

**Form of Administration Arrangement for Cost-sharing or Trust Fund
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 the United Kingdom to make available a contribution ("the Contribution") of £600,000 (six hundred thousand pounds sterling), as a grant, to be administered by UNDP for the '00039307 UNDP Decentralisation and Local Governance project'. The terms of the Framework Arrangement will apply to the Contribution. 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 purposes: Fiscal Decentralisation and the development of a Monitoring and Evaluation framework as laid out in the project document UNDP Decentralisation and Local Governance. **£430,935** will be allocated to the fiscal decentralisation element, and **£143,645** to development of a Monitoring and Evaluation framework. An additional **£25,420** will be allocated to finance a governance consultant to monitor and support the project until the DFID-funded World Bank Governance advisor is in place. Contractual arrangements would be dealt with by UNDP and not DFID.

3. The contribution will be charged the following support costs:

- (a) 5 per cent for cost recovery for the provision of general management support (GMS) by UNDP headquarters and country office.

A handwritten signature in black ink, appearing to be 'W. J. ...'.

[The level of support costs charges for item (b) above shall in principle be five percent (5%). The total support cost for items (a) and (b) above shall not exceed 15% of the total DFID contribution.]

4. The United Kingdom will deposit the Contribution as a grant with UNDP, upon request from UNDP, in UNDP's Bank Account:

Name: UNDP Contributions GBP Account
No. 6008-6272-2030
Bank of America – London,
5 Canada Square, London E14 5AQ
SWIFT code BOFAGB22

in accordance with the following schedule

£312,710	by 14 December 2005
£143,645	by 14 June 2006
£143,645	by 14 December 2006

The above schedule may be amended by mutual consent of UNDP and the DFID dependent upon actual and estimated expenditure and need. DFID will notify UNDP Headquarters of each payment using the attached form

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 Administration Arrangement;
 - b) prior year's expenditure, current year's expenditure to date and unutilised budget to-date under the Administration Arrangement; and
 - c) the balance on the Programme Budget Allotment.
6. It is expected that the Contribution funds will be fully utilised in accordance with the provisions of this Administration Agreement by July 2007. UNDP will only disburse the funds for the purpose of this



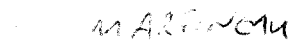
Administration Agreement after such date upon the approval of the United Kingdom.

7. This agreement may be amended only through mutual consent of UNDP and DFID.

8. If at any time, either Participant determines that the purposes of this Administration Arrangement can no longer be effectively or appropriately carried out, or if the Framework Arrangement is terminated, this Administration 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 Administration Arrangement are:

For the United Kingdom



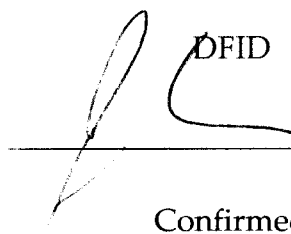
For UNDP

Alfredo Gonçalves Teixeira

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 UNDP 00039307 Decentralization and Local Governance Project".

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

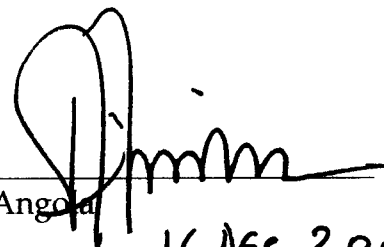
Yours sincerely,


DFID

Confirmed

UNDP

Pierre François Pirlot
Resident Representative UNDP Angola



16 DEC 2005



DFI

Department
for
International
Development

1 Palace Street, London SW1E 5HE

Direct Line: +44 (0) 20 7023

Fax Line: +44 (0) 20 7023

To: UNDP Contributions Unit
304 East 45th street 4th floor
New York NY10017
USA

e-mail addresses: gertrude.cruz@undp.org and copy to claudef.graham@undp.org

UNDP PAYMENTS

Telegraphic Transfer or
Draft or BACS (TT or D or
BACS

BACS

Currency

STERLING

Amount in Figures (currency)

£312,710

Amount in words

Three hundred and twelve thousands seven hundred and ten pounds sterling
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Bank Name

BANK OF AMERICA N.A – LONDON BRANCH

Bank Address

5 Canada Square LONDON E14 5AQ ENGLAND SWIFT: BOFAGB22

Beneficiary A/C
Bank A/C No

UNITED NATIONS DEVELOPMENT PROGRAMME – CONTRIBUTIONS ACCOUNT 6008-62722-030

Beneficiary Name

UNITED NATIONS DEVELOPMENT PROGRAMME, Angola Country Office
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Beneficiary
Address

UNITED NATIONS DEVELOPMENT PROGRAMME ONE UNITED NATIONS PLAZA, NEW YORK NY 10017 USA

Reason for
Payment

DFID contribution to Decentralization and Local Governance Project in Angola, ATLAS Code 000

Payment Date

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