
UNITED NATIONS ENVIRONMENT PROGRAMME
PROJECT COOPERATION AGREEMENT
FOR A

GLOBAL ENVIRONMENT FACILITY Full Size Project “Implementing Sustainable Low and Non-Chemical Development in SIDS (ISLANDS)”

This PROJECT COOPERATION AGREEMENT and its Appendixes (this “Agreement”) is made:

BETWEEN: The United Nations Environment Programme (hereinafter referred to as “UNEP”) and represented by its Director of Economy Division. UNEP is an international inter-governmental organization established by the General Assembly of the United Nations, having its office at P.O. Box 30552, Nairobi 00100, Kenya.

AND: The Secretariat of the Pacific Regional Environment Programme (SPREP) (hereinafter referred to as the “Executing Agency”), an intergovernmental organization under Apia and SPREP conventions represented by its Director General and having its office at Vailima, Apia, Samoa.

hereinafter collectively referred to as “the Parties”.

WHEREAS, as a GEF Implementing Agency, and in accordance with the GEF Instrument, UNEP is accountable to the GEF Council for GEF-financed activities and to ensure that these are carried out in accordance with UNEP and GEF policies, criteria and procedures.

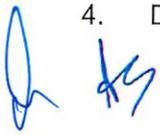
WHEREAS, The Secretariat of the Pacific Regional Environment Programme (SPREP) affirms that it is an intergovernmental organization and non-partisan and that it has the capacities required to carry out the activities outlined in this Agreement, and that the activities under this Agreement shall be carried out without discrimination of any nature.

Purpose

1. The Agreement sets forth the terms and conditions of the cooperation between the Parties for the execution of the project “Implementing Sustainable Low and Non-Chemical Development in SIDS (ISLANDS)” (hereinafter referred to as the “project”) as fully described in the CEO Endorsement Document appended as **Appendix 1**. The project was approved by the UNEP Project Approval Group (PAG) on 17th May 2021 and by the Global Environment Facility (GEF) Chief Executive Officer (CEO) in the letter dated 17th May 2021 appended as **Appendix 2**.
2. The main objective of the project is to prevent the build-up of POPs and mercury materials and to manage and dispose of existing harmful chemicals and wastes across Pacific SIDS.

Interpretation

3. All Appendices appended to this Agreement shall be construed as an integral part of this Agreement.
4. Definitions of terms used in this Agreement are provided in **Appendix 3**.



Duration

- 5. This Agreement shall come into force upon signature by the Parties, being effective from the date of the latest signature, and shall remain in force until 31/03/2026 after the last obligation of the Parties lapse, unless terminated earlier pursuant to **clauses 52 to 63** of this Agreement. However, project effectiveness shall be the date of receipt by the Executing Agency of the first installment of funds.

Cooperation

- 6. The Parties agree to cooperate with each other at all times and maintain close working relationships in order to achieve the objectives and outcomes of the project.
- 7. The Parties shall carry out their respective responsibilities in accordance with the provisions of this Agreement.
- 8. The Parties shall determine and communicate to each other the persons appointed as having the authority and responsibility for the project execution on its behalf.
- 9. Contact details for correspondence on substantive and technical matters as well as on administrative and financial matters are as set out in **Appendix 4**. Any changes to these contact details shall be communicated in a timely manner.
- 10. The Parties shall cooperate in any public relations or publicity exercises when UNEP deems these appropriate or useful.

Cost of the project

- 11. The total cost of the project is US\$114,178,246 of which US\$20,000,000 of GEF financing and the balance is co-financing as described below.

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|-----------------------------|------------------|
| Cost to the GEF Trust Fund: | US\$ 20,000,000 |
| Co-financing: | US\$ 94,178,246 |
| Total cost of the project: | US\$ 114,178,246 |

- 12. Detailed budget breakdown of GEF Funds and co-finance are included in **Appendix 1**.

Terms and obligations of UNEP

- 13. With regard to project implementation, UNEP shall:
 - a) Provide, in its role as GEF Implementing Agency, project oversight to ensure that GEF policies and criteria are adhered to and that the project meets its objectives and achieves expected outcomes in an efficient and effective manner. Project supervision is entrusted to the Director, who discharges this responsibility through the assigned UNEP/GEF Task Manager and Fund Management Officer (refer to **Appendix 4**). Project supervision missions by the Task Manager and/or Fund Management Officer are outlined in the project supervision plan appended as **Appendix 5**;
 - b) Have a representative on the project steering committee;
 - c) Perform the liaison function with the GEF Secretariat on the project;

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- d) Inform the GEF Secretariat whenever there is a potentially substantive co-financing change (i.e. one affecting the project objectives, the underlying concept, scale, scope, strategic priority, conformity with GEF criteria, likelihood of project success, or outcome of the project);
 - e) Rate, on an annual basis, progress in meeting project objectives, project implementation progress, risk, and quality of project monitoring and evaluation, and report to the GEF Secretariat through the Project implementation Review (PIR) report;
 - f) Review and clear manuscripts prepared by the Executing Agency before publication, and review and agree any publishing contracts;
 - g) Undertake a mid-term review or request the Evaluation Office (EO) of UNEP to perform an independent mid-term evaluation (refer to **Appendix 1**);
 - h) Ensure that EO arranges for an independent terminal evaluation and submits its report to the GEF Evaluation Office;
 - i) As deemed appropriate, facilitate access to information, advisory services, technical and professional support available to UNEP and will assist the Executing Agency to access the advisory services of other United Nations Organizations, whenever necessary.
14. With regard to cash advances, UNEP shall:
- a) Provide all cash advances in US dollars up to the maximum amount of US \$19,608,000 by way of periodic cash advances or by direct payment made by UNEP on behalf of the Executing Agency in accordance with the project budget. The first installment of US \$200,000 shall be advanced to the Executing Agency within 2 weeks following signature of the present Agreement;
 - b) Advance the second and subsequent installments to the Executing Agency within 2 weeks after a financial report and other agreed-upon documentation, as referenced in clauses 34 and 37 of this Agreement, has been received by UNEP showing satisfactory progress of activities and adequate management and use of GEF resources;
 - c) Make the final disbursement, normally amounting to 5% of the total GEF-approved budget, upon submission and acceptance of the final report, outputs, final audited expenditure statement, co-finance report and final inventory of non-expendable equipment together with signed transfer agreement (if applicable). UNEP reserves the right to withhold the final payment in case of the Executing Agency's non-compliance of the abovementioned reporting obligations.
15. With regard to procurement, the project procurement plan (**Appendix 6**) will be reviewed and approved by UNEP before commencement of any procurement related to this project. The project Procurement Plan will be presented at the project Inception Workshop or 1st Steering Committee Meeting. Procurement of additional items not included in the above-mentioned plan will require prior approval from UNEP and shall be reflected in a project revision. An updated Procurement Plan with revised time-lines will be needed to be submitted annually by the Executing Agency by the end of January each calendar year of the project. Support can be provided to the EA upon request. Notwithstanding the obligations agreed under the Procurement Plan, UNEP's clearance is required for the requisitioning of additional goods or services that are not included in the procurement plan. UNEP may refuse to accept such expenditures being charged to the project budget in case of the Executing Agency's non-compliance of the abovementioned clearance obligation. Note that any sub-contracts under this PCA must also have a procurement plan and should follow the below guidelines:

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- a) Ensure that, in its procedures for procurement of goods, services or other requirements with funds made available by GEF, shall safeguard the principles of highest quality, economy and efficiency, and that the placing of such orders be based on an assessment of competitive quotations, bids, or proposals.
 - b) Utilize the funds and any supplies and equipment provided by UNEP in strict compliance with the agreement with UNEP.

Terms and obligations of the Executing Agency

16. With regard to project execution, the Executing Agency shall:

- a) Undertake to be bound by the terms and obligations specified below, and shall accordingly ensure that the personnel performing project-related activities under the present Agreement comply with these obligations;
- b) Not seek nor accept instructions regarding the activities under the present Agreement from any {other} Government or {other} authority external to UNEP;
- c) Refrain from any conduct that would adversely reflect on the United Nations and shall not engage in any activity which is incompatible with the aims and objectives of the United Nations or the mandate of UNEP;
- d) Before disclosing confidential information, each Party will obtain the express, written consent of the other Party. In any event, such confidential information shall not be used for individual profit. The Executing Agency's focal point for this project may communicate with the media regarding the methods and scientific procedures used by the Executing Agency. However, UNEP clearance is required for the use of UNEP's name in conjunction with project activities in accordance with clause 46 of this Agreement. The Executing Agency must adhere to the GEF Communication and Visibility Policy, including the Brand Guidelines and Graphics Standards of the GEF (www.thegef.org). This obligation shall not lapse upon termination of the present Agreement unless otherwise agreed between the Parties;
- e) Inform UNEP in writing whenever there is a potentially substantive co-financing change;
- f) Notify UNEP, in writing, about any expected variations on the project budget on an annual basis;
- g) With regard to subcontracts between the Executing Agency and its contractor(s), the Executing Agency shall:
 - ✓ Establish all subcontracts in writing which includes but is not limited to reporting and audit obligations which flow down in the subcontracts.
 - ✓ Maintain primary responsibility for ensuring successful completion of the project. This responsibility cannot be delegated or transferred to the Executing Agency's contractor(s);
 - ✓ Monitor the performance of its contractors and ensure that they comply with all applicable terms and conditions of their Agreement.
 - ✓ Ensure that there is a procurement plan reviewed and cleared by the Executing Agency with the sub-contractors (where procurement activities will be carried out under the sub-contract) prior to any procurement activities taking place under the sub-contract.

17. With regard to personnel administration, the Executing Agency shall be solely and completely responsible and accountable for all services performed by its personnel, agents, employees,



or contractors (hereinafter referred to as "Personnel").

18. Personnel of the Executing Agency, its contractors or anyone else working for the Executing Agency in the execution of the project or otherwise, are not employees of UNEP and are not covered by the privileges and immunities applying to UNEP and its staff pursuant to the Convention on the Privileges and Immunities of the United Nations. UNEP shall not accept any liability for claims arising out of the activities performed under the Agreement, or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by the Executing Agency's Personnel as a result of their work pertaining to the project under this Agreement.
19. The Executing Agency shall ensure that its Personnel meet the highest standards of qualification and technical and professional competence necessary for the achievement of the objectives and results of the Project, and that decisions on employment related to the Project shall be free of discrimination of any nature. The Executing Agency shall ensure that all Personnel are free from any conflicts of interest relative to the project activities and they shall comply with their national statutory requirements.
20. The Executing Agency shall recruit the respective senior project Personnel in accordance with the terms of reference set out in **Appendix 7**.
21. In the event that the Executing Agency assigns or seconds its existing employee to the project, the terms of reference and contractual conditions pertaining to the assignment/secondment shall be shared with UNEP, including the amount and source(s) of remuneration and the time allocated to perform the duties assigned within the framework of the project.
22. With regard to procurement, the Executing Agency shall, in this Agreement, as well as, any other sub-contracts that the Executing Agency may have under this Agreement.
 - a) Ensure that procurement of goods and consulting services financed by GEF funds shall be subject to rules and regulations of the Executing Agency and include written standards based on widely recognized processes and an internal control framework to protect against fraud, corruption and waste;
 - b) Ensure that, in its procedures for procurement of goods, services or other requirements with funds made available by GEF as provided for in the project document, it shall safeguard the principles of highest quality, economy and efficiency, and that the placing of such orders be based on an assessment of competitive quotations, bids, or proposals unless otherwise agreed to with UNEP.
23. Before the commencement of procurement and using the format appended as **Appendix 6**, furnish the project procurement plan to UNEP and commence procurement only when it is reviewed and cleared by UNEP.
24. Utilize the funds and any supplies and equipment provided by UNEP in full compliance with the project document.
25. Maintain complete and accurate records of non-expendable equipment purchased with GEF project funds and a duly authorized official of the Executing Agency shall take periodic physical inventories. Within 1 month of the year ending 31 December, i.e. on or before 31 January, the Executing Agency shall provide UNEP annually with the inventory of such non-



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- expendable equipment as at 31 December, using the format appended as **Appendix 8A**.
26. Be responsible for the proper custody, maintenance and care of all non-expendable equipment as well as items of attraction (items costing less than US\$ 1,500, but with a useful life of more than a year) purchased with GEF funds. The Executing Agency shall, for the protection of such equipment and materials during implementation of the project, obtain appropriate insurance in such amounts as incorporated in the project budget.
 27. In cases of damage, theft or other losses of property made available to the Executing Agency, provide UNEP with a comprehensive report, including police report, where appropriate, and any other evidence giving full details of the events leading to the loss of the property.
 28. Obtain authorization of UNEP, in case the Executing Agency intends to dispose of the equipment during the duration of the project. Within 2 months of the project operational completion date or upon termination of this Agreement, the Executing Agency shall submit a final inventory of equipment to UNEP and a proposal for the disposal/transfer of the said equipment using the format appended as **Appendix 8B**, unless otherwise agreed upon between the Parties {and in consultation with the government coordinating authority}.
 29. With regard to cash advances, the Executing Agency shall:
 - a) Provide the banking details to UNEP on the Third-Party Form appended as **Appendix 9A**;
 - b) Requests for subsequent cash advances using the formats appended as **Appendix 9B**;
 - c) Comply with the reporting requirements as referenced in clauses 34 and 37 of this Agreement, failing which, UNEP may withhold further disbursements or may suspend the project until such time the Executing Agency meets its financial and operational obligations;
 - d) Confirm at least two weeks before the payment is due, that the expected rate of expenditure and actual cash position necessitate the payment, including a reasonable amount to cover "lead time" for the next remittance.
 30. With regard to cost overruns, the Executing Agency shall ensure that, under this Agreement, total expenditures incurred by the Executing Agency do not exceed the GEF-approved budget as set out in clauses 11 and 12 of this Agreement. The Executing Agency shall be authorized to make variations not exceeding 10 per cent on any one line item of the project budget provided that the total allocated for that specific budget component by UNEP is not exceeded. Any variations exceeding 10 per cent on any one line item that may be necessary for the proper and successful execution of the project shall be subject to prior consultations with and approval by UNEP. In such a case, a revision to the project document amending the budget shall be issued by UNEP. In the absence of such approval by UNEP, cost overruns shall be the sole responsibility of the Executing Agency.
 31. With regard to project management cost, the Executing Agency shall ensure that project management costs for the Executing Agency do not exceed the GEF-approved amount in project budget in accordance with GEF rules. Any increase in management costs as a result of extending the duration of the project shall be the sole responsibility of the Executing Agency.
 32. With regard to maintenance of records:
 - a) The Executing Agency shall keep separate, accurate and up-to-date records and documents in respect of all expenditures incurred with the funds made available by UNEP to ensure that



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- all expenditures are in conformity with the provisions of the project document. For each disbursement, proper supporting documentation shall be maintained, including original invoices, bills, and receipts pertinent to the transaction.
- b) Upon operational completion of the project or termination of this Agreement, the Executing Agency shall maintain all records pertinent to the project for a period of at least 3 years unless otherwise agreed upon between the Parties.
33. With regard to unspent balances, should there remain a balance from the total GEF-approved budget after operational completion or termination of the project, the Executing Agency shall return the unspent funds to UNEP within 2 months of the expiry or termination of this Agreement. In the event that there is any delay in such disbursement, the Executing Agency will be financially responsible for any adverse movement in the exchange rates. If any of the financial, substantive and evaluation reports indicate that the funds provided under this PCA were not used for its intended purposes due to: a) Executing Agency's actions; and/ or b) action of a third party as a result of Executing Agency's gross negligence or willful misconduct, the Executing Agency shall promptly return to UNEP the amount of GEF resources indicated by such report as not having been used for the intended purposes provided under the PCA.
34. With regard to reporting:
- a) The Executing Agency shall provide all reports, including the audit report, for the project in English or translated to English as applicable;
- b) Progress report: Within 1 month of the end of reporting period, i.e. on or before 31 January, the Executing Agency shall submit to UNEP a quarterly progress report for the period January-March, April-June, July-September and October-December using the format appended as **Appendix 10**;
- c) Project Implementation Review (PIR) report: Within 1 month of the end of the reporting period for the GEF fiscal year of 30 June, i.e., on or before 31 July, the Executing Agency shall submit to UNEP its input to the annual PIR report using the format appended as **Appendix 11**;
- d) Final report: Using the format appended as **Appendix 12**, a draft copy of the final report shall be submitted by the Executing Agency to UNEP at the time of operational completion of the project. Within 2 months of the project operational completion, or termination of the present Agreement, the Executing Agency shall submit to UNEP a final copy of the aforementioned report. The quality of Final Report shall be assessed by the terminal evaluation of the project
- e) Financial report: All financial reporting shall be in US dollars, and any exchange differences accounted for within the total GEF-approved US dollar project budget. Within 1 month of the end of the first three quarters of the year to which they refer, i.e., on or before 30 April, 31 July, and 31 October, the Executing Agency shall submit to UNEP quarterly expenditure reports using the format appended as **Appendix 13**. For the fourth quarter of the year the financial report should be sent within 15 days of the end of the quarter that is on or before 15 January. The financial report shall contain information that forms the basis of a periodic financial review and its timely submission is a prerequisite to the continuing funding of the project. UNEP will act upon requests for advances of funds only upon its receipt and acceptance of a satisfactory financial and progress reports from the Executing Agency;
- f) The Executing Agency shall submit to UNEP a signed final statement of accounts within 3



- months of operational completion of project activities. The final statement of accounts shall be prepared using the format appended as **Appendix 13**;
- g) Basis of accounting: The financial report has been designed to reflect the transactions of a project on a cash basis, and thus shall include only disbursements made by the Executing Agency and not commitments;
- h) Miscellaneous Income: The Executing Agency shall credit any miscellaneous income to the project accounts as a receipt of funds against agreed project requirements. Miscellaneous income shall include, inter alia, proceeds or receivable from the sale of any item or property provided under the project governed by this Agreement, as well as any bank interest earned or accrued on project funds remitted by UNEP and which have been deposited or temporarily placed in an interest-bearing account;
- i) Refund from sub-contractor: Any refund received by the Executing Agency from a supplier/third party shall be reflected in the financial report as a reduction of disbursements on the component to which it relates;
- j) Co-financing report: Within 1 month of the PIR reporting period, i.e. on or before 31 July, the Executing Agency shall submit to UNEP, an annual co-financing report for the project as at 30 June showing amount of cash and in-kind co-financing realized compared to the amount of co-financing committed to at the time of the project approval in accordance with the project document appended as **Appendix 1**. Co-financing reporting shall be by source using the format appended as **Appendix 14**;
- k) Third party co-financing reporting: The Executing Agency shall ensure that the legal instruments prepared with its project partners require partners to report, on an annual basis, the actual co-financing received versus committed at the time of project approval by the GEF, and provide assurances that the identified in-kind resources be:
- ✓ Dedicated uniquely to the GEF project;
 - ✓ Valued at the lower of cost or market value of the required inputs they provide for the project;
 - ✓ Monitored with documentation available for any project evaluation;
- l) Consolidated reporting: All reports described above shall be consolidated reports and therefore include information from any third party sub-project(s).
- m) Forecast reporting: The Executing Agency shall provide quarterly expenditure forecast at the beginning of the project and then subsequently at the beginning of each calendar year on or before January 31st in the format appended as **Appendix 15**.

Financial cost

35. UNEP shall not be liable for the payment of any expenses not outlined in the project document or project budget unless UNEP has explicitly agreed in writing to do so prior to the expenditure by the Executing Agency.

Audit requirements

36. All financial reporting in the audit report shall be in US dollars.
37. The total expenditures incurred during the year ending 31 December, wherein GEF funding is clearly identified, shall be endorsed by a duly authorized official of the Executing Agency and



audited by an independent audit authority (a recognized firm of certified public accountants) and dispatched to UNEP within 180 days, i.e. on or before 30 June. The audit report and recommendations shall include such comments as the auditor may deem appropriate in respect of GEF funded operations and in particular, shall clearly indicate that in their opinion:

- a) GEF funds were covered by the scope of the audit;
- b) Proper books of account have been maintained;
- c) All project expenditures are supported by vouchers and adequate documentation;
- d) Expenditures have been incurred in accordance with the objectives outlined in the project document;
- e) The expenditure reports provide a true and fair view of the financial condition and performance of the project.

On operational completion of the project, a final audited statement of account containing signatures and audit opinion as required above, shall be dispatched to UNEP within 6 months.

38. Notwithstanding the above, UNEP shall have the right, at its own expense, to audit or review such books and records as it may require, and have access to the books and record of the Executing Agency, as necessary. If requested, the Executing Agency shall facilitate an audit by the United Nations Office of Internal Oversight Services. Shall they wish to do so, the United Nations Board of Auditors may also carry out an audit of the project accounts.

Responsibility for claims

39. The Executing Agency shall indemnify, hold, and save harmless, and defend at its own expense, UNEP, its officials and persons performing services for UNEP, from and against all suits, claims, demands and liability of any nature and kind, including their cost and expenses, arising out of acts or omissions of the Executing Agency or its employees or persons hired for the management of the present Agreement and the project.
40. The Executing Agency shall be responsible for, and deal with all claims brought against it by its personnel, employees, agents or subcontractors.

Publications, acknowledgements, logos and emblems

41. The Executing Agency shall submit to UNEP for review and prior clearance of any manuscripts for publication. It shall also inform UNEP of plans for its publication and discuss and agree on the publishing arrangements. Within 30 days of receipt, UNEP will provide substantive comments on clearance of the manuscript. UNEP's review will include any suggestions for change and such wording (recognition, disclaimer, etc.) as it would wish to see figure in the preliminary pages or in the introductory texts. It will equally consider the publishing proposal of Executing Agency and will make comments thereon as advisable.
42. To accord proper acknowledgement to the GEF for providing funding to the project, any publications prepared or produced pursuant to this Agreement will give appropriate credit to GEF as per the GEF Communication and Visibility Policy, including the Brand Guidelines and Graphics Standards (www.thegef.org) in addition to that of UNEP as stipulated under clause 46 of this Agreement. Any citation on project publications of projects funded by GEF resources shall also accord proper acknowledgement to GEF and UNEP.
43. The GEF logo shall appear on, amongst others, project hardware and vehicles purchased with GEF funds.



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44. In no event will authorization of the name or emblem, or any abbreviation thereof, of GEF or UNEP, be granted for commercial purposes.
 45. Should the Executing Agency be solely responsible for publishing arrangements, UNEP shall receive free of charge at least 10 copies of the published work {or electronic material or film or other as relevant} in each of the languages, for non-commercial purposes.
 46. The Executing Agency may only use the name and emblem of the United Nations or UNEP with prior written consent of UNEP.

Intellectual property rights

47. For the purpose of this Agreement, intellectual property would mean information, ideas, inventions, innovations, art work, data, designs, literary texts and any other matter or thing whatsoever as may be capable of legal protection or be subject to legal rights and shall include patents; information which is of a kind that has been communicated in such a manner as to give rise to a duty of confidentiality; copyright vesting in literary works (including but not limited to computer programs); dramatic works, musical works, broadcast, published editions and other types of performance; registered trademarks; unregistered trademarks used or intended for use in business registered designs and designs capable of being registered; biological organism varieties and the rights of breeders of such varieties; layout design of integrated circuits; databases; and any other rights resulting from intellectual activity in the industrial, commercial, scientific, literary and artistic fields.
48. UNEP and the Executing Agency shall agree upon the question of copyrights and all other related rights in any material produced under the provisions of this Agreement.

Confidentiality

49. The handling of information will be subject to each Party's corporate confidentiality policies.
50. Before disclosing internal documents, or documents that by virtue of their content or the circumstances of their creation or communication must be deemed confidential, of the other [or another] Party to third parties, each Party will obtain the express, written consent of the other Party [or concerned Parties]. However, a Party's disclosure of another Party's internal and/or confidential documents to an entity the disclosing Party controls or with which it is under common control, or to an entity with which it has a confidentiality agreement, will not be considered a disclosure to a third party, and will not require prior authorization.
51. For UNEP, a principal or subsidiary organ of the United Nations established in accordance with the Charter of the United Nations will be deemed to be a legal entity under common control.

Suspension and termination

52. The Parties hereto recognize that the successful completion and accomplishment of the purposes of a technical cooperation activity are of paramount importance, and that UNEP may find it necessary to terminate the project, or to modify the arrangements for the management of the project, should circumstances arise that jeopardize successful completion or the accomplishment of the purposes of the project within the approved duration of the project.
53. UNEP shall consult with the Executing Agency if any circumstances arise that, in the judgment of UNEP, interfere or threaten to interfere with the successful operational completion of the



project or the accomplishment of its purposes. The Executing Agency shall promptly inform UNEP of any such circumstances that might come to its attention. The Parties shall cooperate towards the rectification or elimination of the circumstances in question and shall exert all reasonable efforts to that end, including prompt corrective steps by the Executing Agency, where such circumstances are attributable to it or within its responsibility or control.

54. At any stage of the project cycle, participating country(ies), UNEP or the GEF Secretariat may recommend suspending or terminating the project for several reasons including force majeure, changes in national priorities, poor implementation performance, lack of compliance with financial or reporting obligations, leading to a conclusion that the project can no longer meet its objectives.
55. Following receipt of a recommendation for suspension or termination, and after appropriate consultations, UNEP may suspend or terminate the project by written notice to the Executing Agency. In the event of termination, such notice shall be provided at least 3 months prior to the effective date. If it is a suspension, UNEP shall indicate to the Executing Agency the conditions under which it is prepared to authorize project activities to resume.
56. If the cause of suspension is not rectified or eliminated within the timeframe, as agreed between UNEP and the Executing Agency, after UNEP has given notice of suspension to the Executing Agency, UNEP may, by written notice at any time thereafter during the continuation of such cause: (a) terminate the project; or (b) terminate the management of the project by the Executing Agency, and entrust its management to another institution. The effective date of termination under the provisions of the present clause shall be specified by written notice from UNEP.
57. The Executing Agency may terminate the present Agreement in cases where a condition has arisen that impedes the Executing Agency from successfully fulfilling its responsibilities under the present Agreement, by providing UNEP with written notice of its intention to terminate the present Agreement at least 3 months prior to such termination.
58. The Executing Agency may terminate the present Agreement only after consultations have been held with UNEP, and shall give due consideration to proposals made by UNEP in this respect. The Parties shall also cooperate in assessing the consequences on the other partners and beneficiaries of the project, and develop and agree upon an exit strategy to minimize negative consequences.
59. Upon receipt of a notice of termination by either party under clauses 55 to 58 of this Agreement, the Parties shall take immediate steps to terminate activities under the present Agreement, in a prompt and orderly manner, so as to minimize losses and further expenditures. The Executing Agency shall undertake no forward commitments and shall return to UNEP, within 2 months of the effective date of termination, all unspent funds, provided by UNEP unless UNEP has agreed otherwise in writing.
60. In the event of any termination by either Party under clause 59 of this Agreement, UNEP shall reimburse the Executing Agency only for the costs incurred to manage the project in conformity with the express terms of the present Agreement. Reimbursements to the Executing Agency under this provision, when added to amounts previously remitted to it by UNEP in respect of the project, shall not exceed the total UNEP allocation/contribution for the project.

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61. In the event of transfer of the responsibilities of the Executing Agency for the management of a project to another institution, the Executing Agency shall cooperate with UNEP and the other institution in the orderly transfer of such responsibilities and equipment procured using project funds.

Force majeure

62. In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Party affected by the force majeure shall give the other Party notice and full particulars in writing of such occurrence if the affected party is thereby rendered unable, in whole or in part, to perform its obligations or meet its responsibilities under the present Agreement. The Parties shall consult on the appropriate action to be taken, which may include suspension of the present Agreement by UNEP or termination of this Agreement, with either party giving to the other at least 1 month written notice of such termination.
63. In the event that the present Agreement is terminated owing to causes constituting *force majeure*, the provisions of clauses 60 and 61 of this Agreement shall apply.

Dispute settlement

64. The Parties shall settle amicably through direct negotiations, any dispute, controversy or claim arising out of or relating to the present Agreement, including breach and termination of the Agreement. Should such negotiations fail, the matter shall be referred to arbitration in accordance with United Nations Commission on International Trade Law Arbitration Rules (UNCITRAL), then prevailing. The Parties shall be bound by the arbitration award rendered in accordance with such arbitration, as the final decision on any such dispute, controversy or claim.

Privileges and immunities

65. Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and UNEP.

Notification and amendments

66. Any part of this Agreement may be modified or amended only by written agreement between the Parties.
67. For multi-country projects, in the event that one or more countries withdraw from the project, the Executing Agency shall inform UNEP which shall in turn notify the GEF Secretariat.
68. Should it become evident during the implementation of the project that an extension beyond the agreed expiry date as set out in clause 5 of this Agreement is required to achieve the objectives of the project, the Parties shall consult with each other with a view to agree on a revised completion date. In the event that the duration of the project is extended, clauses 30 and 31 of this Agreement shall apply. Upon reaching an agreement, the Parties shall immediately conclude an amendment to the Agreement to this effect, prior to the expiry of this Agreement.
69. The terms and conditions stipulated in the amendment shall be appended to and be construed as an integral part of this Agreement.



PCA/2021/June

GEFID: 10267
Project Name: Islands Pacific FSP
BP: 1500003548
S Grant: S1-32GFL-000632
WBSE: SB-0017582
Umoja Application #: 1000007605
PCA Amount: \$19,608,000

IN WITNESS WHEREOF, the duly authorized representatives of the Parties affix their signatures below.

For:
United Nations Environment Programme

For:
Secretariat of the Pacific Regional
Environment Programme (SPREP)

By:  Digitally signed by
Sheila Aggarwal-Khan,
Director, Economy
Division
Date: 2021-06-21 21:
06:39
Sheila Aggarwal-Khan
Director,
Economy Division

By: 
Kosi Latu
Director General

Date: 21 June 2021

Date: 23 JULY 2021



LIST OF APPENDICES TO THE PROJECT COOPERATION AGREEMENT

| | |
|-------------|---|
| Appendix 1 | Approved CEO Endorsement Document (including Annexes) |
| Appendix 2 | CEO approval/endorsement letter |
| Appendix 3 | Definition of terms |
| Appendix 4 | Contact details |
| Appendix 5 | Project work plan |
| Appendix 6 | Procurement Plan |
| Appendix 7 | ToRs for Key Personnel |
| Appendix 8A | Inventory of Non-Expendable Equipment Report Template |
| Appendix 8B | Non-Expendable Equipment Ownership Transfer Letter Template |
| Appendix 9A | Third Party Form Template |
| Appendix 9B | Cash Advance Request Template |
| Appendix 10 | Quarterly Progress Report Template |
| Appendix 11 | Project Implementation Review (PIR) Report Template (<i>will be share by UNEP in July annually</i>) |
| Appendix 12 | Final Report template |
| Appendix 13 | Quarterly Expenditure Statement template |
| Appendix 14 | Co-finance Report Template |
| Appendix 15 | Quarterly Forecast Table |

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