

**THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS (MFA), (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 Community Resilience through Early Warning (CREW) project in Ghana (hereinafter referred to as “the Project”), as described in the Project document Community Resilience through Early Warning (CREW) in Ghana, and submitted to the MFA , as referenced in the Framework Agreement on Programme Cooperation in the Field of Development Cooperation between The Government of Norway and the UNDP 2003/2004.

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

WHEREAS the Government of Ghana has been duly informed of the Contribution of MFA to the Project,

WHEREAS UNDP shall designate an Implementing Partner for the implementation of the Project: [National Disaster Management Organization] (hereinafter referred to as the “Implementing Partner”),

NOW THEREFORE, UNDP and MFA hereby agree as follows:

1. This Agreement together with the Framework Agreement sets forth the terms and procedures for MFA’s contribution to the project which is summarized in Annex I to this agreement and more fully described in the project document Community Resilience through Early Warning (CREW) dated 2012

2.

The Goal of this project is:

To reduce disaster risks through better understanding of hazard risks, reducing vulnerability to hazards, and enhancing capacities for disaster risks reduction

3. The objectives of the project are

To develop hazard maps, enhanced systems and coordination capacities for early warning and implement disaster risk reduction projects in 10 pilot sites

Article I. The Contribution

1. (a) The Donor shall, subject to Parliamentary appropriation and on the terms and conditions set forth in this agreement, and Article II paragraph 5 of the Framework Agreement, and in accordance with the schedule of payments set out below, contribute to UNDP the amount not exceeding NOK 31,100,000 (Equivalent of approximately USD 5,162,667) to be used exclusively to finance the project and cover the costs referred to in Article VI, paragraph 1 covering the period 1st December 2012 to 31st December 2015 . The Contribution shall

be deposited in the DNB NOR Bank ASA, Stranden 21, Aker Brygge, 0021 Oslo Norway, UNDP contributions (NOK) Account Number # 7001-02-43287, IBA NO43700102243287, SWIFT # DNBANOKK, Bank Code: 00019, Account Code 1001,

<u>Schedule of payments¹</u>	<u>Amount (USD Equivalent)</u>
December 2012 (Upon Signature)	NOK 12'100'000
April 2012	NOK 2'900'000
October 2013	NOK 4'000'000
April 2014	NOK 4'000'000
October 2014	NOK 3'600'000
April 2015	NOK 3'000'000
October 2015	NOK 1'500'000

(b) MFA 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 MFA with a view to determining whether any further financing could be provided by MFA. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by UNDP.

After consultation with UNDP, MFA may withhold disbursement in case of:

- a) Substantial deviations from agreed plans and budgets
- b) Failure of UNDP to provide the reports in Article III as agreed
- c) Evidence of Financial mismanagement of the Project

MFA may claim repayment in full or in part of funds from the contribution to the extent UNDP has been able to obtain repayment from the negligent party if the funds are found to be misused or not satisfactorily accounted for. Such repayment shall be in accordance with the financial regulations and rules of the UNDP. Before withholding disbursement or reclaiming payment, UNDP and MFA shall consult with a view to resolving promptly the matter. UNDP reserves the right to reduce, suspend or terminate the activities in its sole discretion.

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.

¹ It is recommended that country offices negotiate the number of installments to ensure at least six months' anticipated disbursements are funded with each installment. This will make processing of contributions and reporting more efficient for the country offices.

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 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 MFA 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 MFA 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.

1.1 For the implementation of this agreement, MFA shall be represented by the Royal Norwegian Embassy in Ghana and UNDP by UNDP Ghana. All communication concerning the project shall be between the above mentioned representatives.

1.2 Representatives of MFA and UNDP shall have annual consultations once a year, in accordance with the framework agreement Article VIII, in order to :

- a) Review the progress of the project
- b) Discuss possible revisions of plans and budgets
- c) Discuss issues of special concern for the implementation of the project.

1.3 The Documents specified in the framework Agreement Articles V and VI shall form the basis for the annual consultations.

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

2.1

- (a) From the country office (or relevant unit at headquarters in the case of regional and global projects) 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 (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 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 7%. 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 Ghana 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. Arrangement for audit of project activities as set forth in the Framework Agreement.

Article VIII. Completion of the Agreement

1. UNDP shall notify MFA 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 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 MFA.

Article IX. Termination of the Agreement

1. This Agreement may be terminated by UNDP or by the Donor after consultations between the MFA, 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 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:

Address: H.E. Tyrihjell
Ambassador, Royal Norwegian Embassy
Accra

(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: reidar.grevskott@mfa.no

Attention: Grevskott Reidar

(c) To UNDP: Kamil Kamaluddeen
Country Director

Address: United Nations Development Programme
P.O. Box 1423
Accra

Article XI. 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 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 Norwegian Ministry of Foreign Affairs:

Name: Tom Tjørnholt
Title: Ambassador
Date: 03.12.2012

For the United Nations Development Programme:

Name: K.K. Kamaludeen
Title: Country Director
Date: 03 December 2012