



**Australian Government**  
**Department of Foreign Affairs and Trade**



### **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.: 72409/01]**

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 Anti-Corruption for Peaceful and Inclusive Societies (ACPI) in the Asia Pacific Region. The project will be carried out in accordance with and as described in the Project document (Project no 101592 Anti-Corruption for Peaceful and Inclusive Societies (ACPI) in the Asia-Pacific Region, 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 implement the project.

The Governments of project partner countries have been informed of the Contribution of the Donor to the project.

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

#### **I. Scope and Objective**

1. This Arrangement sets forth the arrangements for the contribution to the project as described in the project document.

2. The Goal of the project is to contribute to the strengthening of national capacities to integrate anti-corruption measures into national development processes and to enhance integrity in service delivery.

3. The Objectives of the project are:

- a) To integrate anti-corruption solutions in service delivery sectors, in partnership with youth, women and the private sector
- b) To strengthen state/institutional capacity to implement UNCAC, in particular with regard to the prevention of corruption; and
- c) To promote knowledge and advocacy to support anti-corruption efforts, including a better understanding of the link between violent extremism and corruption.

## **II. The Contribution**

1. (a) The Donor will, in accordance with the schedule of payments set out below, contribute to UNDP the amount of AUD6,550,665 (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 payment Amount</u>     | <u>Amount AUD</u> |
|---------------------------------------|-------------------|
| Upon signature and receipt of invoice | 3,355,770         |
| 1 May 2018                            | 1,642,841         |
| 1 May 2019                            | 1,552,054         |

(b) The Donor will inform UNDP when the Contribution is paid via an e-mail message with remittance information to [contributions@undp.org](mailto:contributions@undp.org) providing the following information: donor's name, UNDP country office, Project no 101592, Anti-Corruption for Peaceful and Inclusive Societies (ACPI) in the Asia Pacific Region, donor reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

The value of the payment, if made in a currency other than United States dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilisation by the UNDP of the payment the value of the balance of funds still held at the times will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP will inform the Donor with a view to determining whether a further financing could be provided by the Donor. Should such further financing not be available, the assistance to be

provided to the project may be reduced, suspended or terminated by UNDP after written notification to the Donor by 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 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 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. 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. 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 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 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 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 project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the 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 project, together with the estimated costs of reimbursement of related support services, will not exceed the total resources available to the project under this Arrangement as well as funds which may be available to the project for 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 Governments of the relevant countries 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 project have been completed. The expected completion date for the project is 30 September 2020.
2. Upon completion of the 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 project activities under the Arrangement.

## **X. Termination of the Arrangement**

1. After consultations have taken place between the Donor, UNDP and the relevant programme country Governments, 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 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:



Luke Arnold  
Director  
Law and Justice Section

For the UNDP



Magdy Martínez-Solimán  
Assistant Secretary General  
Assistant Administrator and Director

23 August 2016

22 August 2016