

AGREEMENT BETWEEN THE GOVERNMENT OF GERMANY AND THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) REGARDING CONTRIBUTION TO THE UNDP TRUST FUND FUNDING WINDOWS GOVERNANCE FOR INCLUSIVE AND PEACEFUL SOCIETIES

1. Pursuant to the Terms of Reference (the "Terms of Reference" and/or the "TOR") of the UNDP Trust Fund titled 'Governance for Inclusive and Peaceful Societies' Funding Window (the "Trust Fund") established by the Administrator of UNDP on 17 March 2016, and which Terms of Reference are attached to this Agreement as Annex 1; the Government of Germany (the "Donor") is making available a contribution of Euros Five Million Five Hundred Thousand (the "Contribution") to be administered by the United Nations Development Programme ("UNDP" and together with the Donor, the "Parties") in accordance with the above mentioned Terms of Reference and UNDP's regulations, rules, directives, policies and procedures.

2. The Contribution is intended for:

Use only in UNDP "Small Arms and Light Weapons project in the following six Western Balkans countries - Albania, Bosnia and Herzegovina, Kosovo under 1244, Montenegro, Serbia and Former Yugoslav Republic of Macedonia" (the "Project"). Notwithstanding the Terms of Reference, a General Management Support Services fee ("GMS") of at least 8% shall be applied to this type of Contribution.

3. The Donor shall contribute to UNDP the amount of the Contribution to the following bank account:

Account Name: UNDP Euro Contributions Account
Bank: Bank of America-London
Account: 6008-62722022
Bank address: 5 Canada Square, London. E14 5AQ, United Kingdom
IBAN/ABA: GB59BOFA16505062722022
SWIFT Code: BOFAGB22

4. The Donor shall contribute to UNDP the amount of the Contribution in accordance with the following schedule of payments:

<u>Schedule of Payments</u>	<u>Currency</u>	<u>Amount</u>
7 December 2018	Euros	5,5 million

Following the signature of the Agreement the Donor will inform UNDP when the Contribution is paid via an e-mail message with remittance information to Contributions@undp.org

Reporting

5. UNDP will monitor the Fund and its progress towards the expected results as agreed in the Results Framework and in accordance with UNDP Rules, Regulations and Policy.

UNDP shall provide to the Donor the following reports with respect to the Trust Fund prepared in accordance with UNDP accounting and reporting procedures:

- An annual Funding Window report summarizing programmatic activities and results, lessons learned and challenges, an overview of donors, a breakdown by Sub-window, key programme areas, and geographic locations, as well as provisional financial data.
- An annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
- Quarterly narrative progress reports and interim financial reports shall be submitted within 60 days after the period covered by such report, by SEESAC.

Termination & Un-spent balances

6. This Agreement may be terminated by UNDP or by the Donor after consultations between the Donor and UNDP and provided that the funds from the Contribution already received are, together with other funds available to the Funding Window, sufficient to meet all commitments and liabilities incurred in the implementation of the activities of the Trust Fund. 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.
7. Any payments related to Contributions for the Trust Fund (even if the contribution is specific to a Sub-Window, a Region, a Country and/or a Project) that remain unspent and uncommitted after such commitments and liabilities have been satisfied shall continue to be administered by UNDP in the context of the referenced Funding Window (or Sub-Window, or Region, or Country or Project) and shall be disposed of by UNDP only after the closure of Trust Fund and on pro-rata basis to each donor of the Trust Fund vis-à-vis the percentage of their respective contributions. Without prejudice to the foregoing, any unspent and uncommitted funding under a Project, funded by the Trust Fund (as the Trust Fund discretion and/or as Option 3 listed above), following the closure of the Project, shall be reallocated automatically by UNDP to the Trust Fund.

Evaluation

8. Activities supported by the Funding Windows are evaluated in accordance with the UNDP Evaluation Policy.

Anti- fraud & corruption

9. The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP shall maintain standards of conduct to govern the performance of its staff, including the avoidance of corrupt and fraud practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UNDP Procurement Manual.

10. UNDP will take appropriate measures to prevent illegal practices and/or misconduct (including fraud) in connection with the implementation of The Project UNDP Funding Windows/GPIS in accordance with UNDP applicable regulations, rules, administrative issuances, policies and procedures. In the event that UNDP determines that there are credible allegations of illegal practice and/or misconduct, UNDP will take swift and appropriate action to stop and, investigate any person suspected of such practice and consider other action in accordance with its regulations, rules and procedures, among others the possibility of disciplinary measures. UNDP will keep the Donor informed of any instances of credible allegations of illegal practice and/or misconduct as determined by UNDP, as referred to in this paragraph, and the action taken by UNDP, including where relevant, details of any recovery of funds, through UNDP's regular reporting to the Executive Board.

UN Sanctions & Anti-Terrorism

11. Consistent with numerous United Nations Security Council Resolutions relating to terrorism or country specific sanctions regimes, UNDP undertakes to use all reasonable efforts to ensure that none of the donor funds provided under this Agreement are used, directly or indirectly, to provide support to individuals or entities who are subject to UN sanctions. UNDP will include in its funding agreements with partners a clause requesting the recipient to commit to the same. As required by UNDP's rules and procedures, UNDP will screen potential partners, contractors and staff to ensure it does not knowingly work with any entity appearing on the Consolidated United Nations Security Council Sanctions List.
12. If, during the term of this Agreement, UNDP discovers a link with an organization or individual designated by any UN Security Council sanctions regime, it must inform the German Government immediately. In consultation with the German Government and other donors as applicable, UNDP will determine an appropriate response
13. Consistent with numerous United Security Council resolutions, including S/RES/1269 (1999), S/RES 1368 (2001), and S/RES/1373 (2001), 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 UNDP to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use reasonable efforts to ensure that none of the Donor funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.
14. UNDP's regulations, rules, directives, policies and procedures will apply in the case of matters related to accounting, asset disposal, auditing, cost recovery, operational rate exchange, financial reporting, use of interest, procurement and project management practices. The main set of UNDP's regulations, rules, directives, policies and procedures can be found here:

<http://www.undp.org/content/undp/en/home/accountability/policies-and-procedures.html>

[https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP POPP DOCUMENT LIBRARY/Public/UNDP%20Financial%20Regulations%20and%20Rules.pdf&action=default](https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP%20POPP%20DOCUMENT%20LIBRARY/Public/UNDP%20Financial%20Regulations%20and%20Rules.pdf&action=default)

Recovery

15. After consultation with the Recipient, the Donor reserves the right to withhold or reclaim payment of the Contribution or parts thereof to the extent that UNDP is able to obtain repayment from the applicable negligent party in particular if:
- a) major changes in the Project or the budget occur without the Donor's approval,
 - b) circumstances arise which significantly alter or nullify the intended purpose,
 - c) there are credible allegations of embezzlement or any other corrupt activities and the Recipient has been able to recover the funds affected by such corrupt activity,
 - d) the Recipient materially breaches this Agreement and refuses to cure the breach.
16. Any amendment of the Agreement shall be subject to the written approval of both Parties.

Communications, Visibility and Notices

17. Subject to UNDP Financial Regulations and Rules and procedures, security considerations and the Terms of Reference/TOR of the Funding Windows Trust Fund, information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will highlight the results achieved and acknowledge the role of the Donor in the contribution for The Project under the Funding Windows Trust Fund.
18. Any notice or correspondence between UNDP and the Donor will be addressed as follows:

(a) To the Donor:

Auswärtiges Amt
Division OR10
Hannah Dönges/Mareike Köhler
Kurstrasse 36
11020 Berlin
GERMANY

- (b)** Upon receipt of funds, UNDP shall 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: OR10-3@auswaertiges-amt.de
OR10-00@auswaertiges-amt.de;
cc: OR10-R@auswaertiges-amt.de

Attention: Hannah Dönges/ Mareike Köhler

(c) To UNDP:

United Nations Development Programme
One United Nations Plaza
New York, NY 10017

Entry into force

19. This Agreement shall enter into force upon signature and deposit by the Donor of the first payment to be made in accordance with the schedule of payments set out in Article 4 of this Agreement.

For the Donor:

Name, Designation and Signature: Ambassador Jürgen Schulz



Place and Date: New York, 4 December 2018

For UNDP:

Name, Designation and Signature:



Place and Date: New York, 5 Dec 2018