

**STANDARD LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
THE MINISTRY OF JUSTICE OF THE FEDERAL GOVERNMENT OF SOMALIA
ON THE IMPLEMENTATION OF
SUPPORT IMPLEMENTATION OF ANTICORRUPTION STRATEGY
WHEN UNDP SERVES AS IMPLEMENTING PARTNER**

Your Excellency,

1. Reference is made to the consultations between officials of the United Nations Development Programme (hereinafter referred to as “UNDP”) in Somalia and officials of the Ministry of Justice of the Federal Government of Somalia with respect to the realization of activities by the Ministry of Justice of the Federal Government of Somalia in the implementation of the project ID 00125666 (Output ID 00119972) Support implementation of Anticorruption Strategy, as specified in Attachment 1: Project Document, to which UNDP has been selected as implementing partner.

2. In accordance with the Project Document and with the following terms and conditions, we confirm our acceptance of the activities to be provided by the Ministry of Justice of the Federal Government of Somalia towards the project, as specified in Attachment 2: Description of Activities (hereinafter referred to as “Activities”). Close consultations will be held between the Ministry of Justice of the Federal Government of Somalia and UNDP on all aspects of the Activities.

3. The Ministry of Justice of the Federal Government of Somalia shall be fully responsible for carrying out, with due diligence and efficiency, all Activities in accordance with its Financial regulations, rules and other directives, only to the extent they are consistent with UNDP’s Financial Regulations and Rules. In all other cases, UNDP’s Financial Regulations and Rules must be followed.

4. In carrying out the activities under this Letter, the personnel and sub-contractors of the Ministry of Justice of the Federal Government of Somalia shall not be considered in any respect as being the employees or agents of UNDP. UNDP does not accept any liability for claims arising out of acts or omission of the Ministry of Justice of the Federal Government of Somalia or its personnel, or of its contractors or their personnel, in performing the Activities or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by the Ministry of Justice of the Federal Government of Somalia, and its personnel as a result of their work pertaining to the Activities.

5. Any subcontractors, including NGOs under contract with the Ministry of Justice of the Federal Government of Somalia, shall work under the supervision of the designated official of the Ministry of Justice of the Federal Government of Somalia. These subcontractors shall remain accountable to the Ministry of Justice of the Federal Government of Somalia for the manner in which assigned functions are discharged.

6. Upon signature of this Letter, UNDP will make payments to the Ministry of Justice of the Federal Government of Somalia, according to the schedule of payments specified in Attachment 3: Schedule of Activities, Facilities and Payments.

7. The Ministry of Justice of the Federal Government of Somalia shall open an account with the financial services provider identified by UNDP in the name of the grant or project or activity. No other contributions are to be received in that specific account. The account must have a minimum of two signatories. In the event of change of any of the signatories, the Ministry of Justice of the Federal Government of Somalia and the financial services provider undertake to notify UNDP immediately. UNDP reserves the right to request a bank statement from the Ministry of Justice of the Federal Government of Somalia or, if necessary, from the financial services provider, for scrutiny and authentication.

8. The Ministry of Justice of the Federal Government of Somalia shall not make any financial commitments or incur any expenses which would exceed the budget for the Activities as set forth in Attachment 3. The Ministry of Justice of the Federal Government of Somalia shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when the Ministry of Justice of the Federal Government of Somalia is aware that the budget to carry out these Activities is insufficient to fully implement the project in the manner set out in the Attachment 2. UNDP shall have no obligation to the Ministry of Justice of the Federal Government of Somalia with any funds or to make any reimbursement for expenses incurred by the Ministry of Justice of the Federal Government of Somalia in excess of the total budget as set forth in Attachment 3.

9. The Ministry of Justice of the Federal Government of Somalia shall submit a cumulative financial report each quarter (31 March, 30 June, 30 September and 31 December). The report will be submitted to UNDP through the UNDP Resident Representative within 30 days following those dates. The format will follow the standard UNDP expenditure report [a model copy of which is provided as Attachment 4]. UNDP will include the financial report by the Ministry of Justice of the Federal Government of Somalia in the financial report for the project ID 00125666 (Output ID 00119972) Support implementation of Anticorruption Strategy.

10. The Ministry of Justice of the Federal Government of Somalia shall submit such progress reports relating to the Activities as may reasonably be required by the project manager in the exercise of his or her duties.

11. The Ministry of Justice of the Federal Government of Somalia shall furnish a final report within 12 months after the completion or termination of the Activities, including a list of non-expendable equipment purchased by the Ministry of Justice of the Federal Government of Somalia and all relevant audited or certified financial statements and records related to such Activities, as appropriate, pursuant to its Financial Regulations and Rules.

12. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and the Ministry of Justice of the Federal Government of Somalia.

13. Any changes to the Project Document which would affect the work being performed by the Ministry of Justice of the Federal Government of Somalia in accordance with Attachment 2 shall be recommended only after consultation between the parties.

14. For any matters not specifically covered by this Letter, the Parties would ensure that those matters shall be resolved in accordance with the appropriate provisions of the Project Document and any revisions thereof and in accordance with the respective provisions of the Financial Regulations and Rules of the Ministry of Justice of the Federal Government of Somalia and UNDP.

15. The arrangements described in this Letter will remain in effect until the end of the project, or the completion of activities of the Ministry of Justice of the Federal Government of Somalia according to Attachment 2, or until terminated in writing (with 30 days' notice) by either party. The schedule of payments specified in Attachment 3 remains in effect based on continued performance by the Ministry of Justice of the Federal Government of Somalia unless it receives written indication to the contrary from UNDP.

16. Any balance of funds that is undispersed and uncommitted after the conclusion of the Activities shall be returned within 90 days to UNDP. The balance of funds should also be returned in case the project is closed or is terminated early at the request of either of the parties.

17. Any amendment to this Letter shall be effected by mutual agreement, in writing,

18. All further correspondence regarding this Letter, other than signed letters of agreement or amendments thereto should be addressed to:

Jocelyn Mason,
Resident Representative
UNDP Somalia
UN Common Compound, Airport Road,
Mogadishu, Somalia

19. The Ministry of Justice of the Federal Government of Somalia shall keep the UNDP Resident Representative fully informed of all actions undertaken by them in carrying out this Letter.

20. UNDP may suspend this Agreement, in whole or in part, upon written notice, should circumstances arise which jeopardize successful completion of the Activities.

21. Any dispute between the UNDP and the Ministry of Justice of the Federal Government of Somalia arising out of or relating to this Letter which is not settled by negotiation or other agreed mode of settlement, shall, at the request of either party, be submitted to a Tribunal of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, who shall be the chairperson of the Tribunal. If, within 15 days of the appointment of two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint the arbitrator referred to. The Tribunal shall determine its own procedures, provided that any two arbitrators shall constitute a quorum for all purposes, and all decisions shall require the agreement of any two arbitrators. The expenses of the Tribunal shall be borne by the parties as assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.

22. UNDP has a zero-tolerance policy against fraud and other corrupt practices, including sexual exploitation and abuse, that are inconsistent with the UN Standard of Conduct or involve a loss to UNDP funds. UNDP does not charge fees at any stage of a procurement/contracting/agreement process, whether supplier registration, bids/proposal submission, contract/agreement award, or payment issuance. UNDP takes all reports of alleged wrongdoing seriously. UNDP's Office of Audit and Investigations (OAI) has established an Investigations Hotline and other measures to ensure that persons wishing to report fraud may do so, free of charge, using a number of different options. Anyone with information regarding fraud against UNDP programmes or involving UNDP staff is strongly encouraged to report this information through the Investigations Hotline: hotline@undp.org. UNDP's Anti-Fraud Policy and other options for reporting wrongdoing are available at UNDP's website: http://www.undp.org/content/undp/en/home/operations/accountability/audit/office_of_audit_andinvestigation.html. UNDP is fully committed to prevent SH and PSEA. With its new policy it aims at achieving a fundamental culture change. "Raise the bar for would be perpetrators; Lower the bar for victims to report". The new policy enhances protection for all those reporting incidents, and or witnessing incidents of SH and PSEA. We stand for a working environment where everyone's human rights are respected. Complaints can be directly made through the following link - <https://wrs.expolink.co.uk/UNDPHelpline>

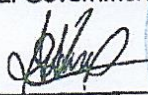
23. If you are in agreement with the provisions set forth above, please sign and return to this office two copies of this Letter. Your acceptance shall thereby constitute the basis for your the Ministry of Justice of the Federal Government of Somalia participation in the implementation of the project.

Yours sincerely,
Signed on behalf of UNDP

Digitally signed by
Jocelyn Mason
DN: cn=Jocelyn Mason,
o=UNDP, ou=Resident
Representative,
email=jocelyn.mason@un
dp.org, c=SO
Date: 2022.03.03 17:54:47
+0300'

Jocelyn Mason, Resident Representative
[Date]

Signed on behalf of the Ministry of Justice of the Federal Government of Somalia



HE. Hassan Hussein Haji 06-03-2022
[Date]



Attachment 1

PROJECT DOCUMENT EXTRACT

Short Description of the PIP “Support implementation of Anticorruption Strategy” Situation Analysis

The global development assistance agenda is significantly shaped by Agenda 2030 and the Sustainable Development Goals. As described earlier, a number of SDG-16 targets specifically deal with corruption and guide the work of UNDP. In the context of Somalia specifically, UNDP is guided by the United Nations Strategic Framework (UNSF) which sets out the priorities in Somalia for the whole of the UN, as well as the UNDP Country Programme Document for Somalia (CPD 2018–2020) which sets out the priorities for UNDP’s support to the country. The CPD states that “UNDP will also support the policy, legal and regulatory framework to define how government should comply with anti-corruption and accountability standards. UNDP will support national and state institutions to deliver against their mandates...”

UNDP has supported the MOJ-IU during 2019 with the elaboration of the **National Anti-Corruption Strategy (NACS)**, preparing for the implementation of the Anticorruption Commission Law as well as a basic structure for coordination.

The overall objective of this PIP is to lay the groundwork for a longer-term project seeking to enhance the efforts in Somalia towards a solid ‘Integrity System’ developing an integrated, comprehensive approach that addresses all levels of government, reaches out to the private sector and the broader public. To that end, several activities will be implemented:

- **Endorsement and socialization of the National Anti-Corruption Strategy (NACS).** The FGS has finalized the draft NACS, which prioritized (i) leadership, (ii) strengthening anti-corruption institutions and laws, (iii) strengthening financial accountability and (iv) public service accountability. However, the NACS still needs to be formally approved by the Government, and subsequently would need to be socialized within the government machinery and in society at large.
- **Ratification of the UNCAC.** The FGS Government has started reviewing in detail the commitments expected and resulting from the ratification of the UNCAC. The FGS Government requires support in analyzing the legal consequences, preparing the ratification process and develop the implementation planning of the UNCAC commitments.
- **Anticorruption coordination arrangements.** The fight against corruption only will be successful if a broad coalition of government private sector, civil society and the international community are collaborating in a coherent manner in realizing the various priorities as outlined in the NACS. For this an elaboration coordination arrangement is to be established.

Attachment 2

DESCRIPTION OF ACTIVITIES

Project number: 00125666 **Output ID:** 00119972

Project title: Support implementation of Anticorruption Strategy

LOA duration: January – June 2022

Results to be achieved by Ministry of Justice of the Federal Government of Somalia

Output 1 - Endorsement and socialization of the National Anti-Corruption Strategy (NACS).

Results

- The National Anti-Corruption Strategy (NACS) approved by government, through Cabinet.
- The NACS disseminated within the Federal Government structure (Judiciary, executive and legislative), the Federal Member States, the private sector, the civil society and the international community.
- The Anticorruption Commission established

Output 2 - Ratification of the UNCAC.

Result

- Review of the legal processes,
- Finalization of the ratification process,
- Implementation plan of the UNCAC commitments developed.

Output 3 - Anticorruption coordination arrangements.

Results

- Horizontal Government Coordination engagement established
- The Vertical Government Coordination engagement established
- The Aid Coordination Architecture engagement established
- The Public Private sector engagement established

Output 4 - Partner engagement ensured

Results

- The Public Private Engagement Operationalizing the Platforms
-

Work to be performed by MOJ

Output 1 - Endorsement and socialization of the National Anti-Corruption Strategy (NACS).

Activities

- Lead the process of government approval, through Cabinet.
- Socialization of the NACS within the Federal Government structure (Judiciary, executive and legislative), the Federal Member States, the private sector, the civil society and the international community.
- Further preparations for the establishment of the Anticorruption Commission
-

Output 2 - Ratification of the UNCAC.

Activities

- Analyzing the legal consequences,
- Preparing the ratification process, and
- Develop the implementation planning of the UNCAC commitments.

Output 3 - Anticorruption coordination arrangements.

Activities

- Horizontal Government Coordination
- The Vertical Government Coordination.
- The Vertical Government Coordination
- The Aid Coordination Architecture.

Output 4 - Partner engagement ensured

Results

- The Public Private Engagement Operationalizing the Platforms established

Description of inputs:

The inputs will include personnel, contracts and workshops/trainings.

Attachment 3

Schedule of Activities, Facilities and Payments

Year January – June 2022

Implementing agent Code: 009003

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i>	Cash Transfer Modality	Planned Budget		Schedule of payments by UNDP	
			Budget Description and account code	Amount	Q1	Q2
<p><i>Output 1: Endorsement and socialization of the National Anti-Corruption Strategy</i></p> <p><i>Indicators: 1.1 Endorsement NACS; 1.2 Establishment of a roadmap for Anticorruption Commission.</i></p> <p><i>Baseline: 1.1 Not endorsed yet; 1.2 Roadmap not yet developed</i></p> <p><i>Annual Targets: 1.1 NACS fully endorsed by Cabinet; 1.2 Roadmap (detailed process and implementation plan) has been developed and agreed.</i></p>	Activity Result 1.1 – Endorsement NACS					
	National Advisor - ICU Coordinator	DP	71300 - National Consultant	24,000	12,000	12,000
	National Advisor - Translator	DP	71300 - National Consultant	18,000	9,000	9,000
	National Advisor - M&E	DP	71300 - National Consultant	12,000	6,000	6,000
	National Advisor - Technical Officer	DP	71300 - National Consultant	12,000	6,000	6,000
	National Advisor - Legal Officer	DP	71300 - National Consultant	18,000	9,000	9,000
	Printing & Publications	DP	74200 – Printing & Publications	10,000	5,000	5,000
	Workshops and other logistic support	CA	75700 - Training, Workshops and Confer	10,000	5,000	5,000
	Activity Result 1.2 – Socialization of the NACS					
	National Advisors - FMS Coordinator	DP	71300 - National Consultant	12,000	6,000	6,000
	Workshops and other logistic support	CA	75700 - Training, Workshops and Confer	10,000	5,000	5,000
	Activity Result 1.3 - Further preparations for the establishment of the Anticorruption Commission.					
	Travel	CA	71600 - Travel	7,000	3,500	3,500
	Workshops and other logistic support	DP	75700 - Training, Workshops and Confer	10,000	5,000	5,000
	Facilitate exposure to international best practices on Anticorruption (South-South cooperation), study tour	DP	75700 - Training, Workshops and Confer	20,000	10,000	10,000
<i>TOTAL OUTPUT 1</i>				163,000	81,500	81,500
<p><i>Output 2: UNCAC ratification</i></p> <p><i>Indicators: 2.2 UNCAC ratified</i></p> <p><i>Baseline: None; 2.2 Not yet ratified</i></p> <p><i>Annual Targets: 2.2 UNCAC ratified</i></p>	Activity Result 2.1 – Analyzing the legal consequences					
	Workshops and other logistic support	DP	75700 - Training, Workshops and Confer	10,000	5,000	5,000
	Activity Result 2.2 – Preparing the ratification process					
	Advisory support - Outreach	DP	71300 - National Consultant	15,000	7,500	7,500
	Workshops and other logistic support	CA	75700 - Training, Workshops and Confer	10,000	5,000	5,000
	Activity Result 2.3 – Develop the implementation planning of the UNCAC commitments.					
	Workshops and other logistic support	CA	75700 - Training, Workshops and Confer	20,000	10,000	10,000
Travel	CA	71600 - Travel	7,000	3,500	3,500	
<i>TOTAL OUTPUT 2</i>				62,000	31,000	31,000
<p><i>Output 3: Anticorruption coordination arrangements.</i></p> <p><i>Indicators: 3.1 FGS horizontal coordination system; 3.2 FMS vertical coordination system; 3.3 Public – Private coordination system.</i></p> <p><i>Baseline: 3.1 Cabinet Committees exist, anticorruption not yet structurally on the agenda; 3.2 Initial engagement has been done, but no regular structure in place; 3.3 PPD structure is formally in place, but anticorruption ins no yet structurally on the agenda; Annual Targets: 3.1 Anticorruption structurally on the agenda of the relevant cabinet committees; 3.2 Vertical coordination structure is agreed upon by FGS and FMS parties; 3.3 Anticorruption structurally on the agenda of the relevant cabinet committees;</i></p>	Activity Result 3.1 - FGS horizontal coordination system					
	Advisory support Senior National Advisor ICU	DP	71300 - National Consultant	24,000	12,000	12,000
	Workshops and other logistic support	CA	75700 - Training, Workshops and Confer	11,000	5,500	5,500
	Activity Result 3.2 - FMS vertical coordination system					
	Workshops and other logistical support	CA	75700 - Training, Workshops and Confer	10,000	5,000	5,000
	Activity Result 3.3 – Public – Private coordination system					
Workshops and other logistical support	CA	75700 - Training, Workshops and Confer	10,000	5,000	5,000	
<i>TOTAL OUTPUT 3</i>				55,000	27,500	27,500
<p><i>Output 4: Partner Engagement in the Anticorruption project.</i></p> <p><i>Indicators: Partnership agreement</i></p> <p><i>Baseline: Partnership agreement not yet concluded</i></p>	Activity 4.1: Partner engagement ensured					
	Workshops and other logistic support	CA	75700 - Training, Workshops and Confer	10,000	5,000	5,000
<i>TOTAL OUTPUT 4</i>				10,000	5,000	5,000
GRAND TOTAL				290,000	145,000	145,000

Attachment 5 : FACE Form Template

Funding Authorization and Certificate of Expenditures

UN Agency: UNDP

Date: DD/MM/YYYY

Country: SOMALIA
 Programme Code & Title: XXXXXXXXXXXXXXXXXXXXXXXXXXXX
 Project Code & Title: XXXXXXXXXXXXXXXXXXXXXXXXXXXX
 Responsible Officer(s): XXXXXXXXXXXXXXXXXXXXXXXXXXXX
 Implementing Partner: XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Type of Request:
 Direct Cash Transfer (DCT)
 Reimbursement
 Direct Payment

Currency: _____

		REPORTING				REQUESTS / AUTHORIZATIONS		
Activity Description from AWP with Duration	Coding for UNDP, UNFPA and WFP	Authorised Amount	Actual Project Expenditure	Expenditures accepted by Agency	Balance	New Request Period & Amount	Authorised Amount	Outstanding Authorised Amount
		MM-MM YYYY A	B	C	D = A - C	MM-MM YYYY E	F	G = D + F
XXXXXXXXXXXXXXXXXXXXXXXXXX (MM/YYYY - MM/YYYY)								
XXXXXXXXXXXXXXXXXXXXXXXXXX (MM/YYYY - MM/YYYY)								
XXXXXXXXXXXXXXXXXXXXXXXXXX (MM/YYYY - MM/YYYY)								
Total		0	0	0	0	0	0	0

CERTIFICATION

The undersigned authorized officer of the above-mentioned implementing institution hereby certifies that:

- The funding request shown above represents estimated expenditures as per AWP and itemized cost estimates attached.
- The actual expenditures for the period stated herein has been disbursed in accordance with the AWP and request with itemized cost estimates. The detailed accounting documents for these expenditures can be made available for examination, when required, for the period of five years from the date of the provision of funds.

Date Submitted: _____ Name: _____ Title: _____

NOTES: * Shaded areas to be completed by the UN Agency and non-shaded areas to be completed by the counterpart.

FOR UNDP USE ONLY:

Cleared by Project Manager:	Approved by Programme:	Approved by DCD-P:
Name: _____ Date: _____	Name: _____ Date: _____	Name: _____ Date: _____

Annex 1: Principles of Implementation

When implementing activities funded by this LoA, the Responsible Party (RP) will apply the following principles:

- All funds provided will be used in the most efficient and economical way applying the value-for-money principle.
- RP will submit to UNDP a list of approved signatories who are being nominated and given authority to manage the project on the side of the RP in terms of signing the request letters, signing the FACE forms (see Attachment 5), signing all official correspondences of the project to UNDP and certifying all expenditures incurred by the project through utilization of project funds disbursed to the RP. The letter will provide names, titles and sample specimen signatures of the signatories. A minimum of two signatories is required to ensure backstopping of the functions when one is out of office. The letter should be signed by the authorized signatory on behalf of the government as per article 23 /head of the institution of the RP.
- RP will submit an official letter to UNDP signed by the authorized signatory for Request for Direct Payment, Reimbursement and release of Direct Cash Transfer as per LoA with required supporting documents such as FACE form, other standard supporting documents depends on type of the payment like invoice, Goods Receiving Note (GRN), quotations, comparative statements, RFQ, contract/ PO, documents of selection process, certification of satisfactory completion of service or goods delivered, authorized receipts etc.
- UNDP will release payments directly to vendors based on receipt of Request for Direct Payment by RP.
- Direct Cash Transfer (also referred to as cash advances) to RP for agreed activities will be made as per the schedule laid out in the LOA.

Training, Meetings and Workshops

- For training, workshops, consultation meetings and study tour, the RP must submit a detailed budget and programme (or approved concept) prior to the commencement of the activity to the UNDP, in which UNDP will verify and confirm the approval.

Management of Direct Cash Transfers (Cash advances):

- RP will submit the following mentioned documents for release of Direct Cash Transfer and expenditure report for liquidation of cash advances. Release of subsequent tranches will only take place upon at least 80% liquidation of the current outstanding advance and 100% liquidation of the previous tranche. Issuance of advances will be suspended when a partner is holding old outstanding advances of age 6 months and above. In such cases a refund should be pursued by the project team.
- Requests for Direct Cash Transfer should be prepared as specified in the project or annual work plan and must be signed by the authorized signatories of the RP
- The RP must have a good system of recording accounting transactions and appropriate filing of financial documentation which may be required for verification during audit and spot check visits.

Direct Cash Transfer Request:

- FACE Form
- Request Letter
- Itemized Cost Estimates
- Zero Bank statement (for release of first tranche)
- Bank Reconciliation

Direct Cash Transfer Liquidation:

- FACE Form
- Transaction Detail Report
- Supporting document for each payment made reflected in transaction detail report
- Bank Statement
- Bank Reconciliation
- Narrative report

Disbursements from the Quarterly Advances:

- Disbursements by RP shall be made through RP bank account (cross cheques, bank transfer).
- Each and every payment shall be adequately supported by original documents such as:
 - A cheque or cash disbursement voucher
 - Local Purchase Order
 - Delivery Note for goods, Certification of completion for services and Certification by the RP's Engineer for civil works
 - Supplier's Performa Invoice and original Sales Invoice
- Every disbursement voucher should be prepared by the RP Finance staff, certified by a designated RP senior staff and approved by the authorized RP Officer.

Reimbursement Request:

- Reimbursement as an option of cash transfer modality to national institutions is used where the RPs pre-finance some project activities. Pre-financing of project activities by RPs can be done only upon prior approval by UNDP and in line with the approved project work plan budget allocation and LOA.
- Similar to other CTM, request for reimbursement should be accompanied by a request letter signed by authorized signatory, providing details of the activities to be implemented through this modality as described in the LOA, and including a correctly filled and signed FACE form.
- Each and every payment shall be adequately supported by original documents such as
 - Invoices
 - Receipts
 - RFQ/ITB , bid analysis
 - Local Purchase order
 - Cash disbursement voucher

Recruitment process:

- All recruitment processes will be conducted through an open, transparent, competitive and merit-based process taking gender balance into consideration.
- For all RP recruitments funded through the LOA, RP and UNDP project team shall agree in advance on the position, remuneration scale in line with existing policies and the TORs.
- For each position, RP is required to conduct the evaluation of the candidates based on the TORs; with UNDP project team informed and engaged as observer. RP will submit to UNDP CVs of shortlisted candidates, as well as the motivation for the selection of the preferred candidate. The recruitment process should be merit-based in line with Government policies and according to this LOA. The salary scale for the positions is according to the years of experience, the TOR requirements, and in line with government standards or standards agreed amongst partners. The salary amount is subject to approval by UNDP as per the Capacity Injection Mechanism. UNDP strongly encourages the recruitment of women; aiming for parity in gender representation. RP commits to aim for a minimum target of 30% gender representation and demonstrable gender-related knowledge/experience from all advisors. International consultants will be recruited using UNDP systems, rules and regulation.
- Salary payments will require submission of a valid contract of the staff, indicating clearly the remuneration agreed to. While salaries for staff may vary, they have to be in line with the agreed amount in the LOA and AWP with the partners. Changes to number of staff recruited, even if this is not associated with increase in budget, will require a review by the project team to determine if it exceeds the tolerance in terms of scope. If it exceeds the tolerance, it will require formal approval in the Project Board and amendment of the AWP to indicate increase in number of staff (despite the budget remaining the same). Changes to salary scale, promotion or any other bonus payments to project personnel and staff recruited as civil servants supported by project resources will only be approved by following established due process guided by human resource policies. Where contradiction exists between UNDP and RP's policies, UNDP rules shall apply.
- For the staff appointed directly by the government, a letter confirming that they are civil servant should be issued and the staff will not receive any remuneration from the government during the period that they are receiving salary from the LOA budget.

- RP will submit signed letter certifying that the consultants/advisors have worked diligently during the previous month in accordance with their Terms of Reference, indicating the names and the salary amount and attaching the previous month's attendance sheet. Consultants/advisors cannot certify letter for own work. Certification must be done by the delegated authority or the head of the institution.
- Appointment letter should be signed by head of the institution and should include duration of the appointment and monthly remuneration/salary.

Efforts to Achieve Gender Balance:

- In the implementation of this LOA, the Responsible Party (RP) should consider gender balance at all stages of recruitment and selection processes. When recruiting staff or consultants paid from LOA funds, the RP will actively reach out to encourage qualified women to apply in order to increase the number of women staffs employed by the RP and to achieve gender balance. Job adverts should encourage qualified women to apply. The RP should make every effort to ensure that at least one third (30%) of those selected for the positions are women.

Procurement:

- Procurement of goods and service funded through the LOA must follow transparent procedures in line with internationally recognized procurement standards. Procurement will be conducted based on a competitive process, applying the value-for-money principle in consultation with UNDP. In cases where the procurement rules of the FGS are in conflict with the procurement rules of UNDP, then the rules of UNDP will apply. Procurement policy and practice must conform to certain core principles and should therefore provide for:
 - Economy
 - Efficiency
 - Fairness
 - Transparency
 - Accountability and Ethical Standards.
- The RP will complete the procurement process to ensure compliance with standard procurement business processes. The subsequent contract/ purchase order will be issued upon acceptance by UNDP for satisfactorily completion of procurement process.
- Equipment and furniture will be procured as per activities agreed in AWP directly by UNDP and any low value procurement services to be undertaken by RP should be agreed upon in advance with UNDP.
- Procurement activity to be conducted by the RP are for the routine procurements, e.g. purchase of stationery, office supplies, procurement of office equipment and furniture, procurement of services of national consultant, travel services, services related to field missions, trainings and workshops etc.
- Unless agreed under the methodology of cash advances, the subsequent payment will be processed upon report submission, verification and acceptance by UNDP for satisfactorily completion of services and delivery of goods.
- The RP should not outsource the procurement processes to third party service providers; standard procurement business processes should be undertaken by relevant unit within the RP's office. In cases where there is capacity gap to procure such services, the responsibility will be deferred to UNDP as the IP of the project.
- The RP should establish long term agreements (LTA) with vendors when there is foreseen need to procure services that are recurrent and repetitive in nature.

Construction activities:

- Construction work of value of USD 50,000 or less can be included in the LOA, using direct payment modality,
 - In the contract between the government and the construction company, the 1st instalment shall not exceed 20% of the contract sum or USD 30,000, whichever is lower
 - The Defects Liability Period (DLP) should not be less than one year and should be aligned with the life-span of the project to ensure that the project does not expire before the DLP is completed and paid for.

- For DLP that exceeds the life span of the project, the work (if deemed necessary and critical) will have to be undertaken by UNDP using Direct Implementation Modality (DIM) to avoid the risk of resource depletion or project /LOA expiry.
- RP's micro assessment report to be considered, in particular their rating in the area related to procurement and contract management, to verify RP's capacity to undertake the construction work.

Vendor Information:

- In order to follow UNDP vendor management, each individual / company who will receive salary, or any payment must submit the identification card (ID). No payment will be made without valid documents.
- Valid documents for the vendor creation at a minimum will include the following:
 - National passport and / or IDs issued on behalf of Somalia. These are issued according to National or Regional legislation;
 - Any passport of UN member states, Passport of Refugee in possession of Somali resident;
 - Company registration / certificate for business / company. This has to be valid i.e. not expired.
 - Company profile detailing the address, owners, contact information, banking information etc.
 - Confirmation from the bank that the account holder and the details are correct. This can be in form of a letter, stamp on the vendor form or a crossed cheque from the bank

Monitoring:

- The RP is responsible to undertake monitoring activities, to assess progress towards intended outputs, reviews or studies if required to measure effect of project, field visits, etc.
- The RP is expected to provide a complete list of beneficiaries with names, contact details (including telephone numbers) and baseline information as relevant to the project, as well as attendance sheets with participants' names, contact numbers and signatures for activities such as trainings, workshops etc.
- The RP is also expected to provide, to the extent possible, photographic evidence of the activities undertaken and case studies (including, contact information, quotes, photographs, impact etc.) in the programmatic narrative reports.
- The RP is expected to facilitate field monitoring and activity verification conducted by UNDP as part of its monitoring function. This includes but is not limited to provision of contact details of project beneficiaries, counterparts, project sites, products and deliverables as applicable.

Guidance on Donor Visibility:

- As part of its contractual obligations, UNDP is obliged to make efforts to ensure its visibility and that of its institutional donors where it provides support to partners' activities. For counterpart institutions, UNDP will advise and notify responsible parties on the contents of the required visibility exercise based on the respective institutional donor preferences"

Audit and Spot Checks:

- Audit is an integral part of sound financial and administrative management, and of the UNDP accountability framework. UNDP administrative and programme funds are audited regularly and the findings are reported to the UNDP Executive Board.
- It will be responsibility of Responsible Party to ensure that funds entrusted are properly accounted for. It has to be emphasized that Responsible Party Designated Officials shall directly be held accountable for the use of project funds.
- The Responsible Party shall ensure that all queries raised by the auditors during and after the audit are responded, to the satisfaction of the auditors. Similarly, Responsible Party shall make available to the auditors all financial record and progress reports including evaluations (if any).
- The findings of the draft audit report will be shared with the RP and they will have a chance to provide clarifications and additional documentation where possible. Final report will also be shared with the RP and it will provide a basis for adjusting the implementation arrangements in cases where this is recommended by the auditors. Reports of UNDP project audits are publicly available.

- UNDP will also play HACT assurance role by conducting financial spot checks, third party monitoring and output verification during the year, to assess the efficacy of the internal controls, accuracy of the financial records for cash transfers and the status of project implementation. All these require facilitation, coordination and support from the RP to ensure successful and timely completion of HACT assurance activities.

Annex 2: Cash Transfer Modalities and Schedules

In this LoA, UNDP will make payment to the Ministry of Justice of the Federal Government of Somalia using the following modalities as applicable and in line with the budget.

Quarter	Direct Cash Transfer (cash advance)	Direct Payment	Reimbursement	Total USD
Q1	72,500.00	72,500.00		145,000.00
Q2	72,500.00	72,500.00		145,000.00
Total	145,000.00	145,000.00		290,000.00