

**FINANCING AGREEMENT BETWEEN THE UNITED NATIONS
DEVELOPMENT PROGRAMME AND GOVERNOR'S OFFICE OF THE
CAPITAL CITY ULAANBAATAR**

WHEREAS the United Nations Development Programme (hereinafter referred to as "UNDP") and the Governor's Office of the Capital City, Ulaanbaatar (hereinafter referred to as the "UB Governor's Office") have agreed to co-operate in the implementation of a project in Mongolia (hereinafter referred to as "the Project"), as described in the Project document "**Activated2030**" at **#Hub : A Youth Enterprising Lab**" and submitted to the UB Governor's Office for information.

WHEREAS the UB Governor's Office has informed UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP on a cost-sharing basis to increase the resources available for the "**Activated 2030 at #Hub: A Young Enterprising Lab**" project (Project number: 00117231).

WHEREAS the UNDP shall designate an Implementing Partner for the implementation of each Project financed from the contribution (hereinafter referred to as "the Implementing Partner")

NOW THEREFORE, UNDP and UB City hereby agree as follows:

Article I

1. The UB Governor's Office shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of UNDP the contribution of **100,000,000.00 MNT** [one hundred million tugrik]¹
2. The UB Governor's Office shall, in accordance with the schedule of payments set out below:

Trade & Development Bank of Mongolia
Enkhtaiwan branch
Tugrik account № 404001574
UNDP

Date payment due

Amount (stated currency)

15 June 2019

MNT 100,000,000.00

3. The UB Governor's Office will inform UNDP when the Contribution is paid via an e-mail with remittance information to contributions@undp.org, providing the following information: **Ulaanbaatar City, UNDP Country Office**, the financial support for the "**Activated2030: A Youth Enterprising Lab**" (**Project number: 00117231**). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

¹ includes but not limited to all taxes, fees, charges and costs.

4. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the UB Governor's Office with a view to determining whether any further financing could be provided by the UB Governor's Office. Should such further financing not be available, the assistance to be provided to the "Activated2030 at #Hub: A Youth Enterprising Lab" may be reduced, suspended or terminated by UNDP.
5. The above schedule of payments takes into account the requirement that contributions shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery. UNDP shall not absorb any loss (including but not limited to exchange fluctuations) under the Project. The Parties acknowledge and agree that all losses shall be charged to the Project.
6. All financial accounts and statements shall be expressed in United States dollars.
7. UNDP may agree to accept Contributions in a currency other than United States dollars provided such currency is fully convertible or readily usable by UNDP and subject to the provisions of paragraph 6 above. Any change in the currency of the Contribution shall be made only in agreement with UNDP.

Article II

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 5%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.²
2. The aggregate of the amounts budgeted for the project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the project under this Agreement as well as funds which may be available to the project for project costs and for support costs under other sources of financing.

² It is recommended that country offices negotiate the number of installments to ensure at least six months' anticipated disbursements are funded with each installment. This will make processing of contributions and reporting more efficient for the country offices

Article III

1. The contribution shall be administered by the UNDP in accordance with UNDP regulations, rules, policies and procedures, applying its normal procedures for the execution of its projects.
2. Project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP and, where applicable, the regulations, rules, policies and procedures of the Implementing Partner.

Article IV

1. The implementation of the responsibilities of the UNDP and of the Implementing Partner pursuant to this Agreement and the relevant project document shall be dependent on receipt by the UNDP of the contribution in accordance with the schedule of payments set out in Article I, paragraph 2, above. UNDP shall not start implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable).
2. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) UNDP shall submit to the UB Governor's Office on a timely basis a supplementary estimate showing the further financing that will be necessary. The UB Governor's Office shall use its best endeavors to make available to UNDP the additional funds required.
3. If the Contribution referred to in Article I, paragraph 2, above, are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2, above, is not forthcoming from the UB Governor's Office or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

Article V

Ownership of equipment, supplies and other property financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VI

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP.

Article VII

UNDP shall provide the UB Governor's Office on request with financial and other reports prepared in accordance with UNDP reporting procedures.

Article VIII

1. UNDP shall notify the UB Governor's Office when all activities relating to the "Activated2030 at #Hub: A Youth Enterprising Lab" have been completed in accordance with the Prodoc.
2. Notwithstanding the completion of all activities relating to the "**Activated2030 at #Hub: A Youth Enterprising Lab**", UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the activities finance by the contribution have been satisfied and these activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify the UB Governor's Office and consult with the UB Governor's Office on the manner in which such commitments and liabilities may be satisfied.
4. In cases where the Project is completed in accordance with the project document any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the UB Governor's Office.

Article IX

The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP shall maintain standards of conduct to UB Governor's office the performance of its staff, including of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UNDP Procurement Manual.

Article X

Consistent with numerous United Security Council resolutions, including S/RES/1269 (1999), S/RES 1368 (2001), and S/RES/1373 (2001), both the Donor and UNDP are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of UNDP to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated

with terrorism. In accordance with this policy, UNDP undertakes to use reasonable efforts to ensure that none of the Donor funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

Article XI

1. After consultations have taken place between the two Parties to this Agreement and provided that the funds from the Contribution already received are, together with other funds available to the “**Activated2030 at #Hub: A Youth Enterprising Lab**”, sufficient to meet all commitments and liabilities incurred in the implementation of the “**Activated2030 at #Hub: A Youth Enterprising Lab**”, this Agreement may be terminated by UNDP or by the UB Governor’s Office. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.
2. If the unutilized contribution-payments, together with other funds available to the “**Activated2030 at #Hub: A Youth Enterprising Lab**”, are insufficient to meet such commitments and liabilities, UNDP shall notify the UB Governor’s Office and consult with the UB Governor’s Office on the manner in which such commitments and liabilities may be satisfied.
3. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in implementation of the activities financed by the contribution have been satisfied and these activities brought to an orderly conclusion.
4. In cases where this agreement is terminated before Project completion any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the UB Governor’s office.

Article XII

Any notice or correspondence between UNDP and the UB Governor’s office will be addressed as follows:

- (a) To the UB Governor’s Office:

Address:
Amarsaikhan Sainbuyan, Governor of Capital City and
Mayor of Ulaanbaatar

D.Sukhbaatar's square – 7, Chingeltei district,
15160 Ulaanbaatar Mongolia

(b) Upon receipt of funds, UNDP shall send an electronic receipt to the Government email address provided below as confirmation that the remitted funds have been received by UNDP

UB city email address:
Ulziibayar.g@ulaanbaatar.mn
Gankhuu@ulaanbaatar.mn

Attention:
Ulziibayar Gonchig, Head of Policy Planning Division, City Governor's Office

Gankhuu Enkhtuya, Head of Finance and Treasury Division, City Governor's Office

(c) To UNDP:

Ms Beate Trankmann, the Resident Representative for UNDP in Mongolia

Address: United Nations Development Programme in Mongolia
UN house, UN Street – 14, Sukhbaatar district, Ulaanbaatar -14201

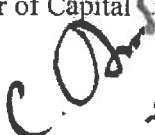

Article XIII

This Agreement shall enter into force upon the signature of this Agreement by parties hereto, on the date of the last signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language and in Mongolian language (s) in two copies.

For the UB Governor's Office:

For the United Nations Development Programme

Name: Amarsaikhan Sainbuyan Title: Governor of Capital City and Mayor of Ulaanbaatar	Name: Beate Trankmann Title: UNDP Resident Representative
Date  2019.06.10	Date  10th June 2019
Location: Ulaanbaatar, Mongolia	Location: Ulaanbaatar, Mongolia

Activated2030 at #Hub: A Youth Enterprising Lab

Approved WorkPlan as per Atlas
Effective: May 2019

Outputs	Planned Activities	Total	UB City Cont.		Source Organization
			USD	MNT	
Output 1: Youth Enterprising Activation Centre (a space where young people are encouraged to come to gather information about income generation, innovation and enterprising activities)	1.1 Set up and operating costs	15,000	15,000	39,599,657	UB City
	1.2 Contractual Services - national consultants	6,000	6000	15,840,240	UB City
	1.3 Contractual Services - international consultants	18,450	18450		UNDP CO
	1.4 Communications/Advocacy	3,000	3,000	7,920,120	UB City
	1.5 Administrative Costs (General Management Support)	1,200	1,200	3,168,048	UB City
	SUB TOTAL		43,650	43,650	66,528,065
Output 2: Development and delivery of Youth Enterprising Lab Services	2.1 Enterprising Development Program (x 24) (catering, resources, etc)	6,000	6,000		UNDP CO
	2.1.1 Contractual Services - international and national consultants	28,250	28,250		UNDP CO
		34,250	34,250		
	2.2 Social Entrepreneurship Program	10,000	10,000		UNDP CO
	2.3 Youth Economic Empowerment Huddle	550	550		UNDP CO
2.4 Communications/Advocacy	7,000	7,000		UNDP CO	
SUB TOTAL		51,800	51,800		
3. Project Implementation	3.1 Miscellaneous	2,500	2,500		UNDP CO
		13,457	10,000		UNDP RBAP
	3.2 Project Associate (located at UNDP)		2,083		UNDP CO
			1,374	3,627,415	UB City
	3.3 Project Associate (located at #Hub)	10,765	10,765	28,420,911	UB City
	3.4 Administrative Costs (General Management Support)	538	538	1,421,046	UB City
SUB TOTAL		27,260	27,260	33,469,371	
Total		122,710	122,710	99,997,436	
GRAND TOTAL	UPL/LPL (Miscellaneous)	4,908	4,908		UNDP CO
		127,619	127,619		

