

LETTER OF UNDERSTANDING
Between
Imbuto Foundation,
(Hereinafter referred to as the ‘implementing partner’)
and
The One UN Rwanda
(UNICEF, UNDP, UN WOMEN, UNAIDS, WHO and UNFPA)

for the implementation of the Joint Intervention on “Supporting Development in Education and Health for Communities, Families and Vulnerable Adolescents and Youth.” (hereinafter referred to as the ‘Joint Intervention’)

I. PREAMBLE

1. Reference is made to the United Nations Development Assistance Plan (UNDAP) 2013-2018 signed between the Government of Rwanda and the One in UN Rwanda in July 2013. The purpose of the Letter of Understanding is to record the agreement of the implementing partner and the One UN Rwanda on the activities to be carried out, on the responsible partner institutions, timeframes and planned inputs from the various involved parties, on modalities to request cash disbursement, supplies or services from the One UN Rwanda, and how to adhere to the following funding, accounting, reporting and auditing procedures.
2. This Letter of Understanding shall, upon signature of the parties concerned, become the implementation part of the UNDAP as set forth in its relevant sections, notwithstanding the relevant provisions of any other agreement entered into between the Government of Rwanda and the One UN Rwanda.
3. This Letter of Understanding details the implementation modalities for the Joint Intervention on **“Supporting Development in Education and Health for Communities, Families and Vulnerable Adolescents and Youth.”** (hereinafter referred to as the ‘Joint Intervention’) and will be signed between Imbuto Foundation and the One UN, represented by the UN Resident Coordinator and the Participating UN Agencies, i.e. **UNICEF, UNDP, UN WOMEN, UNAIDS, WHO and UNFPA**
4. Under this Joint Intervention, UNFPA has been appointed as Managing Agent, meaning it will bear responsibility for disbursement of resources from the One UN Fund and give administrative and financial support to Imbuto Foundation for the implementation of the Joint Intervention. However, technical and programmatic



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management of the Joint Intervention remains a shared responsibility between all the UN agencies involved and specific UN agencies identified as leading on specific technical components of the programme – as outlined in the Logical Framework and budget of the Joint Intervention Document – will have the responsibility of supporting the Implementing Partner in the technical planning, implementation, and evaluation of those components. Equally, these technical agencies have to officially approve the achievement of results under the technical component for which they bear prime responsibility, prior to UNFPA taking any decision on liquidating funds and providing subsequent financing to Imbuto Foundation.

5. The implementing partner represented by Mrs. Radegonde Ndejuru, the Director General of Imbuto Foundation, shall assume responsibility for the implementation of the One UN Rwanda assistance with respect to those services and facilities described in the project document of the Joint Intervention.

6. The One UN and Imbuto Foundation have decided to establish the following coordination mechanisms for this Joint Intervention:

- **The Steering Committee:** UNFPA will be the lead agency for the Joint Intervention and will provide leadership in terms of overall coordination, including joint monitoring and reporting. Each agency will contribute to the achievement of the programme results through funding and through the support of agency technical staff. Quarterly meetings will be planned for between senior management (head of agencies or their representatives) and Imbuto Foundation to assess progress and give guidance to technical committee. UNFPA and Imbuto Foundation will jointly chair the meetings.
- **Technical Committee:** The Technical Committee will be chaired by UNFPA and Imbuto Foundation. The Technical Committee will consist of technical staff from different agencies involved and relevant technical staff from Imbuto Foundation. Monthly meetings will be organized to assess progress on project implementation, discuss bottlenecks and propose way forward, followed by the steering committee meeting. UNFPA will give financial and technical support to the Imbuto Foundation for implementation of activities on day to day basis along with other agencies to ensure compliance with the rules. The technical committee will also be responsible for Project Assurance.

II. ACCOUNTABILITY

7. The implementing partner recognizes that it has substantive responsibility for all activities whether implemented directly, or by another organization on its behalf. In this regard, it assumes responsibility for ensuring the adequacy of the overall supervision and management of the activities.

8. The implementing partner recognizes that it is responsible for all funds provided to it for the activities, which are part of the project document of the Joint Intervention. The implementing partner is not financially responsible for funds it does not actually receive.
9. The implementing partner recognizes that it has custodial responsibilities for all equipment, vehicles, and other such commodities entrusted to it, whether purchased directly by the implementing partner from funds provided by the One UN Rwanda, or purchased directly by the One UN Rwanda on its behalf.

III. FUNDS PROVIDED BY THE ONE UN RWANDA

10. The funding modality utilised for this Joint Intervention will be pooled funding¹ (applicable to One Fund and core funds). UNFPA will be the Managing Agent and manage the resources from the One UN Fund for the different Participating UN Agencies, as per the rules and regulations set out in the Memorandum of Understanding signed between UNFPA and the Participating UN Agencies for this Joint Intervention. As for all resources coming from the One UN Fund, a first instalment of 75% will be released at the start of the project, and release of the additional 25% will depend on the overall implementation rate of the Joint Intervention.
11. The expenditure for the implementation of the activities will be in accordance with the amount of financial assistance stipulated in the project document of the Joint Intervention, subject to availability of funds, and alterations that may be agreed upon between the One UN Rwanda and the implementing partner from time to time during the year. They can be made following three procedures; direct cash transfer, reimbursement, or direct payment (in the latter case, the IP will indicate in writing that it authorizes UNFPA to proceed with direct payment, cf. art. 13 of this LoU). In all cases, the implementing partner agrees to incur expenditures in accordance with the project document of the Joint Intervention.
12. **Listing of Authorized Officials:** In order for UNFPA to accept requests from the implementing partner for reimbursement of expenditures or for direct cash transfer, it must receive a request in the Funding Authorization and Certificate of Expenditure (FACE) signed by an authorized implementing partner official attesting to the need for the funds, that the request seems reasonable in relation to the project document of the Joint Intervention, and the accuracy of the information included within that request. The following individuals are authorized by the implementing partner to

¹ All funds will be pooled, except the core funds from UNICEF

incur expenditures; request reimbursement or direct cash transfers and certify expenditure reports of One UN-funded activities as stipulated in the project document of the Joint Intervention:

Mrs. Radegonde Ndejuru,
Director General Imbuto Foundation

13. To request reimbursement of expenditures from UNFPA, the implementing partner should submit a FACE covering the activity of the same quarter as the one covered by the reimbursement request in the format provided by UNFPA and the completed monitoring tool. Requests are due as set forth in paragraph 16 of the present document. The UNFPA Representative will grant the request for reimbursement provided that (a) the request is reasonable, (b) the request is within budgetary limits and authority, and (c) the certification is signed and dated by an authorized official listed above.
14. If the implementing partner is unable to use the reimbursement approach described above, it may request direct cash transfer of One UN funds in accordance with the project document of the Joint Intervention, and in line with One UN inputs foreseen in the project document of the Joint Intervention. Each transfer will be based on the financial requirements of the ensuing calendar quarter. The amount of the transfer will take into consideration, inter alia, unspent balances from the previous period and progress to date under the work plan. All requests for direct cash transfers should be submitted on a FACE that will include, if applicable, the activities of the quarter immediately preceding the one covered by the advance request. All requests for direct cash transfers will be prepared according to the FACE. Requests are due as set forth in paragraph 19 of the present document. The UNFPA representative will grant the request for direct cash transfers provided that (a) activities in the previous quarter have been implemented as planned, (b) the request is within budgetary limits and authority, and (c) the certification is signed and dated by an authorized government official listed above.
15. The first instalment may be made once the project document of the Joint Intervention and this Letter of Understanding have been signed by authorized officials of both One UN Rwanda and the implementing partner. The second and subsequent instalments will not be released until the UNFPA authorized official agrees that delivery has satisfactorily taken place, as evidenced by the receipt of the certified FACE and the completed Monitoring Tool for that quarter. The implementing partner is required to submit to UNFPA its request for a direct cash transfer at least two weeks before the funds are needed.



16. If the implementing partner is unable to use the reimbursement or the direct cash transfer modality, it should indicate in writing that it authorizes UNFPA to proceed with direct payment to third party vendor(s) delivering goods or services for any part of or entire activity(ies) of the project document of the Joint Intervention on behalf of the implementing partner. UNFPA will then proceed with the payment as soon as it receives the original invoices of the relevant third party vendor(s) with a statement by the implementing partner certifying that activity(ies) has(ve) been performed in a satisfactory manner.

IV. BANKING ARRANGEMENTS

17. Where funds are transferred to the implementing partner, the One UN Rwanda encourages the implementing partner to maintain a separate bank account with a reputable bank of its choosing. The One UN Rwanda does recognize, however, that due to local regulations or in the interest of administrative efficiency, this may not always be possible.
18. Whether for reimbursement or direct cash transfer, UNFPA will transfer funds on the bank account below used for the purpose of implementation of the activities as agreed upon on the project document of the Joint Intervention.

Bank Name: Bank of Kigali
Bank Address: P.O Box 175, Kigali-RWANDA
Bank Account Title: Imbuto Foundation/One UN Rwanda
Bank Account Number: No.040-0383520-15/RWF
Bank Contact Person
Currency: Rwandan Francs (RWF)

19. Any interest earned on the funds provided by the One UN Rwanda is required to be reported and refunded back to the One UN Rwanda on an annual basis, preferably at the same time as the submission of the Annual Status of Funds Report and Annual Disbursement Report and, in any case, within 90 days of the year end.

V. ACCOUNTING AND FINANCIAL REPORTS

20. Expenditures: Upon acceptance of the terms and conditions stipulated herein and pursuant to the budget(s) contained in the project document of the Joint Intervention, the implementing partner will disburse funds in the amounts set out in the budget, subject to the following:
- a. Expenditures for personnel services, as may be provided in the budget, will not exceed the rates applicable within the United Nations system in the country for comparable functions.

- b. Stipends and other allowances financed by One UN assistance (for example, the daily subsistence allowance) should not exceed the maximum rates agreed upon by the United Nations Country Team at local level.
 - c. Equipment and contracts for services as may be provided in the project document of the Joint Intervention are to be purchased in accordance with the procedures established by UNFPA, unless the implementing partner applies its own procedures for competitive bidding.
 - d. The amount of funds to be provided to an implementing partner under the terms of the project document of the Joint Intervention shall be agreed to by the One UN Rwanda and the implementing partner concerned, and shall constitute a limit on that expenditure for which UNFPA shall transfer to or reimburse the implementing partner. The implementing partner assumes responsibilities for the successful implementation of the activities within the scope of the budget(s) agreed to in the project document of the Joint Intervention and subject to availability of funds.
21. The implementing partner agrees to maintain a complete set of financial files that clearly identify all funds received and disbursed by the implementing partner as part of the project document of the Joint Intervention. The implementing partner is required to ensure that an adequate system of internal controls exists that will enable UNFPA to rely on the integrity and transparency of the financial reports issued. The financial management of the Joint Intervention will be in accordance with the financial rules and regulations of the implementing partner, if any, or otherwise in accordance with those of UNFPA. Sufficient original documentation supporting disbursements made by the implementing partner from UNFPA transfers should be maintained in the implementing partners files at all times to ensure that audit verification is possible. This documentation includes purchase orders, suppliers' invoices, contracts, leases, payment vouchers, airline tickets, gasoline coupons, payroll records, petty cash receipts and other miscellaneous supporting items.
22. The implementing partner agrees to maintain an annual non-expendable property report (Form C) for the purpose of recording the acquisition and disposition of all equipment purchased by the implementing partner as part of the Joint Intervention, vehicles and other such commodities, whether purchased by the implementing partner or by the One UN Rwanda on its behalf, and make these records available to the auditors of the Joint Intervention for their inspection. The Form C should clearly indicate (a) the date of acquisition, (b) equipment number and description, (c) the serial number, (d) the cost, and (e) the location. Non-expendable property is defined

as any item which costs USD 1,000 FOB² or more and which has a service lifetime of at least three years. In addition, items regarded as ‘attractive items’ shall also be included on the Form C. Attractive items are items which are considered valuable to individuals for private use and which could easily be removed from an office, such as laptop computers, scanners, laser printers, CD burners, CD players, DVDs, VHS, digital cameras, film/video cameras, televisions, cellular phones, satellite phones.

23. Within 30 days after the end of each calendar quarter and within 30 days of the calendar year end, the implementing partner will submit to the UNFPA Representative a FACE that lists the disbursements made by the implementing partner during the quarter and a completed Monitoring Tool. The report will also indicate the unexpended balance. All amounts shown on the report will be prepared in accordance to the FACE format, and shall include amounts and currencies as well as the payment instructions.
24. Within 90 days after the end of the calendar year, the implementing partner will submit to the UNFPA Representative an Annual Non-expendable Property Report (Form C described in 18. above), an Annual Status of Funds Report and an Annual Disbursement Report, which will serve as a statement by the implementing partner of the actual expenditures incurred during the year, and of the outstanding advance owed to UNFPA, if any, as of the end of the calendar year. Any difference between the expenditure reported on the last FACE for the year and the certified Annual Status of Funds Report and Annual Disbursement Report will be adjusted in the following year.
25. All financial reporting to UNFPA will be performed by the implementing partner in the currency in which the cash was transferred. The implementing partner is not required to translate transactions into US dollars or any other currency.
26. The implementing partner should submit all reports to UNFPA in English, French or Spanish. Reports issued in other languages should be accompanied by an official translation in either English, French or Spanish.

VI. OTHER CONTROLS

27. UNFPA will examine the FACE and other financial reporting submitted by the implementing partner. Items held pending clarification of certain requirements and

² FOB stands for Free on Board which means that the cost shall not include the freight element. For items bought locally, the entire price paid in the store shall constitute the value of the property.

those suspended or disallowed will be brought to the attention of the implementing partner.

28. All materials, equipment, and supplies purchased from One UN funds will be used exclusively for the implementation of the Joint Intervention. The implementing partner, as custodian, will hold the property in the name of the One UN until the property title has been transferred. Title to such property shall normally be transferred to the implementing partner directly upon acquisition. However, the One UN shall nevertheless reserve the right to reassign the property to another Joint Intervention or project implemented by the same or other implementing partners. Any property to which the One UN retains the title, but only such property, will be marked with the One UN insignia. The office of the UNFPA Representative may, if necessary, and at any reasonable time, conduct its own physical examination of all equipment purchased from One UN funds.
29. Prior to the completion of One UN assistance to the Joint Intervention, the implementing partner and the One UN shall consult as to the disposition of all non-expendable property provided from One UN funds during the course of the Joint Initiative. The One UN may reassign any such property if it is required for the continued operation of other Joint Interventions or projects to which the One UN provides support. Alternatively, title to such property, where retained by the One UN, may be transferred to the implementing partner at this time..

VII. ASSURANCE

30. UNFPA conducts the following assurance activities, some jointly with the implementing partner and other UN agencies, to ensure that the funds provided to the implementing partner were received, expended, and reported following the implementing partner's system of internal controls for activities agreed with the One UN:
- Periodic on-site reviews of the implementing partner's financial records for cash transfers, including Spot Checks and Special Audits;
 - Programmatic assurance of the implementation of supported activities;
 - Scheduled audits of implementing partner's internal controls for the management of cash transfers;
 - Other audits
31. Spot checks are periodic on-site reviews of the implementing partner's financial records for cash transfers to establish the soundness of the financial controls and the accuracy of the financial records for cash transfers. On-site reviews may be undertaken by UNFPA/UN staff or external consultants, following standards and

procedures developed by the agencies. A Special Audit reviews as possible or confirmed significant weakness in the implementing partner's internal controls over cash transfers. It should be implemented as soon as practical after the weakness is identified. Unless warranted by specific circumstances, these audits will follow the scope and procedures established for the Scheduled Audits.

32. Programmatic Assurance of the Implementation of Supported Activities: Programmatic assurance is maintained following standards and guidance established by UNFPA and includes receipt of Standard Progress Reports (SPRs) from the implementing partner, data collection, monitoring of project document(s), field monitoring visits, annual review, and evaluations.
33. Scheduled Audits: The implementing partner who receives (or is planned to receive) more than US\$500,000 in cash transfers collectively from the UN Agencies, including UNFPA during the period covered by the project document of the Joint Intervention will be subject to a scheduled audit once or more during the programme period. The scheduled audits will assess the internal control systems used by the implementing partner to receive, record, and disburse the cash transfers provided by all UN Agencies, including UNFPA, and the fairness of a sample of the expenditures recorded in the FACE forms issued during the period under review. The implementing partner who receives (or is planned to receive) less than US\$500,000 over the programme period may still be audited if UNFPA requires it. The findings of each Audit will be reported to the implementing partner and copied to all UN Agencies that provided funds to the implementing partner and other parties as defined in the relevant project document(s), by an agreed date, allowing sufficient time for onward transmission to the Audit Services Branch, UNFPA Headquarters, by 31 March of each year. If the implementing partner has a financial reporting period that does not correspond with that of the calendar year, and is unable to comply with the timetable, an alternative submission date shall be agreed upon between the implementing partner and UNFPA Audit Services Branch.
34. Other Audits: In all cases, the One UN retains the right to call for an audit, since it is accountable for all funds it receives from donors. Such audits will be managed by the UNFPA country office in close collaboration with the implementing partner.



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35. Scope and Frequency of Assurance Activities: The Audit coverage and frequency is based on the quality of the implementing partner's financial management practices and the total value of the cash transfers provided by UNFPA and other UN Agencies. The frequency will be determined based on the initial financial capacity assessment, any on-site reviews of the implementing partner's financial records, programmatic assurance activities, and any other requirements.
36. Selection of Auditors to Undertake the Audits: For a government implementing partner, scheduled audits may be undertaken by the Supreme Audit Institution (SAI), if found to be of adequate capacity, or by private sector audit services. If the Supreme Audit Institution does not undertake the audits to the frequency required by UNFPA and other UN Agencies, the agencies will commission the audits to be undertaken by private sector audit services, following the terms established in the project document of the Joint Intervention. Private sector audit services will undertake the audits of an NGO implementing partner.

VIII. CLOSURE OF JOINT INTERVENTION

37. The implementing partner is responsible for notifying the UNFPA Representative when it considers all operational activity of the final project document of the Joint Intervention to be complete and recommends that it/they be closed. Notification to the UNFPA Representative should be in the form of a letter that includes a final Status of Funds Report and Expenditure Report, certified by the implementing partner's auditors or designated official (in case of no audit), concerning any advances and expenditure not previously reported. All financial reports should be issued as of and through the date of closure.
38. Financial reports should be clearly marked 'FINAL', and a refund of any outstanding transfer indicated on the reports should be attached (or transmitted in an otherwise mutually acceptable manner), with interest, if any, stated separately. If the implementing partner maintained a separate bank account for One UN funds, the account should be closed and a copy of the final bank statement attached to the reports, unless there is a mutual agreement that the bank account can be used for the next programme cycle of assistance.

IX. UNUSED FUNDS

39. Any funds previously transferred to the implementing partner during the course of the Joint Intervention that remain unused upon its/their completion should be returned to the One UN on or before the presentation of the final report.

X. BUDGET AMENDMENTS

40. Any changes to the budget contained in the project document of the Joint Intervention that would affect the work performed by the implementing partner and in particular the financial aspects of the Joint Intervention, will be permissible only after consultation with the UN agencies involved. Project budget amendments should be agreed upon between the implementing partner and the One UN.

XI. AMENDMENTS TO THE FINANCIAL TERMS AND CONDITIONS

41. Any amendments to these arrangements will be made by mutual agreement through an appropriate supplementary Letter of Understanding. For any matters not covered specifically by this Letter of Understanding or the project document of the Joint Intervention and revisions thereof, then the appropriate provisions of the financial regulations and rules of UNFPA shall, mutatis mutandis, apply. All further correspondence regarding the accounting, financial reporting and auditing arrangements referred to in this agreement, including the project document and Letter of Understanding or amendments thereto, should be addressed to UNFPA.

XII. NON-PERFORMANCE

42. In the event that the implementing partner fails to perform its obligations under this Letter of Understanding, the One UN reserves the right to terminate the agreement forthwith. In such a case, the UN Resident Coordinator shall notify the implementing partner in writing that the agreement is being terminated and shall request it to refund to the One UN all funds that have been received by the implementing partner but not yet disbursed for purposes stated in the project document. The authorized certifying official shall be responsible for ensuring that all funds forwarded to the implementing partner have either been spent on the Joint Intervention, or have been returned to the One UN.

In the case of any disagreement relating to the failure of any UN agency or the Implementing Partner to fulfill their obligations or responsibilities outlined in the programme document and log frame, the Steering Committee shall be convened and shall have the power to adjudicate on the disagreement and agree collectively on a way forward, in the best interests of the joint programme and partnership. Any partner to this agreement will notify the steering committee chair in writing of any disagreements which requires the intervention of the steering committee. The steering committee chair will then act on that notification, by calling a meeting of the steering committee within 10 working days to address the issue.

IN WITNESS THEREOF the undersigned, being duly authorized, have signed this Letter of Understanding in Kigali, Rwanda.



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For **Imbuto Foundation:**

Signature: [Signature]
Name: RADEGONDE NDEJURU
Title: DIRECTOR GENERAL
Place: KIGALI
Date: 9/08/2013

For **UN Resident Coordinator:**

Signature: [Signature]
Name: Samir Munez
Title: UN Resident Coordinator
Place: Kigali
Date: 09/08/13

For the administrative agent UNDP

Signature: [Signature]
Name: Margaret Gulaac
Title: C.B. a.i.
Place: Kigali
Date: 12/8/2013