MINISTRY OF FOREIGN AFFAIRS OF THE CZECH REPUBLIC

Department for Development Cooperation and Humanitarian Aid

Prague, July 3, 2006

Ref. Nr.: 120600/2006-ORS

Dear Ben,

let me express my appreciation for the fruitful co-operation between the Czech Republic as the donor and UNDP as the implementing body which has been set up during the past years.

I would like to inform you that the voluntary financial contribution from the Czech Republic in this year will be raised to the amount of 18,000,000 CZK for the Emerging Donors Project (EDP) coordinated by Bratislava Regional Center and 10,000,000 CZK as a core contribution. The Czech contribution for EDP should be allocated similarly as in previous years according to the terms of reference attached to this letter.

I would also like to express our gratitude for the secondment of three persons from the Czech Republic in UNDP (two Programme Associates in the Regional Centre in Bratislava, one person working closely with UNDP Country Office in Moldova). In the context of higher contribution for 2006 suggested above, we would like to discuss an option to engage one more Czech national in UNDP, possibly as of January 2007.

Please consider these suggestions and inform us whether they are acceptable for you.

Best regards,

Hana Ševčíková

director

Attachment: ToR

Mr. Ben Slay Director UNDP Regional Center Grosslingova 35 811 09 Bratislava Slovensko

Terms of Reference for the Implementation of the Cost-Sharing Contribution for the Year 2006 and Description of Project Activities

1. Implementation Arrangements

- 1.1 The objective of the cost-sharing contribution is to establish a Fund within the framework of the Regional Programme for the promotion of the Czech expertise and transition experience as a follow-up to the national 2000-2003 Trust Fund.
- 1.2 The funding will enhance development cooperation between the Czech Republic as an emerging donor and recipient countries with special focus on SEE Europe and CIS (Outcome 1 of the East-East Cooperation, Emerging Donor project) and it will contribute to achieving the related outputs (1.1 Establishment and effective use of development cooperation support mechanisms and 1.2 Sharing of transitional experience and best practices through development cooperation partnership activities)
- Only services supplied by the Czech NGOs, institutions, companies and individual consultants are eligible for financing under this Fund.
- 1.4 The Fund will be managed and programmed by the UNDP Regional Center in Bratislava in accordance with UNDP rules and regulations.
- 1.5 No contractor may receive contracts at a value exceeding 15% of the overall budget of the contribution.
- 1.6 The use of funds will be guided by the framework of sustainable human development incorporating the development priorities of the Czech Republic as defined in its Development Cooperation Concept as well as UNDP regional and country level programming.
- 1.7 UNDP will make the full use of regional programmes and of the network of country offices when implementing this project.
- 1.8 Upon request, UNDP will consult with the Ministry of Foreign Affairs of the Czech Republic issues pertaining to the implementation of this TOR and/or provide additional reporting.

2. Description of Project Activities

- 2.1 The following types of activities linked to either regional or country UNDP programming will be performed within the framework of this funding:
 - workshops
 - consultancy missions
 - project formulation
 - feasibility studies
 - evaluation studies
 - complete or partial projects
 - programming missions
 - study tours
 - internships of young professionals

- 2.2 In view of the Czech ODA concept and UNDP programmatic focus, the activities should preferably be in the following sectors:
 - good governance
 - environment and sustainable development
 - socio-economic development
 - regional cooperation
 - water
 - agriculture and rural development
 - education
 - health
 - human rights
 - small and medium size enterprises
- 2.3 Three Czech Programme Associates will be fully funded from this contribution. Two of them will work at the Bratislava Regional Center and one of them will be placed at UNDP Country Office in Moldova. Terms of Reference and contractual conditions will be proposed by UNDP and subject to the consent of the Donor.