

**THIRD-PARTY COST-SHARING AGREEMENT  
BETWEEN THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS AND  
THE UNITED NATIONS DEVELOPMENT PROGRAMME**

WHEREAS THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) and THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS (MFA) have agreed to cooperate in the implementation of the project entitled "*Support to the DRC Government and the Presidency of the Africa Group in the Climate Negotiations*" (the Project) in the Democratic Republic of Congo.

WHEREAS UNDP and MFA concluded a Framework Agreement on 2 December 2003 (the Framework Agreement) setting out the general arrangements for receipt and use of resources from MFA,

WHEREAS MFA hereby agrees to contribute funds to UNDP on a cost-sharing basis for the implementation of the Project,

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

WHEREAS the Government of the Democratic Republic of Congo (DRC) has been duly informed of the contribution of MFA to the Project,

WHEREAS UNDP shall designate an Executing Entity or under the harmonized operational modalities an Implementing Partner for the implementation of the Project (The Executing Agency),

NOW THEREFORE UNDP and MFA hereby agree as follows:

**Article I  
Scope and Objective**

1 This Agreement together with the Framework Agreement sets forth the terms and procedures for MFA's contribution to the Project which is summarized in Annex I to this Agreement and more fully described in the Project Document "*Appui au gouvernement congolais et à la présidence du groupe Afrique dans les négociations climat*" (*Support to the DRC Government and the Presidency of the Africa Group in the Climate Negotiations*) dated of May 4th, 2010.

2. The Goal of the project is to strengthen the technical, operational and political capacities of the Congolese climate negotiation team.

The Purposes of the project are to

- ensure the success of DRC's chairmanship over the African Group in UNFCCC negotiations process up to December 2011
- ensure the respect of DRC's interests in the international system under UNFCCC post 2012

The Expected outcomes are:

- the negotiation team is set up and mobilised,
- external services are efficiently supporting the work of the team,
- the enlarged team of negotiation has the means to function and carry out its mission

**Article II. The Contribution**

1. MFA shall, subject to Parliamentary appropriation and on the terms and conditions set forth in this Agreement, and Article II, Paragraph 5 of the Framework Agreement and in accordance with the schedule of payments set out below, contribute to UNDP an amount not exceeding NOK 12,500,000 (Norwegian kroner twelve million five hundred thousand) to be used exclusively to finance the Project and cover the costs referred to in Article VI, paragraph 1 covering the period May 2010-December 2011 (20 months).

The contribution shall be deposited in DNB NOR Bank ASA, Stranden 21, Aker Brygge, 0021 Oslo, Norway, UNDP Contributions (NOK) Account #7001-02-43287, IBAN# NO4370010243287, SWIFT# DNBANOKK, Bank Code: 00019, Account code: 1001

Tentative schedule of payment:

- a) NOK 5,000,000 upon signing of the Agreement
- b) NOK 4,000,000 upon MFA's approval of the narrative and financial reports for the calendar year 2010.
- c) Up to the remaining funds upon MFA's approval of the narrative and financial reports for the first 6 months of 2011.

UNDP shall promptly upon identification in writing acknowledge receipt of the funds.

2. After consultation with UNDP, MFA may withhold disbursements in case of:
  - (a) substantial deviations from agreed plans and budgets;
  - (b) failure of UNDP to provide the reports in Article IV as agreed;
  - (c) evidence of financial mismanagement of the Project.

MFA may claim repayment in full or in part of funds from the contribution to the extent UNDP has been able to obtain repayment from the negligent party if the funds are found to be misused or not satisfactorily accounted for. Such repayment shall be in accordance with the Financial Regulations and Rules of the UNDP. Before withholding disbursement or reclaiming payment UNDP and MFA shall consult with a view to resolving promptly the matter. UNDP reserves the right to reduce, suspend or terminate the activities, in its sole discretion.

### **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.

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 MFA on a timely basis a supplementary estimate showing the further financing that will be necessary.

3. If the payments referred to in Article II, Paragraph 1 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 MFA or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

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

1. For the implementation of this Agreement MFA shall be represented by the Royal Norwegian Embassy in Luanda, Angola and UNDP by the Team Leader, Poverty Reduction Programme, UNDP DRC. All communication concerning the Project shall be between the abovementioned representatives.

2. Representatives of MFA and UNDP shall have annual consultations once a year, tentatively in February, *in accordance with* the Framework Agreement Article VIII, in order to:

- a. review the progress of the Project
- b. discuss possible revisions of plans and budgets
- c. discuss issues of special concern for the implementation of the Project.

Representatives from DRC will be invited to the annual consultations.

3. The documents specified in the Framework Agreement Articles V and VI shall form the basis for the annual consultations.

4. Project management and expenditures shall be governed by the Financial Regulations and Rules of UNDP. If matters arise during the execution of the Project, which are considered by UNDP of substantive character, UNDP shall inform and consult with MFA. UNDP shall ensure that the contribution is recorded in the accounts of UNDP and reported together with all other non-core (Other resources) contributions to UNDP from Norway.

5. UNDP headquarters and country office shall provide reporting to MFA as outlined in the Framework Agreement prepared in accordance with UNDP accounting and reporting procedures.

6. If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of MFA. The specific nature and frequency of this reporting shall be specified in an annex of the Agreement.

#### **Article V. Evaluation**

All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the DRC Government in consultation with other stakeholders will jointly agree on 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 VI. 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 VII. Management 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, all direct costs of implementation, including the costs of 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 VIII. Audit**

Arrangements for audit of Project activities are as set forth in the Framework Agreement.

#### **Article IX. Completion, termination and amendments**

1. UNDP shall notify MFA when all activities relating to the Project have been completed.
2. After consultations have taken place between MFA, UNDP and the Government of DRC, 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 MFA. 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.

3. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in implementation of the Project up to the date of termination have been satisfied and the Project activities brought to an orderly conclusion.

4. Any payments that remain unexpended after such commitments and liabilities have been satisfied may be utilized for the benefit of other activities within the Project upon agreement between the Parties.

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

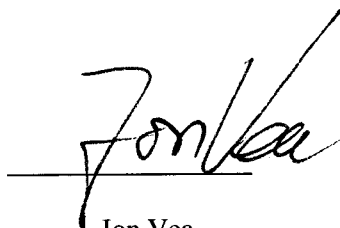
#### **Article X. Entry into Force**

1. This Agreement shall enter into force upon its signature by both Parties and shall remain in force until all obligations arising from it have been fulfilled and all commitments and liabilities incurred in the implementation of the Project have been satisfied. Whether these obligations shall be regarded as fulfilled shall be determined in consultations between the Parties.

IN WITNESS WHEREOF, the undersigned, acting on behalf of their respective institution, have signed the present Agreement in the English language in two copies.

For the Norwegian Ministry of Foreign  
Affairs:

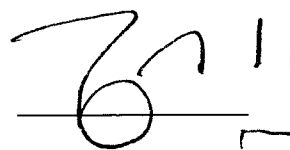
For the United Nations Development  
Programme:



Jon Veia

Ambassador

27<sup>th</sup> of May 2010



Jacob Simonsen

Director

27<sup>th</sup> of May 2010

## **Annex I Agreed Project Summary**

### **Identification of the Project**

- Project Title/Name: Support to the DRC Government and the Presidency of the Africa Group in the Climate Negotiations
- Implementing institution: UNDP

### **Description of the Project**

#### **Goal**

Strengthen the technical, operational and political capacities of the Congolese climate negotiation team.

#### **Purpose**

- ensure the success of DRC's chairmanship over the African Group in UNFCCC negotiations process up to December 2011
- ensure the respect of DRC's interests in the international system under UNFCCC post 2012

#### **Expected outcome**

- the negotiation team is set up and mobilised,
- external services are efficiently supporting the work of the team,
- the enlarged team of negotiation has the means to function and carry out its mission.

#### **Major risk factors (internal and external)**

- political and military situation in DRC
- administrative and financial capacity of DRC

Overall budget

Expected outcomes (including indicators and targets)	Activities	Chronological framework												Planned budget	
		2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	Source	Description	Amount				
<p><b>The negotiation team is set up and mobilised</b></p> <p>Indicators/targets:</p> <ul style="list-style-type: none"> <li>- a core team of full-time dedicated personnel is operational</li> <li>- a network of key experts and part-time personnel regularly supports the process</li> <li>- reports of coordination meetings are produced monthly</li> </ul>	Compensation for the African Group Chair	X	X	X	X	X	X	Norway	Salary	\$120 000					
	Recruitment and compensation for the bilingual senior administrative assistant	X	X	X	X	X	X	UNDP	Contractual service	\$66 500					
	Recruitment and compensation for the bilingual secretary	X	X	X	X	X	X	Norway	Contractual service	\$66 500					
	Compensation for the other full-time dedicated personnel	X	X	X	X	X	X	Co-financing MEONT		\$0					
<p><b>External services are efficiently supporting the work of the team</b></p> <p>Indicators/targets:</p> <ul style="list-style-type: none"> <li>- framework contracts are passed and operated with international consultants and advisors in three complementary fields of expertise (technical, legal and political)</li> <li>- notes and reports are produced, validated by the AG Chair and registered upon each request of the AG Chair and the UNFCCC Focal Point, including but not limited to summary reports for each COP/MOP, AWG and SB meetings</li> </ul>	Compensation for the other full-time dedicated personnel														
	Compensation for the key experts and part-time personnel	X	X	X	X	X	X	Co-financing MEONT and partners		\$0					
	Monthly coordination meetings in Kinshasa with adequate facilities to support international conference calls	X	X	X	X	X	X	Norway	Meetings	\$20 000					
	Support by consultants (two experts) on technical issues related to the five blocks of Bali Roadmap (shared vision, mitigation, adaptation, technology and finance), in preparation to and during meetings of COP/MOP, AWG and SB	X	X	X	X	X	X	Norway	International consulting contract	\$460 000					
	Support by legal expert, in preparation to and during meetings of COP/MOP, AWG and SB	X	X	X	X	X	X	Norway	International consulting contract	\$172 500					
	Support by political and diplomatic expert, during meetings of COP/MOP and AWG	X	X	X	X	X	X	UNDP	International consulting contract	\$172 500					

Expected outcomes (including indicators and targets)	Activities	Chronological framework								Planned budget Description	Amount
		2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	Source		
<p><b>The enlarged team of negotiation has the means to function and carry out its mission</b></p> <p>Indicators/targets:</p> <ul style="list-style-type: none"> <li>- Technical and political meetings directly related to the UNFCCC process are largely covered with relevant level of in-depth (189 meetings staff attended supported by relevant detailed and synthesis reports)</li> <li>- African group coordination meetings are held in a reactive and flexible manner according to the needs and opportunity windows (assessed by reports associated to each activity according to the ToF as validated by the agency)</li> <li>- Relevant means of communication and work (major documents are shared within the AG in both French and English, a web platform supports AG coordination and consultation...)</li> </ul>	Logistics and mobility: attendance to official UNFCCC COP/MOP, AWG and SB meetings	x	x	x	x	x	x	x	Norway	Participation to international conferences and preparatory workshops	\$794 500
	Logistics and mobility: attendance to preparatory and expert meetings	x	x	x	x	x	x	x	Norway	Participation to international workshops and meetings	\$113 750
	Ad hoc budget: regional/internal coordination workshops, participation to SADEC and other High Level meetings, special training programmes...	x	x	x	x	x	x	x	UNDP	Workshops, meetings, training, consultation	\$200 000
	Equipment and operating costs	x	x	x	x	x	x	x	Norway	Contractual services, miscellaneous	\$132 000
<b>Overhead</b>	Administration costs (7%)	x	x	x	x	x	x	x	Norway		\$162 280
<b>Total</b>											<b>\$2 480 530</b>
											\$2 041 530
											\$439 000