

**THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN THE AUSTRIAN DEVELOPMENT AGENCY (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 **E-governance as an Electronic Tool for Facilitating the Government to Attract Foreign Investments** (hereinafter referred to as “the Project”), as described in the Project Document and its annexes as listed below¹ and submitted to the Donor for information.

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

WHEREAS the Government of Armenia has been duly informed of the Contribution of the Donor to the Project,

WHEREAS UNDP acts as the Implementing Partner for the implementation of the Project

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 EUR 299,677 (in words: Euros two hundred and ninety-nine thousand six hundred and seventy-seven only) (hereinafter referred to as the “Contribution”). The Contribution shall be deposited to the following Bank and account:

Bank Name:	Bank of America
Bank Address:	5 Canada Square, London E14 5AQ, United Kingdom
Swift Address:	BOFAGB22
Sort Code/CHAPS:	16-50-50
Account Number:	600862722022
IBAN number:	GB59BOFA165050627220 22
Account Title:	UNDP Contributions (Euro Account)
Currency:	Euro

<u>Schedule of payments</u>	<u>Amount</u>
by 29 December 2017	€ 150,000
by 31 October 2018	€ 100,000
by 31 March 2019	€ 49,677

¹ The project and its duration are described in the Project Document. The Project Document and its annexes listed below are formally annexed to this Agreement and form an integral part of the same.

(b) The Donor will inform UNDP when the Contribution is paid via an e-mail message with remittance information to registry.am@undp.org, providing the following information: donor's name, UNDP country office (Armenia), Project no (00107774/00107958) and title (E-governance as an Electronic Tool for Facilitating the Government to Attract Foreign Investments), donor reference (8354-00/2017). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

(c) The period covered by the Contribution is 01 December 2017 to 31 August 2019.

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 as at present in force.

5. All financial accounts and statements shall be expressed in United States dollars stating the applicable exchange rate US Dollar to Euro in accordance with the UN Operational Exchange Rate. The UNDP Country Office shall provide financial status reports in Euro as stipulated in Article III (2).

Article II. Utilization of the Contribution and Visibility of the Donor

1. The implementation of the responsibilities of UNDP 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 ensure that the Contribution is used responsibly, economically and efficiently and in accordance with the Project Document. UNDP shall not start the implementation of the activities funded by the Donor prior to receiving the first tranche of the Contribution.

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 per UNDP Financial Regulations and Rules.

5. UNDP shall ensure the visibility of the Donor in an appropriate matter. UNDP shall for this purpose include the logo or a reference to the Contribution by the Donor, in (but not limited to) all documents and publications relating to the Project. The Donor shall have the right to produce and disseminate its own publications about the Project with exception of information agreed as confidential.

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. UNDP shall provide to the Donor the following reports in accordance with UNDP accounting and reporting procedures. UNDP agrees to send all narrative and financial reports directly to the Donor in accordance with the following schedule:
 - (i) Status report of Project progress and the latest available approved budget including preliminary financial reports per 31 May 2018 and 30 November 2018 to be submitted within two months after each annual reporting period;
 - (ii) An annual certified financial statement as of 31 December, to be submitted by 30 June of the following year;
 - (iii) A final report summarizing Project activities and the results of those activities as well as provisional financial data, to be submitted within three months of the date of operational completion or termination of the Project as defined in Article I (c); and
 - (iv) A final certified financial statement, to be submitted by 30 June of the year following the financial completion of the Project as defined in Article I (c).

All above mentioned reports shall be submitted in the English language. All reports shall be submitted to the Office for Technical Cooperation / Austrian Embassy in the Republic of Armenia (email: jerewan@ada.gv.at), to programme@ada.gv.at and to the Programme Manager for Armenia at the Donor's Headquarters.

3. If special circumstances so warrant and upon request of the Donor, 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. In any event, UNDP shall immediately inform the Donor of any circumstances which would delay or render impossible the implementation of the Project.

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 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 Armenia 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. Procurement

UNDP will perform all procurements in accordance with its procurement rules, policies and procedures as at present in force. In any event, procurements shall be made according to the principles of non- discrimination, free and fair competition and equal treatment of all bidders.

Article VII. 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 as at present in force.

Article VIII. 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. Notwithstanding to the above UNDP shall provide ADA upon request with information relating to the Project to the extent that this does not conflict with UNDP Public Disclosure Policy and shall keep all Contribution related records for a period of three years after the end of the Project in accordance with UNDP policies and procedures.

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. 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 that remain unexpended shall be transferred to the Donor.

Article X. Anti-corruption

No offer, payment, consideration, gift or benefit of any kind, which could be regarded as an illegal or corrupt practice, has or will be made, promised, sought or accepted, neither directly nor indirectly, as an inducement or reward in relation to activities funded under this Agreement including tendering, award or execution of contracts.

Article XI. 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.

3. In cases where this agreement is terminated before Project completion any funds that remain unexpended shall be transferred to the Donor in the course of the submission of the final financial statement.

4. If UNDP cannot carry out the Project, or should the Donor determine that it has been informed incorrectly or incompletely about circumstances which are essential or relevant with regards to the award of the Contribution, or in case the Contribution has not been used in accordance with this agreement, any entitlements to still undisbursed parts of the Contribution shall expire. Furthermore, the Donor, after consultation with UNDP, reserves the right to claim repayment of the Contribution. UNDP shall not be obliged to reimburse those amounts which have been spent/committed in good faith and which cannot be recovered although UNDP is using reasonable efforts.

Article XII. Notice

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

(a) To the Donor:

Address: Programmes and Projects Department
Austrian Development Agency
Zelinkagasse 2
1010 Vienna, Austria
Email: programme@ada.gv.at, jerewan@ada.gv.at

(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: finanzen@ada.gv.at
Copy: programme@ada.gv.at, jerewan@ada.gv.at

Attention: Head of Budget, Finance, Accounting;
Copy: Programme Manager Armenia

(c) To UNDP:

Name: Dmitry Mariyasin
Title: Deputy Resident Representative
Address: 14 Petros Adamyan St., Yerevan
Email address: Dmitri.mariassin@undp.org

Article XIII. 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 XIV. 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.

If the parties fail to settle a dispute arising out or in relation to this agreement amicably, it shall be settled through arbitration by a sole arbitrator in accordance with the UNCITRAL Arbitration Rules as applicable at the date of the dispute.

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

For the Donor:

Gerhard Schaumberger
Austrian Development Agency

8.12.17
(Date)



For the United Nations Development Programme:

Bradley Busetto
Resident Representative

08.12.17
(Date)



Annexes:

- A./ Project Document (incl. Annexes)
- B./ Logframe Matrix
- C./ Time schedule
- D./ Project budget
- E./ List of reference documents
- F./ Environmental integration checklist
- G./ Gender self-assessment
- H./ Social standards assessment
- I./ List of abbreviations
- J./ Number of estimated beneficiaries
- K./ Gender appraisal
- L./ Social standard appraisal
- M./ Short Information

DM