

Ref. № 09/05/161/OM

13 May 2009

**Embassy of Greek Republic  
in Russian Federation**

The United Nations Development Programme (UNDP) in the Russian Federation would like to express its respect and appreciation to the Embassy of Greek Republic in the Russian Federation for the longstanding cooperation within the framework of the project “Construction of Boarding Sports School in Beslan, Republic of North Ossetia – Alania”.

UNDP confirms the receipt of your note 3760/10/AS 978, dated 06 May 2009 committing the allocation of 100,000 USD for the project which shall cover half of the needed additional funding to fulfill the additional work items under the current construction contract. Herewith this letter we would like to inform you that UNDP is prepared to receive and administer the additional contribution of the Government of Greek Republic within the Third-party Cost Sharing Agreement signed between UNDP and your Embassy on 22 June 2007 for further execution of the project, that a supplementary agreement to the construction contract is being prepared and signed, and that the committed additional fund of 100,000 USD should be transferred to our bank account (of which the requisites are determined in the Cost Sharing Agreement) within one week so that the construction works shall not be interrupted due to the deficit of financing.

Herewith this letter, we also would like to kindly ask your confirmation of the allocation of a new fund of 500,000 USD (half of the needed funds to cover the costs of the outstanding works to fully take the school into operation) within two weeks as determined in the minutes of meetings dated 26-27 March and 13-14 April 2009, so that we can make the school open on 01 September as planned and requested by all involved parties.

UNDP in the Russian Federation is looking forward to further fruitful cooperation with the Embassy of Greece in Russian Federation.

With best regards,



*Florida Perevertaylo*  
**Florida PEREVERTAYLO**  
**UNDP Officer-in-Charge**



**EMBASSY OF GREECE  
IN MOSCOW**

**3760/10/AS 978**

The Embassy of the Hellenic Republic in Moscow presents its compliments to the United Nations Development Programme and has the honour to confirm that the Greek government will contribute the sum of 100.000 US dollars that is required for the completion of the school project "Ioannis Canidis" in Beslan, North Ossetia.

The Embassy of the Hellenic Republic in Moscow avails itself of this opportunity to renew to the United Nations Development Programme the assurances of its highest consideration.



Moscow, 6 May 2009

**United Nations Development Programme**

UNDP COORDINATOR	
Received 6.05.09 Sent	
N 238	
Location	Comments

**THIRD-PARTY COST-SHARING AGREEMENT  
BETWEEN THE GOVERNMENT OF GREECE (THE DONOR) AND  
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis for the execution of Project 00048839 "Construction of a boarding school in the town of Beslan to support the development of social infrastructure and the educational system in the Republic of North Ossetia-Alania", in the Russian Federation.

WHEREAS UNDP is prepared to receive and administer the contribution for the execution of the project,

WHEREAS the Government of the Russian Federation has been duly informed of the contribution of the Donor to the project,

WHEREAS UNDP shall designate an Executing Entity for the execution of the project,

NOW THEREFORE, UNDP and the Donor hereby agree as follows:

**Article I. The Contribution**

1. (a) The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of 1,000,000 (One Million) Euro. The contribution shall be transferred to UNDP Contributions Euro Account, in the Bank of America

Name of Bank:	Bank of America
Bank Address:	5 Canada Square, London 5AQ E14
SWIFT Code:	BOFAGB22
IBAN Number:	GB59BOFA16505062722022
Account No:	62722022
Account Title:	UNDP Contributions (EURO) Account

<u>Schedule of payments</u>	<u>Amount</u>
Before "30 " June 2007	EUR 1,000,000

(b) The Donor will inform UNDP when the contribution is paid via an e-mail message with remittance information to [natasha.likhmachyova@undp.org](mailto:natasha.likhmachyova@undp.org).

(c) All bank charges related to the transfer of the contribution shall be covered by UNDP.

2. 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 Donor with a view to determining whether any further financing could be provided by the Donor. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the execution/implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.

5. All financial accounts and statements shall be expressed in United States dollars.

#### **Article II. Utilization of the Contribution**

1. The execution of the responsibilities of UNDP and of the Executing Entity pursuant to this Agreement and the project document shall be dependent on receipt by UNDP of the contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above.

2. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavors to obtain the additional funds required.

3. If the payments referred to in Article I, paragraph 1, 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 Donor or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.

4. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

#### **Article III. Administration and reporting**

1. Project management and expenditures shall be governed by the regulations, rules and directives of UNDP and, where applicable, the regulations, rules and directives of the Executing Entity.

2. UNDP headquarters and country office shall provide to the Donor all or parts of the following reports prepared in accordance with UNDP accounting and reporting procedures.

2.1 For Agreements of one year or less:

- (a) From the country office (or relevant unit at headquarters in the case of regional and global projects) within six months after the date of completion or termination of the Agreement, a final report summarizing programme/project activities and impact of activities as well as provisional financial data;
- (b) From UNDP Bureau of Management/Comptroller's Division, an annual certified financial statement as of 31 December to be submitted no later than 30 June of the following year;
- (c) From UNDP Bureau of Management/Comptroller's Division on completion of the programme/project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the project.

2.2. For Agreements of more than one year:

- (a) From the country office (or relevant unit at headquarters in the case of regional and global projects) an annual status report of programme/project progress for the duration of the Agreement, as well as the latest available approved budget.
- (b) From UNDP Bureau of Management/Comptroller's Division, an annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
- (c) From the country office (or relevant unit at headquarters in the case of regional and global projects) within six months after the date of completion or termination of the Agreement, a final report summarizing programme/project activities and impact of activities as well as provisional financial data.
- (d) From UNDP Bureau of Management/Comptroller's Division, on completion of the programme/project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the project.

3. If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of the Donor. The specific nature and frequency of this reporting shall be specified in an annex of the Agreement.

#### **Article IV. Administrative and support services**

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 by UNDP for two distinct cost categories related to the provision of support services, namely:

(a) 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 five (5) per cent.

(b) Direct costs incurred for implementation support services (ISS) provided by UNDP and/or an executing entity. As long as they are unequivocally linked to the specific project, these costs are built into the project budget against a relevant budget line and, in the case of clearly identifiable transactional services, charged to the project according to standard service rates.

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.

#### **Article V. Equipment**

Ownership of equipment, supplies and other properties 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. Auditing**

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. Should the biennial Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to the Donor.

#### **Article VII. Completion of the Agreement**

1. UNDP shall notify the Donor when all activities relating to the project have been completed.
2. Notwithstanding the completion of the project, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution of the project have been satisfied and project activities brought to an orderly conclusion.
3. If the unutilized payments prove insufficient to meet such commitments and liabilities, UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.
4. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Donor.

#### **Article VIII. Termination of the Agreement**

1. After consultations have taken place between the Donor, UNDP and the programme country Government, and provided that the payments already received are, together with other funds available to

the project, sufficient to meet all commitments and liabilities incurred in the execution of the project, this Agreement may be terminated by UNDP or by the Donor. The Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate the Agreement.

2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold up to the date of termination, unutilized payments until all commitments and liabilities incurred in the execution of all or the part of the project, for which this Agreement has been terminated, have been satisfied and project activities brought to an orderly conclusion.

3. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Donor.

#### **Article IX. Amendment of the Agreement**

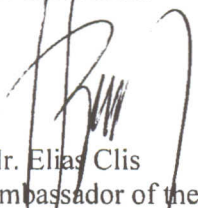
The Agreement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect shall become an integral part of the Agreement.

#### **Article X. Entry Into Force**

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 I, paragraph 1 of this Agreement and the signature of the project document by the concerned parties.


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

For the Donor:

  
Mr. Elias Clis  
Ambassador of the Hellenic Republic

"22" June 2007

For the United Nations Development  
Programme:

  
Mr. Marco Borsotti  
Resident Representative

"22" June 2007