

GRANT NO. 1424-CEPAL

GRANT AGREEMENT

Information management for public policies and projects of rural and agricultural development and food security in Central America

between the

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

and the

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
OF THE UNITED NATIONS

Dated 4 March 2013

GRANT AGREEMENT

I. Introduction

By virtue of this Grant Agreement (the "Agreement") the International Fund for Agricultural Development (the "Fund" or "IFAD") shall make available to the Economic Commission for Latin America and the Caribbean of the United Nations, in particular its Subregional Headquarters in Mexico City, Mexico (the "Recipient" or "ECLAC"), established at Av. Miguel de Cervantes Saavedra, 193, Piso 12, Col. Granada, C.P. 11520, México, D.F., México, financial assistance in the form of a grant in the amount of four hundred thousand United States dollars (USD 400 000) (the "Grant") in support of the project entitled "Information management for public policies and projects of rural and agricultural development and food security in Central America" described in Annex 1 hereto (the "Project").

II. Terms and Conditions

1. The Grant shall be used to finance expenditure incurred by the Recipient:

- 1.1. exclusively for the execution of the Project in accordance with an Annual Work Plan and Budget (AWPB) specifying: (i) the planned Project activities for the Project Implementation Period (as defined in Paragraph 1.2) below; (ii) the financing of such activities, consistent with the Grant Allocation Schedule set forth in Annex 2; and (iii) the procurement procedures to be applied for goods/services to be financed by the Grant; and
- 1.2. during the period beginning on the date of this Agreement ("Effective Date") and ending on or before twenty-four months after the Effective Date (the "Project Completion Date"). The period from the Effective Date through the Project Completion Date shall be referred to as the "Project Implementation Period".

2. The Grant shall be disbursed in two instalments.

- 2.1. The first instalment in the amount of USD 220 000 shall be disbursed upon prior submission to the Fund by the Recipient of the following documentation:
 - (a) two copies of this Agreement, countersigned by a duly authorized representative of the Recipient;
 - (b) An AWPB for the first year of the Project Implementation Period, acceptable to the Fund;
 - (c) a withdrawal application, in the format set forth in Annex 3, and such other documents/evidence in support of the withdrawal application as the Fund may reasonably request; and
 - (d) a certificate, in the format set forth in Annex 4, evidencing authority of the person or persons authorized to sign such application and the authenticated specimen signature of each such person.
- 2.2. The second instalment in the amount of USD 180 000 shall be disbursed by the Fund to the Recipient following the Recipient's submission to the Fund of the following:
 - (a) a withdrawal application and such other documents/evidence in support of the withdrawal application as the Fund may reasonably request;



- (a) An AWPB for the second year of the Project Implementation Period, acceptable to the Fund;
- (b) a progress report describing the progress achieved on the Project activities by the end of the first six months of the Project Implementation Period and the use of funds thereon; and
- (c) a statement of expenditure, in the format set forth in Annex 5, with respect to the use of at least 90% of the first advance withdrawn for the Project.

3. As soon as possible after the Project Completion Date, but in no event later than six months after the Project Completion Date, the Recipient shall provide the Fund with a completion report, of such scope and in such detail as the Fund shall reasonably request, on the execution of the Project, its costs, the activities undertaken, the level of accomplishment of Project objectives, the results achieved from the Project and the benefits derived and to be derived from it.

4. The Recipient shall:

- (a) administer, monitor and evaluate the Grant in accordance with United Nations rules and regulations. The Grant shall be subject exclusively to the internal and external auditing procedures provided for in the United Nations' financial, rules and regulations;
- (b) deliver to the Fund (i) an annual unaudited statement of expenditure (in the format set forth in Annex 5) certified by the Head of the Finance Unit of the ECLAC Subregional Headquarters in Mexico within six (6) months of the end of the relevant financial reporting period and not later than nine months after the end of the biennium during which the last expenditure is financed from the grant (the "Grant Closing Date") and, (ii) a copy of the biennial audited accounts of UN Secretariat (as soon as it is available) and the accompanying letter from the auditors.
- (c) Transactions in currencies other than US dollar shall be carried out and recorded at the United Nations exchange rate in effect on the value date of each such transaction.

5. If at any time the Fund shall have determined that any amount advanced to ECLAC (i) was not required during the Project Implementation Period to cover eligible expenditures in accordance with the relevant WPB, or (ii) will not be required to cover further payments for eligible expenditures in accordance with the WPB, the Fund may deduct such amounts from any future advances to ECLAC. In case the funds have not been used exclusively in accordance with the requirements of the Project or this Agreement, ECLAC shall use its best efforts, consistent with United Nations regulations, rules, policies and procedures to recover any funds found by the Parties to be misused and shall, promptly upon notice from the Fund credit any funds so recovered to the Project budget, or in case the Project was completed or terminated, the ECLAC shall refund such funds to the Fund.

6. Economic Commission for Latin America and the Caribbean of the United Nations shall undertake all procurement financed by the Grant proceeds in accordance with its procedures. ECLAC shall ensure that the Grant is not used for the payment of customs duties and direct taxes levied with respect to such importation or in connection with the execution, delivery or registration of this Agreement if required under the law of any country in which this Agreement is to be implemented.

7. The personnel undertaking and responsible for effecting the activities related to this Agreement, shall not be considered staff members of IFAD, entitled to any privileges, immunities, compensation or reimbursement other than in accordance with their terms of employment with ECLAC, nor allowed to incur any commitments or expenses on behalf of IFAD.

8. Nothing in this Agreement or in any document relating thereto, shall be construed as constituting

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a waiver of privileges or immunities of IFAD or ECLAC.

9. The Fund shall not be held responsible for any accident, illness, loss or damage, which may be caused as a result of the Recipient carrying out of this Agreement.

10. The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Agreement or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the Parties. Any dispute, controversy or claim between the Parties arising out of this Agreement or the breach, termination or invalidity thereof, unless settled amicably within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, including provisions on applicable law. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in this Agreement, the arbitral tribunal shall have no authority to award interest. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

11. In the event that and prior to the production of any written, audio-visual and/or information technology material connected with or resulting from the Project by the Recipient and intended for limited or general publication, the Recipient shall consult with the Fund regarding the form and substance of the acknowledgement of the Fund's role in supporting the Project and shall include an acknowledgement in terms agreed by both parties. The Recipient shall, free of charge, provide the Fund with copies of any relevant materials as the Fund may reasonably request, which the Fund may use for non-commercial purposes, as it deems appropriate.

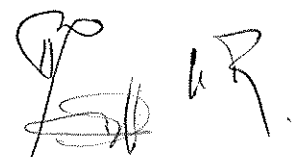
12. The Recipient hereby represents and warrants that it has the power and authority to enter into this Agreement, to receive the Grant proceeds and to execute and deliver this Agreement and discharge each of its obligations hereunder, and that it has taken all necessary corporate action to authorize such execution, delivery and discharge.

13. This Agreement shall become effective, as of the date hereof, upon the countersignature by the duly authorized representative of the Recipient. The Agreement shall remain effective until the later of the Grant Closing Date, or the fulfilment of the obligations set forth in paragraphs 3 and 4 above, or any other date mutually agreed upon by the Parties, unless earlier terminated by the Fund by and upon receipt of written notice due to: (a) non-observance by the Recipient of any obligations under this Agreement; (b) the complete and indefeasible performance by the parties of their respective obligations hereunder; or (c) circumstances having arisen which, in the opinion of the Fund after consultation with the Recipient, could make it improbable that the Project can be successfully carried out.

14. The obligations assumed by the Parties under this Agreement shall survive the termination of the Agreement to the extent necessary to permit the orderly conclusion of the activities, the withdrawal of personnel, funds and property, the settlement of accounts between the Parties thereto and the settlement of contractual liabilities that are required in respect of any personnel, subcontractors, consultants or suppliers. The Recipient shall facilitate all evaluations of the Project that the Fund may carry out during the Project Implementation Period.

15. Except as otherwise expressly provided, this Agreement may only be amended or otherwise modified in writing signed by both parties.

16. Any action required or permitted to be taken and any document required or permitted to be executed under this Agreement may be taken or executed by: (a) the Director of the ECLAC Sub regional Headquarters in Mexico on behalf of the Executive Secretary of UN ECLAC and (b) the President of IFAD.



17. The following addresses are specified for all notices, requests and other communications given or made under this Agreement:

For the Fund:

International Fund for Agricultural Development
Via Paolo Di Dono 44
00142 Rome, Italy

Facsimile Number: (0039) 06 504 34 63


For the Recipient:

Economic Commission for Latin America and the Caribbean of the United Nations
Subregional Headquarters in Mexico City
Av. Miguel de Cervantes Saavedra, No. 193, piso 12
Colonia Granada, 11520 Mexico DF, Mexico

Facsimile Number: (0052) 55 5531 1151

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have signed this Agreement, as of the date first above written.

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT



Josefina Stubbs
Division Director

ECONOMIC COMMISSION FOR LATIN AMERICA AND
THE CARIBBEAN OF THE UNITED NATIONS



Alicia Barcena
Executive Secretary
Authorized Representative

DESCRIPTION OF THE PROJECT

1. *Goal and Objectives.* The project aims at improving the design, implementation and evaluation of public policies and rural development projects in order to achieve sustainable poverty reduction.

The objectives are:

- (a) to develop a system of indicators for rural and agricultural development and food security in Central America in order to provide analytical inputs for the design, implementation and evaluation of public policies and projects;
- (b) to promote development plans with the governing bodies of rural development and the country's statistical offices to improve the elaboration and analysis of indicators of agricultural and rural development and food security, and their use in the design, implementation and evaluation of policies and projects; and
- (c) to strengthen the institutional capacity of partners in the region in the indicators' management and use as input for the design, implementation and evaluation of public policies and projects.

2. *Activities.* The Project's activities shall include:

2.1 Activities related to Objective a:

- (a) Preparation and consultation of the feasibility analysis and proposal for improvements made on the basis of available data in the national and regional institutions, evaluated by its current state and the related processes and initiatives currently underway, including fact-finding activities;
- (b) Preparation and consultation of the technical proposal on the key indicators for follow-up to rural development and agriculture with inclusion criteria, poverty reduction and sustainability and food security, including due consideration of the possible breakdown by sex, age groups and vulnerable groups, and the key indicators used by the Fund, ECLAC and particularly the Millennium Development Goals MDG's goals 1 (elimination of poverty and hunger) and 7(sustainable development, including the process post Rio+20). It will explore its use in pilot form in a selection of projects between the Fund and its partners in Central America.
- (c) Counselling and follow-up to the national teams and the Executive Secretary of the Central American Agricultural Council SE/ACC to improve databases at regional and national level.
- (d) Counselling and follow-up to broaden the data bases and established processes to integrate key indicators at subnational level(department/province/district and, where possible, at municipal level).
- (e) Analyze options, select, design and install a subsystem to generate maps of the geo-referenced statistics and most relevant indicators.
- (f) Provide other technical support, of durable materials, or non-durables necessary for the establishment of this system of indicators.
- (g) Conduct negotiations and institutional arrangements for the participation of staff in technical groups and the availability of equipment, computing for the management of the programs and databases.



2.2 Activities related to Objective b:

- (a) Manage the strengthening of capacities with the governing entities of rural development and statistical institutes and other institutions shaping the regional technical group.
- (b) Organize and conduct two face-to-face sessions and regular consultations via the internet.
- (c) Manage with national institutions the establishment and work of national technical groups, including the training activities and technical advice.
- (d) Provide counselling and follow-up to national authorities for the preparation and adoption of national plans.
- (e) Provide counselling and follow-up to the regional technical group and the SE/ACC in collaboration at the regional level for the improvement of indicators on agricultural and rural development and food security.
- (f) Participate in meetings of the Central American Agricultural Council and coordinate with SE/CAC awareness and securing agreements with the governing entities of rural development for their support for the activities of the project and national plans and to present the results of the project.

2.3 Activities related with Objective c:

- (a) Prepare and consult a plan of training and technical assistance in support of the objectives of the project.
- (b) Prepare the methodologies, databases and materials for courses and workshops.
- (c) Organize "south-south" collaboration and advice between technical teams.
- (d) Give onsite consulting to the "projects" in preparation of technical inputs for the decision-making on the basis of the skills acquired in training and consultancy services.
- (e) Promote coordination between the heads of sectorial statistics and the Ministers and advisers to the identification of the inputs that would be useful in the management of public policies and projects, including the Fund's projects.

3. *Outputs.* The Project's expected outputs shall include

- (a) Technical proposal consulted on the key indicators for follow-up to rural development and agriculture with inclusion criteria, poverty reduction and sustainability and food security.
- (b) Feasibility analysis and proposal for improvements made on the databases available on the national and regional institutions, evaluated by its current state, in addition to the identification and contact with other initiatives currently underway.
- (c) Databases upgraded to regional and national levels that include statistics and indicators most relevant on the agricultural development and food security.
- (d) Databases and established processes to integrate key indicators at the subnational level(department/province/district and, where possible, at the municipal level).
- (e) Selection and technical design of a subsystem to generate geo-referenced maps of statistics and most relevant indicators.



4. *Implementation and Costs.* The Project shall be implemented as follows:

(a) The ECLAC sub-regional headquarters in Mexico will be responsible for technical coordination and shall ensure the technical quality of the products of the project, preparing plans and annual reports, the terms of reference and selecting experts and advisers, organizing at technical level and logistical skills and advice and managing the budget according to the rules and regulations of the United Nations. Coordinate the instances of consultation, discussion and technical management of the project, in collaboration with SE/ACC at the regional level.

(b) A Regional Technical Group shall be set up, composed of representatives of the governing entities of rural development and the national statistical offices of Central America, SE/ACC, in addition to other institutions with an interest in the agricultural development of Central America.

(c) At the national level, groups will be formed of the technical staff at the technical level to participate in the activities of the project, including the training and consulting.

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GRANT ALLOCATION SCHEDULE

As provided in Section II.1.1 of this Agreement, the Table below sets forth the categories to be financed out of the proceeds of the Grant. The items to be financed in each category may be amended upon receipt of a communication from the Recipient providing the Fund with justification to enable the Fund's review and subsequent advice of confirmation.

<u>Expenditure Category</u>	<u>Amount of Grant Allocation</u> (Expressed in USD)
I. ECLAC staff hired for the project	75 000
II. Other consultants	78 000
III. Travel expenses	40 000
IV. Meetings and workshops for experts and technical teams	100 000
V. Communication and dissemination	30 000
VI. Equipment and other expenses	30 982
Subtotal	353 982
VII. Operating expense (13%)	46 018
TOTAL	400 000

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WITHDRAWAL APPLICATION FORM

International Fund for Agricultural Development
Via Paolo di Dono, 44
00142 Rome, Italy

Attention: Loans and Grants Unit of the Controller's Office

Reference: Grant Agreement No. 1424-CEPAL

1. Application No. 1.

2. Please pay (currency) US dollar (amount) 220,000.

3. This instalment is related to the attached work plan and budget for the period from 4 March 2013 to 28 February 2014.

4. We hereby apply for this withdrawal from the Grant Account, and hereby certify and agree that the goods and services covered by this application are required and shall be used exclusively for the purposes of the Project described in the Grant Agreement dated 4 March 2013.

5. Please make payment to:

BANK NAME AND ADDRESS: JP Morgan Chase Bank
270 Park Avenue
New York, NY 10017
ABA: 0210-00021

ACCOUNT NUMBER: 485 000 199

PAYEE NAME AND ADDRESS: U.N. Economic Commission for Latin America and the Caribbean -
Mexico
UN-ECLAC-MEXICO
Av. Miguel de Cervantes Saavedra No. 193, Piso 12
Col. Granada, Del. Miguel Hidalgo
México, D.F., C.P. 11520

CORRESPONDENT BANK: NAME: _____
(in country of the ADDRESS: _____
currency of payment) _____

Recipient: Economic Commission for Latin America and the Caribbean of the United Nations
Subregional Headquarters in Mexico

Authorized Signature: _____

Name and Title: Mr. Hugo E. Beteta
Director

Date: 19 March 2013

Loans and Grants Administration
International Fund for Agricultural Development (IFAD)
Via Paolo Di Dono, 44
00142 Rome, Italy

Dear Sirs,

Ref: Grant No. 1424-CEPAL

With reference to Paragraph 2.1 (d) of the Grant Agreement dated 4 March 2013, the following person(s) whose specimen signature(s) appear(s) below is/are authorized to sign applications for withdrawal under this Grant.

1. Mr. Hugo E. Beteta
Director of
ECLAC Subregional Headquarters in Mexico
Name and Title



Specimen Signature


2. Ms. María Teresa Angulo
Head of the Administration Section
ECLAC Subregional Headquarters in Mexico
Name and Title



Specimen Signature

All previous notices providing signatures of officials authorized to sign applications for withdrawal under this grant are hereby revoked.

Yours sincerely,


Ms. Alicia Bárcena
ECLAC Executive Secretary
(Authorized Representative)

Date: 4 March 2013



ANNEX 5

Name of Recipient: ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN OF THE UNITED NATIONS

Grant No.: 1424-CEPAL

Name of Project: *Information management for public policies and projects of rural and agricultural development and food security in Central America*

STATEMENT OF EXPENDITURE

Reporting Period from _____ to _____
in _____ (Currency)

Category of Expenditures	Actual Cumulative Expenditures of Advance related to the Reporting Period (per Category)	<u>Planned Expenditures of Advance related to the Reporting Period (per Category)</u>	Total Amount of Advance Withdrawn for Reporting Period (per Category)

We hereby certify that the above amounts have been paid for the proper execution of the Project in accordance with the terms and conditions of the Grant Agreement in respect of the Project in reference. All documentation authenticating these expenditures has been retained by the Recipient and will be made available for examination in the course of the biennial external audit of _____'s Financial Statements.

Certified by: _____

Name and Title: _____

Date: _____

