

MEMORANDUM OF UNDERSTANDING ON FUNDING

The Government of the United Kingdom of Great Britain and Northern Ireland (referred to as "the Government") represented by the Foreign and Commonwealth Office (FCO)

and

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP). (referred to as "the Implementer")

have reached the following understandings:

1. Purpose

(1) The purpose of this memorandum is to provide support to the Implementer to enable it to implement the project set out in the attached Project Document (referred to as "the Project"). The objectives and activities of the Project, which is entitled Mainstreaming Climate Change in Mexico are set out in the attached Project Document. (Annex A)

(2) The Implementer will be awarded the funding on the terms and conditions set out in this Memorandum.

(3) The Implementer accepts the funding, which will be used to implement the Project activities as set out in the attached Project Document,

(4) The Implementer will not undertake any activities as part of this Project other than those described in the attached Project Document without the prior written approval of the Government, and will use the funding from the Government solely for the purposes of the Project.

2. Duration

This Memorandum will come into effect upon signature by both participants and provide funds for the period from May 2011 until March 2013.

3. Financial arrangements

(1) *Summary of the financial arrangements.*

- Subject to paragraph 6 below, the Government will make available to the Implementer £191,667.52 (referred to as "the Contribution"), which will be paid in UK financial year 2011 and 2012 to cover the costs of the Project, including liabilities engaged in by the Implementer to carry out the Project.
- Payment will be made monthly in arrears on delivery of the financial report and receipts from the Implementer.

- Payment will be made in Mexican Peso applying the fixed exchange rate of the Government.
- Procurement using funds provided by the Government must comply with the Financial Regulations and Rules and Programme and Operations Policies and Procedures of the UNDP, of which the Implementer is an autonomous agency and FCO good practice.
- The Implementer will administer and account for the Contribution in accordance with its financial regulations and other applicable rules, procedures and practices and keep separate records and accounts for the Project for 5 years after its termination. The Contribution will be solely for the element of the Project set out in the attached Project Document.

(2) ***Details of Bank Account that funds will be paid into.***

Bank: BANAMEX SA de CV
 Account name: UNDP Representative non convertible peso
 Account number: 0443009
 Code: 002180002304430098
 Bank address: Reforma Lomas No. 210 Piso 1 (023)
 Col. Lomas de Chapultepec
 Mexico, D.F. 11000

4. Amendment of this memorandum

Any amendment to this Memorandum will be decided upon by both participants and will be made in writing.

5. Reporting

- On 5th September 2011 and every 3 months thereafter, the Implementer will provide to the Government a brief narrative report of the activities undertaken under the project and an assessment of the progress made against original bid documents according to the calendar shown in Table 1 and 2. This assessment should also compare progress against the indicators of success recorded in the original Project Document and Budget (Annex A and B)

Monitoring Report	Due Date
Quarterly Monitoring Report 1	5 th September, 2011
Quarterly Monitoring Report 2	5 TH December, 2011
Quarterly Monitoring Report 3	5 th March, 2012

Table 1. Quarterly Monitoring Reports Calendar Year 1

Monitoring Report	Due Date
Quarterly Monitoring Report 1	5 th June, 2012
Quarterly Monitoring Report 2	5 th September, 2012
Quarterly Monitoring Report 3	5 TH December, 2012
Quarterly Monitoring Report 4	5 th March, 2013

Table 2. Quarterly Monitoring Reports Calendar Year 2

- On 5th July and every month thereafter the Implementer will submit to the Government an official statement detailing how the Project funds were spent.
- No later than 31 March 2013, the Implementer will submit to the Government the Project Completion Report.

6. Termination

- If any changes occur which, in the opinion of the Government, impair significantly the value of the Project, the Government and the Implementer will normally consult on measures to resolve the problem and possible courses of action. In the event of such changes, the Government may modify or terminate its financial Contribution to the Project giving 3 months notice in writing. All remaining funds other than those irrevocably committed in good faith before the date of termination and those agreed between the two participants as being required to finalise activities will be returned to the Government bank account.
- If the funding available to the Government should become, in its sole opinion, insufficient for it to continue to finance the Project, the Government may terminate its financial Contribution to the Project giving 3 months notice in writing. All remaining funds other than those irrevocably committed in good faith before the date of termination and those agreed between the two participants as being required to finalise activities will be returned to the Government bank account.
- The Government reserves the right to terminate its financial Contribution to the Project giving 3 months notice in writing for failure to implement the Project as set out in the Project Document.
- The Government reserves the right to terminate its financial contribution upon 3 months written notice to the Implementer by reason of force majeure.
- The Government will not be liable for any costs incurred by the Implementer in terminating the engagement of any person or third party engaged by the Implementer as a result of this Memorandum.

7. Dispute settlement

Any dispute that may arise as to the interpretation or application of this Memorandum will be settled by consultation between the participants.

8. Other

- The officers responsible for co-ordination of all matters relating to this Memorandum are:

Government:

Monica Buitron and Rocio Montana

Implementer:

Verania Chao, Director of Sustainable Development Area

- On completion of the Project, any non-consumable items of equipment over £1,000 will remain the property of the Government unless there is specific agreement otherwise.

9. Liability

- The Implementer will provide adequate supervision of and care for its staff, agents and visitors, and accepts that in no circumstances will the Government be responsible for the acts or omissions of the Implementer's staff, agents or visitors or for any loss or liability arising as a result of the Project, which remains the entire responsibility of the Implementer.

Signed on behalf of the Government:



*Judith Macgregor,
Her Majesty's Ambassador to México
at the British Embassy in México City
Río Lerma #71, Col. Cuauhtémoc
México DF 06500*

Dated: 22nd June 2011

Signed on behalf of the Implementer:



*Magdy Martínez-Solimán
Resident Representative
United Nations Development Programme
Montes Urales 440 Col. Lomas de Chapultepec
Mexico, D.F 11000*

Dated: 22nd June 2011