



## UN Development Programme

### Solomon Islands - Cty Pgmm

**Award ID:** 00097191

**Award Title:** Goldridge TSF Risk & Monitoring Support

**Start Year:** 2016

**End Year:** 2017

**Implementing Partner  
(Executing Agency):** UNDP

**Responsible Party  
(Implementing Agent):** UNDP

**Revision Type:** Project Approval

**Brief Description:**

Gold Ridge TSF Risk & Monitoring Year 2016 Initial Annual Work Plan (AWP).

**Budget (US\$) as of Last Revision on 28-June-2016**

Donor	Fund	Amount
DFAT	30000 Programme Cost Sharing	750,000.00
<b>Total Budget ( 2016 and Beyond )</b>		750,000.00
<b>Total Expenditure ( 2015 and Prior )</b>		0.00
<b>Award Total</b>		750,000.00
<b>Unprogrammed/Unfunded</b>		0.00

**Agreed by:** UNDP

**Agreed by:**

**Agreed by:**

**Agreed by:**



## Annual Work Plan

Solomon Islands - Cty Pgmm

**Project:** 00097191  
**Project Title:** Goldridge TSF Risk & Monitoring Support  
**Year:** 2016

**Report Date:** 17/7/2016

Output	Key Activities	Timeframe		Responsible Party	Planned Budget				
		Start	End		Fund	Donor	Budget Descr	Amount US\$	
00101021 GoldridgeTSF Risk & Monitoring	Community Awareness	1/6/2016	31/12/2017	UNDP	30000	DFAT	75700	Training, Workshops and Confer	25,000.00
	Contingency planning	1/6/2016	31/12/2017	UNDP	30000	DFAT	71200	International Consultants	213,500.00
	Economic valuation of dam	1/6/2016	31/12/2017	UNDP	30000	DFAT	71200	International Consultants	30,000.00
	Env. Monitoring	1/6/2016	31/12/2017	UNDP	30000	DFAT	71200	International Consultants	77,000.00
	GMS	1/6/2016	31/12/2017	UNDP	30000	DFAT	75100	Facilities & Administration	50,000.00
	Inception workshop	1/6/2016	31/12/2017	UNDP	30000	DFAT	75700	Training, Workshops and Confer	10,000.00
	Structural Assessment:Dam	1/6/2016	31/12/2017	UNDP	30000	DFAT	71200	International Consultants	222,500.00
<b>TOTAL</b>								<b>628,000.00</b>	
<b>GRAND TOTAL</b>								<b>628,000.00</b>	



**Annual Work Plan**

**Solomon Islands - Cty Pgmm**

**Project:** 00097191  
**Project Title:** Goldridge TSF Risk & Monitoring Support  
**Year:** 2017

**Report Date:** 17/7/2016

Output	Key Activities	Timeframe		Responsible Party	Planned Budget				
		Start	End		Fund	Donor	Budget Descr	Amount US\$	
00101021 GoldridgeTSF Risk & Monitoring	GMS	1/6/2016	31/12/2017	UNDP	30000	DFAT	75100	Facilities & Administration	42,000.00
	Inception workshop	1/6/2016	31/12/2017	UNDP	30000	DFAT	71200	International Consultants	80,000.00
<b>TOTAL</b>									<b>122,000.00</b>
<b>GRAND TOTAL</b>									<b>122,000.00</b>

**CONCEPT NOTE: Risk management and mitigation on the Tailings Dam and Return water dam at Goldridge mine.**

**Title:** Managing risks associated with the Gold Ridge Mine Tailings Dam and Return Water Dam

**Implementing Agency:** UNDP with UNOCHA (UNEP/UNDAC) and WHO

**Project Partners:** Ministry of Mines, Energy and Rural Electrification, Ministry of Health and Medical Services

**Background**

The Gold Ridge Mine Tailings Storage Facility (TSF) on the main island of Guadalcanal in Solomon Islands has been a constant threat to its surrounding communities since April 2014 earthquake magnitude of 7.6 at 314.0 km SE of Honiara, Solomon Islands and heavy rainfalls then. The TSF is part of a bigger tailings storage system which has been operating since 1998 within a 25 year 30km<sup>2</sup> lease. The tailings storage system consists of the main TSF embankment covering 0.62km<sup>2</sup>, a water treatment plant with separate (now combined) sedimentation and discharge ponds and a Return Water dam upstream for storing treated water to be reused in the gold processing plant. The closure of the Gold Ridge Mine in 2014 also meant that maintenance of the water balance in the tailings storage system could not be sustained.

Following the earthquake and heavy rains in April 2014, the Solomon Islands Government made an official request to the United Nations Resident Coordinator in Fiji to facilitate a technical assessment of the Gold Ridge Mine and its entire tailings storage system. In response an environmental emergency specialist team was deployed through the United Nations Disaster Assessment and Coordination (UNDAC) system. This assessment team was deployed to Solomon Islands to conduct a rapid assessment from 21 April to 9 May, 2014.

The primary objective of this UNDAC mission was to undertake a rapid assessment of the dam safety and chemical hazards posed by the Gold Ridge Mine TSF with specific evaluation of possible impact on health and safety as well as livelihood of downstream communities. The mission also assessed the potential for environment and health impacts if treated or untreated water from the TSF was to be released into the surrounding environment. A number of meetings, report reviews and site visits were conducted during the mission. Although the UNDAC mission did not find any serious threat of the dam collapsing as a result of the earthquake and heavy rains at the time of their visit, there were concerns expressed regarding the overall design of the tailings storage site (TSF and the Return Dam). This posed a serious threat to the communities downstream. The main concern of the UNDAC team at the time of the assessment was the continuous monitoring including a long term plan for the water treatment pond to prevent the overflow from occurring. In the long run, the impacts of potential breach would be catastrophic to the environment and the river communities of more than 8000 people downstream. The tailings water contains harmful substances of which the two main chemicals of concern are arsenic and cyanide.

In view of these findings, the UNDAC mission proposed four immediate actions out of the total of 15 recommendations.

These included:

- Preparation for discharge of dam water without treatment to be initiated as an emergency safety measure from humanitarian perspective and on the understanding that the dewatering process would take considerable amount of time to decrease the water level.
- Controlled dewatering process with continuous monitoring program to monitor both process and its impact downstream.
- Recommissioning and safeguarding of the water treatment plant for discharge in a more sustainable manner. The UNDAC mission recommended that an actor with sufficient technical, financial, human skills and capacity lead the dewatering process and site monitoring.
- An evaluation to be conducted on the site operation to determine whether the mine should remain open or closed.

The UNDAC mission explicitly stated that the dewatering process is an acceptable yet temporary measure that must be accompanied by infrastructure improvements at the overall tailings storage site

### **Current Situation**

Following on from the UNDAC mission findings and recommendations, the Solomon Islands Government (SIG) has taken several steps to address this situation. The Gold Ridge Mine was closed down after the April 2014 heavy rains and flash floods and sold to the Gold Ridge Community Investment Limited (GCIL), a landowner group. Through the Ministry of Environment, Climate Change, Meteorology and Disaster Management, the Ministry of Mines, Energy and Rural Electrification, Ministry of Health and Medical Services, the government has been working closing with the GCIL to closely monitor the TSF.

Despite the closing down of the mine, the TSF still remains a threat to the communities in its vicinity. Given that the mine is located in a seismically active region with high average annual rainfall of 3000mm- 4000mm per annum, the threat of the dam collapsing or overflowing still remains an uncertainty that needs to be verified through an appropriate physical investigation. The TSF and the Return Water dam are almost full. In addition, the TSF no longer has the capacity to hold runoff from a 100mm rainfall in 24 hours. From the years of operations there has been increase in the amount of sediments/tailings in the TSF. This raises concern that the sediments still contain high concentrations of arsenic and cyanide and therefore needs to be properly assessed at different depths to ascertain the level of contaminants.

In addition, water quality assessment was conducted in late 2014 and early 2015 by the University of Queensland through a contractual arrangement by World Health Organization. The findings of this study recommended that the untreated TSF water was safe to discharge and that the river can still be used for recreational purposes but not for cooking or drinking. “These concentrations of Arsenic within TSF are above the WHO drinking water guideline of 0.01 mg/l and below the secondary use (bathing/washing) guideline of 0.05 mg/l” (UQ, July 2015). The recent test results of March/April 2016 have shown variations in arsenic concentrations near the spillway which recorded 0.048mg/l in early March to 0.01mg/l on 24 March following a heavy rain. At the beginning of overflow on 30<sup>th</sup> March, the arsenic reading was 0.084mg/l which later decreased to 0.04mg/l when the overflow ceased.

The GCIL took over from St. Barbara in early 2015. The area was declared a “disaster zone” as well in 2015. On the 29<sup>th</sup> of March 2016 to GCIL was granted the license to discharge untreated TSF water into Tinahulu River on 29 March, 2016 considering the risk associated with dam failure following the heavy rains in early March. Since the granting of the discharge license, in April 2016 the dewatering took place. On the 29<sup>th</sup> of March the spillway overflowed after a heavy downpour by which the government gave temporary approval for the Gold Ridge Community Investment Limited to also discharge untreated water from the Tailings Storage Facility (TSF), during the course of the current dewatering process. The

overflow stopped on the 10<sup>th</sup> of April and the discharging of untreated water stopped a few days prior.

The current dewatering process has proven to be less effective in decreasing water levels in the TSF given the current capacity of the water treatment plant relative to high rainfall. The current discharge rate of the treatment process can remove up to approximately 20mm of surface water per day which is often overwhelmed by regular high rainfall (100mm in 24 hours) every 4-6 weeks. The discharge of untreated water was paramount at this stage, to reduce the water level of the TSF due to the heavy rainfall experienced in the country during that period, however safety concerns were raised by the downstream communities. The Ministry of Health and Medical Services (MHMS) on the 14<sup>th</sup> of April issued a stern warning to communities downstream to cease all river activities. However the GRML issued a response based on the sample results by the Australian Laboratory Service (ALS) that the rivers are safe.

With the current situation it is paramount to post dewatering environment impact assessments along with risk mitigation activities with profound efforts in awareness activities to downstream communities.

Awareness to the downstream communities during the dewatering period was carried out by MECDM, MMERE, MHMS and The Royal Solomon Islands Police Force (RSIPF) prior to the dewatering and during the spill over. The RSIPF has been very active in emergency response planning and evacuation alongside the National Disaster Management office. They have been monitoring the dam and keeping the communities informed.

**Requests for support from the Government of Solomon Island in reducing the risks and impacts of contamination and overflow.**

Against the backdrop of the current situations, the Government has requested the UN Solomon Islands through the UNDP Pacific –Solomon Islands office to coordinate and put forward a consolidated package of technical support. The UN response as outlined in this concept note will be guided by the National Disaster Council (NDC), whereby operational matters are to be coordinated by the Chair of NDOC (Director NDMO) and subsequently reporting to NDC. The activities proposed under this consolidated framework will address the UNDAC recommendations as well as the current situation with a view to reducing the possible impact of disasters through data gathering and analysis that is required to make informed decisions. Such coordinated framework will also facilitate improved coordination on the part of the response from the international community, as well as information sharing amongst relevant entities and stakeholders within the government.

The consolidated package will take into consideration the need to assess the stability of the dam structure with a particular focus on the man-made retention wall of the TSF and the Return Water dam. The assessment will also take into account better understanding of the spillway mechanism and its ability to withstand an extreme rainfall event such as that of the April 2014 (over 500mm in 24 hours). The findings of this will determine relevant preparedness measures to be put in place. This will be done in close collaboration with the Cabinet Sub-Committee on Gold Ridge, other relevant committees and technical relevant line ministries.

In response to the request put forward by the Government of Solomon Islands, an aquatic and marine baseline assessment was conducted prior to dewatering of the Gold Ridge Tailings Storage Facility (TSF) under the support from UNDP. With the possible risk given both treated and untreated water was discharged into the natural environment, it is important to conduct a post dewatering environment impact assessment of the rivers connected to the Gold Ridge TSF. The EIA will determine any impacts to the environment as a result of the dewatering of both treated and untreated water. It will be done in line with the baseline assessment that has been undertaken before the dewatering. The impact assessment will provide us with possible ways to manage or address any impacts identified.

Additionally, given the Gold Ridge area is a declared disaster zone, links between environment and humanitarian action is profound due to possible risk of dam failure which will affect downstream communities. Communities rely on the environment for their livelihoods so with the possible negative threat to the environment their health, water, sanitation and hygiene, shelter and even lives will be impacted. The National Disaster Management Office (NDMO) of the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM) is taking charge to address the potential risk to human lives hence intends to undertake Flood Risk Modelling to map out the potential risk of the dam flooding the downstream communities. The modelling will specifically identify the likely and worst case scenarios with considerations on; Flood Flow, Flow velocity, depth, flood wave estimated time of arrival down streams. These would lead to the development of appropriate immediate and longer term disaster preparedness measures.

WHO to date has been supporting the efforts led by the government in monitoring and analyzing the water quality in partnership with the Environmental Health Division and the National Public Health Laboratory. Ongoing and future support to the National Public Health Laboratory will include purchasing Glass ware and reagents, test kits equipment and possible support to repair the Atomic Absorption Spectrophotometer (AAS) which will be used for TSF monitoring and other emerging disasters. The ASS is a specialized equipment which can detect heavy tonic metals. This will help improve the in-country capacity available to do accurate testing and monitoring of the water quality.

The planned WHO monitoring activities compliments the environmental and water monitoring activities of the proposed project and will be part and partial of this concept package through a joint UN coordination effort.

This consolidated package will also explore potential economic impact of dam failure or overflow of spillway on the communities downstream and more importantly the Guadalcanal Plains Palm Oil Limited (GPPOL) further down the plains from the TSF.

### **Objective**

This proposal aims to meet the following objectives, which directly respond to the recommendations 2, 5, 7, 11, 13, and 15, in particular, of the UNDAF report:

1. To conduct an assessment of the surface profile and the contamination profile of the sediments in the tailings lake with specific focus on its stability. This would lead to developing a mechanism for maintaining the sediment contamination at a safe level.
2. Parallel to the above conduct an assessment of the TSF and the return water dam structures and the spillway mechanisms to support the arrangement and management system of the TSF.
3. To assess the tailings lake spillway overflow and flow path down the Kwaro river under extreme rainfall event. The flow conditions should be checked both for Return Water runoff feeding into the tailings dam and for it to be diverted.
4. To conduct hazard assessment through the use of appropriate modelling technique(s) to determine the most probable scenario of TSF overflow and failure of dam retention wall and to design contingency planning response in the event of dam collapse
5. To strengthen the existing capacity of MECDM,,MMERE,MHMS and other key stakeholders (RSIPF & GCIL) to effectively monitor dam water level and quality at the TSF and the surrounding communities on a frequent basis
6. To conduct an economic assessment of potential areas which will be affected should the dam collapse. This will take into account the possible economic loss of the surrounding areas'

economic activities, including the palm oil industry located downstream should its operation be damaged.

7. To conduct the post-dewatering environmental assessment using the pre-dewatering assessment (aquatic and marine) data as baseline to identify environmental consequences of discharging treated and untreated water downstream (UNDAC recommendation 2,5,15). The pre-dewatering assessment was supported by UNDP and conducted by MECDM in partnership with University of Queensland.

Develop a set of recommendations and options for the long-term management or mitigation of the risk posed by the Gold Ridge tailings dam, including the potential for decommissioning the facility.

**Expected outputs**

1. Inception workshop for relevant stakeholders to agree on proposed approach of project. This should also foster cross divisional and cross sectoral coordination, culminating into an inception report, which outlines details of the work plan.
2. Shared understanding and report on the level of contaminants in the sediments, sediment mobility, TSF basin profile and the level of risk posed by the contents of TSF including proposed actions for making it safe.
3. Shared understanding and the report outlining the current state of structures associated with the tailings dam and return water dam, including retention walls/embankment and spillway mechanisms with possible scenarios for overflow.
4. Thematic maps of various types indicating flood inundation zones, exposed elements (built and natural environment as well as demographic features) with the aim of identifying high risk zones.
5. Environment Impact Assessment Report outlining both scientific findings as well as socio economic impacts. This presents an opportunity for joint effort between NDMO and ECD for baseline data collection using existing tools.
6. A contingency response plan in response to the findings above. Broad strategies for risk reduction and management measures.
7. A set of recommendations and options for the long-term management or mitigation of the risk posed by the Gold Ridge tailings dam, including the potential for decommissioning the facility.



**Proposed activities and required budgets**

	Lead agency	Budget /USD
1) Structural Assessment of the dam walls (TSF and return water dam) and pollutant assessment of the sediments	NDMO/MMERE	\$465,000
2) Simulations of dam wall failure and extreme flood event scenarios and the development of contingency planning		
3) Water and sediment quality assessment of downstream rivers for environmental impact assessment	MECDM/MMERE /MHMS	\$36,000
4) Providing environmental and water monitoring training and equipment		\$77,000
5) Feedback of results into awareness programs for downstream communities		\$50,000
6) Economic valuation of dam failure	MECDM	\$30,000
7) Provision for UN technical and quality management oversight support		\$92,000
<b>TOTAL BUDGET</b>		<b>\$750,000</b>

**Note:** The budget breakdown per activity is subject to change based on the inception workshop. The budget line 7 is inclusive of the 8% General Management Support (GMS) Fee as per standard agreement between a donor and UNDP and direct project costing.

**Duration**

June 2016 – December 2017 (18 months)

**Implementation modality**

The activities will be implemented by UNDP in close collaboration with relevant government institutions (MECDM, MMERE, MHMS) and technical Council of Regional Organizations in the Pacific (CROP) agencies such as SPC. Throughout the process, the National Disaster Council (NDC) will guide the work, whereby operational matters are to be coordinated by the Chair of NDOC (Director NDMO) and subsequently reporting to ND. The environmental impact assessment will be building on the work already conducted through UNDP's support with the University of Queensland in Australia. The other activities will be facilitated through relevant UN expert agencies, such as UNDAC and WHO.



*Empowered lives.  
Resilient nations.*

Letter No.: 075  
File Ref.: ORG 130/2 SOI

21 June 2016

Dear High Commissioner,

In reference to your letter dated 1 June 2016, on behalf of the UNDP team in Solomon Islands, I would like to thank you and your team for the partnership in supporting the government's important initiative. You would recall from our previous discussions, the situation around the Gold Ridge tailings storage dam and return water dam and its implications for livelihoods in the neighborhood have been a source of concern to many. We are very pleased that this partnership is materialized to support critical work led by the Government of Solomon Islands.

We fully agree with you on the need to detail the work plan in a consultative and evidence-based manner during the inception phase. In line with UNDP's programming quality assurance guidelines, we will ensure to design a full-fledged project document while responding to the need to expedite the work, particularly before the wet season starts.

In this regard, the UNDP Solomon Islands team has been in close discussion with the Government of Solomon Islands under the leadership of the National Disaster Committee and your team in planning the inception phase to be supported by specialists from the UN networks. The team in Honiara will continue to keep your team closely informed.

Please find attached the agreement duly signed by both parties.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Osnat Lubrani', is positioned above the printed name.

Osnat Lubrani  
Resident Representative

H.E. Mr. Andrew Byrne  
High Commissioner  
Australian High Commission  
Honiara  
SOLOMON ISLANDS



**THIRD-PARTY COST-SHARING ARRANGEMENT  
BETWEEN THE DEPARTMENT OF FOREIGN AFFAIRS AND TRADE  
(THE DONOR) AND  
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**  
[DFAT INSTRUMENT No. 16A360]

Pursuant to the Strategic Partnership Framework between the Australian Government and the United Nations Development Program 2016 – 2020, the Donor will contribute funds to the UNDP on a cost-sharing basis for the implementation of Risk Management and Mitigation of the Gold Ridge Tailings Storage dam and return water dam in Solomon Islands. The programme/project will be carried out in accordance with and as described in the Attached Concept Note and in accordance to the direction set and agreed upon after the Inception workshop, in Solomon Islands, and submitted to the Donor for information.

This bilateral Administrative Arrangement between the Donor and UNDP sets out the arrangements for the Donor's contribution. This Arrangement is not an international treaty.

The UNDP is prepared to receive and administer the Contribution to administer/implement the programme/project.

The Government of Solomon Islands has been informed of the Contribution of the Donor to the programme/project.

The UNDP will designate an Implementing Partner for the implementation of the programme/project (Implementing Partner)

**I. Scope and Objective**

1. This Arrangement sets forth the arrangements for the contribution to the programme/project as described in the project document.
2. The Goal of the programme/project is:
  - a. to assess the risk and develop contingency and mitigation plans for the Goldridge Tailings dam.
3. The Objectives of the programme/project are:
  - b. To conduct an assessment of the surface profile and the contamination profile of the sediments in the tailings lake with specific focus on its stability. This would lead to developing a mechanism for maintaining the sediment contamination at a safe level.

- c. Parallel to the above conduct an assessment of the TSF and the return water dam structures and the spillway mechanisms to support the arrangement and management system of the TSF.
- d. To assess the tailings lake spillway overflow and flow path down the Kwaro river under extreme rainfall event. The flow conditions should be checked both for Return Water runoff feeding into the tailings dam and for it to be diverted.
- e. To conduct hazard assessment through the use of appropriate modelling technique(s) to determine the most probable scenario of TSF overflow and failure of dam retention wall and to design contingency planning response in the event of dam collapse
- f. To strengthen the existing capacity of Environment and Conservation Division to effectively monitor dam water level and quality at the TSF and the surrounding communities on a frequent basis
- g. To conduct an economic assessment of potential areas which will be affected should the dam collapse. This will take into account the possible economic loss of the surrounding areas' economic activities, including the Palm Oil Planation should its operation be damaged.
- h. To conduct the post-dewatering environmental assessment using the pre-dewatering assessment (aquatic and marine) data as baseline to identify environmental consequences of discharging treated and untreated water downstream(UNDAC recommendation 2,5,15). The pre-dewatering assessment was supported by UNDP and conducted by MECDM in partnership with University of Queensland.

## II. The Contribution

1. (a) The Donor will, in accordance with the schedule of payments set out below, contribute to UNDP the amount of USD750,000 (the Contribution). The Contribution will be deposited in the [bank and bank account].

UNDP Contributions Account (AU\$)  
 Account #816601  
 Reserve Bank of Australia  
 65 Martin Place  
 Sydney NSW 2000  
 SWIFT: RSBKAU2S

<u>Schedule of payments<sup>1</sup></u>	<u>Amount</u>
1 June 2016	USD750,000

(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: donor's name, UNDP country office, [Project no. and title],

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<sup>1</sup> 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.

donor reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

3. The above schedule of payments takes into account the need for payments to be made in advance of the implementation of planned activities. It may be amended in accordance with Paragraph XVI to be consistent with the progress of programme/project delivery.
4. UNDP will receive and administer the payment in accordance with the regulations, rules, policies and procedures of UNDP.
5. All financial accounts and statements will be expressed in United States dollars.

### **III. Utilisation of the Contribution**

1. The implementation of 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 II.1 above.
2. If unforeseen increases in expenditures or commitments are expected or realised (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 endeavours to obtain the additional funds needed.
3. If the payments referred to in Paragraph II.1 above are not received in accordance with the payment schedule, or if the additional financing needed 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 Arrangement may be reduced, suspended or terminated by UNDP after written notification to the Donor by UNDP.
4. Any interest income attributable to the Contribution will be credited to UNDP Account and will be utilised in accordance with established UNDP procedures.

### **IV. Administration and Reporting**

1. Programme/project management and expenditures will be governed by the regulations, rules, policies and procedures of UNDP and, where applicable, the regulations, rules, policies and procedures of the Implementing Partner, provided that they do not contravene the regulations, rules, policies and procedures of UNDP. In case of contradiction, regulations, rules, policies and procedures of UNDP will prevail.
2. Programme/project management will be in accordance with UNDP policies and practices in relation to anti-corruption and prevention, detection and investigation of fraud and recovery of funds the subject of fraud.

3. UNDP headquarters and country office will provide to the Donor all or parts of the following reports prepared in accordance with UNDP accounting and reporting procedures.

3.1 For Arrangements 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 this Arrangement, a final report summarising programme/project activities (including progress in achieving activities' goal and objectives) 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 programme/project.

3.2. 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 programme/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 summarising programme/project activities (including progress in achieving activities' goal and objectives) 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 programme/project.

4. 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 will be specified in an annex of this Arrangement.

## **V. 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 will be subject to cost recovery for *indirect costs incurred by UNDP headquarters and country* office structures in providing General Management Support (GMS) services. The cost recovery rate will be applied in accordance with UNDP policy on cost recovery for non-core contributions, applicable at the time of the project implementation. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of the 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, will not exceed the total resources available to the programme/project under this Arrangement 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.

## **VI. Evaluation**

All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of [programme country] in consultation with other stakeholders will jointly determine 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.

## **VII. 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.

## **VIII. Auditing**

The Contribution will be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. Should the annual Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the contributions, such information will be made available to the Donor.

## **IX. Completion of the Arrangement**

1. UNDP will notify the Donor when all activities relating to the programme/project have been completed. The expected completion date for the programme/project is [insert date]. *31 December 2017.*

2. Upon completion of the programme/project, any unutilised payments and portions of the Contribution will be returned to DFAT except for such funds irrevocably committed in good faith before the date of completion and such funds that DFAT determines, in consultation with UNDP, are required to reasonably complete the programme/project activities under the Arrangement.

#### X. Termination of the Arrangement

1. After consultations have taken place between the Donor, UNDP and the programme country Government, this Arrangement may be terminated by UNDP or by the Donor. This Arrangement will cease to be in effect 30 (thirty) days after either of the Partners have given notice in writing to the other Partner of its decision to terminate this Arrangement.

2. Upon termination of this Arrangement, any unutilised payments and portions of the Contribution will be returned to DFAT, except for such funds irrevocably committed in good faith before the date of termination, and such funds that DFAT determines in consultation with UNDP are required to reasonably complete or terminate the programme/project activities under this Arrangement.

#### 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.

#### XII. Resolution of Disputes

Any dispute between UNDP and the Donor over its interpretation or application (or both) of this Arrangement will be resolved amicably between the Partners.

#### XIII. Commencement

This Arrangement will come into effect upon signature by the Partners

Signed in the English language in two copies.



For the Donor:  
Andrew Byrne  
High Commissioner

(Date) 1/6/16



For the United Nations Development Programme:  
Osnat Lubrani  
UN Resident Coordinator &  
UNDP Resident Representative

(Date)