

18 Jan 2015

**STANDARD LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
THE BASEL INSTITUTE ON GOVERNANCE
ON THE IMPLEMENTATION OF A PROGRAMME TO
DEVELOP CAPACITY FOR THE COMMISSION OF INTEGRITY OF THE
KURDISTAN REGIONAL GOVERNMENT
WHEN UNDP SERVES AS IMPLEMENTING PARTNER**

S. Almasri
AF *OP*

Your Excellency,

1. Reference is made to the consultations between officials of the United Nations Development Programme (hereinafter referred to as "UNDP") in Basel, Switzerland, on 20 May 2014 and officials of the Basel Institute on Governance with respect to the realization of activities by the Basel Institute on Governance in the implementation of Project 88983 "Support the Government of Iraq in Asset Recovery and International Cooperation" activities specified in Attachments 1 and 1b: Project Document and draft budget, to which UNDP has been selected as implementing partner.

2. In accordance with the Project Document and with the following terms and conditions, we confirm our acceptance of the activities to be provided by *the Basel Institute on Governance* towards the project, as specified in Attachment 2: Description of Activities (hereinafter referred to as "Activities"). Close consultations will be held between *Basel Institute on Governance* and UNDP on all aspects of the Activities.

3. *The Basel Institute on Governance* shall be fully responsible for carrying out, with due diligence and efficiency, all Activities in accordance with its Financial regulations, rules and other directives, only to the extent they are consistent with UNDP's Financial Regulations and Rules. In all other cases, UNDP's Financial Regulations and Rules must be followed.

4. In carrying out the activities under this Letter, the personnel and sub-contractors of *the Basel Institute on Governance* shall not be considered in any respect as being the employees or agents of UNDP. UNDP does not accept any liability for claims arising out of acts or omission of *the Basel Institute on Governance* or its personnel, or of its contractors or their personnel, in performing the Activities or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by *the Basel Institute on Governance*, and its personnel as a result of their work pertaining to the Activities.

5. Any subcontractors, including NGOs under contract with *the Basel Institute on Governance*, shall work under the supervision of the designated official of *the Basel Institute on Governance*. These subcontractors shall remain accountable to *the Basel Institute on Governance* for the manner in which assigned functions are discharged.

6. Upon signature of this Letter, UNDP will make payments to *the Basel Institute on Governance*, according to the schedule of payments specified in Attachment 3: Schedule of Activities, Facilities and Payments.

7. *The Basel Institute on Governance* shall not make any financial commitments or incur any expenses which would exceed the budget for the Activities as set forth in Attachment 3. *The Basel Institute on Governance* shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when *the Basel Institute on Governance* is aware that the budget to carry out these Activities is insufficient to fully implement the project in the manner set out in the Attachment 2. UNDP shall have no obligation to provide *the Basel Institute on Governance* with any funds or to make any reimbursement for expenses incurred by *the Basel Institute on Governance* in excess of the total budget as set forth in Attachment 3.

8. *The Basel Institute on Governance* shall submit a cumulative financial report each quarter (31 March, 30 June, 30 September and 31 December). The report will be submitted to UNDP through the UNDP Country Director or UNDP Resident Representative within 30 days following those dates. The format will follow the standard UNDP expenditure report [a model copy of which is provided as Attachment 4]. UNDP will include the financial report by *the Basel Institute on Governance* in the financial report for Project 88983 "Support the Government of Iraq in Asset Recovery and International Cooperation".



9. *The Basel Institute on Governance* shall submit such progress reports relating to the Activities as may reasonably be required by the project manager in the exercise of his or her duties.
10. *The Basel Institute on Governance* shall furnish a final report within 2 months after the completion or termination of the Activities, including a list of non-expendable equipment purchased by *the Basel Institute on Governance* and all relevant audited or certified financial statements and records related to such Activities, as appropriate, pursuant to its Financial Regulations and Rules.
11. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and *the Basel Institute on Governance*.
12. Any changes to the Project Document which would affect the work being performed by *the Basel Institute on Governance* in accordance with Attachment 2 shall be recommended only after consultation between the parties.
13. For any matters not specifically covered by this Letter, the Parties would ensure that those matters shall be resolved in accordance with the appropriate provisions of the Project Document and any revisions thereof and in accordance with the respective provisions of the Financial Regulations and Rules of the *Basel Institute on Governance* and UNDP.
14. The arrangements described in this Letter will remain in effect until the end of the project, or the completion of activities of *the Basel Institute on Governance* according to Attachment 2, or until terminated in writing (with 30 days notice) by either party. The schedule of payments specified in Attachment 3 remains in effect based on continued performance by *the Basel Institute on Governance* unless it receives written indication to the contrary from UNDP.
15. Any balance of funds that is undispersed and uncommitted after the conclusion of the Activities shall be returned within 90 days to UNDP.
16. Any amendment to this Letter shall be effected by mutual agreement, in writing.
17. All further correspondence regarding this Letter, other than signed letters of agreement or amendments thereto should be addressed to Dr. Adam Abdelmoula – UNDP Country Director - Iraq.
18. *The Basel Institute on Governance* shall keep the UNDP Country Director/ fully informed of all actions undertaken by them in carrying out this Letter.
19. UNDP may suspend this Agreement, in whole or in part, upon written notice, should circumstances arise which jeopardize successful completion of the Activities.
20. Any dispute between the UNDP and *the Basel Institute on Governance* arising out of or relating to this Letter which is not settled by negotiation or other agreed mode of settlement, shall, at the request of either party, be submitted to a Tribunal of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, who shall be the chairperson of the Tribunal. If, within 15 days of the appointment of two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint the arbitrator referred to. The Tribunal shall determine its own procedures, provided that any two arbitrators shall constitute a quorum for all purposes, and all decisions shall require the agreement of any two arbitrators. The expenses of the Tribunal shall be borne by the parties as assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.



21. If you are in agreement with the provisions set forth above, please sign and return to this office two copies of this Letter. Your acceptance shall thereby constitute the basis for *the Basel Institute on Governance* participation in the implementation of the project.

Yours sincerely,
Signed on behalf of UNDP



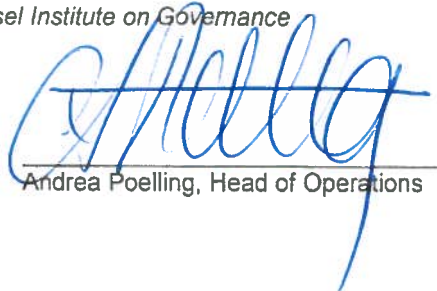
Dr. Adam Abdelmoula
UNDP Country Director
UNDP - Iraq



Signed on behalf of *the Basel Institute on Governance*



Bretta Fenner Zinkernagel, Managing Director
[Date]



Andrea Poelling, Head of Operations



Attachments 1 a and 1 b

Attachment 1a:

Project proposal: Support the Government of Iraq in Asset Recovery and International Cooperation

Attachment 1b:

Detailed draft budget for project "Support the Government of Iraq in Asset Recovery and International Cooperation" (enclosed as separate pdf file)

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Attachment 2

DESCRIPTION OF ACTIVITIES

Project number:
88983

Project title:
"Support the Government of Iraq in Asset Recovery and
International Cooperation"

Results to be achieved by the Basel Institute on Governance

Provide a summary of the results to be achieved by the <i>Basel Institute on Governance</i> , particularly the outputs they are expected to produce.
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Activity 1: Strengthening the financial investigation and asset recovery capacity of the Commissions of Integrity of Iraq and of the Kurdistan Regional Government (I-COI and K-COI)

- Enhanced capacity by suitable members of the I-COI and K-COI to conduct financial investigations into corruption and money laundering cases
- Enhanced ability to trace stolen assets within the jurisdiction of the I-COI and K-COI and in foreign jurisdictions
- Increased knowledge about procedures for requesting and answering to requests for international judicial cooperation, and the use of regional and international networks and procedures for this purpose
- Up to 6 professionals from I-COI and K-COI are trained to implement the ICAR training in financial investigation and asset recovery to other colleagues from I-COI and K-COI
- Increased ability to understand and investigate the (mis-)use of offshore structures and corporate structures for the purpose of hiding stolen assets

Activity 2: Enhancing corruption prevention and research capacities of K-COI

- Enhanced understanding by I-COI and K-COI staff of formal and informal risk factors contributing to corruption in their jurisdictions
- Report on institutional junctions identified as posing corruption risks in the I-COI and K-COI jurisdictions, on the formal and informal accountability roles, rules and shortcomings in the risk areas, and recommendations for suitable anti-corruption measures stemming from findings of the analysis
- 3-day training on qualitative and quantitative corruption research methods to members of the I-COI and K-COI in an appropriate and secure location
- Better ability among relevant I-COI and K-COI staff of the applicability of certain research methods for the purpose of analyzing corruption and its manifestations in their jurisdictions

Activity 3: Strengthening the independence of the K-COI

- Enhanced understanding of the current independence level of the K-COI as prescribed in relevant legislation, and of how this compares to international standards and good practice
- Proposal for measures to strengthen the independence and autonomy of the K-COI and to ensure sustained effective co-operation with regional and federal authorities
- Proposal for measures to implement, if required, check-and-balance mechanisms and infrastructure within the K-COI so as to prevent abuse of authority from the K-COI
- Proposals to enhance, if applicable, the effectiveness and efficiency of the K-COI and its procedures

Work to be performed by the Basel Institute on Governance

Explain the activities to be carried out by the Basel Institute on Governance

Work to be performed, including the methodology used and the activities to be implemented, is described in detail in Annex 1a (Project document).

Description of inputs:

Provide a detailed description of the project inputs by activity. This may include personnel, contracts, training, equipment, miscellaneous and micro-capital grants.

Activity 1: Strengthening the financial investigation and asset recovery capacity of the I-COI and K-COI

- Sr Expert: Ms Phyllis Atkinson
- Expert: Mr Federico Paesano
- Scoping mission and delivery of trainings in suitable and secure locations within or outside of the concerned jurisdictions, as appropriate
- Practical exercise and training material (in English, to be tailor-made to the KRG context and legal and institutional framework, and translated (by UNDP) into the training language)

Activity 2: Enhancing corruption prevention and research capacities of the I-COI and K-COI

- Sr Expert: Ms Claudia Baez-Camargo
- Expert: Ms Franziska Stahl
- Training to be delivered over 3-4 days in a secure location within or outside of the concerned jurisdictions, as appropriate
- Training material in English (to be translated by UNDP into training language)

Activity 3: Strengthening the independence of the K-COI

- Sr Expert: Mr Pedro Gomes Pereira
- Independence assessment methodology developed by the Basel Institute on Governance
- Assessment meetings conducted with key stakeholders from KRG, held in a secure location within or outside the concerned jurisdiction as appropriate

Annexes:

Attach, as appropriate, job descriptions for consultants, terms of reference for contracts, technical specifications for equipment items, training nomination forms, etc.

N/A

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Attachment 3

Scheduled of Activities, Facilities and Payments
Year 2015

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i>	Timeframe				Planned Budget		Schedule of payments by UNDP			
		Q1	Q2	Q3	Q4	Budget Description	Amount	Q1	Q2	Q3	Q4
Enhanced capacity to conduct financial investigations and asset recovery <ul style="list-style-type: none"> Up to 125 LEA and representatives from other authorities from Iraq and KRG trained in financial investigation and asset recovery (FI&AR) Up to 6 trainers from Iraq or KRG trained to deliver ICAR training on FI&AR Up to 50 LEA and representatives from other concerned authorities from Iraq and KRG trained in MLA and tracing assets through offshore structures 	Scoping mission, preparation of FI&AR training Delivery of Train-the-Trainer program (5 trainings in FI&AR) Preparation of MLA/Offshore course Delivery of MLA/Offshore course (2 trainings)	x	x			Fees	27'000				
					x	Expenses	6'000				
						Fees	47'850				
						Expenses	36'750				
			x			Fees	15'000				
				x		Fees	18'000				
						Expenses	13'000				

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i>	Timeframe				Planned Budget		Schedule of payments by UNDP			
		Q1	Q2	Q3	Q4	Budget Description	Amount	Q1	Q2	Q3	Q4
Enhanced corruption prevention and	Implementation of one		x			Fees	26'000				

research capacities of the I-COI and the K-COI <ul style="list-style-type: none"> Up to 15 representatives of I-COI and K-COI trained in quantitative and qualitative corruption research methods Up to 5 representatives of I-COI and K-COI trained in the use of the PIA tool for the purpose of conducting corruption risk assessments One PIA based corruption risk assessment conducted together with K-COI and I-COI staff 	Power & Influence Analysis on a specific corruption risk area in Iraq or KRG (jointly with I-COI and/or K-COI staff, including mini-training) Delivery of training on quantitative and qualitative corruption research methods	x	x	Expenses	6'500
					Fees Expenses
Enhanced understanding on limitations and opportunities as relating to the level of independence of the K-COI <ul style="list-style-type: none"> An in-depth study is conducted of the independence and autonomy of K-COI Recommendations are made about how to enhance the independence and autonomy of the K-COI 	Study	x	x	Fees Expenses	21'750 6'500
					Total

Note:

- Expenditures for personnel services may be limited to salary, allowances and other entitlements, including the reimbursement of income taxes due and travel costs on appointment to the project, duty travel within the programme country or region and repatriation costs.
- UNDP shall be responsible for providing miscellaneous services such as secretarial assistance, postage and cable services and transportation as may be required by the Basel Institute on Governance in carrying out their assignment.
- Adjustments within each of the sections may be made in consultation between UNDP and the Basel Institute on Governance. Such adjustments may be made if they are in keeping with the provisions of the Programme Support/Project Document and if they are found to be in the best interest of the project.
- Any of the above activities could be repeated at the request of UNDP at the same cost.
- The period indicated are for guidance as implementation of the programme could be over a period up to two years.

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Attachment 4

MODEL UNDP EXPENDITURE REPORT

Period _____

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i>	Planned Budget		Payments and Expenditures		
		Budget Description	Amount	Payments received	Expenditures	Balance
		Total				