

**STANDARD LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
THE MINISTRY OF CLIMATE CHANGE / REPUBLIC OF VANUATU
ON THE EXECUTION OF THE VANUATU INTENDED NATIONALLY DETERMINED
CONTRIBUTION (INDC) ACTIVITY PLAN
WHEN UNDP SERVES AS EXECUTING ENTITY**

Your Excellency,

1. Reference is made to the consultations between officials of the United Nations Development Programme (hereinafter referred to as "UNDP") in UNDP Fiji Multi-Country Office and officials of *the Ministry of Climate Change* with respect to the realization of activities by *the Ministry of Climate Change* in the execution of the project the Vanuatu Intended Nationally Determined Contribution (INDC) Activity of the Output 00077376, as specified in Attachment 1: Vanuatu INDC Activity Plan.
2. In accordance with the Activity Plan and with the following terms and conditions, we confirm our acceptance of the activities to be provided by *the Ministry of Climate Change* towards the project, as specified in Attachment 2: Description of Activities (hereinafter referred to as "Activities"). Close consultations will be held between *the Ministry of Climate Change* and UNDP on all aspects of the Activities.
3. The *Ministry of Climate Change* shall be fully responsible for carrying out, with due diligence and efficiency, all Activities in accordance with its Financial regulations, rules and other directives, only to the extent they are consistent with UNDP's Financial Regulations and Rules. In all other cases, UNDP's Financial Regulations and Rules must be followed.
4. In carrying out the activities under this Letter, the personnel and sub-contractors of *the Ministry of Climate Change* shall not be considered in any respect as being the employees or agents of UNDP. UNDP does not accept any liability for claims arising out of acts or omission of *the Ministry of Climate Change* or its personnel, or of its contractors or their personnel, in performing the Activities or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by [*the Ministry of Climate Change*], and its personnel as a result of their work pertaining to the Activities.
5. Any subcontractors under contract with *the Ministry of Climate Change*, shall work under the supervision of the designated official of *the Ministry of Climate Change*. These subcontractors shall remain accountable *the Ministry of Climate Change* for the manner in which assigned functions are discharged.
6. Upon signature of this Letter, UNDP will make payments to *the Ministry of Climate Change*, according to the schedule of payments specified in Attachment 3: Schedule of Activities, Timeframe and Payments.
7. The *Ministry of Climate Change* shall not make any financial commitments or incur any expenses which would exceed the budget for the Activities as set forth in Attachment 3. The *Ministry of Climate Change* shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when *the Ministry of Climate Change* is aware that the budget to carry out these Activities is insufficient to fully implement the project in the manner set out in the Attachment 2. UNDP shall have no obligation to provide the *Ministry of Climate Change* with any funds or to make any reimbursement for expenses incurred by the *Ministry of Climate Change* in excess of the total budget as set forth in Attachment 3.
8. The *Ministry of Climate Change* shall submit a cumulative financial report each quarter (30 June and 30 September). The report will be submitted to UNDP through the UNDP Pacific Office in Fiji Country Director within 30 days following those dates. The format will follow the

standard UNDP expenditure report [a model copy of which is provided as Attachment 4]. UNDP will include the financial report by the *Ministry of Climate Change* in the financial report for the Vanuatu INDC Activity of the Output 00077376.

9. The *Ministry of Climate Change* shall submit such progress reports relating to the Activities as may reasonably be required by the project manager in the exercise of his or her duties.

10. The *Ministry of Climate Change* shall furnish a final report within 12 months after the completion or termination of the Activities, including a list of non-expendable equipment purchased by the *Ministry of Climate Change* and all relevant audited or certified financial statements and records related to such Activities, as appropriate, pursuant to its Financial Regulations and Rules.

11. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and the *Ministry of Climate Change*.

12. Any changes to the Vanuatu NDC Activity Plan which would affect the work being performed by the *Ministry of Climate Change* in accordance with Attachment 2 shall be recommended only after consultation between the parties.

13. For any matters not specifically covered by this Letter, the Parties would ensure that those matters shall be resolved in accordance with the appropriate provisions of the Vanuatu NDC Activity Plan and any revisions thereof and in accordance with the respective provisions of the Financial Regulations and Rules of the *Ministry of Climate Change* and UNDP.

14. The arrangements described in this Letter will remain in effect until the end of the project, or the completion of activities of the *Ministry of Climate Change* according to Attachment 2, or until terminated in writing (with 30 days notice) by either party. The schedule of payments specified in Attachment 3 remains in effect based on continued performance by the *Ministry of Climate Change* unless it receives written indication to the contrary from UNDP.

15. Any balance of funds that is undispersed and uncommitted after the conclusion of the Activities shall be returned within 90 days to UNDP.

16. Any amendment to this Letter shall be effected by mutual agreement, in writing,

17. All further correspondence regarding this Letter, other than signed letters of agreement or amendments thereto should be addressed to Mr. Bakhodir Burkhanov, *Country Director, UNDP Pacific Office in Fiji*.

18. The *Ministry of Climate Change* shall keep the UNDP Pacific Office Country Director fully informed of all actions undertaken by them in carrying out this Letter.

19. UNDP may suspend this Agreement, in whole or in part, upon written notice, should circumstances arise which jeopardize successful completion of the Activities.

20. Any dispute between the UNDP and the *Ministry of Climate Change* arising out of or relating to this Letter which is not settled by negotiation or other agreed mode of settlement, shall, at the request of either party, be submitted to a Tribunal of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, who shall be the chairperson of the Tribunal. If, within 15 days of the appointment of two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint the arbitrator referred to. The Tribunal shall determine its own procedures, provided that any two arbitrators shall constitute a quorum for all purposes, and all decisions shall require the agreement of any two arbitrators. The expenses of the Tribunal

shall be borne by the parties as assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.

21. If you are in agreement with the provisions set forth above, please sign and return to this office two copies of this Letter. Your acceptance shall thereby constitute the basis for the *Ministry of Climate Change* participation in the execution of the project.

Yours sincerely,
Signed on behalf of UNDP

Mr. Bakhodir Burkhanov,
Country Director and Head of Regional Programme & Policy
for UNDP Pacific Office in Fiji



Date: 18-5-17

Signed on behalf of the *Ministry of Climate Change and Natural Hazards/Republic of Vanuatu*
Mr. Jesse Benjamin, Director General
Ministry of Climate Change

Date: 22/05/2017



Attachment 1

VANUATU INDC ACTIVITY PLAN

Activity 1:

First technical assessment for mini-grid / grid extension in Malekula, Ambae and Maewo by international consultants. This includes a capacity and demand assessment and an on-site visit: US\$ 20,000

Activity 2:

Household survey and identification of possible locations for the mini-grid by the national consultant. This includes an on-site assessment. US\$ 15,000

Activity 3:

Quality control and quality assessment of deliverables under outputs 1 and by the climate change advisor to the Government. This includes also an evaluation of key linkages with the NDC Support Programme as well as ensuring that the deliverables are fully embedded in the national NDC implementation roadmap. US\$ 15,000

Attachment 2

DESCRIPTION OF ACTIVITIES

Project number: 00077376 (VANUATU INDC ACTIVITY)
Project title: Low Emission Capacity Building Programme

Results to be achieved by *Ministry of Climate Change*

Draft technical feasibility study:

- Micro-grid intervention for Wintua village community (and possibly Lorlow community) located in South West Bay on Malekula;
- Grid extension intervention for East Ambae (from Lolowai to St. Patrick's College);

Description of inputs:

Description	Amount in US\$
Technical assessment – international consultants	20,000
Household surveys – national consultant	15,000
Quality control and quality assessment of deliverables – CC advisor	15,000
Total	\$50,000

Attachment 3

Schedule of Activities, Timeframe and Payments

Year: _____
 2017

ACTIVITY	DESCRIPTION <i>List all activities to be undertaken during the year</i>	Timeframe				Planned Budget		Schedule of payments by UNDP			
		Q1	Q2	Q3	Q4	Budget Description	Amount (US\$)	Q1	Q2	Q3	Q4
Activity 1	First technical assessment for mini-grid / grid extension in Malekula, Ambae and Maewo by international consultants. This includes a capacity and demand assessment and an on-site visit.		X			71200 International Consultant	20,000		X		
Activity 2	Household survey and identification of possible locations for the mini-grid by the national consultant. This includes an on-site assessment.		X			71300 Local Consultant	15,000		X		
Activity 3	Quality control and quality assessment of deliverables under outputs 1 and by the climate change advisor to the Government. This includes also an evaluation of key linkages with the NDC Support Programme as well as ensuring that the deliverables are fully embedded in the national NDC implementation roadmap.		X			71400 Contractual Services	15,000		X		
Total							50,000		X		

