



7 February 2023

NOTE TO FILE

Alignment and Harmonization of funding and activities implementation between Mozambique Recovery Facility (MRF) and Stabilisation Programme in Cabo Delgado

This note to file seeks to clarify the use of MRF funds to kickstart activities of the Stabilisation Programme and confirm the official decision to ensure better clarity and harmonization of activities being implemented by the two programmes in the Cabo Delgado Province.

During late 2021 the UNDP Mozambique Management decided to fund the activities prioritized by the Stabilization Programme from the MRF funds. This was due to the limited funding mobilized (mainly from UNDP), available for the Stabilization Programme. In this context, during 2022 in addition to the specific activities planned under MRF, the underlisted commitments were also made;

- A total of USD 4 million from EU fund was allocated to the rehabilitation activities prioritized by the UNDP Stabilization Programme in various districts of Cabo Delgado. Thus, the public infrastructure rehabilitation activities as listed in annex one of this memo with a total of USD 1.8 million were initiated in the target districts of Cabo Delgado.
- Re-allocation of USD 1,500,000 fund of the Rapid Finance Facility (RFF) mobilized for Promoting Renewable Energy for Resilient Recovery under MRF.
- Re-allocation of USD 660,000 fund of the UNDP Funding Window for Sustainable Development and Poverty Eradication Fund (SDPE) for inclusive planning for the vulnerable people.

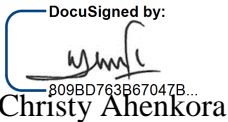
The internal audit and the management mission from HQ considered such arrangements between the two projects as inappropriate and advised the CO to take necessary corrective actions. In this context, the CO management, with support from the programme managers of the two programmes, reviewed the context, consulted the partners both at Maputo and Cabo Delgado levels and advise the following decisions.

1. The rehabilitation of damaged public infrastructures is among the top priorities of the local government and critical for providing basic services to the communities affected by natural disasters as well as the conflict.
2. The rehabilitation of these infrastructures played an important role in positioning UNDP as an important active player responding to the critical needs during the disasters which affected Mozambique, which enhanced the confidence of the donors and enabled UNDP to mobilize resources notably from EU, Japan, and the Netherlands for the Stabilisation Programme.
3. Though interventions of rehabilitation of infrastructures and livelihoods played a key role in promoting Stabilization in Cabo Delgado, it was agreed that these activities must only be reported as MRF activities in all forms of reporting (donor reports, briefs, social media etc.)
4. The MRF has the full ownership of these activities, and all the normal visibility rules of the programme applies to all these initiatives.

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5. The current Pemba based staff paid by MRF will be fully transferred to the Stabilization Programme and MRF will recruit new staff who will be fully dedicated to MRF activities and will directly report to the MRF programme coordinator.
6. Since the engineering team of the Stabilization Programme is fully involved in the ongoing reconstruction activities, it is necessary that these engineers continue technical monitoring of the activities. In this regard the MRF will fund the cost of one Stabilisation Engineer who will regularly report to the MRF team in Beira. The engineering team from Beira will increase monitoring visits to enhance support to the Pemba engineering team.
7. MRF will not carry-out any new rehabilitation activity in the Stabilization programme target districts, effective January 2023. This means that only those activities that were contracted during the year 2022 in Stabilization programme target areas will be carried out as MRF activities. Any additional cost or variation order of the ongoing reconstruction activities will be covered by the MRF.
8. Exception applies to the Macomia Clinic which was specifically funded under the South South Cooperation Fund from India. This project was approved before 2022, but experienced delays due to the procurement process. Therefore, this will be the only MRF funded reconstruction project starting in 2023.

This note to file confirms the official decision to ensure better clarity and harmonization of the activities being implemented by the two programmes (MRF and Stabilization) in Cabo Delgado Province.

Signed: 
Christy Ahenkora
Deputy Resident Representative ai



Annex – I – List of the ongoing reconstruction projects funded under MRF

Project ID	Fund CODEs Allocated	Account Code Used	PO No.	Contractor Name	Description	PO Approval Date	PO Due Date	Actuals as at 18th Dec22		COMMENTS
								Value USD (PO ed) / Committed Contracts	Payments made/Vouchered (USD amounts)	
117637	EU - MRF 30079	72401	17319	MAC CONSTRUÇOES LDA	Quissanga Police station/ Additional Works	3/28/2022	4/30/2022	\$ 26,928.52	\$ 26,928.52	Completed & Paid (Voucher 84247 & 85054)
117637	EU - MRF 30079	72401	17344	Everest Construcoes	MACOMIA REGISTRATION BUILDING - Lot #2	3/2/2022	3/31/2022	\$ 29,174.30	\$ 29,174.30	Completed & Paid (Voucher 84330 & 84190)
117637	EU - MRF 30079	72401	17345	BRITA - ENGENHARIA E CONSTRUCAO U LDA	MACOMIA INFRASTRUCTURE BUILDING - Lot #1 RFQ-58	2/14/2022	2/28/2022	\$ 24,782.64	\$ 24,782.64	Completed & paid (Voucher 84225)
117637	EU - MRF 30079	72401	17351	ESPLENDOR ENGINEERING AND CONSTRUCTION	MACOMIA POLICE STATION RFQ 62	2/17/2022	2/28/2022	\$ 52,910.22	\$ 52,910.22	Completed & paid (Voucher 84243 & 85187)
117637	EU - MRF 30080	72401	17326	DALLAS CONSULTING GROUP LIMITADA	Water System Assessment - Quissanga by Dallas Consulting Group	4/19/2022	6/7/2022	\$ 67,452.53	\$ 67,414.20	Completed & Paid (Vchr #00086229; #00085179; 00086992; 87786)
117637	EU - MRF 30079	72401	17316	AISSA CONSTRUÇOES	MACOMIA RADIO BUILDING-CABO DELGADO	1/28/2022	7/28/2022	\$ 69,442.73	\$ 49,353.23	Partially Paid (Vchrs #00086797; 86194 & 87560)
117637	EU - MRF 30079	72401	17323	ESPLENDOR ENGINEERING AND CONSTRUCTION	EPC SEDE PRIMARY SCHOOL – Location 2- Amount for this Contract= 98,639.94 USD - Lot #2	2/2/2022	7/28/2022	\$ 98,639.94	\$ 59,044.00	Partially Paid (Vchrs #00086161 & 00086925)
117637	EU - MRF 30079	72401	17352	SANLO MOCAMBIQUE LDA	Quissanga ITB - SANLO (Mauro)	3/21/2022	6/30/2022	\$ 527,471.41	\$ 411,186.00	Partially Paid (Vchrs #00085081; #00085081 & #00087378) \$81,006.93 has been submitted through Quantum
117637	EU - MRF 30079	72401	17438	BRITA - ENGENHARIA E CONSTRUCAO U LDA	Health Porch - Napuda - Brita Construction Lda	5/31/2022	5/16/2022	\$ 89,227.12	\$ 80,829.11	Partially Paid (Vchrs #00086422; 00086107; 00087009 & 88112)
117637	EU - MRF 30079	72401	17322	ORATHA CONSTRUÇOES LIMITADA	EPC SEDE PRIMARY SCHOOL – Location 1- Amount for this Contract= 104,917.13 USD - Lot #1	2/2/2022	8/31/2022	\$ 104,917.13	\$ 8,285.15	Partially paid (Voucher 87542)
117637	EU - MRF 30079	72402	17558	LOPES CONSTRUÇOES	Construction of 3 Classrooms in Macomia - RFQ/MOZ10/2022/XXX- Xinavani School	9/19/2022	9/19/2022	\$ 83,980.86	\$ 51,727.19	Partially paid (Vchr #00087376; 87982) \$18,741.62 submitted through Quantum
117637	EU - MRF 30079	72401	17559	CONSTRUÇOES MONTECOL MOCIN MANSUR	Nangade Airstrip Rehabilitation	9/19/2022	9/30/2022	\$ 148,372.65		Not yet Received or Paid
117637	EU - MRF 30079	71405	17601	Mac CONSTRUÇOES LDA	Mocimboa da Praia Meeting room	10/26/2022		\$ 43,886.64	\$ 21,755.76	Partially paid in March 2023 thru Quantum, Invoice #000138
117637	EU - MRF 30079		17653	Mac CONSTRUÇOES LDA	Macomia Attorney Building	11/30/2022		\$ 112,054.00	\$ 22,410.80	Partially Paid (Voucher 88113)
117637	EU - MRF 30079		17662	VS SERVICOS SOC UNIPessoal, LDA	PO related to LTA for furniture supply in Cabo Delgado for 12 months	12/05/2022		\$ 60,381.09		Not yet Received or Paid
117637	EU - MRF 30079		17663	GPS GLOBAL PROCUREMENT SOLUTION LDA	PO related to LTA for furniture supply in Cabo Delgado for 12 months	12/05/2022		\$ 45,566.94		Not yet Received or Paid
117637	EU - MRF 30079		17682	XIAN SIWAY SCIENTIFIC INSTRUMENT CO LTD	PO related to LTA for furniture supply in Cabo Delgado for 12 months	12/15/2022		\$ 119,962.29		Not yet Received or Paid
117637	EU - MRF 30079							1,705,151.01	905,801.15	Expended Amount/Vouchered
								119,360.57		
								1,824,511.58	799,349.86	Amount still to be Liquidated from I
EU total Funds given to be spent in Cabo Delgado								4,000,000.00		