

**Memorandum of Understanding
between
The United Nations Development Programme
and
The ChevronTexaco Corporation**

**Article I.
Purpose**

This Memorandum of Understanding (MOU) is entered into by the United Nations Development Programme (UNDP), a subsidiary organ of the United Nations, and ChevronTexaco Corporation, incorporated under the laws of the State of California, United States of America, (Parties) for the purpose of supporting private sector development and productive capacity building in Angola.

The purpose of this MOU is to provide a framework for cooperation in the establishment of an Angola Enterprise Fund (AEF) in Luanda, Angola, set up initially as a UNDP managed project, with an aim to improve access to financial and non-financial business development services for micro, small and medium size enterprises in Angola. The AEF will provide vocational training, small business incubation and development services and facilitate access to financing to micro and small enterprises throughout the country. The overall objective is to support private sector development, job creation and sustainable reduction of poverty in Angola.

The demand for support services for micro, small and medium size enterprises in Angola was identified by UNDP through its study "Promoting the Urban Micro-Enterprise Sector in Angola" (Luanda, May 2002). This study provided the basis for the formulation of a UNDP project aimed at establishing the AEF, consistent with the United Nations Country Cooperation Framework for Angola.

The parties specifically acknowledge that this MOU does not constitute a legally binding financial commitment in connection with the program by either party.

**Article II.
Areas of Cooperation**

2.1 The Parties will collaborate closely with the Government of Angola in the establishment of the AEF as a public-private partnership. ChevronTexaco Corporation will undertake to commit up to \$5 million towards the establishment, management and operation of the AEF with the intent to mobilize additional funding from other private donors towards the initial target of \$10 million for the establishment, management and operation of AEF. UNDP will make efforts to commit a target contribution of \$1 million towards the establishment of the AEF.

2.2 The Parties shall undertake efforts to mobilize additional funding for the AEF from other sources. Such active fundraising efforts by the Parties will involve the solicitation of monetary as well as in-kind contributions and will involve a multifaceted approach. Such

fundraising shall take place in accordance with each organization's internal regulations, rules, policies and procedures. The manner and form of such fundraising shall also be agreed among the Parties.

2.3 The Parties shall also cooperate in the governance of the AEF. It is proposed that three bodies shall be established: a Partnership Board, and, at the field level, a Management Committee and an Advisory Panel.

Partnership Board

The Partnership Board shall serve as a Partners forum for the AEF. Its members will comprise representatives of ChevronTexaco and UNDP and other major additional partners as may be identified and agreed upon by the Board on the basis of membership criteria to be determined. The Partnership Board will meet according to a schedule to be agreed on by the Board to review information provided by the AEF Management Committee on the substantive implementation of the agreed programme of activities of the AEF and related financial documentation. It will also provide advice and guidance as appropriate on the expansion or reorientation of the programme, should additional resources be provided by the Parties or by new Partners who agree to fund the AEF programme and join the Partnership Board.

Management Committee

A Management Committee for the AEF will be established in Luanda, Angola. Members of the Management Committee will include representatives of the Angola Government, UNDP, ChevronTexaco Corporation, and other representatives to be determined. The Management Committee will formulate a Charter and appropriate rules of procedure for the AEF and, subsequently, provide oversight and overall managerial guidance for the AEF. It will ensure that the activities of the AEF are in accordance with the agreed objectives and fund allocations outlined in the UNDP project document governing the establishment of the AEF. The Management Committee will, as noted above, provide regular information to the Partnership Board on the management and operation of the AEF and related financial documentation for its review and recommendations.

Advisory Panel

The Management Committee will also establish an Advisory Panel comprised of representatives of the Government of Angola, Angola private sector enterprises and civil society. The Panel shall offer its advice to the Management Committee with a view to ensuring that the programme of activities of the AEF is conducted in full transparency and benefits from the input and insight of a wide variety of Angolan stakeholders.

2.4 The AEF will support private sector development and productive capacity building in Angola. Its main objective will be to strengthen the provision of assistance to enterprises and entrepreneurs in Angola through services in the following areas:

- (i) **Vocational Training:** Increase the access of entrepreneurs and employees to skills and vocational training
- (ii) **Business Incubator Facilities:** Offering support for establishment of enterprises with high potential for growth and job creation

- (iii) **Small Business Development Services:** Improve access of small entrepreneurs to non-financial business development services
- (iv) **Finance for Micro and Small Enterprises:** Increase long-term access of micro and small enterprises to financial services.

2.5 The Parties agree that the aim for the establishment of the AEF as a public-private partnership is to ensure the sustainability of the institution beyond the end of the five-year UNDP programme. The Parties also agree to explore possibilities for expanding support by the AEF to capacity building in the education and health sectors, among other areas.

Article III Implementation of the MOU

3.1 In order to implement the specific activities envisioned hereunder, UNDP undertakes to develop a project for the establishment of the Angola Enterprise Fund. In accordance with UNDP regulations, rules and procedures, UNDP shall charge a 5 per cent administrative fee to funds received for the project establishing the AEF.

3.2 The parties agree to establish a working group to define the specific content of the AEF components and to elaborate the corresponding project document and related specific implementing documents in accordance with this MOU. UNDP understands that ChevronTexaco may assign another wholly owned company to sign implementing documents.

3.3 Parties agree to rely exclusively on the auditing, monitoring and reporting procedures laid down in applicable UNDP rules and regulations. UNDP agrees to share with the other donors, upon request, relevant financial and substantive information concerning the projects supported by the donors, in accordance with UNDP policies and procedures, including regarding the disclosure of information, in order to assist donors in fulfilling their fiduciary obligations with respect to funds each donor has contributed.

3.4 Neither Party shall be an agent or representative of the other Party. Neither Party shall enter into any contract or commitment on behalf of the other Party.

Article IV Use of Name and Emblem

4.1 Parties will work together to establish a programme of publicity to ensure the appropriate recognition of the donor(s). All such promotional materials and activities shall be approved by each of the partners.

4.2 No party shall use the name or emblem of any of the other Parties, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of the concerned Party in each case. In no event will authorization of the UNDP name or emblem, or any abbreviation thereof, be granted for commercial purposes, or for use in any manner that suggests an endorsement by UNDP of the other Parties' products or services.

4.3 ChevronTexaco acknowledges that it is familiar with the ideals and objectives of the United Nations and UNDP and recognizes that its name and emblem may not be associated with any political or sectarian cause or otherwise be used in a manner inconsistent with the status, reputation, and neutrality of the United Nations and UNDP.

Article V

Duration, Termination, Modification

5.1 This MOU shall be in force for a period of five (5) years from the date of execution of this MOU by the Parties and may be extended for additional periods by mutual written agreement of the Parties.

5.2 This MOU may be terminated by any one of the Parties upon sixty (60) days written notice to the other Parties. Upon such termination, the activities envisioned hereunder shall be brought to a prompt and orderly conclusion. The Parties will agree on the disposition of any remaining funds in the UNDP account relating to the Project.

5.3 This MOU may be amended by mutual agreement of the Parties reflected in writing. Inclusion of any new AEF Partners will be reflected in an amendment to this MOU.

The undersigned Parties have agreed:

ChevronTexaco Corporation:

By: 

David J. O'Reilly
Chief Executive Officer
ChevronTexaco Corporation

Date: 28 Nov, 2002

United Nations Development Programme:

By: 

Sirkka Korpela
Director
Division for Business Partnerships
Bureau for Resources and Strategic
Partnerships, UNDP

Date: Nov 25, 2002