

PIMS 1996, FP: Integrated Ecosystem Management in the Prespa lakes Basin of Albania, FYR-Macedonia and Greece
Endorsement and Commitment letters

Letter from Macedonia



**MINISTRY OF ENVIRONMENT
AND PHYSICAL PLANNING**
Republic of Macedonia



To:	To Frode Mauring Resident Representative UNDP Macedonia "Dimitrie Cupovski"-8 1 000 Skopje Republic of Macedonia
Subject:	Submission of Letter of Endorsement
Connection:	"Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, R-Macedonia and Greece"

Dear Mr. Mauring,

June 16, 2005

Gov. No. 09-24164

On behalf of the Government of the Republic of Macedonia and in my capacity as GEF Operational Focal Point for the Republic of Macedonia, I am pleased to endorse the above mentioned proposal, to be presented through the United Nations Development Programme (UNDP) to the Global Environmental Facility. Full Size Project request Project for funding consideration by the GEF.

The proposal is considered as a priority on the environmental agenda of the Ministry of Environment and Physical Planning of our country and will at the same time contribute to strengthening of the ongoing trans-boundary cooperation in resource management and conservation between the neighboring countries.

We look forward to your kind consideration in this matter.

Sincerely,

Sincerely,


Gordana Ruzharska

GEF Operational Focal Point

C.c. Ms. Anita Kodzoman, Program Officer, UNDP CO Macedonia

Letter from Albania



**REPUBLIC OF ALBANIA
MINISTRY OF ENVIRONMENT
Directorate of Nature Protection**

Rruga Durrësi, Nr. 27, Tirana, Tel. +355 42 70 624 Fax. +355 42 70 627

Tirana, on

Subject: Integrated Ecosystem Management in the Prespa Park Basin of Albania, FYR-Macedonia and Greece

**Mr. Leonard Good
CEO & Chairman
Global Environment Facility
1818 H. St., NW
Washington, DC 20433**

Dear Mr. Good,

As the Albanian GEF Operational Focal Point, I am pleased to endorse and submit to you the project brief UNDP/GEF "Integrated Ecosystem Management in the Prespa Park Basin of Albania, FYR-Macedonia and Greece" for funding consideration by the GEF. The brief concept document for this project is attached.

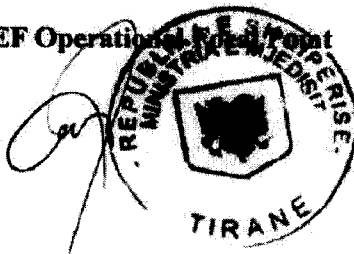
The Project will support the sustainable development of the Prespa Park Area with a high level of biodiversity and vital economic value for the community. The proposal has been elaborated together with the other two countries (FYROM and Greece) in the framework of the trilateral cooperation initiative.

The Ministry of Environment of Albania is willing to contribute in cash 10% of total budget that GEF will support activities in Albanian side. The actual contribution of the fund will be made available subject to submission to and approval of final UNDP - GEF project document by the Council of Ministers of Albania.

Let me express my strong believe that the project will be fully supported by GEF.

Pellumb ABESHI

GEF Operational Focal Point



Commitment letter from the Hellenic Ministry for Environment, Physical Planning and Public Works

10/06 2008 17:46 FAX 2106432888

GR.YPIPOUSCOU PEKWB

001

**HELLENIC MINISTRY FOR THE ENVIRONMENT,
PHYSICAL PLANNING AND PUBLIC WORKS
DEPUTY MINISTER**

To:
Ms. Nataly Olofnakaya
GEF Regional Coordinator for Europe and CIS
UNDP/RECO Regional Support Centre
Grosslingova 35
811 06 Bratislava
Slovak Republic
F: + 4212-56337-480

Cc:
Mr. Frode Mouring
Resident Representative
and
Ms. Anja Kodzoman
Programme Officer in Environment
UNDP Skopje
Dimitie Cupovoid B
1000 Skopje
F: +389 2 116281

Mr. Beldiyeg Baldengombo
UNDP Tirane
Deshmorët e 4 Shkurt Street, No. 38
Tirane
F: +386 4 232075/234 448

Athens, 10 June 2008
Ref No: 3407

**Re: Greek Co-funding for the GEF Project "Integrated Ecosystem Management in the
Prespa Lakes Basin of Albania, FYR-Macedonia and Greece"**

Dear Madam,

The Hellenic Ministry of Environment, Physical Planning and Public Works would like herewith to express its continuing support to the transboundary Prespa Park process. We also support the activities undertaken for the project "Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece", to be submitted to the Global Environment Facility for co-funding. The Hellenic Government is strongly committed to co-financing national and transboundary programmes or projects that complement the above mentioned GEF project. In the attached table, the relevant projects along with their timelines, budget and funding source are listed. Secured Greek co-funding amounts to 1,232,000€, while additional programmes or projects already in the pipeline total 2,000,319€.

Sincerely yours,


Stavros Kalogiannis

Attachment: Table of Greek Co-funding for the Transboundary Prespa Park GEF Project

CC: Nature Management Department

Greek Co-funding for the Transboundary Prespa Park GEF Project

Activity	Secured Funding	In the Pipeline
Operational funding to the Prespa Management Body, including coordination of GEF project activities on the Greek side (2005-2006)	432,000 € (Ministry of Environment, Operational Programme Environment/ EC and national funds)	
Prespa Park programme of the Society for the Protection of Prespa, including mainly PFCC Secretariat support (2005-2006)	-300,000 € (Society for the Protection of Prespa/WWF Greece)	
Study for Spatial and Urban Planning for the Municipality of Prespa, Greece (2005-2006)	182,000 € (Society for the Protection of Prespa/WWF Greece)	
Devotli - Mirki Prespa Study (2005-2006)	100,000 € (120,000 € Hellenic Aid/ Ministry of Foreign Affairs; 40,000 € Society for the Protection of Prespa/WWF Greece)	
Wastewater treatment - final technical study (2006)	119,000 € (Local Development Fund/ Prefecture of Florina)	
Establishment of an Information Centre in Zagradec, Albania, including training (2005-2006)	48,000 € (Society for the Protection of Prespa/WWF Greece)	
Study of endemic trout in Aghios Germanos and Brajcinca River (2005-2006)	18,000 € (Society for the Protection of Prespa)	
Wastewater treatment works for 95% of the population of Municipality of Prespa, Greece		1,268,000 € (Regional Operational Programme - National and EC Funds)
Promotion of the Transboundary Prespa Park with the Creation of a Website, Audiovisual Material and Publications for the Visitors (2005-2007) (including development of transboundary GIS cartographic base)		Total 287,318 €, including 180,000 € for transboundary GIS (Interreg IIIA Greece-FYROM, National and EC Funds),
Design and organization of transboundary environmental monitoring system (2005-2007)		271,000 € (205,200 € Hellenic Aid/ Ministry of Foreign Affairs; 67,780 € Society for the Protection of Prespa)
Study for the organization of Transboundary EIA and Strategic Impact Assessment procedures in the Prespa Park area (2005-2006)		88,000 € (73,500 € Hellenic Aid/ Ministry of Foreign Affairs; 24,500 € NGO "Nempe and Pholis")
Study for the application of Drip-Irrigation System in Greek Prespa		(Amount and timeframe not finalized yet)
Total:	1,232,000 €	2,606,318 €

Telefax number: 00389 – 23 - 118261

United Nations Development Programme
Ms. Consuelo Vidal
Ms. Anita Kodzoman
Programme Officer

Dimitrie Cupovski 8,
1000 Skopje/ Macedonia

cc: Fax: 00389 2 - 3- 212 466

KfW Skopje/ Macedonia

Telefax

Dr. Marcus Stewen

our ref.: SwM

extension: +49 69 7431-4187

email: marcus,.stewen@kfw.de

date: 4 July 2005

number of pages 1

**L I a - German Financial Co-operation with Albania and Macedonia
UNDP – KfW Cooperation in the Implementation of the PDF B
Transboundary Prespa Park Project
Ref.: German Co-funding for the GEF Project “Integrated Ecosystem
Management in the Prespa Lakes Basin”**

Dear Ms. Vidal,

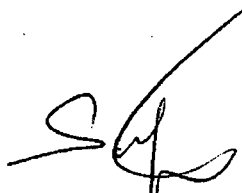
Dear Ms. Kodzoman,

Herewith we want to confirm that the Government of the Federal Republic of Germany has committed 2.56 Mio. EUR to the Republic of Albania and 1.53 Mio. EUR to the Republic of Macedonia in order to support an “Integrated Ecosystem Management in the Prespa Lakes Basin”.


Both projects will be financed through KfW. We closely linked the respective currently ongoing feasibility studies with the preparation of the respective UNDP/GEF Project Document.

Yours sincerely,

KfW



Seifried



Dr. Stewen



**MINISTRY OF ENVIRONMENT
AND PHYSICAL PLANNING
Republic of Macedonia**

July 08, 2005



РЕПУБЛИКА МАКЕДОНИЈА
МИНИСТЕРСТВО ЗА ЖИВОТНА СРЕДИНА
И ПРОСТОРНО ПЛАНИРАЊЕ

Бр. 09 - 3126 / 1

08.07. 2005 год.
СКОПЈЕ

To
Frode Mauring, Resident Representative
UNDP CO, Republic of Macedonia
Ul. "Dimitrie Cupovski"-8, 1 000 Skopje

Subject : "Integrated Ecosystem Management in the Prespa Lakes Basin of Albania,
R-Macedonia and Greece"

Dear Mr. Mauring,

Please be informed that the Government of the Republic of Macedonia through the Ministry of Environment and Physical Planning will support the project activities of the "Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, R-Macedonia and Greece" during the four years of implementation in the total amount of 247.000 USD.

The annual allocation of finances by MOEPP will be claimed from the Ministry of Finance according to a previously submitted quarterly programme and it will be in parallel with the realization/planning of the project activities.

The proposal presented through the United Nations Development Programme (UNDP) to the Global Environmental Facility for funding consideration is considered as a priority on the environmental agenda of the Republic of Macedonia and will at the same time contribute to strengthening of the ongoing trans-boundary cooperation in resource management and conservation between the neighboring countries.

We look forward to your kind consideration in this matter.

Sincerely,

MINISTER

Zoran Sapuric, PhD

C.c. Ms. Anita Kodzoman
Program Officer, UNDP CO Macedonia

Co-financing by MoEPP, Macedonia (SECTION III, Budget, Mk)

Outcome/Outputs	MoEPP
Outcome 1: Stakeholders apply land and water use planning framework in MK and AL, thereby providing the basis for maintaining and restoring ecosystem health in the Prespa Lakes Basin.	160.000
Outcome 2: Stakeholders modify productive sector resource management practice to reduce pesticide inputs, increase habitat heterogeneity, and improve the status of target species and communities within the Prespa Basin.	77.000
Outcome 3: Stakeholders conserve priority biological diversity across the Prespa Basin and make key protected areas in Prespa Basin (PNP, GNP, and EWR) fully operational.	45.000
Outcome 4. Stakeholders build upon ongoing transboundary cooperation in the Prespa Basin by strengthening the transboundary coordination mechanism and piloting transboundary conservation and water management.	65.000
Total:	247.000



MUNICIPALITY OF RESEN

Mayor
No. 08-sl.
6.07.2005
RESEN

UNDP CO Macedonia
Mr. Frode Mauring, Resident Representative
Dimitrie Cupovski 8, P.O. Box 305
1000 SKOPJE

Dear Mr. Frode Mauring

I would like to use this opportunity to express my appreciation of the GEF/UNDP project "Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece". We are very pleased that municipality of Resen is part of this project since the project area covers the municipality boundary including the Prespa Lake as a unique lake of international importance and contains values that are globally threatened. Support from the international community for protection of these values is a great importance and necessity.

Recognising the significance of the project "Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece", the municipality of Resen within the economic capability will contribute to this project and reaching of its goals as well.

During the foreseen terms of the project municipality plans to allocate funds for:

- 1.1 Pilot land-use spatial plan (MK) – 10,000 USD(in kind)
- 1.2 Pilot small-scale wastewater treatment facilities measurably reduce eutrophying inputs to LakesPrespa. (sewer network in the 4 villages – 7.250m) – 739,459 USD (in III phases)
- 1.3 Restoration of the Golema Reka – 30,000 USD
- 1.4 Strengthened field conservation capacity of EWR – 3000 USD
- 1.5 Strengthened operational capacity of Prespa Park Coordinating Committee – 2,000 USD
- 1.6 Prespa Water Working Group established by the PPCC – 2000 USD
- 1.7 Transboundary communication – 1,000 USD(in kind)
- 1.8 Project management (office space and costs for heating, electricity, drinking water) for three PIU Resen offices – 50,000 USD (in kind)

It means that our foreseen contribution to the project should be 776,459 USD and 61,000 USD in kind. Total contribution is 837,459 USD.

The Municipality of Resen will keep on raising funds for implementing the environmental goals and hopes that our combined efforts will bring fruitful results.

Yours sincerely,
Dimitrie Buzlevski,
Mayor of Municipality of Resen





THE REGIONAL ENVIRONMENTAL CENTER

for Central and Eastern Europe

COUNTRY OFFICE ALBANIA

Ref. No. __134/05__

Tirana, 06/07/2005

Subject: Support letter for the project Integrated Ecosystem management for Prespa lake area

Dear Mr. Pinto

In the framework of the submission of the project Integrated Ecosystem management for Prespa lake area, REC Albania would like to support by developing synergies with the Current project of the REC "Local Environmental Action Plans in Korca region 2004-2006" supported by SIDA, where there is a commitment for 80,000 Euro support for Bilisht Municipality on Environmental Investment Projects.

In addition, REC would be happy to support up to three small scale NGO projects in Prespa area (total maximum 30,000 Euro) under the other project "Trust Fund for Local Environmental Initiated Projects", supported by The Royal Netherlands Embassy in Tirana, if the projects will meet the Programme criteria.

Sincerely Yours

Mihallaq Qirjo
Country Office Director
REC Albania

The Regional Environmental Center for Central and Eastern Europe (REC) is a non-partisan, non-advocacy, not-for-profit international organization with a mission to assist in solving environmental problems in Central and Eastern Europe (CEE). The center fulfils this mission by promoting cooperation among non-governmental organizations, governments, businesses and other environmental stakeholders, and by supporting the free exchange of information and public participation in environmental decision-making. REC Albania, as branch of the REC network is working in Albania since 1993 through its Country Office in Tirana and project offices around the country.

Rr. Durrësi, P.11 Shk.2 Ap.12, Tiranë
Tel/Faks: (355-4) 239-444 • E-mail: rec@albania.rec.org
Internet: <http://albania.rec.org>



Tirana, 5 July 2005

Dear Mr. Pinto,

Subject: Co-funding confirmation for the project Integrated Ecosystem Management in the Prespa Lake Basin

In the framework of the forthcoming submission of the regional initiative "Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece", the United Nations Development Programme in Albania confirms that it will commit \$150,000 from its core resources in support to the project.

This commitment is an integral part of the CO development assistance in the country and in line with the continuous support the CO is providing to the environmental sector in Albania.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Elzira Sagynbaeva'.

Elzira Sagynbaeva
Deputy Resident Representative
UNDP Albania

To: Mr. Frank Pinto
Executive Director
UNDP/GEF New York



REPUBLIC OF ALBANIA
MINISTRY OF AGRICULTURE AND FOOD
Directorate of Fishery

Nr. 2365 Prot.

Tirana, on 7.04.2005

Subject: Fishery co-funding letter for the GEF Project "Integrated Ecosystem Management in the Prespa Basin"

To the attention of: **Anna Stjarnerkllint**
Resident Representative of UNDP
Tirana

We were informed and participate in the preparation of the GEF project in regard to the protection and sustainable development of the Prespa Lake area. The fish activities in the area are one of the most important activities for the local population and we will try to play our role in the implementation phase of the project in cooperation with all stakeholders.

Herewith we would like to confirm that the Fishery Directorate in the Ministry of Agriculture and Food is committed to contribute with 50,000 US\$ in the region for the improvement of the fisherman condition for a responsible fisheries and an annual contribution of 20,000 US\$ for restocking program.

ROLAND KRISTO

DIRECTOR





**GLOBAL ENVIRONMENT FACILITY
SMALL GRANTS PROGRAMME**



July 7, 2005

Subject: Future activities of GEF Small Grants in the Prespa Lakes Area, Albania

Up till now, the small grants approach has been missing from medium and full size GEF projects in Albania. We think that there is great potential for creating sustainability of project results if the bigger scale mainstreaming activities of full size GEF project are combined with the small grants approach as complementary to each other.

In the next 3 years SGP Albania will be showing preference for focusing geographically in areas covered by bigger GEF projects and in this context we will try to create a cluster of projects in the area of Prespa Lakes.

We have already three projects pipelined covering several key issues such as i) reduction of fuel wood consumption through increasing energy efficiency in the communities living within the boundary of the park area; ii) providing additional sources of income through cultivation of medicinal plants; and iii) restoration of critical wet meadow habitat through reed-bed management.

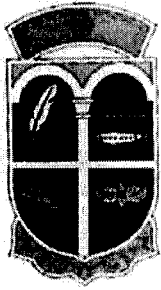
In the future, depending on newly identified issues, community acceptance and cofinancing we will embark on other activities that meet GEF conditionality for financial support.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arian Gace'.

Arian Gace

National Coordinator



**REPUBLIC OF ALBANIA
REGIONAL COUNCIL OF KORCA**

Nr 571 Prot

Korce 8.07.2005

**SUBJECT: Letter of support:Project * Reducing Environmental Impact of
Agriculture in the Prespa Region***

To: GES/UNDP

Dear Sir

The Regional Council of Korca is pleased to express his appreciation the UNDP/project*Reducing Environmental Impact of Agriculture in the Prespa Region*.This project is compiled according the Regional Development Strategy and Millenium Development Goals.

We recognize the significant positive impact the project will have in the development of the community of the Prespa area and to provide the environmental and sustainable development.

We note that, through its targeted activities, it will contribute to assisting the local communities in dealing with agri- environmental issues.

The Regional Council of Korca is ready to offer its partnership, cooperation and to coordinate with the other project in this area.

Taking this opportunity ,the Regional Council reaffirms its interest and desire to cooperate with the UNDP and the other institucions in the implementation of the above mentioned project.

Yours Sincerely

Syrja Palla

Vice-Chairman



DEZA DIREKTION FÜR ENTWICKLUNG UND ZUSAMMENARBEIT
DDC DIRECTION DU DEVELOPPEMENT ET DE LA COOPERATION
DESC DIREZIONE DELLO SVILUPPO E DELLA COOPERAZIONE
SDC SWISS AGENCY FOR DEVELOPMENT AND COOPERATION
COSUDE AGENCIA SUIZA PARA EL DESARROLLO Y LA COOPERACION



Staatssekretariat für Wirtschaft
Secrétariat d'Etat à l'économie
Segretariato di Stato dell'economia
State Secretariat for Economic Affairs

s e c o

Embassy of Switzerland / Амбасада на Швајцарија

Rose-Marie Henny
+389 2 3298 220
+389 2 3212 080
Rosemarie.henny@sdc.net

UNDP, Country Office Macedonia
FRODE MAURING
Dimitrie Cupovski 8
1000 Skopje
Macedonia

12 July 2005

UNDP/GEF Full Size Project Document "Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, Macedonia and Greece"

Dear Mr. Muring,

Regarding the above mentioned project, the Swiss Cooperation Office would like to express its intention to support the activities of the full size project. This intention is continuation of the Swiss contribution for Prespa Park Project, already expressed through financing of the project "Solid Waste Management Services in Rural Areas of the Prespa Lake Watershed".

Specifically, Swiss Cooperation office intends to provide a total of USD 800'000 for the project: "Restoration of the Golema River" as part of the Full Size Project Document.

Looking forward to our successful cooperation,
Yours Sincerely,

Rose-Marie Henny
Deputy Head of Cooperation

Project title: Sustainable Management of the International Waters - Prespa Lake
Starting date: Awarded on 18 November 2004; effective starting date 1.b.d. (2005)
Finishing date: 3 years after the effective starting date (2008)
Project budget: Estimated Total 200,000 EUR
Priority areas: Regional co-operation and cross border projects

Lead countries: Albania, Greece, the former Yugoslav Republic of Macedonia¹ (FYROM) and UK
Beneficiary countries: mainly Albania and FYROM

Donor information:

Donor name	Contribution	Currency
NATO	200,000	EUR

Project objectives:

- i) Understanding of the mechanisms behind the water loss in the Prespa Lake
- ii) Understanding the changes in the water balance related to climate changes
- iii) Predicting the effects of changes on quantity and quality of the Lake's water
- iv) Establishing recommendations on sustainable development based on the results of the project

Project outcomes:

- Purchase and installation of equipment (such as automatic meteorological station, water level recorder, equipment for the tracer injection experiment)
- Training of young scientists
- Interpretation of satellite images
- Simulation and modelling of changes
- Monitoring report of meteorological data and tracer sampling data
- Recommendations for sustainable development to be presented to end-users at a final workshop.

Contact information:

Name	Position	Department	Org.	Address	City	Country	Postal code	Tel	Fax	E-mail	Type
Dr. Viktor POPOV		Wessex Institute of Technology		Ashurst Lodge, Lyndhurst Road,	Southampton, S040 040 7AA	UK	1000	+442380 293223	+44 2380 292853	viktor@wessex.ac.uk	
Prof. Todor ANOVSKI		Faculty of Technology and Metallurgy		Rudjer Boskovic 16	1000 Skopje	FYROM	1000	+389 3064 588 ext. 112	+389 2 3065 389	anovskit@ereb1.mf.ukim.edu.mk	
Prof. Amataj SOKRAT		Inst. for Nuclear Physics		P.O. Box 219	Tirana	Albania		+355 4 362 596		amatajsokrat@hotmail.com	



15 August 2005

Subject: Confirmation of allocation of funds for the project “Reducing Environmental Impacts of Agriculture in the Prespa Region” to contribute as co-financing for the UNDP/GEF: Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece.

Dear Mr. Pinto,

In the framework of the regional initiative “Reducing Environmental Impacts of Agriculture in the Prespa Region”, I hereby confirm that UNDP Bratislava Regional Center has allocated \$110,000 to Albania and Macedonia respectively, in total \$220,000 (in-cash) for national and regional activities in the Prespa region.

This commitment is in line with the regional activities and a part of the strategic partnership with UNEP, OSCE and NATO in the “Environment and Security Initiative”, as described in the Memorandum of Understanding signed in 2003.

Yours sincerely,

A handwritten signature in blue ink that reads "Ben Slay".

Dr. Ben Slay
Director

United Nations Development Programme
Regional Center for Eastern Europe and the CIS

Mr. Frank Pinto
Executive Coordinator
GEF/UNDP/EEG/DDP
304 East 45th Street, FF – 916
New York, NY 10017
Fax: 1 212 906 6998

Third-Party Cost-Sharing Agreement

Between

The Swiss Agency for Development and Cooperation – SDC (the Donor)

And

The United Nations Development Programme (UNPD)

Whereas the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis for the implementation of the project “**Solid Waste Management Service in Rural Areas of the Prespa Lake Watershed**” orientation phase. period December 1, 2004 – November 30, 2005:

Whereas UNDP is prepared to receive and administer the contribution for the implementation of the project;

whereas the Government of Macedonia, through the Ministry of Environment and Physical Planning, has been duly informed of the contribution of the Donor to the project;

Now therefore, UNDP and the Donor hereby agree as follows:

Article 1. The contribution

1.1 The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of CHF. 472'500.-. The contribution shall be deposited in the

Bank name: Stopanska Banka, AD Skopje
Bank address: 11 Oktomvri 7, 1000 Skopje
Account number: 0010514293, USD
SWIFT: STOPBK2X

<u>Schedule of payments</u>	<u>Amount</u>
(a) after signature of the Agreement	CHF 350'000.-
(b) June 1 st , 2005 – Upon receipt and approval of progress and financial reports receipt.	CHF 122'500.-

1.2. The value of the payment, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by UNDP of the payment, the value of the balance of funds still held at the time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Donor with the view to determining whether any further financing could be provided by the Donor. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by UNDP.

- 1.3 The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
- 1.4 UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
- 1.5 All financial accounts and statements shall be expressed in Swiss francs.

Article 2. Utilization of the Contribution

- 2.1 The implementation of the responsibilities of UNDP shall be dependent on receipt by UNDP of the contribution in accordance with the schedule of payment as set out in Article 1, paragraph 1, above.
- 2.2 If unforeseen increases in expenditures of commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavors to obtain the additional funds required.
- 2.3 If the payments referred to in Article 1, paragraph 1, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2 above is not forthcoming from the Donor or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
- 2.4 Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

Article 3. Administration and reporting

- 3.1 Project management and expenditures shall be governed by the regulations, rules and directives of UNDP.
- 3.2 UNDP country office shall provide to the Donor all or parts of the following reports prepared in accordance with UNDP accounting and reporting procedures.
 - (a) Within the duration of the Agreement, the status of project progress (mid-term report), as well as the latest available approved budget.
 - (b) An annual certified financial statement as of 31 December every year to be submitted no later than 31 March of the following year;
 - (c) A final report summarizing project activities and impact of activities as well as provisional financial data.

- (d) On completion of the project, a certified financial statement to be submitted no later than 31 March of the year following the financial closing of the project.
- 3.3 If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of the Donor. The specific nature and frequency of this reporting as agreed will include the following: Inception Report; Regular progress reports (quarterly progress report, report for the Annual TPR; Conclusions and Decisions Summary Report of the TPR; Annual project report Specific technical reports.
- 3.4 In addition, the Donor shall be invited to attend the meetings of the Prespa Park Coordination Committee.

Article 4. Administrative and support services

- 4.1 In accordance with the decisions and directives of UNDP's Executive Board, the contribution shall be charged:

UNDP CO Fee (7%) which includes General Management Services (GMS - project identification and document, oversight and monitoring; funds management and financial reporting to donors; modalities of project execution, local capacity assessment; briefing, debriefing of staff and consultants; IT system and infrastructure, know-how transfer) and Implementation Support Services (ISS - Payments, disbursement and other financial transactions; recruitment of staff, project personnel and consultants; procurement of services and equipment including handover; organisation of trainings, conferences, workshops; travel authorisations, request for visa, ticketing and travel arrangements; shipment, custom clearance, vehicle registration and accreditation).

- 4.2 The aggregate of the amounts budgeted for the project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the project under this Agreement as well as funds which may be available to the project for project costs and for support costs under other sources of financing.

Article 5. Equipment

Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article 6. Auditing

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. Should an Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to the Donor.

Article 7. Completion of the Agreement

- 7.1 UNDP shall notify the Donor when all activities relating to the project have been completed.
- 7.2 Notwithstanding the completion of the project, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the implementation of the project have been satisfied and /project activities brought to an orderly conclusion.
- 7.3 If the unutilized payments prove insufficient to meet such commitments and liabilities, UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.
- 7.4 Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied, shall be transferred to another UNDP project of joint cooperation, in full consultation with the Donor.

Article 8. Termination of the Agreement

- 8.1 After consultation have taken place between the Donor, UNDP and the country Government, and provided that the payments already received are, together with other funds available to the project, sufficient to meet all commitments and liabilities incurred in the implementation of the project, this Agreement may be terminated by UNDP or by the Donor. The Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate the Agreement. . .
- 8.2 Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in implementation of the project up to the date of the termination (2005) have been satisfied and project activities brought to an orderly conclusion.
- 8.3 Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Donor.

Article 9. Amendment of the Agreement

- 9.1 The Agreement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect shall become an integral part of the Agreement.

Article 10. Settling of Disputes

- 10.1 The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Agreement or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the United Nations Commission International Trade Law Conciliation Rules then obtaining, or according to such procedure as may be agreed between the Parties.
- 10.2 Any dispute, controversy or claim between the Parties arising out of or relating to this Agreement or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by one Party of the other

Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the United Nations Commission International Trade Law Conciliation Rules then obtaining. Either party may, at its opinion, request the American Arbitration Association to provide administrative services for such arbitration and/or serve as the Appointing Authority under the Rules, in which case the American Arbitration Association shall be deemed to have been so designated. The arbitral tribunal shall have not authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

Article 11. Entry Into Force

11.1. This Agreement shall enter into force upon signature and deposit by the Donor of the first contribution-payment to be made in accordance with the schedule of payments set out in Article 1, paragraph 1 of this Agreement. It covers the period from December 1, 2004 to November 30, 2005 and ends as soon as both parties have fulfilled their mutual obligations.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Swiss Agency for Development
and Cooperation



Thomas Fuglister

Ambassador

For the United Nations Development Programme



Frode Marving

UNDP Resident Representative

Skopje, 13. 12. 2004