

Dear [name and head of agency],

1. Reference is made to consultations between officials of the Government of [name of country] (hereinafter referred to as "the Government") and officials of the [name of agency] (hereinafter referred to as "the implementing agency") with respect to the participation of the agency in the implementation of UNDP assistance to project [number and title of project], to be executed by the Government. The latter shall be represented for the purpose of such execution by [name of government authority so designated].

2. In accordance with the project document and with the following terms and conditions, we confirm our acceptance of the services to be provided by the implementing agency towards the implementation of this project. The terms of reference should include appropriate provisions for close consultations between the implementing agency and the Government on the implementation of all aspects of the services to be rendered by the implementing agency.

3. The implementing agency shall provide the services and facilities described in attachment 1, Description of services, of this letter of agreement and in accordance with the terms of reference included therein.

4. The Government shall retain overall responsibility for the implementation of UNDP assistance to the project through its designated project coordinator.

5. The personnel assigned by the implementing agency to the project shall work under the supervision of the project coordinator. They shall be provided with the appropriate technical guidance and administrative support by the implementing agency. While they will be accountable to the implementing agency for the manner in which they discharge their functions, they have no obligation to cooperate closely with government staff and assist in project implementation in accordance with the overall directives laid down by the Government in consultation with the implementing agency.

6. In the event of disagreement between the project coordinator and the project personnel of the implementing agency, the matter under dispute shall be referred by the project coordinator to the implementing agency for the purpose of finding a satisfactory solution. In the interim, the decisions of the project coordinator shall prevail.

7. Upon acceptance of this letter of agreement and pursuant to the project budget of the project document and the work plan, the government agrees to the implementing agency's requesting advances of funds directly

from UNDP, incurring expenditure within the limits set out in attachment 2, Schedule of services and facilities, and making the necessary financial arrangements directly with UNDP for the reimbursement of expenditures incurred by the implementing agency as described in attachment 2, subject to the following:

- (a) Expenditures for personnel services, as may be provided in section 1 of attachment 2, are limited to salaries, allowances and other emoluments, including the reimbursement of income taxes due to the implementing agency's personnel under its rules and regulations and including travel costs on appointment to the project, duty travel within the project country or region and repatriation costs. The implementing agency shall budget for the costs of such experts on the basis of estimated actual costs. The implementing agency shall be reimbursed for the provision of such services on the basis of actual costs for category I cost elements and its average cost for category II cost elements effective at the time of provision of such services. Adjustments in the expert months of services, referred to in attachment 2, may be made in consultation between the Government and the implementing agency if this is found to be in the best interest of the project and if such adjustments are in keeping with the provisions of the project document;
- (b) Expenditures for subcontracting, as may be provided in section 2 of attachment 2, are limited to expenditures made under the implementing agency's financial regulations and rules;
- (c) Expenditures for fellowships, or other training facilities, as may be provided in section 3 of attachment 2, are limited to expenditures made in accordance with the fellowship or other relevant regulations of the implementing agency. Within such total allocation, adjustments with respect to the training component may be made in consultation between the implementing agency and the Government, if this is found to be in the best interest of the project and if such adjustments are in keeping with the provisions of the project document;
- (d) Expenditures for purchase of equipment, as may be provided in section 4 of attachment 2, are limited to expenditures for procurement of such equipment, under the implementing agency's rules and regulations;
- (e) Within the budgetary limitations of the project document, the Government shall be responsible for providing miscellaneous services such as secretarial assistance, postage and cable services and transportation, as may be required by the implementing agency personnel in carrying out their assignment. However, expenditures for these services may be

incurred by the implementing agency within such amounts as specified in section 5 of attachment 2.

8. A cumulative statement of expenditure shall be submitted by the implementing agency at 30 June and 31 December. The statement, to be prepared in accordance with the format given in attachment 3, will be submitted to the Government through the UNDP Resident Representative within 30 days following those dates. The Government will include the reported expenditure in the project delivery report.

9. The implementing agency shall recost and rephrase the schedule of services and facilities (attachment 2) as necessary when submitting the statement of expenditure to the Government, subject to the expenditure flexibility provisions accorded by UNDP to the executing agency. The Government shall adjust its records and confirm the revision submitted by the implementing agency.

10. The implementing agency shall submit such reports relating to the project as may reasonably be required by the project coordinator in the exercise of his or her duties, as well as other reports required by the Government in connection with its obligations to submit reports to UNDP.

11. The implementing agency shall provide the Government with an annual report of UNDP-financed non-expandable equipment purchased by the implementing agency for the project. The report shall be submitted within 30 days following 31 December, together with the statement of expenditure due at that date. The reported equipment shall be included by the Government in its main inventory for the project.

12. The implementing agency shall submit candidates for the posts foreseen in section 1 of attachment 2 and obtain clearance of the Government for the personnel to be assigned to the project.

13. The implementing agency shall provide the Government with job descriptions for the incumbents of the posts to be filled by the implementing agency and shall obtain the Government's clearance.

14. The implementing agency shall enjoy the privileges, immunities and facilities that are accorded to executing agencies and their personnel under the agreement concerning assistance concluded by the Government and UNDP. The privileges and immunities to which the implementing agency and its personnel are entitled may be waived only by the [title of the head of the agency concerned] of the implementing agency.

15. Any changes to the project document which would affect the work being performed by the implementing agency in accordance with attachment 1 shall be recommended only after consultation with the implementing agency.

16. Any amendments to these arrangements shall be effected by mutual agreement through an appropriate supplementary letter of agreement.

17. For any matters not specifically covered by this arrangement, the appropriate provisions of the project document and revisions thereof and the appropriate provisions of the financial regulations and rules of the implementing agency shall apply, mutatis mutandis.

18. All further correspondence regarding the implementation of this agreement, other than signed letters of agreement or amendments thereto, should be addressed to [name and address of designated government official].

19. The Government and the implementing agency shall keep the Resident Representative fully informed of all actions undertaken by them in carrying out this agreement.

If you are in agreement with the provisions set forth above, please sign and return to this office two copies of this letter. Your acceptance shall thereby constitute the basis for your Organization's participation in the execution of the project.

Yours sincerely,
For the Government of [country]

[Name and title]
[date]

Signed on behalf of the [implementing agency]

[Name and title]
[date]

Attach separate page as follows:

DESCRIPTION OF SERVICES

Project symbol:

Project title:

Work to be performed by the implementing agency:

General description:

Terms of reference:

Budget to be attached.