

**STANDARD LETTER OF AGREEMENT BETWEEN  
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND  
KVARELI MUNICIPALITY  
TO CARRY OUT ACTIVITIES  
WHEN UNDP PROVIDES SUPPORT SERVICES TO THE „EU4ITD: ADVANCING DECENTRALIZED,  
EFFECTIVE AND INCLUSIVE GOVERNANCE IN GEORGIA”**

Dear Sir/Madame,

1. Reference is made to the consultations between officials of the United Nations Development Programme (hereinafter referred to as “UNDP”) in Georgia and officials of **Kvareli Municipality** in Georgia with respect to the realization of activities (specified in Attachment 2) by Kvareli Municipality in the implementation of the UNDP support services to the project 00140809/00121589 **EU4ITD: Advancing decentralized, effective and inclusive governance in Georgia** as specified in Attachment 1: Project Document, to which UNDP has been selected as a responsible party.
2. In accordance with the LOA signed between the government implementing partner and UNDP for support services and with the following terms and conditions, we confirm our acceptance of the activities to be provided by **Kvareli Municipality** towards the project, as specified in Attachment 2: Description of Activities (hereinafter referred to as “Activities”). Close consultations will be held between Kvareli Municipality and UNDP on all aspects of the Activities.
3. **Kvareli Municipality** 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 **Kvareli Municipality** 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 **Kvareli Municipality** 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 **Kvareli Municipality**, and its personnel as a result of their work pertaining to the Activities.
5. Any subcontractors, including NGOs under contract with **Kvareli Municipality**, shall work under the supervision of the designated official of Kvareli Municipality. These subcontractors shall remain accountable to **Kvareli Municipality** for the manner in which assigned functions are discharged.
6. Upon signature of this Letter, UNDP will make payments to **Kvareli Municipality** according to the schedule of payments specified in Attachment 3: Schedule of Activities, Facilities and Payments.
7. **Kvareli Municipality** shall not make any financial commitments or incur any expenses which would exceed the budget for the Activities as set forth in Attachment 3. **Kvareli Municipality** shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when **Kvareli Municipality** 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 **Kvareli Municipality** with any funds or to make any reimbursement for expenses incurred by **Kvareli Municipality** in excess of the total budget as set forth in Attachment 3.
8. **Kvareli Municipality** shall submit a cumulative financial and narrative report each quarter (31 March, 30 June, 30 September, 31 December). The report will be submitted to UNDP through the Resident Representative within 10 working days following those dates. The format will follow the standard UNDP expenditure report [a model copy of which is provided as Attachment 4]. UNDP will include the financial report by **Kvareli Municipality** in the financial report for the project 00140809/00121589 **EU4ITD: Advancing decentralized, effective and inclusive governance in Georgia**.
9. **Kvareli Municipality** shall submit such progress reports relating to the Activities per Reporting Schedule in Annex 2, Section 7 and as may reasonably be required by the project manager in the exercise of his or her duties.
10. **Kvareli Municipality** shall furnish a final report within 1 month after the completion or termination of the Activities, including a list of non-expendable equipment purchased by **Kvareli Municipality** 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 **Kvareli Municipality**.
12. Any changes to the LOA between the government implementing partner and UNDP for support services which would affect the work being performed by **Kvareli Municipality** 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 LOA for support services and any revisions thereof and in accordance with the respective provisions of the Financial Regulations and Rules of the **Kvareli Municipality** and UNDP.
14. The arrangements described in this Letter will remain in effect until the end of the project, or the completion of Activities 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 **Kvareli Municipality** unless it receives written indication to the contrary from UNDP.
15. Any balance of funds that is undispersed and uncommitted after the conclusion of the Activities shall be returned within 90 days to UNDP.
16. Any amendment to this Letter shall be affected 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 Douglas Webb, UNDP Resident Representative in Georgia.
18. **Kvareli Municipality** shall keep the UNDP Resident Representative in Georgia 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. Any dispute between the UNDP and **Kvareli Municipality** arising out of or relating to this Letter which is not settled by negotiation or other agreed mode of settlement, shall, at the request of either party, be submitted to a Tribunal of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, who shall be the chairperson of the Tribunal. If, within 15 days of the appointment of two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint the arbitrator referred to. The Tribunal shall determine its own procedures, provided that any two arbitrators shall constitute a quorum for all purposes, and all decisions shall require the agreement of any two arbitrators. The expenses of the Tribunal shall be borne by the parties as assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.
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 participation in the implementation of the project.

Yours sincerely,

Signed on behalf of UNDP  
Douglas Webb, UNDP Resident Representative in Georgia

Date 09-Nov-2024

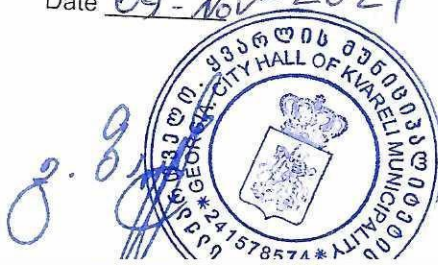
DocuSigned by:

Douglas Webb

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Signed on behalf of Kvareli Municipality  
Givi Zautashvili, Mayor

Date 09-Nov-2024



Attachment 1

**PROJECT DOCUMENT**

Insert cover page of UNDP project document and Results Resource Framework (RRF), which shows activities that are implemented by the LOA partner.

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UNITED NATIONS DEVELOPMENT PROGRAMME

**PROJECT DOCUMENT**  
**UNDP GEORGIA**



**Project Title:** EU4ITD: Advancing decentralized, effective and inclusive governance in Georgia (ADG)  
**Project Number:** 00127677 (Output 00121589)  
**Implementing Partner:** Ministry of Regional Development and Infrastructure of Georgia  
**Start Date:** 27 December 2021 **End Date:** 30 September 2025 **LPAC Meeting date:** 7 February 2022

**Brief Description**

The objective of the project is to advance effective, responsive and accountable national and sub-national governance through promoting decentralization, inclusive and evidence-based policy making, citizen engagement and better service delivery at the local level.

The project will support the implementation of the Pilot Integrated Regional Development Programme (PIRDP) for Guria, Imereti, Racha Lechkhumi and Kvemo Svaneti and the Decentralisation Strategy 2020-2025. The achievement of project objectives will be ensured through a set of actions supporting policy development, capacity building of national, regional and local authorities, improved service delivery and enhanced public engagement at local level.

National and territory-based systems for effective policy making and implementation will be built as an outcome of project intervention, which will be achieved through the following **outputs/results**:

- Inclusive and evidence-based policy making at national and regional/local levels (Output 1)
- Broader access to user-centric, high quality and accountable public services (Output 2)
- Fostered public participation in planning and implementation of regional/local development projects (Output 3)
- Support actions for implementation of Decentralisation Strategy delivered (Output 4)

The project contributes to:

**UNSDCF 2021-2025 Outcome 1/CPD 2021-2025 Outcome 1:** By 2025, all people in Georgia enjoy improved good governance: more open, resilient and accountable institutions, rule of law, equal access to justice, human rights, and increased representation and participation of women in decision making.

**CPD 2021-2025 Output 1.1:** Inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policymaking, and address inequalities and deliver quality services to all.

**UNDP Strategic Plan 2018-2021 Outcome 1:** Eradicate poverty in all its forms and dimensions/1.1 Capacities developed across the whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements in development plans and budgets, and to analyse progress towards the SDGs, using intelligence and data-driven solutions.

**Output:** 00121589-GE42

Total resources required:	2,309,009 USD	
Total resources allocated	UNDP	56,757 USD <small>(Equivalent of EUR 30,400 per UNXRATE for Dec-2021) (0.888)</small>
	EU	2,252,252 USD <small>(Equivalent of EUR 2m per UNXRATE for Dec-2021) (0.888)</small>
Unfunded:	0.00	

\* USD equivalent will change in the course of project implementation per actual exchange rates of transferred instalments

**Agreed by:**

United Nations Development Programme (UNDP) Documented by:  Nick Beresford Resident Representative UNDP GEORGIA Date: 11 Feb 2022	Ministry of Regional Development and Infrastructure of Georgia  Irakli Karseladze Minister of Regional Development and Infrastructure of Georgia Date:
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See full document at: <https://open.undp.org/projects/00127677>

### Results Framework

	Results chain	Indicator	Baseline (value & reference year)	Target* (value & reference year)	Source and mean of verification	Assumptions	
Outputs	Output 1: Inclusive and evidence-based policy making at national and regional/local levels	<b>Milestone 1.1. – Develop policy planning and implementation capacity</b>				Project progress reports. Training reports, pre/post-tests indicating knowledge increase of participants as a result of the training. Baseline/follow up capacity assessments for institutions.  Geostat webpage and reports	MRDI continues to be committed to decentralisation reform and considers inclusive and evidence-based policy making as its integral part; Newly elected municipal leadership is engaged in decentralisation reform
		1.1.(a) Number of central and local public institutions with increased capacities in policy planning and implementation	0 (2021)	20 (2025)			
		1.1. (b) Number of new municipal data indicators integrated into national statistics system	0 (2021)	8 (2025)			
		<b>Milestone 1.2 Develop the project management and implementation capacities</b>					
		1.2.(a) Number of studies/technical documents prepared in support of municipal projects funded through PIRDP and state funds	0 (2021)	11 (2025)			
		<b>Milestone 1.3 Strengthen inter-municipal cooperation</b>					
		1.3. (a) Number of thematic working groups established under the RCCs in target regions;	1 (2021)	4 (2025)			
		1.3. (b) Number of spheres for inter-municipal cooperation identified;	0 (2021)	3 (2025)			
		4.2 Number of local councils with enhanced transparency measures established with project support	0 (2021)	15 (2025)			
		4.3 Total area of municipal property inventoried and incorporated into GIS system	0 (2021)	At least 100,000 square meters (2025)			

## Attachment 2

### DESCRIPTION OF ACTIVITIES

**UNDP Project number:** 00140809/00121589 **Project title:** EU4ITD: Advancing Decentralized, Effective and Inclusive Governance in Georgia

#### **1/ Background**

Kvareli is a municipality in Kakheti region with the town of Kvareli as the administrative centre. The total area is 1000,8 km<sup>2</sup> with a population of 29,827. The municipality comprises of one town and 21 villages.

The Kvareli Sports School is a vital facility for the community, serving 450-500 children annually in various sports, including freestyle wrestling, judo, boxing, karate, handball, volleyball, and basketball. Despite renovation in 2008, the building now requires capital repairs to address significant defects that hinder the educational process and the hosting of tournaments. The renovation of this sports school is essential for ensuring a safe and conducive environment for the hundreds of young people who use the facility daily, as well as for the employees, including 39 coaches, who work there.

To address this, the municipality plans to rehabilitate the Sport School building, including the renovation of the seats, floor, and external facade of the building, arrangement of an energy-efficient heating-ventilation system, ensuring accessibility for persons with disabilities, etc.

The above infrastructure project is in line with the local economic development plan of Kvareli municipality. In particular, with its 2<sup>nd</sup> strategic goal: "Improvement of public and private infrastructure, which will contribute to the development of the municipality". Besides, the infrastructure project is in line with the medium-term development plan of the municipality, in particular with its first goal: To support young people in Kvareli municipality, including improving education, culture and sports services.

Successful implementation of this LOA will enable youth in Kvareli to train under improved conditions, enhancing their sports performance. Additionally, the municipality will benefit from reduced operating costs, since the renovation works will be carried out in an energy efficient manner.

The LOA implementation is directly linked to the ability of Kvareli municipality to effectively manage infrastructure projects throughout the entire project management cycle from project identification to realization and M&E.

#### **2/ Strategy**

To aid to the renovation of the Kvareli Sports School, the LOA will improve infrastructure project development and implementation capacity by purchasing the required technical documentation, including detailed design and cost estimation services. Not having technical documentation ready is usually an obstacle to securing the funds for the works from the Regional Development Fund and other financing instruments administered by the central government. Procuring the design will greatly facilitate securing necessary funds by Kvareli Municipality. The services and works will be procured by the municipality based on the tendering documents prepared by the City Hall and in accordance with Georgia's public procurement laws.

The implementation of the LOA will provide direct benefits to local communities via improved and accessible municipal sports infrastructure.

The LOA has been designed by Kvareli Municipality following the support from the EU4ITD project to build the capacities of the municipal staff in infrastructure project development and management through training and consultancy.

In continuation, the following activity will be carried out within the LOA:

- Procurement of the technical documentation, including conducting appropriate procurement procedures and contracting of the service provider.

Proposed activities will contribute towards achieving the following output and activities of EU4ITD: Advancing Decentralized, Effective and Inclusive Governance in Georgia:

**EU4ITD Output 1: Inclusive and evidence-based policy making at national and regional/local levels, Activity 1.2.1. Provide consultancy on municipal project management.**  
**3/ Results to be achieved by Kvareli Municipality**

3.1/Objective, Outputs and Activities of the assignment

**Overall Objective of the LOA**

The overall objective of the LOA is to improve project management and implementation capacities of Kvareli Municipality through the preparation of municipal infrastructure projects. To this effect, the LOA will support Kvareli municipality to prepare necessary technical documentation for the infrastructure project implementation. Furthermore, the LOA will contribute to the improved conditions for young people engaged in sports in Kvareli municipality through upgrading municipal infrastructure.

**Outputs of the LOA**

**Output 1. Project management capabilities and municipal infrastructure of Kvareli municipality are improved by preparing technical documentation for renovation of Kvareli Sports School**

To increase the capacities in preparing and managing high-quality infrastructure projects, Kvareli municipality will manage the infrastructure project through the LOA. Besides, the detailed design and supporting documentation will further support Kvareli Municipality to secure funding for the full-scale implementation of the above infrastructure project.

***Activity 1.1. Preparing technical documentation for renovation of the Kvareli Sports School***

Preparing a technical documentation, including detailed design and cost estimation, is the first necessary step for realizing an infrastructure project, including securing financing and procuring construction works. The services will be procured by the municipality in accordance with Georgian public procurement laws and regulations.

All preliminary critical steps required for obtaining the best possible result through the procurement of the required design services has been undertaken before starting the formal procurement procedure. Namely:

- The terms of references have been carefully drawn up to ensure that all technical and legal requirements are taken into consideration.
- Qualifications for potential bidders has been determined to ensure that potential service providers fit well the task at hand and are fully able to successfully complete the assignment.
- Preliminary market research has been conducted to ensure that the best candidates competed for the project.

**3.2/Beneficiaries**

The main target groups of the LOA are the local population of Kvareli, specifically young people engaged in sports.

Direct beneficiaries:

- 550 young people who are engaged in various sports and use the building on a daily basis;
- Sports school staff - 66 employees;
- The municipality as the owner of the building.

Indirect beneficiaries:

- Kvareli public schools, which use the premises to hold school Olympics;
- Organizing groups of various tournaments.

#### 4/ LOGFRAME

Monitoring of quality of activities and timely evaluation shall be ensured according to the matrix below:

Outputs	Indicators	Baseline (2021)	Target (2025)	Means of verification
LOA contributes to the following EU4ITD project output: Output 1: Inclusive and evidence-based policy making at national and regional/local levels	1.2.(a)Number of studies/technical documents prepared in support of municipal projects funded through PIRDP and state funds	Baseline Value: 0	Target Value: 11	Project progress reports
LOA Output 1. Project management capabilities and municipal infrastructure of Kvareli municipality are improved by preparing technical documentation for renovation of Kvareli Sports School	Indicator 1.1. Detailed design services in place for the renovation of the Kvareli Sports School	Baseline 1.1: No	Target 1.1: Yes	LOA progress reports, procurement documents, detailed design

#### 5/ Budget (GEL)

Activities/sub-activities	Account	Unit	Unit rate	# of Units	TOTAL (GEL)	Source of Funding	2024	
							Nov	Dec
<b>Output 1. Project management capabilities and municipal infrastructure of Kvareli municipality are improved by preparing technical documentation for renovation of Kvareli Sports School</b>								
<b>Activity 1.1. Activity 1.1. Preparing technical documentation for renovation of the Kvareli Sports School</b>								
1.1.1 Procurement of detailed design services	72100	Lump sum	13,475	1	13,475	UNDP	13,475	0
<b>Total UNDP</b>					13,475	<b>UNDP</b>		
Breakdown by quarters							Q4 2024	

#### 6/ Workplan of Activities

Description of Activity	2024	
	Nov	Dec
<b>Activity 1.1. Activity 1.1. Preparing technical documentation for renovation of the Kvareli Sports School</b>		
1. Procure the detailed design services and contract service provider		
2. Close out the contract		

#### 7/ Management

The Mayor of the Kvareli Municipality will be responsible for managing the LOA. Representatives of the Mayor's office will be engaged in implementation.

#### Reporting timetable

Type of the report	Submission Deadline

Final narrative and financial reports	10 January 2025
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**8/ Visibility**

Kvareli Municipality will ensure full compliance with the visibility guidelines of the donor agencies - the European Union and UNDP.

**9/ Gender Mainstreaming**

The LOA has been developed in consideration of gender equality principles. All the activities will be carried out in view of ensuring the equal participation of both women and men and providing equal benefits to women and men as a result of the LOA.

**10/ Sustainability**

In a long-term perspective, the LOA will contribute to the development of project management capabilities as well as the sustainable development of Kvareli municipality. After the UNDP-funded LOA is completed, all related costs, including renovation expenses will be secured by Kvareli Municipality.

**11/ Risk Log**

Risks Associated with the Outputs from the Log Frame:	Management Responses for Mitigation of Risks	Risk Owner
1/ Service provider may not be able to implement the contract on time and in a high-quality manner	1/ Relevant department and officials of Kvareli City Hall will ensure proper monitoring of the contract implementation by the service provider to ensure the high quality of technical documentation submitted on time	Kvareli City Hall

Attachment 3

Schedule of Activities, Facilities and Payments (GEL)

Year 2024

EXPECTED CP OUTPUTS	PLANNED ACTIVITIES	Timeframe				Planned Budget		Schedule of payments by UNDP
		Q1 2024	Q2 2024	Q3 2024	Q4 2024	Budget Description	Amount	Q4 2024
Quantum output  00140809/00121589 EU4ITD: Advancing Decentralized, Effective and Inclusive Governance in Georgia	Quantum activity  Activity 1: Inclusive and evidence-based policy making at national and regional/local levels.				X	72100 - Contractual Services	13,475	13,475
						<b>Total</b>	<b>13,475</b>	<b>13,475</b>

Note:

- No new advances will be approved/transferred before **at least 80%** of the previous advance and 100% of all earlier advances have been liquidated.
- Expenditures for personnel services may be limited to salary, allowances and other entitlements, including the reimbursement of income taxes due and travel costs on appointment to the project, duty travel within the programme country or region and repatriation costs.
- Adjustments within each of the sections may be made in consultation between UNDP and **Kvareli Municipality**. Such adjustments may be made if they are in keeping with the provisions of the Programme Support/Project Document and if they are found to be in the best interest of the project.
- In case **Kvareli Municipality** requires redistribution of funds among budget activities (components) and redistributed amounts are below 25% of budget activity (component) and/or transfer is done between budget lines of the activity(component) including cancellation and introduction of a budget line, **Kvareli Municipality** shall inform UNDP about redistribution during quarterly reporting. The 25% variation is calculated on both the original activity (component) budget where funds are taken from, and the original value of the budget activity (component), where the funds are to be added. The 25% variation should be cumulative in the lifetime of the agreement.
- In case redistributed amount exceeds 25% of budget activity (component), the budget is amended through formal amendment of the agreement.

Attachment 4

**a/ FINANCIAL REPORT (FACE form) Guidelines**

**Funding Authorization and Certificate of Expenditures (FACE)**



Country: GEORGIA  
 Agency ID: [blank]  
 Region ID: [blank]  
 Reporting Cycle: [blank]  
 Reporting Period: [blank]

UN Agency: UNDP

Date: 20MMYYYY

Fiscal Year: [blank]

3. Contract Types: ECT  
 4. Budget: [blank]  
 5. Agency: [blank]

Bank Name: [blank]  
 Bank Account: [blank]

Currency: GEL

Activity Description	Country of UNDP		REPORTING			REQUESTS / AUTHORIZATIONS		
	2020	2021	Actuals	Expenses Budgeted to Agency	Balance	New Request Period	Adjusted Request	Outstanding Authorized Request
Activity 1			0.00	0.00	0.00	0.00	42,000.00	0.00
<b>Total</b>			0.00	0.00	0.00	0.00	42,000.00	0.00

**CERTIFICATION**  
 I hereby certify that the information reported herein is true and correct.  
 The above information is true and correct, but I am not responsible for the accuracy of the information reported herein.  
 I certify that the information reported herein is true and correct, and I am not responsible for the accuracy of the information reported herein.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

FOR AGENCY USE ONLY

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

FOR UNDP USE ONLY

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

## Instruction for the Financial Report

**Funding Authorization and Certificate of Expenditures (FACE)** form is designed to request Direct Cash Transfers (DCT) and reflect expenditures accumulated by quarter.

Requests for the Direct Cash Transfer (DCT) should be prepared in line with the project or annual work plan, and must be signed by the implementing partner. The Cash transferred to the project are under the total responsibility of the implementing partner and must only be used for the activities and inputs stated in the annual work plan, and following UNDP's policies and procedures as referred to in the project document. The implementing partner/project must have a good system of accounting recording and appropriate filing of financial documentation on the project (in order to maintain records of all payments made with advances and original expenditure backup documentation). All these requirements and information will be reviewed at the project site during the project audit.

In order to receive the funds transferred by UNDP, the implementing partner for the project may open a bank account to be used only for receiving UNDP cash transfers and to make payments of the project. The bank account should be opened under the name of the project. This bank account should not be used for purposes other than receiving UNDP advances and making payments with these advances. This account must not have access to any credit nor be used for investments. If the project needs advances to make payments in local currency and non-local currency, then two bank accounts should be opened, or one bank account with two separate controls of currency.

At the finalization of the project, it is the responsibility of the implementing partner to close this/these account(s) and reimburse any remaining balances to UNDP.

The implementing partner must maintain strict control of such bank accounts, making bank reconciliations at least quarterly (monthly is advisable), and must keep on file all documentation related to account transactions. Any interest earned on the project bank account from the advances must be included by the implementing partner in the Funding Authorization and Certificate of Expenditures (FACE) and credited to the project, recording it as miscellaneous income. Bank statements must be filed by the project and a copy should be submitted to the country office with the FACES.

Together with the signed FACE form, the project has to send a copy of the bank statement as up to the date of the end of the period reported, to enable the country office to compare bank balances with FACE balances (UNDP will not make reconciliation between bank statements and expenditures reported in the Financial Report or FACE. This is the responsibility of the implementing partner and correctness of this reconciliation will be determined by the audit exercise.). The following main instructions apply:

- The normal disbursement cycle for the FACE is quarterly. More frequent reporting is encouraged if agreed to by the UNDP country office and the implementing partner
- Advances shall only be made in non-local currency in those instances where all payments arising out of such will also be in the same non-local currency. If the project has received advances in more than one currency, a separate financial report or FACE must be submitted for each currency received;
- The approval of a request for cash transfer for a particular project is subject to the verification by the CO that at least 80% of the previous advance given and 100% of all earlier advances have been liquidated.
- The implementing partner must submit the corresponding FACES every time the project needs more funds **and** at the end of each quarter, within the first **15 days** of the

following quarter. The FACE must include detailed information on payment instructions (bank account where advances should be deposited).

The FACE supports several important functions:

- Request for funding authorization: The section "Requests / Authorizations" will be used by the implementing partner to enter the amount of funds to be disbursed for use in the new reporting period. The country office can accept, reject or modify the amount approved;
- Reporting of expenditures: The section "Reporting" will be used by the implementing partner to report to the country office the expenditures incurred in the reporting period. The country office can accept, reject or request an amendment to the expenditures reported;
- Certification of expenditures: The section "Certification" will be used by the designated official from the implementing partner to certify the accuracy of the data and information provided.

In the process of certification, the designated official attests to one or both of the following statements:

- That the funding request shown represents estimated planned expenditures as per the Annual Work Plan (AWP)/Budget and that itemized cost estimates have been attached and/or;
- That the actual expenditures for the reported period have been disbursed in accordance with the annual work plan and previously approved itemized cost estimates. Further, the designated official attests that the supporting accounting documentation will be made available, upon request, for a period of five years.

#### **FACE: Overall Approach and Guiding Principles**

The FACE is intended to use by partners for requesting funds and reporting expenditure. Not all sections of the form will be used at all times. For instance, for an initial disbursement, only the request section of the form will be completed. For a final payment upon AWP completion, only the reporting section will be used. The following guiding principles apply:

- No FACE will be processed without the appropriate signature from the designated implementing partner official;
- The FACE is aligned with the annual work plan/budget. The activities for which funds authorization is requested, or for which expenditure is reported, will be the activities specified in the annual work plan;
- The FACE is normally certified by the designated official who signs the annual work plan. In all other circumstances, the annual work plan will specify any other official authorized to certify the FACE. For instance, the designated official signing the annual work plan may be from the central Ministry of Health while the actual expenditures may be incurred by a regional health office. In such cases, the annual work plan should specify whether the central authority will process and sign a consolidated FACE or whether individual FACE forms will be processed by other authorized officials from the subordinate offices and implementing partners. The respective reporting relationship must be specified in the annual work plan;
- A request for funding included in the FACE must be accompanied with an itemized cost estimate of the activities to be funded according to UNDP guidelines.

#### **FACE: Header Area**

The header area of the FACE allows the implementing partner to report on the reason and purpose of the funding/ reporting request. This data is usually needed for correct coding in financial and management accounting systems. The specific data elements include:

- Name of the agency (UNDP);
- Date of the request;
- Type of request (direct cash transfer, direct payment, reimbursement);
- Country where the program takes place;
- project title and code;
- Responsible officer(s);
- Implementing partner;
- Currency of the request and disbursement.

### **FACE: Body of the Form**

**Activity Description:** activity ID and Budget Items description as it appears in the annual work plan/budget.

**Coding Column:** The second column is ATLAS chart of accounts: Account, Fund, Donor. This data is required for UNDP's financial accounting system.

### **Reporting Area**

The FACE is a dynamic form that must balance and reconcile from one reporting period to the next. The first column, column A, on the form repeats the last one, column G, from the previously submitted and authorized FACE form. Note that columns C, D, F and G are shaded. They are blank when the FACE is submitted to the country office. They are filled out by the country office prior to the financial processing of the form. All non-shaded columns are to be completed by the implementing partner.

**Column A – Authorized Amount:** Column A will be blank for the first request from an implementing partner. It should include the date of the most recent previous authorization.

**Column B – Actual Expenditure:** Column B reports the actual expenditures by the implementing partner for the period. The expenditures reported by the implementing partner are, at this point, still subject to review and approval by the country office. The designated official of the implementing partner is certifying that these expenditures are reported in accordance with the provisions of the annual work plan, country programme action plan and/or other related agreements with UNDP.

**Column C – Expenditures Accepted by Agency:** Column C is used by the country office to review and approve, reject or amend to expenditures reported by the implementing partner. If the amounts are accepted as reported, no further adjustments to this part of the FACE or communication with the implementing partner about these expenditures is required. However, if changes are made (e.g., to query or reject a reported expenditure), then the amount recorded by the country office in column C will differ from that reported in column B. In this case, the change needs to be communicated with the implementing partner.

**Column D – Balance:** Column D records the balance of funds authorized for use in the reporting period that remained unspent as of the date of the form. The term 'unspent' can also reflect expenditures which are either known or ongoing as of the date of the FACE, but which cannot be certified by the implementing partner due to timing or internal reporting delays. The outstanding balance of funds authorized by activity can be carried forward, reprogrammed or refunded, depending on the particular circumstances of the signed agreement.

### **Requests and Authorizations Area**

**Column E – New Request Period and Amount:** Column E determines the period of the new request, which is normally contiguous to the last reporting period. The column contains the requests for the authorization to spend or receive funds, by activity and for that period. Each time a request for new or additional funds is submitted, it will be accompanied by an itemized list of expenditures in line with the annual work plan. This column can also reflect any balance for an activity in column D, which is requested for reprogramming. This will reduce the total amount of the new disbursement request accordingly.

**Column F – Authorized Amount:** Column F is used by the country office to establish the amount of new funds, by activity, to be disbursed for the new reporting period. This column is filled in by the country office. It can be used to accept, reject or modify the amounts requested in column E. Any credits for reprogramming will be reflected in this column for reconciliation of the amounts.

**Column G – Outstanding Authorized Amount:** Column G is the sum of columns D and F, and indicates the total outstanding authorized amount. For subsequent period reporting, the amount of this column will be carried forward to the column A of the new FACE form

#### **Certification Area**

The Certification Area is used by the designated official of the implementing partner to request funds and/or to certify expenditures. This area requires a date, the signature of the official and his/her title.

**For Agency Use Only Area Approvals Box:** The "For All Agencies" box in the lower left-hand corner of the FACE form should be signed by the appropriate UNDP official. This indicates the review and approval of the request for funds and authorizes the recording of the reported expenditures. The official should sign, date and provide his/her title.

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#### **Bank Accounts**

In order to receive the funds advanced by UNDP, the IP/project may open a bank account to be used only for receiving UNDP advances and to make payments of the project. If local conditions permit, the bank account should be opened under the name of the project. Opening a separate bank account for the project will usually lower risk but may also place an additional administrative burden on the IP.

Alternatively, the IP may use an existing bank account under the IP's name, but this option may only be used with the agreement of UNDP's Project Manager. In making this decision, the Project Manager will consider the inherent risk involved, using the assurance mechanisms described in HACT.

## b/ Narrative Report Format

**Project:**  
**Date:**

**1. Key Data**

- 1.1. Start date and end date of the Letter of Agreement (LOA):
- 1.2. Total Budget:
- 1.3. Target area: (if applicable)
- 1.4. Start date and end date of the reporting period:

**2. Progress on LOA Implementation**

**2.1. Details of implemented components**

A set of specific activities described below were implemented in the reporting period to achieve the LOA output XX:

- **Activity 1.1:**
- **Activity 2:**

**(Note: Please add as many activities as needed)**

**2.2 Achievement against Results Framework and Targets:**

Expected outputs	Indicator	Baseline (Value, Year)	Targets	PROGRESS	COMMENTS*
LOA LOGFRAME					
1/ LOA specific Output 1	Indicator 1.1 Indicator 1.2	Baseline 1.1 Baseline 1.2	Target 1.1 Target 1.2		
2/ LOA Output 2	Indicator 2.1 Indicator 2.2	Baseline 2.1 Baseline 2.2	Target 2.1 Target 2.2		
etc					

\* Please provide clarifications in case of under or over achievement.

**3. Monitoring Activities**

Information on monitoring activities conducted to verify the quality and achievement of the results

**4. LOA Sustainability**

This section to be included only in the Final Report

**5. Gender mainstreaming/Cross cutting issues**

Provide information on the efforts undertaken to ensure equal access and engagement.

### 6. Lessons learned

This section is required for final report, but recommended to be included in quarterly reports as well, if needed.

### 7. Outreach and Media Coverage

In this section, please include # of people reached through social media, including shares, likes and etc. with respective period. In addition, fill out the chart below for media coverage reporting and annex high-resolution photo materials.

Name of the Event	Brief Summary	Date	Link to Article/TV Footage/Social Media
1/			
2/			

### 8. Risk Log Update

<u>Risks Associated with the outputs from the logframe:</u>	<u>Management responses for mitigation of risks</u>	<u>Risk owner</u>	<u>Update*</u>
1/			
2/			

*\*If no changes occurred in the risk status during reporting period, indicate "no changes".*

### 9. ANNEXES

**Annexes should include sources of verification per activities mentioned in the report.**

**ANNEX I List of Publications and Printed Materials Produced under the LOA**

**ANNEX II Photo Materials**

**ANNEX III**

**ANNEX IV**