

**THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN THE GOVERNMENT OF CHILE AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis (hereinafter referred to as "the Contribution") for the implementation of Sites and Services Project (hereinafter referred to as "Project"), in Haiti,

WHEREAS UNDP is prepared to receive and administer the Contribution for the implementation of the Project,

WHEREAS the Government of Haiti has been duly informed of the Contribution of the Donor to the Project,

WHEREAS UNDP shall designate the Unite de Construction, Logement et Batiment Public (UCLBP) as an Implementing Partner¹ for the implementation of the Project (hereinafter referred to as the "Implementing Partner"),

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, contribute to UNDP the amount of 949.676.450 Chilean Pesos to be paid in US dollars. The Contribution shall be deposited in the:

Bank of America, N.A.
Bank account Holder: UNDP Representative in Haiti
Account Number: 3751560155
Address: 304 East 45Th Street, Suite 478 New-York NY 10017
ACH Routing Number: (ABA): 111000012
SWIFT Address: BOFAUS3N
Wire Routing Number: 026009593

Schedule of payments
October 30, 2013

Amount
949.676.450 Chilean Pesos

- (b) The Donor will inform UNDP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org

¹ "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.

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 Project 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 Project delivery.
4. UNDP shall receive and administer the payment in accordance with the rules, regulations, policies and procedures of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1. The implementation of the responsibilities of UNDP and of the Implementing Partner pursuant to this Agreement and the Project document shall be dependent on receipt by UNDP of the Contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above.

2. 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 shall use its best endeavours to obtain the additional funds required.

3. 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 2 above is not forthcoming from the Donor or other sources, the assistance to be provided to the Programme/Project under this Agreement may be reduced, suspended or terminated by UNDP.

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 III. Administration and reporting

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

All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of Haiti in consultation with other stakeholders 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 V. Evaluation

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.

1. In accordance with the decisions, policies and procedures 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 Project, all direct costs of implementation, including the costs of Executing Entity or Implementing Partner, will be identified in the Programme/Project budget against a relevant budget line and borne by the Programme/Project accordingly.

Article IV. Administrative and support services

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 to this Agreement.

- (a) From the country office an annual status report of Project progress for the duration of this Agreement, as well as the latest available approved budget.
- (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 the country office within six months after the date of completion or termination of this Agreement, a final report summarizing Project activities and impact of activities as well as provisional financial data.
- (d) From UNDP Bureau of Management/Office of Finance and Administration, on completion of the Project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the Project.

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.

Article VI. 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 VII. 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 Contribution, such information shall be made available to the Donor.

Article VIII. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the Project have been completed.
2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the execution/implementation of the Programme/Project have been satisfied and Project 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 shall be reallocated by UNDP after consulting with the Donor.

Article IX. Termination of the Agreement

- This Agreement may be terminated by UNDP or by the Donor after consultations between the Donor, UNDP and the programme 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 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 this Agreement.
2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in the implementation of all or the part of the Project have been satisfied and Project activities brought to an orderly conclusion.
3. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be reallocated by UNDP after consulting with the Donor.

Article X. Amendment of the Agreement

This 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 this Agreement.

Article XI. Entry Into Force

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 I, paragraph 1 of this Agreement and the signature of the Project document by the concerned parties.

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

For the Donor:


Mr. Rodrigo Pérez Mackenna
Minister of Housing and Urban Planning
Government of the Republic of Chile
3 September 2013

For the United Nations Development Programme:


Ms. Sophie de Caen
Senior Country Director
3 September 2013