

LETTER OF AGREEMENT

BETWEEN

THE UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)

AND

THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

**For the Programme Trust Fund of the Strategic Approach to International
Chemicals Management**

WHEREAS the Strategic Approach to International Chemicals Management (SAICM) is a policy framework, which supports the achievement of the goal agreed at the 2002 Johannesburg World Summit on Sustainable Development of ensuring that, by the year 2020, chemicals are produced and used in ways that minimize significant adverse impacts on the environment and human health. SAICM was adopted by the International Conference on Chemicals Management (ICCM) in February 2006 in Dubai (United Arab Emirates). In its resolution I/4, the ICCM established the Quick Start Programme (QSP) to support "initial enabling capacity-building and implementation activities" in developing countries and countries with economies in transition and invited the Executive Director of UNEP to establish a Trust Fund for the QSP.

WHEREAS UNEP through its Governing Council Decision SS.IX/1, endorsed SAICM and has a mandate to establish and manage the QSP Trust Fund to support initial implementation of SAICM. The QSP Trust Fund was officially established on 1 December 2006. It will be open for contributions until the fourth session of the International Conference on International Chemicals Management and will continue disbursements until all approved projects in the Programme's portfolio are completed.

WHEREAS UNDP is the executing agency of the project identified as: "Preparation of National Action Plan (NAP) for the Implementation of Rotterdam Convention in Malaysia" (the Project) and shall maintain the overall responsibility for project implementation in accordance with the activities and timeline specified in the UNDP Project Document entitled "Preparation of National Action Plan (NAP) for the Implementation of Rotterdam Convention in Malaysia", as annexed to this Letter of Agreement (hereinafter LOA).

WHEREAS UNDP is prepared to receive and administer the contribution for the execution of the project.

WHEREAS the Government of Malaysia has been duly informed of the contribution of UNEP to the Project.

NOW THEREFORE, UNDP and UNEP hereby agree as follows:

Article 1

Amount

1. UNEP's financial participation under the present LOA shall not exceed US\$ 187,500 (One Hundred Eighty Seven Thousand Five Hundred United States Dollars). UNDP will administer the funds in accordance with its regulations, rules, policies and procedures and will be responsible for managing the disbursement of the Project funds in line with the attached Project Document.
2. UNEP shall transfer to UNDP the total approved contribution of 187,500 (One Hundred Eighty Seven Thousand Five Hundred United States Dollars) from the QSP Trust Fund (BAC: 2013-SML-2310-2518-1151-2101). The total funding will be made in one instalment upon signature of this Agreement and will be paid on the following bank account:

Beneficiary: UNDP
Bank: JPMorgan Chase Bank
A/C Name: UNDP Contributions Account
Address: JPMorgan Chase
International Agencies Branch
1166, Avenue of the Americas, 17th Floor
New York NY 10036-2708
USA
Account: No. 015-002284
Currency: US\$
Bank ID: ABA: 021000021 (US Banking Code)
Bank SWIFT Code: SWIFT CHAS US 33

3. UNEP will inform UNDP when the contribution is paid via an e-mail message with remittance information to contributions@undp.org
4. 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 shall be charged a fee equal to 8%, indicated as "project support cost" in the budget in annex II. Furthermore, as long as they are unequivocally linked to the specific Project(s), all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.

5. 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.
6. UNDP shall reimburse UNEP any portion of cash advances remaining unspent or uncommitted by UNDP on completion of the activities under the present agreement after all commitments and liabilities have been satisfied.

Article 2

Reporting

UNDP shall provide the following substantive reports to UNEP:

1. From its country office, a narrative report of project progress and the latest available approved budget, on a half-yearly basis and at the latest by 31 July and 31 January of each project year, reviewed and endorsed by the Montreal Protocol-Chemicals Unit of UNDP.
2. From its country office, within six month after the date of completion or termination of the Agreement, a final report summarizing project activities and impact of activities, reviewed and endorsed by the Montreal Protocol-Chemicals Unit of UNDP, as well as provisional financial data.

UNDP shall provide the following financial reports:

3. From the Montreal Protocol-Chemicals Unit, half-yearly financial progress reports at the latest by 31 July and 31 January of each project year. The financial reports will include detailed breakdown of expenditures incurred, using the forms provided in Annexes IV of the present LOA.
4. From UNDP Bureau of Management/Comptroller's Division, an annual certified financial statement as of 31 December every project year to be submitted no later than 30 June of the following year.
5. From UNDP Bureau of Management/Controller's Division, on completion of the project, not later than 30 June of the year following the financial closing of the project, a certified financial statement, consistent with the budget in annex II of the present agreement. For the avoidance of doubt, "financial closing" means that all project activities are operationally completed and all related financial obligations and liabilities have been settled.

Article 3

Account

1. UNDP shall maintain a separate record for the receipt and administration of funds disbursed to it by UNEP under this LOA for the Project. Administration of the funds will be in accordance with UNDP's own regulations, rules, policies and procedures.

Article 4

Evaluation

1. All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of Malaysia 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. The first evaluation report will be submitted one year after the signature of the present LOA and the second at the end of the project. All costs will be covered under the project budget contained in the project document.

Article 5

Audit

1. UNDP's account shall be subject exclusively to its internal and external auditing procedures laid down in its financial regulations, rules, directives and procedures. Should the biennial Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to UNEP.

Article 6

Dispute settlement

1. The Parties shall use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Letter of Agreement or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the nature of the dispute, controversy or claim and of



QSP Project No.: XI.12.G.MLY
Project Account No.: SM/4030-06-42-2101
BAC: 2014-SML-2310-2518-1151-2101
Overall Cost to UNEP: US\$ 187,500--

the measures which should be taken to rectify it, shall be resolved through consultation between the Executive Heads of the Parties.

Article 7

Correspondence

All correspondence regarding the present agreement should be addressed to:

UNDP:

Mr. Jacques Van Engel
Officer-in-Charge
Montreal Protocol Unit/ Chemicals
BEG/BDP
United Nations Development Programme
304 East 45th Street, FF-970
New York, NY 10017
U.S.A.
Tel: + 1 212 906 57 82
Fax: + 1 212 906 69 47
E-mail: jacques.van.engel@undp.org

With a copy to:

Ms Michelle Gyles-McDonnough
UNDP Resident Representative for Malaysia,
Singapore and Brunei Darussalam,
United Nations Development Programme,
Wisma UN, Block C
Kompleks Pejabat Damansara
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur
MALAYSIA
Email: michelle.gyles.mcdonnough@undp.org

Tel: 603 2095 9122
Fax: 603 2095 2870

With a copy to:

Ms. Loise N'ganga
Finance Specialist
Montreal Protocol- Chemicals Unit
Environment and Energy Group
Bureau for Development Policy
United Nations Development Programme

UNEP:

Ms. Fatoumata Keita-Ouane
Head, Chemicals Branch
Division of Technology
Industry and Economics
United Nations Environment Programme
11-13, Chemin des Anémones
CH-1219
Geneva, Switzerland
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With a copy to:

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Geneva, Switzerland
Tel: 00 41 22 917 87 41
Fax: 00 41 22 797 34 60
E-mail: leonor.alvarado@unep.org

With a copy to:

Mr. Christophe Bouvier
Director, Programme Management
Office for Operations and Corporate Services
United Nations Environment Programme
P. O. Box 30552

QSP Project No.: XI.12.G.MLY
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Nairobi 00100, Kenya
E-mail: christophe.bouvier@unep.org

With a copy to:

Mr. Ardeshir Zamani
Administrative Officer
Administrative Services Center
United Nations Environment Programme
11-13, Chemin des Anémones
CH-1219 Geneva, Switzerland
Tel: 00 41 22 917 82 59
Fax: 00 41 22 797 34 42
E-mail: ardeshir.zamani@unep.org

Article 8

Notification and Amendments

1. UNDP shall notify UNEP when all activities relating to the Project have been completed.
2. The Parties shall notify each another in writing, within 1 month of any proposed or actual changes that the other Party deems necessary for the execution of this LOA.
3. Upon receipt of such request, the Parties shall consult each other with a view to reaching an agreement.
4. This LOA and its Annexes may be amended only by mutual agreement of the Parties reflected in writing.

Article 9

Duration, Amendment and Termination

1. Annexes to this LOA shall be construed as an integral part of this LOA.
2. This LOA shall become effective upon signature and shall remain effective for a period of 18 months from the date of the last signature.

2014/DTIE/Chems-UNDP/LoA082

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BAC: 2014-SML-2310-2518-1151-2101

Overall Cost to UNEP: US\$ 187,500--

3. After consultations have taken place between UNEP and UNDP and provided that the payments already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the execution/implementation of the Project, this LOA may be terminated by UNDP or by UNEP. 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.
4. Notwithstanding termination of all or part of this LOA, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution/implementation of all or the part of the Project, for which this LOA has been terminated, have been satisfied and Project activities brought to an orderly conclusion.

Article 10

Entry into force

1. This LOA shall enter into force upon signature by the authorized officials of the Parties, being effective 18 months from the date of the latest signature.

IN WITNESS WHEREOF, the duly authorized representatives of UNEP and UNDP affix their signatures below.

For UNEP

Mr. Timothy J. Kasten



Director *ad interim*
Division of Technology, Industry and
Economics (DTIE)

Date: 26 March 2014

For UNDP

Mr. Jacques Van Engel

Officer-in-Charge
Montreal Protocol Unit/ Chemicals
EEG/BDP

Date:

7


Annex II, Budget in US\$ for project in Malaysia/ UNDP, 11th round

1000 US\$ per month

10 PROJECT PERSONNEL COMPONENT		Year 1	Year 2	TOTAL
1200	Consultants			
1201	Lead Consultant	40,000	50,000	90,000
1203	Technical Consultant	15,000	18,000	33,000
1205	Travel Lead Consultant (interviews, workshops, outreach)	3,000	5,000	10,000
1207	Travel Technical Consultant (interviews, workshops, outreach)	2,000	2,000	4,000
1299	Total	62,000	75,000	137,000
1999	Component Total	62,000	75,000	137,000
30 TRAINING COMPONENT				
3200	Group training			
3201	Industrial Outreach (50 pax x US\$100 x 1 day X 1)	5,000	5,000	10,000
3299	Total	5,000	5,000	10,000
3300	Meetings/Conferences			
3302	Technical Working Group NAP (15 pax x USD100 x 2-times)	3,000	3,000	6,000
3303	Inception Workshop (30 pax x USD100)	3,000	0	3,000
3304	National workshops (50 pax x USD300 x3)	0	6,611	6,611
3299	Total	6,000	9,611	15,611
3999	Component Total	11,000	14,611	25,611
50 MISCELLANEOUS COMPONENT				
5300	Sundry			
5301	Miscellaneous for communication	500	500	1,000
5399	Total	500	500	1,000
5500	Independent Monitoring & Evaluation and Audit			
5501	Independent Monitoring and Evaluation	0	10,000	10,000
5599	Total	0	10,000	10,000
5999	Component Total	500	10,500	11,000
Direct project cost		73,500	100,111	173,611
Programme Administrative cost 8 %		5,880	8,009	13,889
99	GRAND TOTAL	79,380	108,120	187,500