

**SUPPORTING PUBLIC ADMINISTRATION REFORM IN GEORGIA
THROUGH THE GOVERNANCE REFORM FUND**

**CONTRIBUTION ARRANGEMENT
BETWEEN**

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

AND

UNITED NATIONS DEVELOPMENT PROGRAMME, GEORGIA

26 July 2016

26 July 2016

H.E. Niels Scott
Resident Representative
United Nations Development Programme, Georgia

Dear Mr Scott,

1. I am pleased to inform you of the intention of the United Kingdom of Great Britain and Northern Ireland ("the United Kingdom") to make available to the United Nations Development Programme in Georgia ("UNDP") a contribution as follows below (the "Contribution"):

(a) Programme/Project Name:	Supporting Public Administration Reform in Georgia through the Governance Reform Fund																														
(b) Start/End Dates:	26 July 2016 to 31 December 2020																														
(c) UNDP Programme/Project No.:	00089758																														
(d) DFID Programme/Project No.:	300251																														
(e) Contribution Currency/Amount:	UK£4,500,000 (four million, five hundred thousand pounds Sterling only)																														
(f) Recovery Rate for Indirect Costs: (section 2, para. 17(a) of Framework Arrangement)	8%																														
(g) Contribution Disbursement Schedule: (section 2, para. 18 of Framework Arrangement)	<input type="checkbox"/> The Contribution will be transferred in full <input checked="" type="checkbox"/> The Contribution will be transferred in accordance with the following schedule: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>Payment due date</th> <th>UK£/Amount</th> </tr> </thead> <tbody> <tr><td>1.</td><td>31 July 2016</td><td>£500,000</td></tr> <tr><td>2.</td><td>31 December 2016</td><td>£500,000</td></tr> <tr><td>3.</td><td>30 June 2017</td><td>£500,000</td></tr> <tr><td>4.</td><td>31 December 2017</td><td>£500,000</td></tr> <tr><td>5.</td><td>30 June 2018</td><td>£500,000</td></tr> <tr><td>6.</td><td>31 December 2018</td><td>£500,000</td></tr> <tr><td>7.</td><td>30 June 2019</td><td>£500,000</td></tr> <tr><td>8.</td><td>31 December 2019</td><td>£500,000</td></tr> <tr><td>9.</td><td>30 June 2020</td><td>£500,000</td></tr> </tbody> </table>		Payment due date	UK£/Amount	1.	31 July 2016	£500,000	2.	31 December 2016	£500,000	3.	30 June 2017	£500,000	4.	31 December 2017	£500,000	5.	30 June 2018	£500,000	6.	31 December 2018	£500,000	7.	30 June 2019	£500,000	8.	31 December 2019	£500,000	9.	30 June 2020	£500,000
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(h) Electronic Remittance Advice to be sent to: (section 2, para. 7 of Framework Arrangement)	contributions@undp.org																														

2. I propose that this letter together with your confirmation by signature, below, that its terms are acceptable to UNDP, shall constitute a Contribution Arrangement between the United Kingdom and UNDP (the "Participants" and each separately a "Participant") with

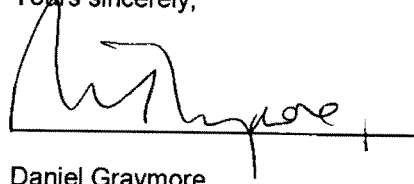
respect to the Contribution, which shall enter into force on the date of your confirmation on behalf of UNDP.

3. The Contribution will be used exclusively for the purposes of the programme or project as indicated in paragraph 1(a) above, and as laid out in the relevant project document.
4. The Contribution will be disbursed subject to a disbursement schedule in accordance with paragraph 1(g) above. UNDP will submit a payment request to DFID for each scheduled disbursement. Each payment request submitted in accordance with this paragraph should include the following information:
 - (a) All amounts received under previous disbursements in accordance with this Contribution Arrangement (in UK Pounds sterling and the equivalent amounts in US Dollars);
 - (b) Expenditures against previous disbursements and unutilised amounts remaining, if any (in US Dollars); and
 - (c) The amount requested for further disbursement.

In the event that the Contribution will be disbursed subject to a disbursement schedule in accordance with paragraph 1(g) above, that schedule may be amended by mutual consent of DFID and UNDP.

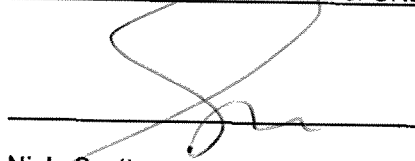
5. This Contribution Arrangement shall be an arrangement supplementary to the Framework Arrangement concluded between the Participants. The terms of the Framework Arrangement will apply except as otherwise provided herein/in this Contribution Arrangement.
6. It is expected that the Contribution will be fully utilised by the End Date as stipulated in paragraph 1(b) of this Contribution Arrangement or as soon as practically possible after this date. Commitments entered into by UNDP after the End Date will require the prior agreement of DFID, to be obtained in accordance with paragraph 7, below.
7. This Contribution Arrangement may be modified by written agreement between the Participants.
8. This Contribution Arrangement may be terminated by either Participant upon giving not less than three (3) months written notice to the other Participant. Upon receipt by one Participant of the other Participant's written notice of termination of this Contribution Arrangement, the Participants will take all reasonable and necessary measures to conclude the implementation of the Programme or Project and complete their activities in an orderly manner. In accordance with the foregoing, UNDP may apply any unutilized portion of the Contribution to permit the orderly conclusion of the Programme or Project, including the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Participants, and the settlement of contractual commitments or liabilities relating to or in connection with the Programme or Project, including in respect of any implementing partners, contractors, subcontractors, consultants or suppliers.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Daniel Graymore', written over a horizontal line.

Daniel Graymore
Head of the Good Governance Fund
Joint Unit

Confirmed for and on behalf of UNDP:

A handwritten signature in black ink, appearing to read 'Niels Scott', written over a horizontal line.

Niels Scott

Resident Representative

Date: