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Resilient nations.**

STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT FOR THE PROVISION OF SUPPORT SERVICES

1. Reference is made to consultations between officials of the National Energy Council (hereinafter referred to as “the Government - designated institution” or “Implementing Partner”) and officials of UNDP (Partner Entity) with respect to the provision of support services by the UNDP country office for the “San Salvador Low-emission Urban Development Path” Project under national implementation (NIM). UNDP and the Government hereby agree that the UNDP country office will provide such support services to the National Energy Council based on the relevant programme support document or project document, as described below.
2. The UNDP country office will provide assistance with reporting requirements and direct payment at the beginning of the implementation of the project. In providing such assistance, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such assistance shall be recovered from the administrative budget of the project.
3. The UNDP country office will provide the following support services for the activities of the programme/project:
 - (a) Identification and/or recruitment of project and programme personnel;
 - (b) Identification and facilitation of capacity building activities;
 - (c) Procurement of goods and services;
4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document, and in the form provided in the Attachment hereto. If the requirements for support services by the country office change during the life of a programme or project, the annex to the programme support document or project document will be revised with the mutual agreement of the UNDP Resident Representative and the designated institution.
5. The relevant provisions of the Agreement between the Government and UNDP signed on 3rd May 1977 (the “SBAA”) - Standard Basic Assistance Agreement, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain

overall responsibility for the programme or project under national implementation through its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the attachment hereto.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.

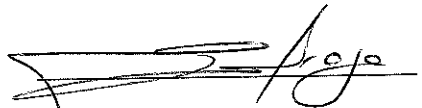
7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the programme support document or project document.

8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, quarterly or as may be required.

9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto. In the event UNDP makes an assessment of the Implementing Partner's capacities in the first year of implementation of the project, and such result makes a considerable improvement, this letter will be amended to reflect the new responsibilities of the parties.

10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for the GEF funded "San Salvador Low-emission Urban Development Path" under national implementation.

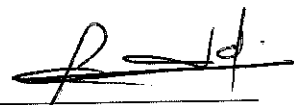
Yours sincerely,



Signed on behalf of UNDP

Georgiana Braga-Orillard

Resident Representative



For the Government
Salvador Handal
National Energy Council



Date: _____

Attachment I

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between National Energy Council, the institution designated by the Government of El Salvador, and officials of United Nations Development Programme with respect to the provision of support services by the UNDP country office for the projects that are under national implementation/execution - PIMS 5462- San Salvador Low-emission Urban Development Path.

2. In accordance with the provisions of the letter of agreement and the project document, the UNDP country office shall provide support services for the Project as described below.

3. Description of functions and responsibilities of the parties involved:

The UNDP (Partner Entity for GEF) would be accountable for the effective and efficient use of resources for the achievement of programme results in conjunction with the implementing partner. This will encompass the design of projects, the assessment of capacities of implementing partners, the joint selection of implementing partners, and the financing and evaluation of programme activities. UNDP will monitor progress towards intended outputs and appropriate use of resources. Monitoring would encompass operational, financial and programmatic considerations.

UNDP project assurance would ensure that:

- Funds are made available to the project;
- The project is making progress towards intended outputs;
- Regular monitoring and assurance activities take place, including periodic monitoring visits and 'spot checks' of expenses and results achieved;
- Resources entrusted to UNDP are utilized appropriately;
- Critical project information is monitored and updated in Atlas (UNDP's management information system);
- Financial reports are submitted to UNDP on time, and combined delivery reports are prepared quarterly and submitted to the project board;
- Risks are properly managed, and the risk log in Atlas is regularly updated;
- Reports from the government are reviewed and used to design assurance procedures.

UNDP will also provide implementation support services to NIM, following UNDP rules and procedures, such as:

- Identification and recruitment of programme or project personnel;
- Organizing training activities;
- Procurement of goods and services; and/or
- Payments on behalf of the implementing partner.

The role of the Implementing Partner (IP) will be as follows:

- Assumes full responsibility for the effective use of resources and the delivery of outputs in the signed project document;
- Must report fairly and accurately on project progress against agreed work plans in accordance with the reporting schedule and formats included in the project document; and
- Maintains documentation and evidence of the proper and prudent use of project resources in conformity to the project document and in accordance with applicable regulations and procedures; documentation should be available on request to project monitors and designated auditors.

Operating Expenses GOE per Year (US\$) for relevant UNDP staff

<p>Direct Operating Cost – Office Space and Associated Costs</p> <ul style="list-style-type: none"> - ICT and utilities - Security and cleaning services - Maintenance of office premises and equipment - Sundries 	<p>Throughout implementation.</p>	<p>Approximately 15 % of Direct Operating Cost</p>	<p>UNDP will charge the Project in June and December through apportionment based on estimated project services.</p>
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SUMMARY OF SUPPORT SERVICES TO BE PROVIDED BY UNDP			
Support services	Schedule for the provision of the support services	Cost to UNDP of providing such support services	Amount and method of reimbursement of UNDP
1. Identification and/ or recruitment of project personnel: <ul style="list-style-type: none"> • Project Manager • Project Assistant 	During project implementation	As per Universal Price List (UPL) <ul style="list-style-type: none"> • US 961.97 • US 525.92 	UNDP will directly charge the project upon receipt of request of services from the Implementing Partner (IP)
2. Procurement of Services: Individual consultant contracts	During Project implementation	As per UPL: <ul style="list-style-type: none"> • US 246.38 	As above
3. Procurement of Services: Companies contracts	During project implementation	As per UPL: <ul style="list-style-type: none"> • US 371.96 	As above
4. Financial assistance: <ul style="list-style-type: none"> • Payment Process • F10 Settlement 	During project implementation	As per UPL: <ul style="list-style-type: none"> • US 53.13 • US 32.71 	As above
5. Procurement of goods and services	During project implementation	As per UPL: <ul style="list-style-type: none"> • US 566.56 	As above
6. Recurrent personnel management services: Staff payroll & Banking administration & Management	During project implementation	As per UPL: <ul style="list-style-type: none"> • US 478.19 	As above
7.	During project implementation	As per UPL:	
TOTAL:		Up to USD 25,000 from GEF grant	

