

**THIRD-PARTY COST-SHARING ARRANGEMENT
BETWEEN THE NEW ZEALAND MINISTRY OF FOREIGN AFFAIRS AND TRADE
(NZ MFAT OR THE DONOR) AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) PACIFIC CENTRE
(Known together as the “Participants”)**

WHEREAS the Donor hereby consents to contribute funds to UNDP on a cost-sharing basis (hereinafter referred to as “the Contribution”) for the implementation of the Fiji Parliament Support Project (hereinafter referred to as “the Project, as described in the Project document 00089233 and Fiji Parliament Support Project 2014 - 2016, in Fiji and submitted to the Donor for information. Further detail on the Project is outlined in the Fiji Parliament Support Final Project Document 2014-2016, dated 3 June 2014 (INTD-41-879).

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

WHEREAS the Government of Fiji has been duly informed of the Contribution of the Donor to the Fiji Parliament Support Project,

WHEREAS UNDP will designate an Implementing Partner for the implementation of the Fiji Parliament Support Project (hereinafter referred to as the “Implementing Partner”),

NOW THEREFORE, UNDP and the Donor have reached the following understandings on the administrative arrangement detailed below:

Paragraph I. The Contribution

1. (a) The Donor will, in accordance with the schedule of payments set out below, contribute to UNDP the amount of \$1.2m [US\$]. The Contribution will be deposited in the following bank account:

Bank Name:	JP Morgan Chase Bank
Account Name:	UNDP Contributions Account - 000231001
Account Number:	015-002284
Swift Address:	CHASUS33
Bank Address:	270 Park Avenue, 43 rd floor, New York, United States of America
Reference:	NZ MFAT contribution to Fiji Parliament Support Project

<u>Schedule of payments</u> ¹	<u>Amount</u>
On signing of the third party cost-sharing arrangement	US\$650,000
15 June 2015	US\$550,000

(b) The Donor will inform UNDP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org, providing the following information: NZ MFAT, UNDP Pacific Centre, 00089233 and Fiji Parliament Support Project (INTD-41-879). 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, will 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 will 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 will 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 will receive and administer the payment in accordance with the rules, regulations, policies and procedures of UNDP.
5. All financial accounts and statements will be expressed in United States dollars.
6. Any payment to be made under this Arrangement is subject to there being an appropriation by the New Zealand Government for the fiscal year in which the payment is to be made. If the Donor's appropriation is changed by the New Zealand Government, the Donor may reduce the Grant or terminate this Arrangement.

Paragraph II. Utilization of the Contribution

1. UNDP will ensure that the Grant is utilized exclusively for the purpose of this Arrangement.
2. The implementation of the responsibilities of UNDP and of the Implementing Partner pursuant to this Arrangement and the Project document will be dependent on receipt by UNDP of the Contribution in accordance with the schedule of payment as set out in Paragraph I, section 1, above. UNDP will not start the implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable).

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.

3. If unforeseen increases in expenditures or arrangements in the implementation of the Project are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP will submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor will use its best endeavors to make available to UNDP the additional funds required.
4. If the payments referred to in Paragraph I, section 1, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 3 above is not forthcoming from the Donor or other sources, the assistance to be provided to the Project under this Arrangement may be reduced, suspended or terminated by UNDP with notice to the Donor.
5. Any interest income attributable to the Contribution will be credited to UNDP Account, retained by UNDP and will be utilized for the purpose of this Arrangement.
6. Where appropriate, UNDP will acknowledge the Donor's funding in publications, speeches, press releases or other similar matters. Before using NZ MFAT's and/or the New Zealand Aid Programme's name, logo design, or branding UNDP will first obtain the Donor's consent.

Paragraph III. Administration and reporting

1. Project management and expenditures will 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 will provide to the Donor the following reports in accordance with UNDP accounting and reporting procedures.
 - 2.2 For arrangements 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 Project progress for the duration of this Arrangement, 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 Arrangement, 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 will be detailed in an annex to this Arrangement.

Paragraph 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 will 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 will 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, will not exceed the total resources available to the Project under this Arrangement as well as funds which may be available to the Project for Project costs and for support costs under other sources of financing.

Paragraph V. Evaluation

All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of Fiji in consultation with other stakeholders will jointly decide 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 will commission the evaluation, and the evaluation exercise will be carried out by external independent evaluators.

Paragraph VI. Equipment

Ownership of equipment, supplies and other properties financed from the Contribution will vest in UNDP. Matters relating to the transfer of ownership by UNDP will be determined in accordance with the relevant policies and procedures of UNDP.

Paragraph VII. Auditing

The Contribution will 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 will be made available to the Donor by the country office.

Paragraph VIII. Completion of the Project

1. UNDP will notify the Donor when all activities relating to the Project have been completed in accordance with the Prodoc.

2. Notwithstanding the completion of the Project, UNDP will continue to hold unutilized funds from the Contribution until all arrangements 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 arrangements and liabilities, UNDP will notify the Donor and consult with the Donor on the manner in which such arrangements and liabilities may be satisfied.
4. In cases where the Project is completed in accordance with the project document any funds that remain unexpended after all arrangements and liabilities have been satisfied will be reallocated by UNDP after consultation with the Donor.

Paragraph IX. Termination of the Arrangement

1. This Arrangement 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 arrangements and liabilities incurred in the implementation of the Project.
This Arrangement will cease to be in effect 30 (thirty) days after either of the Participants have given notice in writing to the other Participant of its decision to terminate this Arrangement.
2. Notwithstanding termination of all or part of this Arrangement, UNDP will continue to hold unutilized funds until all arrangements 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 arrangement is terminated before Project completion any funds that remain unexpended after all arrangements and liabilities have been satisfied will be reallocated by UNDP after consultation with the Donor.

Paragraph X: Notice

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

- (a) To the Donor:

Address: Mark Ramsden, Acting Head of Mission

- (b) Upon receipt of funds, UNDP will 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: Willy.Morrell@mfat.govt.nz

Attention: Willy Morrell, 1st Secretary Development Bilateral

(c) To UNDP: Osnat Lubrani
UN Resident Coordinator and UNDP Resident Representative

Address: United Nations Development Programme
Level 8, Kadavu House
414 Victoria Parade
SUVA.

Paragraph XI. Amendment of the Arrangement

This Arrangement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect will become an integral part of this Arrangement.

Paragraph XII. Entire Understanding

The Arrangement constitutes the entire understanding between MFAT and UNDP with respect to the Grant.

Paragraph IX. Anti-Corruption and Anti-Terrorism

1. Consistent with the Donor's commitment to good governance, accountability, and transparency, the Donor in providing this contribution is relying on UNDP's representations about the utilization of the funding in accordance with its regulations, rules, policies and procedures and continues to rely on UNDP to ensure that the Donor's contribution is used for UNDP's mandate in line with the Strategic Plan.

2. The Donor and UNDP confirm their understanding that it is essential to take all necessary precautions to avoid Fraud (as defined by the relevant UNDP policies) in the course of their respective arrangements. UNDP confirms that it will continue undertaking any steps required when fraud is detected in accordance with its applicable regulations and rules, including the Staff Regulations and Rules of the United Nations; the UNDP Financial Regulations and Rules, UNDP Anti-fraud Policy and the UNDP Legal Framework for addressing non-compliance with UN Standards of Conduct. Where fraud is established, UNDP will promptly inform MFAT in accordance with UNDP's relevant reporting procedures.

3. Consistent with UN Security Council (UNSC) Resolutions relating to terrorism, including UNSC Resolution 1373 (2001) and 1267 (1999) and related resolutions, both the Donor and UNDP are firmly committed to the

international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of the Donor to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. To those ends, UNDP will use all reasonable efforts to ensure that the Donor's contribution is not used to provide support to individuals or entities associated with terrorism. If, during the course of this Arrangement, UNDP discovers a link with any organization or individual associated with terrorism, it will promptly inform the Donor in accordance with its relevant reporting procedures.

Paragraph XII. Coming into Effect

This Arrangement will come into effect upon the signature of this Arrangement by the Participants, on the date of the last signature.

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

For the Donor: NZ MFAT

For the United Nations Development Programme:


(Name): Mark Ramsden

(Name): Osnat Lubrani

(Title): Acting Head of Mission

ju(Title): Resident Representative

(Signature): 

(Signature): 

(Date): 23.6.14

(Date): 23.6.14