

MoU FOR POOLING AS FUND MANAGEMENT OPTION

Memorandum of Understanding
between
UNICEF
and
UNFPA

WHEREAS, UNICEF and UNFPA (hereinafter referred to collectively as the “Participating UN Organizations”) have developed a joint programme for **Prevention of HIV/AIDS Among the Eritrean Youth, the Eritrean Defence Force and the National Service Corps** (hereinafter referred to as the “Joint Programme”) as part of their respective development cooperation with the Government of ERITREA, as more fully described in the detailed Joint Programme document dated **26 March 2004**, document no. **ERI/02/PO7** (hereinafter referred to as the “Joint Programme Document”), and have agreed to establish a coordination mechanism¹ (hereinafter referred to as the “Joint Programme Steering Committee”)² to facilitate the effective and efficient collaboration between the Participating UN Organisations and the host Government for the implementation of the Joint Programme;

WHEREAS, the Participating UN Organisations have agreed that they [will fully participate in the preparation, planning, and evaluation of the Joint Programme, they will appoint one of the Participating UN Organisations to be responsible for the management of the Joint Programme activities,] in order to achieve the results of the joint programme more effectively and efficiently; and

WHEREAS, the Participating UN Organisations have further agreed that they will pool their resources for the Joint Programme and put such resources under common management and administration by the Managing Agent;

WHEREAS, the Participating UN Organisations and the national partner have further agreed that UNFPA (which is also a Participating UN Organisation)³ will be so appointed and will serve

¹ The UNCT and national partners will decide which the most appropriate coordination mechanism is – as for example, a Theme group, a steering committee, a management committee, etc. For ease of reference, this mechanism is referred to as the “Joint Programming Steering Committee” in this document..

² The Composition of the Steering Committee or other body is to be decided by the Country Team and may include in addition to the Participating UN Organisations and the host government, donors and other stakeholders.

³ In most cases the MA will also be a Participating UN Organisation. However, where the MA is not a Participating UN Organisation, this provision can be deleted.

as the administrative interface between the national partner, and be responsible for management of the Joint Programme, and the Participating UN Organisation UNFPA has agreed to do so in accordance with this Memorandum of Understanding (hereinafter “Managing Agent” or “MA”);

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

Article I

Appointment of Managing Agent; Duties; Fee

1. The Participating UN Organisations hereby appoint UNFPA as the “Managing Agent” or the “MA”) to be responsible on their behalf for the management of the Joint Programme activities set out in the Joint Programme Document. The Managing Agent accepts this appointment and assumes full programmatic and financial accountability for the funds transferred to it by the Participating UN Organisations. This appointment shall continue until it terminates, or is terminated, in accordance with Article VIII below.

2. In discharging its obligations under this Memorandum of Understanding the Managing Agent shall have the status of an independent contractor and shall not be considered as an agent of the Participating UN Organisations or any of them and, thus, its personnel shall not be considered as staff members or personnel of any of them. Without restricting the generality of the preceding sentence, none of the Participating UN Organisations shall be liable for the acts or omissions of the Managing Agent or its personnel, or of persons performing services on its behalf, to the extent that the Participating UN Organisations or any one of them have not contributed to such acts or omissions of the Managing Agent resulting in such liability. In the case of any contributory acts or omissions of the Participating UN Organisations, the resulting liability shall be apportioned among them or any one of them.

Article II

Financial Matters

1. The Participating UN Organisations shall contribute to the costs of the Joint Programme activities in accordance with the budget contained in the Joint Programme Document⁴ attached as ANNEX A. A schedule of payments is attached as ANNEX B.

2. The Managing Agent shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received by it pursuant to this Memorandum of Understanding (hereinafter, the “Joint Programme Account”). The Joint Programme Account shall be administered by the Managing Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest.

⁴ The JP document contains at a minimum a common work plan, a budget and the coordination and management arrangements detailing the activities of the Joint programme.

The 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 Managing Agent.

3. The Participating UN Organisations shall transfer funds to the Managing Agent through wire transfer. When making a transfer to the Managing Agent, each Participating UN Organisation will notify the Managing Agent's Treasury Operations of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from that Participating UN Organisation in respect of the **Prevention of HIV/AIDS Among eritrean youth, the Eritrean Defence Force and the National Service Corps** joint programme in ERITREA pursuant to this Memorandum of Understanding, for deposit to the Joint Programme Account.

4. The Managing Agent shall not be required to commence or continue activities in connection with the Joint Programme if a scheduled contribution from a Participating UN Organisation has not been paid.

5. The funds in the Joint Programme Account shall be accounted as income to the Managing Agent. In accordance with **its policies and procedures for cost recovery in line with decisions of its Executive Board**, the Managing Agent will apply five percent ([5]%) of the contribution of each Participating UN Organisation towards the Managing Agent's indirect costs.

Article III
Activities of the Managing Agent

1. The Managing Agent shall manage the implementation of the Joint Programme activities contemplated in the Joint Programme Document in accordance with its regulations, rules, directives and procedures. 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.
2. Any modifications to the Joint Programme activities set out in the Joint Programme Document, including as to their nature, content, sequencing or the duration thereof, shall be subject to mutual agreement in writing between the Participating UN Organisations and the Managing Agent, following approval of the Joint Programme Steering Committee. Any change in the budget [or annual work plans] for the Joint Programme set out in the Joint Programme Document shall be subject to mutual agreement in writing between the Participating UN Organisations and the Managing Agent, following approval of the Joint Programme Steering Committee.
3. Where the Managing Agent wishes to support the implementation 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 Participating UN Organisation shall be responsible for doing so.

Article IV
Reporting

1. The Managing Agent shall provide the Joint Programme Steering Committee, which would include each of the participating UN organizations and contributing donors, with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to it, as set forth in the Joint Programme Document:
 - (a) Narrative progress reports for each twelve-month period, to be provided no later than **six (6) months** after the end of the applicable reporting period;⁵
 - (b) Interim, locally-produced, annual financial reports as of 31 December each year with respect to the Joint Programme Account, to be provided no later than **six (6) months** after the end of the applicable reporting period;⁶
 - (c) A final narrative report and uncertified financial report, to be provided no later than **three (3) months** after the completion of the Joint Programme (in the case of the final report) and **six (6) months** after the completion of the Joint Programme (in the case of the interim report).

⁵ The MA should insert the periods for issuance of the reports set forth in this Article IV, consistent with its usual reporting requirements.

⁶ The reports specified in Article IV (1)(b) and (c) are interim reports and are not certified. They are to be completed by the country or regional office, as appropriate.

(6)months after the last 31 December during which funds disbursed from the Joint Programme Account;

(d) A final certified financial statement, to be provided **six (6) months after the last 31 December during which funds disbursed from the Joint Programme Account**

2. Apart from the reports set further above, no other reports will be provided by the Managing Agent to the Participating UN Organisations or to the other contributors (if any) to the Joint Programme Account.

Article V

Other Contributors to Support the Joint Programme

1. The Participating UN Organisations (including the Managing Agent in its capacity as a Participating UN Organisation) may solicit government donors and others, including private sector donors, for cash contributions to support the cost of the Joint Programme. The Participating UN Organisations shall regularly consult about their fundraising strategy for the Joint Programme

2. Donors would normally be expected to contribute to the Joint Programme through the Managing Agent. In cases where donor contributions to a participating UN organization are used for the Joint Programme, the agreement between the participating UN organization and the donor would govern the said contribution. The Managing Agent would inform the Participating UN Organisations of any such contributions through the Joint Programme Steering Committee.

Article VI

Evaluation

Evaluation of the Joint Programme shall be undertaken exclusively in accordance with the provisions contained in the Joint Programme Document.

Article VII

Communication

Upon consultation with the Participating UN Organisations, the Managing Agent shall take appropriate measures to publicize the Joint Programme as a joint programme of all the Participating UN Organisations. Information given to the press, to the beneficiaries of the Joint Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the Managing Agent and all Participating UN Organizations, and the other contributors (if any) to the Joint Programme Account.

Article VIII

Expiration, modification and termination of the Agreement

1. This Memorandum of Understanding shall expire upon completion of the Joint 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 Parties.

3. Any of the Participating UN Organisations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other parties to this Memorandum of Understanding that it has given notice, in accordance with the Joint Programme Document, of its withdrawal from the Joint Programme. In the event of any such withdrawal, and consistent with paragraph 5 below, it is understood that the withdrawing Participating UN Organisation shall continue to be responsible for obligations already entered into, prior to its withdrawal, under this Memorandum of Understanding. Therefore, such withdrawing Participating UN Organisation shall only be eligible for a refund on contributions provided hereunder which have not yet been committed and/or disbursed.

4. The Managing Agent's appointment may be terminated by the Managing Agent (on the one hand) or by the mutual agreement of all Participating UN Organisations (on the other) 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 Parties under this Memorandum of Understanding shall survive the expiration or termination of this Memorandum of Understanding to the extent necessary to permit the orderly conclusion of the Joint Programme 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 Joint Programme Account shall be used for a purpose mutually agreed upon by the Participating UN Organisations, the Managing Agent, the additional donors to the Joint Programme Account, and the Joint Programme Steering Committee.

Article IX Notices

1. Any action required or permitted to be taken under this Memorandum of Understanding may be taken on behalf of the Managing Agent by **Dr Charlotte N Gardiner**, or his or her designated representative and on behalf of a Participating UN Organisation by the head of office in **ERITREA**, 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 X
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.

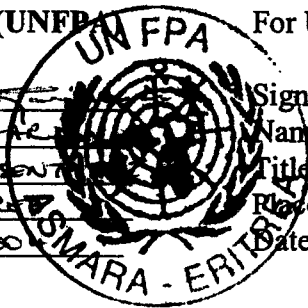
Article XI
Settlement of disputes

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 Organisations and of the Managing Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Parties, have signed this Memorandum of Understanding in the English in two (2) copies.

For the Managing Agent (UNFPA) For UNICEF

Signature: <u>[Handwritten Signature]</u>	Signature: <u>[Handwritten Signature]</u>
Name: <u>CHARLOTTE N. GARRETT</u>	Name: <u>CHRISTIAN WILHELM BLESSEN</u>
Title: <u>RESIDENT REPRESENTATIVE</u>	Title: <u>RSP</u>
Place: <u>ASMARA, ERITREA</u>	Place: <u>Asmara</u>
Date: <u>26 April 2004</u>	Date: <u>26 April 2004</u>



For _____

For _____

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

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

ANNEX A: Joint Programme Document Extract – Budget [and Disbursement Plan]

ANNEX B: Schedule of payments in compliance with UNFPA Guidelines-quarterly, based on the workplan and requests from the counterparts

ANNEX C

NOTICES

For the Managing Agent: **UNFPA**

Name: Dr Charlotte N Gardiner
Title: UNFPA Resident Representative
Address: P.O. Box 5366, Asmara, Eritrea
Telephone: 15 –18 - 52
Facsimile: 15 – 16 - 48
Electronic mail: gardiner@unfpa.org

For **UNICEF**

Name: Mr Christian Balsev-Olesen
Title: UNICEF Representative
Address: Sabour Printing Press Complex, PO Box 2004, Asmara, Eritrea
Telephone: 291-1-15-11-99
Facsimile: 291-1- 15-13-50
Electronic mail: obchristian@unicef.org

For YYY: