

**Form of Contribution Arrangement for Co-financing
between the Department for International
Development (DFID) and the United Nations
Development Programme (UNDP)**

1. I am pleased to inform you of the intention of DFID to make available a contribution (the "Contribution") of £300,000 (Three hundred thousand pounds only) as a grant, to be administered by UNDP for **UNDP Thematic Trust Fund for Support to Energy and Environment for Sustainable Development established by the Administrator of the UNDP on 14 October 2004**, and which Terms of Reference are attached to this Agreement as Annex 1; *DFID project number 201295-101*. UNDP will administer the Contribution in accordance with the provisions of the Framework Arrangement, except as otherwise provided herein.

2. The Contribution will be used exclusively for the following to implement the project "**Low-carbon and climate resilient local development in the Mbale region of Uganda**" as laid out in the project document, and the terms of reference of the Trust Fund attached in Annex 1.

3. In accordance with UNDP's cost recovery policies, the Contribution will be subject to cost recovery for indirect costs (General Management Support (GMS) and specialized technical support services) of 12%. 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 borne by the project and reflected in the project budget.

4. The Department for International Development (DFID) will deposit the Contribution as a grant with UNDP, upon request from UNDP, in UNDP's Bank Account:

UNDP Contributions (GBP) Account
No. 600862722030
Bank of America,
5 Canada Square, London E14 5AQ
SWIFT code: BOFAGB22

Sort code: 16-50-50
IBAN: GB37BOFA1650 5062 7220 30

in accordance with the following schedule

£100,000 by 31/01/2010,
£100,000 by 31/01/2011,
£100,000 by 31/01/2012.

The above schedule may be amended by mutual consent of UNDP and DFID dependent upon actual and estimated expenditure and need. DFID will notify UNDP Headquarters of each payment using the attached form (Annex 2). The execution/implementation of the responsibilities of UNDP and of the Executing Entity/Implementing Partner pursuant to each Contribution Arrangement will be dependent on receipt by UNDP of the contribution in accordance with the schedule of payment. Should such financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

5. UNDP will provide to DFID with each request for payment, presented in accordance with this Section, a *financial utilisation report* of: -
- a) all amounts previously received under the Contribution Arrangement (in US Dollars and UK Pounds sterling);
 - b) prior year's expenditure, current year's expenditure to date and unutilised budget to-date under the Contribution Arrangement (in USD\$); and
 - c) the requested amount from the Programme Budget Allotment .

6. For cost sharing projects, it is expected that the Contribution funds will be fully utilised in accordance with the provisions of this Contribution Arrangement by 31/07/2012. UNDP will notify DFID of any anticipated unspent balance of funds at least three months before the expected project end date, and UNDP will only disburse the funds for the purpose of this Contribution Arrangement after such date upon the approval of DFID. Once the project has been completed, unspent funds held by UNDP will be returned to DFID as set out in Annex 3.

7. UNDP will promptly inform DFID of any significant modification to a programme or project co-financed by DFID under this Contribution Arrangement. UNDP will also inform DFID of any events which, in the opinion of UNDP, interfere or threaten to interfere with the successful implementation of any programme or project financed by this contribution.

8. If at any time, either Participant determines that the purposes of this Contribution Arrangement can no longer be effectively or appropriately carried out, or if the Framework Arrangement is terminated, this Contribution Arrangement may be terminated at the initiative of either Participant by giving three (3) months written notice. Such termination will not oblige UNDP to repay any funds until satisfaction of all commitments and liabilities.

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

For the United Kingdom:

Department for International Development Uganda
4 Windsor Loop,
Lincoln Lane Entrance
P. o. Box 7306
Kampala
Uganda

For UNDP:

Environment and Energy Group
Bureau for Development Policy
1 UN Plaza
New York, NY 10017

10. I would like to propose that this letter will, upon your confirmation in the manner indicated below, constitute an Arrangement between the United Kingdom and UNDP for the ***Low-carbon and climate change-resilient local development in the Mbale region of Uganda.***

ANNEX 2: NOTIFICATION OF PAYMENT BY DFID

To:	UNDP Address: UN Plaza, New York, NY 10017
Cc:	Financial Management Group, DFID, Abercrombie House, East Kilbride, Scotland, UK

DFID Uganda has authorised the payment of £ **[AMOUNT IN FIGURES, AMOUNT IN WORDS]** on **[DATE]** to UNDP

Bank:	Bank of America
Account name:	UNDP Contributions (GBP) Account
Account number:	6008-6272-2030
SWIFT code:	BOFAGB22
Bank address:	5 Canada Square, London, E14 5AQ

in respect of **Low-carbon and climate resilient local development in the Mbale region of Uganda.**

Notification also has to be sent electronically to UNDP Headquarters at the e-mail address contributions@undp.org and the relevant UNDP office. For each deposit received, UNDP will issue an official receipt in Pounds Sterling and US Dollars to the relevant DFID office, copying to the Permanent Mission of the United Kingdom to the United Nations, New York.

UNCD	
Name:	
Position:	Programme Officer
E-mail:	

ANNEX 3: REQUEST FOR PAYMENT FROM DFID

To:	Catherine Kawamara, DFID Uganda
Cc:	Financial Management Group, DFID, Abercrombie House, East Kilbride, Scotland, UK

UNITED NATIONS DEVELOPMENT PROGRAMME requests payment of **[AMOUNT IN FIGURES [AMOUNT IN WORDS]]** on **[DATE]** into **UNDP's account**:

Bank:	Bank of America
Account name:	UNDP Contributions (GBP) Account
Account number:	6008-6272-2030
SWIFT code:	BOFAGB22
Bank address:	5 Canada Square, London, E14 5AQ

In respect of Low-carbon and climate resilient local development in the Mbale region of Uganda.

UNDP	
Name:	
Position:	
Address:	
E-mail:	

ANNEX 4: NOTIFICATION OF PAYMENT TO DFID

To:	Catherine Kawamara, DFID Uganda
Cc:	Financial Management Group, DFID, Abercrombie House, East Kilbride, Scotland, UK UNDP Uganda Office

UNDP has authorised the payment of **[AMOUNT IN FIGURES] [AMOUNT IN WORDS]** on **[DATE]** into the DFID Bank Account.

DFID's bank accounts and the payment methods required for such transfers are as follows (please choose one of the following as appropriate):

For payments by CHAPS: Payments of large or immediate amount (eg. £10,000 plus) should be paid to DFID's RBS/Paymaster account below:

Bank:	DFID's Account at HM Paymaster General UK
Sort code:	16-53-60
Account number:	12119
Tdebt number	
DFID MIS code	

Electronic receipts from Overseas: Receipts transferred direct from an overseas bank account should be paid to the following Bank of England account:

Bank:	Bank of England
Sort code:	10-00-00
Account number:	25021001
Acc. Name	Office of HM Paymaster General Cash A/c
Ref.	12119/DFID
Tdebt number	
DFID MIS code	

Any organisation wishing to refund DFID by cheque should make the cheque payable to Department for International Development. Cheques should be sent to the Programme Manager.

In respect Low-carbon and climate resilient local development in the Mbale region of Uganda., *DFID project number 201295-101*

UNDP	
Name:	
Position:	
Address:	
E-mail:	

11. Three originals of the text of this Arrangement, written in the English language, have been signed by the Participants.

Yours sincerely,

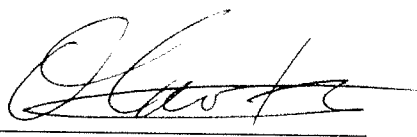
DFID



Matthew Wyatt
Head of Climate and Environment Group

Date: _____

UNDP



Olav Kjørven
Assistant Secretary-General and Director
Bureau for Development Policy

Date: _____