

AGREEMENT BETWEEN THE MINISTRY OF FOREIGN AFFAIRS OF ITALY – GENERAL DIRECTORATE FOR DEVELOPMENT CO-OPERATION (ITALY) AND THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) REGARDING CONTRIBUTION FOR THE SUPPORT TO THE ART COMPONENT WITHIN LOCAL GOVERNANCE PROGRAMME IN MYANMAR

1. Pursuant to the Terms of Reference of the UNDP Trust Fund for Innovative Partnerships established by the Administrator of UNDP on 20 October 2005, and which Terms of Reference are attached to this Agreement as Annex 1, the Donor is making available a contribution (the "Contribution") of Euro 400,000 to be administered by UNDP in accordance with UNDP Regulations and Rules in line with the terms and conditions set out in the Terms of Reference of the above mentioned UNDP Trust Fund for Innovative Partnerships with national, sub-national and local governments, private sector, non-governmental organizations and academic institutions and foundations.

WHEARES the ART (Appui aux Réseaux Territoriaux) Initiative, aims at consolidating and extending the territorial approach of human development countries framework programs that include decentralized cooperation between regional and local Governments and the social actors of their territories of the global South and North.

WHEREAS Italy hereby agrees to contribute funds to UNDP (the ART Programme Cluster) in the Trust Fund for the implementation of ART component initiative on "Local governance programme" on Myanmar and as described in the Project Document attached as Annex 2 to this Agreement;

WHEREAS UNDP is prepared to receive and administer the contribution for the implementation of the project;

WHEREAS UNDP will utilize for the execution of the project under the ART programme framework;

NOW THEREFORE, UNDP and Italy hereby agree as follows:

2. The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of Euro 400,000 (Four Hundred and 00/100 Euro). The contribution shall be deposited in the:

UNDP Contributions Bank Account:

Account Title: UNDP (Euro) Contribution Account

Bank Name: UniCredit S.p.A (former Banca di Roma);

Bank Address: Agenzia Roma 200 Servizio Forestieri, Via del Corso, 307, 00186 Rome;

Account No.: 000080578032 / ABI 02008-CAB 05001;

IBAN: IT42D0200805001000080578032

Swift (BIC) code: UNCRITMM

Currency: Euro

Special instructions: **Trust Fund Innovative Partnerships / ART / Myanmar**

Schedule of Payments:
August 2013

Amount
€400,000

- b) The Donor will inform UNDP when the contribution is paid via an e-mail message with remittance information to contributions@undp.org providing the following information: donor's name, UNDP country office, [Project no. and title], donor reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.
3. In accordance with the decisions and directives of UNDP'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 UNDP 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 7%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.
4. The Contribution shall be used exclusively for the purposes for which it is intended as stated in Article 1 above.
5. UNDP headquarters and country office shall provide to the Donor all or parts of the following reports, prepared in accordance with UNDP accounting and reporting procedures:
- 5.1 For Agreements of one year or less:
- a) 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 the Agreement, a final report summarizing programme/project activities and impact of activities as well as provisional financial data;
 - b) From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December to be submitted no later than 30 June of the following year;
- 5.2 For Agreements of more than one year:
- a) From the country office (or relevant unit at headquarters in the case of regional and global projects) an annual status report of programme/project progress for the duration of the Agreement, as well as the latest available approved budget.
 - b) From UNDP Bureau of Management/Office of Finance and Administration, 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 the Agreement, a final report summarizing programme/project activities and impact of activities as well as provisional financial data.
6. After consultations have taken place between the Donor and UNDP and provided that the payments already received are, together with other co mingled funds available to the programme/project, sufficient to meet all commitments and liabilities incurred in the execution/implementation of the programme/project, this Agreement may be terminated by UNDP or by the Donor. The Agreement shall cease to be in force 30 (thirty) days after either of the Parties has given notice in writing to the other Party of its decision to terminate the Agreement.
7. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold, unutilized payments until all commitments and liabilities incurred in the execution/implementation of all or the part of the

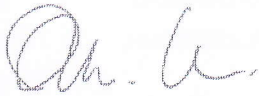
project, for which this Agreement has been terminated, have been satisfied and project activities brought to an orderly conclusion.

8. Any payments, above 5,000 USD, that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Donor.

9. Nothing in this agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNDP.

10. This Agreement shall enter into force upon signature by both Parties.

For the Government of Italy



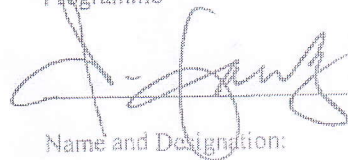
(Signature)

Name and Designation:

Mr. Alessandro Gaudiano

Place, Date: Rome 14.10.2013

For the United Nations Development Programme



(Signature)

Name and Designation:

Ms. Petra Lantz, Director
UNDP Geneva

Place, Date: Geneva, 3.10.13