

**COST-SHARING AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AND FOUNDATION OPEN SOCIETY INSTITUTE (THE DONOR)**

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis towards implementation of the project, 00055372 "Apoyo a la formulación de políticas consensuadas en Seguridad Ciudadana y Justicia", more fully described in the prodoc, attached as Annex I.

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

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

WHEREAS UNDP shall designate an Executing Entity for the implementation of the project (the Executing Agency),

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

Article I. The Term

This Agreement shall be effective as of July 20, 2010 and, unless earlier terminated, shall terminate on November 30, 2010.

Article II. The Contribution

I. (a) The Donor shall contribute to UNDP the amount of US\$49,956.16 for activities planned in the project, as stated in the annex to the Agreement. The contribution shall be deposited in the Bank of America, N.A. according to the following data:

Bank name:	Bank of America, N.A.
Account Name:	UNDP Representative in El Salvador (Dollar) Account
Location:	Dallas, Texas 75283 -2406
Currency	US Dollar
ABA:	111000012
Swift code:	BOFAUS3N

By the end of July, 2010, the Donor will deposit a lump sum of US\$49,956.16 that will cover cost of activities outlined in the attached annex.

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

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the execution 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 regulations, rules policies and procedures of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.

Article III. Utilization of the Contribution

1. The execution of the responsibilities of UNDP and of the Executing Agency 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, but is not obliged to provide additional funds.
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 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 IV. Administration and Reporting

1. Project management and expenditures shall be governed by the regulations, rules, and policies and procedures of UNDP and, where applicable, the regulations, rules and directives of the Executing Agency.
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.
 - 2.1 For Agreements of one year or less:
 - (a) From the country office (or relevant unit at Headquarters in the case of regional and global projects) within six months after the date of completion

- or termination of the Agreement, a final report summarizing project activities and impact of activities as well as provisional financial data;
- (b) From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December to be submitted no later than 30 June of the following year;
 - (c) 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.

3. 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 of the Agreement.

Article V. Administrative and Support Services

1. In accordance with the decisions and directives 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 specific project(s), all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.

2. The aggregate of the amounts budgeted for the programme/project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the programme/project under this Agreement as well as funds which may be available to the programme/project for project costs and for support costs under other sources of financing.

Article VI. Evaluation

All UNDP programmes and projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of El Salvador 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 VII. 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 VIII. 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 a biennial Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to the Donor.

Article IX. 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.

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 foundations. 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.

Article X. 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 implementation of the 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 disposed of by UNDP in consultation with the Donor.

Article XI. Notices

All notices or other communications to the Parties shall be sent to the following addresses:

To The Donor:

Foundation Open Society Institute
Baarerstrasse 12, CH-6300 Zug, Switzerland
c/o Mr. David Holiday, Senior Program Officer
Latin America Program
Open Society Institute-Washington Office
1730 Pennsylvania Avenue NW, 7th Floor
Washington, D.C. 20006
Tel: (202) 721-5600
Fax: (202) 530-0128
Email: dholiday@sorosny.org

To UNDP El Salvador:

Mrs. Xenia Díaz,
Democratic Governance Area
Programme Officer
UNDP El Salvador
Tel (503) 2209-3553
Email: xenia.diaz@undp.org

Article XII. Termination of the Agreement

1. After consultations have taken place between the Donor, UNDP and the programme country Government, and provided that the payments already received are, together with other funds available to the programme/project, sufficient to meet all commitments and liabilities incurred in the implementation of the project, this Agreement may be terminated by UNDP or by the Donor. The 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 the Agreement.

2. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized payments until all commitments and liabilities incurred in implementation of all or the part of the project, for which this Agreement has been terminated, 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 disposed of by UNDP in consultation with the Donor.

Article XIII. Amendment of the Agreement

The 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 the Agreement.

Article XIV. 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 XV. Privileges and Immunities

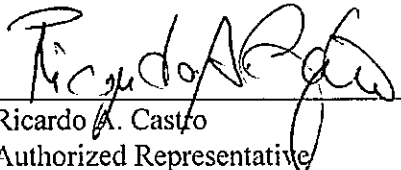
Nothing in this agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNDP.

Article XVI. 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:



Ricardo A. Castro
Authorized Representative
Date: 7/20/2010

For the United Nations Development Programme:



Richard Barathe
Resident Representative, a.i.
Date: 7/28/2010



**United Nations Development Program
El Salvador
Project Proposal
To be submitted to: Foundation Open Society Institute**

Title: Strengthening the Capabilities of the Inspectorate General of the National Civil Police

1. Introduction

The Inspectorate General (IG) of the National Civil Police (NCP) was created, together with the police force, as a result of the 1992 Peace Agreements. The IG began to operate as an external agency charged with oversight of the NCP, being staffed with non-police personnel and whose highest authority was appointed by the Minister of Public Security with prior approval by the Attorney General and the Human Rights Defender.

Nevertheless, since its creation, the IG has undergone changes in its operating structure. A new Organic Law for the NCP was enacted by the Legislative Assembly in 2001, which altered the IG's independent status and made it one of the organs reporting to the Director General of the NCP, like the subdirectorates and the technical and administrative support areas.

The current government came into office in June 2009, and both the Minister of Justice and Public Safety and the Director of the NCP have demonstrated a significant political will to support the IG's work, and have launched a process of strengthening of this important institution.

In November 2009, the Government of the United States of America supported the conduct of a brief internal diagnostic study of the IG, done by CHECCHI. Chief among said document's principal conclusions are the following:

- The most serious problem found in the IG focuses on the assertion that the mission for which the autonomous oversight organ for supervision and inspection of the NCP's police and human rights services was created has been lost. Among the stated causes of this problem are policy inconsistency, the absence of a preventive approach by the State, the insufficiencies and contradictions in the legal framework, and dependence on political decisions and other external forces. The problem's effects include greater distrust of the police, performance of tasks unrelated to the organ's principal functions which divert it from its main mission, restriction of the oversight role, and poor motivation among the personnel.
- The FODA analysis identifies the organ's human resources as its most significant internal strength, and the absence of institutional rules which ensure an autonomous, uniform, and effective operation in pursuit of strategic institutional objectives as its chief weakness.
- The set of problems so identified poses opportunities for change. It is necessary to identify priorities and share the challenges. Seven strategic axes may be key to the IG's development with a renewed vision in the fields of: a) the legal and normative framework, b) organization, c) institutional processes, d) social demands, e) internal management, f) human resources, and g) education and social and institutional culture.

This proposal for support of the IG has been designed by the UNDP in coordination with the Office of the Inspector General, with the aim of responding to the institutional strengthening needs identified in the diagnostic study. Below are the objectives and the outcomes expected to be achieved.

2. General Objective

Strengthen the capabilities of the NCP's Inspectorate General through personnel training and the formulation of a normative framework well suited to the nature of this institution.

3. Expected Outcomes

- a) A specialization course for 40 members of the Inspectorate General's personnel, designed to improve their knowledge of models and mechanisms for supervision and oversight in the framework of their institutional responsibility.
- b) A workshop to review the disciplinary process for 40 members of the different Disciplinary Tribunals' personnel, designed to improve the processes that are carried out in those tribunals.
- c) The formulation of a legislative bill for the NCP's Inspectorate General, with participation by the deputies of the Legislative Assembly's Public Safety Commission and its group of advisers.
- d) A public discussion forum on the IG's importance in strengthening the NCP's work, with the participation of high-level officials and civil society groups.

4. Budget

Activity	Line Items	Unit Cost	Subtotal
Workshops for IG technical team	Fees of international specialists (2) for 6 effective days of work.	\$ 500.00	\$ 6,000.00
	DSA (per diem) for 4 days for two specialists + terminal expenses.	\$ 1,000.00	\$ 2,000.00
	Airplane tickets (2).	\$ 900.00	\$ 1,800.00
	Meals for 45 persons for three days (hotel).	\$ 20.00	\$ 2,700.00
	Additional hotel costs (sound, projectors, etc.)		\$ 500.00
	Stationery and paper goods.		\$ 300.00
	Reproduction of documents.		\$ 300.00
	Design, make-up, and printing (banners, special folders, diplomas, etc.)		\$ 900.00
	Subtotal		\$ 14,500.00
Workshop to review processes with disciplinary tribunals	Fees of international specialist (1) for 7 effective days of work.	\$ 500.00	\$ 3,500.00
	DSA (per diem) for 3 days for one specialist + terminal expenses.	\$ 788.00	\$ 788.00
	Airplane ticket.	\$ 900.00	\$ 800.00
	Meals for 45 persons for two days (hotel).	\$ 20.00	\$ 1,800.00
	Lodgings for 30 persons for two days.	\$ 95.00	\$ 7,600.00
	Additional hotel costs (sound, projectors, etc.)		\$ 300.00
	Stationery and paper goods.		\$ 300.00
	Reproduction of documents.		\$ 500.00
	Printing (banners, special folders, diplomas, etc.)		\$ 500.00
	Subtotal		\$ 16,088.00
Workshop to formulate legislative bill jointly with the Legislative Assembly's Safety Commission	Fees of an international specialist for 5 effective days of work, to participate in the workshop together with deputies and to review the bill.	\$ 500.00	\$ 2,500.00
	DSA (per diem) for 4 days for one specialist + terminal expenses.	\$ 1,000.00	\$ 1,000.00
	Airplane tickets (2) for two visits to El Salvador.	\$ 900.00	\$ 1,800.00
	Fees for a national specialist (1) for 10 effective days of work	\$ 300.00	\$ 3,000.00
	Meals for 40 persons for two half-day events (hotel)	\$ 15.00	\$ 1,200.00
	Additional hotel costs (sound, projectors, etc.)		\$ 300.00
	Stationery and paper goods.		\$ 300.00
	Reproduction of documents.		\$ 500.00
	Printing (banners, special folders, diplomas, etc.)		\$ 800.00
	Subtotal		\$ 11,400.00
Public discussion forum on IG's role	Two international specialists (covered with the workshop fees).		
	Meals for 60 persons for one half-day event (hotel).	\$ 10.00	\$ 600.00
	Additional hotel costs (sound, projectors, etc.)		\$ 300.00
	Stationery and paper goods.		\$ 200.00
	Rental of a support vehicle and driver + fuel (10 days)	\$ 150.00	\$ 1,500.00
	Hiring of an assistant for organization of workshops (15 effective days of work).	\$ 60.00	\$ 900.00
	Miscellaneous		\$ 1,200.00
	Subtotal		\$ 4,700.00
	7% GMS UNDP		\$ 3,268.16
	TOTAL		\$ 49,956.16

EXHIBIT I

Table of Workshops and Forums
for Strengthening of Inspectorate General of the NCP – El Salvador
El Salvador, April 2010

Activity	Objective	Participants	Topics
Workshop / Course for IG personnel	Improve the capabilities of the IG's personnel in relation to the models and mechanisms of supervision and oversight in the framework of their institutional responsibility.	40 officials of the different departments that comprise the IG.	<p>Module I – Models of Inspection: This module is intended to impart information on how other models are viewed as embodying good practice operate in other countries, with special emphasis on the issues of: a) police services, and b) internal affairs.</p> <p>Module II – Tools for Action: The objective here is to become familiar with the best practices and discuss proposals to improve: a) transparency, b) internal and external communication, and c) patterns of conduct.</p>
Workshop on disciplinary system	Improve the processes that are carried out in the Disciplinary Tribunals.	40 officials of the Disciplinary Tribunals at the national level, as well as the appeals tribunals.	<ul style="list-style-type: none"> - Review of the process. - Analysis of representative cases. - Identification of lessons learned.
A discussion workshop and a validation workshop on the proposed Inspectorate General Bill	Formulate a legislative bill for the IG which is well suited to the needs for supervision and oversight of the NCP, with a rights-oriented approach.	Deputies of the Legislative Assembly's Public Safety Committee, together with their technical staff and with the participation of IG personnel (30 persons).	<ul style="list-style-type: none"> - Know good practices in legislation on inspectorates general in other countries. - Review the congruence of the national normative framework. - Agree on the topics that should be developed in the legislative bill.
Forum on the role of the NCP's Inspectorate General	Generate a public discussion on the IG's importance for strengthening the NCP's work.	High-ranking officials of the different national institutions concerned with citizen safety issues (Legislative Assembly, Security Cabinet, civil society organizations, private enterprise, communication media).	<ul style="list-style-type: none"> - Lecture on good practices on inspection in other countries. - Debate.