

## LETTER OF AGREEMENT

### BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

AND

### THE MINISTRY OF ENVIRONMENT and WATER (MAAE)

LETTER OF AGREEMENT  
BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAM (UNDP) AND THE GOVERNMENT  
FOR THE PROVISION OF SUPPORT SERVICES


Dear  
Mr. Paulo Arturo Proaño  
Minister  
Ministry of the Environment and Water  
Award 00100778 - Project ID 00103568

1. Reference is made to consultations between officials of the Government of Ecuador (hereinafter "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services, at the request of the Government, through its institution designated Ministry of Environment and Water (hereinafter MAAE), as mentioned in the Project Document "**Promotion of financial instruments and land use planning to reduce emissions from deforestation**" as described below.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the MAAE is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.
3. The UNDP country office may provide, at the request of the MAAE, the following support services for the project activities:
  - (a) Identification and / or recruitment of project personnel;
  - (b) Identification and facilitation of training activities;
  - (c) Procurement of goods and services;
  - (d) Technical assistance.
4. The procurement of goods and services and the recruitment of project personnel by the UNDP country office shall be in accordance with UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the project document, in the form provided in the Attachment hereto. If the requirement for support services by the country office change during the life of a project, the annex to the project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.
5. The relevant provisions of the UNDP standard basic assistance agreement with the Government of Ecuador signed on January 19, 2005 (the "SBAA"), 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 nationally managed project through the MAAE. 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 annex to the project document.
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 project document.
8. The UNDP country office shall submit progress reports on the support services provided and will report on the costs reimbursed in providing such services, as may be required.

9. Any modification of the present agreements shall be effected by mutual written agreement of the parties hereto

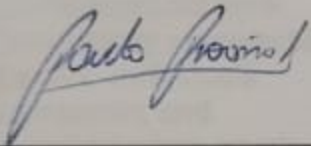
7. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between MAAE and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed project.

Yours Sincerely,



For UNDP  
Ms. Matilde Mordt  
Resident Representative

DATE: March, 12<sup>th</sup>, 2021



For the Government  
Mr. Paulo Arturo Proaño  
Minister of Environment and Water

DATE: March, 12<sup>th</sup>, 2021



## Appendix

### DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between the MAAE, the institution designated by the Government of Ecuador and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed project "P/00103568" **"Promotion of financial instruments and land use planning to reduce emissions from deforestation"**
2. In accordance with the provisions of the Project Document (ProDoc) signed on May 23, 2017, the UNDP country office shall provide the support services for the project as described below.
3. Support services to be provided:

Support services (description)*	Schedule for the provision of support services	Cost to UNDP providing such support services to UNDP (where appropriate)	Amount and method of UNDP reimbursement (where applicable)
<b>OPERATIONAL SERVICES</b>			
Payments, disbursements and other financial transactions  Financial transactions to disburse funds to local or international bank accounts of responsible parties, individuals, companies and suppliers when goods and services have been provided.	During project implementation	\$ 12,162.12	200 Transactions whose amount is applied based on the Universal Price List (UPL) for related payments for goods and services, reimbursements and miscellaneous payments
Recruitment of personnel, Project team and consultancies	During project implementation	\$ 176,671.02	Apply UPL  825 procedures for Personnel Contracts, Payment Role Processing and Fee Transfers and Contract Termination for resignation or period end.
Acquisition of services and equipment	During project implementation	\$ 158,006.16	Apply UPL for procurement processes  1412 procedures to hire individual consultants, amendments, business consultancies, amendments and purchase orders for different goods and services
Organization of training activities, conferences, workshops.	During project implementation	\$ 19,714.88	UPL applies according to amount for payment process.  325 payment transactions for topics related to workshops according to amount per year.

Travel authorizations, visa procedures, tickets and travel arrangements	During project implementation	\$ 33,445.82	UPL applies according to amount for payment process  550 payment transactions related to air tickets, travel advances and settlements, reimbursement of travel expenses and internal mobilization
<b>SUBTOTAL</b>		<b>\$ 400,000</b>	
<b>TECHNICAL ASSISTANCE SERVICES (see attached TOR):</b> To provide technical assistance in terms of strengthening the project's monitoring system, in strategic planning, use of UNDP programmatic tools, search and accompaniment for strategic alliances with the private sector or other initiatives of which the project may be part, and technical inputs for key project consultancy contracts as well as the review of strategic products.	3 years	\$ 141,630	According to UNDP proforma staff costs and benefits.  UNDP will directly charge the Project budget based on the approval of the annual work plan  Global amounts per year:  Year 1: \$ 26,660 Year 2: \$ 72,968 Year 3: \$ 42,002
<b>TECHNICAL ASSISTANCE SERVICES IN PROCUREMENT (see attached TOR)</b> To provide advice throughout the procurement cycle of consultancies, goods and services that are carried out throughout the project cycle. The advice and accompaniment is carried out both to the PMU and to the Implementing Partners from the moment a process is launched, through the selection process, and as contracts are made and closed. Advice is also provided in cases of negotiation with contractors on	During project implementation	\$ 252,546	Global amounts per year:  Year 1: \$ 1,580.33 Year 2: \$ 29,937.47 Year 3: \$ 55,080.43 Year 4: \$ 52,369 Year 5: \$ 55,273 Year 6: \$ 58,306



amendments and / or termination of contracts.			
<b>Subtotal</b>		\$ 394,176.00	
<b>TOTAL</b>		\$ 794,176.00	

\*UNDP support services should be defined annually, and for those implemented during the period, the direct costs of the Project will be charged at the end of each year based on the universal price list (UPL) or the actual cost of the corresponding service.

#### 4. Description of functions and responsibilities of the parties involved:

##### Functions and Responsibilities of MAAE:

- a. Is responsible and accountable for the management of this project, including the monitoring and evaluation of project interventions, the achievement of project results, and the effective use of UNDP resources.
- b. Undertakes to make all reasonable efforts to ensure that none of the UNDP funds received under the PRODOC are used to support persons or entities associated with terrorism and that the recipients of the amounts provided by UNDP hereinafter do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 of 1999.
- c. Be an active member of the Project Steering Committee.
- d. Supervise the responsibilities of the Project Manager.
- e. Approve the expenses incurred in the framework of the project and ensure that they are always carried out within the framework of the activities and results of the project.
- f. Appoint a National Director of the Project for the activities indicated under the responsibility of the MAAE in PRODOC.

##### Functions and Responsibilities of UNDP:

- a. Provide project cycle management services, as defined by the GCF Council.
- b. Provide financial services and audit support to project independent audit.
- c. Provide technical assistance to the Project.
- d. Monitor financial expenses against project budgets.
- e. Ensure that activities, including procurement and financial services, are carried out in strict compliance with UNDP / GCF procedures.
- f. Ensure that reporting to the GCF is conducted in accordance with its requirements and procedures.
- g. Facilitate the learning, exchange and dissemination of the results and actions of the project.
- h. Contract intermediate and final evaluations of the project and activate additional reviews and / or evaluations as necessary and in consultation with project partners.
- i. Supervise and monitor the proper execution of the project and the resources assigned based on the provisions of the project document.
- j. Ensure quality and be ultimately responsible for the delivery of project results, subject to MAE certification.
- k. Participate in the Management Committees, Steering Committees and Key Technical Meetings for the execution of the project.