

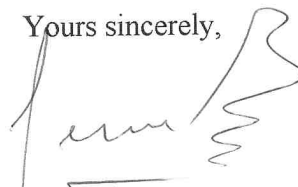
Letter of Agreement between the Government of the Democratic Socialist Republic of Sri Lanka & the United Nations Development Programme for the provision of support services

1. Reference is made to consultations between officials of the Government of Sri Lanka (hereinafter referred to as “the Government”) and officials of United Nations Development Programme (UNDP) with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant programme support document or project document, as described below.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.
3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme/project:
 - a) Identification and/or recruitment of project and programme personnel;
 - b) Identification and facilitation of training activities;
 - c) Procurement of goods and services;
4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document, in the form provided in the Attachment 1 hereto. If the requirements for support services by the country office change during the life of a programme or project, the annex to the programme support document or project document is revised with the mutual agreement of the UNDP Resident Representative and the Designated Institution.
5. The relevant provisions of the Standard Basic Agreement for Assistance (the “SBAA”) between the Government of the Democratic Socialist Republic of Sri Lanka and the United Nations Development Programme of 20th March, 1990, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed programme or project through its designated institution. The responsibility of the UNDP country office for the

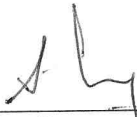
provision of the support services described herein shall be limited to the provision of such support services detailed in the annex (attachment 1) to the programme support or project document.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.
7. The UNDP Country office shall recover costs of providing the support services described in paragraph 3 above from all new programmes/projects that will be approved in the future. The rate of cost recovery shall be fixed at 3% on the value of the contract for the services to be procured or obtained through UNDP. This rate would however be reviewed and revised (increased or decreased) if necessary, with the full agreement of the Government of Sri Lanka and UNDP.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.
10. If you are in agreement with the provisions set forth above, please sign and return to this Office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Yours sincerely,



Signed on behalf of UNDP
Miguel Bermeo
Resident Representative



Sujatha Cooray
Director General
Department of External Resources
On behalf of the Government of Democratic Socialist Republic of Sri Lanka

Date: 5 JULY 2002

**STANDARD ANNEX TO THE PROGRAMME SUPPORT OR PROJECT
DOCUMENT ON UNDP COUNTRY OFFICE SUPPORT**

1. Reference is made to consultations between [*insert name of Executing Agent*], the executing agent designed by the Government of [*name of programme country*] and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally-executed programme or project [*insert programme or project number and title*], “the Programme” [*or “the Project”*].

2. In accordance with the provisions of the letter of agreement signed on [*insert date of agreement*] and the programme support [*or project*] document, the UNDP country office shall provide support services for the Programme[*or Project*] as described below.

3. Support services to be provided:

Support services (insert description & budget line)	Schedule for the provision of the support services	Value of the contract/ purchase order/ fellowship / study tour	Amount and method of reimbursement of UNDP (where appropriate)
1.			
2.			
3.			

4. Description of functions and responsibilities of the parties involved: