

**APPENDIX 1**

**Administration Arrangement for Cost-sharing between the Government of the United Kingdom of Great Britain and Northern Ireland and the United Nations Development Programme**

I am pleased to inform you that it is the intention of the Government of the United Kingdom of Great Britain and Northern Ireland ("the United Kingdom") to make available a contribution ("the Contribution") of **278,424.00 Pounds Sterling** as a grant, to be administered by UNDP for the Project "Strengthening Security, Stability and Resilience of the Bordering Communities in Vayots Dzor, Gegharkunik and Syunik Regions", under the FCO project number PEA CSSF EN 21 13 03, subject to your acceptance of the following proposals:

1. The terms of the Framework Arrangement between the United Kingdom and UNDP dated 15 February 2005 will apply to the Contribution, and to how UNDP administers it, except as otherwise provided herein. The Foreign and Commonwealth Office ("the FCO") will act on behalf of the United Kingdom in matters concerning this Administration Arrangement.
2. The Contribution will be used exclusively for the following purposes: through a joint UNDP-UNICEF project to advance peace and stability in the bordering communities of Gegharkunik, Shirak and Syunik regions, by targeting the root causes of instability and violence, and weathering the impacts of COVID-19 as laid out in the Annexes – description of action, project proposal and activity based budget – under the FCO project number PEA CSSF EN 21 13 03.
3. The contribution will be subject to the following support costs:
  - (a) 8 per cent for cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices,
  - (b) Direct cost for implementation support services provided by UNDP and/or an executing entity or implementing partner.
4. The FCO will upon receipt of a request in the form of a numbered invoice from UNDP deposit the Contribution as a grant in UNDP's Bank Account at:

UNDP Contributions GBP  
Account No. 6008-6272-2030  
Bank of America – London  
5 Canada Square  
London, E14 5AQ

in accordance with the following schedule

£ 278,424            by **15/07/2020**

The above schedule may be amended by mutual consent of UNDP and the United Kingdom dependent upon actual and estimated expenditure and need. FCO will notify UNDP Headquarters of each payment.

5. UNDP will provide to FCO with each request for payment, presented in accordance with this Section, a *financial utilisation report* of: -
  - a) all amounts previously received under the Administration Arrangement;
  - b) prior year's expenditure, current year's expenditure to date and unutilised budget to-date under the Administration Arrangement; and
  - c) the balance on the Programme Budget Allotment.
6. Where a project is completed, the expectation is that the Contribution funds will be fully utilised in accordance with the provisions of this Administration Agreement by 30 September 2020. UNDP will only disburse the funds for the purpose of this Administration Agreement after such date with the written approval of the United Kingdom.
7. If at any time, either Participant determines that the purposes of this Administration Arrangement can no longer be effectively or appropriately carried out, or if the Framework Arrangement is terminated, this Administration Arrangement may be terminated by either Participant giving three (3) months' written notice. Such termination will not oblige UNDP to repay any funds until satisfaction of all commitments and liabilities incurred before the date of termination pursuant to this Administration Arrangement.
8. Subject to paragraphs 6 and 7 above, upon the completion or termination of a programme or activity for which development aid funds have been deposited with UNDP by FCO under this Administration Arrangement, or upon termination of this Administration Arrangement, UNDP will return any unused balances, including any interest earned thereon, to FCO.

The offices responsible for co-ordination of all matters relating to this Administration Arrangement are:

For the FCO:

Ambassador David Moran  
Chargé d'Affaires a.i.

For UNDP:

Dmitry Mariyasin  
Resident Representative

9. If the above is acceptable to UNDP, I would like to propose that this letter and your reply in confirmation will constitute an Arrangement between the United Kingdom and UNDP for the Project "Strengthening Security, Stability and Resilience of the Bordering Communities in Vayots Dzor, Gegharkunik and Syunik Regions", which will take effect on the date of your reply.

*David Moran*

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Ambassador David Moran, Chargé d'Affaires a.i.

Date: 08 July 2020

Accepted by UNDP



Dmitry Mariyasin,

Resident Representative in Armenia

09-Jul-2020