

Agreement between the United Arab Emirates Red Crescent Society (UAERC) & the United Nations Development Programme/Programme of Assistance to the Palestinian People (UNDP/PAPP).

**Project Name: Reconstruction of Palestinian Homes in the West Bank.**

**December 13, 2006**

**AGREEMENT  
BETWEEN THE UNITED ARAB EMIRATES RED CRESCENT (UAERC) AND  
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

WHEREAS the UAERC (donor), on behalf of the people of the United Arab Emirates, hereby agrees to finance funds to UNDP for the execution/implementation of the Reconstruction 100 Palestinian Homes in the West Bank.

WHEREAS UNDP is prepared to receive and administer the donation for the execution of the programme,

WHEREAS the Palestinian Authority has been duly informed of the donation by the Donor to the programme,

WHEREAS UNDP shall designate an Implementing Partner for the implementation of the programme .

NOW THEREFORE, UNDP and the Donor hereby agree as follows:

**Article I. The Contribution**

1. (a) The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of US\$ 3,500,000 dollars. The contribution shall be deposited in the **UNDP Contributions Account, JP Morgan Chase, 1166 Avenue of Americas, 17<sup>th</sup> Floor, New York, New York, 10036-2708, ABA #021-000021, Account #015-002284.**

<u>Schedule of payments</u>	<u>Amount</u>
<b>Upon Signature of this Agreement (20%)</b>	<b>US\$ 700,000</b>
<b>Upon Completion of Design: (20%)</b>	<b>US\$ 700,000</b>
<b>Upon Final Evaluation of the Construction works (60%)</b>	<b>US\$ 2,100,000</b>

(b) The Donor will inform UNDP when the donation is paid via an e-mail message with remittance information to [contributions@undp.org](mailto:contributions@undp.org)

2. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the execution/implementation of planned activities. It may be amended to be consistent with the progress of programme/project delivery.



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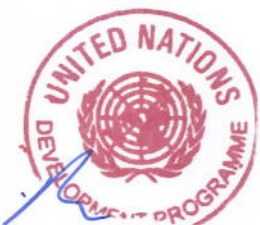
3. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
4. All financial accounts and statements shall be expressed in United States dollars.

## **Article II. Utilization of the Contribution**

1. The execution of the responsibilities of UNDP and of the Implementing Partner pursuant to this Agreement and the project document (which will be agreed to by the two parties) shall be dependent on receipt by UNDP of the donation in accordance with the schedule of payment as set out in Article I, paragraph 1, above.
2. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary.
3. If the payments referred to in Article I, paragraph 1, above are 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 Donor or other sources, the assistance to be provided to the programme/project under this Agreement may be reduced, suspended or terminated by UNDP.
4. Any interest income attributable to the donation shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

## **Article III. Administration and reporting**

1. Programme/project management and expenditures shall be governed by the regulations, rules and directives of UNDP and, where applicable, the regulations, rules and directives of the Executing Entity/Implementing Partner.
2. UNDP headquarters and country office shall provide to the Donor all or parts of the following reports prepared in accordance with UNDP accounting and reporting procedures.
  - 2.1. For Agreements of more than one year:
    - (a) From the country office (or relevant unit at headquarters in the case of regional and global projects) an bi-annual status report of programme/project progress as well as a monthly summary report for the duration of the Agreement, as well as the latest available approved budget.
    - (b) From UNDP Bureau of Management/Comptroller's Division, an annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
    - (c) From the country office (or relevant unit at headquarters in the case of regional and global projects) within six months after the date of completion or termination of the Agreement,



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- a final report summarizing programme/project activities and impact of activities as well as provisional financial data.
- (d) From UNDP Bureau of Management/Comptroller's Division, on completion of the programme/project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the project.
  - (e) And any other reports requested by the donor.

#### **Article IV. Administrative and support services**

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the donation shall be subject to cost recovery by UNDP for two distinct cost categories related to the provision of support services, namely:

- (a) Indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the donation shall be charged a fee equal to 6%.
- (b) Direct costs incurred for implementation support services (ISS) provided by UNDP and/or an executing entity or implementing partner. As long as they are unequivocally linked to the specific programme, these costs are built into the project budget against a relevant budget line and, in the case of clearly identifiable transactional services, charged to the project/programme according to standard service rates.

2. The aggregate of the amounts budgeted for the programme, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the programme under this Agreement as well as funds which may be available to the programme for programme costs and for support costs under other sources of financing.

#### **Article V. Equipment**

Ownership of equipment, supplies and other properties financed from the donation shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

#### **Article VI. Auditing**

The donation shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. 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 the Donor.

#### **Article VII. Completion of the Agreement**

1. UNDP shall notify the Donor when all activities relating to the programme/project have been completed.



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2. Notwithstanding the completion of the programme, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution/implementation of the programme have been satisfied and programme activities brought to an orderly conclusion.

3. If the unutilized payments prove insufficient to meet such commitments and liabilities, UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.

4. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Donor.

### **Article VIII. Termination of the Agreement**

1. After consultations have taken place between the Donor, UNDP and the programme country Government, and provided that the payments already received are, together with other funds available to the programme, sufficient to meet all commitments and liabilities incurred in the execution/implementation of the programme, this Agreement may be terminated by UNDP or by the Donor. 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.

2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold up to the date of termination, unutilized payments until all commitments and liabilities incurred in the execution/implementation of all or the part of the project, for which this Agreement has been terminated, have been satisfied and project activities brought to an orderly conclusion.

2. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Donor.

### **Article IX. Amendment of the Agreement**

The Agreement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect shall become an integral part of the Agreement.

### **Article X. Entry Into Force**

This Agreement shall enter into force upon signature and deposit by the Donor of the first payment to be made in accordance with the schedule of payments set out in Article I, paragraph 1 of this Agreement and the signature of the project document by the concerned parties.

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



For the U.A.E .R.C:  
Abdulla Mohamed Abdallah Al-Mahmood  
Manager of Projects & Development Dept.  
On behalf of the Chairman of the Board  
December 13, 2006



For the United Nations Development Programme:  
Jens Toyberg-Frandzen  
Special Representative  
December 13, 2006

