

LETTER OF AGREEMENT

This Letter of Agreement (herewith referred to as the Agreement) is concluded between

South Asia Co-operative Environment Programme (SACEP)

and the

United Nations Environment Programme (UNEP)

1. South Asia Co-operative Environment Programme (SACEP) was established in 1982 by the governments of South Asia to promote and support protection, management and enhancement of the environment in the region. SACEP's Governing Council consists of Ministers of Environment of the member countries. The Governing Council at its Eighth Meeting (GC.8/SACEP) held in Colombo on 29 September 2001 decided on an urgent attention to the SACEP's programme and requested UNEP's assistance to conduct a review of SACEP's programme to direct its focus towards strengthening regional cooperation and addressing key environmental needs and issues. UNEP readily responded to the request by agreeing to conduct an External Review through regional consultations.
2. UNEP had finalised a Regional Strategy for Asia and the Pacific which was approved by UNEP's Executive Director in March 2003. An implementation for this Regional Strategy was subsequently prepared and approved by the UNEP Executive Director in July 2003. The political leadership of the region and eminent personalities further reviewed the both the Regional Strategy and the Implementation Plan in a Sub-regional Environmental Policy Dialogue, which was convened in Beijing in September 2003.
3. Goal 1 of the Regional Strategy looks towards assisting in the implementation of national, sub-regional and global priority environmental programmes. Sub-regional activities comprise the thrust of UNEP's activities in the region. In each of the sub-regions, the areas of focus include the following:
 - Preparation of background papers on priority issues;
 - Support for sub-regional ministerial forum;
 - Support to civil society networks for consultations ;
 - Assistance to address identified priorities.
4. At the sub-regional level, UNEP will provide support to existing inter-governmental bodies and processes. Assistance will be provided to develop Civil society networks in each of the sub-regions. Initial assistance will include specific focus on 5 major groups – Youth, Media, NGOs, Parliamentarians and Business. Close interaction between the civil society networks and the sub-regional intergovernmental forum will be encouraged to establish a participatory process. In particular, UNEP will focus its assistance to address trans-boundary and common issues of concern. UNEP will assist to address these issues through resource mobilization and substantive support for formulation of project proposals and implementation.

5. Under this Agreement, SACEP, with catalytic financial support from UNEP, will undertake the following tasks:
 - a. Organise a meeting of senior officials and Ministers in Colombo, as a special session of SACEP's Governing Council, in early November 2003;
 - b. Preparation of sub-regional environmental priority papers, as background papers for the Senior Officials and Ministerial consultations;
 - c. Develop and coordinate a sub-regional civil society network;
 - d. Review and disseminate sub-regional priority papers through the civil society and other consultative mechanisms;
 - e. Develop project proposals to address the priority environmental issues, and
 - f. Undertake capacity building activities on environmental management and development of joint activities.
6. On its part, UNEP, through its Regional Office for Asia and the Pacific (ROAP), will contribute a total sum not exceeding US\$100,000.- (U.S. dollars one hundred thousand and eight hundred only, to cover the expenditure related to activities indicated above in a, b, c, d, e, and f; as per the annexed budget breakdown:
 - a. US\$80,000.- (U.S. dollars eighty thousand only) will be paid upon signature of this Agreement.
 - b. The remaining amount, not exceeding US\$20,000.- (U.S. dollars twenty thousand only), will be settled upon submission of the senior official meeting reports and priority papers.
 - c. SACEP shall submit a certified statement of the expenditure for the above tasks within six weeks of the completion of the agreed tasks, as above
7. SACEP will appropriately label UNEP a joint organiser at all stages of implementation as well as in the announcements, invitation letters and proceedings/reports leading to the preparation and implementation of joint activities.
8. In the event that the priority papers are not finalised, or SACEP fails to accomplish the agreed activities, any balance of UNEP's financial assistance shall be refunded to UNEP/ROAP, based on the actual expenditure incurred up to the time when the activities are ceased.
9. SACEP will maintain a separate account for any disbursements pertaining to this Agreement and shall submit to UNEP on or before the end of February 2004 a detailed breakdown of expenditure incurred, and duly certified by an authorized official of SACEP. Any portion of cash advance remaining unspent or uncommitted by SACEP on completion of the activities under this Agreement will be reimbursed to UNEP within one month of the presentation of the expenditure report. In the event of any delay in such reimbursement, SACEP will be financially responsible for any adverse movements in exchange rates.
10. SACEP shall retain for a period of three years all the supporting documents with relation to financial transactions under this Agreement. If requested, SACEP shall facilitate an audit by the United Nations Board of Auditors and/or the audit service of the accounts of the Agreement.
11. All correspondence regarding this Agreement between SACEP and UNEP, including technical and substantive matters, should be addressed to:

At SACEP Mr. Mahboob Elahi
Director General, SACEP
#10 Anderson Road, Colombo 5, Sri Lanka
Tel: (94 1) 589376, (941) 589787
Fax: (94 1) 598-369

At UNEP: Mr. Surendra Shrestha
Director
UNEP/ROAP, Bangkok, Thailand
Tel: (66 2) 2881870
Fax: (66 2) 2803829

with a copy to Chief, Budget and Funds Management Service (BFMS).

12. All correspondence regarding administrative and financial matters should be addressed to:

Mr. Sergey Kurdjukov
O/C, BFMS, United Nations Office in Nairobi
P.O. Box 67578, Nairobi, Kenya
Tel: (254-2) 623637/621234
Fax: (254-2) 623755/226886

13. The Convention of 13 February 1946 on the Privileges and Immunities of the United Nations shall apply.
14. SACEP shall be considered as having the legal status of an Independent contractor. Agents or employees of SACEP shall not be considered in any respect as being officials or staff members of UNEP.
15. SACEP shall neither seek nor accept instructions from any authority external to UNEP in connection with the performance of its services under this Agreement. SACEP shall refrain from any action which may adversely affect UNEP or the United Nations and shall fulfil its commitments with fullest regard for the interest of the United Nations.
16. Any controversy of claim arising out of, or in accordance with this Agreement of breach thereof, shall, unless it is settled by direct negotiation be settled in accordance with UNCITRAL Arbitration rules as at present in force. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy of claim.
17. This Agreement may be terminated by either party before the expiry date of the Agreement by giving notice in writing to the other party. The period of notice shall be thirty (30) days.
18. In the event of the Agreement being terminated prior to its due expiry date in this way, SACEP shall be compensated on a pro rata basis for no more than the actual amount of work performed to the satisfaction of UNEP. Additional costs incurred by UNEP resulting from the termination of the Agreement may be withheld from any amount otherwise due to SACEP from UNEP.
19. No change in or modification of this LOA shall be made except by prior written agreement between UNEP and SACEP. SACEP shall not assign, transfer, pledge, sub-

contract or make other disposition of this Agreement or any part thereof, or of any of SACEP's rights, claims or obligations under this LOA except with the prior written consent of UNEP.

20. Nothing in or relating to this Agreement shall be deemed a waiver of any of the privileges and immunities of the United Nations.

21. This Agreement shall be in effect from the date of signature until 28 February 2004.

Signed on behalf of SACEP

Signed on behalf of UNEP



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Mr. Mahboob Elahi
Director General, SACEP
Date:.....06-11-03.



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Mr. Surendra Shrestha
Regional Director, UNEP/ROAP
Date:..06.11.2003.

Item	Amount
Meeting of Senior Officials and Ministers	US\$50,000
Support to civil society networks	US\$10,000
Preparation and dissemination of priority papers and proposals	US\$10,000
Joint capacity building activities/training	US\$30,000
TOTAL	US\$100,000