

THIRD-PARTY COST-SHARING AGREEMENT



The

**United Nations Development Programme (UNDP)
One United Nations Plaza
New York, NY 10017
USA**

- hereinafter referred to as "UNDP" or "the Recipient"-

and

**Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
Dag-Hammarskjöld-Weg 1 - 5
65760 Eschborn
Federal Republic of Germany**

- hereinafter referred to as the 'GIZ: –

hereinafter both referred to as 'Parties'

herewith enter into the following Third-Party Costs-Sharing Agreement (hereinafter referred to as the 'Agreement') for the GIZ project:

Vocational education and training in Ukraine / Skills4Recovery

Country: Ukraine

Communication details (Please quote in all correspondence)

Agreement number: 81303180

Project processing number: 21.2145.7-002.00

Unit responsible for the budget

Organisational unit: 3900
Responsible officer: michael.paulo@giz.de

Procurement and Contracting

Organisational unit: E2B0
Responsible officer: kristina.tubic@giz.de

Financial processing of the contract

Organisational unit : 5720
Responsible officer : janine.kopidakis@giz.de

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

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Chairperson of the Supervisory Board
Jochen Flasbarth, State Secretary

Management Board
Thorsten Schäfer-Gümbel (Chair)
Ingrid-Gabriela Hoven (Vice-Chair)
Anna Sophie Herken

Commerzbank AG Frankfurt am Main
BIC (SWIFT): COBADEFFXXX
IBAN: DE45 5004 0000 0588 9555 00

The basis for the Grant for **UNDP** is the commission from Federal Ministry for Economic Cooperation and Development (hereinafter referred to as 'Commissioning Party') dated 19.07.2023. GIZ shall provide the Grant pursuant to this Agreement exclusively on behalf of and for the account of the Commissioning Party.

Article I. Amount and Purpose of the Grant

1. GIZ shall make available to UNDP a Grant of

up to EUR 1,600,014.58
inclusive of standard 8 per cent General Management Support costs
and inclusive **1 per cent coordination levy** (hereinafter to as the 'Grant' or the 'Contribution')
2. (a) UNDP shall request the disbursement in EUR to the amount of the financial requirement for the entire term of the Agreement (including EUR 15,841.73 1 per cent coordination levy). The call for this disbursement shall be submitted as a signed original or as a digitally signed copy and must include the project number and the Agreement number. UNDP shall submit a receipt of the amount that has been credited in USD for the funds disbursed by GIZ.

(b) The transfer of each installment will be made within two weeks upon receipt by the GIZ of a written payment request by UNDP with e-mail confirmation to UNDP when the contribution is paid at the following address: contributions@undp.org.
3. All financial accounts and statements shall be expressed in USD. The value of the payment, if made in a currency other than USD, 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 GIZ with a view to determining whether any further financing could be provided by GIZ. Should such further financing not be agreed upon by the parties, the assistance to be provided to the project/programme may be reduced, suspended or terminated by UNDP.
4. The schedule of financial requirements mentioned in Article 2 takes into account the requirement of the project/programme and shall be made in advance of the implementation of planned activities. The schedule may be amended to be consistent with the progress of project/ programme delivery.
5. UNDP shall use the Grant exclusively for actual costs to be incurred within the scope of the Project described in Article II and in the Project Proposal, attached hereto as **Annex 1** and as attributed to the GIZ Grant according to the Project Budget which sets out details of the Project expenditures, attached hereto as Annex 2. The Project Proposal and the Project Budget form an integral part of the Agreement.
6. The Grant is made available for the period of **15.12.2023** to **14.12.2024**. Only actual costs incurred during this period and relating to activities carried out during this period may be financed from this Grant. Otherwise written approval of the GIZ is required.
7. Standard Coordination levy
 - a) Pursuant to paragraph 10(a) of United Nations General Assembly Resolution 72/279 of 31 May 2018, GIZ agrees that an amount corresponding to 1% of the Contribution to UNDP shall be paid to fund the United Nations Resident Coordinator System. This amount, hereinafter referred to

as the 'coordination levy or levy' will be held in trust by UNDP until transfer to the United Nations Secretariat for deposit into the United Nations Special Purpose Trust Fund for the reinvigorated Resident Coordinator system, which has been established to fund the UN Resident Coordinator System and is managed by the United Nations Secretariat.

b) GIZ acknowledges that once the coordination levy has been transferred by the Recipient to the United Nations Secretariat, UNDP is not responsible for the use of the coordination levy and does not assume any liability. The fiduciary responsibility lies with the United Nations Secretariat as the manager of the Resident Coordinator System.

c) The coordination levy does not form part of the UNDP's cost recovery and is additional to the costs of UNDP to implement the activity or activities covered by the Contribution. Accordingly, there is no normal obligation for UNDP to refund the levy, in part or in full, even where the activities covered by the Contribution are not carried out in full by UNDP. As deemed necessary by GIZ - and especially where the scale of the resources concerned or reputational risk justify the refund transaction costs – GIZ can submit a request for refund to the United Nations Secretariat directly or through the United Nations entity. The responsibility to refund the levy lies with the United Nations Secretariat, and not with the concerned entity of the United Nations.

d) The levy is calculated at the time a new agreement is signed and will not be revised up or down, when the Agreement is subsequently amended except where that amendment exceeds 20% of the initially agreed budget on which the original levy calculation was made. In the event that the downward revision of the Agreement exceeds 20% of the initially agreed budget on which the original levy calculation was made and provided that the coordination levy has been paid in full, the United Nations Secretariat will refund the exceeding portion of the levy directly to GIZ. In case of upward revision exceeding 20%, within this agreement the levy has to be adapted in writing and UNDP will collect the additional levy from the GIZ and transfer it to the United Nations Secretariat. These conditions do not preclude any other circumstances where the GIZ may choose to submit a request for refund to UNDP.

e) The coordination levy for this Agreement is up to **EUR 15,841.73**. The payment schedule, refer to Article I (2), provides the breakdown of the disbursements of the coordination levy and the payments of the Contribution.

Article II. Utilization of the Contribution

1. The primary aim of the "Building Inclusive Labor Market Institutions for Comprehensive Recovery" (hereinafter referred to as the 'Project') financed by the Grant is to contribute to rapid and effective economic recovery through a comprehensive capacity-building campaign for the State Employment Service and Vocational Education and Training providers of Ukraine in Dnipropetrovsk, Poltava, Kyiv, Vinnytsia, Lviv, Chernivtsi oblasts and on the country level

Details are laid down in the Project Proposal in **Annex 1**.

2. UNDP shall be entitled to spend up to 20% more than the budget item amount specified in Annex 2 for any budget item (except for GMS costs and coordination levy if these items are contractually agreed) provided that the actual costs are reduced by the same amount in one or more of the other budget items (except for GMS costs and coordination levy if these items are contractually agreed).

3. The implementation of the responsibilities of UNDP pursuant to this Agreement and the Project Proposal shall be dependent on receipt by UNDP of the Contribution in accordance with the schedule of payment as set out in Article I, paragraph 2, above, and shall be carried out in accordance with UNDP regulations and rules for managing a project/programme.
4. 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 GIZ on a timely basis a supplementary estimate showing the further financing that will be necessary. The GIZ will decide whether the amount of the Grant will be increased accordingly.
5. If the payments referred to in Article I, paragraph 2, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 5 above is not forthcoming from the GIZ or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
6. Any interest income attributable to the contribution shall be managed in accordance with UNDP's Financial Regulations and Rules.
7. GIZ shall be invited to the Project Board discussions to participate in the project decisions.
8. The GIZ Grant may be used only for expenditures not already financed under subsidies or long-term loans (either from GIZ or from other donors). Subject to the foregoing, GIZ acknowledges and agrees that the Project may be financed by multiple donors, including GIZ.

Article III. Administration and reporting

1. Project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP as well as by the annexed project document, and where applicable, the regulations, rules and policies of the Executing Entity/Implementing Partner.
2. UNDP headquarters and country office shall provide to the GIZ all of the following reports prepared in accordance with UNDP accounting and reporting procedures. Reporting from the country office (see below) shall include information on the use of the project budget; the expenditures shall be broken down according to the expenditure categories or measures as specified in the annexed project document.
3. UNDP shall provide to GIZ all the following reports prepared in accordance with the UNDP's accounting and reporting procedures:
 - a. A semi-annual **interim narrative progress report** and an annual **financial statement of account** including the approved budget by main budget/expenditure classification, related expenditures and unused budget balances, not later than two (2) months after the reporting period.
 - b. Upon completion of the Project, but not later than six (6) months after the completion of the Project, UNDP shall submit to the GIZ:
 - A final narrative report describing the implementation and results of Project in the light of the aims set out in the Project Proposal and
 - a final financial statement in accordance with the UNDP's Financial Regulations and Rules, policies and procedures. Any funds remaining from the Grant, shall be returned to the GIZ in USD at the United Nations operational rate of exchange..

4. UNDP shall keep for seven years after submission of the final financial statement all books, records and the originals of the supporting documents, clearly identifying all actual costs for the services and supplies for the Project and those services and supplies as well as sub-grants financed from the Grant, or up to the date of the limitation period of any claim pursuant to the applicable law governing the Agreement and any procurement contracts or sub-grants concluded, if the latter lasts longer.
5. In any publication on the Project, UNDP shall acknowledge in an appropriate manner and in accordance with the rules and policies applicable to UNDP that it is conducting or has conducted its activities within the framework of a project financed or cofinanced by the GIZ commissioned by the Government of the Federal Republic of Germany and with funding provided by the third-party funder (if applicable).
6. All rights in the work, including ownership of the original work and copyright thereof, shall be vested in UNDP. UNDP hereby grants the GIZ and the Federal Republic of Germany a royalty-free, non-exclusive license to use and reproduce the work for the GIZ's educational, scientific, research or project purposes, including the right of publication thereof, subject to an appropriate acknowledgement of UNDP's copyright unless UNDP indicates that it does not wish to be associated with any such publication. Should UNDP, in exceptional cases and due to third party agreements, not be entitled to grant to GIZ and the Federal Republic of Germany the above - mentioned rights of use to the full extent, UNDP will inform GIZ in written form about any restrictions regarding the right to use the work.
8. If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of GIZ. The specific nature and frequency of this reporting shall be specified in a supplement of the Agreement.
9. 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 an Audit Report of the Board of Auditors of UNDP to its governing body contain observations/information relevant to the contributions, such information shall be made available to the GIZ.

Article IV. 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 actually utilized for the implementation of the Project shall be charged a fee equal to **8%**. All direct costs as well as the GMS fee (if applicable), shall be identified in the project budget.
2. The aggregate of the amounts budgeted for the programme/project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the programme/project under this Agreement as well as funds which may be available to the programme/project for project/programme costs and for support costs under other sources of financing. The contribution made available according to Article I shall not be exceeded and shall, therefore, include all costs and fees under Article IV.

Article V. Purchasing of Goods and Services

1. Procurement of supplies and services shall be made according to the UNDP's internal rules and regulations for procurement and contracts, including international competitive bidding when applicable. Written documentation shall be kept of all decisions regarding invitations to tender and placement of order. UNDP shall upon request assist in providing GIZ with information within the limit of the United Nations privileges and immunities, the United Nations Single Audit Principle and the UNDP Regulations and Rules.
2. 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 VI. Sub-grants to the final recipients

1. UNDP is entitled to forward parts of the grant as sub-grants to third parties ('final recipients') if this procedure is foreseen by the Project Proposal and Estimated Budget (**Annexes 1 and 2**).
2. Prior to any forwarding of funds, however, UNDP shall perform appropriate due diligence processes to assess the integrity and capacity of each final recipient, while taking into account the non-profit objective of the Project and select each final recipient based on a positive assessment of that final recipient's capacity to carry out the measure that is being assigned to it.
3. In cases where goods, construction works or services are purchased by the final recipient using grant funds, Article V shall apply.

Article VII. Evaluation

All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of Ukraine in consultation with GIZ 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. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.

UNDP will promptly make available the evaluation reports to the GIZ.

Article VIII. Data protection

1. GIZ shall process personal data in connection with this Agreement exclusively in accordance with the General Data Protection Regulation of the European Union (GDPR). Such data shall be processed solely for the purpose of implementing, managing and monitoring this Agreement. The Parties acknowledge and agree that the GDPR will not be applicable to UNDP.

2. UNDP shall ensure an appropriate protection of personal data in accordance with its applicable rules and procedures. Personal data shall be:
 - a. processed fairly, for legitimate purposes and in a transparent manner in relation to the data subject;
 - b. collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
 - c. adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
 - d. accurate and, where necessary, kept up to date;
 - e. kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; and
 - f. processed in a manner that ensures appropriate security of the personal data.

Article IX. Completion of the Agreement

1. UNDP shall notify the GIZ when all activities covered by this agreement have been completed.
2. Notwithstanding the completion of the project/programme, UNDP shall continue to hold unutilized payments to the extent and until all commitments and liabilities incurred in the implementation of the project/programme 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 GIZ and consult with the GIZ on the manner in which such commitments and liabilities may be satisfied.
4. Any balance that remains unexpended after such commitments and liabilities have been satisfied shall be returned to the GIZ upon a request from GIZ providing bank account details for reimbursement. UNDP shall inform GIZ promptly about any remaining balances.

Article X. Sanction list

1. Sanction List
 - (1) The Recipient (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) The Recipient 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) The Recipient will inform GIZ, promptly and of its own accord, of the occurrence of any event which results in (i) the Recipient, (ii) any member of its management bodies or (iii) other governing bodies or any of its shareholders, being listed on a Sanctions Lists.
 - (4) With regard to sanctions obligations the Recipient will, subject to and in accordance with the status, privileges and immunities of the United Nations and its applicable rules, policies and procedures, provide GIZ, 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 "GIZ List") and with a funding schedule listing the amounts of contributions. The GIZ list contains the following information: Name of the contractor/supplier/implementing partner and country of registration. The recipient will notify GIZ of any changes to the GIZ list without undue delay. To the extent required by GIZ, and subject to and in accordance with the status, privileges and immunities of the United Nations and its applicable rules, policies and procedures, the Recipient will make reasonable endeavours to provide additional details in order to assist GIZ to establish the identity of specific contractors/suppliers/implementing partners on the GIZ List. If, from the perspective of GIZ, an entry in the GIZ List presents any concerns, GIZ will inform the Recipient accordingly. In this case, GIZ will inform the Recipient accordingly and, in that event, GIZ will not issue a Non-Objection Letter to the contract award (with GIZ funding) to that specific contractor/supplier/implementing partner. However, considering the Recipient as the ultimate and final procurement authority in the procurement process, the Recipient will be free to proceed under its own responsibility with the award with funding from other source (donors) and not GIZ funding.

Article XI. Suspension of Disbursements and Repayment, Termination of the Agreement

1. After consultation with UNDP and the opportunity to remedy the specific circumstance cited below, GIZ shall be entitled to either suspend disbursements or terminate this Agreement in part or in full, if:
 - a) UNDP is not able to furnish evidence (according to Article III) proving the use of the Grant for the purposes stipulated in this Agreement;
 - b) goods purchased by UNDP for the project and financed from the Grant are not used for the purpose of the Agreement;
 - c) UNDP has engaged in material breach of any other provision of this Agreement;
 - d) before conclusion of the Agreement or during its execution, UNDP has given false information or withheld relevant information affecting the allocation or disbursement of the Grant;
 - e) any extraordinary circumstances have arisen which preclude or seriously jeopardize the purpose of the Grant, the implementation of the Project or the performance of the obligations assumed by UNDP under this Agreement, or
 - f) the Government of the Federal Republic of Germany or the third-party funder (if applicable) terminates, suspends or modifies the relevant contract with the GIZ which is the basis for this Agreement.

2. GIZ shall be entitled to demand repayment of all or part of the Grant, if any of the circumstances referred to in Article XI 1. (a) to (f) arise. This includes any unused or reflowed funds, for which no further disbursements, liabilities or costs are due to be made or paid in the implementation of the project.

When the circumstances referred to in Article XI a) to d) apply, repayment can only be demanded if the circumstances have not been remedied within a period to be agreed upon by GIZ and UNDP, which shall, however, be not less than 30 days. Repayment will be limited to (a) the amounts that UNDP manages to recover and (b) the unspent amounts. Where Article XI 2. (a) applies, only those amounts shall be repaid for which UNDP is unable to furnish evidence of the use for the purpose stipulated in this Agreement. Where Article XI 2. (b) applies, only the amounts recovered from those amounts relating to the goods concerned shall be repaid.

In the event that the total amount demanded by GIZ is not recovered, UNDP and GIZ will enter into a dialogue to arrive to a mutually agreed solution.

3. Any disbursed amount of the financial Contribution that has neither been used nor committed by the Recipient for the stipulated purpose under Article 2 until the end of the Implementation Period as stipulated in Article 1 shall be repaid to GIZ within ninety (90) days of the final report, unless otherwise agreed in writing between the Parties.
4. UNDP shall, consistent with the internal regulations, rules, policies and procedures, attempt to recover any funds found to be misused. UNDP shall, in consultation with GIZ, credit any funds so recovered to the Project Budget or, in case the Project was completed or terminated, shall dispose of such funds as agreed with GIZ.

Article XII. Force Majeure

1. 'Force majeure' is an unavoidable event (e.g. natural disaster, outbreak of diseases and epidemics, serious un-rest, war or terrorism) which is unforeseeable by human judgement and experience, cannot be avoided or rendered harmless by reasonable economic means and under application of the utmost care, and which prevents one of the Parties' from fulfilling any of their obligations under this Agreement. If an event originates from the sphere of responsibility of one of the Parties', this shall not constitute an event of force majeure.
2. Neither Party to this Agreement shall be held liable for a breach of its obligations under this Agreement if it is prevented from fulfilling such obligations by reason of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and sought out reasonable alternative measures with the objective of carrying out the terms and conditions of this Agreement as applicable.
3. A Party affected by an event of Force Majeure shall notify the other Party of this as soon as possible and no later than fifteen (15) days upon becoming aware of the implications of the occurrence of the event on the project measure, providing evidence of the nature and cause of the event, which shall include information about the possibility of returning to normal conditions as soon as possible.

Article XIII. Conflict of Interest

1. UNDP shall avoid conflicts of interest in connection with this Agreement. A conflict of interest may arise in particular from economic interests, political affinities or national ties, family or friendships or other ties or interests
2. In connection with the implementation of the Project UNDP must not conclude any contract in which a conflict of interest is to be expected due to the nature of the contract or due to personal or financial connections of UNDP to a third party.
3. UNDP undertakes to notify GIZ without delay of any facts that constitute a conflict of interest or could lead to such a conflict. The further procedure shall be coordinated with GIZ.

Article XIV. Final Provisions

1. Arbitration Clause :

1.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Agreement or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then in force, or according to such other procedure as may be agreed between the parties.

1.2 Arbitration

Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Agreement or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then in force. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

1.3 This Agreement shall be governed by general principles of law to the exclusion of any national system of law. Such general principles of law are deemed to be reflected in the UNIDROIT Principles of International Commercial Contracts 2004, in addition to general principles of international law.

2. Nothing in this Agreement or in any document relating thereto shall be deemed a waiver, express or implied, of the privileges and immunities of UNDP.
3. In accordance with the UNDP's Staff Regulations and Rules, UNDP will require that its staff will not accept any honour, decoration, favour, gift or remuneration from any third parties if such acceptance is incompatible with his or her status as an UN staff. Similarly, UNDP will require that its staff and will not at any time and in any way use information known to them by reason of their official position, to their private advantage and that they will not accept, hold or engage in any office or occupation which is incompatible with the proper discharge of their duties with UNDP.
4. UNDP shall make reasonable efforts to ensure that the persons it entrusts with the preparation and implementation of the Project and the awarding of contracts for the provision of materials and services to be financed under this Agreement do not demand, accept, provide, grant, promise or accept promises for illegal payments or any other unfair advantages in connection with these tasks.
5. UNDP shall promote the respect of human rights and respect applicable environmental legislation including applicable multilateral environmental agreements, as well as applicable internationally agreed core labour standards. UNDP shall not support activities that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion.
6. In the event a provision of this Agreement is established to be invalid, this shall not affect the validity of the remaining provisions. Any deficiency in consequence thereof shall be remedied by a provision consistent with the purpose and intent of this Agreement.

7. In the event that provision of this Agreement does not support the efficient achievement of the objective defined in Articles I and II above and corresponding major changes of the planning are necessary, GIZ and UNDP may adjust or amend these provisions by mutual consent at any stage during the implementation of the Project. Amendments and changes to this Agreement must be made in writing to be valid.
'Major change' means any substantial change of the scope, structure, design, or objectives of the Project that substantially alters the purpose or benefit of the Project.
Amendments and changes to this Agreement as well as any statements and notices which shall be made under this Agreement shall only be valid in writing.
8. The Agreement shall be signed in duplicate and enter into force on the date it is signed by the authorized representatives of the Parties hereto.

Article XV Annexes

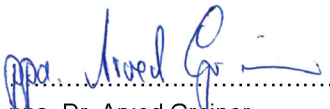
Annex 1: Project Proposal of November 2023
Annex 2: Project Budget of November 2023

Eschborn, date: 13.12.2023

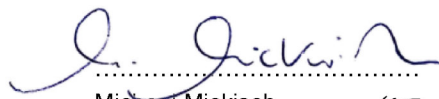
New York, date: 18-Dec-2023

**Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH**
Contract Management/Financing

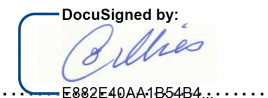
**United Nations Development
Programme**



ppa. Dr. Arved Greiner
Director of Division
Procurement and Contracting, E200



Michael Mickisch
Head of Section, E2B0

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Annex 1, November 2023

Project Proposal

Building Inclusive Labor Market Institutions for Comprehensive Recovery

1. Rationale

The war in Ukraine caused an unprecedented impact on the Ukrainian labor market, worsening previous negative trends, such as the high unemployment rate, low labor market participation, and large informal sector, and creating new challenges and constraints caused by the invasion like human capital exodus, business disruption, intensifying the mismatch between labor supply and demand and economic uncertainty. Moreover, the war raised long-term problems related to the integration of ex-combatants and people with disabilities.

To combat these challenges and ensure effective recovery of the Ukrainian economy and social sphere, Ukrainian labor market institutions, foremost the State Employment Service of Ukraine (SES) and the Vocational Education and Training System (VET), require fundamental changes in their operation to increase their efficiency, openness, and inclusiveness.

With its rich experience in strengthening the organizational resiliency of various labor market actors, UNDP in Ukraine will launch the tailored-made capacity-building project aimed at the comprehensive modernization of SES and VET providers, contributing to their effectiveness, responsiveness, and customer involvement management.

2. Objective

To contribute to rapid and effective economic recovery through a comprehensive capacity-building campaign for the State Employment Service and Vocational Education and Training providers of Ukraine in Dnipropetrovsk, Poltava, Kyiv, Vinnytsia, Lviv, Chernivtsi oblasts and on the country level.

3. Background information

The United Nations Development Programme (UNDP) works in about 170 countries and territories, helping to eradicate poverty, reduce inequalities and exclusion, and build resilience so that countries can sustain progress. As the United Nations' development agency, UNDP plays a critical role in helping countries achieve the Sustainable Development Goals (SDGs).

In Ukraine, UNDP operates in five programmatic areas of support: government capacities for crisis response and management; sustaining provision of public services; emergency works facilitating return and reconstruction; incomes, livelihoods, and the private sector response; and civil society and maintenance of the social fabric.

The war in Ukraine has already resulted in significant loss of life, unprecedented displacement, internally and towards neighboring countries, and devastating destruction of infrastructure. Eighteen years of socio-economic achievements in Ukraine are at risk. UNDP's core engagement is to preserve development gains as fully as possible and to return Ukraine to pathways towards achieving the SDGs as quickly as possible.

4. Key project goals

The Russian Federation's invasion started on February 24, 2022, followed by the massive people displacement and disruption of the labor market, which has made the idea of modernization of the employment, training, retraining, and adaptation of the workplace systems even more important and necessary.

Millions of people lost their livelihoods, households, and health, which imposes the urgent need to increase the efficiency of the labor market institutions designed to help with employment and socio-economic integration of the war-affected people of Ukraine. Only compelling labor market actors capacitated to utilize modern digital and knowledge-based solutions will be able to ensure proper workforce management for the further recovery of the country.

The key outputs of the project are the following:

- Strengthening of the organizational capacity of the State Employment Service of Ukraine and VET providers by developing and introducing innovative tools and approaches in their activities.
- Capacity building of the VET providers and methodological centers staff by training on the innovative labor market revitalization approaches, modern management, and digital solutions.
- Strengthening the VET providers in delivering services to people with disabilities (inclusion audit and accessibility assessment, development of strategy, training of inclusion focal points, etc.).
- Empowering women and activating vulnerable people to participate in the recovery of Ukraine actively and professionally (info campaign, motivational stories, role models, etc.).
- Fostering establishing the links between SES and VET providers and employers to ensure effective collaboration of the key labor market actors.

5. Expected outcome and indicators

The project will be aimed at achieving the following indications:

Indicator	Baseline (2023)	Target (2024)	Source
1. The State Employment Service of Ukraine utilizes a well-designed and effective Key Performance Indicator System (KPI system) in its activities.	No	Yes	SES KPI methodology, project records
2. The portal for employers for the SES mobile app has been developed.	No	Yes	project records, mobile application of the SES with the employers' functional
3. The number of VET providers capacitated within the project on the innovative labor market revitalization approaches, modern management, and digital solutions	0	20	project records
4. The number of managerial and teaching staff of VET providers capacitate within the project (at least)	0	400	project records, lists of participants, post-training

			assessments of the participants
5. The number of VET providers provided with inclusion raising strategy and trained inclusion focal point	0	20	project records, lists of participants
6. Campaign on Empowering women and activating vulnerable people to participate in the recovery of Ukraine	0	1	project records, social campaign content
6. The number of joint VET providers - business initiatives launched within the project	0	10	project records

The achievement of the abovementioned indicators will contribute to the following outputs:

- **Strengthening of the organizational capacity of the State Employment Service of Ukraine** through the development and implementation of the KPI system.
- **Fostering the digital transformation of SES** by expanding the functionality of the mobile application of the Service and providing modern IT equipment.
- **Capacity building of SES and VET providers staff** by training on innovative labor market revitalization approaches (measures and tools) and providing IT equipment for the successful transformation of the activities.
- **Promoting the new approaches in cooperation between SES and VET providers and private sector actors.**

6. Project approach, methodology, and timeframe

The following five-step methodology project implementation will be used to achieve the project outcomes:

Activity 1. A comprehensive assessment of SES and VET providers in the target regions will be performed to define the most promising partners for implementing the project. In cooperation with the management of SES and MoES, the exact topics for the innovative training courses will be defined. These training courses will be aimed at implementing innovative approaches and raising the inclusiveness of the SES and VET institutions in the target regions.

Activity 2. Based on the results of Step 1, the terms of reference will be designed to launch the VET-business partnership campaign, development of the KPI system for SES, mobile application of the SES development, inclusion assessment and developing the inclusion raising strategy, social campaign on women empowerment and activating vulnerable people to participate in recovery of Ukraine, etc. The agendas of the innovative training courses for SES and VET staff will be drafted and discussed with the partners.

Activity 3. The development of the employers' module of the mobile application of the SES will be started. UNDP will select a responsible party for the VET-business partnership campaign that will be launched in six target regions to foster cooperation between private sector actors and 10 educational institutions. Strategic sessions and workshops will be conducted to initiate the development of the KPI system for SES. The collected data will form the basis for further research. The training sessions for SES and VET staff of the target regions will be kicked off. Two foreign study tours for the representatives of the VET institutions and teaching and methodological centers will be conducted to learn best European practices in technical areas, such as inclusion and on how VET can support economic transitions. The Campaign on Empowering women and activating vulnerable

people to participate in the recovery of Ukraine will be launched, and success stories of women and vulnerable people who work in “nonstandard” professions will be identified for further motivation stories creating and sharing. UNDP will conduct the inclusion audit and accessibility assessment of 20 selected VET services providers and initiate the development of the Inclusion Raising Strategy for each provider. The selected Inclusion Focal Points from each provider will be identified and trained to have all necessary knowledge and skills to ensure further implementation of the Strategy and high level of inclusion in their VET institutions.

Activity 4. The innovative training sessions for SES and VET staff will be completed. The equipment aimed at the modernization and digitalization of the services of the selected VET institutions will be provided to ensure the smooth implementation of the new approaches. The Campaign on Empowering women and activating vulnerable people to participate in the recovery of Ukraine actively and professionally will be finalized, the promo materials will be shared. All 20 selected VET providers will have the Inclusion Raising Strategy and trained Inclusion Focal Point.

Activity 5. The VET-business partnership campaign will be finalized, and the campaign winners will be awarded. The project results information will be duly collected, processed, and included in the final report to the donor. The employers’ module of the mobile application of the SES will be developed and released.

7. Cooperation with other partners

To achieve its expected outcomes and results, the project will utilize the existing long-term partnerships and networks created by the UN RPP through its previous projects, and new contacts will be established with the Ministry of Education and Science of Ukraine, oblast and local authorities, central and regional offices of the State Employment Service of Ukraine, local businesses and business associations, and VET institutions. It is also expected to establish relations with other stakeholders, which can play a key role in the full implementation of the project.

8. Sustainability

The project is based on the key principle of sustainability through building capacities of all its stakeholders and beneficiaries so that they could use new tools and knowledge for solving current tasks successfully, even in times of war.

The project will ensure that its achievements will continue after the end of the implementation period.

This will be done through the:

- The new tools and approaches developed and introduced within the project will form a basis for further development of the labor market institutions and contribute to improving overall performance far after the project implementation ends.
- By updating the equipment of SES and VET institutions, the project facilitates the introduction of innovative measures and solutions in the day-to-day activities of these institutions, ensuring the stakeholders have all the necessary appliances for further successful modernization.
- The tight liaisons established between SES and VET institutions and private sector actors will last after the implementation of the project and benefit all sides.

The evaluation of the project results will also be a part of the project sustainability plan as a cross-sectional element to evaluate the results and sustainability of its interventions. By gathering

extensive information about its impact, the project will ensure the dissemination and promotion of the results and best practices to a larger audience of donors and other stakeholders.

9. Risk mitigation measures

I: Poor communication and coordination with stakeholders of the project
Mitigation measures: <ul style="list-style-type: none">• Development of a detailed action plan and its approval with the stakeholders.• Conduct of regular coordination meetings with the stakeholders.
II: Significant escalation of the war in Ukraine
Mitigation measures: <ul style="list-style-type: none">• Monitor security situation with UNDSS.• Discuss the security situation with government counterparts and international partners to ensure the safety of the project's staff and partners.• Ensure that the project is implemented in areas where necessary security requirements are met.
III: Worsening of the economic situation in the regions
Mitigation measures: <ul style="list-style-type: none">• Regular monitoring of the national currency exchange rate fluctuation.• Ensure the implementation of the best value for money principle.

Annex 2: Estimated Budget

Name of the Recipient: UNDP

Date: November 2023

VN 81303180

Description	Quantity	Unit (e.g. months, days, trainings, unit, ...)	Unit value in EUR	Total GIZ Contribution in EUR	Own Funds / Third party financing in EUR (up to)	TOTAL in EUR (up to)
1. Staff /Personnel (Job Title)				101.430,00 €		101.430,00 €
Specialist on Employment and Entrepreneurship	6	months	4.410,00 €	26.460,00 €		26.460,00 €
Business Development Specialist	6	months	4.410,00 €	26.460,00 €		26.460,00 €
Payroll to management support team (Administration, Finance, Procurement, Communications, parttime)	11	months	4.410,00 €	48.510,00 €		48.510,00 €
2. External Experts / Consultant (Job Title)				5.000,00 €		5.000,00 €
National Consultant on developing performance-based approach solutions for SES	1	unit	5.000,00 €	5.000,00 €		5.000,00 €
3. Transportation / Travel Costs				20.000,00 €		20.000,00 €
Travel/transportation costs related to monitoring and oversight (according to UNDP rules and policies)	1	unit	20.000,00 €	20.000,00 €		20.000,00 €
4. Training costs/Workshop				211.000,00 €		211.000,00 €
Event management services for the training for SES and vocational education staff	1	unit	60.000,00 €	60.000,00 €		60.000,00 €
Event management services for the study tours for VET staff	2	unit	65.000,00 €	130.000,00 €		130.000,00 €
Other event management services (including conferences, promotion events, etc.)	1	unit	21.000,00 €	21.000,00 €		21.000,00 €
5. Procurement of Goods/Service				1.035.000,00 €		1.035.000,00 €
Equipment for VET institutions (IT equipment, furniture, etc.)	1	unit	700.000,00 €	700.000,00 €		700.000,00 €
Cost for company to perform Social campaign on empowering women and activating vulnerable people to participate in the recovery	1	unit	40.000,00 €	40.000,00 €		40.000,00 €
Costs for contractor to conduct inclusion audit and accessibility assessment, development of strategy, training of inclusion focal points (Strengthening the VET providers in delivering services to people with disabilities)	1	unit	40.000,00 €	40.000,00 €		40.000,00 €
Costs for contractor to do the assessment of needs and development of the solutions (Developing the performance-based approach solutions for SES)	1	unit	45.000,00 €	45.000,00 €		45.000,00 €
Developing the employers portal for SES mobile app	1	unit	60.000,00 €	60.000,00 €		60.000,00 €
Costs for a Campaign to strengthen links between business and vocational institutions	1	unit	150.000,00 €	150.000,00 €		150.000,00 €
6. Other costs / Consumables				94.396,71 €		94.396,71 €
Rental of premises, incl. utilities, maintenance	11	months	2.000,00 €	22.000,00 €		22.000,00 €
Office supplies and stationery	1	unit	750,00 €	750,00 €		750,00 €
Communication Cost and Communication Equipment, Telephone Charges and Postals	1	unit	1.000,00 €	1.000,00 €		1.000,00 €
Security costs for maintenance of security staff and premises	0,02	share	1.396.180,00 €	27.923,60 €		27.923,60 €
Other direct project costs	1	1	42.723,11 €	42.723,11 €		42.723,11 €
Subtotal - direct costs				1.466.826,71 €		1.466.826,71 €
7. General Management Costs				133.187,87 €		133.187,87 €
General Management Costs (8.00%)	8%	unit	1.466.826,71 €	117.346,14 €		117.346,14 €
Levy (1%)	1%	unit	1.584.172,85 €	15.841,73 €		15.841,73 €
Total UNDP				1.600.014,58 €		1.600.014,58 €
Grand Total (up to)				1.600.014,58 €	-	1.600.014,58 €