

FRAMEWORK AGREEMENT IN THE  
FIELD OF DEVELOPMENT  
COOPERATION

BETWEEN

THE GOVERNMENT OF NORWAY

AND

UNITED NATIONS DEVELOPMENT  
PROGRAMME

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The Government of Norway (hereinafter referred to as “Norway”) and the United Nations Development Programme (hereinafter referred to as “UNDP”), (hereinafter collectively referred to as the “Parties”), desiring to further strengthen their cooperation for the purpose of implementing activities which are consistent with and supportive of UNDP’s mandate and Strategic Plan, including organisation-wide results framework, hereby agree as follows:

## **ARTICLE I**

### **Scope and Objectives**

1. This Framework Agreement covers non-core contributions, as described in Article II, from the Ministry of Foreign Affairs (hereinafter referred to as “the Ministry”), from the Norwegian Agency for Development Cooperation (Norad), and other Ministries and their subordinate agencies if deemed relevant to UNDP, setting forth the general terms and conditions for such support. Contribution to UNDP’s regular resources is not to be covered under this Framework Agreement. This Framework Agreement shall replace the previous Framework Agreement in the field of Development Cooperation between the Norway and UNDP dated 2 December 2003.
2. Programme activities under this Framework Agreement shall be selected, designed and implemented in line with the Strategic Plan approved by the Executive Board of UNDP as well as the relevant policy decisions and guidelines. Thematic support (Type A, below) and other multi-donor support (Type B, below) are preferred modalities for support.
3. Programme activities to be implemented under this Framework Agreement through non-core contributions, in accordance with the directives outlined by the Executive Board of UNDP, are:
  - A: Thematic support at global, regional or country level (Type A: support),
  - B: Earmarked contributions to programmes/projects funded by Norway together with other donors e.g. through multi-donor trust funds or other co-financing modalities (Type B: support),
  - C: Earmarked contributions to programmes/projects funded by Norway as single-donor (Type C: support).
4. The Parties will enter into a separate agreement for each specific contribution, setting forth the specific terms and procedures for such contribution.

Type A: thematic support at global level will be regulated in a Programme Cooperation Agreement (PCA), while Type A: thematic support at regional and country level will be regulated in a specific agreement (“specific agreement”).

Type B: support and Type C: support will be regulated in a specific agreement based on agreed templates unless covered by the PCA. A PCA may also include global “Type B” and “Type C: support”.

5. The Parties shall strive to ensure that there are no discrepancies between this Framework Agreement and the PCA or the specific agreement. In exceptional cases, the Parties may agree to deviate from specific clauses in the Framework Agreement. If such discrepancies do occur, then the terms of the PCA or specific agreement shall prevail. Should such discrepancies be unintentional, the Parties shall in good faith consult, and if necessary make the required amendment to the PCA/specific agreement.
6. The overall objective of this Framework Agreement is to support the realization of international development goals in developing countries through the work of UNDP and based on the guidance provided in the Quadrennial Comprehensive Policy Review (QCPR). A specific results framework will be included in each PCA/specific agreement.
7. UNDP shall receive and administer support under this Framework Agreement in accordance with UNDP’s financial regulations and rules, applicable resolutions of the General Assembly and decisions of UNDP’s Executive Board.

## **ARTICLE II**

### **Contribution**

1. Norway shall, subject to Parliamentary appropriations, and on the terms and procedures set out or referred to herein and in the relevant PCA/specific agreement, make available financial contributions to be used exclusively to finance the activities described in or referred to in the PCA/specific agreement.

Based on proposals from UNDP, Norway shall, in the PCA also include the distribution among result areas in the Strategic Plan.

2. Contributions will cover, in addition to direct costs of the activities concerned, expenses for administrative and technical backstopping at the level approved by the Executive Board (the cost-recovery rate). The level will be reflected in the PCA/specific agreement as well as in the financial statements.
3. Disbursement of the contributions will be undertaken upon written requests from UNDP in instalments based on the documented financial need of the activities and

shall take into account that payment shall be made in advance of the implementation of planned activities. Instalments will take place annually or more frequently as agreed in the PCA/specific agreement.

- A: for Type A: Support, contributions shall, unless otherwise agreed, be disbursed to UNDP's General Account upon receipt and assessment of relevant reports as referred to in Articles V, Clause 4 and VI, Clause 1, a)
  - B: for Type B: Support, contributions shall be disbursed to an account specified in the specific agreement upon request from UNDP and receipt and assessment of relevant reports by Norway, as referred to in Articles V, Clause 5, as well as VI, Clause 1, a)
  - C: for Type C: Support, contributions shall be disbursed to an account specified in the specific agreement upon request from the Organisation and receipt and assessment of relevant reports by Norway, as referred to in Articles V, Clause 6 , and VI, Clause 1, a)
4. Norwegian contributions shall be made and transferred in Norwegian Kroner (NOK). UNDP shall acknowledge in writing receipt of contributions in Norwegian Kroner as well as the equivalent amount in US dollars at the United Nation operational rate of exchange applicable on the date of each transaction.
  5. UNDP shall administer and account for the funds in accordance with its Financial Regulations and Rules. All financial commitments and expenditure incurred by UNDP with respect to activities financed under this Framework Agreement shall be expressed in US dollars at the United Nations operational rate of exchange applicable on the date of each transaction.
  6. The Parties agree that interest resulting from any contribution hereunder shall be retained by the UNDP and form part of its regular resources, as provided under UNDP's Financial Regulations and Rules.

### **ARTICLE III**

#### **Programming of Funds**

1. Contributions to activities under Article I, Clause 3, A shall be allocated on the basis of the organisation-wide or country-specific results framework, as applicable.
2. Contributions to activities under Article I, Clause 3, B or C shall be allocated on the basis of programme/project-documents/proposals or similar submitted by UNDP

3. The programme/project-documents/proposals shall contain a results framework and an accompanying description of risk management. UNDP shall prepare annual results-based work plans and results and cost-based budgets. The plans and budgets shall be discussed with Norway as specified in the PCA/specific agreement. For global type A support the work plan shall consist of the organisation-wide results framework.
4. Activities at country level shall, unless otherwise agreed, be in line with national priorities and plans as reflected in the United Nations Development Assistance Framework or other relevant framework. The Parties agree that the relevant programme country government should, whenever relevant, include any transfer of cash by UNDP to the government, which is financed from contributions made hereunder, in its national budget.
5. To maximize the development effectiveness of activities to be financed under the Framework Agreement, UNDP shall participate in joint analysis and reviews undertaken by the UN Country Team, and pursue collaboration and partnerships with relevant development partners, regardless of source of funding.

#### **ARTICLE IV**

##### **Monitoring, Review and Evaluation**

1. Norway and UNDP shall promptly inform each other about any condition/event/situation which interferes or threatens to interfere with the successful implementation of any activity financed in full or in part by Norway.
2. UNDP shall be responsible for the monitoring and regular review of activities carried out under this Framework Agreement. For activities under Article I, Clause 3, B and C above, the cost of monitoring and review shall constitute a direct cost to the programme and, therefore, will be paid from the relevant contribution.
3. The evaluation of programmes hereunder shall be subject to the provisions of the UNDP Evaluation Policy as from time to time approved or amended by UNDP's Executive Board.
4. Unless otherwise decided by UNDP's Executive Board, final evaluation reports and management responses, as applicable, are publicly disclosed by UNDP at <http://www.UNDP.org/evaluation/> (or at such other URL as UNDP from time to time may decide).
5. UNDP shall each year, in connection with the annual consultations referred to in Article XIII below, inform Norway about the schedule for reviews and evaluations planned for the following twelve (12) months.

6. Terms of reference for reviews of types B and C: activities, shall be forwarded to Norway at least four (4) weeks in advance for comments. Norway may be invited to participate in the review activities.
7. UNDP shall forward without undue delay to Norway any review and/or evaluation report pertaining to activities funded under this Framework Agreement, or inform Norway that such report is available at UNDP's website, as referred to in Clause 4 above.
8. Norway may, separately or jointly with other partners, take the initiative to evaluate or review its cooperation with UNDP under this Framework Agreement, with a view to determining whether results are being or have been achieved and whether contributions have been used for their intended purposes. UNDP shall be informed about such initiatives and may be invited to join. UNDP shall upon request assist in providing relevant information within the limits of its regulations and rules. All major costs shall be borne by Norway, unless otherwise agreed.

## **ARTICLE V**

### **Progress Reporting on Results and Finances**

1. UNDP shall prepare progress reporting on results and finances. The reporting shall cover the entire activity, not only the Norwegian contribution and display status compared to the previous period.
2. Progress reporting on results shall:
  - compare actual outputs with planned outputs and analyse how these outputs contribute to expected outcomes of the programme/project activities.
  - include information on how financial resources have been distributed among the outcomes and outputs achieved, based on the format of UNDP's organization-wide, country specific or programme/project specific results framework, as applicable,
  - explain major deviations from plans and problems encountered,
  - include a brief account of materialised internal and external risk factors to the programme/project and how these have been handled, and
  - include other information, as relevant, related to the successful implementation of the activities.
3. Progress reporting on finances shall include;
  - For type A support; Information on allocations from regular resources and all forms of other resources as well as an overview of the amount received in thematic funding per donor as well as the total amount of cost recovery.
  - For type B support; Information on income from all donors and actual expenditure including the total amount of cost recovery for the previous

- calendar year comparable to the approved cost-based budget for such previous period.
- For type C support; Information on the amounts received from the contribution and actual expenditure including the total amount of cost recovery for the previous calendar year compared to the approved cost-based budget for such previous period.
4. For activities under Article I, Clause 3, A above, UNDP shall provide the above specified information in annual thematic reports at the appropriate level.
  5. For multi-donor activities under Article I, Clause 3, B above, UNDP shall provide the above specified information in common annual reports.
  6. For single-donor activities under Article I, Clause 3, C above, UNDP shall provide the above specified information in an annual report one month before the annual consultation, or if such a meeting is not held, by 30 of June each calendar year, but in no case earlier than 31 March of each calendar year.
  7. For activities under Article I, Clause 3, B and C above, UNDP shall prepare a final report no later than six (6) months after programme/project completion or termination of the specific agreement. The final report shall give a summary of actual outputs compared to planned outputs for the entire period and analyse how these outputs contribute to the outcomes and impact of the programme/project and reporting on finances as referred to in Clause 3 above.
  8. Norway may request additional information at any time. Such information shall be provided in a timely manner, and to the extent possible within 30 days of the request.

## **ARTICLE VI**

### **Certified Financial Statements**

1. For all Norwegian contributions under this Framework Agreement, UNDP will submit to Norway:
  - (a) One annual financial statement with regard to the Contribution certified by an authorized official of UNDP as of 31 December of the year in question, to be submitted no later than 30 June of the following year;
  - (b) For B and C support; One final financial statement certified by an authorized official of UNDP to be submitted no later than 30 June following the year in which the programme/project was financially completed.



2. All statements referred to under this Article will be expressed in US dollars. In the event that other donors contributed to the Programme (e.g. in the case of Type B: support), the statements will be consolidated, specifying the Contribution from each donor.

## **ARTICLE VII**

### **Audit**

1. External and Internal Audit of UNDP:

Any contribution transferred hereunder shall be subject exclusively to the provisions on external and internal audit provided for in UNDP's Financial Regulations and Rules as well as its financial policies and procedures.

2. Audit of Implementing Partners:

The part of any contribution transferred by UNDP to implementing partners for activities towards the implementation of the programme shall be audited as provided under UNDP's Financial Regulations and Rules as well as its financial policies and procedures. Such audits are performed by external audit professionals designated by UNDP or by a government's supreme audit institution. It is understood that the external audit professionals may be either individual or corporate persons (such as an audit or accounting firm).

3. Disclosure of external audit reports prepared by the United Nations Board of Auditors on the audit of the financial statements of UNDP:

(a) The reports on the audits of the financial statements of UNDP by the United Nations Board of Auditors become public documents by reason of being transmitted through the Advisory Committee (*i.e.* the Advisory Committee on Administrative and Budgetary Questions, or "ACABQ") to the United Nations General Assembly.

(b) External audit reports of UNDP will be publicly disclosed by the United Nations Board of Auditors at <http://www.un.org/en/auditors/board/reports.shtml>, or at such other URL as the Board of Auditors may from time to time decide and at the website of UNDP's Executive Board.

4. Disclosure of Internal Audit Reports:

- 4.1 Unless the Executive Board otherwise decides, internal audit reports shall be publicly disclosed by UNDP's Director, Office of Audit and Investigation, subject to the limitations contained in the relevant decisions of the Executive Board.

- 4.2 Internal audit reports shall be publicly disclosed by UNDP's Director, Office of Audit and Investigation at <http://audit-public-disclosure.undp.org> or at such other URL as the Director, Office of Audit and Investigations from time to time may decide.
- 4.3 For purposes of this Article VII, the term "internal audit report" shall mean the final report resulting from an audit issued by the Director, Office of Audit and Investigation, to the UNDP Administrator and the auditees for their consideration and for the implementation of recommendations, unless otherwise defined in any policy approved by UNDP's Executive Board.
5. Disclosure of Audit Reports concerning Implementing Partners:
- 5.1. Upon request, UNDP shall provide Norway with summaries of available audit reports that cover programmes implemented by national institutions or NGOs and that are in receipt of funding from Norway.
- 5.2. Upon written requests, audit reports prepared by external audit professionals designated by UNDP and audit reports prepared by a government's supreme audit institution, on the activities of an implementing partner towards the implementation of programmes, will be disclosed by UNDP to Norway. Such written requests shall be in a standard form and format as from time to time decided by UNDP.
- 5.3 It is understood that disclosure as provided in Clause 5.2 of this Article shall be contingent upon UNDP having obtained written consent to such disclosure from the Implementing Partner.
6. Norway may reasonably request additional explanations or consultations at any time. Additional explanations shall be provided in a timely manner and, to the extent possible within 30 days of the request, subject to UNDP's regulations, rules, policies and procedures.

## **ARTICLE VIII**

### **Procurement**

In implementing the activities financed under this Framework Agreement, UNDP shall effect all procurement of goods and services in accordance with UNDP's policies, rules and procedures for procurement. UNDP will engage in international competitive bidding as its preferred procurement method and, make reasonable efforts to encourage the participation of local suppliers in the relevant developing countries when procuring goods and services.

## **ARTICLE IX**

### **Conflict of Interests**

1. The Parties agree that it is important to take all necessary precautions to avoid conflicts of interest and corrupt practices. To this end, UNDP shall continue to maintain standards of conduct that govern the performance of its staff, including the prohibition of conflicts of interest and corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP's Financial Regulations and Rules, and UNDP's Procurement Procedures.
  
2. In accordance with United Nations Staff Regulation 1.2, a "conflict of interest occurs when, by act or omission, a staff member's personal interests interfere with the performance of his or her official duties and responsibilities or with the integrity, independence and impartiality required by the staff member's status as an international civil servant. When an actual or possible conflict of interest does arise, the conflict shall be disclosed by staff members to their head of office, mitigated by the Organization and resolved in favour of the interests of the Organization."

## **ARTICLE X**

### **Recognition**

UNDP shall make every effort to ensure that publications and communications hereunder, press releases or other information material issued by UNDP with respect to any activity financed under the Framework Agreement, clearly indicate that the activities in question have received funding from Norway in all cases subject to security and safety considerations of UNDP.

## **ARTICLE XI**

### **Property and Equipment**

The ownership of assets paid for in whole or in part from the contributions under this Agreement shall be determined by reference to UNDP's regulations, rules, policies and procedures. The transfer of ownership of such assets by UNDP shall also be done in accordance with UNDP's regulations, rules, policies and procedures, and, as applicable, in accordance with UNDP's agreements concluded with the relevant host Government and any implementing partners.

**ARTICLE XII**  
**Public Access to Intellectual Property**

1. Unless otherwise provided for in UNDP's regulations, rules, policies and procedures or UNDP's agreements concluded with the relevant host Government and/or any implementing partners, intellectual property produced as a result of activities financed in whole or (without prejudice to other funding arrangements) in part from contributions under this Agreement, shall be managed in a way that maximizes their public accessibility and allows the broadest possible use. Published reports produced as a result of activities financed in whole or in part from contributions under this Agreement shall, as far as possible and appropriate, be placed in the public domain for non-commercial use.
2. Transfer of ownership of such intellectual property by UNDP shall be done in accordance with UNDP's regulations, rules, policies and procedures, and, as applicable, in accordance with UNDP's agreements concluded with the relevant host Government and any implementing partners also in the spirit of securing them as a common global good.

**ARTICLE XIII**  
**Annual Consultations**

1. For support governed by a PCA, UNDP and Norway shall hold annual consultations. Unless otherwise agreed, UNDP shall convene and chair the consultations, which shall be held at a mutually agreed date and place. UNDP shall draft agreed minutes of the meeting and submit these within three weeks to Norway for comments and approval. Each Party shall bear their own costs for participating in such consultations.
2. The consultations shall deal with the following issues:
  - i) exchange of views on major strategic issues;
  - ii) review of results of the activities implemented during the previous year, progress and challenges in ongoing activities, as well as the financial situation; and
  - iii) review of relevant evaluations.
3. For Type A, B, and C support not covered by a PCA, consultations will be specified in the specific agreement.

**ARTICLE XIV**  
**Financial irregularities**

1. The Parties have a zero tolerance for fraud, corruption and any other financial irregularities. The zero tolerance policy applies to all staff members, consultants and other non-staff personnel, institutional contractors, implementing partners and beneficiaries of the grant funds.
2. Both Norway and UNDP are firmly committed to prevent, detect and manage fraud, corruption and other financial irregularities. Consistent with the UN Charter, the Standards of Conduct for the International Civil Service, the United Nations Staff Rules and Regulations, and UNDP's financial rules and regulations and procurement policies, UNDP will use reasonable efforts to ensure that the utilization of the Contribution conforms to the highest standard of ethical conduct and that every part of UNDP, as well as all individuals acting on behalf of UNDP, observe the highest standard of ethics and integrity.
3. UNDP, in accordance with its regulations, rules and directives, will ensure that any allegations of fraud, corruption and other financial irregularities in connection with the implementation of programmes/projects under this Framework Agreement are reported to the Office of Audit and Investigations (OAI) in a timely and accurate manner. Credible allegations will be investigated by OAI and assessed in accordance with its regulations, rules, policies and procedures. OAI will give notification on a confidential basis to the Director of the Foreign Service Control Unit, Ministry of Foreign Affairs of any investigations or action that it is undertaking or proposes to undertake in relation to allegations of fraud, corruption and other financial irregularities involving any activities funded in whole or in part with contributions made under this Framework Agreement, to the extent that such notification is consistent with OAI's regulations, rules, policies and procedures, protecting the probity and confidentiality of investigations and the due process rights of those under investigation. UNDP shall keep the Foreign Service Control Unit regularly informed of results of the implementation of such actions, including where relevant, details of any recovery of funds
4. The Parties may in addition exchange information in accordance with the Memorandum of Understanding between the Foreign Service Control Unit in the Ministry and the OAI of UNDP.
5. Following the conclusion of any investigation which identifies fraud, corruption and other financial irregularities, involving any activities funded in whole or in part with contributions made under this Framework Agreement, UNDP will;
  - a) Use reasonable efforts to recover any part of the contributions, which OAI has established as being diverted through fraud or corruption;

- b) In connection with (a) above, in consultation with the UN Office of Legal Affairs, give proper consideration to referring the matter to the appropriate authorities of the UN member state where the fraud, corruption or other financial irregularities is believed to have occurred and;
  - c) Assess and apply appropriate risk mitigating actions, including the option to withhold payment(s) to operations affected by financial irregularities where the risks of financial irregularities impacting the delivery of results within the activity remains high;
  - d) Undertake the relevant administrative proceedings through the UNDP Legal Support Office or the Vendor Review Committee, as appropriate;
  - e) Ensure repayment to Norway in accordance with Article XV, Clause 2 below.
6. In the event that Norway reasonably believes that timely and appropriate action has not been taken, it may request direct consultations at a senior level between Norway and UNDP in order to obtain assurance that UNDP's oversight and accountability mechanisms have been and are being fully applied in connection with such suspicions.

#### **Article XV Reservations**

1. Norway reserves its right to withhold disbursement in full or in part to an activity
  - if affected by credible allegations of fraud, corruption and any other financial irregularities that risk impacting the delivery of results within the activity
  - if contractual and/or reporting and accounting obligations are not met
  - if there are substantial deviations from agreed plans and budgets, if the programmes/projects develops unfavorably in relation to goal and objectives while paying due attention to the risk for not achieving results in complex development situations.
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. Further, in respect of such amount which UNDP has been able to recover regarding programmes/projects or activities, such amount will be returned to the programme/project or activities for which the contribution was intended, and where the programme/proejct or activities for which the contribution was intended has or have been concluded or terminated, the Parties shall consult to decide whether the amount shall be re-programmed at Norway's instructions or returned to Norway at such bank account as determined by Norway on a pro rata basis as applicable. In respect of such amount that has

not been recovered, UNDP shall do its utmost to maintain its efforts to recover such funds. UNDP agrees to continue consultations with Norway and members of the Executive Board, with a view of determining a mutually agreeable solution, and in the interim, agree to discuss such issues on a case by case basis.

3. Before withholding any disbursements or claiming repayment, the Parties shall consult with a view to reaching a solution to the matter.

## **ARTICLE XVI**

### **Final Provisions**

1. This Framework Agreement shall enter into force upon signature by both Parties.
2. Nothing in the present Framework Agreement shall be understood as a waiver of the immunities and privileges of the United Nations of which UNDP is an integral part.
3. This Framework Agreement may be amended through an addendum between the Parties, following appropriate consultations.
4. This Framework Agreement shall remain in force unless terminated by mutual agreement, or by one Party providing to the other Party a written notice of termination. Upon termination of this Framework Agreement, and unless otherwise mutually agreed by the Parties, the Framework Agreement shall remain in force with respect to any PCA/specific agreements entered into prior to the termination of the Framework Agreement as long as any of these agreements are in force.
5. Any unspent balance of the total contribution under any PCA or specific agreement that remains after the financial closing of the relevant programme/project or upon termination or completion of the PCA or other agreements financed under this Framework Agreement that total less than NOK 500 (Norwegian Kroner Five Hundred), shall be credited to UNDP's regular resources. Any balance exceeding that amount shall be returned to Norway, net of all fees, charges and foreign exchange losses.
6. Any dispute, which may arise between the Parties as to the interpretation, application or performance related to this Framework Agreement or any PCA/specific agreement under this Framework Agreement, shall be settled by negotiation.

IN WITNESS WHEREOF the undersigned, acting on behalf of their respective Parties, have signed this Framework Agreement in two originals in the English language.

Done in Oslo, 14 December 2015

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*Tone Strøgen*  
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For the Government of Norway

\_\_\_\_\_  
*[Signature]*  
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For the United Nations Development Programme