

**LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
NORTH WESTERN PROVINCIAL COUNCIL
ON THE IMPLEMENTATION OF 'ENHANCING BIODIVERSITY CONSERVATION AND
SUSTENANCE OF ECOSYSTEM SERVICES IN
ENVIRONMENTALLY SENSITIVE AREAS (ESA) PROJECT**

WHEN UNDP SERVES AS IMPLEMENTING PARTNER FOR THE SPECIFIC ACTIVITY

Dear Sir/ Madam,

1. Reference is made to the consultations between officials of the United Nations Development Programme (hereinafter referred to as "UNDP") in Sri Lanka and officials of North Western Provincial Council with respect to the realization of activities by the Government ministry/institution/IGO in the implementation of the project No: 00079607 titled 'Enhancing biodiversity conservation and sustenance of ecosystem services in Environmentally Sensitive Areas (ESAs), as specified in Attachment 1: Project Document, to which the request of the Ministry of Mahaweli Development and Environment is the implementing partner.
2. In accordance with the Project Document and with the following terms and conditions, we confirm our acceptance of the activities to be provided North Western Provincial Council towards the project, as specified in Attachment 2: Description of Activities (hereinafter referred to as "Activities"). Close consultations will be held between North Western Provincial Council and UNDP on all aspects of the Activities.
3. North Western Provincial Council shall be fully responsible for carrying out, with due diligence and efficiency, all Activities in accordance with its Financial Regulations and Rules.
4. In carrying out the activities under this Letter, the personnel and sub-contractors of North Western Provincial Council shall not be considered in any respect as being the employees or agents of UNDP. UNDP does not accept any liability for claims arising out of acts or omission of North Western Provincial Council or its personnel, or of its contractors or their personnel, in performing the Activities or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by North Western Provincial Council, and its personnel as a result of their work pertaining to the Activities.
5. Any subcontractors, including NGOs under contract with North Western Provincial Council shall work under the supervision of the designated official of Western Provincial Council. These subcontractors shall remain accountable to North Western Provincial Council for the manner in which assigned functions are discharged.



6 Upon signature of this Letter shall provide funds to the North Western Provincial Council in an amount up to **Sri Lankan Rupees Two million five hundred thirty-three thousand one hundred and sixty Only [LKR 2,533,160.00]** according to the schedule of payments specified in Attachment 3: Schedule of Activities, Facilities and Payments.

7. North Western Provincial Council shall not make any financial commitments or incur any expenses which would exceed the budget for the Activities as set forth in Attachment 3. North Western Provincial Council shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when North Western Provincial Council is aware that the budget to carry out these Activities is insufficient to fully implement the project in the manner set out in the Attachment 2. UNDP shall have no obligation to provide North Western Provincial Council with any funds or to make any reimbursement for expenses incurred by North Western Provincial Council in excess of the total budget as set forth in Attachment 3.

8. North Western Provincial Council shall submit a cumulative financial report for each tranche. The report will be submitted to UNDP through the UNDP Deputy Country Director and copied to ESA Technical Coordinator within 30 days following the utilization of the tranche. The format will follow the standard UNDP expenditure report (a model copy of which is provided as Attachment 4). The reports received will be compiled on a quarterly basis. UNDP will include the financial report by North Western Provincial Council in the financial report for 00079607 titled 'Enhancing biodiversity conservation and sustenance of ecosystem services in Environmentally Sensitive Areas project

9. North Western Provincial Council shall submit such progress reports relating to the Activities as may reasonably be required by the project manager in the exercise of his or her duties.

10. North Western Provincial Council shall furnish a final report within 3 months after the completion or termination of the Activities, including a list of non-expendable equipment purchased by North Western Provincial Council and all relevant audited or certified financial statements and records related to such Activities, as appropriate, pursuant to its Financial Regulations and Rules.

11. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and North Western Provincial Council.

12. Any changes to the Project Document which would affect the work being performed by North Western Provincial Council in accordance with Attachment 2 shall be recommended only after consultation between the parties.

13. For any matters not specifically covered by this Letter, the Parties would ensure that those matters shall be resolved in accordance with the appropriate provisions of the Project Document and any revisions thereof and in accordance with the respective provisions of the Financial Regulations and Rules of the North Western Provincial Council and UNDP.

14. The arrangements described in this Letter will remain in effect until the end of the project, or the completion of activities of North Western Provincial Council according to Attachment 2, or until terminated in writing (with 30 days' notice) by either party. The schedule of payments specified in Attachment 3 remains in effect based on continued performance by North Western Provincial Council unless it receives written indication to the contrary from UNDP.

15. Any balance of funds that is undisbursed and uncommitted after the conclusion of the Activities shall be returned within 90 days to UNDP.

16. This Letter of Agreement will come into effect on **23rd of May 2018** and shall expire on **30th April 2019**, covering the anticipated term of the project. Any amendment to this Letter, including extension of its duration, shall be effected by mutual agreement, in writing.



17. All further correspondence regarding this Letter, other than signed letters of agreement or amendments thereto should be addressed to Lovita Ramguttee, Deputy Country Director, UNDP Sri Lanka [202-204, Baudhdhaloka Mawatha, Colombo 07] and copied to Sugandhi Samarasinghe, Technical Coordinator, ESA Project [202-204, Baudhdhaloka Mawatha, Colombo 07].

18. North Western Provincial Council shall keep the Technical Coordinator, of 'Environmentally Sensitive Areas Project fully informed of all actions undertaken by them in carrying out this Letter.


19. UNDP may suspend this Agreement, in whole or in part, upon written notice, should circumstances arise which jeopardize successful completion of the Activities.

20. The parties shall use their best efforts to promptly settle through direct negotiations any dispute, controversy, or claim arising out of or relating to the Letter, or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the dispute, controversy or claim and of measures which should be taken to rectify it, shall be referred to the Secretary-General of the United Nations (in case of the UN) or Executive Heads of the respective funds/programmes for resolution.

21. If you are in agreement with the provisions set forth above, please sign and return to this office two copies of this Letter. Your acceptance shall thereby constitute the basis for your, North Western Provincial Council's, participation in the implementation of the project.

Yours sincerely,

Signed on behalf of UNDP



Lovita Ramguttee, Deputy Country Director

Date 23/5/2018



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Signed on behalf of North Western Provincial Council



Mr. P. B. M. Sirisena, Chief Secretary

Date 31.05.2018

P.B.M. Sirisena
Chief Secretary - NWP
Chief Secretary's Office
Provincial Council Office Complex
Kurunegala.