

**THIRD-PARTY COST-SHARING AGREEMENT  
BETWEEN THE AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT  
(THE DONOR) AND  
THE UNITED NATIONS OFFICE ON DRUGS AND CRIME (UNODC)**  
AusAID AGREEMENT No. 63320

WHEREAS the Donor hereby agrees to contribute funds to the Recipient for the implementation of three (3) projects. The documentation for the three (3) projects is formally annexed to this Agreement,

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

WHEREAS the Recipient is prepared to receive and administer the contribution for the implementation of the three (3) projects,

NOW THEREFORE, the Recipient 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 three projects as described in the three projects documentation.
2. The Goals and Objectives of the three projects are:

The objective of "Joint Action towards a Global Regime against Corruption" (UNODC project GLOX69) is to contribute to an effective global regime against corruption through support to the ratification, implementation and review of UNCAC in Asia, Africa, and the Middle East, with specialised assistance to Small Island Developing States in the Caribbean, Indian and Atlantic oceans.

The objective of the joint UNODC and UN Development Programme "UN Pacific Regional Anti-Corruption (UN-PRAC)" is to effectively promote public accountability to ensure more effective use of scarce national resources to ensure better national development outcomes in the Pacific region. This will be achieved through increased ratification of UNCAC by countries in the Pacific region; enhanced countries' active participation in the UNCAC review process; and provision of technical assistance to support individual countries in developing policies, laws and institutional frameworks to advance the effective implementation of UNCAC. Corresponding funding for UNODC will be directed towards UNODC projects "UN Pacific Regional Anti-Corruption UN-PRAC (XSPX70)" and "Anti-Corruption Mentor Programme (GLOS48)".

The objective of “Looking Beyond: Towards a Strategic Engagement with Civil Society on Anti-Corruption, and Drugs and Crime Prevention – Anti-Corruption Module: The Road to Panama and Beyond”, GLOU68, is to strengthen the voice of civil society in the national and international fight against corruption via understanding of UNCAC and its review mechanism.

## Article II. The Contribution

1. (a) The Donor shall, in accordance with the following tranche payments set out below, contribute to UNODC the amount of **US\$10,915,038 (ten million, nine hundred fifteen thousand and thirty eight dollars**. The contribution shall be deposited in the following bank account.

Account Name: United Nations Office on Drugs and Crime  
 Bank: J.P. Morgan Chase  
 Address: International Agencies Banking  
 270 Park Avenue, 43<sup>rd</sup> Floor, New York, NY 10017-2014 - USA  
 Account Number: 485 00 1594  
 ABA: 021 000 021  
 SWIFT: CHASUS33

### Part A) General Support to “Joint Action towards a Global Regime against Corruption”

Indicative Date	Tranche Number	Amount
Immediately following signature of this Agreement	1	USD 1,255,995
Before end February 2013	2	USD 2,579,225
Before end February 2014	3	USD 2,488,825
Before end February 2015	4	USD 2,534,025

### Part B) Support to civil society engagement with the global UNCAC dialogue through “Looking Beyond: Towards a Strategic Engagement with Civil Society on Anti-Corruption, and Drugs and Crime Prevention – Anti-Corruption Module: The Road to Panama and Beyond”

Indicative Date	Tranche Number	Amount
Immediately following countersignature of this Agreement	1	USD 200,000

Part C) General Support to UN Pacific Regional Anti-Corruption (UN-PRAC) Project (channeled through XSPX70 (USD 1,043,368) and GLOS48 (USD 813,600).

<b>Indicative Date</b>	<b>Tranche Number</b>	<b>Amount</b>
Immediately following signature of this Agreement	1	USD 464,242
Before end February 2013	2	USD 464,242
Before end February 2014	3	USD 464,242
Before end February 2015	4	USD 464,242

(b) The Donor will inform UNODC when the contribution is paid via an e-mail message with remittance information to [FRMS@unodc.org](mailto:FRMS@unodc.org)

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. UNODC shall receive and administer the payment in accordance with the regulations, rules and directives of UNODC.
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 UNODC pursuant to this Agreement and the project document shall be dependent on receipt by UNODC 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), UNODC 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 projects under this Agreement may be reduced, suspended or terminated by UNODC after written notification to the Donor by UNODC.

4. Any interest income attributable to the contribution shall be credited to UNODC Account and shall be utilized in accordance with established UNODC procedures.

#### **Article IV. Administration and reporting**

1. Project management and expenditures shall be governed by the regulations, rules and directives of UNODC.
2. Project management shall be in accordance with UNODC policies and practices in relation to anti-corruption and prevention, detection and investigation of fraud and recovery of funds the subject of fraud.
3. UNODC headquarters shall provide to the Donor all or parts of the following reports prepared in accordance with UNODC accounting and reporting procedures.
  - (a) From the relevant country office or headquarters one annual status report of each of the three (3) projects progress for the duration of the Agreement, as well as the latest available approved budgets.
  - (b) From UNODC Financial Resources Management System (FRMS), 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 relevant unit at headquarters, a mid-term evaluation for projects: Part A) “Joint Action towards a Global Regime against Corruption” and Part C) “UN Pacific Regional Anti-Corruption (UN-PRAC)”
  - (d) From the relevant country office and headquarters within six months after the date of completion or termination of the Agreement, three final reports’ summarizing both projects’ activities (including progress in achieving activities’ goal and objectives) and impact of activities as well as provisional financial data.
  - (e) From UNODC Financial Resources Management Services, on completion of each of the three (3) projects, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the projects.
4. If special circumstances so warrant, UNODC 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 United Nations Financial Regulations and Rules, the Contribution shall be subject to cost recovery for indirect costs incurred by UNODC in providing general support services. To cover these support costs, the contribution shall be charged a fee equal to 13%. 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 three projects, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the three projects under this Agreement as well as funds which may be available to the three projects for project costs and for support costs under other sources of financing.

## **Article VI. Evaluation**

All UNODC programmes and projects are evaluated in accordance with UNODC Evaluation Policy. UNODC 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. UNODC 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 UNODC. Matters relating to the transfer of ownership by UNODC shall be determined in accordance with the relevant policies and procedures of UNODC.

## **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 UNODC. Should the biennial Audit Report of the Board of Auditors of the United Nations 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. UNODC shall notify the Donor when all activities relating to the projects have been completed.
2. Notwithstanding the completion of the projects, UNODC 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 projects have been satisfied and project activities brought to an orderly conclusion.

3. If the unutilized payments prove insufficient to meet such commitments and liabilities, UNODC 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 UNODC as agreed in writing with the Donor.

#### **Article X. Termination of the Agreement**

1. After consultations have taken place between the Donor and UNODC and provided that the payments already received are, together with other funds available to the projects, sufficient to meet all commitments and liabilities incurred in the implementation of the projects, this Agreement may be terminated by UNODC 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, UNODC 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 projects, 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 UNODC 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 UNODC 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, UNODC 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, UNODC 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 UNODC 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) To UNODC: Dimitri Vlassis, Chief, Corruption and Economic Crime Branch, Division for Treaty Affairs

Address: United Nations Office on Drugs and Crime  
P.O. Box 500  
A1400 Vienna, Austria

### **Article XIII. Amendment of the Agreement**

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

### **Article XIV. Resolution of Disputes**

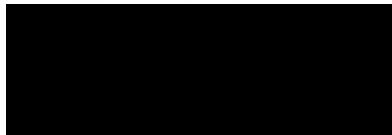
Any dispute between UNODC and the Donor over its interpretation or application (or both) shall be resolved amicably between the Parties.

### **Article XV. Entry Into Force**

1. This Agreement shall enter into force upon signature and deposit by the Donor of the first contribution-payment to be made in accordance with the schedule of payments set out in Article II, paragraph 1 of this Agreement and the signature of the project document by the concerned parties.

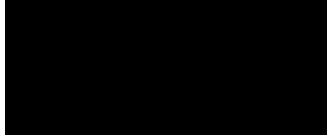
IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Donor:



Mr James Gilling  
First Assistant Director General  
Policy and Sector Division  
The Australian Agency for  
International Development (AusAID)

For the United Nations Office on Drugs and Crime:



1/VI/12

Mr. Sandeep Chawla  
Deputy Executive Director of UNODC,  
Director, Division for Policy Analysis  
and Public Affairs