

**EUROPEAN UNION
CO-DELEGATION AGREEMENT**

ENI/2015/369-518
(the "Agreement")

The European Union, represented by the European Commission, (the 'Contracting Authority') of the one part,

and

United Nations Development Programme (UNDP)
International Organisation
United Nations Plaza 1
10017 New York
United States

hereinafter the '**Organisation**'

together with the following **Co-delegatees**, collectively referred to as '**Delegates**' where a provision applies without distinction to the Organisation and the Co-Delegates:

United Nations High Commissioner for Human Rights (OHCHR)
International Organisation
United Nations Office
1211 Geneva
Switzerland

United Nations Children's Fund (UNICEF)
International Organisation
United Nations Plaza 3
10017 New York
United States

International Labour Organization (ILO)
International Organisation
Route des Morillons 4
1211 Geneva
Switzerland

of the other part, (individually a "Party" and collectively the 'Parties') have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

- 1.1 This Agreement defines the activities entrusted to the Delegates for the implementation of the Action **Human Rights for All – Support to the Implementation and Monitoring of the National Human Rights Strategy and Action Plan** as described in Annex I (the "Action") consisting in Budget Implementation Tasks and may also include other tasks clearly identified. This Agreement lays down the rules for implementation, for the payment of the EU contribution, and defines the relations between the Delegates and the Contracting Authority.
- 1.2 This Agreement consists of these special conditions (the "Special Conditions") and their annexes.
- 1.3 In the performance of the activities, the Delegates shall:
 - a) apply its own internal control and accounting systems as well as the rules and procedures for an independent external audit which have been positively assessed in the ex-ante pillars assessment. In case the pillar assessment raised some reservations the Organisation shall comply with the ad hoc measures stated in Article 7.

- b) United Nations Development Programme (UNDP) and United Nations Children's Fund (UNICEF) shall apply their own rules for grant award procedures and their own procurement procedures
 - United Nations High Commissioner for Human Rights (OHCHR) and International Labour Organization (ILO) shall apply their own rules only for procurement procedures.
 - c) perform the activities to be implemented under the Agreement in accordance with the principles of Sound Financial Management, transparency and non-discrimination, applying their positively assessed Regulations and Rules.
 - d) be free to use any Regulations and Rules which have not been subject to the ex-ante pillar assessment to the extent that these Regulations and Rules are not in conflict with the provisions of this Agreement.
- 1.4 The Action is a Multi-Donor Action.
 - 1.5 This Agreement is subject to the provisions of the Financial and Administrative Framework Agreement between the European Union and the United Nations of 29 April 2003, as amended.
 - 1.6 The Action is an EU External Action.
 - 1.7 Under this Agreement the Delegates may not delegate activities. The General Conditions on Sub-delegation shall not apply.

Article 1a – Specific provisions for co-delegation agreements

- 1a.1 Co-Delegates are entities implementing part of the Action and being party to this Agreement together with the Organisation. All provisions of Annex II apply to the Organisation and, mutatis mutandis, to all Co-Delegates, subject to the provisions of this Article 1a.
- 1a.2 In addition to the obligations stated in Annex II the Organisation shall:
 - a) monitor that the Action is implemented in accordance with this Agreement and ensure coordination with all Co-Delegates in the implementation of the Action;
 - b) be the intermediary for all communications between the Co-Delegates and the Contracting Authority;
 - c) be responsible for supplying all documents and information to the Contracting Authority which may be required under this Agreement, in particular in relation to the narrative reports, the requests for payment and the relevant management declaration and audit opinions from all delegates. Where information from the Co-Delegates is required, the Organisation shall be responsible for obtaining, verifying and consolidating this information before passing it on to the Contracting Authority. Any information given, as well as any request made by the Organisation to the Contracting Authority, shall be deemed to have been given in agreement with all Co-Delegates;
 - d) inform the Contracting Authority of any event likely to affect or delay the implementation of the Action;
 - e) inform the Contracting Authority as soon as the information is available, of any change in the legal, financial, technical, organisational or ownership situation of any of the Co-Delegates, as well as, of any change in the name, address or legal representative of any of the Co-Delegates;
 - f) be responsible in the event of monitoring and evaluations, as described in Article 10 of Annex II, for collecting and providing all the necessary documents;
 - g) establish the payment requests in accordance with the Agreement;
 - h) be the sole recipient, on behalf of all of the Co-Delegates, of the payments of the Contracting Authority. The Organisation shall ensure that the appropriate payments are then made to the Co-Delegates without unjustified delay;
 - i) where relevant, repay funds to the Contracting Authority in line with Article 15 of Annex II without prejudice to Article 1a.8.
 - j) not delegate any, or part of, the tasks listed above to the Co-Delegates or other entities.
- 1a.3 The Co-Delegates shall:
 - a) carry out the activities as assigned to each Delegate in Annex I, taking all necessary and reasonable measures to ensure that the Action is carried out in accordance with the description of the Action in Annex I and the terms and conditions of this Agreement;
 - b) ensure that the Organisation has or obtains the data needed to draw up the reports, financial statements and other information or documents required by this Agreement and the annexes

- thereto, including any information needed in the event of monitoring or evaluations, as described in Article 10 of Annex II, as well as the relevant Management Declarations and audit or control opinion referred to in Articles 3.9 to 3.13 of Annex II (this does not apply to those documents and Co-Delegates that fall within an agreement with the European Commission to provide either of them annually);
- c) ensure that all information to be provided and requests made to the Contracting Authority are sent via the Organisation;
 - d) agree with the Organisation upon appropriate internal arrangements for the internal coordination and representation of the Co-Delegates vis-a-vis the Contracting Authority for any matter concerning this Agreement, consistent with the provisions of this Agreement and in compliance with the applicable legislation(s).
 - e) be responsible in the event of audits and checks, as described in Article 17, of Annex II for providing all the necessary documents, without prejudice to Article 1a.7;
- 1a.4 Article 13 of Annex II is amended as follows:
- i) in the first paragraph of Article 13.1 of Annex II, “may terminate” shall be replaced by the “may terminate or partially terminate” and the “the Organisation” shall be replaced by the “a Delegatee”. In addition to Article 13.1 and in respect thereof, the Contracting Authority shall discuss prior to termination the possible reallocation of the tasks and responsibilities of the Delegatee which is terminated among the remaining Delegates, or on its possible replacement by a third party.
 - ii) in the first sentence of paragraph 1 of Article 13.3 of Annex II, the terms “either Party” shall be replaced by the terms “the Contracting Authority or the Organisation, on behalf of all Delegates,”
 - iii) In addition to Article 13 of Annex II, in duly justified cases, the participation of any one or several Delegates in the Agreement may be terminated by the Organisation acting on request of that Delegatee or those Delegates, or on behalf of all the other Co-Delegates. When notifying such termination to the Contracting Authority, the Organisation shall include the reasons for the termination of the participation, the opinion of the Delegatee or Delegates the participation of which is terminated, and the date on which the termination shall take effect, as well as a proposal on the reallocation of the tasks and responsibilities of the Delegatee or those Delegates whose participation is terminated, or the nomination of one or more replacements. The proposal shall be sent in good time before the termination is due to take effect. Before taking its decision, the Contracting Authority shall give the concerned Delegatee the opportunity to provide observations. If the Contracting Authority does not agree, either Party may terminate the Agreement in accordance with Article 13.3 of Annex II. An amendment to the Agreement shall be made, in order to introduce the necessary modifications in accordance with Article 11 of Annex II.
- 1a.5 In the case of termination of the participation of a Delegatee in accordance with Article 1a.4 i) or iii), the final payment regarding the activities allocated to the Delegatee concerned shall be included in the next payment request following termination communicated to the Contracting Authority.
- 1a.6 The Contracting Authority may suspend the participation of a Delegatee in the Agreement for the reasons referred to in Article 12.6 and 12.7 of Annex II.
- 1a.7 Where the Organisation and a Co-Delegatee have both concluded framework agreements with the European Commission only the framework agreement of the Organisation shall apply for the purpose of this Agreement. Notwithstanding the foregoing, where a Co-Delegatee has agreed on arrangements for Management Declaration and/or Audit or Control Opinion, or arrangements for verifications such arrangements shall continue to apply.
- 1a.8 Each Delegatee shall be financially responsible solely for the part of the Action to be implemented by it (including by its Contractors and Grant Beneficiaries), as set out in the Annex I, or for the activities assigned to it during the implementation of the action in case these are not defined in the Annex I. The Contracting Authority shall recover any unduly paid or incorrectly used funds directly from the Organisation unless the Organisation can demonstrate that amounts to be recovered under this Agreement only relate to activities that have or should have been implemented by a Co-Delegatee in accordance with Annex I. In such case the Contracting Authority will recover directly from the concerned Co-Delegatee defaulting Party.

- 1a.9 Where one of the Delegates is an International Organisation Article 14.4.b of Annex II shall apply to the entire Agreement. In case a dispute does not concern all co-delegates, the dispute settlement mechanism foreseen in Article 14.4.b will apply between the Contracting Authority and the relevant Co-Delegate(s).

Article 2 - Entry into Force, Execution Period, Implementation Period and Contracting Deadline

Entry Into Force

- 2.1 The Agreement shall enter into force on the date when the last of the Parties signs.

Execution Period

- 2.2 The Execution Period of this Agreement shall start at the entry into force of this Agreement as provided for in Article 2.1. The end of the execution period shall be the End Date referred to in Article 13.5 of Annex II.

Implementation Period

- 2.3 The Implementation Period of the Agreement (the "Implementation Period") shall commence on: **1st of January 2016**.
- 2.4 The Implementation Period of the Agreement as laid down in Annex I is **36 months**. Upon adequate justification either Party may request the extension of the Implementation Period in accordance with Article 11 of Annex II.

Contracting Deadline

- 2.5. Individual Procurement and Grant contracts implementing this Agreement shall be signed by the Delegates (or the Sub-delegates) no later than thirty six (36) months from the date of entry into force of this Agreement.

Article 3 - Financing the Action

- 3.1 The total cost of the Action¹ is estimated at **EUR 4,210, 526.33**. The Contracting Authority undertakes to provide EU contribution up to a maximum of **EUR 4,000,000.00**². The final amount will be established in accordance with Articles 15 to 18 of Annex II.

Remuneration

- 3.2 The remuneration of the Delegates by the Contracting Authority for the implementation of the activities entrusted under this Agreement shall be **7.00%** of the final amount of accepted expenditure of the Action.
- 3.3 Interest generated on pre-financing received by the Delegates shall not be due.

Article 4 - Narrative and Financial Reporting and Payment Arrangement

- 4.1 Payments to the Organisation shall be made in accordance with Article 19 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment	EUR 1,589,594.13
Second pre-financing instalment	EUR 1,188,865.79
Third pre-financing instalment	EUR 1,163,371.50
Forecast balance	EUR 58,168.58

Article 5 – Communication language and contacts

- 5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English. If requested by the Contracting

¹ This amount is introduced only for indicative purposes. It is an estimation and its evolution does not condition the EU contribution.
² Acceptable expenditures + remuneration + exceptionally the categories of costs of article 3.4.

Authority they shall be accompanied by a translation or a summary in English or French where the language of the Agreement is not English or French.

5.2 Any communication relating to the Agreement shall be in writing, shall state the number and/or title of the Action, and shall use the following addresses below.

5.3 Any communication relating to the Agreement, including payment requests and attached reports, and requests for changes to bank account arrangements shall be sent to:

For the Contracting Authority

European Commission

Delegation of the European Union to Georgia
For the attention of Contracts and Finance Section
38 Nino Chkheidze St.
0102 Tbilisi, Georgia

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

European Commission

Delegation of the European Union to Georgia
For the attention of Operations Section
38 Nino Chkheidze St.
0102 Tbilisi, Georgia

For the Organisation:

UNDP Georgia
UN House
9, Eristavi St.
0179 Tbilisi
Georgia

5.4 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.

5.5 The contact point within the Delegates which shall have the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate the latter's operational activities shall be:

The OLAF contact point within UNDP:

Investigations Section of the Office of Audit and Investigations,
United Nations Development Programme,
220 East 42nd Street, 23rd Floor,
New York, NY 10017 USA

The OLAF contact point within UNICEF:

Mr Daniel Temme,
Acting Director Office of Internal Audit & Investigation,
United Nations Children's Fund
United Nations Plaza 3
New York, NY 10017 USA

The OLAF contact point within ILO:

Mr Anthony Watson,
Chief Internal Auditor.
International Labour Organization
Route des Morillons 4
1211 Geneva, Switzerland

The OLAF contact point within OHCHR:

Ms Mercedes Morales, Chief of Donor and External Relations Section
United Nations High Commissioner for Human Rights
Pallas des Nations CH-1211
Geneva 10, Switzerland.

- 5.6 All communications to the Contracting Authority concerning the Central Exclusion Database shall be submitted by the Organisation to the Contracting Authority at the address stated in Article 5.3.

Article 6 - Annexes

- 6.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

- Annex I: Description of the Action (including the Logical Framework of the Project)
Annex II: General Conditions applicable to Delegation Agreements or PA Grant Agreements (Part III on PA Grant Agreements does not apply)
Annex III: Budget for the Action
Annex IV: Financial Identification Form
Annex V: Standard Request for Payment
Annex VI: Communication and Visibility Plan
Annex VII: Management Declaration template

- 6.2. In the event of a conflict between the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II (General Conditions) and those of the other Annexes, the provisions of Annex II shall take precedence.

Article 7 – Additional specific conditions applying to the Action

- 7.1. The following shall supplement the General Conditions:

7.1.1 Where the implementation of the Action requires the setting up or the use of an administrative or management structure exclusively dedicated to the action and/or a local infrastructure in the partner country (field office), the Delegates may declare as acceptable expenditures the capitalised and operating costs of the administrative or management structure if all the following conditions are fulfilled:

- a) They comply with the acceptable expenditures criteria referred to in Article 18.1 or 25.1 of the General Conditions;
- b) They fall within one of the following categories:
 - i) costs of staff, including administration and management staff, directly assigned to the operations of the dedicated structure or local infrastructure. Notwithstanding Article 18.1 of the General Conditions, the tasks listed in the Description of the Action (Annex I), undertaken by staff assigned to the dedicated structure or local infrastructure will be directly attributable to the implementation of the Action.
 - ii) travel and subsistence costs for staff and other persons directly assigned to the operations of the dedicated structure or local infrastructure;
 - iii) depreciation costs, rental costs or lease of equipment and assets composing the dedicated structure or local infrastructure.
 - iv) costs of maintenance and repair contracts specifically awarded for the operations of the dedicated structure or local infrastructure;
 - v) costs of consumables and supplies specifically purchased for the operations of the dedicated structure or local infrastructure;
 - vi) costs of IT and telecommunication services specifically purchased for the operations of the dedicated structure or local infrastructure;
 - vii) costs of energy and water specifically supplied for the operations of the dedicated structure or local infrastructure;
 - viii) costs of facility management contracts including security fees and insurance costs specifically awarded for the operations of the dedicated structure or local infrastructure;

- c) The Delegates declare the acceptable expenditures of the dedicated structure as actual costs or for staff costs on the basis of unit costs determined by the Delegates according to its usual accounting practice³.
- d) The Delegates declare as acceptable expenditure only the portion of the capitalised and operating costs of local infrastructure which corresponds to the duration of the Action and
 - i) the rate of actual use of local infrastructure for the purposes of the Action; or
 - ii) the rate of use of local infrastructure for the purposes of the Action, determined by the Delegates on the basis of a simplified allocation method, provided that the allocation method is compliant with the Delegates' usual accounting and management practices, applied in a consistent manner regardless of the source of funding, and based on an objective, fair and reliable allocation key.

7.1.2 In addition to the obligations stated in Article 1a8, the Organisation shall serve as the administrative interface between the Contracting Authority, other donors and the Participating UN Organisations. The monitoring task established in Article 1a2a of this Agreement shall be implemented in accordance with the mandate of the UN Administrative Agent.

7.1.3 In addition to the tasks described in 1a2, the Organisation shall act as Administrative Agent for the UN Organisations and will therefore:

- i) Receive financial contributions from all donors that wish to provide financial support to the Action;
- ii) Administer the funds received, in accordance with its applicable rules & regulations, including the provisions relating to winding up the Action and related matters;
- iii) Subject to availability of funds, disburse such funds to each of the Participating UN Organisations in accordance with instructions from the Steering Committee, taking into account the budget set out in the approved programmatic document/Joint Programme Document⁴, as amended in writing by the Steering Committee;
- iv) consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organisation, as set forth in the TOR/Joint Programme Document, and provide these to each donor that has contributed to the Fund/Programme Account and to the Steering Committee;
- v) Provide final reporting, including notification that the Action has been operationally completed;
- vi) Disburse funds to a Participating UN Organisation for any additional costs of the tasks that the Steering Committee may decide to allocate in accordance with the TOR/Joint Programme Document.

7.1.4 A coordination mechanism (referred to as the "Steering Committee")⁵ to facilitate the effective and efficient collaboration between the Participating UN Organizations and the host Government for the implementation of the Fund or Programme shall be established. The detailed description of key roles, responsibilities and functions of the Steering Committee is provided in Annex I ("Description of the Action").

7.1.5 Without prejudice to points 1a2a to 1a2j of Article 1a2 in this Agreement, the Organisation shall be solely responsible for the performance of tasks assigned to it in the specific agreement between itself and the Co-Delegates.

7.2. The following derogations from the General Conditions shall apply:

7.2.1 By derogation from Article 3 of Annex II, the Organisation shall provide the Contracting Authority with the following reports, in the same language as the Agreement, based on the reports provided by each UN Participating Organisation and prepared in accordance with the accounting and reporting procedures applicable to it:

³ Since the administrative and management structure is exclusively dedicated to the action the simplified allocation method of costs (which can be used in case of field offices) cannot be used.

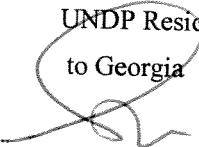
⁴ As used in this document, an approved programmatic document refers to an annual work plan or programme/project document, etc., which is approved by the Steering Committee for fund allocation purposes.

⁵ The Steering Committee (SC) is co-Chaired by the Government and the UN Resident Coordinator (RC) or the Deputy Special Representative of the Secretary General (DSRSG). Members include the UN and government representatives and may also include donors. The decision on the inclusion of donors is taken at the country level. Steering Committee composition ensures the principles of national ownership, inclusiveness and balanced representation, as well as the need to have a manageable size for decision-making effectiveness.

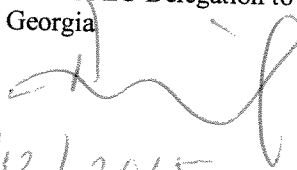
- i) Annual consolidated narrative progress reports to be provided no later than five months (31 May) after the end of the calendar year;
- ii) Annual consolidated financial reports, as of 31 December with respect to the funds disbursed from the Fund/Programme Account, to be provided no later than five months (31 May) after the end of the calendar year;
- iii) Final consolidated narrative report to be provided no later than six months of the year following the financial closing of the Action and/or end of implementation period whichever comes first;
- iv) In case of multi-donor actions which continue after the end of the implementation period of this Agreement, final consolidated financial report, based on uncertified final financial statements and final financial reports, to be provided no later than six months (30 June) of the year following the financial closing of the Action and/or end of implementation period, whichever comes first.

Done in Tbilisi, Georgia, in three originals in the English language, two for the Contracting Authority and one for the Delegates.


For the Organisation

Name Mr Niels Scott
 Position UNDP Resident Representative to Georgia
 Signature 
 Date 31/12/2015

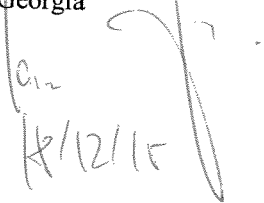
For the Contracting Authority

Name Mr Janos Herman
 Position Head of EU Delegation to Georgia
 Signature 
 Date 14/12/2015


For OHCHR

Name Mr Zeid Ra'ad Al Hussein
 Position High Commissioner for Human Rights
 Signature 
 Date 22/12/2015

For UNICEF

Name Mr Sascha Graumann
 Position UNICEF Representative in Georgia
 Signature 
 Date 18/12/15

For ILO

Name Mr Zsolt Dudas
 Position Chief Technical Advisor
 Signature 
 Date 18/12/2015