

**FINANCING AGREEMENT
BETWEEN THE GOVERNMENT OF DENMARK (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 Enhancing Mine Action Management in Ukraine (hereinafter referred to as “the Programme/ Project”), as described in the Concept Note “Enhancing Mine Action Management in Ukraine”, in Ukraine, and submitted to the Donor for information.
Donor’s reference, F2: 2022-22772.

WHEREAS UNDP is prepared to receive and administer the Contribution for the implementation of the Enhancing Mine Action Management in Ukraine,

WHEREAS the Government of Ukraine has been duly informed of the Contribution of the Donor to the Enhancing Mine Action Management in Ukraine,

WHEREAS UNDP shall designate an Implementing Partner for the implementation of the Enhancing Mine Action Management in Ukraine (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 12,000,000 DKK. The Contribution shall be deposited in the Danske Bank UNDP Contributions Account:

Account Name:	UNDP Contributions Account
Bank Name:	DANSKE BANK (DENMARK)
Account number:	3996034445
Address:	Holmens Kanal 2-12, 1092 Copenhagen K., DENMARK
IBAN/ABA:	DK0830003996034445
SWIFT Code:	DABADKKK

<u>Schedule of payments</u>	<u>Amount</u>
Upon signing of financing agreement	12,000,000 DKK

(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: Government of Denmark, UNDP

country office in Ukraine, Enhancing Mine Action Management in Ukraine, F2: 2022-22772. This information should also be included in the bank remittance advice when funds are remitted to UNDP.

(c) UNDP will within 14 days after the Contribution have been received acknowledge receipt of the Contribution indicating the value in both DKK and USD.

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 Project 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 Project 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 Project 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. Project 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. The Project period shall expire on 31 December 2023. UNDP shall provide to the Donor the following reports in accordance with UNDP accounting and reporting procedures.
 - (a) From the country office an annual status report of Project 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 within six 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 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 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 UNDP's cost recovery in force at the time of the project implementation. The fee covering the GMS costs shall be communicated in writing to Denmark. 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 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 V. Evaluation

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

UNDP shall be responsible for the monitoring and regular review of activities carried out under the Agreement. UNDP will keep the Donor informed on relevant preparation, review and evaluation missions or other activities in relation to the implementation of the project. UNDP will, where the Parties agree it is appropriate, facilitate the participation of officials or designated representatives of the Donor in any such mission in accordance with UNDP Regulations and Rules. The cost of such participation will be borne by Denmark.

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

Fraud, Corruption-related mismanagement and Counter-Terrorism

1. Both Parties have a zero tolerance approach to fraud and recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent or collusive practices. To this end, UNDP will maintain standards of conduct governing the performance of its staff, including the prohibition of corrupt, fraudulent, or collusive practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the UNDP regulations, rules, procedures and policies. UNDP will advise the Donor immediately of credible allegations of fraud or corruption involving the Contribution and will inform the Donor when an investigation is launched by UNDP, subject always to UNDP regulations, rules and procedures.

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.

3. If UNDP has been able to recover mismanaged funds under this agreement such amount will be returned to the activity for which the contribution was intended. Where the activity for which the contribution was intended has been concluded or terminated the Parties shall consult to decide whether the amount shall be re-programmed for activities under a subsequent phase of the operation or to any follow-up operation towards the same objective or returned to Denmark on a pro rata basis upon agreement. In respect of such amount that has not been recovered, UNDP shall do its utmost to maintain its effort to recover such funds and continue consultations with Denmark with a view to determining a mutually agreeable solution. The Parties acknowledge and agree that UNDP shall not be obliged to reimburse any amount beyond the recovered amounts.

4. Consistent with United Nations (UN) Security Council Resolutions relating to terrorism, including UNSC Resolution 1373 (2001) and 1267 (1999) and other related resolutions, both Parties are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of Denmark to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use all reasonable efforts to ensure that none of the donor funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

Article IX. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the Project have been completed in accordance with the Project document.

2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.

3. As a rule, upon completion of activities any balance of unspent funds must be returned to the Donor.

Article X. 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 Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project. 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 Project activities brought to an orderly conclusion.

Article XI: Notice

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

- (a) To the Donor: Ministry of Foreign Affairs of Denmark, Department for Humanitarian Action, Civil Society and Engagement

Address: Asiatisk Pl. 2, 1448 Copenhagen, Denmark

Email address: HCE@UM.dk

- (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 indicating the value in both DKK and USD [or 'the currency in which it has been received']

Donor email address: hceudbanm@um.dk

Attention: Jesper Samson, Head of Section, jespsa@um.dk

- (c) To UNDP: Manal Fouani, Resident Representative a.i.

Address: United Nations Development Programme

Email address: manal.fouani@undp.org

Article XII. Amendment of the Agreement

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.

Article XIII. 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:



Mette Thygesen
Head of Department
30 June 2022

For the United Nations Development Programme:

DocuSigned by:



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Manal Fouani
Resident Representative a.i.
04-Jul-2022