

**STANDARD MEMORANDUM OF UNDERSTANDING (MOU) FOR
ONE PROGRAMMES USING PASS-THROUGH FUND
MANAGEMENT**

Memorandum of Understanding
between
Participating UN Organizations,
the United Nations Resident Coordinator
and
the United Nations Development Programme
regarding the Operational Aspects of a One Programme in Mozambique

WHEREAS, the Participating UN Organizations (hereinafter referred to collectively as the "Participating UN Organizations") have developed a joint programme (hereinafter referred to as the "One Programme") as part of their respective development cooperation with the Government of Mozambique, as more fully described in the detailed One Programme document dated 28 March 2008, (hereinafter referred to as the "One Programme Document"¹), and have agreed to establish a coordination mechanism² (hereinafter referred to as the "One Programme Steering Committee")³ to facilitate the effective and efficient collaboration between the Participating UN Organizations and the host Government for the implementation of the One Programme;

WHEREAS, the Participating UN Organizations have agreed that they should adopt a coordinated approach to collaboration with donors who wish to support the implementation of the One Programme and have developed a One Programme Document to use as the basis for mobilising resources for the One Programme, and have further agreed that they should offer donors the opportunity to fund the One Programme and receive reports on the One Programme through a single channel; and

WHEREAS, the Participating UN Organizations have further agreed that the United Nations Development Programme (which is also a Participating UN Organization in connection with this One Programme) should be asked to serve as their administrative interface between donors and the Participating UN Organizations for these purposes and the United Nations Development Programme has agreed to do so in accordance with this Memorandum of Understanding.

¹ The One Programme Document contains at a minimum a common work plan, a budget, the coordination and management mechanism and signature of all participants to the Document.

² The Participants to the One Programme Document will decide what is the most appropriate coordination mechanism, for example a theme group, steering committee, management committee etc. For ease of reference, this mechanism is referred to as the "Joint Programming Steering Committee" in this document.

³ The composition of the One Programme Committee or other body will include all of the signatories to the One Programme Document. The Steering Committee may also include donors.

UP
WA
→

NOW, THEREFORE, the Participating UN Organizations, the **Resident Coordinator and the United Nations Development Programme** (hereinafter referred to collectively as the "Participants") hereby agree as follows:

Section I
Appointment of Administrative Agent; its Status, Duties and Fee

1. The Participating UN Organizations hereby appoint the **United Nations Development Programme** (hereinafter referred to as the "**Administrative Agent**") to serve as their Administrative Agent in connection with the One Programme, in accordance with the terms and conditions set out in this Memorandum of Understanding. The Administrative Agent accepts this appointment on the understanding that the Participating UN Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. This appointment will continue until it terminates, or is terminated, in accordance with Section VII below.

2. On behalf of the Participating UN Organizations, the Administrative Agent will:
- (a) Receive contributions from donors that wish to provide financial support to the One Programme through the Administrative Agent;
 - (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the One Programme Account and related matters;
 - (c) Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the One Programme Steering Committee, taking into account the budget set out in the One Programme Document, a copy of which is attached hereto as ANNEX A, as amended in writing from time to time by the One Programme Steering Committee;
 - (d) Consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in the One Programme Document, and provide these to each donor that has contributed to the One Programme Account and to the One Programme Steering Committee;
 - (e) Provide final reporting, including notification that the One Programme has been operationally completed, in accordance with Section IV below⁴;
 - (f) Perform such other activities as the Participating UN Organizations and the Administrative Agent may agree in writing.

⁴ To the extent that under a particular One Programme the AA has responsibilities beyond those set forth in "a" through "e", additional tasks can be added as a new "f".

UP 20
WA
[Handwritten signature]

3. The Administrative Agent will enter into a Standard Administrative Arrangement, in the form attached hereto as ANNEX B (hereinafter referred to as an "Administrative Arrangement"), with each donor that wishes to provide financial support to the One Programme through the Administrative Agent. The Administrative Agent will not amend the terms of Annex B without prior written agreement of the Participating UN Organizations. The Administrative Agent will ensure the posting of each Administrative Arrangement it enters into on the website of the Administrative Agent (www.undp.org/mdtf), as well as the website of the UN in [country] ([website URL]), as appropriate.

4. [Should there be a donor committee or other donor consultative mechanism established at any time in respect of the One Programme, the Participating UN Organizations will decide on the appropriate manner in which the Participating UN Organizations (including the Administrative Agent) will engage with such committee.]

5. None of the Participating UN Organizations will be liable for the acts or omissions of the Administrative Agent or its personnel, or of persons performing services on its behalf, except in regard to any contributory acts or omissions of other Participating UN Organizations. With respect to such contributory acts or omissions of the Participating UN Organizations, the resulting liability will be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed. In addition, Donors will not be directly responsible or liable for the activities of any person employed by the Participating UN Organizations or the Administrative Agent as a result of this Memorandum of Understanding.

6. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each donor signing an Administrative Arrangement, to meet the Administrative Agent's costs of performing the Administrative Agent's functions described in this Memorandum of Understanding.

7. Upon securing approval from the One Programme Steering Committee, the Administrative Agent may also deduct from the One Programme the actual costs of the staffing support as may be requested by the One Programme Steering Committee pursuant to Section I, paragraph 2(f) of this Memorandum of Understanding.

Section II Financial Matters

The Administrative Agent

1. The Administrative Agent will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Administrative Arrangement (hereinafter, the "One Programme Account"). The One Programme Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it,

40 20 J
WB
7

including those relating to interest. The One Programme Account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.

2. The Administrative Agent will not absorb gains or losses on currency exchanges. Such amounts will increase or decrease the funds available for disbursements to Participating UN Organizations

3. The Administrative Agent will make disbursements from the One Programme Account based on instructions from the One Programme Steering Committee, in line with the budget set forth in the One Programme Document, as amended from time to time by the One Programme Steering Committee. The disbursements will consist of direct and indirect costs as set out in the budget.

4. Subject to the availability of funds, the Administrative Agent will normally make each disbursement within three (3) to five (5) business days after receipt of the approval of the relevant Programmatic Document, in accordance with the instructions received from the One Programme Steering Committee in line with the One Programme Document, along with a copy of the signed relevant Programmatic Document by all the parties concerned. The Administrative Agent will transfer funds to each Participating UN Organization through wire transfer. Each Participating UN Organization will advise the Administrative Agent in writing of the bank account for transfers pursuant to this Memorandum of Understanding. When making a transfer to a Participating UN Organization, the Administrative Agent will notify that Participating UN Organization's Treasury Operations of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from the United Nations Development Programme as Administrative Agent in respect of the One Programme in Mozambique pursuant to this Memorandum of Understanding.

5. Where the balance in the One Programme Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent will consult with the One Programme Steering Committee and make a disbursement, if any, in accordance with the One Programme Steering Committee's instructions.

The Participating UN Organizations

6. Each Participating UN Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the One Programme Account. That separate ledger account will be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization concerned.

CP 20
18
A
9

7. Each Participating UN Organization will use the funds disbursed to it by the Administrative Agent from the One Programme Account to carry out the activities for which it is responsible as set out in the One Programme Document, as well as for its indirect costs. The Participating UN Organizations will commence and continue to conduct operations for the One Programme only upon receipt of disbursements as instructed by the One Programme Steering Committee. The Participating UN Organizations will not make any commitments above the approved budget in Annex A, as amended from time to time by the One Programme Steering Committee. If there is a need to exceed the budgeted amount, the Participating UN Organization concerned will submit a supplementary budget request to the One Programme Steering Committee.

8. Indirect costs of the Participating UN Organizations will be 7%.

Section III
Activities of the Participating UN Organizations

1. The implementation of the One Programme will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with its applicable regulations, rules, directives and procedures. Accordingly, personnel will be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures. On the termination or expiration of this Agreement, the matter of ownership will be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organizations, including, where applicable, its basic agreement with the Government of Mozambique.

2. Any modifications to the activities set out in the One Programme Document, including as to their nature, content, sequencing or the duration thereof will be subject to mutual agreement in writing between the relevant Participating UN Organization and the One Programme Steering Committee. The Participating UN Organization will promptly notify the Administrative Agent through the One Programme Steering Committee, of any change in the budget as set out in the One Programme Document.

3. Where a Participating UN Organization wishes to carry out its One Programme activities through or in collaboration with a third party, it will be responsible for discharging all commitments and obligations with such third parties, and no other Participating UN Organization, nor the Administrative Agent, will be responsible for doing so.

4. In carrying out their One Programme activities, none of the Participating UN Organizations will be considered as an agent of any of the others and, thus, the personnel of one will not be considered as staff members, personnel or agents of any of the others. Without restricting the generality of the preceding sentence, none of the Participating UN Organizations will be liable for the acts or omissions of the others or their personnel, or of persons performing services on their behalf.

WJ
VAB
[Handwritten signature]

5. Each Participating UN Organization will advise the Administrative Agent in writing when all activities for which it is responsible under the One Programme have been completed.

6. The Participating UN Organizations recognize that the Donors reserve the right to discontinue future transfers if reporting obligations are not met as set forth in the Administrative Arrangement; or if there are substantial deviations from agreed plans and budgets. If there is evidence of improper use of funds agreed among the Donor, the Administrative Agent and the concerned Participating UN Organization under the Arrangement, the Participating UN Organization will use their best efforts, consistent with their regulations, rules, policies and procedures to recover any funds misused. The Participating UN Organization will, in consultation with the Donor and the Administrative Agent, credit any funds so recovered to the One Programme Account. Before withholding disbursements or requesting recovery of funds and credit to the One Programme Account, the Administrative Agent, the concerned Participating UN Organization and the Donor will consult with a view to promptly resolving the matter.

7. The Participating UN Organizations recognize that it is important to take all necessary precautions to avoid corrupt practices. To this end, each Participating UN Organization will maintain standards of conduct that govern the performance of their staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and Financial Regulations and Rules, including regarding procurement.

8. As an exceptional measure, particularly during the start up phase of the One Programme, subject to conformity with their financial regulations, rules and directives, Participating UN Organizations may elect to start implementation of project activities in advance of receipt of initial or subsequent transfers from the One Programme Account by using their own resources. Such advance activities will be undertaken in agreement with the One Programme Steering Committee on the basis of funds it has allocated or approved for implementation by the particular Participating UN Organization following receipt by the Administrative Agent of an official commitment form or signature of the Standard Administrative Arrangements by donors contributing to the One Programme. Participating UN Organizations will be solely responsible for decisions to initiate such advance activities or other activities outside the parameters set forth above.

Section IV
Reporting

1. Each Participating UN Organization will provide the Administrative Agent with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the One Programme Document. The Participating UN Organizations will endeavour to harmonize their reporting formats to the extent possible.

UP 20
WB
[Handwritten signature]

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the One Programme Account, to be provided no later than four months (30 April) after the end of the calendar year;
- (c) Final narrative reports, after the completion of the One Programme and including the final year of the One Programme, to be provided no later than four months (30 April) of the year following the financial closing of the One Programme. The final report will give a summary of results and achievements compared to the goals and objectives of the One Programme; and
- (d) Certified final financial statements and final financial reports after the completion of the One Programme and including the final year of the One Programme, to be provided no later than six months (30 June) of the year following the financial closing of the One Programme.

2. The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in paragraph 1 (a) to (d) above, and will provide those consolidated reports to each donor that has contributed to the One Programme Account, as well as the One Programme Steering Committee, in accordance with the timetable established in the Administrative Arrangement.

3. The Administrative Agent will also provide the donors, One Programme Steering Committee and Participating UN Organizations with the following statements on its activities as Administrative Agent:

- (a) Certified annual financial statement ("Source and Use of Funds") to be provided no later than five months (31 May) after the end of the calendar year; and
- (b) Certified final financial statement ("Source and Use of Funds") to be provided no later than six months (30 June) of the year following the financial closing of the One Programme.

4. Consolidated One Programme reports and related documents will be posted on the websites of the UN in [country] ([website URL]) and the Administrative Agent (www.undp.org/mdtf).

Section V
Monitoring and Evaluation

UP 20
VA
[Signature]

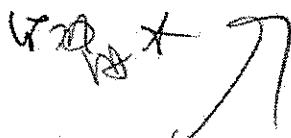
1. Monitoring and evaluation of the One Programme will be undertaken in accordance with the provisions contained in the One Programme Document, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.
2. The Donor, the Administrative Agent and the Participating UN Organizations will hold annual consultations, as appropriate, to review the status of the One Programme.

Section VI
Joint Communication

1. Each Participating UN Organization will take appropriate measures to publicize the One Programme and to give due credit to the other Participating UN Organizations. Information given to the press, to the beneficiaries of the One Programme, all related publicity material, official notices, reports and publications, will acknowledge the role of the host Government, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant participants. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating UN Organization and national partner in all external communications relating to the One Programme.
2. The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of the One Programme as well as periodic reports on the progress of implementation of the One Programme, associated external evaluation are posted, where appropriate, for public information on the websites of UN in [country] ([website]) and the Administrative Agent (www.undp.org/mdtf). Such reports and documents may include Steering Committee approved projects and projects awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.

Section VII
Expiration, Modification and Termination of the Agreement

1. This Memorandum of Understanding will expire upon completion of the One Programme, subject to the continuance in force of paragraph 5 below for the purposes therein stated.
2. This Memorandum of Understanding may be modified only by written agreement between the Participants.
3. Any of the Participating UN Organizations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other participants to this Memorandum of Understanding stating that it has given notice, in accordance with the One Programme Document, of its withdrawal from the One Programme, subject to the continuance in force of paragraph 5 below for the purpose therein stated.



4. The Administrative Agent's appointment may be terminated by the Administrative Agent (on the one hand) or by the mutual agreement of all Participating UN Organizations (on the other hand) on thirty (30) days' written notice to the other participant, subject to the continuance in force of paragraph 5 below for the purpose therein stated. In the event of such termination, the Participants will agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.

5. Commitments assumed by the withdrawing or terminating Participants under this Memorandum of Understanding will survive the expiration or termination of this Memorandum of Understanding or the termination of the Administrative Agent or withdrawal of a Participating UN Organization to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Participants hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the One Programme Account or in the individual Participating UN Organizations' separate ledger accounts upon completion of the One Programme will be returned to the Donor in proportion to their contribution to the One Programme.

Section VIII Notices

1. Any action required or permitted to be taken under this Memorandum of Understanding may be taken by the Resident Coordinator, or his or her designated representative, on behalf of the Administrative Agent by the Executive Coordinator, Multi-Donor Trust Fund Office, UNDP, or his designated representative and on behalf of a Participating UN Organization by the head of office in Mozambique or his or her designated representative.

2. Any notice or request required or permitted to be given or made in this Memorandum of Understanding will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail or any other agreed means of communication to the participant to which it is required to be given or made, at such participant's address specified in ANNEX C to this Memorandum of Understanding or at such other address as the participant will have specified in writing to the participant giving such notice or making such request.

Section IX Entry into Effect

This Memorandum of Understanding will come into effect upon signature by authorized officials of the Participants and will continue in full force and effect until it is expired or terminated.

UP 20
VA
J

Section X
Settlement of Disputes

1. The Participants will use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either participant has notified the other participant of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, will be resolved through consultation between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English in [number of signatories] copies.

For the Resident Coordinator

Signature: [Signature]
Name: NSI BLAND NGOKY
Title: Resident Coordinator
Place: MAPUTO
Date: 22/03/08

For the Administrative Agent

Signature: [Signature]
Name: Bisrat Aklilu
Title: Executive Coordinator, MDTF Office
Place: New York
Date: 22/03/2008

For UNICEF

Signature: [Signature]
Name: LEILA GHARAGOZLOO PAKKALA
Title: REPRESENTATIVE
Place: MAPUTO, MOZAMBIQUE
Date: 28 MARCH 2008

For UNFPA

Signature: [Signature]
Name: Ratidzai Ndlovu
Title: Representative a.i.
Place: MAPUTO, MOZAMBIQUE
Date: 28 March 2008

For UNESCO

Signature: [Signature]
Name: BENETT SOUSSOU
Title: REPRESENTATIVE
Place: MAPUTO, MOZAMBIQUE
Date: 28 March 2008

For UNHCR

Signature: [Signature]
Name: VICTORIA AKYEAMANG
Title: REPRESENTATIVE
Place: MAPUTO, MOZAMBIQUE
Date: 28/3/2008

ANNEX A: One Programme Document – Budget

ANNEX B: Standard Administrative Arrangement between the Donor, Resident Coordinator and the Administrative Agent

ANNEX C

NOTICES

For the Resident Coordinator:

Name: Ndolamb Ngokwe
Title: Resident Coordinator
Address: AJ 756 CANGINHA, 27 - MAPUTO, MOZAMBIQUE
Telephone: +258-21-485167
Facsimile: +258-21-485161
Electronic mail: ndolambngokwe@undp.org

For the Administrative Agent:

Name: Bisrat Aklilu
Title: Executive Coordinator, Multi-Donor Trust Fund Office, UNDP
Address: 828 Second Avenue, 4th Floor, New York, NY 10017, USA
Telephone: +1 212 906 6880
Facsimile: +1 212 906 6990
Electronic mail: bisrat.aklilu@undp.org

For UNICEF:

Name: LEILA GHARAGOZLOO PAKKALA
Title: REPRESENTATIVE, MOZAMBIQUE
Address: P.O. BOX 4713, MAPUTO, MOZAMBIQUE
Telephone: +258-82-3051900
Facsimile: +258-21-499703
Electronic mail: lpakkala@unicef.org

For UNFPA:

Name: RATIOZAI NDLOVU
Title: REPRESENTATIVE a.i.
Address: 1419 Julius Nyerere Av., Maputo, Mozambique
Telephone: +258-21-497164
Facsimile: +258-21-493577
Electronic mail: ndlovu@unfpa.org

U 20 09
VA //

For UNESCO:

Name: BENOIT SOSSOU
Title: REPRESENTATIVE
Address: 4031 Av. da Marginal
Telephone: 2148 1702
Facsimile: 2149 3481
Electronic mail: b.sossou@unesco.org

For UNHCR:

Name: VICTORIA AKEAMPONG
Title: REPRESENTATIVE
Address: Rua José Cavaleiro, 237 - Maputo, Mozambique
Telephone: +258-21-490242
Facsimile: +258-21-490635
Electronic mail: akeampong@unhcr.org

40
VA
[Handwritten signature]