



**Australian Government**

**AusAID**

Mr Enrico Gaveglia  
Deputy Country Director  
United Nations Development Programme  
202-204 Bauddhaloka Mawatha  
Colombo 07

Dear Mr Gaveglia,

**Amendment No 1 to the Third Party Cost-Sharing Agreement between the Government of Australia and the United Nations Development Programme (UNDP) relating to Strengthening Disaster Management Capacities in Conflict Affected North and Eastern Provinces of Sri Lanka (AusAID Agreement No. 61302)  
Exchange of Letters**

The Government of Australia wishes to propose an amendment to the Third Party Cost-Sharing Agreement with the United Nations Development Programme (UNDP), signed on 22 November 2011, relating to the "Strengthening Disaster Management Capacities in Conflict Affected North and Eastern Provinces of Sri Lanka" project ('the Agreement') via an Exchange of Letters:

Under this Agreement UNDP is working to support institutional strengthening of the national Disaster Management Centre (DMC), the apex disaster management coordination body in Sri Lanka. Support was also provided to build the capacity of eight key District Disaster Management Units in the Northern and Eastern Provinces while providing assistance to upgrade evacuation centres in the two provinces.

On 19 November 2012, UNDP formally requested a no cost extension of six months to the Agreement. The no cost extension was requested as the total grant of AUD875,000 provided by the Government of Australia was unlikely to be fully expended during the project period, leaving an underspend of approximately AUD325,000. This under-spend is due to delays experienced during the execution of project activities which were beyond the control of UNDP.

A delay of approximately four months was experienced at the initial stage of the project due to government approval and funds transfer processes. During project implementation, minor construction work on upgrading evacuation centres experienced further delays due to cyclonic weather patterns in the Northern and Eastern Provinces.

A no cost extension of the Agreement will enable UNDP to complete minor construction activities to upgrade facilities at one hundred selected evacuation centres in the Northern and Eastern Provinces and complete all obligations under the Agreement with AusAID.

The Government of Australia is proposing the following changes to the Agreement to accommodate this no cost extension request.

In accordance with Article XII of the Agreement, the Government of Australia proposes the following changes to the Agreement to allow the no cost extension request by UNDP.

Delete the current Paragraph 1 of Article XIV. Entry into Force and replace with new Paragraph 1 as follows.

1. "This Agreement shall enter into force upon signature and deposit by the Donor of the first contribution-payment to be made in accordance with the schedule of payments set out in Article II, paragraph 1 of this Agreement and the signature of the project document by the concerned parties. The Agreement shall remain in force until 31 May 2013."

If you agree to the proposed Amendment to the Agreement, I would be grateful if you would sign and return an original copy of this letter to AusAID. Please retain the other copy for your file.

This Exchange of Letters represents an official Amendment to the Third Party Cost-Sharing Agreement for the "Strengthening Disaster Management Capacities in Conflict Affected North and Eastern Provinces of Sri Lanka" project in accordance with Article XII of the Agreement. This Amendment will enter into force from the date of your signature below.

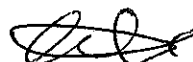
For the Donor:



Edward Archibald  
Counsellor (Development Cooperation)  
Sri Lanka and the Maldives

28 / 11 / 2012

For the United Nations Development  
Programme:



Enrico Gaveglia  
Deputy Country Director

28 / 11 / 12