

**FINANCING AGREEMENT FOR THIRD PARTY DONORS  
BETWEEN THE GOVERNMENT OF BELGIUM (THE DONOR) AND  
THE UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF/the RECIPIENT)**

WHEREAS the Government of Belgium, acting through its Directorate-General for Development Cooperation, hereby agrees to contribute funds (hereinafter referred to as “the Contribution”) to the United Nations Capital Development Fund (hereinafter “UNCDF” and/or the “Recipient” for the implementation of “*LoCAL Project - Tuiwezeshe Pwani Yetu Programme for Promoting Resilient Coastal Communities and Local Economies through the Local Climate Adaptive Living (LoCAL) Mechanism (Phase II)*” (hereinafter referred to as “the Project”), as described in the Country Framework LoCAL Project Document , in Tanzania and submitted to the Government of Belgium for information.

WHEREAS the Government of Belgium and UNDP signed a Framework Agreement on 20 September 2016 (hereinafter the “Framework Arrangement”). The provisions applicable to earmarked contributions to programmes/ projects of the Framework Arrangement and the specific conditions set forth below apply to the present Terms and Conditions of the Contribution. Obligations in the Framework agreement pertaining to UNDP shall be assumed by UNCDF.

WHEREAS UNCDF is prepared to receive and administer the Contribution for the implementation of the Project,

WHEREAS the Government of Tanzania has been duly informed of the Contribution of the Government of Belgium to “the Project”,

WHEREAS UNCDF shall designate an Implementing Partner for the implementation of “the Project” (hereinafter referred to as the “Implementing Partner”),

NOW THEREFORE, UNCDF and the Government of Belgium hereby agree as follows:

**Article I. The Contribution**

1. (a) The Government of Belgium shall, in accordance with the schedule of payments set out below, contribute to UNCDF the Contribution amount of 4,000,000 euros, including a coordination levy of 39,603.96 euros to be paid as 1% for each installment.

Schedule of Payment <sup>1</sup>		Contribution to UNCDF including levy 1%
tranche 1	On or before 31st December 2023	€900,000
tranche 2	On or before 31st December 2024	€1,100,000

<sup>1</sup> 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.

tranche 3	On or before 31st December 2025	€1,650,000
tranche 4	On or before 31st December 2026	€350,000
TOTAL		€ 4,000,000

The Contribution shall be deposited in the following [bank and bank account<sup>2</sup>,

<b>Contribution Account:</b>	UNDP Contributions (EURO) Account
<b>Bank Name:</b>	Bank of America
<b>Address:</b>	5 Canada Square, London, E14 5AQ, UK
<b>Account Number:</b>	600862722022
<b>IBAN:</b>	GB59BOFA16505062722022
<b>SWIFT Code:</b>	BOFAGB22

(b) UNCDF's project proposal ("*LoCAL Project - Tuiwezeshe Pwani Yetu Programme for Promoting Resilient Coastal Communities and Local Economies through the Local Climate Adaptive Living (LoCAL) Mechanism (Phase II)*") and the annexes as submitted to the Government of Belgium, are an integral part of this specific agreement for the award and use of the Contribution.

(c) The Contribution will be paid in four (4) installments.

- The first instalment will be paid upon receipt of UNCDF's countersignature of this Specific Agreement and upon receipt of a formal request for the payment of the contribution stating UNDP's bank account for the payment.
- The second, third, and fourth installments will be paid in accordance with the tentative schedule indicated under article 1/(a) upon submission by UNCDF of a financial statement proving that at least 70% of the previous installment has effectively been spent and on the condition that financial and narrative reports relating to the previous year of implementation of the project have been received.

d) When making the transfer, the Government of Belgium will follow the procedure provided for by paragraph 5.2 of the Framework Arrangement. UNCDF will acknowledge receipt, in writing, of the received payment, in accordance with paragraph 4.5 of the Framework Arrangement. The Parties acknowledge and agree that UNCDF will not start the activities under the Agreement until the funding has been received from the Government of Belgium.

e) The Contribution will be paid in euros. The United States Dollars' value of the Contribution will be determined in accordance with paragraph 4.6 of the Framework Arrangement.

f) The Government of Belgium will inform UNCDF when the Contribution is paid via an e-mail message with remittance information to [uncdf.contributions@uncdf.org](mailto:uncdf.contributions@uncdf.org), providing the following information: donor's name, UNCDF country office, the Project Title, donor reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNCDF.

<sup>2</sup> Please note that the currency of the bank account should be the same as the currency of the contribution

2. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of Project delivery.
3. UNCDF shall receive and administer the payment in accordance with the rules, regulations, policies and procedures of UNCDF in accordance with paragraph 4.1 of the Framework Arrangement.
4. All financial accounts and statements shall be expressed in United States dollars.

## **Article II. UN Coordination levy**

Pursuant to paragraphs 10(a) of United Nations General Assembly Resolution A/RES/72/279 (31 May 2018), the Government of Belgium agrees that an amount corresponding to 1% of the contribution to UNDP shall be disbursed by the Government of Belgium to UNDP for transfer to the UN Secretariat on the Government of Belgium's behalf, to finance the UN Resident Coordinator System. This amount, hereinafter referred to as the "coordination levy" will be held in trust by UNDP until transfer to the UN Secretariat for deposit into the UN Special Purpose Trust Fund, which has been established to finance the UN Resident Coordinator System and is managed by the UN Secretariat.

The Government of Belgium acknowledges that once the coordination levy has been transferred by UNDP to the UN Secretariat, UNDP is not responsible for the use of the coordination levy and does not assume any liability. The fiduciary responsibility lies with the UN Secretariat as the manager of the UN Resident Coordinate system.

The coordination levy does not form part of UNDP's cost recovery and is additional to the costs of the UNDP to implement the activity or activities covered by the contribution. Accordingly, there is no requirement 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 the Government of Belgium, and especially where the scale of the resources concerned, or reputational risk justify the refund transaction costs, the Government of Belgium can submit a request for refund to the UN Secretariat directly or through UNDP. The responsibility to refund the levy lies with the UN Secretariat and not with UNDP.

The coordination levy for this agreement is 39,603.96 euros. The payment schedule referenced under Article I 1(a), provides the breakdown of the disbursements of the coordination levy and the payments of the contribution.

## **Article III. Utilization of the Contribution**

1. The implementation of the responsibilities of UNCDF and of the Implementing Partner pursuant to this Agreement and the Project document shall be dependent on receipt by UNCDF of the Contribution in accordance with the schedule of payment as set out in Article I, paragraph 1,

above. UNCDF shall not start the implementation of the activities prior to receiving the first tranche of the Contribution (whichever is applicable).

2. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNCDF shall submit to the Government of Belgium on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government of Belgium shall use its best endeavors to make available to UNCDF the additional funds required. All losses (including but not limited to losses as result of currency exchange fluctuations) shall be charged to the Project.

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 Government of Belgium or other sources, the assistance to be provided to "the Project" under this Agreement may be reduced, suspended or terminated by UNCDF .

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

1. Project management and expenditures shall be governed by the regulations, rules policies and procedures of UNCDF and, where applicable, the regulations, rules, policies and procedures of the Implementing Partner.

2. UNCDF shall provide to the Government of Belgium the following reports in accordance with UNDP accounting and reporting procedures.

##### **2.1 (For agreements of more than one year please add the following clauses)**

- (a) From the country office (or relevant unit at headquarters in the case of regional and global projects) an annual status report of "the Project" progress for the duration of this Agreement, as well as the latest available approved budget.
- (b) From UNCDF Bureau for Management Services/Offices of Financial Resources Management, 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 this Agreement, a final report summarizing "the Project" activities and impact of activities as well as provisional financial data.
- (d) From UNCDF Bureau for Management Services/Offices of Financial Resources Management, 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, or upon the Government of Belgium's request, UNCDF may provide more frequent reporting at the expense of the Government of Belgium. The nature and frequency of this reporting shall be detailed in an annex to this Agreement.

#### **Article -V. General Management Support services**

1. In accordance with the decisions, policies and procedures of UNCDF'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 UNCDF 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 at least 8% in accordance with the UNCDF's cost recovery policy approved by the UNCDF Board and in force at the time of the signature of the present Agreement. Furthermore, as long as they are unequivocally linked to the Project, all direct costs of implementation, including the costs of 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 (including direct costs, GMS and, when applicable, the coordination levy) shall not exceed the total resources available to the Project through the Contribution paid by the Government of Belgium.

#### **Article VI. Reporting, Monitoring and Evaluation**

UNCDF will carry out the reporting, monitoring, evaluation and audit function in accordance with the paragraphs 6.2, 6.3 and 6.4 of the Framework Agreement.

All UNCDF Programmes and Projects are evaluated in accordance with UNCDF Evaluation Policy. UNCDF and the Government of Tanzania 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. UNCDF shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the Financial Regulations and Rules, policies and procedures of UNCDF. Should the annual Audit Report of the UN Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the Government of Belgium by the country office. If the referenced internal and/or external auditor's Audit Report should include observations about the way the Contribution is used, UNCDF commits to inform the Government of Belgium and to update the Government of Belgium of its answer and potential actions to correct the situation where appropriate and in line with its financial regulations, rules and procedures

### **Article VI-B. Equipment**

Ownership of equipment, supplies and other properties financed from the Contribution shall vest in UNCDF. Matters relating to the transfer of ownership by UNCDF shall be determined in accordance with the relevant policies and procedures of UNCDF.

### **Article VIII. Completion of the Agreement**

1. UNCDF shall notify the Government of Belgium when all activities relating to “the Project” have been completed in accordance with the Project document.
2. Notwithstanding the completion of “the Project”, UNCDF shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of “the Project” have been satisfied and Project activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNCDF shall notify the Government of Belgium and consult with the Government of Belgium on the manner in which such commitments and liabilities may be satisfied.
4. In cases where the Project is completed in accordance with the project document any funds below, equal or exceeding 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated in accordance with the paragraphs 5.10.3 of the Framework Arrangement.

### **Article IX. Termination of the Agreement**

1. This Agreement may be terminated by UNCDF or by the Government of Belgium after consultations between the Donor, UNCDF and the programme country Government, and provided that the funds from the Contribution 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 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 this Agreement.
2. Notwithstanding termination of all or part of this Agreement, UNCDF shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of all or the part of “the Project” have been satisfied and Project activities brought to an orderly conclusion.
3. In cases where this Agreement is terminated before Project completion any funds below, equal or exceeding 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated in accordance with the paragraphs 5.10.3 of the Framework Arrangement.

## **Article X. Fraud and Anti-Corruption Measures**

The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNCDF shall maintain standards of conduct to govern the performance of its staff, including of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNCDF Financial Regulations and Rules, and the UNCDF Procurement Manual.

Where appropriate and in line with its financial regulations, rules and procedures, UNCDF will provide as soon as possible information and corrective measures to the Government of Belgium relating to any instances of credible allegation of fraud or corruption with regards to the contribution in accordance with UNCDF Policy against Fraud and other Corrupt Practices

## **Article XI. Anti-Terrorism Measures**

Consistent with numerous United Security Council resolutions, including S/RES/1269 (1999), S/RES 1368 (2001), and S/RES/1373 (2001), both the Government of Belgium and UNDP are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of UNDP to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use reasonable efforts to ensure that none of the Government of Belgium funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

### **Article XI-B SEAH Provisions**

1.

a. Sexual exploitation and abuse

The Government of Belgium and /UNCDF have a zero tolerance for inaction approach to tackling sexual exploitation and abuse (“SEA”).<sup>3</sup> This means the UNCDF and its implementing partners will take all reasonable steps to prevent SEA by both its employees and any implementing partner and respond appropriately when reports of SEA arise, in accordance with their regulations, rules, policies and procedures. Unless inconsistent with a specific regulation, rule, policy or procedure governing UNCDF, then UNCDF will apply the IASC Six Core Principles Relating to Sexual Exploitation and Abuse (Annex I) and the following principles and practices when implementing the activities under this arrangement and provide evidence to demonstrate this where required:

- a) Adherence to the IASC-Minimum Operation Standards on “Protection from sexual exploitation and abuse by own personnel” and/or [the] SEA elements of the Core Humanitarian Standard on Quality and Accountability;

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<sup>3</sup> See UNSG Bulletin ST/SGB/2003/13 for the definition of sexual exploitation and abuse.

- b) A victim/survivor-centred approach<sup>4</sup> to SEA issues;
- c) Strong leadership and signaling on tackling SEA;
- d) Make all reasonable efforts to address gender inequality and other power imbalances;
- e) Reporting to enhance accountability and transparency;
- f) Ensure that SEA standards from this arrangement are reflected in funding templates with implementing partners, [for UN entities: by means such as, but not limited to, adherence to the United Nations Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners].

#### b. Sexual harassment

The Government of Belgium and UNCDF have a zero tolerance for inaction approach to tackling sexual harassment (“SH”).<sup>5</sup> This means UNDP will take all reasonable steps to prevent SH and respond appropriately when reports of SH arise, in accordance with its regulations, rules, policies and procedures.

Unless inconsistent with a specific regulation, rule, policy or procedure governing UNCDF, then UNCDF will apply the following principles and practices when implementing the activities under this arrangement:

- a) A victim/survivor-centred approach to SH issues;
- b) Strong leadership and signaling on tackling SH;
- c) Make all reasonable efforts to address gender inequality and other power imbalances;
- d) Reporting to enhance accountability and transparency;

## 2. UNCDF will adhere to the following requirements:

### a. Allegations of SEA

(i) UNCDF will promptly report all allegations of SEA credible enough to warrant an investigation through the Secretary-General’s reporting mechanism (the “Report”).

(ii) When UNCDF reports an allegation of SEA to, or becomes aware of an allegation reported through, the Report that is (i) directly related to the activities funded by this arrangement or, (ii) would have a significant impact on the partnership between UNCDF and the Government of Belgium, UNCDF will promptly notify DGD Director-General Heidi Rombouts (Heidy.rombouts@diplobel.fed.be) of the report made and the relevant arrangement number, if applicable and provide information containing the level of detail that UNCDF is aware of.

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<sup>4</sup> A victim/survivor centered-approach is one for which the victim/survivor’s dignity, experiences, considerations, needs, and resiliencies are placed at the center of the process, from the initial program design to investigating and responding to potential incidents. Consistent with the UN Protocol on Allegations of SEA Involving Implementing Partners, the victim/survivor should be informed, consulted during the decision-making process, and provide consent on the possible use and disclosure of their information. Those interacting with the victim/survivor and/or handling information regarding the allegation will maintain confidentiality, ensure safety of the victim/survivor, and apply victim/survivor-centered principles which are safety, confidentiality, respect, and non-discrimination. When the victim/survivor is a child, the approach will consider the best interests of the child and engage with the family/caregivers as appropriate. Staff and partners should comply with host country and local child welfare and protection legislation and international standards, whichever gives greater protection.

<sup>5</sup> See the UN System Model Policy on Sexual Harassment and the UN Secretary-General’s Bulletin ST/SGB/2019/8 for the uniform definition of sexual harassment in the UN System.



(iii) Upon request from the Government of Belgium, UNCDF agrees to provide further available relevant information UNCDF is aware of for allegations notified under paragraph 2a (ii) including about subsequent measures taken by UNCDF, unless disclosure of such information would be inconsistent with UNCDF's regulations, rules, policies and procedures concerning disclosure of information

b. Allegations of SH

(i) UNCDF will report allegations of sexual harassment and measures taken through existing reporting mechanisms.

(ii) Where UNCDF has determined that the allegations would have a significant impact on the partnership between the Recipient and the Government of Belgium, the Recipient will promptly notify DGD Director-General Heidi Rombouts ([Heidy.rombouts@diplobel.fed.be](mailto:Heidy.rombouts@diplobel.fed.be)) and provide information containing the level of detail of the existing reporting mechanisms.

(iii) Upon request from the Government of Belgium, the Recipient agrees to provide further available relevant information, that UNCDF is aware of unless disclosure of such information would be inconsistent with the Recipient's regulations, rules, policies and procedures concerning disclosure of information.

3. It is understood and accepted that UNCDF's arrangement to report on SEA and SH will be performed in accordance with UNCDF's regulations, rules, policies and procedures, including its rules on confidentiality, and is subject to not compromising the safety, security, privacy and due process rights of any concerned persons.

4. When UNCDF becomes aware of reasonable suspicions, complaints or reports of SEA or SH by its personnel, UNCDF will, as appropriate under its regulations, rules, policies, and procedures, take reasonable, swift and appropriate action to stop harm occurring, investigate and report to relevant authorities (for potential criminal matters), as appropriate and when safe to do so, after considering the wishes of the victim/survivor.

5. The Government of Belgium or any of its duly authorized representatives may, in accordance with agreed mutually accepted terms of reference, carry out reviews or evaluations or other assessment measures to verify UNCDF's zero tolerance for SEA and SH, provided that such measures are consistent with the single audit principle governing the UN, if applicable. UNCDF will fully cooperate within the scope of the terms of reference with any such reasonable requests by the Government of Belgium or any of its duly authorized representatives or agents to carry out such measures.

6. Any information or documentation provided in accordance with these provisions will be treated by the Government of Belgium with utmost discretion in order to ensure, *inter alia*, the probity of any investigation, protect sensitive information, ensure the safety and security of persons and respect the due process rights of all involved. The Government of Belgium will presume information/documentation to be confidential, deliberative, and investigatory and will ensure that information/documentation provided to the Government of Belgium will be available solely to those who strictly require access to such information/documentation. Any disclosure of such information/documentation beyond such personnel will require notification

and consultation with UNCDF. The Government of Belgium will obtain the express written authorization of UNCDF before disclosing any such information/documentation in a judicial proceeding or to the public, unless disclosure is otherwise required by law applicable to the Government of Belgium and is not subject to UNCDF's privileges and immunities under international and/or national law (such as information/documentation constituting UN archives).

7. Unless the regulations, rules, policies, and procedures applicable to UNCDF are amended at an earlier stage, and/or there are other substantive changes to any of the referenced policies, processes or mechanisms, the above provisions are subject to possible review two years after the date of the Government of Belgium's mutual decision on their text with UNCDF. Any changes to the above provisions that may be mutually decided following such a review will take effect at least four years after the date of the Government of Belgium's mutual decision on the present text with UNCDF until which time the above provisions will continue to apply.

#### **Article XII: Visibility**

Where appropriate and in line with its Financial Regulations and Rules and procedures; UNCDF will refer to the Contribution with regards to the project or its activities in publications, speeches, press releases or similar communications.

#### **Article XIII: Notice**

Any notice or correspondence between UNCDF and the Government of Belgium will be addressed as follows:

(a) To the Government of Belgium:

Address: FPS Foreign Affairs, Foreign Trade and Development Cooperation  
Directorate-General for Development Cooperation and Humanitarian  
Affairs, Luc Jacobs, director MD8, Karmelietenstraat 15, 1000 Brussel,  
Belgium  
Email: luc.jacobs@diplobel.fed.be,  
cc: Annemarie.vanderavort@diplobel.fed.be; and  
fanny.heylen@diplobel.fed.be

Upon receipt of funds, UNCDF shall send an electronic receipt to the Government of Belgium to the same email address provided above as confirmation that the remitted funds have been received by UNCDF.

(c) To UNCDF

Address: Mr. Abhisheik Dhawan  
Sustainable Finance and Partnerships Specialist  
Two UN Plaza, 26th Floor,

New York, NY 10017 (USA)  
abhisheik.dhawan@uncdf.org  
Tel: (+1) 212 906-6235

**Article XIII. Amendment of the Agreement**

This Agreement may be amended through an exchange of letters between the Government of Belgium and UNCDF. The letters exchanged to this effect shall become an integral part of this Agreement.

**Article XIV. Entry Into Force**

This Agreement shall enter into force upon the signature of this Agreement by the parties hereto, on the date of the last signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

**For the Government of Belgium:**



Caroline Gennez  
Minister for Development Cooperation  
and Major Cities policy  
(Date)

**For the United Nations Capital  
Development Fund:**

Mourad Wahba  
Officer-in-Charge (OIC)  
(Date)

