

Annexe III: Memorandum of Understanding

**STANDARD MEMORANDUM OF UNDERSTANDING (MOU) FOR ONE
PROGRAMMES USING PASS-THROUGH FUND MANAGEMENT¹**

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

WHEREAS, [list names of Participating Organizations] (hereinafter referred to collectively as the "Participating Organizations") have developed a joint programme (hereinafter referred to as the "One Programme") as part of their respective development cooperation with the Government of Cape Verde, as more fully described in the detailed One Programme document dated 1st July 2008, document no. [reference no. of document] (hereinafter referred to as the "One Programme Document"²), and have agreed to establish a coordination mechanism³ (hereinafter referred to as the "One Programme Steering Committee"⁴) to facilitate the effective and efficient collaboration between the Participating Organizations and the host Government for the implementation of the One Programme;

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

¹ This text will be replaced by the final standard MOU as soon as it will be finalised by the UNDG Working Group on the standardisations of MTFD and JP.

² 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.

³ 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.

⁴ 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.

NOW, THEREFORE, the Participating 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 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 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 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 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 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 below⁵;
- (f) Perform such other activities as the Participating Organizations and the Administrative Agent may agree in writing.

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 Organizations. The Administrative Agent will ensure the posting of each Administrative Arrangement it enters into on the website of the

⁵ 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".

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Administrative Agent (www.undp.org/mdtf), as well as the website of the UN in Cape Verde (www.un.cv), 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 Organizations will decide on the appropriate manner in which the Participating Organizations (including the Administrative Agent) will engage with such committee.]

5. None of the Participating 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 Organizations. With respect to such contributory acts or omissions of the Participating 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 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, 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 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.

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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 Organization through wire transfer. Each Participating 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 Organization, the Administrative Agent will notify that Participating 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 **Cape Verde** 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 Organizations

6. Each Participating 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 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 Organization concerned.

7. Each Participating 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 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 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 Organization concerned will submit a supplementary budget request to the One Programme Steering Committee.

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

Section III
Activities of the Participating Organizations

1. The implementation of the One Programme will be the responsibility of the Participating Organizations and will be carried out by each Participating 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

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Organizations, including, where applicable, its basic agreement with the Government of Cape Verde.

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 Organization and the One Programme Steering Committee. The Participating 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 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 Organization, nor the Administrative Agent, will be responsible for doing so.
4. In carrying out their One Programme activities, none of the Participating 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 Organizations will be liable for the acts or omissions of the others or their personnel, or of persons performing services on their behalf.
5. Each Participating 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 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 Organization under the Arrangement, the Participating Organization will use their best efforts, consistent with their regulations, rules, policies and procedures to recover any funds misused. The Participating 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 Organization and the Donor will consult with a view to promptly resolving the matter.
7. The Participating Organizations recognize that it is important to take all necessary precautions to avoid corrupt practices. To this end, each Participating 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. In the event that a Participating Organization determines that an allegation in relation to implementation of activities - including that corrupt, fraudulent, collusive or coercive practices may have taken place - is credible enough to warrant an investigation, it shall promptly notify the Investigation Service of the Administrative Agent, to the extent that such notification does not jeopardize the conduct of the investigation. The allegation will be dealt with in accordance with the Participating Organization's accountability and oversight framework and by the Participating Organization's unit in charge of investigations. Upon completion of the investigation, the Participating Organization will inform the Administrative Agent about the results of the investigation.

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 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 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 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 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 Organization concerned, as set forth in the One Programme Document. The Participating Organizations will endeavour to harmonize their reporting formats to the extent possible.

- (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 Organizations with the following statements on its activities as Administrative Agent:

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- (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 Cape Verde (www.un.cv) and the Administrative Agent (www.undp.org/mdtf).

Section V
Monitoring and Evaluation

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 Organizations.
2. The Donor, the Administrative Agent and the Participating Organizations will hold annual consultations, as appropriate, to review the status of the One Programme.

Section VI
Audit

The Administrative Agent and Participating Organizations will be audited in accordance with their own Financial Rules and Regulations. The Internal Audit Services (IAS) of each participating Organization will prepare a summary of the internal audit reports on activities related to the Fund of Cape Verde at intervals agreed upon between the IAS of participating agencies and of the Administrative Agent. The IAS of each participating agency will share its summary with its Representative in the Cape Verde Country Office, who will then share it with the UN Country Team members.

Section VII
Joint Communication

1. Each Participating Organization will take appropriate measures to publicize the One Programme and to give due credit to the other Participating 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 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 Organization and national partner in all external communications relating to the One Programme.
2. The Administrative Agent in consultation with the Participating 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 Cape Verde ([\[website\]](#)) 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 VIII

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 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 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 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 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 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 IX

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 Organization by the head of office in **Cape Verde**, 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 party to which it is required to be given or made, at such party's address specified in ANNEX

when it will have been delivered by hand, mail or any other agreed means of communication 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 will have specified in writing to the party giving such notice or making such request.

Section X
Entry into Effect

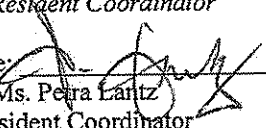
This Memorandum of Understanding will come into effect upon signature by authorized officials of the Participants and will continue in full force and effect until it is expired or terminated.

Section XI
Settlement of Disputes

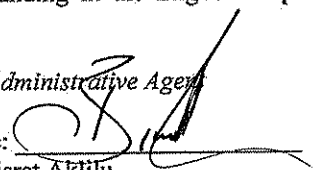
1. The Participants will use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either 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, will be resolved through consultation between the Executive Heads of each of the Participating 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.

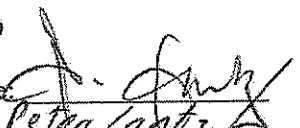
For the Resident Coordinator

Signature: 
Name: Ms. Petra Lantz
Title: Resident Coordinator
Place: Praia
Date: 1st July 2008

For the Administrative Agent

Signature: 
Name: Bisrat Aklilu
Title: Executive Coordinator, MDTF Office
Place: New York, USA
Date: 1st July 2008

For FAO

Signature: 
Name: Petra Lantz
Title: Representative
Place: Praia
Date: 1st July 2008

For ITU

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For OIM

Signature: _____
Name: _____
Title: _____
Place: _____

For OIT

Signature: _____
Name: _____
Title: _____
Place: _____

Date: _____

For UNAIDS

Signature: _____
Name: DR. VICKARUA GUNITIYI
Title: DIRECTOR *beltele*
Place: PRAIA
Date: 1st July 2008

For UNDP

Signature: _____
Name: VERA LAMIZ
Title: REPRESENTATIVE
Place: PRAIA
Date: 1st July 2008

For UNESCO/BREDA

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For UNICEF

Signature: _____
Name: VERA LAMIZ
Title: REPRESENTATIVE
Place: PRAIA
Date: 1st July 2008

For UNIFEM

Signature: _____
Name: MUKARUBUGA Cicile
Title: Regional Director
Place: Préville
Date: July 1st - 2008

For ONU-HABITAT

Signature: _____
Name: El. Affiane / Bostiane
Title: DIRECTEUR Afrique/Pays ARAAS
Place: PRAIA
Date: 1st July 2008

Date: _____

For UNCTAD

Signature: _____
Name: Hannelle TORTORA
Title: Chief, Technical Cooperation
Place: Praia
Date: July 1st 2008

For UNEP

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For UNFPA

Signature: _____
Name: VERA LAMIZ
Title: REPRESENTATIVE
Place: PRAIA
Date: 1st July 2008

For UNIDO

Signature: _____
Name: V. HILLAND
Title: SD COORD. F. UN SYSTEM COHERENCE
Place: PRAIA
Date: 11/10/08

For UNODC

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For WFP

Signature: _____
Name: VERA LAMIZ
Title: REPRESENTATIVE
Place: PRAIA
Date: 1st July 2008

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For WHO

Signature: _____
Name: BRUNO ALAIA
Title: Representant OMS
Place: PRAIA
Date: 2/07/08

For WMO

Signature: _____
Name: SOULANA
Title: Representant pour Afrique Nord - centre et ouest
Place: ABUJA NIGERIA
Date: 01/07/2008

For

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

- 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: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
Electronic mail: _____

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