

Programme Cooperation Agreement

between

The United Nations Environment Programme

and

**The Ministry of Foreign Affairs of
the Kingdom of Norway**

Article 1 - Scope of the PCA

1. This PCA refers to the Framework Agreement on Programme Cooperation in the field of Development Cooperation (hereinafter referred to as the "Framework Agreement"), signed between the Government of Norway and the United Nations Environment Programme (UNEP) on 10th August 2016 (Annex I), of which the provisions will apply, and specifies the content of the cooperation between the Ministry of Foreign Affairs (hereinafter referred to as "the MFA") and the United Nations Environment Programme (hereinafter referred to as "UN Environment") for the planned period 2016, 2017 and 2018.
2. The financial contribution under this PCA is thematic support at global level in accordance with the Framework Agreement Article I Clause 3 A and Clause 4 (a).
3. The activities supported by the PCA shall be aligned with UN Environment's Medium-Term Strategy for the period 2014-2017 and for the period 2018-2021.
4. Programmatic focus:
 1. Climate Change
 2. Resilience to Disasters and Conflicts
 3. Healthy and Productive Ecosystems
 4. Environmental Governance
 5. Chemicals, Waste and Air Quality
 6. Resource Efficiency
 7. Environment under Review

Article 2 - Contribution and Disbursement

1. MFA shall, subject to Parliamentary appropriations and on the terms and conditions set forth in this PCA, as well as in accordance with the Framework Agreement, provide an amount not exceeding NOK 270,000,000 (two hundred and seventy million Norwegian kroner), hereinafter referred to as "the Contribution", as support for the year 2016, 2017 and 2018. The Contribution shall be used as listed in Article 3 hereunder and cover both direct and indirect costs as agreed in Article II Clause 2 of the Framework Agreement.
2. The indirect cost-recovery rate is 8% as authorized by UN Environment's Executive Director, *ref ibis*.
3. The contribution shall be paid annually upon written request from UN Environment and upon receipt of relevant reports by MFA in accordance with Articles II Clause 3, V, Clause 4 and VI, Clause 1a of the Framework Agreement. The Contribution shall tentatively be disbursed according to the following plan:
 - a. 1. November 2016; 90 000 000 Norwegian kroner (ninety million Norwegian kroner)
 - b. 1. April 2017; 90 000 000 Norwegian kroner (ninety million Norwegian kroner)
 - c. 1. April 2018; 90 000 000 Norwegian kroner (ninety million Norwegian kroner)

4. The Contribution shall be used only for activities that can be reported as Official Development Assistance (ODA).
5. The contribution shall be deposited, in NOK, into the following bank account:

Account holder : United Nations (USCH5)
Bank : J. P. Morgan Chase
Account n° (IBAN) : 485-002809
SWIFT : CHASUS33
Reference to be quoted in payment instruction: **PCA 2016-2018**
6. MFA shall inform UN Environment by e-mail to contributions@unep.org when the disbursement is made.

Article 3 – Annual Consultations

1. The Parties agree that an annual consultation shall be held in the last quarter of the year, ref. the Framework Agreement Article XIII.

Article 4 - Allocation of the Contribution and Expected Results

1. The contributions shall be used to implement UN Environment's Programme of Work and Medium-Term Strategy, and the results framework contained therein in line with the Framework Agreement Article III Clause 3.
2. In allocating the resources, UN Environment shall give due priority to areas of special interest to Norway. This includes strengthening the knowledge base and core functions like environmental monitoring and assessment, such as the Global Environmental Outlook as well as UN Environment's work on communication. Funds may also be allocated to administrative functions based on needs and dialogue with the MFA.
3. The allocation of funds shall be based on documented financial needs. The financial situation will be discussed at the annual consultations as stated in the Framework Agreement Article III Clause 3. An overview of the financial needs and situation for the seven programmatic areas shall be provided by UN Environment three weeks before the annual consultations.
4. Based on the discussion in the annual consultations, the MFA will communicate the priorities for 2017. This procedure will be repeated and new priorities will be communicated in 2018. The priorities will be stated in an annex to the minutes of the annual consultations.

The allocation of funds for 2016 shall be used in the following manner, in line with the relevant expected accomplishments in UN Environment's Programme of Work:

- i An amount of up to NOK 10 million shall be allocated to the implementation of resolution 2/11 Marine plastic litter and microplastics, as agreed at UNEA-2
- ii An amount of up to NOK 10 million shall be allocated to building resilience to disasters and conflicts.
- iii An amount of up to NOK 10 million shall be allocated to the Poverty and Environment Initiative.

- iv An amount of up to NOK 5 million shall be allocated to combat environmental crime
5. The complementary framework agreement between the MFA and GRID-Arendal is seen as a part of Norway's support to UNEP, and will also be part of the ongoing dialogue process.

Article 5 - Final Provisions

1. Each Party may terminate this PCA by giving three (3) months' written notice to the other Party. Before a decision to terminate the PCA is made, there shall be consultations between the Parties.
2. Any unspent funds that according to the Framework Agreement shall be repaid to MFA, shall be marked "Unused funds from UN Environment, and repaid to the following bank account:

Name of the account: Det Kgl. Utenriksdepartement
VAT number: 972 417 920
Account no.: 7694.05.12618
IBAN no.: NO83 7694 0512 618
Swift/BIC code: DNBANOKK

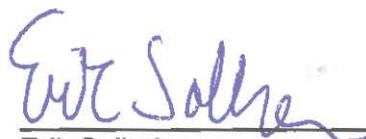
3. This PCA shall enter into force upon its signature by both Parties and shall remain in force until all obligations arising from it have been fulfilled and all commitments and liabilities incurred in the implementation of the Programmes have been satisfied. Whether these obligations shall be regarded as fulfilled shall be determined in consultation by the Parties.
4. The PCA may be amended through an exchange of letters between the Parties, following appropriate consultations.

In witness whereof, the undersigned, acting on behalf of their respective institutions, have signed the present PCA in two copies in the English language, in Nairobi on 27 October 2016.

For the Ministry of Foreign Affairs:

For the United Nations Environment Programme


Børge Brende
Minister of Foreign Affairs


Erik Solheim
Executive Director

Annex: Framework Agreement in the field of development cooperation between The Government of Norway and United Nations Environment Programme, signed on 10 August 2016