

**Memorandum of Understanding
between
the United Nations
and
the United Nations Development Programme
regarding the Operational Aspects of the Peace Building Fund**

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

WHEREAS, the General Assembly of the United Nations has requested the Secretary-General in its resolution 60/180 of 30 December 2005, to establish a multi-year standing Peacebuilding Fund (PBF) to support post-conflict peacebuilding activities, which has been endorsed by the General Assembly in resolution A/60/287 of 21 September 2006 on "The Peacebuilding Fund";

WHEREAS, under the revised Terms of Reference ("TOR") for the PBF (or "Fund") contained in the Secretary-General's report A/63/818 of 13 April 2009 on "Arrangements for the revision of the terms of reference for the Peacebuilding Fund," attached hereto as ANNEX A, and incorporated herein by reference into this MOU, UNDP's MPTF Office has been requested to continue to serve as the PBF Administrative Agent, responsible for the administration of the Fund, under the overall direction and guidance of the head of the Peacebuilding Support Office (PBSO);

WHEREAS, UNDP is willing and able to continue to administer the PBF in accordance with this MOU and the TOR for the PBF;

WHEREAS, the United Nations will also participate in the PBF as a Recipient Organization, under a separate agreement;

WHEREAS, UNDP can also participate in the Fund as a Recipient Organization, under a separate agreement, which role is separate and distinct from the MPTF Office functions related to the Fund; and

WHEREAS, relevant United Nations System Organizations signing the standard MOU attached hereto as ANNEX C, and Non-UN Organizations (NUNOs) signing a Financing Agreement attached hereto as ANNEX D, and National Programme Governments signing a Memorandum of Agreement attached hereto as ANNEX E and Multi-lateral Development Banks signing an Administration Agreement attached hereto as ANNEX F, will participate in the Fund as Recipient Organizations in accordance with paragraph 3.7 of the revised TOR for the PBF in Annex A;

WHEREAS, the Head of the Peacebuilding Support Office may request that funding from the Fund for the financing of projects or programmes in a country, shall be made

available to the Recipient Organizations through the account of a country based Multi-Partner Trust Fund administered by the Administrative Agent. Such funding shall be made available, following approval of funding allocations from the Fund to the country in accordance with the TORs;

NOW, THEREFORE, the Participants agree as follows:

Section I
The Roles of PBSO and the Administrative Agent

Responsibilities of the PBSO

1. The PBSO is responsible for managing the Peacebuilding Fund in accordance with the TOR in Annex A. Its responsibilities with respect to the PBF are as follows:

a. Submit recommendations to the Secretary-General for determining which countries are considered eligible for support from the PBF;

b. Review, in consultation with the Senior Peacebuilding Group, or delegated body, the Priority Plan and related budget estimates developed by national authorities and the United Nations in eligible countries and submitted by the Senior UN Representative, ensuring that a results-based Monitoring and Evaluation is in place;

c. Determine overall funding portfolio for the country for Peacebuilding and Recovery Facility (PRF) allocations and advise the Administrative Agent, after which the management of the country-level programme is delegated to the country-level Joint Steering Committee (hereinafter referred to as JSC), including the review and approval of project activities;

d. Authorize disbursements to Recipient Organizations by the Administrative Agent for projects approved under the Immediate Response Facility (IRF) in accordance with paragraph 3.3 of the TOR in Annex A;

e. Deliver periodic briefings to Member States, the Peacebuilding Commission, Donors and other stakeholders on activities financed by the PBF; and

f. Submit an annual report on PBF activities to the Secretary-General for submission to the General Assembly on the basis of the consolidated annual narrative and financial progress report received from the Administrative Agent.

2. PBSO may request any of the Recipient Organizations, to perform additional tasks in support of the Fund's operations at global and country levels that are not related to the Administrative Agent functions detailed in Section I, Paragraph 5 below and subject to the availability of funds. Costs for such tasks will be agreed in advance and with the approval of PBSO be charged to the Fund as direct costs.

3. The independent Advisory Group appointed by the Secretary-General will provide advice and oversight on the speed and appropriateness of the PBF allocations and will also examine performance of the PBF and financial reports provided by the Recipient Organizations and consolidated by the Administrative Agent.

Responsibilities of the Administrative Agent

4. The United Nations hereby appoints the MPTFO (hereinafter referred to as the “Administrative Agent”) to serve as their Administrative Agent in connection with the Fund, in accordance with the terms and conditions set out in this Memorandum of Understanding. The Administrative Agent accepts this appointment on the understanding that the Recipient Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. This appointment will continue until it expires, or is terminated, in accordance with Section VIII below.

5. The Administrative Agent will be accountable for effective and impartial fiduciary management and financial reporting, and on behalf of United Nations, the Administrative Agent will:

- a) Receive contributions from donors that wish to provide financial support to the Fund;
- b) Administer such funds received, in accordance with this Memorandum of Understanding and the Administrative Arrangement (as defined below in paragraph 7 of this Section) including the provisions relating to winding up the Fund Account and related matters;
- c) Conclude a standard Memorandum of Understanding with each Recipient UN Organization wishing to support the implementation of activities for which they will receive funds from the Fund, incorporating this Memorandum of Understanding and the Terms of Reference;
- d) Conclude a project agreement¹ with each Non-UN Organizations (NUNO), National Programme Country, or Multi-lateral Development Bank wishing to support the implementation of activities for which they will receive funds from the Fund, incorporating this Memorandum of Understanding and the Terms of Reference, and declared eligible by the PBSO and the Administrative Agent under the conditions that they follow the reporting and audit principles prescribed by the United Nations, following an accreditation process²;
- e) Subject to availability of funds, disburse such funds to each of the Recipient Organizations in accordance with decisions from the head of PBSO or the

¹ Non-UN Organizations (NUNOs) signing a Financing Agreement attached hereto as ANNEX D, and National Programme Governments signing a Memorandum of Agreement attached hereto as ANNEX E and Multi-lateral Development Banks signing an Administration Agreement attached hereto as ANNEX F

² As further described in the PBF guidelines

relevant PBF JSC PBSO³, taking into account the budget set out in the approved programmatic document⁴.

(f) 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 Fund and to the PBSO;

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

h) Disburse funds to any Recipient Organization for any additional costs of the tasks that the PBSO may decide to allocate (as referred to in Section I, paragraph 3 below) in accordance with the TOR.

6. 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 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 (www.mptf.undp.org), as well as the website of the PBSO (www.unpbf.org), as appropriate.

7. The United Nations 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 the United Nations, the resulting responsibility will be apportioned among them/the Participants? 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 Memorandum of Understanding.

8. 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.

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

³ As described in the PBF TOR and subsequent PBF Guidelines, instructions from the head of PBSO are required under the Immediate Response Facility (IRF), while instructions from the country level Joint Steering Committee is required under the Peacebuilding and Recovery Facility (PRF).

⁴ As used in this document, an approved programmatic document refers to an annual work plan or a programme/project document, etc., which is approved by the PBSO for fund allocation purposes.

10. The Administrative Agent will be entitled to charge to the 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 United Nations agrees to extend the Fund beyond the End Date with no further contribution(s) to the Fund.

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 the Administrative Arrangement (hereinafter referred to as the “Fund Account”). 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 decisions from the head of PBSO or the relevant PBF Joint Steering Committee⁵, 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 head of PBSO or the relevant PBF Joint Steering Committee, in line with the TOR, along with a copy of the relevant approved programmatic document, signed by all the parties concerned. 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 pursuant to the relevant agreement between the AA and Recipient Organizations. 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 MPTFO in respect of the PBF pursuant to the relevant agreement between the AA and the Recipient Organization.

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

⁵ As described in the PBF TOR and subsequent PBF Guidelines, instructions from the head of PBSO are required under the Immediate Response Facility (IRF), while instructions from the country level Joint Steering Committee is required under the Peacebuilding and Recovery Facility (PRF).

head of PBSO and make a disbursement, if any, in accordance with the head of PBSO's decisions.

Section III **Activities of the Recipient Organizations**

1. Recipient UN Organizations that have concluded the Memorandum of Understanding as set forth in ANNEX C will be responsible for the implementation of the programmatic activities described in the approved programmatic document, and each UN 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.
2. NUNOs that have concluded a Financing Agreement with the AA as set forth in ANNEX D will have access to the 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 United Nations.
3. National Programme Countries that have concluded a Memorandum of Agreement with the AA as set forth in ANNEX E will have access to the Fund. Each National Programme Country 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 United Nations.
4. Multi-lateral Development Banks that have concluded a Standard Administration Agreement with the AA as set forth in ANNEX F will have access to the Fund. Each Multi-lateral Development Bank 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 United Nations.

Section IV **Reporting**

1. The Administrative Agent will provide the head of PBSO and Donors with the following 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 Fund as of 31 December, to be provided no later than 31 May after the end of the calendar year; and
 - (c) Consolidated Final Financial Report, after the completion of all project activities financed from the Fund and including the final year of the project activities, to be provided no later than 31 May of the year after the end of the calendar year in which the financial closing of the Fund occurs.
2. The PBSO will provide the Donors with the following reports, based on submissions provided to the PBSO by each Recipient Organization:
 - (a) Annual consolidated narrative progress reports, based on annual narrative progress reports received from Recipient Organizations, to be provided no later than five months (31 May) after the end of the calendar year;
 - (b) Final consolidated narrative report, based on final narrative reports received from Recipient Organizations after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) after the end of the calendar year in which the operational closure of the Fund occurs. The final consolidated narrative report will contain a summary of the results and achievements compared to the goals and objectives of the Fund.
3. The Administrative Agent will also provide the PBSO and Donors, with the following statements 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 Fund occurs.
4. Consolidated reports and related documents will be posted online on the Fund webpage on the MPTF Office GATEWAY.

Section V
Monitoring and Evaluation

Monitoring

1. Monitoring of the Fund will be undertaken in accordance with the TOR. The Participants and the donor(s) will hold consultations at least annually, as appropriate, to review the status of the Fund. In addition, the Participants and the donor(s) will discuss any substantive revisions to the 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. Evaluation of the Fund including, as necessary and appropriate, joint evaluation by the Participants, the donor(s), and other partners will be undertaken in accordance with the TOR.

3. The PBF Advisory Group or the head of the PBSO will recommend a joint evaluation if there is a need for a broad assessment of results at the level of the Fund or at the level of an outcome within the Fund. The joint evaluation report will be posted on the website of the UN (www.unpbf.org) and the Administrative Agent (www.mptf.undp.org).

4. In addition, the Participants recognize that the donor(s) may, separately or jointly with other partners, take the initiative to evaluate or review their cooperation with the Administrative Agent, the PBSO and the Recipient Organizations with a view to determining whether results are being or have been achieved and whether contributions have been used for their intended purposes. The Participants 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 Participants and the Recipient Organizations 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 Participants and the Recipient Organizations that such evaluation or review will not constitute a financial, compliance or other audit of the Fund including any programmes, projects or activities funded under the Standard Memorandum of Understanding with the Recipient Organizations.

Section VI
Audit

External and Internal Audit

1. The activities of the Administrative Agent, each Recipient UN Organization and each Multi-lateral Development Bank, in relation to the Fund will be exclusively audited by their respective internal and external auditors in accordance with their own financial

regulations and rules or equivalent. The corresponding external and internal audit reports will be disclosed publicly unless the relevant policies and procedures of each of the relevant Recipient Organizations and the Administrative Agent provide otherwise. The audits undertaken in Organizations other than those mentioned above, as well as in National Programme Governments, 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 Participants and Recipient UN Organizations involved in the 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 Fund. In doing so, the Internal Audit Services of the Participants and Recipient UN Organizations will consult with the PBSO.

Cost of Internal Audits

3. The total costs of internal audit activities in relation to the Fund will be borne by the 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 Fund 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 Participants and the Recipient Organizations, each Participant will take appropriate measures to publicize the Fund and to give due credit to the other Participant and Recipient Organizations. Information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will highlight the results achieved and acknowledge the role of the Host Government, the donors, the Recipient Organizations, the Participants and any other relevant entities. In particular, the Participants will include and ensure due recognition of the role of each Recipient Organization and national partner in all external communications relating to the Fund.

2. The Participants in consultation with the Recipient Organizations will ensure that decisions regarding the review and approval of the Fund as well as periodic reports on the progress of implementation of the Fund are posted, where appropriate, for public information on the websites of the PBSO (www.unpbf.org) and the Administrative Agent

(www.mptf.undp.org). Such reports and documents may include PBF approved programmes and programmes awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.

3. The Participants and the Recipient Organizations are committed to principles of transparency with regard to the implementation of the Fund, consistent with their respective regulations, rules, policies and procedures. The donors, the Participants, Recipient Organization and the Host Government, if applicable, shall consult prior to publication or release of information regarded as sensitive.

Section VIII **Expiration, Modification, Termination and Unspent Balances**

1. This Memorandum of Understanding will expire upon the delivery to the donor(s) of the certified final financial statement pursuant to Section IV, paragraph 3 (b).

2. This Memorandum of Understanding may be modified only by written agreement between the Participants.

3. Either of the Participants may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to the other Participant to 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 United Nations (on the other hand) on thirty (30) days' written notice to the other Participant, 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 Participant under this Memorandum of Understanding will survive the termination of this Memorandum of Understanding or the termination of the Administrative Agent or withdrawal of the United Nations 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 AA and Recipient Organizations hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers.

6. 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 Fund Account as soon as administratively feasible and before financial closure of those activities. Any balance remaining in the Fund Account upon completion of the Fund will be used for a purpose mutually agreed upon or returned to the donor(s) in proportion to their contribution to the Fund as decided upon by the donor(s) and the PBSO.

Section IX
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, or his or her designated representative and on behalf of the United Nations by the head of PBSO, 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 Participant to which it is required to be given or made, at such Participant's address specified in ANNEX G to this Memorandum of Understanding or at such other address as the Participant will have specified in writing to the Participant giving such notice or making such request.

Section X
Entry into Effect

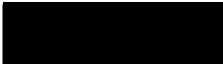
This Memorandum of Understanding will come into effect upon signature thereof by the Participants and will continue in effect until it expires or is terminated.

Section XI
Settlement of Disputes

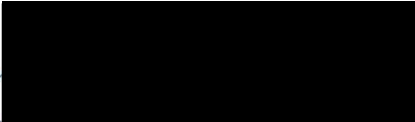
The Participants will use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either 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 Administrator of UNDP (for UNDP) and the Assistant-Secretary-General for Peacebuilding (for the UN), failing which the matter should be referred for final resolution to the Secretary-General of the United Nations.

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

For the Administrative Agent

Signature: 
Name: Jennifer Topping
Title: Executive Coordinator, MPTFO
Place: New York
Date: 15 December 2016

For the United Nations

Signature: 
Name: Oscar Fernandez-Taranco
Title: Assistant Secretary General for Peacebuilding
Place: N.Y.
Date: 15 Dec 2016

ANNEX A:
TOR

ANNEX B:
Standard Administrative Arrangement between the Donor and the Administrative Agent

ANNEX C:
Standard Memorandum of Understanding between the Administrative Agent and the Recipient UN Organizations

ANNEX D: NUNO Financing Agreement with Non UN Organizations

ANNEX E: Memorandum of Agreement with National Programme Governments

ANNEX F: Administration Agreement with Multi-Development Banks

ANNEX G
Notices

For the Administrative Agent:

Name: Jennifer Topping
Title: Executive Coordinator, MPTF Office
Address: 304 East 45th Street, 11th Floor, New York, NY 10017, USA
Telephone: +1 212 906 6880
Email: Jennifer.topping@undp.org

For the United Nations

Name: Oscar Fernandez-Taranco
Title: Assistant Secretary General for Peacebuilding
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