

**THIRD-PARTY COST-SHARING AGREEMENT  
BETWEEN THE MINISTRY FOR FOREIGN AFFAIRS OF FINLAND (THE DONOR) AND  
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis for the implementation of the Regional Programme on Food and Nutrition Security in Central America, PRESANCA II,<sup>1</sup>

WHEREAS UNDP is prepared to receive and administer the contribution for the execution/implementation of the programme,

WHEREAS the General Secretariat of the Central American Integration System, SG-SICA has been duly informed of the contribution of the Donor to the programme.

WHEREAS UNDP shall designate an Implementing Partner<sup>2</sup> for the implementation of the programme.

NOW THEREFORE, UNDP and the Donor hereby agree as follows:

**Article I. The Contribution**

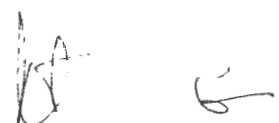
1. (a) The Donor shall, in accordance with the schedule of payments set out below, on a grant basis and subject to annual parliamentary approval in Finland, contribute to UNDP the amount of four million nine hundred and ninety thousand EURO (EUR 4,990,000). The contribution shall be deposited in the following account in EURO:

Account name:	UNITED NATIONS DEVELOPMENT PROGRAMME
Address:	One UN Plaza, New York, NY10017
Bank Name:	ING BELGIUM SA NV
Bank Address:	60 Cours St. Michel
City:	Brussels
Postal Code	1040
Country:	Belgium
Account:	301-0186139-77
IBAN:	BE80301018613977

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<sup>1</sup> The programme/project is described in the project document [project no. and title]. The project document is formally annexed to this Agreement. For UNDP programme activities carried out under the harmonized operational modalities, the project document is comprised of the CPAP and AWP.

<sup>2</sup> "Implementing Partner" for UNDP programme activities carried out under the harmonized operational modalities and "Executing Entity" for UNDP programme activities not carried out under the harmonized operational modalities.



The Contribution shall be paid to UNDP in four instalments.

The first payment shall be made to UNDP against a written payment request upon the entry into force of this Agreement. The first payment shall be one million for hundred thousand Euros (1.400.000,-).

The subsequent payments shall be made annually in 2012, 2013 and 2014 against a written payment request. The tentative date of payment is June each year. The request shall be accompanied by a Progress and Financial Report in respect of the costs covered by the Contribution for the foregoing period, as well as by a cash flow budget and a plan of activities for the coming period. The exact amount of the subsequent payments shall be decided by the Donor taking into consideration the actual progress of the Programme Activities and the financial needs for the coming period.

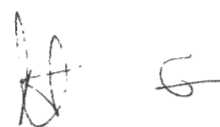
Any amount, including interest, which has already been disbursed but has not been fully used, shall be taken into account by UNDP when payment requests are made.

If payments cannot be made either in full or in part because the level of funding is changed by the Parliament of Finland, the donor will notify UNDP as soon as possible.

- (b) The Donor will inform UNDP when the contribution is paid via an e-mail message with remittance information to [contributions@undp.org](mailto:contributions@undp.org) and copy to [pablo.mandeville@undp.org](mailto:pablo.mandeville@undp.org)

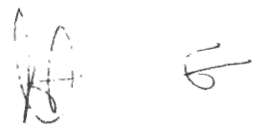
UNDP shall immediately acknowledge the receipt of each payment in writing to the Donor.

2. The value of the payment, if made in a currency 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 the UNDP of the payment, the value of the balance of funds still held at that 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 a 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 programme may be reduced, suspended or terminated by UNDP.
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 programme delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules, policies and procedures of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars and Euros.

Handwritten signatures in black ink, appearing to be initials or names, located at the bottom right of the page.

## Article II. Utilization of the Contribution

1. UNDP shall use the Contribution solely to finance the implementation of the Programme in accordance with this Agreement and especially its Annexes I and II (Action Description Regional Programme on Food and Nutrition Security in Central America II, DCI-FOOD/2008/020-559 and Programme Budget) or as may otherwise be agreed in writing between the Donor and UNDP.
2. The overall responsibility for the implementation of the Programme and the management of the Contribution lies with UNDP. UNDP ensures that its partners, contractors, agents and other third parties receiving funds from the Contribution use and manage the Contribution funds in accordance with the provisions of this Agreement.
3. UNDP shall enter into agreement(s) with its partners, contractors, agents and other third parties receiving funds from the Contribution. The agreement(s) shall contain necessary provisions concerning the appropriate use of the Contribution (such as provisions on financial management, accounting, procurement, grant awarding, monitoring, reporting and auditing) as well as sanctions for possible irregularities, fraud, corruption or other illegal activity. Upon request, UNDP shall provide the Donor with a copy of such agreement(s) as well as with a copy of any report relating to such agreement(s).
4. If unforeseen increases in expenditures or 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 will look into the possibilities of obtaining the additional funds required.
5. If the payments referred to in Article I, paragraph 1, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 4. above is not forthcoming from the Donor or other sources, the assistance to be provided to the programme under this Agreement may be reduced, suspended or terminated by UNDP.
6. The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP shall maintain standards of conduct that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UNDP Procurement Manual.
7. UNDP shall use its best efforts, consistent with UNDP regulations, rules, policies and procedures to recover any funds found by the Parties to be misused. UNDP shall, in consultation with the Donor, credit any funds so recovered to the Project budget or, in case the Project was complete or terminated, shall return the funds to the Donor or dispose of such funds as agreed with the donor.



### **Article III. Administration and reporting**

1. Programme/project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP and, where applicable, the regulations, rules, policies and procedures of the Implementing Partner.

2. UNDP headquarters and country office shall provide to the Donor all or parts of the following reports prepared in accordance with UNDP accounting and reporting procedures.

#### 2.1

- (a) From the country office :
  - Progress and Preliminary Financial Report on a quarterly basis;
  - Annual Progress and Preliminary Financial Report March 31<sup>st</sup> of the following year; and
  - Final Progress and Financial Report within six months after the date of completion or termination of the Agreement, a final report summarizing programme activities and impact of activities as well as provisional financial data.
- (b) From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
- (c) From UNDP Bureau of Management/Office of Finance and Administration, on completion of the programme/project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the project.

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 shall be specified in an annex of the Agreement.

### **ARTICLE IV. Contact Details**

All payment requests, reports, notices, documents and other communication relating to this Agreement, the Contribution or the Programme shall be made in writing to the following contact points:

For the Ministry:  
Maria Söderlund  
Counsellor  
Ministry for Foreign Affairs of Finland  
Unit for Latin America and the Caribbean  
Helsinki  
[maria.soderlund@formin.fi](mailto:maria.soderlund@formin.fi)  
tel: (358) 9 160 05



For UNDP:  
Pablo Mandeville  
Resident Representative  
UNDP Nicaragua  
[pablo.mandeville@undp.org](mailto:pablo.mandeville@undp.org)  
Tel: 505 2266 4586

#### **Article V. Administrative and support services**

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 7%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.
2. The aggregate of the amounts budgeted for the programme, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the programme under this Agreement as well as funds which may be available to the programme for programme costs and for support costs under other sources of financing.

#### **Article VI. Evaluation**

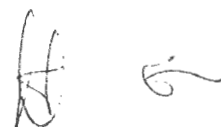
All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the SG-SICA, in consultation with other stakeholders (including the Donor) will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a project including an evaluation of its contribution to an outcome which is listed in the Evaluation Plan. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.

#### **Article VII. 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 VIII. Auditing**

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP. Should the biennial 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 IX. Completion of the Agreement**

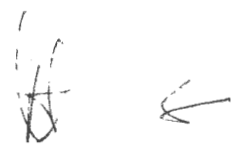
1. UNDP shall notify the Donor when all activities relating to the programme have been completed.
2. Notwithstanding the completion of the programme, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the implementation of the programme have been satisfied and programme activities brought to an orderly conclusion.
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.
4. Any payments that remain unexpended after such commitments and liabilities have been satisfied, as well as the interest accrued thereto, shall be returned to the Donor or disposed of by UNDP in consultation with the Donor.

#### **Article X. Termination of the Agreement**

1. After consultations have taken place between the Donor, UNDP and the SG-SICA 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.
2. The Donor reserves the right to suspend payments, claim repayment in full or in part including the interest accrued to the Contribution if UNDP fails to comply with Articles II, III, VIII or XI of this Agreement.
3. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred, in good faith, in the implementation of all or the part of the project, for which this Agreement has been terminated, have been satisfied.
4. Any payments that remain unexpended after such commitments and liabilities have been satisfied and any interests shall be returned to the Donor or disposed of by UNDP in consultation with the Donor.

#### **Article XI Other matters**

1. UNDP and the Donor shall promptly notify each other of any event or situation which might affect the implementation of the Programme and which may necessitate a modification or alteration of the scope, implementation, the agreed budget or other aspects of this Agreement.
2. In case any change occurs in the schedule or implementation of the Programme, UNDP shall promptly notify the Donor.

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3. UNDP shall in all its publications and reports concerning the Programme, specifically mention that Finland has provided financial resources for the implementation of the Programme.

4. The Donor shall not accept any responsibility or liability towards third parties for any claims, debts, demands, damage or loss as a result of acts directly attributable to UNDP during the implementation of this Agreement.

5. UNDP and the Donor shall seek to settle amicably any differences and disputes arising from or relating to the implementation of this Agreement.

### Article XII. Amendment of the Agreement

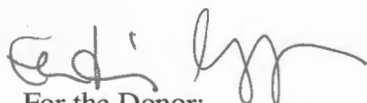
The Agreement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect shall become an integral part of the Agreement.

### Article XIII. Entry Into Force

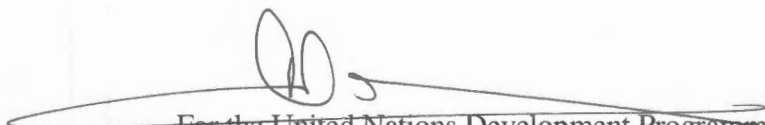
This Agreement shall enter into force upon signature by the Ministry and UNDP .

This agreement will remain in force until all the obligations have been duly fulfilled by the Donor and UNDP, unless terminated earlier by either Party in accordance with the procedure set out in Article X.

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



For the Donor:  
Eeva-Liisa Myllymäki  
Chargé d'Affaires  
Embassy of Finlandia, Managua



For the United Nations Development Programme:  
Pablo Mandeville  
UNDP Nicaragua

(Date)

13/10/2011

(Date)

13/10/2011

Annex I: Description of the Action Regional Programme on Food and Nutrition Security in Central America

Annex II: Budget.

Annex III Acuerdo de Coordinación de la Cooperación



**PRESUPUESTO FINLANDIA DETALLADO (2011 - 2014)**

#	Actividades	Concepto	Costo Unitario	Número	2011	2012	2013	2014	Total
1	Resultado 1- Fortalecidas las Políticas y Estrategias Regionales, Nacionales y Locales en SAN				€ 25,000.00	€ 50,000.00	€ 50,000.00	€ 25,000.00	€ 150,000.00
1.1	Fortalecimiento de mecanismos y procesos en los ámbitos regional, nacional y local para la incorporación o la consolidación de la SAN en las políticas y estrategias existentes				€ 25,000.00	€ 50,000.00	€ 50,000.00	€ 25,000.00	€ 150,000.00
1.1.3	Desarrollar un marco de acción del SICA que oriente alianzas, sinergias y cooperación regional en apoyo a la SAN y desarrollo a nivel regional, nacional y municipal	Reuniones con actores regionales, nacionales y locales	€ 25,000.00	2011: 1 2012: 2 2013: 2 2014: 1	€ 25,000	€ 50,000.00	€ 50,000.00	€ 25,000.00	€ 150,000.00
2	Resultado 2 - Fortalecidas las capacidades profesionales e institucionales para la generación y gestión del conocimiento en SAN				€ 83,250.09	€ 174,917.00	€ 50,000.00	€ 40,000.00	€ 348,167.09
2.2	Fortalecimiento del OBSAN Regional generado por el PRESANCA y PRESISAN y Formación y capacitación de recursos humanos de los diferentes niveles				€ 83,250.09	€ 174,917.00	€ 50,000.00	€ 40,000.00	€ 348,167.09
2.2.1	Promover y apoyar al sistema universitario regional para la incorporación de la temática de SAN en la Curricula universitaria, con enfoque multidisciplinario e intersectorial				€ 83,250.09	€ 174,917.00	€ 50,000.00	€ 40,000.00	€ 348,167.09
2.2.1.1	Honorarios TMS	Pagos mensuales de honorarios y movilización a 9 TMS por 3 meses en el 2011 y a 10 TMS por 5 meses en el 2012 (mes/persona)	€ 1,916.67	2011: 27 2012: 50 2013: 0 2014: 0	€ 51,750.00	€ 95,833.50	€ -	€ -	€ 147,583.50
		Pago máximo de seguro de vida y médico a 10 TMS en el 2012 (seguro anual /persona)	€ 1,000.00	2011: 0 2012: 10 2013: 0 2014: 0		€ 12,000.00	€ -	€ -	€ 12,000.00
2.2.1.2	Viáticos TMS	Pago mensual de viáticos a 9 TMS por 3 meses en el 2011 y a 10 TMS por 5 meses en el 2012 (mes/persona)	€ 1,041.67	2011: 27 2012: 50 2013: 0 2014: 0	€ 28,125.09	€ 52,083.50	€ -	€ -	€ 80,208.59
2.2.1.3	Capacitaciones	Capacitaciones brindadas a personal de las Mancomunidades/Asociaciones/Micro -región (# de capacitaciones)	€ 10,000.00	2011: 0 2012: 0 2013: 5 2014: 4	€ -	€ -	€ 50,000.00	€ 40,000.00	€ 90,000.00
2.2.1.4	Comunicación	Pago mensual de comunicaciones a 9 TMS por 3 meses en el 2011 y a 10 TMS por 12 meses en el 2012 (mes/telefono)	€ 125.00	2011: 27 2012: 120 2013: 0 2014: 0	€ 3,375.00	€ 15,000.00	€ -	€ -	€ 18,375.00



3	Resultado 3 - Fortalecimiento del desarrollo territorial con énfasis en la SAN				€ 419,134.91	€ 1,538,750.00	€ 1,439,416.07	€ 309,750.00	€ 3,707,050.98
3.2	Cooperación técnica a iniciativas territoriales desarrolladas por otros socios que mantengan coherencia con el modelo de intervención del PRESANCA				€ 419,134.91	€ 1,538,750.00	€ 1,439,416.07	€ 309,750.00	€ 3,707,050.98
3.2.2	Elaborar y conducir en forma conjunta, y brindar asistencia técnica, en el marco de la iniciativa de municipios SICA, a proyectos de fortalecimiento municipal en SAN en apoyo a mancomunidades y municipios participantes (por lo menos 5UTT y 40 municipios) por lo menos 40 proyectos de fortalecimiento municipal y 5 de mancomunidades transfronterizas) y promover el intercambio de experiencia				€ 193,950.00	€ 285,000.00	€ 182,500.00	€ -	€ 661,450.00
3.2.2.6	Becas TecniSAN	Pago mensual de becas a 37 TecniSAN por 3 meses en el 2011 y 30 TecniSAN por 5 meses en el 2013 (beca mensual / persona)	€ 700.00	2011: 111 2012: 0 2013: 150 2014: 0	€ 77,700.00	€ -	€ 105,000.00	€ -	€ 182,700.00
3.2.2.7	Becas Mastrandos	Pago mensual de becas a 31 Mastrandos por 3 meses en el 2011, a 19 Mastrandos por 12 meses en el 2012 y a 31 Mastrandos por 2 mes en el 2013	€ 1,250.00	2011: 93 2012: 228 2013: 62 2014: 0	€ 116,250.00	€ 285,000.00	€ 77,500.00	€ -	€ 478,750.00
3.2.3	Elaborar, adjudicar y ejecutar proyectos en SAN a nivel de mancomunidades en el marco de políticas y estrategias en SAN promovidas a nivel regional y nacional				€ 225,184.91	€ 1,253,750.00	€ 1,256,916.07	€ 309,750.00	€ 3,045,600.98
3.2.3.2	Proyectos de Agua y Saneamiento Básico, apoyo a ecoclubes y grupos de mujeres	Número de Proyectos de Agua y Saneamiento	€ 202,777.74	15	€ 221,250.00	€ 1,253,750.00	€ 1,256,916.07	€ 309,750.00	€ 3,041,666.07
4	Unidad de Coordinación Técnica				€ 45,833.33	€ 137,500.00	€ 137,500.00	€ 137,500.00	€ 458,333.33
	SUBTOTAL				€ 573,218.33	€ 1,901,167.00	€ 1,676,916.07	€ 512,250.00	€ 4,663,551.40
7	Costos Indirectos PNUD (7%)				€ 40,125.28	€ 133,081.69	€ 117,384.12	€ 35,857.50	€ 326,448.60
	Total				€ 613,343.61	€ 2,034,248.69	€ 1,794,300.19	€ 548,107.50	€ 4,990,000.00

Cronograma de Desembolsos		
Número de Desembolso	Monto	Fecha
1er Desembolso (Octubre 2011 a Junio 2012)	€ 1,400,000.00	10-11
2do Desembolso (Julio 2012 a Junio 2013)	€ 1,800,000.00	06-12
3er Desembolso (Julio 2013 a Junio 2014)	€ 1,000,000.00	06-13
4to Desembolso (Junio 2014 al final)	€ 790,000.00	06-14
<b>Total</b>	<b>€ 4,990,000.00</b>	