

[On letter head of the Donor]

Date

Dear Sir:

I am pleased to inform you that the \_\_\_\_\_ (hereinafter referred to as the “Donor”) has decided to make a contribution of [written out]\_\_\_\_\_ [in numbers]\_\_\_\_ [ not exceeding US \$ 100,000 over the life of the Project], ( hereinafter referred to as the “Grant”) to the United Nations Development Programme (hereinafter referred to as “UNDP”), a subsidiary organ of the United Nations, an international organization established by treaty, represented by its Resident Representative, with offices at \_\_\_\_\_, for [insert project reference] (details attached).

The contribution shall be deposited to the following Bank and account:\_\_\_\_\_.

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

UNDP shall receive and administer the contribution in accordance with UNDP’s Financial Regulations and Rules, policies and procedures, and on the following terms and conditions:

- (1) The Contribution shall be paid in accordance with the following schedule:\_\_\_\_\_.
- (2) 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.

**[The following paragraph (3) should be included only in the event that the contribution is not in US dollars]**

- (3) 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.

- (4) This Grant will be used exclusively for the Project [...insert reference].
- (5) 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 [specify a % no less than 5%].
  - (b) Direct costs incurred for implementation support services (ISS) provided by UNDP and/or an executing entity or implementing partner. As long as they are unequivocally linked to the specific programme/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/programme according to standard service rates.
- (6) The contribution and activities financed there from shall be subject exclusively to internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. Should an 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.
- (7)
  - (a) The Donor shall not use the UNDP name or emblem, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of UNDP in each case. In no event will authorization be granted for commercial purposes, or for use in any manner that suggests an endorsement by UNDP of [...], its products or services.
  - (b) The Donor acknowledges that it is familiar with UNDP's ideals and objectives and recognizes that its name and emblem may not be associated

with any political or sectarian cause or otherwise used in a manner inconsistent with the status, reputation and neutrality of UNDP.

(c) The Donor may make representations to its shareholders and internal budget officials as required about the fact of the contribution to UNDP. Any other use of the UNDP name or emblem, and any other form of recognition or acknowledgement of the contribution of the Donor are subject to consultations between the Parties, and the prior written agreement of UNDP.

(d) UNDP will report on the contribution to its Executive Board in accordance with its regular procedures regarding contributions from private donors. Other forms of recognition and acknowledgement of the contribution are subject to consultations between the Parties, but the manner of such recognition and acknowledgement shall be determined at the sole discretion of UNDP.

(8) (a) The parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this agreement or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with UNCITRAL Conciliation Rules then obtaining, or according to such procedure as may be agreed between the parties.

(b) Any dispute, controversy or claim between the Parties arising out of or relating to this agreement or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal shall have no authority to award punitive damages. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

(9) Nothing in this agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNDP.

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

The Donor and UNDP will consult with each other in respect of any matter that may arise from or in connection with the Grant.

This letter and your acceptance of this contribution on the terms set forth herein shall constitute an agreement between \_\_\_\_\_ and UNDP on the subject matter hereof.

Sincerely yours,

Acceptance: \_\_\_\_\_

Signature

\_\_\_\_\_  
Name, Title, Date

Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date