

**STANDARD LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
LEGAL ENTITY OF PUBLIC LAW (LEPL) SENAKI MUNICIPALITY
TO CARRY OUT ACTIVITIES
WHEN UNDP PROVIDES SUPPORT SERVICES TO THE "FOSTERING REGIONAL AND LOCAL
DEVELOPMENT IN GEORGIA PHASE 2"**

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 Legal Entity of Public Law **Senaki Municipality** in Georgia with respect to the realization of activities (specified in Attachment 2) by Senaki Municipality in the implementation of the UNDP support services to the project 00099175/00108051 Fostering Regional and Local Development in Georgia Phase 2 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 **Senaki Municipality** towards the project, as specified in Attachment 2: Description of Activities (hereinafter referred to as "Activities"). Close consultations will be held between Senaki Municipality and UNDP on all aspects of the Activities.
3. **Senaki 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 **Senaki 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 **Senaki 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 **Senaki Municipality**, and its personnel as a result of their work pertaining to the Activities.
5. Any subcontractors, including NGOs under contract with **Senaki Municipality**, shall work under the supervision of the designated official of Senaki Municipality. These subcontractors shall remain accountable to **Senaki Municipality** for the manner in which assigned functions are discharged.
6. Upon signature of this Letter, UNDP will make payments to **Senaki Municipality** according to the schedule of payments specified in Attachment 3: Schedule of Activities, Facilities and Payments.
7. **Senaki 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. **Senaki Municipality** shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when **Senaki 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 **Senaki Municipality** with any funds or to make any reimbursement for expenses incurred by **Senaki Municipality** in excess of the total budget as set forth in Attachment 3.
8. **Senaki 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 **Senaki Municipality** in the financial report for the project 00099175/00108051 Fostering Regional and Local Development in Georgia Phase 2.
9. **Senaki Municipality** shall submit such progress reports relating to the Activities per Reporting Schedule in Annex 2, Section 8 and as may reasonably be required by the project manager in the exercise of his or her duties.
10. **Senaki 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 **Senaki 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 **Senaki 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 **Senaki 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 **Senaki 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 **Senaki 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 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 Louisa Vinton, UNDP Resident Representative in Georgia.

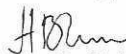
18. **Senaki Municipality** shall keep the UNDP Resident Representative in Georgia fully informed of all actions undertaken by them in carrying out this Letter.

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 **Senaki 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
Anna Chernysheva, UNDP Resident Representative a.i.
Date 03-Aug-2021



Signed on behalf of Senaki Municipality
Levan Kupreishvili, Mayor
Date _____



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.

Annex 1 to CSA

UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT DOCUMENT**[GEORGIA]¹****Project Title:** Fostering Regional and Local Development in Georgia - Phase 2**Project Number:****Implementing Partner:** Ministry of Regional Development and Infrastructure**Start Date:** 15 Dec 2017 **End Date:** 30 Nov 2021 **PAC Meeting date:****Brief Description**

The overarching goal of the project is to build strong LSG institutions with greater competences and capacities to act as catalysts for stimulating regional/local economies, engage citizens into local policy making and design and implement people-centred initiatives benefiting women, men, youth, ethnic minorities, IDPs and other population groups. In that way, the project will build a sound foundation for advanced decentralization and good governance at the local level and pave the way for more sustainable and inclusive growth, reduction of poverty and inequalities, and better quality of life of citizens.

To achieve this goal, the project proposes the Local Economic Development (LED) approach to be applied as a central instrument throughout the project implementation cycle, since LED is a participatory, bottom-up approach, which emphasises the catalyst role of the public sector and ultimately aims to create sustainable economic development.

Consequently, the project activities are planned in a way to form constituent and complementary parts of the LED process contributing to the three project outcomes: 1) Georgia implements adequate policy and institutional frameworks to foster decentralization and enable local economic development (LED); 2) Government institutions at local level are strengthened to deliver quality services enabling the business environment and incentivizing local economic actors 3) Local stakeholders, particularly communities, are economically empowered and have improved access to related participation in decision-making processes.

The project will operate in four regions (Racha-Lechkhumi-Kvemo Svaneti, Samegrelo-Zemo Svaneti, Guria and Kvemo Kartli) reaching out to 900 186 people, among them 462 340 women, 176 187 youth (15-29 years), 210 610 ethnic minorities, 85 156 residents of mountainous areas and 60 090 IDPs.

In total, the project will directly benefit 10 590 citizens of Georgia, while the whole population of Georgia (3 720 400 citizens) will be indirect beneficiaries of project interventions.

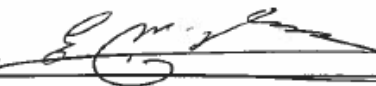
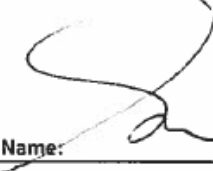
In the end, the programme will contribute to attaining sustainable development goals, including: (1) no poverty, (5) gender equality, (8) decent work and economic growth, (10) reduced inequality, (11) sustainable cities and communities, (12) responsible production and consumption and (16) peace, justice and strong institutions

¹ The Project Document will be revised during the first Steering Committee meeting of the project taking into account the comments of SDC

Contributing Outcome (UNDAF/CPD, RPD or GPD):

Total resources required:	USD 5,486,145	
	EUR 4,563,641	
Total resources allocated:		
	SDC	USD 3,531,060 EUR 2,937,842
	ADA	USD 1,802,885, EUR 1,500,000
	Government	USD 151,200 EUR 125,798
	In-Kind	USD 196,000 EUR 163,072
Unfunded:		

Agreed by (signatures):

Government	UNDP
	
Print Name: _____	Print Name: _____
Date: _____	Date: _____

Attachment 2

DESCRIPTION OF ACTIVITIES

UNDP Project Number and Title: 0099175/00108051 Fostering Regional and Local Development in Georgia Phase 2 (FRLD 2)

Title: “Promoting local economic development by improving tourism infrastructure in Zemo Chaladidi Community of Senaki Municipality”

1/ Background

Senaki Municipality is situated in western Georgia in the Samegrelo-Zemo Svaneti Region. The municipality possesses significant potential for the development of different types of tourism, which serves as an important driver for Local Economic Development (LED) within the municipality.

Tourism and the development of modern tourism infrastructure have been identified as a significant opportunity for job creation in the municipality and is seen as a key to improving Senaki’s ability to capitalise on its rich and varied historical sites. Aimed at enhancing Senaki’s position as a major tourist destination and improving experience of visitors, Senaki Municipality is dedicated to develop all necessary tourism-related services and advance already provided ones. Moreover, it has a capacity to build a considerable and untapped opportunity available in Senaki and develop a wide variety of tourism related activities including historic-cultural, medical-recreational, ecotourism, and agritourism sectors.

Senaki contains a variety of natural resources that offer significant potential as a tourism destination. Kolkheti National Park is especially noteworthy among them. The national park is located on the territory of five municipalities - Zugdidi, Khobi, Senaki, Abasha and Lanchkhuti and is a part of two historical regions of Georgia: Samegrelo and Guria. The administration of Kolkheti National Park offers tourists boating tours on the Paliastomi Lake and the Phichori River, as well as sport fishing, birdwatching and eco-educational tours. These routes do not include the Zemo Chaladidi section of the Kolkheti National Park, which is owned by Senaki Municipality and covers 3.8 hectares. Underdeveloped touristic infrastructure is one of the major impediments of utilizing its potential, given that the Kolkheti National Park’s wetlands and rainforests recently was added to the UNESCO World Heritage List.

The presented initiative is aimed at helping to solve this problem. The arrangement of tourist infrastructure on the Chaladidi section will facilitate the inclusion of this location in the unified tourist system of Kolkheti National Park. At the same time, it should be noted that the tourist potential information base is being systematized in the municipality. The website tourism.senaki.gov.ge, created under the auspices of the United Nations Development Program, will be used to promote this new tourist destination and provide information in the tourism sector. Accordingly, detailed information on all existing cultural and historical monuments will be available on tourist routes. The area around Zemo Chaladidi will also be popularized through various advertising activities, PR campaigns, and regularly updated information on relevant webpages.

The activities planned under this initiative will have positive impact on local social and economic development, as well as promotion of tourism as a key economic sector in the Municipality. This initiative will put in place a strong foundation for further development of the tourism sector and increasing attractiveness of municipality: it will increase the flow of local visitors to Zemo Chaladidi, increase the length of their stay and the prospect of their return.

2/ Strategy

In order to improve the socio-economic conditions of the local population, great importance is attached to the restoration of the existing tourist zones and their smooth, uninterrupted functioning. The place of implementation of the presented project is the administrative unit of Zemo Chaladidi community in Senaki

Municipality, in particular, the area around the ferry, which borders the Kolkheti National Park. The area has great potential for tourism development and covers 3.8 hectares owned by Senaki Municipality.

Zemo Chaladidi administrative unit is 12 km away from the center of the Municipality. Today there are 150 households living in the village. The main activities here are livestock, horticulture, fishing, beekeeping. Due to the existing eco-environment, the products grown and produced here are especially distinguished by their taste.

Also noteworthy is the ferry in Zemo Chaladidi, which has been running on the river Rioni since 1945, the only ancient river transport in Samegrelo that has survived to the present day. The ferry connects the villages of Zemo Chaladidi and Siriachkon. The ferry, in turn, is a tourist attraction. Arranging the relevant infrastructure in the surrounding area of the ferry, will promote the development of hiking, horseback riding or boating tours, "Off Road", eco-tours. The tourist infrastructure will help to add this section of Zemo Chaladidi to a unified route of Kolkheti National Park. The creation of a new tourist destination in Senaki will contribute to the growth of local economic activity. An enabling environment will be created for local people to sell household products, increase the number of tourists and visitors, start new businesses and extend existing businesses. In cooperation with the Kolkheti National Park Administration, local interested people will be trained to gain skills of a tour-guide and a ranger.

It should be noted that the City Hall of Senaki Municipality has prepared the respective project design and its cost estimate for the improvement of the area adjacent to the ferry in Zemo Chaladidi administrative unit, according to which development of tourist infrastructure in the area will be profitable and will create opportunities for new economic activities locally.

To assist Senaki Municipality and contribute to the development of Zemo Chaladidi touristic potential the proposed LOA envisions implementation of the following activities:

- Constructing the road and outdoor lighting to the ferry
- Arranging picnic and camping sites and build respective infrastructure in the area surrounding the ferry
- Constructing stalls and infrastructure for open cafe for promoting and selling the local produce
- Building water closets near the ferry

The arrangement of tourist infrastructure in Zemo Chaladidi will be an important start for the further development of this place.

This LOA is in line with Sustainable Development Goals 1, 5, 8, 9, 11 and Samegrelo-Zemo Svaneti Region Development Strategy for 2014-2021. The activities planned within this LOA's framework will contribute to the reduction of poverty, create equal opportunities and establish an inclusive environment for the employment of all groups within the municipality. The initiative is also in line with Senaki Municipality Medium-term Development Document (MDD), updated with the support of UNDP FRLD phase II.

Proposed activities will contribute towards achieving the following output and activities of **0099175/00108051 FRLD 2 project**:

FRLD Output 2.2. Municipalities and private sector implement pilot LED initiatives in the areas such as tourism, agriculture, trade facilitation etc.

3/ Results to be achieved by Senaki Municipality

3.1/Goal and outputs

Goal

The goal of the LOA is to contribute to sustainable economic development of Zemo Chaladidi community (Senaki Municipality), through creating new tourist destination near the ferry.

Outputs of the LOA

Output 1. Tourist infrastructure arranged in Zemo Chaladidi, Senaki Municipality

Activity 1.1. Constructing the road and arranging outdoor lighting leading to the ferry

Arranging the access road to the ferry and equipping it with modern attributes of the road will significantly facilitate the safe movement of road transport. Within the framework of this activity, a 250-meter-long road, and street lights along it will be arranged.

Activity 1.2. Arranging picnic and camping sites and build respective infrastructure in the area surrounding the ferry

Attractive and picturesque landscape around the river offers ample opportunities to visitors to enjoy picnics and camping. Within the LOA framework, infrastructure will be built in the selected spots: sheds, tables and chairs/benches will be installed in spots designated for picnics. The municipal authorities will oversee and carry out monitoring of the infrastructure, for this purpose the guard huts also will be set up in the area.

The development of the premises and the surrounding area of the ferry will contribute to an increase in the number of tourists and visitors, greater retention period and satisfaction. Local authorities will hand the infrastructure (picnic and camping areas) at a nominal price to small businesses so that the latter are able to manage and rent them out.

Activity 1.3. Constructing stalls and infrastructure for open cafe for promoting and selling the local produce

Mayor's Office will ensure the construction of adequate infrastructure (stalls) for fairs, allocate premises for a cafe with outdoor seating and install electricity and water systems while the operation of the cafe will fall under the responsibility of a private body to be selected through a competition. This arrangement will allow local youth, women, persons with disabilities and start-up businesses to generate additional income and improve their financial standing.

Activity 1.4. Building water closets in Zemo Chaladidi near the ferry

Lack of sanitation and water closets poses one of the major challenges to the country's tourism sector and leads to negative disposition of tourists and visitors. In addition, access to water and sanitation contributes to environmental protection. To this end, the LoA envisages the building of water closets.

Senaki Municipality commits to preserve environment and maintain hygienic norms on regular basis on the project location.

Senaki Municipality prepared the respective project design and its cost estimate. The construction company will be selected through an E-tender in full compliance with the state procurement regulations to ensure

transparency, impartiality and fair competition of the procurement process to be carried out on a non-discriminatory basis. Thus, the whole procedure for constructing of infrastructure takes approximately 7 months, including:

- Preparation of technical documentation for the public procurement procedure,
- Conducting the e-tender and signing of the agreement with the service provider company,
- Conducting construction works.

An inspection team of Senaki Municipality will provide day to day oversight of the quality assurance in cooperation with all respective units of the municipality.

3.2/Beneficiaries

The main target group of the LOA is local population.

Direct beneficiaries:

- Local entrepreneurs and farmers, approximately 15 individuals including 10 women who will be able to display and sell local produce at the newly arranged stalls. Most of the self-employed, approximately 50%, will be youth. A list of those who are willing to participate in fairs (women, youth, persons with disabilities, socially vulnerable individuals) will be prepared to ensure that access to infrastructure during fairs and sales are distributed based on the principles of parity and fairness

Indirect beneficiaries:

- Tourists (national, international): 8,000 (estimated)
- Local population of the Zemo Chalaadi Community and the Municipality

4/ LOGFRAME

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

Outputs	Indicators	Baseline (November 2020)	Target (September 2021)	Means of verification	Frequency	Body in charge
FRLD Output 2.2. Municipalities and private sector implement pilot LED initiatives in the areas such as tourism, agriculture, trade facilitation etc.	# of joint LED initiatives piloted	Baseline Value 2018: 0	Target Value 2021: at least 4 (1 per region)	Municipal reports and budget	Semi-annually	Municipalities MRDI
LOA Output 1: Tourist infrastructure arranged in Zemo Chaladidi, Senaki municipality	Indicator 1.1. length of the road built and equipped with lighting	Baseline 1.1: 0	Target 1.1: 250 metres	LOA progress reports, procurement documents, visibility materials, photos	On a quarterly basis (according to a reporting timetable)	Senaki Municipality
	Indicator 1.2. # of picnic sites arranged	Baseline 1.2: 0	Target 1.2: 2	Activity reports, photos, procurement documentation.	On a quarterly basis (according to a reporting timetable)	Senaki Municipality

Outputs	Indicators	Baseline (November 2020)	Target (September 2021)	Means of verification	Frequency	Body in charge
	Indicator 1.3. # of stalls arranged nearby the ferry	Baseline 1.3: 0	Target 1.3: 2	LOA progress reports, procurement documents, visibility materials, photos	On a quarterly basis (according to a reporting timetable)	Senaki Municipality
	Indicator 1.4. # of farmers and local entrepreneurs participating in fairs (disaggregated by women, youth, ethnic minorities, IDPs, PwD)	Baseline 1.4: 0	Target 1.4: 15	LOA progress reports, contracts, beneficiary lists/ databases, photos	On a quarterly basis (according to a reporting timetable)	Senaki Municipality
	Indicator 1.5. # of water closets built	Baseline 1.5.: 0	Target 1.5.: 1	Activity reports, photos, procurement documentation.	On a quarterly basis (according to a reporting timetable)	Senaki Municipality

5/ Budget (GEL)

Activities/sub-activities	Account	Unit	Unit rate	# of Units	TOTAL	Source of Funding	Aug	Sept	Oct	Nov	Dec	Jan	Feb
					(GEL)								
Output 1. Tourist infrastructure arranged in Zemo Chaladidi, Senaki Municipality													
<i>Activity 1.1. Constructing the road and arranging outdoor lighting leading to the ferry</i>	72105	lumpsum	114,815	250 m	114,815	UNDP	50,000		64,815				
<i>Activity 1.2. Arranging picnic and camping sites and build respective infrastructure in the area surrounding the ferry</i>	72105	lumpsum	25,100	2	25,100	UNDP			25,100				
<i>Activity 1.4. Building water closets in Zemo Chaladidi near the ferry</i>	72105	lumpsum	42,500	1	42,500	UNDP						42,500	
Sub-total Output 1					182,415								
Total UNDP					182,415	UNDP	50,000		89,915			42,500	
Breakdown by quarters*: UNDP							Q3 2021		Q4 2021			Q1 2022	

Senaki Municipality's Contribution

Activities	Total (GEL)
Output 1. Tourist infrastructure arranged in Zemo Chaladidi, Senaki Municipality	
<i>Activity 1.3. Constructing stalls and infrastructure for open cafe for promoting and selling the local produce</i>	18,500

6/ Workplan of Activities

The LOA duration is 7 months.

Description of Activity	Month						
	Aug-2021	Sept-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022
Arranging tourist infrastructure in Zemo Chaladidi, Senaki Municipality							
1. Announce a tender for the construction work and select a construction company							
2. Construction works							

7/ Management

The Mayor of Senaki 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	Reporting Period	Submission Deadline
Interim narrative and financial report	From the start of the LOA – 2 month	10 October 2021
Interim narrative and financial report	From the start of the LOA - 5 months	10 January 2022
Final narrative and financial report	From the start of the LOA - 7 months	10 March 2022

8/ Visibility

Senaki Municipality will ensure full compliance with the visibility guidelines of all donor agencies (Swiss Agency for Development and Cooperation (SDC), Austrian Development Cooperation (ADC), Ministry of Regional Development and Infrastructure (MRDI)) and UNDP and incorporate updates on the visibility actions in regular reporting.

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 equal participation of both women and men and providing equal benefits to women and men as a result of the LOA. Sex-desegregated data will be collected and analyzed throughout the LOA life cycle to track participation of different gender representatives in various LOA activities.

10/ Sustainability

In a long-term perspective, the LOA will contribute to the development of local economy. Generation of additional revenues and income will support small and medium business with young people up to 30 years of age, women are expected to run and work for. Successful implementation of the LOA will have a multiplication effect as a result of which other amenities will appear either around the location or other similar destinations in Senaki Municipality.

After the UNDP funded LOA is completed, Senaki Municipality will take full responsibility for operation of the locations. All related costs, as well as maintenance and depreciation expenses will be covered

by the municipal budget. However, for a long-term perspective it should be leased to a private company through an auction which will minimise municipal costs and maximise income. The key condition of a leasing agreement should entail the preservation of the profile of the infrastructure.

The quality of the works will be ensured by regulations embedded in a contract with service providers. A contractor company will be responsible for eliminating discrepancies that may be identified during a warranty period.

11/ Risk Log

Risks Associated with the Outputs from the Log Frame:	Management Responses for Mitigation of Risks	Risk Owner
1/ Delay in the implementation of the planned activities because of the COVID-19 pandemic	The project team has already started doing some research. Besides there is considerable experience with procurement procedures. Therefore, procurement procedures and active cooperation with suppliers will take off early on during the project implementation	Mayor's Office of Senaki Municipality
2/ Low motivation among beneficiaries	Complex and progressive approach to raise awareness of potential beneficiaries	Mayor's Office of Senaki Municipality

Attachment 3**Scheduled of Activities, Facilities and Payments (GEL)****Year 2021-2022**

EXPECTED CP OUTPUTS	PLANNED ACTIVITIES	Timeframe			Planned Budget		Schedule of payments by UNDP		
		Q3 2021	Q4 2021	Q1 2022	Budget Description	Amount	Q3 2021	Q4 2021	Q1 2022
Atlas output 00108051 and 00099175	Atlas activity 2 under all outputs	x	x	x	72105 - Contractual Services-Companies	182,415	50,000	89,915	42,500
					Total	182,415	50,000	89,915	42,500

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 **Senaki 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 **Senaki 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, **Senaki 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**


Project ID:

Project Title:

Responsible Officer(s):

Implementing Partner ID:

Currency: **GEL**



UN Agency: **UNDP**

Bank Name:

Bank Account:

Date: **DDMMYYYY**

Type of Request:

Direct Cash Transfer (DCT)

Direct Payment

Reimbursement

Activity ID and Budget Description	Coding for UNDP			REPORTING				REQUESTS / AUTHORIZATIONS			
				Authorized Amount	Actual Project Expenditure	Expenditures accepted by Agency	Balance	New Request Period & Amount	Authorized Amount	Outstanding Authorized Amount	
	MM/YY	B	C	B=A-C	MM/YY	F	D+B+F				
Activity 1				0.00		0.00	0.00	0.00	40,000.00	40,000.00	0.00
											0.00
											0.00
											0.00
											0.00
											0.00
											0.00
											0.00
											0.00
											0.00
											0.00
											0.00
Total				0.00		0.00	0.00	0.00	0.00	40,000.00	40,000.00

CERTIFICATION

The undersigned authorized officer of the above-mentioned implementing institution hereby certifies that:

The funding request shown above represents estimated expenditures as per AWP and itemized cost estimates attached.

The actual expenditures for the period stated herein has been disbursed in accordance with the AWP and request with itemized cost estimates. The detailed accounting documents for these expenditures can be made available for examination, when required, for the period of five years from the date of the provision of funds.

Date Submitted: _____ Name: _____ Title: _____

NOTES: * Dashed areas to be completed by the UN Agency and non-dashed areas to be completed by the counterpart.

FOR ALL AGENCIES	FOR UNICEF USE ONLY	FOR UNFPA USE ONLY																																												
Approved by: _____ Name: _____ Title: _____ Date: _____	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">Account Charges</th> <th colspan="2">Liquidation Information</th> </tr> <tr> <td>Cash Transfer Reference: _____</td> <td></td> <td>DCT Reference: _____</td> <td></td> </tr> <tr> <td>UNDP ref. no. / Implementing org. _____</td> <td></td> <td>UNDP ref. no. / Liquidator ref. no. _____</td> <td></td> </tr> <tr> <td>SL code: _____</td> <td></td> <td>DCT Amount: _____</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Training: _____</td> <td style="text-align: right;">0</td> <td>Less: _____</td> <td></td> </tr> <tr> <td>Travel: _____</td> <td style="text-align: right;">0</td> <td>Liquidation: _____</td> <td></td> </tr> <tr> <td>Meetings & Conferences: _____</td> <td style="text-align: right;">0</td> <td>Amount: _____</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Other Cash Transfers: _____</td> <td style="text-align: right;">0</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">0</td> <td>Balance</td> <td style="text-align: right;">0</td> </tr> </table>	Account Charges		Liquidation Information		Cash Transfer Reference: _____		DCT Reference: _____		UNDP ref. no. / Implementing org. _____		UNDP ref. no. / Liquidator ref. no. _____		SL code: _____		DCT Amount: _____	0	Training: _____	0	Less: _____		Travel: _____	0	Liquidation: _____		Meetings & Conferences: _____	0	Amount: _____	0	Other Cash Transfers: _____	0			Total	0	Balance	0	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">New Funding Release</th> </tr> <tr> <td>Activity 1</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Activity 2</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">0</td> </tr> </table>	New Funding Release		Activity 1	0	Activity 2	0	Total	0
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FACE Form (Revised 22-09-2006)

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.

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