



COST-SHARING AGREEMENT

**BETWEEN THE UNITED NATIONS DEVELOPMENT
PROGRAMME (UNDP)
AND
WAATASEMU CHARITY ASSOCIATION –
THE GREATEAST SOCIALIST PEOLE’S LIBYAN ARAB
JAMAHIRIYA (THE DONOR)**

2009

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THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AND
WAATASEMU CHARITY ASSOCIATION –
THE GREATEAST SOCIALIST PEPOLE’S LIBYAN ARAB JAMAHIRIYA (THE
DONOR)

WHEREAS the Donor has informed UNDP of its willingness to contribute funds (hereinafter referred to as “the contribution”) to UNDP on a cost-sharing basis towards execution/implementation of the programme/project,

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

WHEREAS the Palestinian Authority has been duly informed of the contribution of the Donor to the programme/project,

WHEREAS UNDP shall designate an Executing Entity/ Implementing Partner¹ for the execution/implementation of the programme/project (hereinafter referred to as "the Executing Agency/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 \$1,533,096 (US Dollar One million five hundred thirty three Thousand and ninety six). The contribution shall be deposited in the following UNDP Account:

JP Morgan Chase •1166 Avenue of the Americas •17th Floor New York •NY 10036- 2708 • ABA#021-000021 • ACC#015-002284

Schedule of payments

Amount

Advance Payment at 80% of the total contribution upon signature of agreement	US\$ 1,226,476.80
Second Payment of 20% of total contribution following disbursement and liquidation of advance payment	US\$ 306,619.20

¹ “Implementing Partner” for UNDP programme activities carried out under the harmonized operational modalities and “Executing Entity” for UNDP programme activities not carried out under the harmonized operational modalities

(b) The Donor will inform UNDP when the contribution is paid via an e-mail message with remittance information to contributions@undp.org

2. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the execution/implementation of planned activities. It may be amended to be consistent with the progress of programme/project delivery.
3. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
4. All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1. The execution/implementation of the responsibilities of UNDP and of the Executing Entity/Implementing Partner pursuant to this Agreement and the programme/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 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 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 the Donor or other sources, the assistance to be provided to the programme/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. Programme/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 Entity/Implementing Partner.
2. UNDP headquarters and country office shall provide to the Donor all or parts of the following reports prepared in accordance with UNDP accounting and reporting procedures.

2.1 For Agreements of one year or less:

- (a) 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 programme/project activities and impact of activities as well as provisional financial data;
- (b) From UNDP Bureau of Management/ Office of Finance and Administration, an annual certified financial statement as of 31 December to be submitted no later than 30 June of the following year;
- (c) From UNDP Bureau of Management/Office of Finance and Administration on completion of the programme/project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the project.

2.2 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) an annual status report of programme/project progress for the duration of the 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 the Agreement, a final report summarizing programme/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 programme/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 specific nature and frequency of this reporting shall be specified in an annex of the Agreement.

4. The Donor shall assign/recruit a local site engineer to act as a focal point on their behalf. Any costs related to the assignment/recruitment of the site engineer shall not be born under this contribution.

Article IV. Administrative and support services

1. In accordance with the decisions and directives 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 specific project(s), all direct costs of implementation, including the costs of executing entity or 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 programme/project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the programme/project under this Agreement as well as funds which may be available to the programme/project for programme/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 Donor 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. In addition to the aforementioned, the Donor will appoint an evaluation committee to effectively participate in the project evaluation.

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. It is worth noting that upon the completion of project activities and the official handover to the Palestinian entity; the entire supplies, fixtures, equipment will be solely utilized for the benefit of the Palestinian People.

Article VII. 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 a biennial 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 the Donor.

Article VIII. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the programme/project have been completed.
2. Notwithstanding the completion of the programme/project, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution/implementation of the programme/project have been satisfied and programme/project activities brought to an orderly conclusion.
3. If the unutilized payments 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. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Donor.

Article IX. Termination of the Agreement

1. After consultations have taken place between the Donor, UNDP and the Palestinian Authority, and provided that the payments already received are, together with other funds available to the programme/project, sufficient to meet all commitments and liabilities incurred in the execution/implementation of the programme/project, this Agreement may be terminated by UNDP or by the Donor. 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.
2. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in execution/implementation of all or part of the programme/project for which this Agreement has been terminated have been satisfied and programme/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 the Donor, whereby the unpaid funds will be under the control and monitor of the Donor.

Article X. Amendment of the Agreement

The 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 the Agreement.

Article XI. Entry Into Force

This Agreement shall enter into force upon signature and deposit by the Donor 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 project document by the concerned parties.

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

Date: 11 July 2009

For the Donor: Waatasemu Charity Association.

Name: Dr. Aisha Muammar Al-Gathafi

Title: General Secretary of Waatasemu Charity Association.

Signature: _____



For the United Nations Development Programme:

Name: Mr. Brian Gleeson

Title: UNDP Resident Representative

Signature: _____

