

**THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN THE AUSTRIAN DEVELOPMENT AGENCY (ADA, THE DONOR) AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

WHEREAS the Donor intends to conclude a Contribution Agreement with the European Union (“EU”), represented by the European Commission (“EC”), for the implementation of “EU Green Agriculture Initiative in Armenia (EU-GAIA)” (hereinafter referred to as “the Project”).

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis for the implementation of specific objectives that form part of the Project, as described in the Project Document and its annexes as listed below¹.

WHEREAS UNDP is prepared to receive and administer the Contribution for the implementation of the Project,

WHEREAS the Government of Armenia has been duly informed of the Contribution of the Donor to the Project,

WHEREAS UNDP acts as the implementing partner for the implementation of the Project,

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

Article I. The Contribution

1. (a) The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of EUR 1,980,198 (one million nine hundred and eighty thousand one hundred and ninety-eight euros only) (hereinafter referred to as the “Contribution”). The Contribution shall be deposited to the following Bank and account:

Bank Name: Bank of America London, UK
Bank Address: 5 Canada Square, London E14 5AQ, United Kingdom
Swift Address: BOFAGB22
Account Number: 600862722022
IBAN number: GB59BOFA16505062722022
Account Title: UNDP Contributions (Euro Account)
Currency: Euro

<u>Schedule of payments</u>	<u>Amount</u>
November 2019	EUR 600,000
September 2020	EUR 900,000
September 2021	EUR 480,198

¹ The project and its duration are described in the Project Document. The Project Document and its annexes listed below are formally annexed to this Agreement and form an integral part of the same.

(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, UNDP country office (Armenia), Project no (00110255/00109283) and title ("Green Agriculture Initiative in Armenia (EU-GAIA)"), donor reference (6546-01/2019). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

(c) The period covered by the Contribution is 15. November 2019 to 31. December 2022.

2. The value of the payment, if made in a currency other than United States dollars, shall 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 utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Donor with a view to determining whether any 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.

3. 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 to be consistent with the progress of Project delivery.

4. UNDP shall receive and administer the payment in accordance with the rules, regulations, policies and procedures of UNDP as at present in force.

5. All financial accounts and statements shall be expressed in United States dollars stating the applicable exchange rate US Dollar to Euro in accordance with the UN Operational Exchange Rate. The UNDP Country Office shall provide financial status reports in Euro as stipulated in Article III (2).

Article II. Utilization of the Contribution and Visibility of the Donor

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 I, paragraph 1, above. UNDP shall ensure that the Contribution is used responsibly, economically and efficiently and in accordance with the Project Document. UNDP shall not start the implementation of the activities prior to receiving the first tranche of the Contribution.

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 make available to UNDP the additional funds required.

3. If the payments referred to in Article I, 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.

4. Any interest income attributable to the Contribution shall be credited to UNDP Account, retained by UNDP and shall be utilized per UNDP Financial Regulations and Rules.

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5. UNDP shall ensure the visibility of the Donor in an appropriate matter. UNDP shall for this purpose include the logo or a reference to the Contribution by the Donor, in (but not limited to) all documents and publications relating to the Project. In accordance with Article XII, the Donor shall have the right to produce and disseminate its own publications about the Project with exception of information agreed as confidential.

Article III. Administration and reporting

1. Project management and expenditures shall be governed by the rules, regulations, policies and procedures of UNDP that have been positively pillar-assessed by the EC.

2. UNDP shall provide to the Donor with the following reports in accordance with UNDP accounting and reporting procedures. UNDP agrees to send all narrative and financial reports directly to the Austrian Development Agency. Electronic versions shall be sent to: Jerewan@ada.gv.at with CC to Paschalis.bokkers@ada.gv.at and Nazik.sahakyan@ada.gv.at. The reports shall describe the implementation according to outcomes, outputs and activities of the project document as measured by corresponding indicators. The reports shall be drafted in such a way as to allow monitoring of the objective(s), the means envisaged and employed. The level of detail in any report shall match that of the Project Document.

3. If special circumstances so warrant and upon request of the Donor, UNDP may provide more frequent reporting at the expense of the Donor. The nature and frequency of this reporting shall be detailed in Annex 1 to this Agreement. In any event, UNDP shall immediately inform the Donor of any circumstances which would delay or render impossible the implementation of the Project.

Article IV. Administrative and support services

1. In accordance with the decisions, policies and procedures 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 8%, which is already included in the amount of the Contribution. Direct costs of implementation must be identified in the Project budget against a relevant budget line in order to be borne by the Contribution. Direct costs must be unequivocally linked to the Project.

2. The budget indicated in the Project Document for the specific objective to be implemented by UNDP, and the GMS services costs, taken together, constitute the Contribution and shall not exceed it.

3. The Contribution is subject to the coordination levy (Annex III).

Article V. Evaluation

All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Donor in consultation with the Government of Armenia and other stakeholders will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating the Project, including an evaluation of its contribution to an outcome which is listed in the evaluation plan. The Austrian Development Agency shall commission the overall evaluation of the EU project "Green Agriculture in Armenia" (EU Ref. ENI/2019/408-058, ADA ref. 6546-00/2019), including an evaluation of the UNDP implemented part of the EU project. The evaluation exercise shall be carried out by external independent evaluators.

Article VI. Procurement

UNDP will perform all procurements in accordance with its procurement rules, policies and procedures as at present in force. In any event, procurement shall be made according to the principles of non-discrimination, free and fair competition and equal treatment of all bidders.

Article VII. Equipment

Ownership of equipment, supplies and other properties financed from the Contribution shall vest in UNDP, unless stated otherwise in the Project Document. Once the Project is complemented, the Project assets will be transferred to the Government of the Republic of Armenia in accordance with the relevant policies and procedures and UNDP Financial Regulations and Rules.

Article VIII. Auditing

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP. Should the annual Audit Report of the UN Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the Donor by the country office. Notwithstanding the above, UNDP shall provide ADA upon request with information relating to the Project to the extent that this does not conflict with UNDP Public Disclosure Policy and shall keep all Contribution related records for a period of three years after the end of the Project in accordance with UNDP policies and procedures.

Article IX. Completion of the Agreement

1. UNDP shall notify the Donor when all of UNDP's activities relating to the Project have been completed in accordance with the Project Document.
2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.
3. If the unutilized funds 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. In cases where the Project is completed in accordance with the Project Document any funds that remain unexpended shall be transferred to the Donor in the course of the submission of the final financial statement.

Article X. Anti-corruption and Conflict of Interest

1. No offer, payment, consideration, gift or benefit of any kind, which could be regarded as an illegal or corrupt practice, has or will be made, promised, sought or accepted, neither directly nor indirectly, as an inducement or reward in relation to activities funded under this Agreement including tendering, award or execution of contracts.
2. UNDP will take appropriate measures to prevent illegal practices and/or misconduct (such as fraud, violation of the fundamental principles of procurement rules, harassment, sexual harassment, sexual

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exploitation and abuse, other forms of misconduct) in connection with the implementation of the Project in accordance with its applicable regulations, rules, administrative issuances, policies and procedures. In the event that UNDP determines that there are credible allegations of illegal practice and/or misconduct, UNDP will take swift and appropriate action to stop and investigate any person suspected of such practice and consider other action in accordance with its regulations, rules, administrative issuances, policies and procedures, among others the possibility of disciplinary measures.

3. UNDP will inform the Donor of any instances of credible allegations of illegal practice and/or misconduct as determined by UNDP, as referred to in this paragraph. The notice will indicate the nature of the misconduct and, when applicable and if known, the financial amount involved and will include the action which will be taken by UNDP. The notice will be given in writing and delivered to the integrity agents of the Donor (integritaet@ada.gv.at) and to the competent Programme Manager of the Donor.

4. UNDP shall avoid any conflict of interest in implementing the Project in relation to activities funded under this Agreement.

5. UNDP shall ensure that all partners engaged in the context of the Project observe the requirements listed under this Article. UNDP has to confirm in writing that the contract templates and contractual arrangements to be signed with partners will observe provisions which are consistent with the requirements listed under this Code of Conduct (Annex 4).

Article XI. Termination of the Agreement

1. This Agreement may be terminated by UNDP or by the Donor after consultations between the Donor, UNDP and the programme country Government, and provided that the funds from the Contribution 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 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 this Agreement.

2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of all or the part of the Project have been satisfied and Project activities brought to an orderly conclusion.

3. In cases where this Agreement is terminated before Project completion any funds that remain unexpended shall be transferred to the Donor in the course of the submission of the final financial statement.

4. If UNDP cannot carry out the Project, or should the Donor determine that it has been informed incorrectly or incompletely about circumstances which are essential or relevant with regards to the award of the Contribution, or in case the Contribution has not been used in accordance with this Agreement, any entitlements to still undisbursed parts of the Contribution shall expire. Furthermore, the Donor, after consultation with UNDP, reserves the right to claim repayment of the Contribution. UNDP shall not be obliged to reimburse those amounts which have been spent/ committed in good faith and which cannot be recovered although UNDP is using reasonable efforts.

Article XII. Processing of personal data and Publications

1. In performance of this Agreement, the Donor may process personal data of UNDP employees, agents, partners or subcontractors. Pursuant to its obligations under applicable data protection law, the Donor issues a

Data Protection Notice to UNDP and UNDP hereby acknowledges the receipt thereof. The Data Protection Notice shall not form part of this Agreement.

2. UNDP shall ensure an appropriate protection of personal data in accordance with its data protection policy, rules and regulations. The Parties acknowledge and agree that nothing in this Agreement shall be considered a waiver of the immunities and privileges of the United Nations (of which UNDP is an integral part under the Convention on Immunities and Privileges of the United Nations).

3. UNDP acknowledges that transparency is an important guiding principle of the Donor's work as the operational unit of Austrian Development Cooperation. UNDP therefore acknowledges that the Donor may publish, including on the Donor's website, a description of the Project, including Project number, Project title, country, contract value, source of funding, applicant, implementing organisation, Project objective, expected results (impact, outcome), target group(s), inputs/activities, background information, beginning and end of the contract term, sector, tied/untied status, modality, OECD DAC policy marker, concerned SDG, number of beneficiaries, information about the ADA budget line.

4. UNDP grants the Donor the free-of-charge, irrevocable, unrestricted as to place, transferable and non-exclusive right of use, in respect of all types of uses, regarding the following documents under the Project:

- Gender analyses and assessments regarding potential negative environmental, gender and social impacts, as applicable, as well as implementation progress reports, monitoring reports and final reports on any related risk management and sustainability plans;
- Progress reports and the final report, in each case excluding financial reporting, receipts and an final financial statements;
- Summaries of Project evaluation reports including results assessment forms, which are created contracted by UNDP and provided to the Donor or which are created jointly with the Donor.

The right of use granted to the Donor includes in particular, without limitation, the right to reproduce and distribute these documents in electronic and other formats, to include the making available to the public by way of the Donor's website. However, the Parties acknowledge and recognize that UNDP shall have the intellectual property of the above referenced documents.

Article XIII. Notice

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

(a) To the Donor:

Gerhard Schaumberger
Head of Office for the South Caucasus
Griboedov Str. 31 / Rustaveli Ave. 42
0108 Tbilisi, Georgia

(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: Jerewan@ada.gv.at

Copy: Nora.Alanakyan@ada.gv.at; Paschalis.bokkers@ada.gv.at

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(c) To UNDP:

Name: Dmitry Mariyasin
Title: UNDP Resident Representative in Armenia
Address: 14 Petros Adamyan Street, 0010 Yerevan, Armenia

Email address: <mailto:dmitri.mariassin@undp.org>

Article XIV. Amendment of the Agreement

This 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 this Agreement.

Article XV. Final Provisions

The Annexes form an integral part of this Agreement. In the event of any conflicts or contradictions, the Agreement shall take precedence.

If the parties fail to settle a dispute arising out or in relation to this Agreement amicably, it shall be settled through arbitration by a sole arbitrator in accordance with the UNCITRAL Arbitration Rules as applicable at the date of the dispute.

Article XVI. Entry Into Force

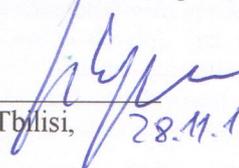
This Agreement shall enter into force upon the signature of this Agreement by the parties hereto, on the date of the last signature.

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

For the Donor:

Dr. Gerhard Schaumberger

Head of Office for the South Caucasus
Austrian Development Agency


(Tbilisi, 28.11.19)

For the United Nations Development Programme:

Dmitry Mariyasin

UNDP Resident Representative in Armenia


Yerevan, 28.11.2019

Annexes:

- Annex 1: Project Document
- Annex 2: Visibility, Documentation, and Verification of Vendors
- Annex 3: Coordination Levy
- Annex 4: Information sheet Code of Conduct

