

**EUROPEAN UNION
DELEGATION AGREEMENT**

T05.491 - (T005)

(the "Agreement")
The European Union, represented by the European Commission,
(the "Contracting Authority") of the one part, and

The United Nations Development Programme with its Head office at One United Nations Plaza,
NY 10017, New York,
United States,

Represented for the purpose of this agreement by

The United Nations Development Programme Regional Service Center for Africa,
Addis Ababa,
Ethiopia,
hereinafter the "Organisation

of the other part, (individually a "Party" and collectively the "Parties") have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

- 1.1 This Agreement defines the activities entrusted to the Organisation for the implementation of the Action "Support for Effective Cooperation and Coordination of Cross-border Initiatives in Southwest Ethiopia-Northwest Kenya, Marsabit-Borana&Dawa, and Kenya-Somalia-Ethiopia (SECOCY)" as described in Annex I (the "Action"). This Agreement lays down the rules for implementation, for the payment of the EU contribution, and defines the relations between the Organisation and the Contracting Authority.
- 1.2 The Action is a Multi-donor Action and the EU contribution is not earmarked.
- 1.3 In the performance of the activities, the Organisation shall:
 - a) apply its own accounting, internal control and audit systems which have been positively assessed in the ex-ante pillar assessment. In case the pillar assessment raised some reservations the Organisation shall comply with the ad hoc measures stated in Article 7.
 - b) apply its own procurement procedures, as assessed in the ex-ante pillar assessment and its own rules for the award of Grants, as assessed in the ex-ante pillar assessment.
 - c) perform the activities to be implemented under the Agreement in accordance with the principles of Sound Financial Management, transparency and non-discrimination, applying its positively assessed Regulations and Rules.
 - d) be free to use any Regulations and Rules which have not been subject to the ex-ante pillar assessment to the extent that these Regulations and Rules are not in conflict with the provisions of this Agreement.
- 1.4 The Action is an EU External Action. The Action is financed under the European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa.
- 1.5 The Organisation shall provide the management declaration with every progress and final report in accordance with Articles 3.10 of the General Conditions
- 1.6 This Agreement is subject to the provisions of Financial and Administrative Framework Agreement ("FAFA") between the European Union and the United Nations signed on 29 April 2003 and as amended

Article 2 - Entry into Force, Implementation Period and Contracting Deadline

Entry Into Force

2.1 The Agreement shall enter into force on the date when the last of the two Parties signs.

Implementation Period

2.2 The Implementation Period of the Agreement (the "Implementation Period") shall commence on the day after the last Party signs.

2.3 The Implementation Period of the Agreement as laid down in Annex I is 36 months (including a six-month inception phase).

Contracting Deadline

2.4 Individual Procurement and Grant contracts implementing this Agreement shall be signed by the Organisation no later than 36 months from the date of entry into force of this Agreement.

Article 3 - Financing the Action

3.1 The total cost of the Action¹ is estimated at USD 10,050,311 ("Currency of the Agreement"), as set out in Annex III. The Contracting Authority undertakes to provide an EU contribution² up to a maximum of EUR 7,706,082, which is estimated at USD 9,571,724 as per the InforEuro rate of the month of signature of this Agreement. The final amount will be established in accordance with Articles 18 to 20 of Annex II.

3.2 Remuneration

The remuneration of the Organisation by the Contracting Authority for the implementation of the activities entrusted under this Agreement shall be 7% of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.

3.3 Interest generated on pre-financing shall not be due.

3.4 A reserve for contingencies and/or possible fluctuations in exchange rates not exceeding 5% of the direct eligible costs may be included in Annex III, to allow for adjustments necessary in the light of unforeseeable changes of circumstances on the ground. It can be used only with the prior written authorisation of the Contracting Authority, upon a duly justified request from the Organisation.

Article 4 - Narrative and Financial Reporting and Payment Arrangement

4.1 The pre-financing rate is 100%.³

4.2 Payments shall be made in accordance with Article 19 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment: USD 3,172,774

Second pre-financing instalment: USD 3,459,005

Third pre-financing: USD 2,939,945

¹ This amount is introduced only for indicative purposes. It is an estimate and its evolution does not condition the EU contribution.

² Where the contribution is financed by the European Development Fund, mentions of EU contribution must be read as referring to European Development Fund financing.

³ Subject to the provisions of Article 19 of the General Conditions, each further instalment of pre-financing will thus consist of the remaining

Forecast balance of the final amount of the contribution, if any (subject to the provisions of Annex II): 0 USD

The sum of the payments in the accounting currency of the Organisation shall not exceed the total EU Contribution in EUR.

Article 5 – Communication language and contacts

5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English. If requested by the Contracting Authority, they shall be accompanied by a translation or a summary in English or French where the language of the Agreement is not English or French.

5.2 Any communication relating to the Agreement shall be in writing, shall state the number and/or title of the Action, and shall use the following addresses below.

5.3 Any communication relating to the Agreement, including payment requests and attached reports, and requests for changes to bank account arrangements shall be sent to:

For the Contracting Authority

Delegation of the European Union to Ethiopia
For the attention of the head of Finance, Contracts and Audit Section
P.O. Box 5570, Addis Ababa, Ethiopia

Copies of the document referred to above, and correspondence of any other nature shall be sent to
Delegation of the European Union to Ethiopia
For the attention of the head of Cooperation Section
P.O. Box 5570, Addis Ababa, Ethiopia

For the Organisation

Director, Regional Service Center for Africa
United Nations Development Programme Regional Service Center;
Main Bole Road, Olympia Roundabout; DRC Street;
PO Box 60130,
Addis Ababa
Ethiopia

5.4 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.

5.5 The contact point within the Organisation which shall have the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate the latter's operational activities shall be: Office of Audit and Investigations, Head of Investigations Section, United Nations Development Programme, One United Nations Plaza, DCI Building 4th floor New York, NY 10017 USA.

5.6 All exchanges concerning the Early Detection and Exclusion System shall take place between the Contracting Authority and the authorised person designated by the Organisation using the contact details stated in Article 5.3.

Article 6 - Annexes

6.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

- Annex I: Description of the Action (including the Logical Framework of the Action)
- Annex II: General Conditions for PA Grant or Delegation Agreements (Part III on PA Grant Agreements does not apply)
- Annex III: Budget for the Action
- Annex IV: Financial Identification Form
- Annex V: Standard Request for Payment
- Annex VI: Communication and Visibility Plan
- Annex VII: Management Declaration Template

6.2 In the event of a conflict between the present Special Conditions and any Annex thereto, the provisions

Annex II "General Conditions" and those of the other Annexes, the provisions of Annex II "General Conditions" shall take precedence.

Article 7 – Additional specific conditions applying to the Action

7.1 The following shall supplement the General Conditions:

For costs of a project office:

7.1.1 Where the implementation of the Action requires the setting up or the use of one or more project offices, the Organisation may declare as eligible direct costs the capitalised and operating costs of the structure if all the following conditions are fulfilled:

- a) They comply with the cost eligibility criteria referred to in Article 18.1 of Annex II;
- b) They fall within one of the following categories:
 - i) costs of staff, including administration and management staff, directly assigned to the operations of the project office. The tasks listed in the Description of the Action (Annex I), undertaken by staff assigned to the project office will be directly attributable to the implementation of the Action.
 - ii) travel and subsistence costs for staff and other persons directly assigned to the operations of the project office;
 - iii) depreciation costs, rental costs or lease of equipment and assets composing the project office.
 - iv) costs of maintenance and repair contracts specifically awarded for the operations of the project office;
 - v) costs of consumables and supplies specifically purchased for the operations of the project office;
 - vi) costs of IT and telecommunication services specifically purchased for the operations of the project office;
 - vii) costs of energy and water specifically supplied for the operations of the project office;
 - viii) costs of facility management contracts including security fees and insurance costs specifically awarded for the operations of the project office;
- c) The Organisation declares the eligible direct costs of the project office as actual costs or for staff costs on the basis of unit costs determined by the Organisation according to its usual accounting practice;
- d) The Organisation declares as eligible only the portion of the capitalised and operating costs of project office which corresponds to the duration of the Action and
 - i) the rate of actual use of project office for the purposes of the Action; or
 - ii) the rate of use of a project office for the purposes of the Action, determined by the Organisation on the basis of a simplified allocation method, provided that the allocation method is compliant with the Organisation's usual accounting and management practices, applied in a consistent manner regardless of the source of funding, and based on an objective, fair and reliable allocation key.

7.1.2 In addition to the reporting requirements set out in article 3 of the General Conditions, the following reports shall be submitted to the EU Delegation:

- Within 15 days of the end of the six-month inception phase, a consolidated narrative report detailing the activities and findings of the inception phase, including a detailed version of the Communication and Visibility Plan and any proposals for adjustment to the logical framework and budget in light of the findings and, if necessary, a request to amend the contract pursuant to article

Moreover, in addition to the visibility requirements set out in article 8 of the General conditions, on a bi annual basis the Organisation is required to provide (by electronic submission) the Contracting Authority with the following:

- A short update of the project's progress (no more than 500 words) including key facts and figures
- A photo album (of 10-20 photos, including descriptive captions with names of beneficiaries, activities, location etc.)
- A short video clip (1-2 minutes maximum) – e.g. of an activity at the project or interviews with beneficiaries/partners (even if it is done with basic equipment such as a smartphone)
- Human interest stories – these can be either in the format of a short video accompanied by a text, or in text format with accompanying photos. All stories should highlight concretely the impact of the funding on the individual beneficiary and should include quotes.

7.1.3. With regards to the monitoring of projects' activities, results and objectives, in addition to what is foreseen in the General Conditions, the Organisation will be expected to liaise regularly with the external team⁴ (Altaï Consulting) in charge of implementing the EUTF Horn of Africa Monitoring and Learning System (MLS) and provide them with, *inter alia*, the following:

- i) At the start of the implementation of the action, the Organisation will share the data sets with the MLS team – including list of activities, expected outputs and outcomes– that are summarised in the logical framework;
- ii) As soon as the project and M&E plans are defined, the Organisation will be expected to interact with the MLS team in order to review their M&E frameworks and tools, confirm the selected EU Trust Fund output indicators that the projects will report on and give target values for these indicators;
- iii) On a quarterly basis, the Organisation will provide disaggregated values on progress made along the indicators identified above;

The MLS team will do its utmost to make the interactions as short and efficient as possible and, when possible, travel to the Organisation's location in order to meet in person. A more detailed standard procedure will be developed and made available to the Organisation by the MLS team.

All monitoring by the MLS team will be undertaken in accordance with the provisions of article 10 of the General Conditions.

Done in Addis Ababa in two originals in the English language, one for the Contracting Authority and one for the Organisation.

For the Organisation

Name Mr. Lamin Manneh

Position Director, of UNDP Regional Service Center for Africa

Signature

Date

Lamin Manneh
21/02/2018

For the Contracting Authority

Name

Position

Signature

Date

Erik Habers

Erik Habers
Minister
Counsellor
Head of
Cooperation
DATE: 21/02/2018



⁴ MLS page on EUTF website: <http://ec.europa.eu/trustfundforafrica/content/monitoring-and-learning-system-eutf-horn-of-africa>