

Bishkek, March 7, 2017

Excellency,

I have the honour to refer to the recent discussions held between the representatives of the Government of Japan (hereinafter referred to as "the Government") and of the United Nations Development Programme (hereinafter referred to as "UNDP") concerning Japanese economic cooperation to be extended through UNDP with a view to promoting the economic and social development of the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan and Turkmenistan, including through addressing climate change, and to propose on behalf of the Government of Japan the following understanding:

1. For the purpose of contributing to the implementation of the Project for Strengthening Integrated Risk Governance Capacities and Regional Cooperation in Central Asia (hereinafter referred to as "the Project"), the Government shall make available to UNDP, subject to the relevant laws and regulations and budgetary appropriations of Japan, a grant of six hundred and sixteen million Japanese Yen (¥616,000,000) (hereinafter referred to as "the Grant").
2. The Government shall execute the Grant by making payment in Japanese Yen of the amount referred to in paragraph 1 above to an account to be opened in the name of UNDP at a bank in Japan designated by UNDP. The amount shall be paid during the period between the date of entry into force of the present understanding and March 31, 2017, unless the period is extended by mutual consent between the authority concerned of the Government and UNDP.
3. By and upon making the payment referred to in paragraph 2 above, the Government shall be deemed to have made the assistance to the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan and Turkmenistan through UNDP under the present understanding to the extent of the Grant.
4. (1) The Grant shall be used by UNDP properly and exclusively for the purchase of the products and/or services necessary for the implementation of the Project, enumerated in a list to be mutually agreed upon between the authority concerned of the Government and UNDP (hereinafter respectively referred to as the "Products" and the "Services"), as well as for the agency fees of UNDP.
(2) UNDP shall enter into contracts with suppliers of the Products and/or the Services in accordance with its financial regulations.

His Excellency
Mr. Alexander AVANESSOV
UN Resident Coordinator/
Resident Representative in the Kyrgyz Republic
The United Nations Development Programme

5. (1) UNDP shall take all the necessary measures:
 - (a) to administer the Grant in accordance with its regulations, rules, directives and procedures;
 - (b) to give due environmental and social consideration in the implementation of the Project;
 - (c) to ensure that the Products and/or the Services be maintained and used properly and effectively for the implementation of the Project; and
 - (d) to refund the amount remaining in the account referred to in paragraph 2 to the Government after the completion of the Project.
- (2) UNDP shall provide the Government with a financial and operational report of the Project periodically and upon its completion. Financial statements of the Project to be included in the said financial and operational report shall be subject exclusively to the internal and external audit in accordance with the financial regulations of UNDP.
- (3) Upon request by the Government, UNDP shall provide the Government with necessary information on the Project in accordance with its regulations, rules, directives and procedures.
- (4) UNDP shall ensure the visibility of the Government's contribution through referring to the contribution in its relevant publications and indicating by markings on the appropriate Products and/or their containers with the logo designated by the Government that the Products have been donated by Japan.
6. Procedural details for the implementation of the present understanding may be agreed upon through consultation between the authority concerned of the Government and UNDP.
7. The Government and UNDP shall consult with each other, at the request of either of them, on any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of UNDP the foregoing understanding shall constitute an agreement between the Government and UNDP, which shall enter into force on the date of Your Excellency's Note in reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.



Yoshihiro YAMAMURA
Ambassador Extraordinary
and Plenipotentiary of Japan
to the Kyrgyz Republic

Bishkek, March 7, 2017

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"Excellency,

I have the honour to refer to the recent discussions held between the representatives of the Government of Japan (hereinafter referred to as "the Government") and of the United Nations Development Programme (hereinafter referred to as "UNDP") concerning Japanese economic cooperation to be extended through UNDP with a view to promoting the economic and social development of the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan and Turkmenistan, including through addressing climate change, and to propose on behalf of the Government of Japan the following understanding:

1. For the purpose of contributing to the implementation of the Project for Strengthening Integrated Risk Governance Capacities and Regional Cooperation in Central Asia (hereinafter referred to as "the Project"), the Government shall make available to UNDP, subject to the relevant laws and regulations and budgetary appropriations of Japan, a grant of six hundred and sixteen million Japanese Yen (¥616,000,000) (hereinafter referred to as "the Grant").
2. The Government shall execute the Grant by making payment in Japanese Yen of the amount referred to in paragraph 1 above to an account to be opened in the name of UNDP at a bank in Japan designated by UNDP. The amount shall be paid during the period between the date of entry into force of the present understanding and March 31, 2017, unless the period is extended by mutual consent between the authority concerned of the Government and UNDP.
3. By and upon making the payment referred to in paragraph 2 above, the Government shall be deemed to have made the assistance to the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan and Turkmenistan through UNDP under the present understanding to the extent of the Grant.

**His Excellency
Mr. Yoshihiro YAMAMURA
Ambassador Extraordinary
and Plenipotentiary of Japan
to the Kyrgyz Republic**

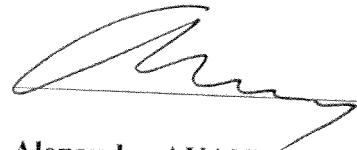
4. (1) The Grant shall be used by UNDP properly and exclusively for the purchase of the products and/or services necessary for the implementation of the Project, enumerated in a list to be mutually agreed upon between the authority concerned of the Government and UNDP (hereinafter respectively referred to as the "Products" and the "Services"), as well as for the agency fees of UNDP.
 - (2) UNDP shall enter into contracts with suppliers of the Products and/or the Services in accordance with its financial regulations.
5. (1) UNDP shall take all the necessary measures:
 - (a) to administer the Grant in accordance with its regulations, rules, directives and procedures;
 - (b) to give due environmental and social consideration in the implementation of the Project;
 - (c) to ensure that the Products and/or the Services be maintained and used properly and effectively for the implementation of the Project; and
 - (d) to refund the amount remaining in the account referred to in paragraph 2 to the Government after the completion of the Project.
 - (2) UNDP shall provide the Government with a financial and operational report of the Project periodically and upon its completion. Financial statements of the Project to be included in the said financial and operational report shall be subject exclusively to the internal and external audit in accordance with the financial regulations of UNDP.
 - (3) Upon request by the Government, UNDP shall provide the Government with necessary information on the Project in accordance with its regulations, rules, directives and procedures.
 - (4) UNDP shall ensure the visibility of the Government's contribution through referring to the contribution in its relevant publications and indicating by markings on the appropriate Products and/or their containers with the logo designated by the Government that the Products have been donated by Japan.
6. Procedural details for the implementation of the present understanding may be agreed upon through consultation between the authority concerned of the Government and UNDP.
7. The Government and UNDP shall consult with each other, at the request of either of them, on any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of UNDP the foregoing understanding shall constitute an agreement between the Government and UNDP, which shall enter into force on the date of Your Excellency's Note in reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration."

I have further the honour to confirm the foregoing understanding on behalf of the United Nations Development Programme (hereinafter referred to as "UNDP"), and to agree that Your Excellency's Note and this Note in reply shall constitute an agreement between UNDP and the Government of Japan, which shall enter into force on the date of this Note in reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.



Alexander AVANESSOV
**UN Resident Coordinator/
Resident Representative in the Kyrgyz Republic**
The United Nations Development Programme

Agreed Minutes on Procedural Details

With reference to the Exchange of Notes between the Government of Japan (hereinafter referred to as "the Government") and the United Nations Development Programme (hereinafter referred to as "UNDP"), dated March 7, 2017 concerning Japanese economic cooperation to be extended through UNDP with a view to promoting the economic and social development of the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan and Turkmenistan (hereinafter referred to as "the Exchange of Notes"), the representatives of the authority concerned of the Government and UNDP agreed upon the following procedural details:

1. With respect to paragraph 2 of the Exchange of Notes, UNDP shall notify in writing the Government of the name of the bank and the number of UNDP's account by March 9, 2017.
2. The Products and/or the Services referred to in sub-paragraph (1) of paragraph 4 of the Exchange of Notes are those enumerated in Appendix.
3. With respect to paragraphs 5 and 6 of the Exchange of Notes:
 - (1) UNDP shall attach, if possible, photographs taken at the Project sites, to the financial and operational report referred to in sub-paragraph (2) of paragraph 5 of the Exchange of Notes;
 - (2) UNDP shall pay due consideration to cooperation with Japanese non-governmental organizations in implementing the Project; and
 - (3) UNDP shall enable, within its powers, the missions which may be sent by the Government, to observe and study the activities under the Project.

Bishkek, March 7, 2017



Yoshihiro YAMAMURA
Ambassador Extraordinary
and Plenipotentiary of Japan
to the Kyrgyz Republic



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UN Resident Coordinator/
Resident Representative
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The United Nations
Development Programme

Appendix

List of Eligible Products and/or Services

- * Products and/or services necessary for the construction and/or rehabilitation of the facilities to implement the Project
- * Products and/or services necessary for the installation of equipment to implement the Project
- * Services necessary for the procurement and the transportation of the products mentioned above
- * Services necessary for the training to implement the Project
- * Services necessary for the operation and management of the Project
- * Evaluation
- * Audit