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Resilient nations.*

28 December 2020

Dear Mr. Bouadze,

Subject: NDC Implementation – Vanuatu; ATLAS BU: FJI10 - Project No.: 00097731 - Output No.: 00101339

In reference to the Delegation of Authority signed on 04 December 2018, we would like to inform you that an additional 210,000 USD (inclusive of GMS) was approved to the project “VU Low Emission Capacity Building Phase II (LECB)” (Output 00101339). The project will support the Government of Vanuatu to use their NDCs as an instrument for realizing zero-carbon and climate-resilient development that is sustainable, and fully inclusive – and one where the empowerment of women is integral to success, as established in the Project Document.

This letter serves as a delegation of authority to your office to manage the additional contribution of 210,000 USD on behalf of UNDP NDC Support Programme, BPPS. The total fund under the NDC Support Programme for Vanuatu is therefore 1,110,400 USD, distributed as follows:

- i. 374,500 USD from the Funding Window (BMU), reference to the Allocation Letter signed on 25 August 2017;
- ii. 221,400 USD from cost sharing contribution (BMZ), reference to DOA signed on 04 December 2018;
- iii. 304,500 USD from the Funding Window (BMU/CAEP), reference to the Allocation Letter signed on 21 February 2020, and
- iv. the additional amount of 210,000 USD from the cost sharing contribution (BMZ).

Upon submission of the required documents, funds will be issued immediately to cover the related activities and associated GMS via cash transfer (GLJE). Kindly note that UNDP BPPS is not in a position to increase the project budget above the amount approved. Therefore, any over-expenditure on this project would have to be absorbed by other Country Office resources.

Please note that the applicable GMS for the BMZ cost sharing contribution is 8% and the distribution should follow the updated UNDP GMS policy. As you know, GMS is intended to cover the costs of project support, supervision and oversight, not project implementation.

Mr. Levan Bouadze
UNDP Resident Representative
UNDP Multi-Country Office, Fiji



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We would like to take the opportunity to draw your attention to the following:

- The funds provided by the Federal Ministry for Economic Cooperation and Development of the Government of Germany (BMZ) must attend to Article IX International Sanctions of the Cost Sharing Agreement signed with the Government of Germany. Non-compliance with Article IX may lead to costs being declared ineligible by the Government of Germany. A guidance note is provided in Annex I below.
- Any changes to the project objectives and outcomes, and related budget revisions, should be discussed with the NDC Support Programme Manager, and prior approval obtained. In this regard, please forward any suggested modifications to your NDC SP country focal point with copy to Ms. Fabiane Flesch (fabiane.flesch@undp.org) and to ndcs@undp.org.
- Projects will be audited in accordance with UNDP Financial Regulations and Rules and Audit policies.
- The NDC Support Programme is funded by multiple donors. Please use the Programme's visibility guidance to ensure all donors are appropriately acknowledged.

In conclusion, I would like to assure you of my personal commitment, and that of my team, to support the successful implementation of this project. We look forward to continued collaboration with your office and thank you for your support.

Yours sincerely,

A handwritten signature in black ink that reads 'S. Gold'.

Stephen Gold
Global Team Leader
Climate Change, BPPS, UNDP



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Annex I

**NDC SUPPORT PROGRAMME GUIDANCE FOR NATIONAL PROJECTS RECEIVING FUNDS FROM
THE GOVERNMENT OF GERMANY (BMZ)**

As the recipient of Government of Germany (BMZ) funds, UNDP is responsible for all obligations described in the Third-Party Cost-Sharing Arrangement (CSA) signed between the Government of Germany and UNDP. In 2018, BMZ introduced an article on international sanctions to its CSA with UNDP that has implications for project execution. Therefore, UNDP Country Offices with NDC Support Programme projects that will receive BMZ funds must follow the guidance from UNDP's Legal Services Office (below) to ensure that no issues arise regarding the eligibility of costs.

Article IX International Sanctions

1. UNDP represents that it does not maintain any business relationship or has not engaged in any other activity (i) with or in favour of persons, organisations or entities which are listed on a sanctions list issued by the United Nations Security Council ("Sanctions Lists"), or (ii) which would constitute a breach of embargoes regulating foreign trade or of so-called financial sanctions issued by the aforementioned institution (together "Sanctions").
2. UNDP will not enter into or continue any business relationship with persons, organisations or entities listed on any of the Sanctions Lists and will not engage in any other activity that would constitute a breach of Sanctions.
3. UNDP will include an appropriate clause in its agreements with implementing partner(s) requiring that such implementing partners use all reasonable efforts to ensure that no funds transferred are used to benefit individuals or entities appearing on the Consolidated United Nations Security Council Sanctions List.
4. UNDP will inform the Government of Germany, promptly and of its own accord, of the occurrence of any event which results in (i) UNDP, (ii) any member of its management bodies or (iii) other governing bodies or any of its shareholders, being listed on a Sanctions Lists.
5. UNDP will, subject to and in accordance with the status, privileges and immunities of the United Nations and its applicable rules, policies and procedures, provide to the Government of Germany, as soon as the respective relevant information is available, with a list detailing the partners who will receive funds in connection with the implementation of the Project (the "Government of Germany List") and with a funding schedule listing the amounts of contributions. The Government of Germany List will contain the following information: Name of the contractor/supplier/implementing partner and country of registration. UNDP will notify the Government of Germany of any changes to the Government of Germany List without undue delay. To the extent required by the Government of Germany, and subject to and in accordance with the status, privileges and immunities of the United Nations and its applicable rules, policies and procedures, UNDP will make reasonable endeavours to



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provide additional details in order to assist the Government of Germany to establish the identity of specific contractors/suppliers/implementing partners on the Government of Germany List. If, from the perspective of the Government of Germany, an entry in the Government of Germany List presents any concern, the Government of Germany will inform UNDP accordingly. In this case, the Government of Germany will inform UNDP accordingly and, in that event, the Government of Germany will not issue a Non-Objection Letter to the contract award (with Government of Germany funding) to that specific contractor/supplier/implementing partner. However, considering UNDP as the ultimate and final procurement authority in the procurement process, UNDP will be free to proceed under its own responsibility with the award with funding from other source (donors) and not Government of Germany funding. If no other funding is available, the Parties will engage in a dialogue aiming to find a solution (including but not limited to (a) the reformulation of the Project {such as a phase of the Project} in order to allow a new tendering exercise by UNDP and (b) the mutually agreed termination of the Project {in this case all costs incurred by UNDP to the termination date shall be considered eligible costs}).

In order to attend the obligations of Paragraphs 5 and 6, UNDP must share in a timely manner the names, country of registration, and funding schedules for all sub-contractors and suppliers procured with BMZ funds. UNDP must also make reasonable endeavours to provide additional details to assist the Government of Germany to establish the identity of specific sub-contractors and suppliers as per the Agreement, when requested.

To ensure this process is as efficient as possible, Fabiane Fleisch (fabiane.fleisch@undp.org) will be the focal point for liaising with BMZ. For all procurement processes (including Individual Consultants ICs) handled by the UNDP Country Office, please complete and submit the form below to Ms. Fleisch **before awarding the contract** via email with the following subject: “BMZ No objection - NDC SP [country]”, so she can seek confirmation that BMZ has no objections.

Form for BMZ non-objection:

Country of registration:	
Vendor name:	
Contract duration: (quantity of days, months, etc)	
Starting date:	
Ending date:	
Schedule of payment:	