

**MEMORANDUM OF UNDERSTANDING FOR
GENERATION UNLIMITED TRUST FUND**

**Memorandum of Understanding
between
the United Nations Children's Fund
and
the United Nations Development Programme
regarding the Management of
the Generation Unlimited Trust Fund**

This Memorandum of Understanding ("MOU") is concluded between the United Nations Children's Fund ("UNICEF") and the United Nations Development Programme ("UNDP"), represented by its Multi-Partner Trust Fund Office ("MPTF Office"). UNICEF and UNDP are hereinafter collectively referred to as the "Participants".

WHEREAS, the Executive Director of UNICEF launched Generation Unlimited, a global, multi-sector initiative supported by over 40 heads of state, international agencies, private sector corporations, young leaders, civil society organizations and philanthropies partners that empowers young people to become productive and engaged members of society by connecting secondary-age education and training to employment and entrepreneurship;

WHEREAS, under the Terms of Reference ("TOR") of the Generation Unlimited Trust Fund ("Trust Fund") dated 02 December 2019, as may be amended from time to time, a copy of which is attached hereto as ANNEX A, UNDP, through its MPTF Office will serve as the Trust Fund Administrative Agent, responsible for the administration of the Trust Fund starting from December 2019 to December 2030 ("End Date");

WHEREAS, UNDP is willing and able to administer the Trust Fund in accordance with its Financial Regulations and Rules as well as this MOU and the TOR for the Trust Fund;

WHEREAS, the secretariat of Generation Unlimited (the "Global Team") is established administratively within UNICEF at UNICEF's New York headquarter offices.

WHEREAS, UNICEF, UNDP and other UN Organizations may also participate in the Trust Fund as a Recipient Organization, by signing the standard Recipient UN Organization Memorandum of Understanding to be developed. In such cases, UNICEF's role will be separate and distinct from its secretariat hosting function, and UNDP's role will be separate and distinct from its Administrative Agent functions related to the Trust Fund;

WHEREAS, relevant Non-UN Organizations ("NUNO") may also participate in the Trust Fund in accordance with a standard Financing Agreement to be developed;

NOW, THEREFORE, the Participants agree as follows:

Section I
The Responsibilities of the Administrative Agent

1. UNDP, through its MPFT Office, will serve as Administrative Agent for the Trust Fund, in accordance with its Financial Regulations and Rules, the TOR and the terms and conditions set out in this MOU. In case of any conflict between this MOU and the TOR, the MOU will prevail. The Administrative Agent agrees to assume this responsibility on the understanding that the Recipient Organizations (UN Organizations and NUNOs) receiving funds from the Trust Fund assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent.

2. The Administrative Agent will be accountable for effective and impartial fiduciary management and financial reporting. The Administrative Agent will:

- (a) Receive contributions from donors that wish to provide financial support to the Trust Fund;
- (b) Administer such funds received, in accordance with this MOU and the Administrative Arrangement (as defined below in paragraph 3 of this Section) including the provisions relating to winding up the Fund Account and related matters;
- (c) Conclude a standard Memorandum of Understanding (as set out in Section II paragraph 9 below) with each Recipient UN Organization wishing to support the implementation of activities for which they will receive funds from the Trust Fund, incorporating this MOU and the TOR;
- (d) Conclude a standard Financing Agreement with each NUNO, under the conditions that they follow the reporting and audit principles prescribed by the United Nations, following an accreditation process¹;
- (e) Subject to availability of funds, disburse such funds to each of the Recipient Organizations in accordance with instructions from the Global Executive Committee of Generation Unlimited (the "ExCom"), taking into account the budget set out in the approved programmatic document² as approved by the ExCom.
- (f) Subject to availability of funds, disburse such funds to the Global Team in accordance with a budget and projected cash flow needs of the Global Team as approved by the ExCom.
- (g) Ensure consolidation of statements and reports, based on submissions provided by each Recipient Organization, as set forth in the TOR, and provide these to each donor, that has contributed to the Trust Fund and to the ExCom;

¹ As further described in the Trust Fund guidelines.

² An approved programmatic document refers to either the Trust Fund's annual work plan or the programme/project document of individual programmes/project funded by the Trust Fund, which each will be approved by the Global Executive Committee for fund allocation purposes.

(h) Provide final reporting, including notification that the Trust Fund has been operationally completed, in accordance with Section IV below;

3. The Administrative Agent will enter into a standard Administrative Arrangement, in the form attached hereto as ANNEX B (the "Administrative Arrangement"), with each donor that wishes to provide financial support to the Trust Fund. The Administrative Agent will ensure the posting of a copy of the template Administrative Arrangement, as well as information on donor contributions, on the website of the Administrative Agent (mptf.undp.org), as well as the website of the Trust Fund, as appropriate.

4. UNICEF will not be responsible for the acts or omissions of the Administrative Agent or its personnel, or of persons performing services on its behalf, except in regard to its respective contributory acts or omissions. With respect to contributory acts or omissions of UNICEF and the Recipient Organizations, the resulting responsibility 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 responsible or liable for the activities of the Participants as a result of this MOU.

5. 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 MOU.

6. Where the Administrative Agent is also a Recipient Organization, a clear delineation, including distinct reporting lines and an accountability framework, between its functions as an Administrative Agent and its functions as a Recipient Organization will be established and maintained.

7. The Administrative Agent will be entitled to charge to the Trust Fund a direct cost charge in an amount(s) consistent with then-current UNDG guidance to cover the cost of continuing to render Administrative Agent functions if and when the ExCom agrees to extend the Trust Fund beyond the End Date with no further contribution(s) to the Trust Fund.

Section II **Financial Matters**

The Administrative Agent

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

2. The Administrative Agent will not absorb gains or losses on currency exchanges which will increase or decrease the funds available for disbursements to Recipient Organizations.
3. Subject to the availability of funds, the Administrative Agent will make disbursements from the Fund Account in accordance with instructions from the ExCom, in line with the budget set forth in the approved programmatic document. The disbursements will consist of direct and indirect costs as set out in the budget.
4. The Administrative Agent will normally make each disbursement within five (5) business days after receipt of the relevant approved programmatic document, in accordance with the decisions received from the ExCom in line with the TOR, along with a copy of the relevant approved programmatic document signed by the Recipient Organization. The Administrative Agent will transfer funds to each Recipient Organization through wire transfer. Each Recipient Organization will advise the Administrative Agent in writing of the bank account for transfers. When making a transfer to a Recipient Organization, the Administrative Agent will notify that Recipient 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 MPTF Office in respect of the Trust Fund.
5. Where the balance in the Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent will consult with the Global Team and make a disbursement, if any, in accordance with the ExCom's decisions.

The Global Team

6. UNICEF will host the Global Team, in order to support the operation of Trust Fund and, in particular, the work of the Global Board and the Country Teams. The functions of the Global Team are set out in more detail in the Trust Fund TOR. The Global Team is established administratively within UNICEF, in accordance with the TOR. It is operated and administered under the regulations, rules, procedures, administrative instructions and other administrative issuances governing the operations of UNICEF including but not limited to those relating to personnel and financial administration, and the UNICEF policy prohibiting and combatting fraud and corruption. The annual operating and programmatic budget and workplan of the Global Team will be set out in an annual workplan and budget developed by the Director of the Global Team (the "Global Team Director") and approved by the ExCom of the Trust Fund.
7. Subject to the availability of funds, the Administrative Agent will make disbursements from the Fund Account as instructed by the ExCom for the Global Team's support to the Trust Fund in line with the budget approved by the ExCom. The disbursements will consist of direct and indirect costs as set out in the budget.
8. The premises for the Global Team's offices will be arranged by UNICEF in accordance with agreements between UNICEF and the ExCom.

Implementation of Programmatic Activities

9. Recipient UN Organizations that have concluded the standard Memorandum of Understanding with the Administrative Agent will be responsible for the implementation of the programmatic activities described in the approved programmatic document, and each Recipient Organization will carry out programmatic activities in accordance with its own applicable regulations, rules, policies and procedures including those relating to procurement as well as the selection and assessment of implementing partners. 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, policies and procedures.

10. NUNOs that have concluded the standard Financing Agreement with the Administrative Agent will have access to the Trust Fund. Each NUNO will be responsible for the implementation of the programmatic activities described in the approved programmatic document and will carry out programmatic activities in accordance with its own applicable regulations, rules, policies and procedures under the conditions that they follow the reporting and audit principles prescribed by the Administrative Agent.

Section IV Reporting

Financial Reports

1. The Administrative Agent will provide the Global Team and donors to the Trust Fund with the following financial reports, based on reports provided to the Administrative Agent by each Recipient Organization:

- (a) Statements of donor commitments, deposits and transfers to Recipient Organizations and other financial information, available in real time directly from the publicly accessible MPTF Office GATEWAY (<http://mptf.undp.org>);
- (b) Consolidated annual financial report on activities implemented under the Trust Fund as of 31 December for each calendar year or part thereof during which the Administrative Agent operates the Trust Fund, to be provided no later than five (5) months (31 May) after the end of the calendar year to which it relates; and
- (c) Consolidated final financial statements and final financial reports after the completion of all the project activities financed from the Trust Fund and including the final year of the activities to be provided no later than five (5) months (31 May) after the end of the calendar year in which the financial closure of the Trust Fund occurs.

Narrative Reports

2. The Global Team will provide the donors to the Trust Fund with the following narrative reports:

- (a) Annual consolidated narrative progress report, based on annual narrative progress reports received from Recipient Organizations for each calendar year,

to be provided no later than five (5) months (31 May) after the end of the calendar year to which it relates; and

- (b) Final consolidated narrative report, after the completion of the activities in the approved programmatic documents, including the final year of the activities in the approved programmatic documents, to be provided no later than six months (30 June) after the end of the calendar year in which the operational closure of the Trust Fund occurs. The final consolidated narrative report will contain a summary of the results and achievements compared to the goals and objectives of the Trust Fund.

2. The Administrative Agent will also provide the donors and the Global Team with the following reports on its activities as Administrative Agent:

- a) Certified annual financial statement ("Source and Use of Funds" as defined by UNDG guidelines) 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 five months (31 May) after the end of the calendar year in which the financial closing of the Trust Fund occurs.

3. Consolidated reports and related documents will be posted on the websites of the Administrative Agent (mptf.undp.org).

Section V

Monitoring and Evaluation

Monitoring

1. Monitoring of the Trust Fund will be undertaken in accordance with the TOR. The Global Team, the Administrative Agent and the donor(s) will hold consultations at least annually, as appropriate, to review the status of the Trust Fund. In addition, the Global Team, the Administrative Agent and the donor(s) will discuss any substantive revisions to the Trust Fund, and promptly inform each other about any significant circumstances and major risks, which interfere or threaten to interfere with the successful achievement of the outcomes outlined in the TOR, financed in full or in part through contributions from the donor(s).

Evaluation

2. The ExCom will commission independent reviews and evaluations on the overall performance of the Trust Fund.

3. In addition, the Participants recognize that the donor(s) may, separately or jointly with other donors, take the initiative to evaluate or review its support for programmes through the Trust Fund, with a view to determining whether results are being or have been achieved and whether contributions have been used for their intended purposes. The Administrative Agent, the Global Team and the Recipient Organizations will be informed

about such initiatives, will be consulted on the scope and conduct of such evaluations or reviews and will be invited to join. The Recipient Organizations, the Global Team and the Administrative Agent will upon request assist in providing relevant information within the limits of their regulations, rules, policies and procedures. All costs will be borne by the respective donor, unless otherwise agreed. It is understood by the donors and the Participants that such evaluation or review will not constitute a financial, compliance or other audit of the Trust Fund including any programmes, projects or activities funded by the Trust Fund.

Section VI

Audit

External and Internal Audit

1. The activities of the Administrative Agent and each Recipient Organization in relation to the Trust Fund will be exclusively audited by their respective internal and external auditors in accordance with their own financial regulations and rules. The corresponding external and internal audit reports will be disclosed publicly unless the relevant policies and procedures of the Administrative Agent or each relevant Recipient UN Organization provide otherwise. The audits undertaken in NUNOs, should follow internationally recognized audit standards and the reports thereof should be made available to the Administrative Agent.

Joint Internal Audits

2. The Internal Audit Services of the Recipient UN Organizations and the Administrative Agent involved in the Trust Fund may consider conducting joint internal audits thereof in accordance with the Framework for Joint Internal Audits of UN Joint Activities, including its risk-based approach and provisions for disclosure of internal audit reports related to the Trust Fund. In doing so, the Internal Audit Services of the Administrative Agent and the Recipient UN Organizations will consult with the ExCom.

Cost of Internal Audits

3. The total costs of internal audit activities in relation to the Trust Fund will be borne by the Trust Fund.

Audits of Implementing Partners

4. The part of the contribution transferred by a Recipient Organization to its implementing partners for activities towards the implementation of the funded programmes will be audited as provided under that Recipient Organization's financial regulations and rules, as well as its policies and procedures. The disclosure of the corresponding audit reports will be made according to the policies and procedures of that Recipient Organization.

Section VII

Communication and Transparency

1. Subject to the regulations, rules, policies and procedures of the Recipient Organization, the Administrative Agent and UNICEF information given to the press, to the beneficiaries of the Trust Fund, all related publicity material, official notices, reports and publications, will highlight the results achieved and acknowledge the role of the Host Government, donors, the Recipient Organizations, the Administrative Agent, UNICEF and any other relevant entities.
2. The Administrative Agent in consultation with the Global Team and the Recipient Organizations will ensure that decisions regarding the review and approval of the Trust Fund as well as periodic reports on the progress of implementation of the Trust Fund are posted, where appropriate, for public information on the websites of the Trust Fund and the Administrative Agent (mptf.undp.org). Such reports and documents may include ExCom approved programmes and programmes awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.
3. The Participants are committed to principles of transparency with regard to the implementation of the Trust Fund, consistent with their respective regulations, rules, policies and procedures. The donors, the ExCom, the Administrative Agent, Recipient Organizations and the Host Government, if applicable, will endeavor to consult prior to publication or release of information regarded as sensitive.

Section IX

Expiration, Modification, Termination and Unspent Balances

1. This MOU will expire upon the delivery to the donor(s) of the certified final financial statement pursuant to Section IV, paragraph 2(b).
2. This MOU may be modified only by written agreement between the Participants.
3. Either Participant may terminate this MOU upon giving thirty (30) days' written notice to the other Participant subject to the continuance in force of paragraphs 4 and 5 below for the purpose therein stated. In the event of termination, the Participants will agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.
4. Commitments assumed by either Participant under this MOU will survive the termination of this MOU 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.
5. Any balance remaining in the individual Recipient Organizations' separate ledger accounts after operational completion of the activities for which they are responsible under the approved programmatic document will be returned to the Trust Fund as soon as administratively feasible and before financial closure of those activities. Any balance remaining in the Trust Fund upon completion of the Trust Fund will be used for a purpose

mutually agreed upon by the donors, the ExCom and the Administrative Agent or returned to the donor(s) in proportion to their contribution to the Trust Fund as decided upon by the donor(s) and the ExCom.

Section X **Notices**

1. Any action required or permitted to be taken under this MOU may be taken on behalf of the Administrative Agent by Jennifer Topping, or her designated representative, and on behalf of UNICEF by the Deputy Executive Director, Partnerships, or her designated representative.

2. Any notice or request required or permitted to be given or made in this MOU 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 this MOU or at such other address as the Participant will have specified in writing to the Participant giving such notice or making such request.

For the Administrative Agent:

Title: Executive Coordinator, MPTF Office, UNDP
Address: 304 East 45th Street, 11th Floor New York, NY 10017, USA
Telephone: +1 212 906 6880
Facsimile: +1 212 906 6990
E-mail: executivecoordinator.mptfo@undp.org

For UNICEF:

Title: Deputy Executive Director, Partnerships, UNICEF
Address: 3 UN Plaza, New York, NY 10017, USA
Telephone: +1 212326 7542
E-mail: cpetrig@unicef.org

Section XI **Entry into Effect**

This MOU will come into effect upon signature thereof by the Participants and will continue in effect until it expires or is terminated.

Section XII **Settlement of Disputes**

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 MOU 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 Participants.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this MOU in English in two copies.

For the Administrative Agent

Signature: _____

Name: Jennifer

Title: Executive Coordinator, MPTFO, UNDP

Place: New York

Date: 11 December 2019

For UNICEF

Signature: _____

Name: Charlotte Petri Gornitzka

Title: Deputy Executive Director, Partnerships, UNICEF

Place: New York

Date: 13 December 2019

ANNEX A:

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ANNEX B:

Standard Administrative Arrangement between the Donor and the Administrative Agent