

THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN THE AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT
(THE DONOR) AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AusAID Agreement No. 63301

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis for the implementation of UNDP's project "Anti-Corruption for Development Effectiveness: Strengthening Anti-Corruption Systems, Institutions and Mechanisms for MDG Acceleration and Human Development" (project number 00069175) under the UNDP's Global Thematic Programme on Anti-Corruption for Development Effectiveness (PACDE) (Fund Code 20019). The project will be carried out in accordance with and as described in the project document and submitted to the Donor for information. The project document is at Attachment A.

WHEREAS this bilateral Agreement between the Donor and UNDP stipulates the terms and conditions of the contribution, and is not an international treaty,

WHEREAS UNDP is prepared to receive and administer the contribution for the implementation of the programme,

NOW THEREFORE, UNDP and the Donor hereby agree as follows:

Article I. Scope and Objective

1. This Agreement sets forth the terms and procedures for the Donor's contribution to the project as described in the project documentation.
2. The Goal of the UNDP project "Anti-Corruption for Development Effectiveness: Strengthening Anti-Corruption Systems, Institutions and Mechanisms for MDG Acceleration and Human Development" is to assist in strengthening of national capacities to integrate anti-corruption measures into development processes to enhance service delivery and achieve the MDGs.
3. The Objectives of the project are to:
 - (a) accelerate MDG achievement and reduce poverty through addressing corruption bottlenecks;
 - (b) mainstream UNCAC and anti-corruption into national development processes; and
 - (c) strengthen the capacity of anti-corruption agencies.

Article II. The Contribution

1. (a) The Donor shall, in accordance with the following tranche payments set out below, contribute to UNDP the amount of USD10,650,840 (ten million, six hundred and fifty thousand and eight hundred and forty dollars). The contribution shall be deposited in the:

Account name: UNDP (USD) Contribution Account

Account number: 015002284

Bank name: JP Morgan Chase - International Agency Banking

Bank Address: 270 Park Avenue, 43rd floor, New York, NY, 10017, USA

SWIFT code: CHASUS 33

ABA code: 021000021

Reference: PACDE Fund Code: 20019

Schedule of Payments

Indicative Date	Tranche Number	Amount
Immediately following signature of this Agreement	1	USD 1,900,500
Before 28 February 2013	2	USD 2,900,200
Before 28 February 2014	3	USD 2,950,000
Before 28 February 2015	4	USD 2,900,140

- (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 (AusAID), project title (UNDP's Global Thematic Programme on Anti-Corruption for Development Effectiveness - PACDE (Fund Code 20019), donor reference (if available). This information should be included in the bank remittance advice when funds are remitted to UNDP.
2. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended in accordance with Article XIII to be consistent with the progress of project delivery.
3. UNDP shall receive and administer the payment in accordance with the regulations, rules, policies and procedures of UNDP.
4. All financial accounts and statements shall be expressed in United States dollars.

Article III. Utilization of the Contribution

1. The implementation of the responsibilities of UNDP pursuant to this Agreement and the project document shall be dependent on receipt by UNDP of the contribution in accordance with the schedule of payment as set out in Article II, paragraph 1, above.
2. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavours to obtain the additional funds required.
3. If the payments referred to in Article II, paragraph 1, above are not received in accordance with the payment schedule, or if the additional financing required 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 Agreement may be reduced, suspended or terminated by UNDP after written notification to the Donor by UNDP.
4. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

Article IV. Administration and reporting

1. Project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP.
2. Project management shall 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 shall provide to the Donor the following reports prepared in accordance with UNDP accounting and reporting procedures.
 - (a) From Democratic Governance Group, Bureau for Development Policy an annual status report of the project's progress for the duration of the Agreement, 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 and headquarters, a mid-term evaluation of the project's progress in achieving the activities goal and objectives.

- (d) From Democratic Governance Group, Bureau for Development Policy within six months after the date of completion or termination of the Agreement, a final report summarizing project activities (including progress in achieving activities' goals and objectives) and impact of activities as well as provisional financial data.
 - (e) 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 shall be specified in an annex of the Agreement.

Article 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 shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 7%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of the Executing Entity or 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, shall not exceed the total resources available to the project under this Agreement as well as funds which may be available to the project for project costs and for support costs under other sources of financing.

Article VI. Evaluation

All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP in consultation with any relevant stakeholders will 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 shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.

Article VII. Equipment

Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VIII. Auditing

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

Article IX. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the project have been completed.
2. Notwithstanding the completion of the project, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred, prior to the date of receipt of the notice, in the implementation of the project have been satisfied and project activities brought to an orderly conclusion.
3. If the unutilized payments prove insufficient to meet such commitments and liabilities, UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.
4. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be refunded to the Donor or may be used by UNDP as agreed in writing with the Donor.

Article X. Termination of the Agreement

1. After consultations have taken place between the Donor and UNDP and provided that the payments already received are, together with other funds available to the project, sufficient to meet all commitments and liabilities incurred in the implementation of the project, this Agreement may be terminated by UNDP or by the Donor. 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.
2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred, prior to the date of receipt of the notice, in the implementation of all or the part of the project, for which this Agreement has been terminated, have been satisfied and project activities brought to an orderly conclusion.
3. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be refunded to the Donor or may be used by UNDP as agreed in writing with the Donor.

Article XI. Counter-Terrorism

Consistent with UN Security Council Resolutions relating to terrorism, including UNSC Resolution 1373 (2001) and 1267 (1999) and related resolutions, 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 the Donor 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 all 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. If, during the course of this Agreement, UNDP discovers a link with any organization or individual associated with terrorism it shall inform the Donor immediately.

Article XII. Notice

Any notice or correspondence between UNDP and the Donor will be addressed as follows:

- (a) To the Donor: James Gilling, First Assistant Director General, AusAID

Address: GPO Box 887
Canberra ACT 2601

- (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: kristian.futol@ausaid.gov.au

Attention: Kristian Futol, Assistant Director, Law and Justice Policy Section

- (c) To UNDP: Phil Matsheza, Policy Advisor
phil.matsheza@undp.org

Address: 304 E45th Street, DGG/BDP, 10th floor
New York, NY 10017 USA
United Nations Development Programme

Article XIII. Amendment of the Agreement

The Agreement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect shall become an integral part of the Agreement.

Article XIV. Resolution of Disputes

Any dispute between UNDP and the Donor over its interpretation or application (or both) shall be resolved amicably between the Parties.

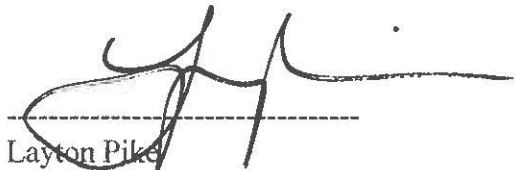
Article XIV. Entry Into Force

1. This Agreement shall enter into force upon signature by the concerned parties on the date of the last signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Donor:

For the United Nations Development Programme:



Layton Pike
(Title) A/g First Assistant Director General
AusAID



Olav Kjørven
Assistant Secretary General and Director, Bureau for
Development Policy

(Date).....8/6/2012.....

(Date).....01/06/2012.....