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وزارة البيئة

The Hashemite Kingdom of Jordan

Ministry of Environment

Badia Restoration Program

Restoration and rehabilitation of the terrestrial ecosystems

of the Jordan Badia

Agreement between

The Ministry of Environment/ Badia Restoration Program

and the United Nations Development Program (UNDP)

To implement

**"Improving Livelihoods of Sheep owners in the Jordan Badia through Enhancing
Sheep Wool Marketability and Profitability" Project**

(Enhancing Productivity and Quality of sheep wool in the Jordan Badia)

Agreement to Execute

**"Improving Livelihoods of Sheep owners in the Jordan Badia through Enhancing
Sheep Wool Marketability and Profitability" Project**

First Party: The Ministry of Environment/ Badia Restoration Program, represented by the Minister of Agriculture & Minister of Environment

Second Party: The United Nations Development Program UNDP – Jordan

Duration of the agreement: 36 months (starting from 27/03/2019 and ending on 26/03/2019)

The Agreement's total value:(JD 1,849,423.16) One million, Eight hundred and Forty-Nine thousand and Four Hundred Twenty-Three JOD and 16 Piasters. The First Party's contribution constitutes the total sum of (1,778,623.16) One million, and Seven hundred and Seventy-Eight thousand and Six Hundred Twenty-Three JOD and 16 Piasters, while the Second Party's contribution totals (JD 70,800) Seventy Thousand Eight Hundred JOD.

Preamble:

Pursuant to the resolutions S/AC.26/Dec.248 and 258S/AC.26/Dec of (2005), the United Nations Compensation Commission and the Governing Council approved to compensate The Hashemite Kingdom of Jordan a sum of USD 160,582,073 to restore the environmental ecosystems of the Jordan Badia that were exposed to damaging impacts resulted from the influx of refugees and their livestock during the 1990-1991 Gulf War. Badia Restoration Program (BRP) was set up at the Ministry of Environment (MOE) to manage this sum of money through the implementation of the components and activities of the restoration of the terrestrial ecosystems of the Jordan Badia.

The main goal of the Rehabilitation of the Terrestrial Ecosystems of the Jordan Badia Program is to rehabilitate pastures, water sources and wildlife in the Jordan Badia and to increase its productivity, as well as to protect wildlife in the area with the participation of local communities to achieve sustainable development.

The Program has put together a community action plan to rehabilitate pastures, water sources and wildlife in the Jordan Badia and to increase their productivity, as well as to protect wildlife in the area with the participation of local communities in order to achieve sustainable development (Annex 1). This plan was based on the findings of a study of fundamental information, conducted in those areas during 2009-2010. The study surveyed the targeted areas, looking at the soil, water, wildlife, vegetation and the socioeconomic characteristics of the inhabitants that live in those locations and exploit its resources. The plan, which will be implemented to rehabilitate the pastures and improve the livestock yield in the Jordan Badia, uncovered the need to assist the local community in establishing prolific projects and activities capable of improving their livelihood, key among which is shearing sheep wool and improving its quality and marketability to benefit sheep owners in the Badia.

Due to the distinguished expertise of the UNDP in Jordan, in light of its engagement with the local communities in the Jordan Badia, the Program experts, the Advisory Committee and the Steering Committee have recommended to seek the expertise of UNDP. Hence, the UNDP has prepared and submitted a project proposal to **Enhancing Productivity and Quality of sheep wool in the Jordan Badia. "Improving Livelihoods of Sheep**

owners in the Jordan Badia through Enhancing Sheep Wool Marketability and Profitability”

(Annex 2) It is expected that this project would contribute to the execution of related activities stated in the community action plan (CAP).

After the UNDP's review of the resolutions S/AC.26/Dec.248 and 258S/AC.26/Dec of (2005), the United Nations Compensation Commission and the Governing Council and the project's action plan, stated as part of the BRP's action plan activities, the UNDP agreed to execute this project's activities, as stated in Annex 1 and Annex 2, and in accordance with the terms of this agreement and the fiscal budget stated in Annex 3, and in conformity with the requests submitted by the Program's independent reviewers and advisory group. It is worth noting that all annexes referred to in this agreement are part and parcel thereof.

Article One: Definitions

The following words and phrases shall have the meanings assigned to them hereunder unless otherwise stated in the text.

Words/ Phrases	Definition
The Minister	Minister of Environment
The Ministry of Environment	The Ministry of Environment of the Hashemite Kingdom of Jordan
The Program	The Environmental Compensation Program at the MOEnv and which aims to rehabilitate the ecosystems of the Jordan Badia
The Government	The Government of the Hashemite Kingdom of Jordan
The project - English	Improving Livelihoods of Sheep owners in the Jordan Badia through Enhancing Sheep Wool Marketability and Profitability
The project - Arabic	” تعزيز إنتاجية وجودة صوف الأغنام في البادية الأردنية ”
Action plan	The sum total of activities under this agreement, the time-plan and budget needed for execution.
The Agreement	All the articles and items stated in this agreement, in addition to all the annexed documents, which are part and parcel thereof, including: the ECP's CAP (annex 1), the Project action plan to be executed (annex 2), and the allocated budget for the execution of the Project (annex 3)
The UN Environmental Compensation Committee	The UN Compensation Committee (UNCC) that was formed by the UN Ruling Council to

	monitor the ECP and projects of states affected by the 1990-1991 Gulf War.
The community Action Plan	The community action plan (CAP) of the BRP. CD is attached.

Article Two: Activities the Second Party is required to execute under this Agreement and in accordance with the Project document.

The Project strategy, aimed at fulfilling the project goals, consists of the key outcomes alongside a broad range of activities that will be executed in coordination with the Project's various stakeholders, as follows:

- 1- Wool shearing shall be improved in accordance with market standards.
 - Provision of sufficient technical training and awareness to sheep owners on healthy and theoretical practices as well as nutrition that serve to upgrade the quality of wool.
 - Develop a number of user guidelines.

- 2- Provision of best technologies, practices and shearing tools, and making those available and utilized on a large scale across all areas of the Jordan Badia.
 - Select and introduce best practices in the region and in neighbouring countries.
 - Provide appropriate shearing tools.
 - Provide training on shearing processes and how to effectively use the new shearing tools.
 - Shear the targeted number of sheep.

- 3- Enhancing the capacities of local cooperative societies to provide shearing services to sheep owners.
 - Select the cooperative societies capable of operating shearing services.
 - Train the cooperative societies on the know-how of managing and operating shearing services.
 - Shear the targeted number of sheep.

- 4- Regulating the collection of raw wool and limiting the cost of internal transportation.
 - Establish specialized centres to assemble sheep wool.
 - Identify the cooperative societies capable of operating the specialized wool assembly centres.
 - Regulate the process of wool transportation.
 - Establish an assembly plan that incorporates a model of the agreements and procedures in place to regulate the relationship between the cooperatives and the assembly centres.

- 5- Regulating the wool trade markets in the interest of all stakeholders.
 - Identify effective institutions to undertake the regulation of sheep wool markets.
 - Establish a trial plan to indicate the variables that affect the trade market.
 - Undertake an assessment to identify the fair market value in the overall wool sector.

- 6- Limiting the environmental impact of removing and dispensing with the wool.
- Develop an appropriate tool (legal/operational) to document the proper way to dispense with the wool waste.
 - Increase awareness of sheep owners/pastoralists on the environmental and health impact of dispensing with the wool in the open air.

7- Enhancing local wool usages

- Encourage the usage of low-quality wool (coloured wool, which makes up 30% of raw wool) to produce cushions of varying thicknesses that could be used for a variety of isolation purposes, since those cushions are non-flammable, and could be reused for numerous domestic purposes.
- Train the local community to operate the trial unit and to produce handicrafts as well as other creative handwork.

Article Three: Duration of the Agreement

1- This agreement shall come into effect as of the date of its signing and shall expire three years after its signature.

2- In the event the Second Party, and during the execution of the CAP, deems it necessary to extend the work period in order to complete some activities and fulfil all its needs - beyond the expiry date, as stated in Paragraph 1 of Article Three, the Second Party must notify the First Party in writing of the justification thereof two months prior to the expiry date stated in Paragraph 1 of Article Three. Extension can be made possible upon a written approval by both parties of the stated justification, and for the duration the two parties deem suitable. The First Party shall not be responsible for any additional cost other than what is stated in the Agreement's budget, as stated in Annex 3. The Parties acknowledge and agree that in the event of cost overrun, if additional funding is not available, the Second Party has the faculty to reduce, suspend or terminate the activities under the Agreement.

Article Four: Responsibilities and commitments of the parties

1- The parties shall carry out the responsibilities assigned to them in accordance with the provisions of this Agreement and the activities listed in the action plan subject of the Agreement. The parties shall also abide by all the articles and terms thereof.

2- The Second Party shall execute all the activities and action plan stated in the Project action plan and indicated in the Program's CAP (Annex 1) and in the Project's action plan indicated in (Annex 2).

3- The Second Party shall provide the First Party with copies of the studies, designs and released tender documents

4- The Second Party shall recruit human resources, if the need arises, in order to carry out its responsibilities of executing this Agreement's activities to its best ability and in accordance with the laws and regulations enforced by the Jordanian Government. The Ministry of Environment/ The BRP shall not be responsible for any additional expenses beyond what is stated in the Agreement's budget. The Second Party shall not pre-finance any activity under the project.

5- The Second Party shall assign/nominate a Project director/ coordinator, who shall be tasked with duties that serve to achieve the Project's goals. That person shall be the focal point/ liaison with the BRP for the purpose of discussing administrative, technical and financial matters related to the Project.

6- The Second Party shall execute the action plan, follow up on the field execution and prepare the necessary reports on the work progress.

7- The Second Party shall ensure that all staff members working for the Project have no conflict of interest with relation to any of the Project's activities, and that their selection process is based on transparency and integrity criteria.

8- The Second Party shall be fully responsible for all staff members working for the Project and shall ensure that they carry out the duties, responsibilities and tasks assigned to them in the best manner that achieves the Project's goals.

9- The Second Party shall be fully responsible for all the activities and services rendered by the Project's staff, who shall not consider themselves as employees or agents of the First Party.

10- Each of the two parties shall inform one another in writing of any matter related to the Project's activities and shall consult with each other in the event of any emerging circumstance that may impact the fulfilment of the Project and Program's goals.

11. The First Party and the Monitoring and Evaluation team working for the BRP as well as the Program's independent reviewers and advisory group shall preserve the right to evaluate and evaluate the Project and the execution of the action plan in accordance with the Project document and progress reports. Auditing shall be conducted in accordance with the UN Single Audit Principle exclusively. The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the Financial Regulations and Rules, policies and procedures of UNDP. Should the annual Audit Report of the UN Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the Donor by the country office.

12- The two parties shall cooperate together to obtain licenses and permits where it is deemed fit and necessary in order to achieve the Project's goals. Consequently, the two parties shall work together to prepare the reports, statements and data, or to submit any Project related data to the relevant bodies in charge of issuing those..

13- The First Party shall not be responsible for any claims resulting from the executed activities under this agreement, nor shall it be responsible for any claims from individuals working for the Second Party due to death, physical injury, or disability, or due to any damage of property or due to any risk that the Project staff may be subjected to as a result of this work.

14. The Second Party shall duly provide the First Party with copies of all available studies, released tender documents and data, as well as copies of any maps and images prepared as part of the Project's activities. The Second Party shall implement the agreement and project activities in accordance with the Second Party's Financial Regulations and Rules and procedures (including those aspects related to accounting, asset disposal, audit, cost recovery through the application of a General Management Support Service fee or "GMS", procurement, project management and reporting).

15. The Second Party shall abide by all commitments stated in the Project action plan.

16. The First Party shall finance the Project's costs, in full, in accordance with this agreement and with the articles of the budget stated in Annex 3.

17- The Second Party, in accordance with the advisory committee decision number 3/2018 dated 26/11/2018, shall duly prepare an independent MOU with the Jordan Cooperative Corporation, under which the tasks, responsibilities, rights as well as the costs incurred by each of the parties must be indicated in a manner that ensures sound execution and sustainability of the Project. The above must be enclosed with the original Agreement intended to be signed by the UNDP and the Ministry of Environment/ the BRP and shall be considered as part thereof and shall be read with it.

18- The Project shall be executed as a first phase/pilot on 500,000 sheep. An evaluation of the Project shall be carried out at the end of the pilot by the competent parties under this agreement alongside an independent evaluator. If proven successful, the Project's next phase shall be executed, and if proven otherwise, the Project shall be halted. This evaluation shall not be an external audit.

19- The Second Party shall form committees that serve the execution of the Project's activities with the participation of the stakeholders (the BRP, the Jordan Cooperative Corporation, UNDP and the Ministry of Agriculture).

Article Five: Technical and financial reports

1- The Second Party shall submit to the First Party an Inception Report at a date not later than three weeks from the signing of this agreement. The report shall include the outcome of preliminary consultations with the various relevant institutions and the Project's partners, as well as a detailed executive action plan and the schedule of activities. In the event of any amendments being carried out on the action plan on the level of activities and Project inputs, and in the event such amendments are approved by the First Party, those activities shall be endorsed in lieu of the activities stated in

Annex 2 of this Agreement. The Second Party shall submit to the First Party this report in electronic form on CD alongside three hard/printed copies.

2- The Second Party shall submit to the First Party quarterly reports (one report every 3 months) on the work progress, and this quarterly report shall be in electronic form on CD alongside three hard/printed copies. The report shall include detailed (technical and financial) data on the work flow of all activities and shall also include all available data (raw data).

3- The Second Party shall submit to the First Party a final report at the end of the Project, and this report shall be in electronic form on CD alongside three printed copies. The final report must include the following:

One: A detailed description of all technical and financial aspects related to the Project's activities, detailed information on all the activities, all available data and relevant details, all drawings, tables and supporting images.

Two: Emphasis on the achievements based on the expected outcomes.

4- The Second Party shall submit to the First Party quarterly reports (technical and financial) on the work progress, including actual expenditure and achievements in addition to any of the expected commitments stated in the progress report. Moreover, the Second Party shall make all financial reports available for review by the First Party.

5- The Second Party shall duly provide the First Party with copies of all available studies, documents and data, as well as copies of maps and images that have been prepared through the Project's activities.

Article six: The Agreement value and financial payments

The total value of this Agreement is JD 1,849,423.16 One million, Eight hundred and Forty-Nine thousand and Four Hundred Twenty-Three JOD and 16 Piasters. The First Party's contribution constitutes the total sum JD 1,778,623.16 One million, Seven hundred and Seventy-Eight thousand and Six Hundred Twenty-Three JOD and 16 Piasters while the Second Party's contribution totals JD 70,800 Seventy Thousand Eight Hundred JOD. The above sum is inclusive of all direct taxes and expenses that may be incurred in the process of executing this Project during the time lapse from the signing until the expiry of this agreement (as stated in Annex 3).

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 Donor with a view to determining whether any further financing could be provided by the Donor. Should such

further financing not be available, the assistance to be provided to the [Programme/Project] may be reduced, suspended or terminated by UNDP.

1- The total cost of this agreement (as stated in paragraph 1 of Article Six) as the ceiling to all activities subject of this Agreement and may not be exceeded. Accordingly, the First Party shall pay for the actual value of the activities' costs, stated in the financial report and duly supported by the official statements, documents and invoices.

2- Transfer of budget items shall not be permitted unless the justification for such is presented by the Second Party and is approved in writing by the First Party.

3- Notwithstanding what is stated in Item 2 (of this Article), the First Party shall pay to the Second Party all dues of the first phase, at the value of JOD 463,500.98, after the Second Party has submitted to the First Party the Inception Report, and after it has been approved by the First Party.

In the event the Project progresses to the second phase, upon approval of both parties, 40% of the remaining sum of money -after payment of the cost of the first phase- in accordance with the Project document, and in the event that no less than 80% of the previous amount has been paid, the balance shall be paid in two instalments as follows:

- One payment of 40%

- One payment of 20%

4- The First Party shall renew payment to the Second Party at 40% of the value of the remaining sum of the Agreement, as stated in Paragraph 1 of Article Six after the First Party has received from the Second Party the first progress report (technical and financial) and has approved it, and in which time the Second Party has expended no less than 80% of the previous payment.

Article Seven: Ownership of the equipment and tools

1- The Jordan Cooperative Society shall be responsible for possessing or obtaining authorization of the necessary lot of land needed to erect any structures related to the Project after the suitable locations have been scouted.

2- The ownership of all equipment, tools and structures erected for the Project shall remain with the Cooperative Society.

Article Eight: Conflict resolution

In the event of a dispute arising from implementing the provisions, articles and terms of this agreement, it shall be resolved amicably. Nothing in this agreement shall be understood as a waiver of the immunities and privileges of the United Nations of which UNDP is an integral part (Annex 4)

Two copies of this agreement are signed, one in English and one in Arabic. For interpretation purposes, the English copy shall prevail in case of discrepancy.

Article Nine: Amendments

Amendment of this Agreement or any of its annexes shall not be permitted unless after the written consent of the two parties.

Article Ten: Agreement components

This agreement consists of ten pages and ten articles and includes four annexes.

In witness whereof, the undersigned, being duly authorized, and on behalf of the two parties, have signed this agreement in Amman on 27/03/2019


First Party
The Ministry of Environment /BRP
Minister of Agriculture and Environment


Second Party
United Nations Development Programme
Resident Representative