



Pakistan

COST-SHARING AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE MINISTRY OF PLANNING DEVELOPMENT AND REFORM, GOVERNMENT OF PAKISTAN

WHEREAS the United Nations Development Programme (hereinafter referred to as the "UNDP") and the Ministry of Planning Development and Reform, Government of the Islamic Republic of Pakistan (hereinafter referred to as the "Government") have agreed to co-operate in the implementation of "Reforms and Innovation in Government for High Performance" (hereinafter referred to as the "Project"), as described in the Project Strategy document (attached as Annex-I) and submitted to the Government for information;

WHEREAS the Government has informed the UNDP of its willingness to contribute funds (hereinafter referred to as the "Contribution") to the UNDP on a cost-sharing basis to increase the resources available for the Project;

WHEREAS the UNDP shall serve as an Implementing Partner for the implementation of the Project financed from the Contribution (hereinafter referred to as the "Implementing Partner" and for the sake of brevity as "IP");

NOW THEREFORE, The UNDP and the Government hereby agree as follows:

Article I

1. The Government shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of the IP the Contribution of PKR 466 million. The IP contribution will be PKR 700 million (equivalent to USD 7 million). All financial accounts and statements shall be expressed in United States dollars as per the IP rules, regulations, policy and procedure.
2. The Government and IP shall, in accordance with the schedule of payments set out below, deposit the Contribution in the IP Resident Representative Rupee Account; Account no. 01-7316348-02 at the Standard Chartered Bank, F-7, Islamabad.

Schedule of payments:

Amount (PKR Million)			
Date	UNDP	Planning Commission	Total
01 March 2015	40	0	40
30 April 2015	0	50	50
15 October 2015	20	50	70
01 January 2016	230	100	330
01 January 2017	235	100	335
01 January 2018	175	166	341
	700	466	1,166

3. The Government will inform the IP when the Contribution is paid via an e-mail with remittance information to contributions@undp.org, providing the following information: Government's name, the IP Country Office, [Reforms and Innovation in Government for High Performance Project], Government reference (if available). This information will also be included in the bank remittance advice when funds are remitted to the IP.
4. The value of the payment, if made in a currency other than the 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 IP of the Contribution, 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, the IP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the Project may be reduced by the IP.
5. The above schedule of payments¹ takes into account the requirement that the installments of the contribution shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of the Project delivery.
6. The IP may agree to accept the installments of the Contribution in a currency other than the United States dollars provided such currency is fully convertible or readily usable by the IP and subject to the provisions of paragraph 1 above. Any change in the currency of the installments of the Contribution shall be made only in agreement with the IP.
7. Any interest revenue attributable to the Contribution shall be credited to the IP's Account and shall be utilized in accordance with the established IP procedures.

Article II

1. In accordance with the decisions and directives of the 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 the 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 3%. Furthermore, as long as they are unequivocally linked to the "Project", all direct costs of implementation, including the costs of Implementing Partner, will be

¹ It is recommended that country offices negotiate the number of installments to ensure at least six months' anticipated disbursements are funded with each installment. This will make processing of contributions and reporting more efficient for the country offices.

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identified in the Project budget against a relevant budget line and borne by the Project accordingly.

2. 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.

Article III

1. The Contribution shall be administered by the IP in accordance with the IP regulations, rules, policies and procedures, applying its normal procedures for the execution of its projects.
2. The Project management and expenditures shall be governed by the regulations, rules, policies and procedures of the IP.

Article IV

1. The implementation of the responsibilities of the IP pursuant to this Agreement and the relevant project strategy document shall be dependent on receipt by the IP of the Contribution in accordance with the schedule of payments set out in Article I, paragraph 2, above. The IP may not start implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable).
2. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) the IP shall submit to the Government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to make available to the IP the additional funds required.
3. If the installment of the Contribution referred to in Article I, paragraph 2, above, is not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2 above, is not forthcoming from the Government or other sources, the assistance to be provided to the Project under this Agreement may be reduced \ by the IP.

Article V

Ownership of equipment, supplies and other property financed from the Contribution shall vest in the IP. Matters relating to the transfer of ownership by the IP after the completion of the Project, shall be determined in accordance with the relevant policies and procedures of the IP.

Article VI

The Contribution shall be subject to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of the IP.

Article VII

The IP shall provide the Government with financial and other reports prepared in accordance with the IP reporting procedures.

Article VIII

1. The IP shall notify the Government when all activities relating to the Project have been completed in accordance with the Prodoc.
2. Notwithstanding the completion of all activities relating to the Project, the IP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in the implementation of the activities financed from the Contribution have been satisfied and these activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, the IP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.
4. In cases where the Project is completed in accordance with the Project strategy document any funds below 1,000 USD (one thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by the IP. Any funds above 1,000 USD (one thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by the IP after consultation with the Government.

Article IX

1. After consultations have taken place between the IP and the Government and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project, this Agreement may be terminated by the IP or the Government. This Agreement shall cease to be in force thirty days after either of them may have given notice in writing to the other Party of its decision to terminate this Agreement.
2. If the unutilized Contribution, together with other funds available to the Project are insufficient to meet such commitments and liabilities, the IP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.

3. Notwithstanding termination of this Agreement, the IP shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of the activities financed by the Contribution have been satisfied and these activities brought to an orderly conclusion.
4. In cases where this agreement is terminated before Project completion any funds below 1,000 USD (one thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 1,000 USD (one thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Government.

Article X

Any notice or correspondence between the IP and the Government will be addressed as follows:

- (a) To the Government:

Address: Ministry of Planning Development and Reform, P-Block Pak Secretariat, Islamabad

- (b) Upon receipt of funds, the IP shall send an electronic receipt to the Government email address provided below as confirmation that the remitted funds have been received by the IP

Government email address: hassannawaztarar@gmail.com

Attention: Mr. Hassan Nawaz Tarar, Federal Secretary
Ministry of Planning Development and Reform

- (c) To the IP: Mr. Marc-André Franche
Country Director

Address: United Nations Development Programme
4rth Floor, Serene Business Complex, Islamabad

Article XI

This agreement may be amended or modified at any time through mutual written consent of the Parties.



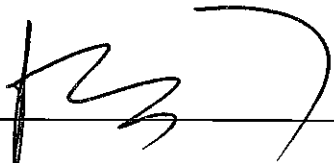
Article XII

This Agreement shall enter into force upon the signatures by the Government and the IP, on the date of the last signature. It shall remain valid unless terminated in accordance with Article IX, para 1.

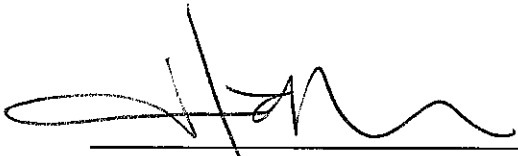
IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Agreement in the English language in two originals.

For the Government:

For the United Nations Development Programme:



Name: Hassan Nawaz Tarar
Title: Federal Secretary
Date: 4 MARCH 2015
Place: Islamabad



Name: Marc-André Franche
Title: Country Director
Date: 4 MARCH 2015
Place: Islamabad

