

AGREEMENT OF CO-OPERATION BETWEEN:

Wildlife Conservation Nepal (hereinafter referred to as WCN)
Address: P.O.Box 20569, Kathmandu
Country: Nepal
E-mail address: mail@wcn.org.np
Website: <http://www.wcn.org.np>
Contact person: Sanjeevani Yonzon Shrestha

AND:

Skovdyrkerforeningen / Danish Forestry Extension (hereinafter referred to as DFE)
Address: Amalievej 20, DK-1875 Frederiksberg C
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Email address: fls@df-extension.dk
Website address, if any: <http://www.skovdyrkerne.dk/dfе/>
Contact person: Flemming Sehested

Concerning implementation of the project **Nepal Prakriti Patshala – Nepal Mobile Nature School** (hereinafter referred to as NPP) in Nepal. WCN and DFE agree on the following project contribution:

DFE will, through a DANIDA grant, contribute funding for the project implementation with a total maximum of **DKK: 1.243.715** (This amount includes ALL costs – in Denmark as well as in Nepal).

The total budget corresponds to approx. 16.000.000 NPR as per October 2008.

As Danida grants are always allocated in DKK, the amount in NPR might fluctuate, depending on the exchange rate between DKK and NPR. The DKK is considered the at any time valid monetary currency.

1. Period

Being subject for extension this agreement will be valid until the end of the project period.

2. Obligations

Obligations of both parties

Both parties agree to make their best efforts and, in the spirit of partnership and co-operation, to carry out the project in accordance with what is stated in the grant application. Significant

changes regarding general time frame, objectives and components can only be made succeeding a dialogue between the WCN and DFE and requires subsequent approval by Danida.

The implementation of the NPP project shall be based on the countersigned Project Document, budget, LFA and PIP as well as the Agreement between DFE and Danida.

Where transfer of equipment or fixed assets takes place after the completion of the project, WCN and DFE shall sign a transfer document including a list of the items and their value. The copy of the transfer document shall be attached to the final report.

Obligations of DFE

DFE is responsible to The Project Counseling Service (/Danida) for the utilisation of the grant in accordance with the Agreement between the DFE and The Project Counseling Service, and for reporting duly to The Project Counseling Service.

DFE is obliged to immediately inform The Project Counseling Service of any suspected irregularities in connection with the management of the grant.

DFE is responsible for maintaining regular communication with WCN in order to sustain a close dialogue with WCN on the implementation process and other matters related to the project.

DFE is responsible for the timely provision of technical and administrative input if and when needed.

DFE is responsible for the timely provision of necessary liaison with relevant national authorities and in general facilitate the establishment of smooth and fruitful tripartite work relations between WCN, DFE and relevant authorities.

DFE is responsible for timely transfer of funds in accordance with the budget and based on the receipt and approval of request for transfer of funds from WCN.

Obligations of WCN

WCN holds the primary responsibility for implementation of the project. WCN is responsible towards DFE and the Project Counseling Service (/Danida) for the planning and implementation of the project in accordance with the grant application, including activity plan and final approved budget (budget and financing plan) and other relevant documents. Furthermore, WCN holds responsibility for regular liaison to DFE on issues of concern for the implementation of the project.

WCN is obliged to secure that the activities are carried out in conformity with national laws and regulations.

With the possible support from DFE, WCN will ensure necessary project approval by relevant authorities.

It shall be incumbent on WCN to ensure that no employees are discriminated on the basis of race, sex or political or religious conviction. Further to ensure that all senior posts in the project are filled by way of open advertising.

WCN holds the responsibility of ensuring that project personnel's total income from the employment does not exceed the salary level stipulated in Danida's Staff Rules for long-term and short-term advisers, and that project personnel does not receive double payment.

WCN is responsible for insurance of equipment used for the project and of project personnel, wherever applicable.

WCN provides an inventory list of all equipment and fixed assets with a value of more than US\$ 100 funded by the Danida grant, stating the type of item, date of purchase, purchase price and physical location of the equipment.

WCN holds responsibility for submitting any proposal for additional components of the project or for reallocation between different components DFE for approval.

WCN is furthermore responsible for ensuring that project funds are handled as per Agreement, and that the funds are being used for the activities stated in the grant application and the final approved budget.

WCN is obliged to notify DFE if it proves necessary to modify or change the activities, in case of delays in the activities or in case of any essential changes in the conditions for the grant.

It is equally incumbent on WCN to immediately notify DFE if there appears to be administrative irregularities related to the project.

WCN is responsible for reporting to DFE as specified further below in this Agreement.

WCN is obliged to mention in any information material about the project that it is being carried out (or has been carried out) in co-operation with DFE and is financed by Danida.

The grant and transfer of funds

Release of funds will be managed according to the approved plans and budgets and be transferred directly via DFE to the NPP project in WCN's USD account separately opened and solely designated for the handling project funds.

The transfer of funds will take place twice a year, once this Agreement has been signed by both parties, and upon request from the responsible of WCN.

The request for transfer of funds is to be submitted with a bank statement and a duly signed cash statement. WCN will acknowledge receipt of the disbursement from DFE, and the amount requested has to follow the approved budget and plan of activities for the period.

WCN shall notify DFE immediately in case of changes of the bank account details.

No savings or accumulation of funds may take place. At the end of the project period, or in case of premature termination of the project, unspent funds, including accrued interest and foreign exchange gains, must promptly be credited to Danida through DFE.

The grant must be used in accordance with each of the budget lines stipulated in the approved budget. Any reallocation of funds between budget headlines and any major reallocation of funds between budget sub-lines requires prior approval by Danida.

A budget revision cannot take place without a written consent from DFE and the approval of The Project Counseling Service. Contingencies/budget margin cannot be used without prior approval by DFE and The Project Counseling Service.

3. Information, monitoring and evaluation

Monitoring of project activities / progress will be carried out according to the monitoring schemes used by DFE on other projects in Nepal or formats considered appropriate for the purpose.

Monitoring will be followed up regularly by the WCN project coordinator and reported to the PMT at least on a 3 monthly basis for accept and comments. Planning and subsequent monitoring is carried out based on the activities listed in the LFA. The major activities are for each period divided into sub-activities and corresponding indicators, which are the future targets towards which the monitoring is done.

The national project manager and WCN project coordinator being responsible for day-to-day implementation of the project must submit short reports before the accounts can be closed on 3 monthly basis.

Monitoring reports towards Danida will be submitted to "*Projektrådgivningen*" using the annex 14 format – "*Statusrapport*". Copy of the report will be submitted to the Royal Danish Embassy in Kathmandu. DFE will based on input from WCN be responsible for the compilation and submittal of the progress report.

Finally in 2009 a review mission will be conducted to monitor project progress and to give a final input to the projects remaining period and appraise whether a scaling up phase should be applied for.

4. Reporting

WCN will be responsible for the reporting and monitoring of the project and will submit the below mentioned reports to DFE. The responsibility of submitting the reports to The Project Counselling Service (/Danida) rests with DFE.

The reports shall be submitted in English and signed by the responsible person of WCN. The reports shall only cover activities financed by and belonging to this project.

- **Quarterly Financial Reports** to be submitted to DFE no later than one month after the conclusion of the quarter. Using templates provided by DFE and applying duly accepted financial practices a financial report consists of a financial status depicting expenses of the former quarter, a budget follow-up plan and a budget depicting expected expenses in the coming quarter conforming to the activity plan. In case of any deviations from the approved budget, these should be thoroughly explained and accounted for in explanatory notes.
- **Semi-annual Progress Reports** to be submitted to DFE no later than January 1st and July 1st. The reports should contain a brief status description of project activities as compared to the initial activity plan, and give a general account of the progress related to planned project outputs/results and objectives. In case of any deviations from the initial activity plan, a revised activity plan should be submitted together with the progress reports.
- **Annual Audit Reports** consisting of WCN's general annual audit reports, which should include a separate auditor's comment on the Danish project expenditure.
- **Project Completion Report** to be submitted to DFE no later than 3 months after the completion of the project.
- **One Consolidated Audit Report** covering the entire project period to be submitted to DFE no later than 3 months after the completion of the project. The accounts must be audited according to the budget lines stipulated in the final approved budget (or possible approved revised version). The Audit report must include accrued interests and foreign exchange profits, if any, from the project period. Conforming to Danida's requirements the audits must be carried out by an independent, certified, external auditor, approved by DFE. The auditor's comments/auditor's record/management letter shall be included in the audit reports forwarded to DFE.

5. Financial management and accounting procedures

WCN consent to conduct transparent financial management in accordance to internationally accepted accounting practice.

Entering in connection to daily bookkeeping will take place in accordance to account numbers / plan prior developed by DFE.

It is required by the General Auditor of Denmark that all accounts and vouchers be kept safely for a minimum period of five (5) years after the completion of the project. WCN is therefore requested to guarantee that all accounts and vouchers will be stored in a safe place for the above-mentioned period of time. If, for some reason, this is not possible, WCN must guarantee that all accounts and vouchers related to the project will be sent to DFE after the final auditing of the project accounts has taken place.

The Final Audited Accounts must be audited by an independent, certified auditor. The audit must be substantiated by a signed audit statement bearing the auditor's signature, and be accompanied by the auditor's comments (auditor's record/management letter).

The Auditor General of Denmark reserves the right to carry out any independent audit or inspection considered necessary regarding the use of funds provided to WCN through DFE.

6. Rights of WCN, DFE and the Project Counseling Service (Danida)

Rights of WCN:

WCN holds the right to terminate the project if WCN 's Board is forced to dissolve the organisation in case conditions in the country become so restrictive that continuing the project implementation may endanger WCN or any of its staff. However, should a termination on these terms become relevant, DFE and The Project Counseling Service need written notification, including a time frame and plan for the project termination.

WCN may use any relevant information, learning materials and other project outputs in the organisation's other projects, programmes and/or activities, especially in relation to its advocacy for improved natural resource management. (With due credits to DFE as the partner and Danida as the funding agency).

Rights of DFE and The Project Counseling Service (/Danida):

Accounts and vouchers should be made available to DFE and to The Project Counseling Service upon request. Hence, DFE reserves the right on a regular basis to perform – announced as well as un-announced - project relevant financial controlling. DFE will appoint a national Controller for this assignment. Costs related to this activity will solely be borne by DFE.

DFE, The Project Counseling Service, or an appointed agent shall maintain the right to visit the project and/or otherwise have access to all matters relating to the project at all times during the project implementation and in a period of up to five (5) years after the project has terminated. The timing and planning of the project visit shall be agreed upon with WCN at reasonable advance notice. WCN is to assist DFE, The Project Counseling Service or an appointed agent in such missions.

The Project Counseling Service or Danida shall have the right to carry out any review or evaluation mission considered necessary by the agency.

DFE can make use of the experiences and information obtained through this project in connection with other projects or activities (with due credit to WCN as the partner and Danida as the funding agency).

7. Corruption clause

"No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practise, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward in relation to activities funded under this agreement, incl. tendering, award or execution of contracts. Any such practise will be grounds for the immediate cancellation of this agreement/contract and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Royal Danish Ministry of Foreign Affairs, a further consequence of any such practise can be the definite exclusion from any tendering for projects, funded by the Danish Ministry of Foreign Affairs".

8. Governing law and jurisdiction

Any disputes relating to this Agreement or the transactions contemplated hereby shall be governed by and interpreted according to the laws of Denmark without giving any effect to the conflicts of laws principles thereof. The parties hereto agree to submit any dispute to the non-exclusive jurisdiction of the courts of Denmark.

9. Enforcement of agreement

This Agreement shall enter into force as soon as both parties – WCN and DFE – have signed the present Agreement of co-operation, and the Agreement shall remain in force until the termination of the project period, and until DFE as well as The Project Counseling Service have approved the final report and the final audited accounts. Any funds not committed/spent at the time of project termination shall be returned to DFE b WCN.

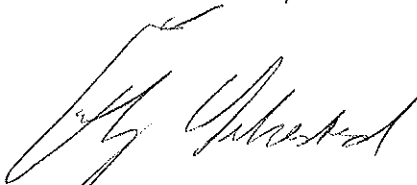
This agreement is signed in two copies by;

Place: Frederiksberg, Denmark

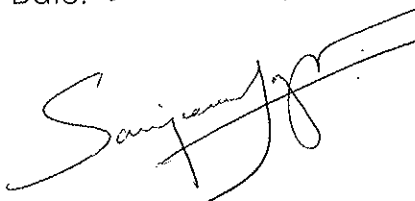
Place: Kathmandu, Nepal

Date: *November 7, 2008*

Date: *October 31, 2008*



DANISH FORESTRY EXTENSION
Flemming Sehested
Project Director



WILDLIFE CONSERVATION NEPAL
Sanjeevani Yonzon Shrestha
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Wildlife Conservation Nepal

Agreement: WCN/DFE – 2008 - Nepal Prakriti Patshala