

**THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN THE GOVERNMENT OF FINLAND (THE DONOR) AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis (hereinafter referred to as “the Contribution”) for the implementation of UNDP’s Integrated Project Portfolio “Building Resilience in Response to the Syria Crisis” (hereinafter referred to as “the Programme”) as described in the Project document under <http://www.undp.org/content/dam/undp/buildingresilience/index.html#/home> in Syria and affected neighboring countries, according to the funding priorities expressed by the donor, and submitted to the Donor for information. Add the Donor’s reference, if any.

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

WHEREAS the Governments of the programme countries have been duly informed of the Contribution of the Donor to the Programme

WHEREAS UNDP shall designate an Implementing Partner for the implementation of the Programme (hereinafter referred to as the “Implementing Partner”),

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 four million Euro (4,000,000,00 EUR) to support UNDP’s work within the Regional Refugee and Resilience Plan (3RP) and the Syria Response Plan (SRP) as below:

80% of the contribution (3.200.000 EUR) to support UNDP’s work in **the Livelihoods and Social cohesion sector in the 3RP and SRP**, specifically projects that have been identified as critically underfunded, and with a focus on women’s livelihoods and economic empowerment.

20% of the contribution (800.000 EUR) is to be used for **resilience coordination, advocacy, analysis and research** by the Syria Response Facility. Finland wants to remain a close partner with UNDP in implementing the recently adopted resilience agenda. Donor visibility on this work and publications should be taken care of.

The Contribution shall be deposited in the

UNDP Contributions (EURO) Account
Bank of America

Account No: 6008-62722022
Address: 5 Canada Square, London E14 5AQ, United Kingdom
IBAN No: GB59BOFA16505062722022
Swift Code: BOFAGB22

<u>Schedule of payments</u>	<u>Amount</u>
One tranche December 2015	4,000,000,00 EUR

(b) The Donor will inform UNDP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org, providing the following information: donor's name, UNDP country office, [Project no. and title], donor reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

2. The value of the payment, if made in a currency other than 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 UNDP of the payment, 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, UNDP shall inform the Donor with a view to determining whether any further financing could be provided by the Donor. Should such further financing not be available, the assistance to be provided to the Programme may be reduced, suspended or terminated by UNDP.

3. 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 Programme delivery.

4. UNDP shall receive and administer the payment in accordance with the rules, regulations, policies and procedures of UNDP.

5. All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1. The implementation of the responsibilities of UNDP and of the Implementing Partner pursuant to this Agreement and the Project document shall be dependent on 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 the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavours 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 with paragraph 2 above is not forthcoming from the Donor or other sources, the assistance to be provided to the Programme under this Agreement may be reduced, suspended or terminated by UNDP.

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

Article III. Administration and reporting

1. Programme management and expenditures 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 the Donor the following reports in accordance with UNDP accounting and reporting procedures.

- (a) From the country office (or relevant unit at headquarters or in the Region) an aggregated annual status report of Programme progress for the duration of this Agreement, as well as the latest available approved budget.
- (b) From 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 months after the date of completion or termination of this Agreement, a final, aggregated report summarizing Programme activities and impact of activities as well as provisional financial data.
- (d) From UNDP Bureau of Management/Office of Finance and Administration, on completion of the Programme, 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 the Donor. The nature and frequency of this reporting shall be detailed in an annex to this Agreement.

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 8%. 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 Programme budget against a relevant budget line and borne by the Programme accordingly.

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. Evaluation

All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Governments of the programme countries 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

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 the Donor by the country office.

Article VIII. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the Programme have been completed in accordance with the project documents.
2. Notwithstanding the completion of the Programme, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Programme have been satisfied and Programme activities brought to an orderly conclusion.
3. If the unutilized funds 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. In cases where the Project is completed in accordance with the project document any funds below 5,000 USD (five thousand US 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 US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Donor.

Article IX. Termination of the Agreement

1. This Agreement may be terminated by UNDP or by the Donor after consultations between the Donor, UNDP and the programme country Government, and provided that the funds from the Contribution already received are, together with other funds available to the Programme, sufficient to meet all commitments and liabilities incurred in the implementation of the Programme. 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 Programme have been satisfied and Programme 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 US 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 US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Donor.

Article X: Notice

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

- (a) To the Donor: Jussi Nummelin, Desk officer for Syrian Transition & Reconstruction.

Address:

Ministry for Foreign Affairs of Finland, P.O.Box 541, Government, Finland

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

Donor email address: _____ Jussi.Nummelin@formin.fi _____

Attention: _____ Mr. Jussi Nummelin _____

- (c) To UNDP: Susanne Kim Siao, Partnership Development Adviser, HQ/RBAS
Susanne.Kim.Siao@undp.org
Marion Siebold, Partnerships Analyst, RBAS Regional Hub
Marion.Siebold@undp.org

Address: United Nations Development Programme

Article XI. Amendment of the Agreement and Special Provisions

This 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 this Agreement.

The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP shall maintain standards of conduct that govern the performance of its staff, including the prohibition of 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 Financial Regulations and Rules, and the UNDP Procurement Manual.

UNDP shall use its best efforts, consistent with UNDP regulations, rules, policies and procedures to recover any funds found by the Parties to be misused. UNDP shall, in consultation with the Donors, credit any funds so recovered to the Project budget or, in case the Project was complete or terminated, shall dispose of such funds as agreed with the Donor.

The Donor shall not accept any responsibility or liability towards third parties for any claims, debts, demands, damage or loss as a result of acts directly attributable to UNDP during the implementation of this agreement.

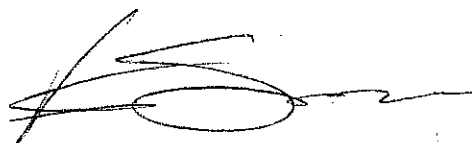
The donor and UNDP shall settle amicably any difference and disputes arising from or relating to the implementation of this agreement.

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

For the Donor:



Kai Sauer
Permanent Representative to the UN
17.12.2015

For the United Nations Development Programme:



Name *Sophie de Caen*
Title *Deputy Director, RBAS*
Date *17/12/2015*