Nov. 30 th , 2018
3	Biannual Update	Nov. 1 st , 2018 - May 31 st , 2019	Jun. 30 th , 2019
4	Annual Report	Nov. 1 st 2018 - Oct. 31 st , 2019	Nov. 30 th , 2019
7	Synthesis Report	Dec. 8 th 2017 - End of the Project	Within 180 days from the end of the Project

² The comprising narrative progress for the first annual report will cover the duration of 11 months as established in the reporting period table.

2. Reporting will begin from the signature of this Arrangement between both Sides, and last until the end of the Project. If the extension of the Project is approved by KOICA, the rescheduled reporting period and due date will be informed by KOICA to UNDP after mutual consultation.
3. Reports provided by UNDP shall be expressed in United States Dollars. Where necessary, grants, expenditures and income shall be converted into United States Dollars using the relevant operational rate of exchange set by the United Nations.
4. KOICA will review the reports based on KOICA's reports review criteria including budget execution rate, and progress against the original plan, the concreteness of the following year's work plan, monitoring and evaluation performance, and partnership and cooperation between Sides, etc. KOICA may request UNDP to complement the reports in terms of contents or provide UNDP with its suggestions for improvement of the Project when necessary.
5. The Sides will jointly decide on the monitoring of the Project as follows;
 - (a) UNDP will monitor the Project in accordance with its rules and regulation;
 - (b) KOICA and UNDP may meet to check the progress of the Project as agreed between the Sides;
 - (c) KOICA may conduct its own or joint field visits for the purpose of monitoring of the Project, in consultation and cooperation with UNDP.
6. The Sides jointly decide on the evaluation of the Project as follows;
 - (a) UNDP will be responsible for initiating, organizing and following up project evaluations in accordance with the Project Document and UNDP's evaluation policy and guidelines;
 - (b) UNDP may consult KOICA on the terms of reference for the evaluation and invite KOICA to participate in the evaluation at KOICA cost unless explicitly foreseen in the Project budget;
 - (c) KOICA can conduct its own mid-term and/or end-of-project and/or ex-post evaluation in consultation and cooperation with UNDP.
7. Audit shall be subject to the internal and external-auditing procedures provided in the financial regulations, rules and directives of UNDP. All costs for the Audit are to be presented for approval to KOICA by UNDP.

**PARAGRAPH 5.
VISIBILITY**

1. UNDP will endeavour to maximize opportunities that facilitate recognition of KOICA's Contribution on the Project (e.g. through appropriate references in theme-related documentation, public information, and due notice to third sides.)
2. In addition, UNDP will ensure the visibility of KOICA under this Arrangement.

PARAGRAPH 6. FRAUD

Both sides have a zero tolerance for fraud and recognize that it is important to take all necessary precautions to avoid corrupt, collusive or coercive practices. To that end, UNDP will maintain standards of conduct governing the performance of its staff, including the prohibition of corrupt, fraudulent, collusive and coercive practices in connection with the award and implementation of the Contribution in accordance with UNDP's Rules and Regulations.

PARAGRAPH 7. GENERAL PROVISIONS

1. Nothing in this Arrangement will be deemed or construed to create, or have been intended to create, an unincorporated business, a business partnership at law, joint venture, or any employment or agency relations between the KOICA and UNDP.
2. This Arrangement is not intended to create any legally binding rights or obligations, and will be carried out within the framework of the respective applicable laws and regulations of the Sides and subject to the availability of appropriated funds and personnel of the Sides.

PARAGRAPH 8. DISPUTE RESOLUTION

Any dispute arising from the interpretation or application of this Arrangement will be settled amicably through mutual consultation between the Sides, and such consultations shall be coordinated, with respect to KOICA and UNDP. If the Sides are unable to reach an agreement on any such any dispute, controversy or claim, or on a mode of settlement other than arbitration, either party shall have the right to request arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL), as at present in force. The Sides agree to be bound by any arbitration award rendered in accordance with the above, as the final adjudication of any such dispute.

PARAGRAPH 9.
ENTRY INTO EFFECT, DURATION, AMENDMENT, TERMINATION

1. This Arrangement will become effective upon signature by the Sides.
2. This Arrangement will remain in effect until completion of all obligations of the Sides.
3. This Arrangement may be extended if the Sides jointly decide to do so, in writing, prior to the date of termination. The Arrangement will be regarded as extended when the Project extension is approved by KOICA. When this arrangement is extended, if approved by KOICA, there is no increase in the Contribution amount without reasonable cause.
4. This Arrangement may be amended by the mutual written consent between the Sides.
5. This Arrangement may be terminated by either Side giving the other Side sixty (60) days' notice in writing, which details the reason for such termination.
6. Upon termination, for any unused portion of the Contribution made by KOICA hereunder, other than those irrevocably committed in good faith before the date of termination and those decided between the Sides as being required to finalize funded activities, KOICA and UNDP will consult and jointly decide its use.


IN WITNESS WHEREOF, the undersigned, duly appointed by KOICA and UNDP, respectively, have signed this Arrangement on December 8th, 2017, in two original copies, in the English language.

For and on behalf of
Korea International Cooperation Agency


Youngsun Jung
Country Director

For and on behalf of
United Nations Development Programme


Yvonne Helle
Country Director



Annex I. PROJECT DOCUMENT

Annex II. REPORT TEMPLATES (Biannual update, annual report, synthesis report)