THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN
THE CUSTODIAN OF THE TWO HOLY MOSQUES CAMPAIGN
FOR RELIEF OF THE PALESTINIAN PEOPLE IN GAZA (THE DONOR)
AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis for the execution of Constructing 100 housing units to re-housing the affected Palestinian families in the Gaza Strips in Occupied Palestinian Territory,.

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

WHEREAS the Government of Palestinian Authority has been duly informed of the contribution of the Donor to the project,

WHEREAS UNDP shall designate an Executing Entity /for the execution of the project (the Executing Entity),

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 (Seven Millions, and Six Hundred Thousands US dollars). The contribution shall be deposited in the following Bank Account

   Name of the Bank: ARAB BANK
   Bank Branch: Al-Ram Branch, Ramallah, West Bank
   Branch Number: 861
   Account Name: UNDP/PAPP
   Account number: 462762-8-511
   Swift Code: ARAB PS 22

1 The programme/project is described in the project document [project no. and title]. 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 AWPs.
Name of the Bank: SAMBA  
Bank Branch: Riyadh Branch, Saudi Arabia  
Account Name: UNDP  
Account number: 190050-1

Schedule of payments^2

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upon signature of this agreement</td>
<td>20%</td>
</tr>
<tr>
<td>Upon submission of approved detailed design and financial report</td>
<td>30%</td>
</tr>
<tr>
<td>Upon completion of 80% of concrete works and approved technical and financial report</td>
<td>40%</td>
</tr>
<tr>
<td>Upon completion of 80% of Infrastructure related works</td>
<td>10%</td>
</tr>
</tbody>
</table>

(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 could be provided by the Donor. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the execution of planned activities. It may be amended to be consistent with the progress of project delivery.

4. UNDP shall receive and administer the payment in accordance with the 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 of the responsibilities of UNDP and of the Implementing Partner pursuant to this Agreement and the project document shall be dependent on receipt by UNDP of the contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above.

^2 It is recommended that country offices negotiate the number of installments to ensure at least six months' anticipated disbursements are funded with each installment. This will make processing of contributions and reporting more efficient for the country offices.
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 Endeavour's 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 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 and shall be utilized in accordance with established UNDP procedures.

**Article III. Administration and reporting**

1. 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 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/Office of Finance and Administration, an annual certified financial statement as of 31 December to be submitted no later than 30 June of the following year;

   (c) From UNDP Bureau of Management/Office of Finance and Administration on completion of the 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 report of project progress for the duration of the Agreement, as well as the latest available approved budget.

   (b) From UNDP Bureau of Management/Office of Finance and Administration, 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 project activities and impact of activities as well as provisional financial data.

   (d) From UNDP Bureau of Management/Office of Finance and Administration, on completion of the 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 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 5%. Furthermore, as long as they are unequivocally linked to the specific project(s), 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 V. Evaluation

All UNDP programmers' and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of [Paleshinian Authority] 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. Auditing

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 the biennial Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to the Donor.
Article VIII. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the project have been completed.
2. Notwithstanding the completion of the project, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution of the project 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 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 project, sufficient to meet all commitments and liabilities incurred in the execution/implementation of the 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 all or part of this Agreement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution of all or part of the project, for which this Agreement has been terminated, have been satisfied and 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. 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 Custodian of the Two Holy Mosques
Campaign for Relief of the Palestinian People
in Gaza:

Name: Dr. Sa'ad Al-Arabi Al-Hathy
Title: The Advisor of the Minister of Interior
Head of Saudi Campaign for Relief of Palestinian People in Gaza
Date: 22/3/2009

For the United Nations Development Programme:

Name: Ms. Marta Ruedas
Title: the resident Representative, UNDP, Lebanon
For the Special Representative of the Administrator,
UNDP/PAP
Date: 22/3/2009