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GOVERNMENT OF ESWATINI

THIRD-PARTY COST-SHARING AGREEMENT

BETWEEN

THE COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

AND

**THE UNITED NATIONS DEVELOPMENT PROGRAMME
IN ESWATINI**

**THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN
THE COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA
AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME
IN ESWATINI**

WHEREAS the Common Market for Eastern and Southern Africa, a regional integration institution established by Treaty (hereafter referred to as COMESA) hereby offers to make available a grant (hereinafter referred to as "the Contribution") to be administered by The United Nations Development Programme at Eswatini (hereafter referred to as UNDP) for the implementation of the, 'Increasing Farmer Resilience to Climate Change-Upscaling Market Oriented Climate Smart Agriculture Project' (hereinafter referred to as "the Project"), as described in Annex 1 Project Document: ATLAS ID number 00109500

WHEREAS UNDP is prepared to receive and administer the Contribution for the implementation of the Project,

WHEREAS the Kingdom of Eswatini has been duly informed of the Contribution of COMESA to the Project,

WHEREAS UNDP shall designate the Ministry of Agriculture of the Kingdom of Eswatini's National Agriculture Marketing Board (NAMBoard) (fully owned by the Government hereinafter referred to as the "Implementing Partner") as the designated Implementing Partner for the Project,

NOW THEREFORE, UNDP and COMESA hereby agree as follows:

Article I.
The Contribution

1. (a) COMESA shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of Euro 636,363.64 (Euro Six Hundred and Thirty Six Thousand ,Three Hundred and Sixty Three and Sixty Four Cents). The Contribution shall be deposited with the UNDP Representative in Eswatini USD Account,

Bank of America, 1401 Elm St., Dallas TX 75202,
Account No: 3752218299
ACH Routing Number: 111000012
Wire Routing Number: 026009593
SWIFT Address: BOFAUS3N



<u>Schedule of Payments</u>	<u>Amount</u>
Upon signature of the agreement	Euro 254,545.45
Second tranche	Euro 254,545.45
Third and final tranche	Euro 127,272.74

(b) COMESA will inform UNDP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org, providing the following information: COMESA's name, UNDP country office, Project no.00109500 and title; Increasing Farmer Resilience to Climate Change-Upscaling Market Oriented Climate Smart Agriculture Project; COMESA reference (CC0002/18). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

2. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of the Increasing Farmer Resilience to Climate Change-Upscaling Market Oriented Climate Smart Agriculture Project delivery.
3. UNDP shall receive and administer the payment in accordance with rules, regulations, policies and procedures of UNDP.
4. All financial accounts and statements shall be expressed in Euro.
5. Any disbursement will be dependent upon COMESA receiving its periodic disbursement from the donor partner(s) while continued overall support by COMESA will be dependent upon continuation of support from the Development Partners as contained in the signed donor agreement with COMESA.

Article II. Utilization of the Contribution

1. The implementation of the responsibilities of UNDP and of the pursuant to this Agreement shall be dependent upon receipt by UNDP of the Contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above. UNDP shall not start the 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 owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to COMESA on a timely basis a supplementary estimate showing the further financing that will be necessary. COMESA shall endeavor to make available to UNDP the additional funds required.
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

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with paragraph 2 above is not forthcoming from COMESA or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

4. Any interest accrued on income attributable to the Contribution shall be credited to the UNDP Account, retained by UNDP and shall be utilized in accordance with established UNDP procedures.

5. The project shall be implemented for a period of thirty six (36) months after entry into force of this agreement.

Article III. **Administration and Reporting**

1. The Project management and expenditure shall be governed by the rules, regulations, policies and procedures of UNDP and, where applicable, the rules, regulations, policies and procedures of the Implementing Partner.

2. UNDP shall provide to COMESA the following reports in accordance with UNDP accounting and reporting procedures:

- (a) From the country office (or relevant unit at headquarters in the case of regional and global projects), an annual status report of the Project progress for the duration of this Agreement, as well as the latest available approved budget.
- (b) From the UNDP Bureau of Management/Office of Finance and Administration, 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 (6) months after the date of completion or termination of this Agreement, a final report summarizing Project activities and impact of activities as well as provisional financial data.
- (d) From the UNDP Bureau of Management/Office of Finance and Administration, on completion of the Project a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the Project.

3. If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of COMESA. The nature and frequency of this reporting shall be detailed in a Project Document Annex and attached to this Agreement indicating the following:

- (a) A once-off Inception Report will be prepared and submitted to COMESA within three (3) months from the date of signature of this agreement.

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- (b) Annual audit will be commissioned and paid for by COMESA.
- (c) Semi-annual reporting (technical and financial) will be furnished to COMESA.

Article IV.
Administrative and support services

1. In accordance with the decisions, policies and procedures 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 seven (7) percent. Furthermore, as long as they are unequivocally linked to the Project, all direct costs of implementation, including the costs of Implementing Partner, will be identified in the Project budget and borne by the Project accordingly.

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

Article V.
Evaluation

All UNDP Programmes and Projects are evaluated in accordance with UNDP's Evaluation Policy. UNDP and the Government of Eswatini 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.

Article VI.
Equipment

Ownership of equipment, supplies and other properties financed from the Contribution 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 VII.
Auditing

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1. The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, 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 COMESA by the UNDP country office.
2. Audit Reports shall be made available to COMESA by UNDP.

Article VIII.
Completion of the Agreement

1. UNDP shall notify COMESA when all activities relating to the Project have been completed in accordance with the annexed Project Document.
2. Notwithstanding the completion of the Project activities, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Increasing Farmer Resilience to Climate Change-Upscaling Market Oriented Climate Smart Agriculture Project have been satisfied and the Project activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify e COMESA and consult with COMESA 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 document any funds below 5,000 USD (Five Thousand Unites States Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (Five Thousand United States Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with COMESA.

Article IX.
Termination of the Agreement

1. This Agreement may be terminated by UNDP or by COMESA after consultations between COMESA, UNDP and the programme country Government of Eswatini, and provided that the funds from the Contribution already received are, together with other funds available to the Increasing Farmer Resilience to Climate Change-Upscaling Market Oriented Climate Smart Agriculture Project, sufficient to meet all commitments and liabilities incurred in the implementation of activities. This 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 this Agreement.



2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of all or the part of the Project have been satisfied and activities brought to an orderly conclusion.

3. In cases where this agreement is terminated before Project completion, any funds below 5,000 USD (Five Thousand United States Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (Five Thousand United States Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with COMESA.

Article X:
Notice

Any notice or correspondence between UNDP and COMESA will be addressed as follows:

- (a) For COMESA: Common Market for Eastern and Southern Africa
Sindiso Ngwenya, SECRETARY GENERAL

Physical Address: COMESA HEADOFFICE
Ben Bella Road,

Postal Address: P. O. Box 30051
Lusaka - ZAMBIA

E-mail address: secgen@comesa.int

- (b) For UNDP : United Nations Development Programme in Eswatini
Mr. Israel Dessalegne, RESIDENT REPRESENTATIVE

Physical Address: 5th Floor Lilunga House
Somhlolo Street, Mbabane

Postal Address: United Nations Development Programme
P.O. Box 261
Mbabane
SWAZILAND H100

E-mail address: israel.dessalegne@undp.org

Article XI.
Amendment of the Agreement



This Agreement may be amended through an exchange of letters between COMESA and UNDP.

The letters exchanged to this effect shall become an integral part of this Agreement.

Article XII.
Entry Into Force

This Agreement shall enter into force upon the signature of this Agreement by the parties hereto, on the date of the last signature.

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

For: COMESA

For: UNDP

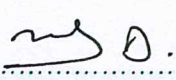
Name: Sindiso Ngwenya

Name: Israel Dessalegne

Title: Secretary General

Title: Resident Representative

Signature: .....

Signature: .....

Date: 16th July 2018.....2018

Date: 16th July 2018.....2018