

**COST-SHARING AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME
AND
IRISH AID**

SUPPORT TO THE 2007 NATIONAL ELECTIONS

July 2006

**COST-SHARING AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AND IRISH AID (THE DONOR)**

WHEREAS the Donor has informed UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to UNDP on a cost-sharing basis towards execution/implementation of the Support to the 2007 National Elections project,¹

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

WHEREAS the Government of Lesotho has been duly informed of the contribution of the Donor to the programme/project,

WHEREAS UNDP shall designate an Executing Entity or Implementing Partner for the execution/implementation of the programme/project (hereinafter referred to as the "Executing Entity/Implementing Partner"²),

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 US\$ 500,000.00 (Five Hundred Thousand Dollars). The contribution shall be deposited in the UNDP Resident Representative Maloti Account: A/C NO. 021000000407 Nedbank, Maseru Branch.

(b) The Donor will inform UNDP when the contribution is paid via an e-mail message with remittance information to contributions@undp.org

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

¹ The programme/project is described in the project document, project number 00046816, Support to the 2007 National Elections. The project document is formally annexed to this agreement. For UNDP programme activities carried out under the harmonized operational modalities, the project document is comprised of the CPAP and AWP's

² "Implementing Partner" for UNDP programme activities carried out under the harmonized operational modalities and "Executing Entity" for UNDP programme activities not carried out under the harmonized operational modalities.

could be provided by the Donor. Should such further financing not be available, the assistance to be provided to the programme/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 execution/implementation of planned activities. It may be amended to be consistent with the progress of programme/project delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1. The execution/implementation of the responsibilities of UNDP and of the Executing Entity/Implementing Partner pursuant to this Agreement and the programme/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.
2. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavours to obtain the additional funds required.
3. If the payments referred to in Article 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 programme/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.

Article III. Administration and Reporting

1. Programme/project management and expenditures shall be governed by the regulations, rules and directives of UNDP and, where applicable, the regulations, rules and directives of the Executing Entity/Implementing Partner.
2. UNDP headquarters and country office shall provide to the Donor all or parts of the following reports prepared in accordance with UNDP accounting and reporting procedures.

- 2.1 For Agreements of one year or less:

- (a) From the country office (or relevant unit at Headquarters in the case of regional and global projects) within six months after the date of completion or termination of the Agreement, a final report summarizing programme/project activities and impact of activities as well as provisional financial data;
- (b) From UNDP Bureau of Management/Comptroller's Division, 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 UNDP Bureau of Management/Comptroller's Division on completion of the programme/project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the project.

2.2 For Agreements of more than one year:

- (a) From the country office (or relevant unit at Headquarters in the case of regional and global projects) an annual status of programme/project progress for the duration of the Agreement, as well as the latest available approved budget.
- (b) From UNDP Bureau of Management/Comptroller's Division, an annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
- (c) From the country office (or relevant unit at headquarters in the case of regional and global projects) within six months after the date of completion or termination of the Agreement, a final report summarizing programme/project activities and impact of activities as well as provisional financial data.
- (d) From UNDP Bureau of Management/Comptroller's Division, on completion of the programme/project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the project.

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

Article 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 by UNDP for two distinct cost categories related to the provision of support services, namely:

4. UNDP will report on the contribution to its Executive Board in accordance with its regular procedures regarding contributions from foundations. Other forms of recognition and acknowledgement of the contribution are subject to consultations between the Parties, but the manner of such recognition and acknowledgement shall be determined at the sole discretion of UNDP.

Article VIII. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the programme/project have been completed.
2. Notwithstanding the completion of the programme/project, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution/implementation of the programme/project have been satisfied and programme/project activities brought to an orderly conclusion.
3. If the unutilized payments prove insufficient to meet such commitments and liabilities, UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.
4. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Donor.

Article IX. Termination of the Agreement

1. After consultations have taken place between the Donor, UNDP and the programme country Government, and provided that the payments already received are, together with other funds available to the programme/project, sufficient to meet all commitments and liabilities incurred in the execution/implementation of the programme/project, this Agreement may be terminated by UNDP or by the Donor. The Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate the Agreement.
2. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized payments and liabilities incurred in execution/implementation of the programme/project up to the date of termination have been satisfied and programme/project activities brought to an orderly conclusion.
3. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Donor.

Article X. Amendment of the Agreement

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

Article XI. Settlement of Disputes

1. 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 UNCITRAL Conciliation Rules then obtaining, or according to such procedure as may be agreed between the parties.

2. Any dispute, controversy or claim between the Parties arising out of or relating to this agreement or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph within (60) sixty days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. 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.

Article XII- Privileges and Immunities

Nothing in this agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNDP.

Article XIII. Entry Into Force

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 I, 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:

(Name) *Kaddy J. [Signature]*
(Title) *AMBASSADOR*
(Date) *17/3/06*



For the United Nations Development Programme:

(Name) *ERNEST FALGOUTER*
(Title) *RESIDENT REPRESENTATIVE*
(Date) *27.10.31.2006*