

ALBANIA ONE UN COHERENCE FUND

**Memorandum of Understanding
between
the Participating UN Organizations,
the United Nations Resident Coordinator
and
the United Nations Development Programme
regarding the Operational Aspects of the One UN Coherence Fund for Albania**

WHEREAS, the Government of Albania, herein referred to as the Government, has requested that the members of United Nations Development Group (UNDG) develop a single framework for their activities in support of the Government's development priorities as expressed in the National Strategy for Development and Integration (NSDI) and accordingly the members of the UNDG (hereinafter referred to as the "Participating UN Organizations") have prepared the "One United Nations Programme" dated 24 October 2007, attached as Annex A (hereinafter referred to as the "One UN Programme");

WHEREAS, the Participating UN Organizations that have signed this Memorandum of Understanding have agreed to establish a common development fund for Albania (hereinafter referred to as the "One UN Coherence Fund") that, under the leadership of the Resident Coordinator, will support the coordinated resource mobilization, allocation and disbursement of donor contributed resources for the unfunded elements of the One UN Programme;

WHEREAS, the One UN Coherence Fund will complement other channels for the transfer of donor resources to support implementation of the One UN Programme and will operate in accordance with Sections 5, 6 and 7 of the One UN Programme;

WHEREAS, a One UN Joint Executive Committee (JEC), co-chaired by the Director of the Department of Strategy and Donor Coordination of the Council of Ministers (DSDC) and the UN Resident Coordinator (hereinafter referred to as the "Resident Coordinator"), and comprising of heads of the Participating UN Organizations¹ will be responsible for reviewing and approving funding priorities, approving the allocation of resources mobilized through the One UN Coherence Fund, prioritizing and deciding on the allocation of funds from the One UN Coherence Fund and providing oversight of the management and operations of the One UN Coherence Fund, with the Government jointly with the Resident Coordinator making the ultimate decisions on fund allocation with documented process and rationale for these decisions;

WHEREAS, a Government Modernization Committee (GMC) chaired by the Deputy Prime Minister and comprising of five Ministers will determine strategic priorities, monitor progress on an annual basis and ensure coordination of the One UN Programme with other inter-ministerial and cross-sectoral policies and priorities to ensure the achievement of the One UN Programme's outcomes and its contribution to national priorities;

¹ As described in para 140 and Annex 1.2 of the One UN Programme

WHEREAS, a Government Inter-Ministerial Working Group, composed of Secretary General level representatives of the line Ministries will provide the GMC and JEC with technical advice on subjects falling within the scope of the programme at any given time and special ad hoc sub-working ‘task’ groups may be set up to tackle specific issues.

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

NOW, THEREFORE, the UNDP and the Participating UN Organizations (hereinafter referred to collectively as the “Parties”) hereby agree as follows:

Article I

Appointment of Administrative Agent; its Status, Duties and Fee

1. The Participating UN Organizations hereby appoint UNDP (hereinafter referred to as the “Administrative Agent” or the “AA”) to serve as their Administrative Agent in connection with the One UN Coherence Fund, 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 shall continue until it terminates, or is terminated, in accordance with Article VII below.

2. On behalf of the Participating UN Organizations, the Administrative Agent shall:

- (a) Receive contributions from donors that wish to contribute to the One UN Coherence Fund;
- (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the One UN Coherence Fund 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 Resident Coordinator in consultation with the Joint Executive Committee, taking into account the provisions of the applicable Letter of Agreement and this Memorandum of Understanding and the budget set out in the specific Annual Work Plan or other Programmatic Document (hereinafter referred to as the “AWP/Programmatic Document”) of the Participating UN Organizations;
- (d) Compile financial and narrative reports produced by each of the Participating UN Organizations into consolidated reports, and submit such reports to the Resident Coordinator;

- (e) Provide final financial and narrative reporting, including notification that the activities funded from the One UN Coherence Fund have been operationally completed in accordance with Article IV below, based on reports received from the Participating UN Organizations;
- (f) Perform such other activities as the Resident Coordinator, the Participating UN Organizations and the Administrative Agent may agree in writing.

3. The Administrative Agent shall enter into a letter of agreement, in the form attached hereto as Annex B (hereinafter referred to as a “Letter of Agreement”), with each donor that wishes to provide financial support to the One UN Coherence Fund through the Administrative Agent. The Administrative Agent shall not amend the terms of Annex B without prior written agreement of the Resident Coordinator and the Participating UN Organizations. The Administrative Agent shall ensure posting of each Letter of Agreement it enters into on the websites of the UN in Albania and the Administrative Agent.

4. None of the Participating UN Organizations shall 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 shall be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed.

5. The Administrative Agent and the Participating UN Organizations shall be entitled to deduct their indirect costs on contributions received in accordance with the following formula:

- (a) The Administrative Agent’s administrative fee will be one percent (1%). The fee will be deducted from the contribution to the One UN Coherence Fund at the time it is deposited;
- (b) Upon consultation with the One UN Programme Joint Executive Committee, through the Resident Coordinator, the Administrative Agent may also deduct from the Albania One UN Coherence Fund account and transfer to the Resident Coordinator’s Office the estimated actual costs of the staffing support provided by the Resident Coordinator’s Office to the One UN Coherence Fund, in accordance with the One UN Programme, Sections 5-7;
- (c) Indirect costs of the Participating UN Organizations will be seven percent (7%).

Article II **Financial Matters**

The Administrative Agent

1. The Administrative Agent shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Letters of Agreements (hereinafter referred to as, the "Albania One UN Coherence Fund Account"). The Albania One UN Coherence Fund Account shall be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. It shall 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 shall make disbursements from the Albania One UN Coherence Fund Account based on instructions from the Resident Coordinator, taking into account the provisions in the applicable Letters of Agreement and this Memorandum of Understanding, in line with the budget set forth in the specific AWP/Programmatic Documents submitted by the concerned Participating UN Organization and approved by the Joint Executive Committee. The disbursements shall consist of direct and indirect costs as set out in the budget.

4. Subject to the availability of funds, the Administrative Agent shall normally make each disbursement within three (3) to four (4) business days after receipt of the approval of the specific AWP/Programmatic Document by the Resident Coordinator along with copy of the signed AWP/Programmatic Document by all the parties concerned. The Administrative Agent shall transfer funds to each Participating UN Organization through wire transfer in US dollars. Each Participating UN Organization shall 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, with a copy to the Resident Coordinator and the concerned Head of Agency, of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from UNDP as Administrative Agent in respect of the One UN Coherence Fund pursuant to this Memorandum of Understanding; and (d) the reference to the AWP/Programmatic Document.

5. Where the balance in the Albania One UN Coherence Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent shall consult with the Resident Coordinator and make a disbursement, if any, in accordance with the Resident Coordinator's instructions, with documented process and rationale for these decisions, provided however that such disbursement will not exceed the funds available in the Albania One UN Coherence Fund Account.

The Participating UN Organizations

6. Each Participating UN Organization shall 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 Albania One UN Coherence Fund Account. That separate ledger account shall 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 shall 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.

7. Each Participating UN Organization shall use the funds disbursed to it by the Administrative Agent from the Albania One UN Coherence Fund Account to carry out the activities for which it is responsible as set out in the specific AWP/Programmatic Document approved by the Joint Executive Committee, as well as for its indirect costs. The Participating UN Organizations shall commence and continue to conduct operations only upon receipt of disbursements as instructed by the Resident Coordinator. The Participating UN Organizations shall not make any commitments above the approved project budget by the Resident Coordinator and the Joint Executive Committee. If the Participating UN Organization anticipates the need to incur expenditures above the budgeted amount, such Participating UN Organization shall submit a supplementary budget request to the Resident Coordinator. If no such further financing is available, the activities to be carried out under the One UN Coherence Fund may be reduced or, if necessary, terminated by the Participating UN Organizations.

Article III

Activities of the Participating UN Organizations

1. Each of the Participating UN Organizations shall carry out its activities contemplated in the approved AWP/Programmatic Document in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel shall 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 shall be determined in accordance with the regulations, rules, directives and procedures applicable to each Participating UN Organizations, including, where applicable, its basic agreement with the Government of Albania.

2. Any modifications to the activities set out in the AWP/Programmatic Documents, including as to their nature, content, sequencing or the duration thereof, with a significant impact on One UN Programme outcomes, shall be subject to mutual agreement in writing between the relevant Participating UN Organization and the Resident Coordinator. The Participating UN Organization shall promptly notify the Administrative Agent through the Resident Coordinator, of any significant change in the budget as set out in the AWP/Programmatic Document.

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

4. In carrying out their activities, none of the Participating UN Organizations shall be considered as an agent of any of the others and, thus, the personnel of one shall 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 shall be liable for the acts or omissions of the others or their personnel, or of persons performing services on their behalf.

5. Each Participating UN Organization shall advise the Administrative Agent in writing when all activities for which it is responsible under an approved AWP/Programmatic Document have been completed.

Article IV **Reporting**

1. Each Participating UN Organization shall provide the Administrative Agent with the following statements and reports prepared in accordance with a harmonised accounting and reporting procedures applicable to the participating UN Agency concerned;

- (a) Annual narrative progress reports as of 31 December each year, to be provided no later than two months (28 February) after the end of the applicable reporting period;
- (b) Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Albania One UN Coherence Fund Account, to be provided no later than three months (31 March) after the end of the applicable reporting period;
- (c) A final narrative and financial report, after the completion of the particular One UN Coherence Fund financed programmes and including the final year of the Programme, to be provided no later than 30 April of the year following the financial closing of the Programme;
- (d) A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of the Programme;

2. The Administrative Agent shall submit to the Resident Coordinator consolidated narrative and financial reports on the basis of reports submitted by each Participating UN Organization in accordance with the following reporting schedules:

- (a) Consolidated annual narrative and financial reports as of 31 December each year, to be provided no later than four months (30 April) after the end of the applicable reporting period;

- (b) Consolidated final narrative and financial reports, after the completion of the programmes financed from the Albania One UN Coherence Fund Account and including the final year of the programme, to be provided no later than 30 June of the year following the financial closing of the Programme;
 - (c) Consolidated final certified financial statement, to be provided no later than 31 July of the year following the financial closing of the programme activities;
3. The Administrative Agent shall also provide to the Resident Coordinator and the Participating UN Organizations an annual certified financial statement, to be provided no later than four months (30 April) after the end of the applicable reporting period, as well as a final financial report and a final certified financial statement, to be provided no later than 30 June of the year following the financial closing of the One UN Coherence Fund, on its activities as Administrative Agent.
4. Until such time that a harmonised reporting format and procedure is developed and mutually agreed upon by Government and the Participating UN Organisations, the financial reports referred to above shall be prepared using the UNDG agreed categories and the narrative reports referred to above shall be prepared using the UNDG results based progress reporting guidelines.
5. The Resident Coordinator shall provide donors:
- a) Consolidated annual financial and narrative reports compiled by the Administrative Agent, as well as the annual certified financial statement ('Sources and Uses of Funds') of the Administrative Agent on its activities, no later than five months (31 May) after the applicable reporting period along with his/her strategic overall assessment. The Resident Coordinator's strategic assessment will include analysis of progress and lessons learned for future programme implementation as well as how the One UN Coherence Fund has contributed to achievements of the outcomes of the One UN Programme, and
 - b) Consolidated final narrative and financial reports and final certified financial statement, as well as the final certified financial statement ('Sources and Uses of Funds') of the Administrative Agent on its activities no later than 31 July of the year following the closure of the One UN Coherence Fund.
6. Consolidated One UN Coherence Fund reporting and related documents, including One UN Coherence Fund agreements will be posted on the websites of the UN Albania and the Administrative Agent.

Article V
Monitoring and Evaluation

1. Monitoring and evaluation of the programmes funded under the One UN Coherence Fund shall be undertaken in accordance with the provisions contained in the specific projects and programmes submitted by the concerned Participating UN

Organization and approved by the Resident Coordinator, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.

2. Monitoring and evaluation of the initiatives funded under the Albania One UN Coherence Fund will follow standard Monitoring and Evaluation procedures described in the One UN Programme document.

3. In addition, the Resident Coordinator in consultation with the Joint Executive Committee may commission a regular, independent lessons-learned and review exercise relating to the operations and management of the Albania One UN Coherence Fund.

Article VI **Joint Communication**

Each Participating UN Organization shall take appropriate measures to publicize the One UN Programme and the One UN Coherence Fund and to give due credit to the role of the Government of Albania, the Participating UN Organizations, national partners, and donors. Information given to the press, to the beneficiaries of the One UN Programme and One UN Coherence Fund, all related publicity material, official notices, reports and publications, shall acknowledge the role of Government of Albania, the Participating UN Organizations, national partners, the donors, the Administrative Agent and other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of the Government of Albania, national partners, donors and the Participating UN Organizations in all external communications relating to the One UN Coherence Fund.

Article VII **Expiration, Modification and Termination of the Agreement**

1. This Memorandum of Understanding shall expire upon completion of all activities funded through the One UN Coherence Fund, 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 Parties.

3. Any of the Participating UN Organizations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other parties to this Memorandum of Understanding stating that it has given notice of its withdrawal from this Memorandum of Understanding, 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 party, subject to the continuance in force of paragraph 5 below for the purpose therein stated. In the event of such termination, the Parties shall agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.

5. Obligations assumed by the withdrawing or terminating Parties under this Memorandum of Understanding shall 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 Parties hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Albania One UN Coherence Fund Account or in the individual Participating UN Organizations' separate ledger accounts shall be used as decided by the Resident Coordinator in review of the priorities established by the One UN Programme and in consultation with the Joint Executive Committee, the contributing donors and Participating UN Organizations.

Article VIII **Notices**

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

2. Any notice or request required or permitted to be given or made in this Memorandum of Understanding shall be in writing. Such notice or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail, cable or telex to the party to which it is required to be given or made, at such party's address specified in Annex C to this Memorandum of Understanding or at such other address as the party shall have specified in writing to the party giving such notice or making such request.

Article IX **Entry into Force**

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

Article X **Settlement of Disputes**

The Parties shall 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 party has notified the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, shall 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 two copies.

For the Resident Coordinator

Signature: (sign)
Name: Gülden Türkoç Cosslett
Title: UN Resident Coordinator
Place: Tirana, Albania
Date: 8 November 2007

For the Administrative Agent

Signature: (sign)
Name: Bisrat Aklilu
Title: Executive Coordinator, MDTF Office
Place: New York, USA
Date: 8 November 2007

For UNFPA

Signature: (sign)
Name: Bettina Maas
Title: Deputy Director, Division for Arab States, Europe and Central Asia
Place: New York, USA
Date: 8 November 2007

For UNICEF

Signature: (sign)
Name: Carrie Auer
Title: Representative
Place: Tirana, Albania
Date: 9 November 2007

For UNDP

Signature: (sign)
Name: Philip Peirce
Title: Deputy Resident representative
Place: Tirana, Albania
Date: 5 November 2007

For UNAIDS

Signature: (sign)
Name: Deborah Landey
Title: Deputy Executive Director
Place: Geneva, Switzerland
Date: 9 November 2007

For UNV

Signature: (sign)
Name: Ad de Raad
Title: Executive Coordinator
Place: Bonn, Germany
Date: 8 November 2007

For UNIFEM

Signature: (sign)
Name: Christine Arab
Title: Country Programme Manager
Place: Tirana, Albania
Date: 8 November 2007

For UNHCR

Signature: (sign)
Name: Hossein M.Kheradmand
Title: Representative
Place: Tirana, Albania
Date: 7 November 2007

For ILO

Signature: (sign)
Name: Petra Ulshoefer
Title: Director, SRO
Place: Budapest, Hungary
Date: 8 November 2007

For UNEP

Signature: (sign)
Name: Christophe Bouvier
Title: Regional Director for Europe
Place: Geneva, Switzerland
Date: 9 November 2007

For UNESCO

Signature: (sign)
Name: Englebert Ruoss
Title: Director, UNESCO BRESCE
Place: Venice, Italy
Date: 9 November 2007

For FAO

Signature: (sign)
Name: Maria Kadlecikova
Title: Regional Representative, Centre for
Place: Budapest, Hungary
Date: 9 November 2007

For WHO

Signature: (sign)
Name: Anshu Banerjee
Title: Representative
Place: Tirana, Albania
Date: 18 July 2008

For UNIDO

Signature: (sign)
Name: Yoshiteru Uramoto
Title: Managing Director, PCF, and
Deputy Director General
Place: Vienna, Austria
Date: 23 June 2009

ANNEX A: One UN Programme

ANNEX B: One UN Coherence Fund Letter of Agreement

ANNEX C: Notices