

**Memorandum of Understanding  
between  
the Participating UN Organizations  
And  
the United Nations Development Programme  
Regarding the Operational Aspects of the  
UNDP-Spain Millennium Development Goal Achievement Fund's  
Thematic Funding Windows**

**WHEREAS**, the Government of Spain and the United Nations Development Programme (UNDP) signed a landmark agreement on 18 December 2006 to programme, over the next four years through the UN system, Spain's contribution of Euro 528 million towards the achievement of key Millennium Development Goals (hereafter MDGs) in select countries. This agreement paved the way for the establishment of the UNDP/Spain MDG Achievement Fund (hereafter MDG-F) designed to assist the UN system, operating in concert through Joint Programmes, to fulfill its role of helping countries achieve the MDG Goals by 2015 and address the global challenges of the 21st century, through an intensive, coherent and efficient country level response; and

**WHEREAS**, the Participating UN Organizations, including UNDP which is also a Participating UN Organization, have agreed that the Joint Programmes and the operations of the MDG-F would be designed and implemented in accordance with the provisions of the MDG-F Framework Document (hereinafter MDG-F Framework) dated 1 August 2007, attached hereto as Annex I and incorporated herein by reference into this MOU, and under the overall oversight and coordination of the Global MDG-F Steering Committee (hereinafter referred to as the "MDG-F Steering Committee"); and

**WHEREAS**, under the MDG-F Framework Document UNDP, represented by its Multi-Donor Trust Fund Office (MDTF Office), has been appointed as the Administrative Agent responsible for the administration of the MDG-F and the Participating UN Organisations, have agreed on the terms and conditions under which the MDTF Office will serve as Administrative Agent to disburse funds to Participating UN Organizations collaborating in the implementation of the Joint Programmes designed to contribute to the realization of the MDG Goals as set forth in this Memorandum of Understanding.

**NOW, THEREFORE**, 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. UNDP through its MDTF Office will serve as Administrative Agent on the understanding that the Participating UN Organizations receiving funds from the MDG-F 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 funds authorized by the MDG-F Steering Committee;
  - (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Fund Account and related matters;
  - (c) Subject to availability of funds, disburse such funds to each of the Participating UN Organizations of the Joint Programme in annual allocations in accordance with the signed Joint Programme Document and the applicable provisions of the MDG-F Framework document;
  - (d) Compile the financial and narrative reports produced by each of the Participating UN Organizations into a consolidated report in accordance with Article IV below and distribute such financial report together with the consolidated Joint Programme report as further described in the Joint Programme Document, to the Resident Coordinator chairing the country level Steering Committee (hereafter referred to as Resident Coordinator) and subsequently to the MDG-F Steering Committee;
  - (e) Provide final reporting, including notification that the Joint Programmes have been operationally completed, in accordance with Article IV below;
  - (f) Perform such other activities as the MDG-F Steering Committee, the Participating UN Organizations and the Administrative Agent may agree in writing.
3. 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 in accordance with the following formula:

- (a) The Administrative Agent's administrative fee will be 1 percent (1%). The fee will be deducted from the global MDG-F Account following approval of each Joint Programme budget by the MDG-F Steering Committee.
- (b) Indirect costs of the Participating UN Organizations which will be reflected in the Concept Note submitted to the MDG-F Steering Committee and subsequently in the signed Joint Programme Document will not exceed 7 per cent of the Joint Programme budget.

6. In the event of any inconsistency between this Memorandum of Understanding and Annex I, this Memorandum of Understanding shall prevail.

## **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 the decision of the MDG-F Steering Committee approving Joint Programme Concept Notes (hereinafter, the "MDG-F Joint Programme Account"). The MDG-F Joint Programme 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. The MDG-F Joint Programme 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 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 MDG-F Joint Programme Account in line with the Joint Programme budgets set out in the signed Joint Programme Document and in consultation with the Resident Coordinator. The disbursements shall consist of direct and indirect costs as set out in the Joint Programme budgets.

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 instructions from the Resident Coordinator along with receipt of the relevant Joint Programme documents signed by all parties concerned. The Administrative Agent shall transfer funds to each Participating UN Organization of the Joint Programme 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 the Participating UN Organizations, with a copy to the Resident Coordinator, of the following: (a) the amount transferred, (b) the value date of the transfer; (c) the approved MDG-F Joint Programme for which the transfer is made; (d) that the transfer is from the MDTF Office of UNDP as Administrative Agent in respect of the Fund pursuant to this Memorandum of Understanding; and (e) that the deposit should be recorded as a contribution of the Government of Spain/MDG-F.

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

### ***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 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 Fund Account to carry out the activities for which it is responsible as well as for its indirect costs as set out in the relevant Joint Programme budgets approved by the MDG-F Steering Committee. The Participating UN Organizations shall commence and continue to conduct operations only upon receipt of disbursements in accordance with the signed Joint Programme Document. The Participating UN Organizations shall not make any commitments above the approved Joint Programme budgets. If there is a need to exceed the budgeted amount, the Participating UN Organization concerned shall submit a supplementary budget request, through the Resident Coordinator, to the MDG-F Steering Committee.

8. In exceptional cases, in particular during the start-up phase of the Fund, Participating UN Organizations may, subject to conformity with their respective financial regulations and rules, choose to start implementation of priority Joint Programmes in advance of receiving transfers from the Fund Account, by using their own resources. Such pre-financing shall only be undertaken following the approval of the Joint Programme Concept Note by the MDG-F Steering Committee and the explicit authorization of such pre-financing by the MDG-F Steering Committee. Participating UN Organizations shall be solely responsible for decisions to initiate such advance activities or other activities outside the parameters set forth.

**Article III**  
**Activities of the Participating UN Organizations**

1. Each of the Participating UN Organizations shall carry out its respective part of the Joint Programme activities 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 such Participating UN Organizations, including, where applicable, its basic agreement with the Government concerned. .
2. Any modifications to the Joint Programme activities as approved by the Resident Coordinator, with potential to compromise the achievement of the Joint Programme objectives, including as to their nature, content, sequencing or the duration thereof, shall be subject to mutual agreement in writing between the relevant Participating UN Organizations and the Resident Coordinator, with information copy to the MDG-F Steering Committee. The Participating UN Organization shall promptly notify the Administrative Agent through the Resident Coordinator of any change in the Joint Programme budgets approved by the Resident Coordinator.
3. Where a Participating UN Organization wishes to carry out its part of the Joint Programme activities 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 Joint Programme 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 the Joint Programme have been completed.

**Article IV**  
**Reporting**

1. For each Joint Programme approved for funding by the MDG-F Steering Committee, each Participating UN Organization shall 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:



- (a) Narrative progress reports for each twelve-month period ending 31 December, to be provided no later than two month 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 Joint Programme Account, to be provided no later than three months after the end of the applicable reporting period;
  - (c) A final narrative report and financial report, after the completion of all Joint Programme activities financed from the Fund, to be provided no later than 30 April of the year following the financial closing of Joint Programme activities;
  - (d) A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of Joint Programme activities.
2. The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to in paragraph 1 (a) to (d) above submitted by each Participating UN Organization, and shall provide those consolidated reports to the respective Resident Coordinators and subsequently to the MDG-F Steering Committee no later than five months after the end of the applicable reporting period.
3. The Administrative Agent shall also provide a financial report and a final certified financial statement to the MDG-F Steering Committee and Participating UN Organizations, on its activities as Administrative Agent, to be provided no later than 30 June of the year following the financial closing of the Fund.

## **Article V**

### **Monitoring and Evaluation**

1. Monitoring and evaluation (M&E) shall be undertaken in accordance with the provisions contained in each Joint Programme proposal approved by the MDG-F Steering Committee, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.
2. The MDG-F Steering Committee, the Resident Coordinator and the Participating UN Organizations may commission an independent lessons-learned and review exercise(s) relating to the operations of the Fund.

## **Article VI**

### **Joint Communication**

Each Participating UN Organization shall take appropriate measures to publicize the activities undertaken under the MDG-F. Information given to the press, to the beneficiaries of the Joint Programmes, all related publicity material, official notices, reports and publications, shall acknowledge the role of the host Government, the Government of Spain/MDG-F, the

Participating UN Organizations, the Administrative Agent and any other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating UN Organization, national partners and the Government of Spain in all external communications relating to the Fund.

## **Article VII**

### **Expiration, modification and termination of the Agreement**

1. This Memorandum of Understanding shall expire upon completion of all Joint Programme activities and termination of the 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 MDG-F Steering Committee (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 Joint Programme 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 Fund Account or in the individual Participating UN Organizations' separate ledger accounts shall be used for a purpose mutually agreed upon by the MDG-F Steering Committee, the Participating UN Organizations and the Administrative Agent.

## **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 MDTF Office, UNDP, or his/her designated representative, and on behalf of the Participating UN Organization by the officials listed in Annex II.

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 II 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 Parties, have signed this Memorandum of Understanding in the English language.



*For* \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Annex I: UNDP/Spain Millennium Development Goals Achievement Fund  
Framework Document<sup>1</sup>

Annex II: Notices

---

<sup>1</sup> Version of 1 August 2007

## ANNEX II: NOTICES

*For the Administrative Agent:*

*For* \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Electronic mail: \_\_\_\_\_