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*United Nations Development Programme*



Algeria

*Anadarko Algeria Company LLC*



**COST-SHARING AGREEMENT**

*“Road of the Ksour” Project*

10 September 2006

**COST-SHARING AGREEMENT BETWEEN  
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)  
AND ANADARKO ALGERIA COMPANY LLC (ANADARKO)**

WHEREAS Anadarko Algeria Company LLC (ANADARKO) has informed UNDP of its willingness to contribute funds to UNDP on a cost-sharing basis towards implementation of the project "Les Routes des Ksour"

WHEREAS UNDP is prepared to receive and administer the contribution for the implementation of the project,

WHEREAS the Government of Algeria has been duly informed of the contribution of the ANADARKO to the project,

WHEREAS the "Ministère de l'intérieur et des collectivités locales" has been designated as national executing agency of the project;

NOW THEREFORE, UNDP and ANADARKO hereby agree as follows:

**ARTICLE I. THE CONTRIBUTION**

1. ANADARKO shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of 80,000 US dollars<sup>1</sup>. The contribution shall be deposited in the bank BNA, 45/47, Rue Didouche Mourad-Alger; N° 601.310.010.020/43. Titled/: UNDP Representative US Dollars.

<u>Schedule of payments</u>	<u>Amount</u>
30 September 2006	40,000.00 USD
31 January 2007	40,000.00 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 ANADARKO with a view to determining whether any further financing could be provided by ANADARKO. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

<sup>1</sup> This amount is the net figure excluding ISS at the rate of 3% +GMS at the rate of the 5% (see also Article IV b)

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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 regulations, rules and directives 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 Executing Agency 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.

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 ANADARKO on a timely basis a supplementary estimate showing the further financing that will be necessary. ANADARKO shall use its best endeavours to obtain 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 ANADARKO or other sources, the assistance to be provided to 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.

#### ARTICLE III. ADMINISTRATION AND REPORTING

1. 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 Agency.

2. UNDP headquarters and country office shall provide to ANADARKO 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) every year, the status of project progress 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.

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- (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, a final report summarizing 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 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 ANADARKO. The specific nature and frequency of this reporting shall be specified in an annex of the Agreement.

#### ARTICLE IV. ADMINISTRATIVE AND SUPPORT SERVICES

1. In accordance with the decisions and directives of UNDP's Executive Board, the contribution shall be charged:
- (a) (5%) cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices;
  - (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/project, 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 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. 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 VI. AUDITING

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. Should an 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 ANADARKO.



## ARTICLE VII. ADVERTISEMENT OF THE CONTRIBUTION

1. ANADARKO shall not use the UNDP name or emblem, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of UNDP in each case. In no event will authorization be granted for commercial purposes, or for use in any manner that suggests an endorsement by UNDP of Algeria, its products or services.
2. ANADARKO acknowledges that it is familiar with UNDP's ideals and objectives and recognizes that its name and emblem may not be associated with any political or sectarian cause or otherwise used in a manner inconsistent with the status, reputation and neutrality of UNDP.
3. ANADARKO may make representations to its shareholders and internal budget officials as required about the fact of the contribution to UNDP. Any other use of the UNDP name or emblem, and any other form of recognition or acknowledgement of the contribution of ANADARKO are subject to consultations between the Parties, and the prior written agreement of UNDP.
4. UNDP will report on the contribution to its Executive Board in accordance with its regular procedures regarding contributions from private donors. Other forms of recognition and acknowledgement of the contribution are subject to consultations between the Parties, but the manner of such recognition and acknowledgement shall be determined at the sole discretion of UNDP.

## ARTICLE VIII. COMPLETION OF THE AGREEMENT

1. UNDP shall notify ANADARKO when all activities relating to the project have been completed.
2. Notwithstanding the completion of the project, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the implementation of the project have been satisfied and project activities brought to an orderly conclusion.
3. If the unutilized payments prove insufficient to meet such commitments and liabilities, UNDP shall notify ANADARKO and consult with ANADARKO 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 ANADARKO.

## ARTICLE IX. TERMINATION OF THE AGREEMENT

1. After consultations have taken place between ANADARKO, UNDP and the programme country Government, and provided that the payments 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 may be terminated by UNDP or by ANADARKO. 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.

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2. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized payments and liabilities incurred in implementation of the project up to the date of termination have been satisfied and project activities brought to an orderly conclusion.

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

#### ARTICLE X. AMENDMENT OF THE AGREEMENT

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

#### ARTICLE XI. SETTLEMENT OF DISPUTES

1. The parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this agreement or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with UNCITRAL Conciliation Rules then obtaining, or according to such procedure as may be agreed between the parties.

2. Any dispute, controversy or claim between the Parties arising out of or relating to this agreement or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal shall have no authority to award punitive damages. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

#### ARTICLE XII- PRIVILEGES AND IMMUNITIES

Nothing in this agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNDP.

*[Handwritten signature]*

*[Handwritten mark]*

ARTICLE XIII. ENTRY INTO FORCE

This Agreement shall enter into force upon signature and deposit by the ANADARKO of the first contribution-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 PSD/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.

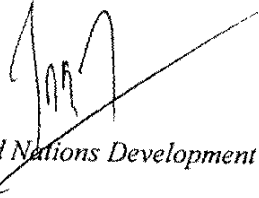


*For Anadarko Algeria Company LLC*

*Name : François J. Gauthier*

*Title: Directeur Général  
Vice Président  
Business Development*

*Date: 10 Sept 2006*



*For the United Nations Development Programme*

*Name: Marc Destanne de Bernis*

*Title: UNDP Resident Representative & UN  
Resident Coordinator*

*Date: 10 10y 106*

