

**THIRD-PARTY GRANT AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AND THE COCA-COLA FUNDATION (THE DONOR)**

WHEREAS the Coca-Cola Foundation (hereinafter the “Donor”) hereby agrees to contribute funds to the United Nations Development Programme (hereinafter “UNDP” and together with the Donor, the “Parties”) on a grant basis (hereinafter referred to as “the Contribution”) for the implementation of the project “Strengthening water security and resilience in priority basins based on nature-based solutions and effective governance” (hereinafter referred to as “the Project”), as described in Annex A, Project Implementation Plan, and submitted to the Donor for information.

WHEREAS UNDP is prepared to receive and administer the contribution for the implementation of the project,

WHEREAS the Government of Mexico has been duly informed of the contribution of the Donor to the project,

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

Article I. Responsibilities of UNDP

1. UNDP agrees to: 1) Provide the necessary personnel, materials, services, and facilities (to be financed by the Contribution per the agreed budget by the Parties), for the implementation of the Project (Annex A); 2) Provide mid-term financial and narrative reports through the Donor program manager; and 3) Provide the final certified financial report by 07 January of the following year after the end of the project signed by its approved representative and with approval of its Accountant/Chief Financial Officer. Contribution provided pursuant to this Agreement shall be used exclusively for purposes related to producing results as specified in Annex A.
2. If UNDP fails to meet its responsibilities outlined in Article 1.1, then this will be considered grounds for the Donor to suspend or terminate any further contributions and/or the Agreement. In the case of suspension UNDP will have thirty (30) business days to implement the necessary actions in order to remedy the activities described in Article 1.1. The Donor will have the faculty to terminate the present Agreement in the event that UNDP fails to deliver the outputs mentioned in the paragraph above during the referenced period. In the event of an early termination of the Agreement, UNDP will reimburse to the Donor the unspent amounts of the Contribution which have not been contractually committed by UNDP under the Agreement.
3. Whenever UNDP knows or has reason to know that any actual or potential circumstances are delaying or threaten to delay the timely implementation of the Project required hereunder, or threaten to change or reduce the anticipated outcomes of the Project required hereunder, UNDP shall immediately provide written notice thereof to Donor, including all relevant information with respect thereto. Any such notice shall be informational only, and the receipt thereof by Donor shall not constitute a waiver by Donor of meeting the annual objectives of the Project, or any of Donor’s rights or remedies hereunder.

Article II. Term

The term of this Agreement shall commence on 12/01/2021 and shall expire on 07/06/2022. Upon signed agreement by both Parties, this Agreement may be extended for an additional period of time. Extension of the Agreement pursuant to this paragraph shall be affected by a written amendment agreed by both Parties in accordance with Article XV.

Article III. The Contribution

1. (a) The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of USD 182,000. The Contribution shall be deposited in the bank and bank account to be informed in writing by UNDP. The Parties acknowledge and agree that UNDP shall not pre-finance any activity. As such, when the Contribution is paid in tranches, each payment must be deposited before the activities related to each tranche.

Payment schedule of the contribution amount: 100% of total allotment: USD\$ 182,000 (one hundred eighty-two thousand US dollars, including the 1% of coordination levy) to be recognized with the signature of the present Agreement and the submission of the requirements listed below:

Requirements:

- Indicators tailored to project intervention must be developed in collaboration with Donor
- Objectives of the Project approved by Donor
- Grant Agreement completed in full and signed by both Parties

Once the activities of the Project have been completed, UNDP shall comply with the following requirements:

- a) Submission of final reports on 07/06/2022 (both narrative and financial reports) including success stories and communications materials (however, the Parties acknowledge and agree that the final certified financial report shall be presented by 07/06/2022 of the following year after the end of the Project).
- b) The amount of payment of such funds is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the UNDP in the performance of the activities under this Agreement. The Parties acknowledge and agree that the Donor shall have no obligation to provide additional funding. However, the Parties also acknowledge and agree that UNDP shall not pre-finance any activity. In the event of a cost overrun caused by currency fluctuations, inflationary factors and/or any other circumstance, UNDP shall communicate this situation to the Donor in writing. UNDP shall also apply reasonable efforts to try to allocate to the Project a contribution from a different funding source. In the event that no additional funding is possible, then UNDP may propose a modification, reduction, suspension and/or partial or total termination of the activities in the Project in consultation with an agreement by the Donor. In the event of an early termination of the Agreement, UNDP will

reimburse to the Donor the unspent amounts of the Contribution which have not been contractually committed by UNDP under the Agreement.

- c) Upon receipt of funds, UNDP shall upload an electronic receipt to the Donor Grant Platform that the remitted funds have been received by UNDP.
2. UNDP shall receive and administer the payment in accordance with the regulations, rules, policies and procedures of UNDP and, where applicable for compliance, the rules, regulations, policies and procedures of the Donor.
3. All financial accounts and statements shall be expressed in United States dollars.

Article IV. Utilization of the Contribution

1. The implementation of the responsibilities of UNDP pursuant to this Agreement and the Implementation Plan 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 the payments referred to in Article I, paragraph 1, above are not received in accordance with the payment schedule, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
3. Any interest revenue attributable to the Contribution shall be credited to UNDP Account, retained by UNDP and shall be utilized in accordance with established UNDP procedures.

Article V. Administration and Reporting

1. Project management and expenditures shall be governed by the rules, regulations, policies and procedures of UNDP.
2. UNDP agrees to submit one midterm technical report and one financial status report by no later than 15 days after (project midterm date here), the project midterm date. The midterm technical and financial status reports shall be written in English using the Donor's reporting format and submitted to Donor. This shall be considered an eligible cost which the Parties acknowledge and agree has already been included in the budget of the Project.
3. Within thirty days after completion of project activities, UNDP shall provide Donor with a final report with respect to all expenditures made from such funds (including salaries, travel and supplies) and indicating the progress made toward the goals of the activities undertaken, utilizing the reporting format of UNDP.

Article VI. Administrative and Support Services

The amount budgeted for the project, shall not exceed the total resources available to the project under this Agreement. UNDP shall charge a General Management Support Service fee ("GMS") in accordance with UNDP's cost recovery policy as approved by the UNDP Board. UNDP shall provide the Donor a copy of this policy before the signature of

each Grant Agreement. The Parties acknowledge and agree that the GMS has already been included in the budget of the Project.

Article VII. Evaluation

All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP 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. The Donor shall be entitled to perform its own evaluation of the Project. The Parties acknowledge and agree that (a) the Donor shall bear the cost of this separate evaluation.

Article VIII. Equipment

1. 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 IX. Auditing

1. 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 annual Audit Report of the UN Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the Donor by the country office.

Article X. Advertisement of the contribution

1. The Donor shall not use the UNDP name or emblem, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of UNDP in each case. In no event will authorization be granted for commercial purposes, or for use in any manner that suggests an endorsement by UNDP of the Donor, its products or services. UNDP shall not use the Donor name or emblem, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of the Donor in each case.
2. The Donor acknowledges that it is familiar with UNDP's ideals and objectives and recognizes that its name and emblem may not be associated with any political or sectarian cause or otherwise used in a manner inconsistent with the status, reputation and neutrality of UNDP.
3. The Donor may make representations to its shareholders and internal budget officials as required about the fact of the contribution to UNDP. Any other use of the UNDP name or emblem, and any other form of recognition or acknowledgement of the contribution of the Donor are subject to consultations between the Parties, and the prior written agreement of UNDP.

4. UNDP will report on the contribution to its Executive Board in accordance with its regular procedures regarding contributions from private donors. Other forms of recognition and acknowledgement of the contribution are subject to consultations between the Parties, but the manner of such recognition and acknowledgement shall be determined at the sole discretion of UNDP.
5. The Donor is hereby permitted to publish on its website <https://www.cocacola.com/shared-future/coca-cola-foundation> the name of UNDP, the purpose of the Grant and the amount of the grant as a part of its annual listing of grants. Any other published information is subject to UNDP's prior review and consent

Article XI. Compliance

Each Party warrants its compliance with all laws and regulations concerning performance of this Agreement which are applicable to each Party's operations in connection with the Project activities herein. Specifically, UNDP agrees that this Agreement is contingent upon such actions in (country/ies) in which services are to be performed by UNDP on behalf of the Donor, to the extent that a Project is financed from funds received from The Coca-Cola Foundation. UNDP agrees that it will not, in connection with transactions contemplated in this agreement, transfer anything of value, directly or indirectly, to any government official, employee of a government-controlled company, political party, or other private (non-government) persons or entities working on behalf of any government in order to obtain any improper benefit or advantage. UNDP further warrants that no money paid to UNDP as compensation or otherwise has been or will be used to pay any bribe or kickback. Both the Donor and UNDP are firmly committed to preventing and detecting fraudulent and corrupt practices. Consistent with the UN Charter, the Standards of Conduct for the International Civil Service, the United Nations Staff Rules and Regulations, and UNDP Financial Rules and Regulations and Procurement Manual, UNDP will use reasonable efforts to ensure that the utilization of the Contribution conforms to the highest standard of ethical conduct and that every part of the organization, as well as all individuals acting on behalf of UNDP, observe the highest standard of ethics and integrity. UNDP, in accordance with its regulations, rules and directives, will ensure that any allegations of fraud and corruption in connection with the implementation of the Project are reported to the Office of Audit and Investigations (OAI) in a timely manner. Credible allegations will be investigated by OAI in accordance with its regulations, rules, policies and procedures. UNDP will, in a timely manner and consistent with its regulations, rules, policies and procedures, provide details to the Donor of the outcome of substantiated allegations of fraud and corruption, along with details of action taken by UNDP. Following the conclusion of any investigation which identifies fraud or corruption involving any activities funded in whole or in part with a Contribution made under this Agreement, UNDP will:

- a. Use reasonable efforts to recover any part of the Contribution, which OAI has established as being diverted through fraud or corruption;
- b. In connection with (a) above, in consultation with the UN Office of Legal Affairs, give proper consideration to referring the matter to the appropriate authorities of the Member States where the fraud or corruption is believed to have occurred and to the provisions of General Assembly resolution 62/63; and

- c. As required by the Donor, and following consultations between the Parties, reimburse to the Donor any part of the Contribution which UNDP has recovered further to sub-section (a) above, or credit it to a mutually agreed activity.

Any information provided to the Donor in relation to any matters arising under the Article shall be treated by the Donor as strictly confidential. Any action further to the above paragraphs shall be consistent with UNDP regulations, rules and directives.

Article XII. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the Project have been completed in accordance with the Implementation Plan (Appendix A).
2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.
3. In cases where the Project is completed in accordance with the project document any funds below 1,000 USD (one thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 1,000 USD (one thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be returned to the Donor.

Article XIII. Termination of the Agreement

1. This Agreement may be terminated by UNDP or by the Donor on convenience basis, and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities reasonably incurred in the implementation of the Project before notice of termination of this Agreement. This Agreement shall cease to be in force 30 (thirty) calendar 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 funds for thirty (30) business days in order to conclude all pending 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. In cases where this agreement is terminated before Project completion any funds below 1,000 USD (one thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 1,000 USD (one thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be returned to the Donor.

Article XIV. Notice

Any notice or correspondence between UNDP and the Donor will be addressed as follows:

(a) To the Donor: The Coca-Cola Foundation

Address: 1 Coca-Cola Plaza
Atlanta, Georgia 30313

(b) Upon receipt of funds, UNDP shall send an electronic receipt to the Donor email address provided below as confirmation that the remitted funds have been received by UNDP

Donor email address:

- Attention: Alvia E. Brown - Group Director, Foundation for The Coca-Cola Foundation.

(c) To UNDP: Lorenzo Jimenez de Luis, Resident Representative of UNDP in Mexico lorenzo.jimenez.de.luis@undp.org

Address: Montes Urales #440 Colonia Lomas de Chapultepec, Alcaldía Miguel Hidalgo, Mexico City, Mexico. CP 11000

Article XV. 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 XVI. Settlement of Disputes

1. The parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to 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 UNCITRAL Conciliation Rules then obtaining, or according to such procedure as may be agreed between the parties.
2. Any dispute, controversy or claim between the Parties arising out of or relating to this agreement or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph within (60) sixty 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. The arbitral tribunal shall have no authority to award punitive damages. 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.

Article XVII- Privileges and Immunities

Nothing in this agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNDP.

Article XVIII. Entry Into Force

This Agreement shall enter into force upon the signature of this Agreement by the parties hereto, on the date of the last signature.

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

For the Coca-Cola Foundation:



Alvia E. Brown

Group Director

Date January 4, 2021

For the United Nations Development Programme:



Lorenzo Jimenez de Luis

Resident Representative in Mexico

Date 04/01/21

Annex A, Project Implementation Plan

Project: Strengthening water security and resilience in priority basins based on nature-based solutions and effective governance

Funding Focus Area Water

Subcategories: Watershed Conservation

Secondary Funding Focus Area: Environment - Other

Tertiary Funding Focus Area: Community Improvement

Requested Cash Amount: \$182,000 USD

Project Start Date: tbd

Project End Date: 06/01/2022

Project/Program Description

Strengthening water security is essential for preventing and combatting future pandemics. Measures to suppress the Covid-19, including hand-washing, self-isolating and lockdowns assume that societies, communities and households have sustainable access to acceptable amounts of adequate quality water.

The main objective of this project is ensuring sustainable access to adequate amounts of acceptable quality water and resilience in priority basins of two states in Mexico. It will require strengthening water resources management so that water is available where and when it is needed to suppress and prevent future pandemics.

The project will support the analysis and characterization of natural based solutions in two sub-basins, considering areas with a high supply of hydrological environmental services for communities, productive sectors and livelihoods, with a potential change in the structure of its vegetation and projections of climate change and reducing the impact of COVID 19.

The project considers three outcomes:

Outcome 1: Priority sub-basins have diagnoses and strategies for participatory and sustainable territorial management for water supply.

Activities:

- a) Analysis and biophysical, climatic and socioeconomic characterization of the defined sub-basins in two states of Mexico (Jalisco and State of Mexico)
- b) Delimit priority intervention zones and polygons with a focus on water security and resilience in sub-basins and a comprehensive intervention model linked to water security in communities affected by COVID19
 - a. Validation of the models through active participation of key social actors
 - b. Document and systematize the methodological guide for replicability in other sub-basins.
 - c. Document lessons learned on water security for health, economic activities and social cohesion related to water governance promotion.
- c) Promote solutions based on nature to promote the protection and regeneration of ecosystems with a basin approach that contribute to the infiltration and sustainable provision of water in the sub-basins.

Outcome 2: Promote natural based solutions and governance to foster the protection and restoration of ecosystems with a basin approach that contribute to the infiltration, availability and sustainable provision of water in the sub-basins.

Activities:

- a) Identification and analysis of the capacities of local social organizations executing the solutions in the territory in the context of WASH and related to COVID19 contingencies.
- b) Develop and strengthen capacities in local partners and communities towards the implementation of measures to reduce vulnerability and the impact of COVID19, contributing to the generation and maintenance of green jobs.
- c) Provide guidance and technical assistance in transversal criteria for the implementation of measures as part of a green recovery strategy for COVID-19.
- d) Participatory planning and implementation of Nature-based Solutions at a demonstrative level in priority sites of the sub-basins (recharge zones, infiltration, provision) and evaluate quality, quantity and availability of water services in communities affected.
- e) Facilitate guidance and technical assistance for the maintenance, sustainability, and monitoring of actions
- f) Generate ad hoc communication products on hydrological environmental services and Nature-based Solutions in the context of post COVID recovery and climate change challenges.

Outcome 3: Strengthened territorial governance for sustainable management of water, incorporating criteria of resilience and water security with social participation and rights.

Activities:

- a) Carry out a capacity assessment that includes the mapping of social actors (community and institutional) relevant to sustainable water management
- b) Design and implement strategies to strengthen technical capacities in key social actors in the sub-basins on water security and green recovery strategy for COVID-19.
- c) Facilitate the construction of mechanisms and institutional arrangements for good water governance, social participation, sustainability, and gender equity in the context of COVID-19 to improve decision making on water services sustainability and resilience.
- d) Systematization of knowledge products (first lessons learned) on the model of participatory territorial governance for water security in the context of COVID.

Justification:

Frequent and proper handwashing is the most basic frontline defense against the spread of COVID-19. Yet a quarter of the world's population lacks access to a reliable water supply. The pandemic has heightened awareness of both the extent and consequences of this access gap.

Prior to COVID-19, the global water sector was impacted by five major trends: (a) global warming, which has led to an increase in extreme floods and droughts, challenging the resilience of water and sanitation systems, (b) increasing number of people living in areas facing water stress (currently 2 billion), which increases supply vulnerabilities, (c) rapid urbanization, which strains existing water resources and ecosystems, (d) the emergence of megacities, which adds the challenge of extending water and sanitation services to

about 1 billion people living in informal settlements not served by water grids, (e) aging infrastructure, which has increased pressure to accelerate investments in more advanced markets, following decades of underinvestment.

Natural capital is linked to post-COVID recovery, including water security for communities. Water security is defined as the capacity of a population to safeguard access to adequate quantities of water of acceptable quality for sustaining human and ecosystem health on a watershed basis, and to ensure efficient protection of life and property against water related hazards: floods, landslides, land subsidence, and droughts. (UNESCO-PHI, 2015).

Globally it has been recognized that the climate crisis is a water crisis. Nine out of ten natural disasters are related to water. Between 1995 and 2015, wind and water caused \$ 1.7 trillion worth of damage worldwide, according to UN estimates (GAR 2015 report). The Organization for Economic Cooperation and Development (OECD) and the World Bank estimate that by 2050, global flood damages will cost the US \$ 1 trillion a year and will force the migration of more than 140 million people. It is estimated that 3 out of 4 jobs depend on the supply of sufficient water.

At the same time, the insufficient or unsure access to water has an economic impact. Latin America and the Caribbean face the pandemic from a weaker position than the rest of the world. Before the pandemic, ECLAC expected that the region would grow by a maximum of 1.3% in 2020. However, the crisis's effects have led to change that forecast and forecast a drop in GDP of at least 1.8%. However, it cannot be ruled out that the development that the pandemic leads to forecasts of contractions of between 3% and 4%, or even more (CEPAL, 2020)

Healthy, functioning ecosystems support long-term community resilience, improved human health and well-being, ecosystem health and the reduced risk of future pandemics. An effective response to COVID-19 will build long-term resilience in order to ensure that communities are ready to face future global pandemic threats, climate and environmental risks and other societal challenges.

The provision of ecosystem services, such as water, depend on the quality of the ecosystems that provide them, which is why they increasingly take on more weight in economic, social, and cultural decisions. In this context, it is relevant to make transformations at different scales, with the private sector being a fundamental axis to face the tremendous socio-environmental challenges that we face. Post-COVID-19 recovery plans, policies and allocation of financial resources should prioritize integrating nature-based solutions as an approach to both securing short-term economic recovery for communities and investing in measures to address climate change long term.

Nature-based solutions¹ can address some key water security challenges

Ensuring sustainable access to adequate amounts of acceptable quality water and resilience will require strengthening water management and the adequate restoration and

¹ Nature-based solutions (NBS) are actions aimed at protecting, managing, and sustainably restoring natural or modified ecosystems, which face society's challenges in an effective and adaptable way, simultaneously providing human well-being and benefits of biodiversity.

conservation of ecosystems that provides this strategic service, so that water is available where and when it is needed to suppress and prevent future pandemics. An increase in ecosystems' vulnerability and impact their capacity to provide water in quantity and quality that will affect the ecosystems and livelihoods on which productive activities and human health depend, especially in the COVID context.

In Mexico, ecosystems' diversity and their biocultural conditions place it as a predominantly forest country. It has approximately 138 million hectares with forest coverage that represent almost 70% of the territory. The most representative groups of vegetation are scrub (29.6%), coniferous and oak forests (16.6%), and dry forest (11.9%). These ecosystems provide essential environmental services for human well-being, including water security through water provision and aquifers' infiltration. These hydrological environmental services are essential in the face of water stress associated with climate change.

According to the Deforestation Risk Index results published by the National Institute of Ecology and Climate Change (INECC), 38% of the country's forests and jungles are at a high or very high risk of deforestation due to various factors that motivate the change in land use. By 2030, between 3 and 5 million hectares of natural areas could be lost (corresponding to 2.4% and 3.9% of the total areas of forests, shrubs, grasslands and jungles in 2011) (UN-Habitat, 2018 with data from INEGI, 2013).

The challenge for water security and resilience is to guarantee, based on a human rights approach, access and management of water in sufficient quantity and quality for domestic, urban, and rural use; for productive activities, ecosystems and wildlife, facing water risk from the impacts of human activities on hydrological processes and the potential effects of climate change on rainfall and temperature patterns (UNAM, 2018).

In México these measures have been included in the design of Climate Change Adaptation Programs (PACC) developed in the country in regions where cooperation projects have been implemented. Nature-based solutions (NBS) not only are cost-effective but offer a series of co-benefits; and consider the use of ecosystem functions to solve the problems we face, instead of relying only on conventional solutions. They are also considered in programmatic instruments of the Government of Mexico such as the National Water Program, the Sectorial Program for Territorial and Urban Planning, among others.

Ultimately, both climate resilience and public health depend on strengthening the social and ecological resilience of communities. Nature-based solutions provide an integrated approach to do precisely that. With the planning of response and recovery initiatives around the world, NbS provides a key mechanism for green recovery by addressing underlying environmental and climatic drivers to support human health and livelihoods and build holistic resilience. Front-line experiences demonstrate the ability of NbS to both provide green work and economic recovery to communities in the short term, as well as reduce the vulnerabilities of ecosystems and communities for their health, livelihoods and well-being in the long term.

Faced with the climate emergency, coupled with the economic shock generated by COVID-19. When responding to COVID-19, climate resilience and ecosystem health must be a part of the solution to foster long-term resilience and prevent outbreaks and

other health emergencies upstream and improving the economic reactivation efforts with natural based solutions.

Experience with this type of project/program

The Environment, Energy and Resilience department of UNDP Mexico has implemented various projects and programs with various institutions and actors to develop capacities to move towards a sustainable, inclusive, and resilient development that centers on people. It promotes every plan and program, initiatives that integrate the three spheres of development — economic, social, and environmental— to facilitate access to development opportunities, reduce vulnerabilities and inequalities, and increase the possibilities for adapting, resisting, and recovering from the potential negative impacts of disasters, including COVID 19 contingencies.

The following initiatives by UNDP Mexico from the past 5 years are relevant to this proposal:

- GEF-Resilience in Protected Natural Areas aims to improve the management and strategically expand the coverage of Protected Natural Areas (ANP) to mitigate the direct and indirect impacts of climate change on biodiversity. Executed between 2015-2020.
- GEF-UNDP Small Grants Program aims to promote community participation in solving global environmental problems and improve the quality of life of the communities where it works through organizations with legal personality. Executed since 1995 in different phases.
- Program to Support Disaster Risk Reduction in Mexico aims to generate actions to reduce local vulnerabilities and increase territorial, community, and sector resilience, institutionalizing DRR in the priority issues identified. It seeks to contribute to the strengthening of capacities and the improvement of public policies, to build a safe, resilient development, with investments of low vulnerability to disasters. Executed since 2002 in different stages.
- Sustainable forest management project with a landscape approach aims to strengthen the implementation of sustainable forest management with a landscape approach that has been promoted in the national forest policy instruments, and thereby contribute to increasing the competitiveness of forests and productive forests of Mexico. Executed between 2016-2020.

Collaboration

The project has a territorial Governance approach for sustainable water management and reduce water vulnerability of communities and productive sectors affected by COVID. UNDP's role is to generate conditions for the articulation and coordination between actors in decision-making on the sustainable management of water resources in the basins and improving decision making, effective participation and implementing long term resilience in the context of COVID early recovery.

To achieve this objective, UNDP will be able to facilitate a network of contacts and partners at the national and regional level linked to the issue of both public (SEMARNAT, CONANP, CONAFOR, IMTA) and social sector through various civil society organizations that have been implementing partners and the private sector interested in the subject and promote green recovery strategies linked to water security..

Likewise, at the territorial level, the project considers within the results of diagnosis and characterization the identification, mapping, and analysis of actors with a strong influence on the management of the selected basins and sub-basins. In addition, it will create specific spaces for participation with these and other actors and finally, it will strengthen territorial governance schemes (agreements, strategies, mechanisms, instruments) in which they will be included.

The collaboration will promote not only restoration measures and territorial governance, but the promotion of green jobs linked to those actions and improve water management to attend the emergency.

Project Expenses Budget

Salaries and Benefits: For the project's execution, UNDP contemplates the confirmation of a multidisciplinary team of specialists assigned to the Project:

- Project coordination
- Specialists, one with a social profile and the other with a technical environmental profile

To reinforce some elements, external professional services may be hired through technical consultancies. Similarly, various UNDP team areas will provide technical assistance on Monitoring and Evaluation,

Consultants: Include all fees, honoraria, and expenses paid for consulting and professional services of individuals or organizations that are not paid staff of your organization.

Administrative Expenses: Include all program administration expenses including printing, publications, media, supplies, postage, etc.

Other: Include any other expenses you may have for this request.

Salaries and Benefits: \$40,548.00

Consultants: \$0.00

Administrative Expenses: \$14,876.00

Other: \$124,774.00

Coordination Levy: \$1,802.00

Total: \$182,000.00

The budget is designed to have an impact on the territory and communities. An initial percentage will be used to analyze the intervention in the basin; another is for the payment of personnel that will carry the project in the region. Finally, most of the resources will be used to implement actions of nature-based solutions that better allow the supply of the micro-basin to intervene.

The budget is contemplated to cover actions in the field regarding restoration and conservation of natural resources. Similarly, it considers the creation of workshops with the surrounding communities to plan the interventions effectively. All this through an

operational team, general coordination of the project that allows managing key alliances to generate economies of scale, and two people in the field, who are in charge of doing the work with the communities and with the bottlers to carry out the transformations and agreements necessary for the effective implementation of the Project

Monitoring:

For the monitoring of the project, a project monitoring system will be developed, with a results-based approach that includes management and impact indicators that allow a learning process and recognize if the established objectives and results are being met. Additionally, it will help to identify the project's strengths and weaknesses from which adjustments can be made in an adaptative way.

Follow-up reports will be presented every six months. A final report, carried out by the Monitoring and Evaluation team of the UNDP project, describes the progress of the project activities according to the proposed results. The UNDP teams will collect the information through specific tools. These include qualitative and quantitative information the following sections:

- Description of activities carried out in the period
- Baseline of the indicators and progress of compliance by results
- Partners and collaborating entities in the execution of the project
- Quality and effectiveness in implementation
- Observations and comments specific to the reported period
- Update of the project risk matrix
- Perspectives of strategic continuity and lessons learned, and
- Photographic evidence or other means of verification of the actions carried

The project in this Phase considers the design and validation of models for basin analysis and establishing governance schemes that could be replicable in other basins and territories with similar conditions.

Additionally, it considers cross-cutting elements in its execution that favor the sustainability of the processes and replicability:

- Documentation and systematization of lessons learned and best practices of implementing the project. With this, it is possible to delineate continuity lines, carry out adequate knowledge management, and communication of the scope that allow the transfer of the intervention model in other territories with similar characteristics.
- Strengthening and development of technical and functional capacities in key social actors involved in the project, which will improve process ownership.
- Promote mechanisms and strategies to facilitate social participation with equity and governance, empowering actors in decision-making processes.
- Community participation and training at the local level of grassroots local action groups (community committees, local water councils, and others), and the participation of local executing partners (civil society organizations) that will be co-responsible for the implementation of the project at the territorial level.

Annual Work Plan														
Months	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Outcome 1 Analyze and characterize two sub-basins, considering the areas with a high supply of hydrological environmental services, with a potential change in the structure of the vegetation and precipitation projections in the context of climate change														
A1. Analysis and biophysical, climatic and socioeconomic characterization of the defined sub-basins														
A2. Delimit priority areas and polygons for intervention with a vision of water security and resilience in sub-basins and the comprehensive intervention model														
A3. Validation of the models in a participatory way with key social actors														
A4. Document and systematize the methodological guide for replicability in other sub-basins														
Outcome 2 Promote Nature-based Solutions in a participatory way, to promote the protection and regeneration of ecosystems with a basin approach that contributes to the infiltration and sustainable water provision in at least one of the analyzed sub-basins.														
A1. Identification and analysis of the capacities of local social organizations executing the solutions in the territory.														
A2. Develop and strengthen capacities in local partners and communities for the implementation of measures														
A3. Provide guidance and technical assistance in transversal criteria for the implementation of measures.														
A4. Plan and implement participatory nature-based solutions at a demonstrative level in priority sub-basins (recharge areas, infiltration, provision).														
A5. To provide guidance and technical assistance for the maintenance, sustainability, and monitoring of actions.														
A6. Generate ad hoc communication products on hydrological environmental services and nature-based solutions														

Outcome 3 Strengthen schemes for effective territorial governance in the sustainable management of water in the sub-basins aimed at replenishment.														
A1. Carry out a capacity assessment that includes the mapping of social actors (community and institutional) relevant to sustainable water management	■	■	■											
A2. Design and implement strategies to strengthen technical capacities in key social actors in the sub-basins on water security					■	■	■	■	■	■	■	■	■	
A3. Facilitate the construction of mechanisms and institutional arrangements for good water governance, social participation, sustainability, and equity.				■	■			■	■	■	■	■	■	
A4. Systematization of knowledge products (first lessons learned) on the model of participatory territorial governance for water security.									■	■	■	■	■	
A5. Final reports	■													

ANNEX – COORDINATION LEVY
UNITED NATIONS GENERAL ASSEMBLY RESOLUTION A/RES/72/279

The present Annex is an integral part of the Third-Party Grant Agreement between the United Nations Development Programme (UNDP) and The Coca-Cola Foundation (the donor)

Pursuant to paragraph 10(a) of United Nations General Assembly Resolution A/RES/72/279 (31 May 2018), the Donor agrees that an amount corresponding to 1% of the total contribution to UNDP shall be paid to finance the United Nations Resident Coordinator System. This amount, hereinafter referred to as the “coordination levy” will be held in trust by UNDP until transfer to the United Nations Secretariat for deposit into the United Nations Special Purpose Trust Fund, which has been established to finance the United Nations Resident Coordinator System and is managed by the United Nations Secretariat.

The Donor acknowledges and agrees that once the coordination levy has been transferred by UNDP to the United Nations Secretariat, UNDP is not responsible for the use of the coordination levy and does not assume any liability. The fiduciary responsibility lies entirely with the United Nations Secretariat as the manager of the Resident Coordination System.

The Donor acknowledges and agrees the coordination levy does not form part of UNDP’s cost recovery and is additional to the costs of UNDP to implement the activity or activities covered by the contribution. Accordingly, there is no obligation for UNDP to refund the levy, in part or in full, even where the activities covered by the contribution are not carried out in full by UNDP. As deemed necessary by the donor, however, especially where the scale of the resources concerned or reputational risk justify the refund transaction costs, the donor can submit a request for refund to the United Nations Secretariat directly.

UNDP will not administer the coordination levy. UNDP will not report on the use of the coordination levy. UNDP does not have any liability on the use of the coordination levy by the United Nations Secretariat. Clarifications on the administration, reporting and/or use of the coordination levy by the United Nations Secretariat shall be discussed by the Donor and the United Nations Secretariat on bilateral basis.

A Contribution of \$180,198 USD is made under the Agreement. In addition to the Contribution amount, the Donor is paying a coordination levy amount of \$1,802 USD. This coordination levy amount will be transferred to UNDP at the bank account indicated in the Agreement immediately after its signature.